

# ANNUAL REPORT 2021

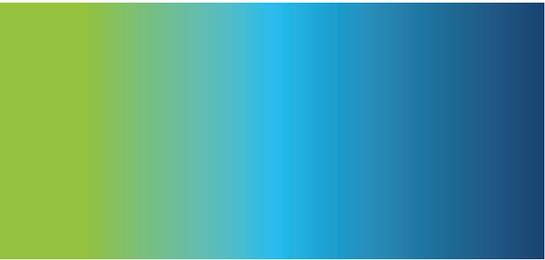
LafargeHolcim Bangladesh Limited

A company of  LafargeHolcim and 



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**ANNUAL REPORT**  
**2021**

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# LafargeHolcim Bangladesh Limited

A company of  LafargeHolcim and  CEMENTOS MOLINS

Registered Office: NinaKabbo, Level-7, 227/A Bir Uttam Mir Shawkat Sarak (Tejgaon Gulshan Link Road) Tejgaon, Dhaka 1208, Bangladesh  
Phone:+88 02 222281002, 222286393, Fax:+88 02 222286394, Email: info.cs@lafargeholcim.com, Web: www.lafargeholcim.com.bd

## NOTICE OF THE 24<sup>th</sup> ANNUAL GENERAL MEETING

Notice is hereby given that the 24<sup>th</sup> Annual General Meeting of the Shareholders of LafargeHolcim Bangladesh Limited (the "Company") will be held on **Monday, March 21, 2022**, at **03:00 P.M** (the "AGM"). The AGM will be held virtually by using digital platform through the following registration link <https://lhbl24thagm.virtualagmbd.com> to transact the following businesses:

### AGENDA

#### Ordinary Business:

1. To receive, consider and adopt the Directors' and Auditors' Reports together with the Audited Financial Statements of the Company for the year ended on December 31, 2021.
2. To declare dividend for the year ended on December 31, 2021.
3. To elect/re-elect Directors.
4. To extend the appointment of Mr. Rajesh Kumar Surana as the Chief Executive Officer.
5. To appoint Statutory Auditors for the year 2022 and fix their remuneration.
6. To appoint Corporate Governance Compliance Auditors for the year 2022 and fix their remuneration.

By order of the Board



Kazi Mizanur Rahman  
Company Secretary

February 24, 2022

### NOTES

- ▶ Pursuant to the Bangladesh Securities and Exchange Commission's (BSEC) Order No. SEC/SRMIC/94-231/25 dated 08 July 2020, the AGM will be held through digital platform.
- ▶ Detailed procedures for joining and participation will be communicated to the Shareholder's email ID in due course and it would also be available at the Company's website: [www.lafargeholcim.com.bd](http://www.lafargeholcim.com.bd)
- ▶ Member's name appearing in the Member/Depository Register as on Record Date i.e. February 22, 2022 will be eligible to attend the AGM and receive dividend.
- ▶ Pursuant to BSEC Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated June 20, 2018, soft copy of the Annual Report 2021 will be sent to Members' respective email addresses as available with the Company. The Annual Report 2021 shall also be available at the Company website: [www.lafargeholcim.com.bd](http://www.lafargeholcim.com.bd)
- ▶ A Member entitled to attend and vote at the AGM may appoint a Proxy to attend and vote instead. Duly filled Proxy Form must be sent through email to the Company's Share Office at least 72 hours before commencement of the AGM at [info.cs@lafargeholcim.com](mailto:info.cs@lafargeholcim.com)
- ▶ Members may submit their questions in advance to [info.cs@lafargeholcim.com](mailto:info.cs@lafargeholcim.com) or to the Company Secretary at [mizanur.rahman@lafargeholcim.com](mailto:mizanur.rahman@lafargeholcim.com)
- ▶ We encourage Members to log in to the system fifteen (15) minutes before the meeting.
- ▶ Please contact 01708139433 for any technical difficulties in accessing the virtual AGM.

# Honourable Shareholders,

It is our pleasure to welcome you to the 24th Annual General Meeting of the Company. In terms of the notification issued by the Bangladesh Securities and Exchange Commission's (BSEC) on March 23, 2021, the AGM will be held through digital platform. Member's name appearing in the Member/ Depository Register as on Record Date i.e. February 22, 2022 will be eligible to attend the AGM and vote.

Please click on the link:

<https://lhbl24thagm.virtualagmbd.com>

to join the AGM.

For step by step process please see below:

## Members may submit their questions

- In advance: to [info.cs@lafargeholcim.com](mailto:info.cs@lafargeholcim.com) or to [mizanur.rahman@lafargeholcim.com](mailto:mizanur.rahman@lafargeholcim.com)
- During the AGM, Shareholders may type their questions using the "Chat" button appearing on the screen.
- The Company reserves the right to restrict the number of responses depending on the availability of time for the AGM. In case the response is not made at the AGM, the Company Secretary shall respond to the queries directly to the members.

## E-VOTING

The Company is providing remote e-voting facility to its Members in respect of the business to be transacted at the AGM. The facility of casting votes by a Member using remote e-voting as well as the e-voting system on the date of the AGM is available by logging on to

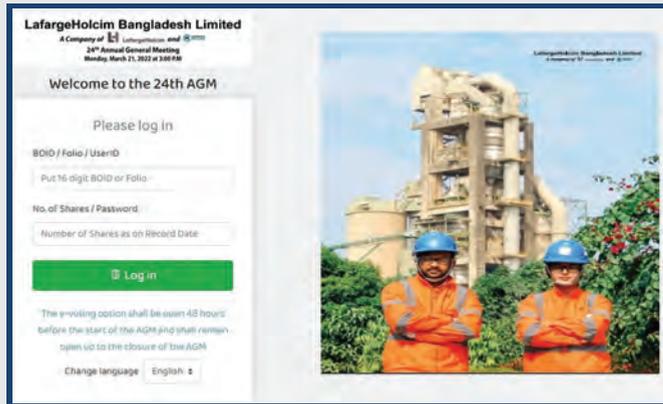
<https://lhbl24thagm.virtualagmbd.com>

- The voting period begins on Saturday, March 19, 2022 at 3:00 pm.
- Members who have casted their vote by remote e-voting prior to the AGM shall not be entitled to cast their vote again.
- On the voting page, you will see "Agenda" and against the same there are two options, **"I am in favour" / "I am not in favour"**.
- Once you submit your vote on the resolution, you will not be allowed to modify your vote.
- The Company has appointed a scrutiniser to scrutinise the voting during the AGM and remote e-voting process in a fair and transparent manner.

- We encourage Members to log into the system fifteen (15) minutes before the AGM.
- Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- Please note that connecting via Mobile Hotspot may cause Audio/Video loss due to internet connectivity.

Please contact **+8801719488090, +8801767753779, +8801708139433**  
for any technical difficulties in accessing the virtual AGM.

# HOW TO NAVIGATE THE VIRTUAL AGM



# 01

**YOUR USER ID :**  
your 16 digits BO ID / FOLIO number.

**YOUR PASSWORD:**  
will be number of shares held by you.

# 02

Once logged in,  
your home screen  
will appear where  
you can participate in the  
**ANNUAL GENERAL MEETING**

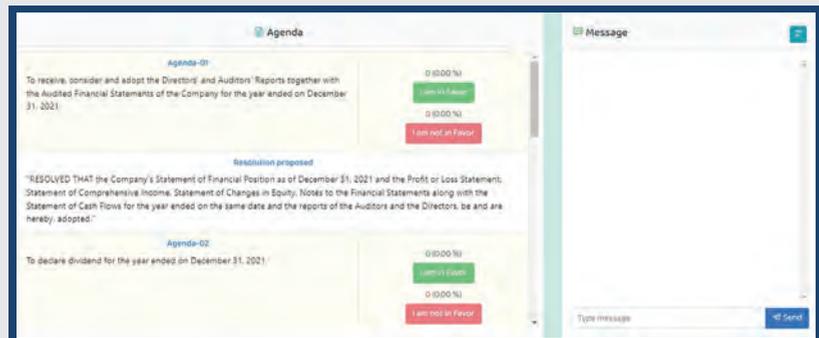


# 03

Press **PLAY**  to watch the live streaming of  
**THE 24th ANNUAL GENERAL MEETING**

# 04

Use the scroll bar on the right  
hand side of the agenda  
window to scroll up and down  
**The Agenda.**



After each agenda two radio buttons - "**i am in favour**", "**i am not in favour**"  
will appear to poll your votes.

In the comment section, shareholders can post their comments **48 hours** before the AGM starts.

# CORPORATE PROFILE

<b>Company Name</b>	: LafargeHolcim Bangladesh Limited
<b>Company Registration No.</b>	: C-34266(1012)/97
<b>Country of Incorporation</b>	: Bangladesh
<b>Legal Form</b>	: Public Limited Company

## BOARD OF DIRECTORS

Mr. Christof Hässig	Chairman
Mr. Rajesh K Surana	Director & Chief Executive Officer
Mr. Jorge Bonnin Bioslada	Director
Mr. Julio Rodriguez Izquierdo	Director
Mr. Manzurul Islam	Director
Mr. Marcos Cela Rey	Director
Mr. Martin Kriegner	Director
Ms. Naheed Akhter	Director
Mr. Rajiv Prasad Shaha	Independent Director
Dr. Rubana Huq	Independent Director
Ms. Sonal Shrivastava	Director
Mr. Syed Mahmudul Huq	Independent Director

## CHIEF EXECUTIVE OFFICER

Mr. Rajesh K Surana

## COMPANY SECRETARY

Mr. Kazi Mizanur Rahman

## CHIEF FINANCIAL OFFICER

Mr. Mohammad Iqbal Chowdhury

## HEAD OF INTERNAL AUDIT & COMPLIANCE

Mr. Mohammad Nurul Alam

## EXECUTIVE COMMITTEE

Mr. Rajesh K Surana	Chief Executive Officer
Mr. Gazi Mahfuzur Rahman	Sales & Marketing Director
Mr. Kazi Mizanur Rahman	Legal Director and Company Secretary
Mr. Mohammad Asif Bhuiyan	Chief Corporate Affairs Officer & Human Resources Director
Mr. Mohammad Iqbal Chowdhury	Chief Financial Officer
Mr. Narayan Prasad Sharma	Operations Director, LUMPL
Mr. Wedage Lakmal Suranjan Fonseka	Logistics & Procurement Director

## REGISTERED OFFICE

LafargeHolcim Bangladesh Limited  
NinaKabbo, Level-7, 227/A Bir Uttam Mir Shawkat Sarak  
(Tejgaon Gulshan Link Road) Tejgaon, Dhaka 1208, Bangladesh  
Phone: +880 (2) 222281002, 222286393, Fax: +880 (2) 222286394  
Email: info.cs@lafargeholcim.com, Web: www.lafargeholcim.com.bd

## AUDIT COMMITTEE

Mr. Rajiv Prasad Shaha, Independent Director	Chairman
Mr. Jorge Bonnin Bioslada	Member
Ms. Sonal Shrivastava	Member
Mr. Kazi Mizanur Rahman	Secretary

## NOMINATION AND REMUNERATION COMMITTEE

Dr. Rubana Huq, Independent Director	Chairman
Mr. Christof Hässig	Member
Mr. Julio Rodriguez Izquierdo	Member
Mr. Kazi Mizanur Rahman	Secretary

## STATUTORY AUDITORS

Hoda Vasi Chowdhury & Co.

## COMPLIANCE AUDITORS

Al-Muqtadir Associates

# SALIENT FEATURES 2021

*"The persistent focus of our colleagues on our key long term value creation drivers to become local leaders in innovative and sustainable solutions has helped us to excel. We launched two new green and specialized cement products- 'Water Protect' and 'Shokti', expanded our digital footprint, ventured into usage of alternative fuels through our sustainable waste management project 'Geocycle' and launched Aggregates business to accelerate our growth. We are strongly motivated and committed to achieve sustainable growth in 2022 and beyond."*

**- Rajesh K Surana**  
Chief Executive Officer  
LafargeHolcim Bangladesh Limited



# PAN BANGLADESH PRESENCE

LafargeHolcim Bangladesh Limited

A company of  LafargeHolcim and 



*LafargeHolcim Bangladesh Limited has created direct and indirect employment opportunities for over 3000 people, with an impact on livelihood of over 10,000 families through its pan Bangladesh logistics and distribution network.*

# OUR SPONSORS



Holcim builds progress for people and the planet. As a global leader in innovative and sustainable building solutions, Holcim is enabling greener cities, smarter infrastructure and improving living standards around the world. With sustainability at the core of its strategy, Holcim is becoming a net zero company, with its people and communities at the heart of its success. The company is driving the circular economy as a world leader in recycling to build more with less. Holcim is the company behind some of the world's most trusted brands in the building sector including ACC, Aggregate Industries, Ambuja Cement, Disensa, Firestone Building Products, Geocycle, Holcim and Lafarge. Holcim is 70,000 people around the world who are passionate about building progress for people and the planet through four business segments: Cement, Ready-Mix Concrete, Aggregates and Solutions & Products.

**Largest**  
footprint

**2,300**  
operating Sites

**70,000**  
employees

**23** Like-for-like  
billion CHF net sales

The **world's**  
**global leader** in  
building solutions

**Net Zero**  
pledge

**SBTi**  
validated 2030 targets

**ESG Rankings**  
from MSCI to Sustainalytics

**Green Solutions**  
1/3 of our sales

**Leading**  
the way in  
**sustainability**

**Global R&D**  
organization - 6 hubs worldwide

**300 Scientists**  
in green construction

**1,500 Patents**  
in green construction

**100+ startups**  
open innovation ecosystem

**#1 R&D**  
organization  
in our industry

## 4 VALUE DRIVERS

**GROWTH**

**SIMPLIFICATION &  
PERFORMANCE**

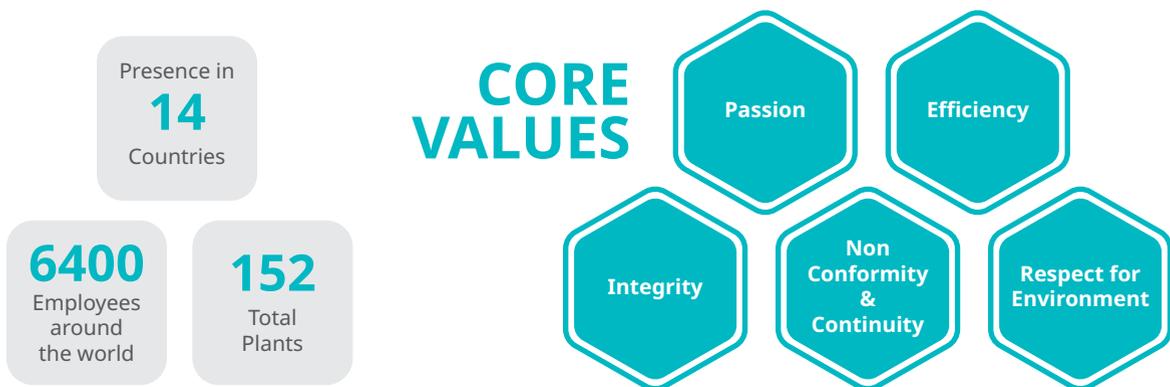
**FINANCIAL  
STRENGTH**

**VISION &  
PEOPLE**

# OUR SPONSORS



At Cementos Molins we have been creating products and developing innovative and sustainable solutions for the construction sector for more than 90 years. This enables us to contribute towards the development of society and people's quality of life.



Cementos Molins was founded in 1928 by Mr. Juan Molins Parera. Nowadays, our integrated business model includes aggregates, cement, ready-mix concrete, mortars, precast solutions, urban landscaping, architectural facades, and waste management.

**History**

Our mission is to be a respected and attractive family company in the world cement sector, creating value for all our stakeholders and aiming primarily for the satisfaction of our clients.

**Mission**

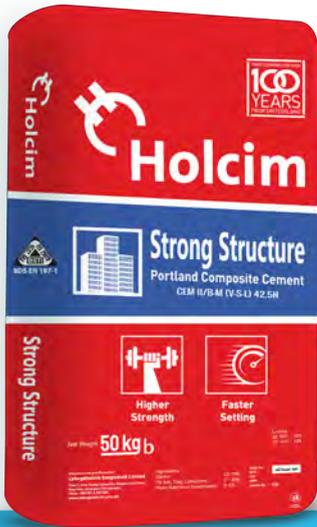
The results of our work is more than just solutions for construction. These are formulae which mean that our society and the people in it continue advancing. At Cementos Molins we want to promote the development of society and people's quality of life by creating innovative and sustainable solutions in the construction sector.

**Vision**

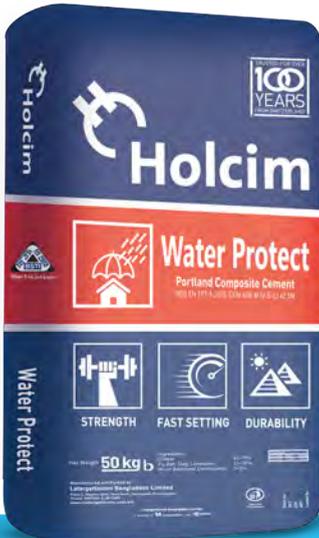
At Cementos Molins we do what we say and we say what we do. We move at the speed of change, looking for continuous improvement. We are pragmatic and we fulfil our promises. We never give up, we are positive and look for solutions. And finally, we respect the environment, and are committed to the more appropriate techniques for reaching our sustainability targets. Our DNA makes us different and makes the Group clearly recognisable based on its integrity, non-conformism, efficiency, passion and respect.

**Values**

# OUR PRODUCTS



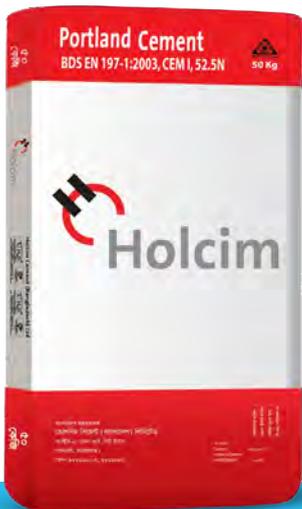
**STRONG FOUNDATION**



**WATER RESISTANT**



**RAPID EARLY STRENGTH**



**HIGH STRENGTH**



**SOIL STABILISING SOLUTION**



**ALL PURPOSE CEMENT**

# AGGREGATES SEGMENT

*High performance*

**20mm & 10mm**

*crushed rock to meet  
wide range of applications in -*

- Ready mix concrete
- Asphalt
- Industrial
- Concrete construction





## Taking a step forward to a #RethinkWaste

*Emerging countries like Bangladesh are in need of infrastructure for waste management. Large amounts of industrial waste is either land-filled or dumped. By providing sustainable solutions, Geocycle Bangladesh contributes to a cleaner environment and better living spaces. We work with our stakeholders and communities for a zero-waste future to ensure a brighter tomorrow.*



**6000** tonnes  
of waste processed by  
Geocycle Bangladesh

# REWARD AND RECOGNITION



*The Institute of Cost and Management Accountants of Bangladesh (ICMAB) recognized LafargeHolcim Bangladesh Limited for best **'Corporate Governance'** practices for the year 2020.*

*LafargeHolcim Bangladesh Limited was awarded by the Institute of Chartered Secretaries of Bangladesh (ICSB) in the manufacturing category for **'Corporate Governance Excellence'** for the year 2020. LafargeHolcim Bangladesh was the only cement manufacturing company to receive this award.*



*Lafarge Umiam Mining Private Limited (LUMPL) a subsidiary of LafargeHolcim Bangladesh was awarded the **"Five-Star"** rating by the Ministry of Mines, Government of India under its **"Sustainable development framework"** for safe mining. The Five-Star rating was given to LUMPL for the third consecutive year for its outstanding contribution.*



# BUILDING A SAFE WORKING ENVIRONMENT

Health and Safety has always been the number one priority for LafargeHolcim Bangladesh Limited and embedded as one of its core values. The Company's success in ensuring a safe work environment in its Plants, Quarry as well as in office areas is a demonstration of good safety behavior. All the basics of safety policy are mandatory for each and every person working or associated with the Company. The ultimate goal of LafargeHolcim Bangladesh Limited is to be the champion in the field of safety. Action plans have been defined for all the sites of the Company to continue the improvement in the field of safety. These plans are in line with world class standards, advisories and priorities and in such a way so that a unique visible change can be achieved.





# CHAIRMAN'S STATEMENT

## Dear Shareholders,

It is my pleasure to welcome you to the 24<sup>th</sup> Annual General Meeting of LafargeHolcim Bangladesh Limited (the "Company").

Bangladesh celebrated its 50th anniversary of independence in 2021. On behalf of the Company I would like to express the deepest respect to the martyrs who sacrificed their lives for the independence of the country. I would also like to congratulate all the citizens of the country on this auspicious occasion. Bangladesh has achieved a great feat in the last 50 years. The recommendation of the United Nations for Bangladesh to become a developing country in 2026 is a testimony of the achievements.

The year 2022 is a landmark for LafargeHolcim Bangladesh Limited. It is the 25th anniversary of the Company, which was incorporated in Bangladesh on November 11, 1997. On this occasion, I would like to thank the Government of Bangladesh, Government of India, State Government of Meghalaya, international lenders who invested to set up the projects, past and present members of the Board of Directors, regulators and stakeholders, business partners, members of the communities where we operate, and all past and present employees of the Company. I would like to congratulate and express my heartfelt gratitude to all the shareholders for their unequivocal support during the journey of this unique Company. We are extremely proud that your Company has established itself as a development partner of Bangladesh.

A look back at our journey, progression and contributions reflects how intertwined we are in the development efforts of Bangladesh. The Company has become a trailblazer for high quality of cement, launching specialized cement, new products and innovations, digitalization, corporate governance and customer services in the building materials sector of the country. Among other economic contributions, with its import substitute products, clinker and aggregates, your Company saved around 500 million USD foreign currency for the country since the commencement of its commercial production. The Company is one of the major tax payers of the country, contributing about 4.6 billion Taka as Tax, VAT and customs duty annually. Our contributions have been recognized by National Board of Revenue (NBR) and the Government of Bangladesh as being one of the highest tax payers in Bangladesh.

The world is going through unprecedented and challenging time for the last two years posed by the pandemic. For many businesses across the world it has become difficult to recover from the impact. I am very happy to inform you that with successful implementation of the right strategy, LafargeHolcim Bangladesh did well, not only in terms of financial performance but also in executing transformation agenda. The advices, guidance and support of our Sponsor Groups, Holcim and Cementos Molins, deriving from their global experience helped the Company to make the right strategy at the right time. The Management and employees of the Company successfully implemented the strategy.

Supercrete and Holcim Strong Structure have earned the confidence of the customers across the country as the best cement brands, which is holding its undented consistent high quality for about two decades. Your Company has added two more brands in its portfolio - Holcim Water Protect and Holcim Shokti. For the first time, the customers are having access to world class specialized cement to cater the specific needs in the construction sector of Bangladesh. Excellent response from the customers for specialized cement is encouraging us to work more with the world renowned Research and Development (R&D) facilities of Holcim Group to introduce more specialized cement in Bangladesh.

Presently your Company is undergoing a journey of transformation – from a clinker and cement producing company to a building materials solution and service providing entity. One of the steps on this journey is bringing variety to its product portfolio. We commenced world class Aggregates project in January 2021, which received overwhelming response from the customers.

To reach the customers, during the restrictions in physical contact, we have turned our business to digital platforms. We scaled up digitalization across our value chain, from operations to distribution. 'SHOJON' and our e-commerce website "Nirman Bandhob" are right steps in this direction.

Cost efficiency has been a major strength of your Company. We continued our focus on the mantra of HEALTH, COST & CASH, to mitigate the increase in costs of the key raw materials, fuel and freight which could not be passed to the customers.

Sustainability is at the core of our Sponsor Groups values and is embedded in your Company's strategy. We have also made good progress addressing our carbon footprint and positioning LafargeHolcim Bangladesh to benefit from revolutionary new technologies from our Sponsor Groups. We are not only producing cement but also bringing state of the art technology to Bangladesh. Our technical service center works closely with our global research center. Holcim today has one of the strongest innovation capabilities in the Industry with 8 R&D centers of excellence worldwide. In October 2021, Holcim became one of the first companies worldwide with 2050 targets validated by the Science Based Targets initiative (SBTi). In line with the new global net-zero standard, we are now partnering with the Government of Bangladesh to achieve the country's Sustainable Development Goals. Our target is to reduce carbon emission by deploying smart technologies. Your Company's Surma Plant is one of the most professional waste disposal service provider in Bangladesh. Through Geocycle, which is currently the only organized waste management facility in the country, we are contributing to the circular economy, and disposing off multiple types of waste including Industrial and Municipal waste, which is contributing to saving the environment by reducing the landfills and water bodies. Our Surma Plant is capable of disposing of more than 50,000 tons of waste annually with its new automated waste feeding system.

We are proud of our Corporate Social Responsibility (CSR) activities, which are primarily focused in the field of education, healthcare, and livelihood developments in the communities around our operational sites. In addition to our regular CSR activities, during these pandemic time, your Company rose to the challenges and showed courage and selflessness. We supplied hospitals with life-saving oxygen equipment and other equipment and supplies crucial to face the pandemic and also expanded outreach to communities around our operational sites both in Bangladesh and Meghalaya, India.

Our corporate culture has Health and Safety embedded in its DNA. This culture can only be accomplished if all employees work together, and with a strong leadership to lead the way. We are proud of the fact that this is the fourth consecutive year with zero accidents and time lost due to injury. Health and Safety is a continuous process and focus and there is no scope for complacency, as we are committed to maintain a sustainable and safe workplace.

LafargeHolcim Bangladesh Limited strictly and uncompromisingly maintains standards of corporate governance, integrity, ethics and values. We are not only rigorously implementing the highest level of corporate governance as per law of Bangladesh, but also adhering to the international standards in line with our Sponsor Groups mandate. Our Code of Business Conduct ensures our commitment to corporate governance. Our goal is to ensure long term interest of various stakeholder groups; customers, shareholders, employees, creditors, suppliers, and the communities in which we operate.

The Financial Result of the Company in 2021 demonstrates that we have the right strategy, the right culture and the right geographical footprint to deliver consistent and sustained value for our honorable shareholders. All these efforts have resulted in an exemplary financial results in 2021. Our balance sheet is strong and we have a clear strategy in place focused on shaping your Company to meet the need of Bangladesh for world class building material solutions and enhancing the long-term shareholder value. A good performance needs to be translated into value creation for our shareholders. I am happy that the Board of Directors' has recommended the highest ever Dividend for 2021.

I would like to take this opportunity to also thank you for your continued trust, confidence, and support in our Company, which was invaluable in 2021 and we look forward to continue our mutual journey.

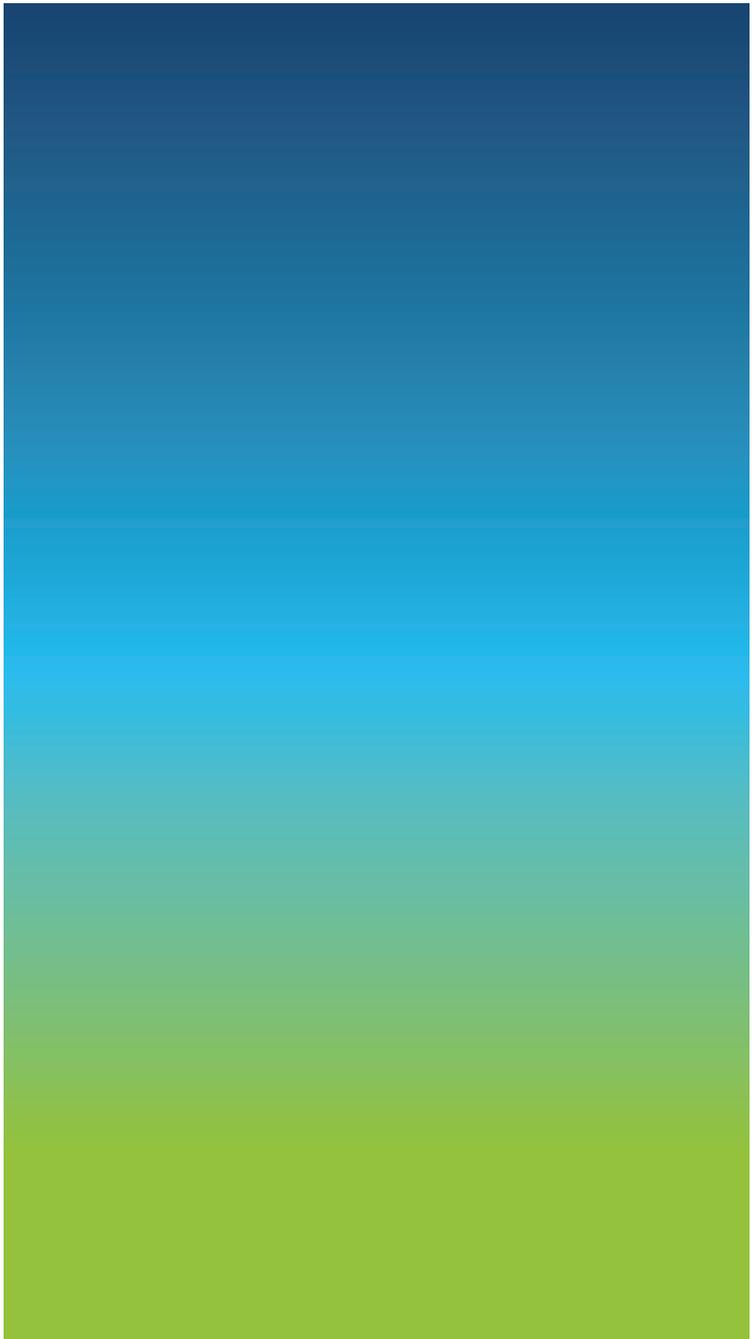
I am sure you all share with me the great appreciation for our entire management team. They have performed an excellent job in very difficult circumstances and deserve our greatest respect. The continued and strong leadership has brought out the best in all our employees. Great results as achieved by LafargeHolcim Bangladesh are only possible with the undivided attention, support and the willingness to go the extra mile of everybody. For this undivided support we thank you all who have made it possible.

Date: February 15, 2022



**Christof Hässig**  
Chairman

# BOARD OF DIRECTORS





## CHRISTOF HÄSSIG CHAIRMAN

Nationality : Swiss  
Age : 64  
Date of Appointment : March 13, 2018

### SHAREHOLDING

Nil (Nominee of Surma Holding BV)

Mr. Christof Hässig is one of the most respected strategy leaders in Holcim Group. With his considerable wealth of experience, Mr. Hässig brings immense value to the Board of Directors' of the Company. Under his leadership, the Company achieved significant improvements and overall cost-competitiveness and accolades in Corporate Governance excellence. The impact of his guidance is appreciable from the high progression curve of the Company.

Mr. Hässig was the Head of Corporate Strategy, Mergers and Acquisitions at Holcim Group. He also supervised corporate finance and treasury functions for over 15 years. In 2013, he took over the additional responsibility as Head, Merger and Acquisitions. He holds Masters degree in banking and advanced management from Harvard Business School. An experienced banker, Mr. Hässig worked for over 25 years at UBS Switzerland in different functions including Global Relationship Manager and investment Banker.

Mr. Hässig is a member of the Nomination and Remuneration Committee of the Company.

### INTEREST/MEMBERSHIP-OTHER ENTITIES:

- Ambuja Cement Limited, India

### AREA OF EXPERTISE:



Finance



Diversity



Global  
Business



Mergers &  
Acquisitions



Leadership



Technology



Board Service  
& Governance



Sales &  
Marketing



## RAJESH KUMAR SURANA CHIEF EXECUTIVE OFFICER

Nationality : Indian  
Age : 44  
Date of Appointment : February 1, 2017

### SHAREHOLDING

Nil (Nominee of Surma Holding BV)

As the Chief Executive Officer and member of the Board of Directors', Mr. Rajesh Kumar Surana sets the strategic direction for the Company while nurturing a strong leadership team to drive its execution.

Mr. Surana has over two decades of experience with leading multinational companies and extensive cross industrial experiences such as audit & consulting, IT & shared services, FMCG, automobiles and building materials. Prior to joining the Company, Mr. Surana held several senior management positions for Holcim Group in Bangladesh, Sri Lanka and India. He was responsible for overseeing many successful Mergers & Acquisitions and start-ups throughout his career. Amalgamation of the Company with Holcim Cement (Bangladesh) Ltd., and successful turnaround thereafter was completed under his leadership.

Mr. Surana is an undergraduate in Commerce from Delhi University & also holds professional memberships as Fellow Member of the Institute of Chartered Accountants of India, and the Institute of Company Secretaries of India respectively.

Mr. Surana believes in people power as the single-most source of success in an organisation and spends a lot of time on cultivating and developing capable teams around the organisation.

### INTEREST/MEMBERSHIP-OTHER ENTITIES:

- Lafarge Umiam Mining Private Limited
- Lum Mawshun Minerals Private Limited

### AREA OF EXPERTISE:



Finance



Diversity



Technology



Leadership



Start-Ups



Global  
Business



Board Service  
& Governance



Sales &  
Marketing



Mergers &  
Acquisitions



Profit & Loss  
Management



## JULIO RODRÍGUEZ IZQUIERDO DIRECTOR

Nationality : Spanish  
Age : 60  
Date of Appointment : March 1, 2016

### SHAREHOLDING

Nil (Nominee of Surma Holding BV)

Mr. Julio Rodríguez Izquierdo is the Chief Executive Officer of Cementos Molins Group since 2015.

Mr. Rodríguez is active in several institutions of Spanish civil society and in 2012 received the "Executive Director of the Year" award from the Spanish Association of Directors.

Mr. Rodríguez career has been linked to Schneider Electric between 1984 and 2015. Throughout this period, he held several senior management responsibilities, the last of them being the Vice President of Global Operations. He has been a member of the Executive Committee of Schneider Electric worldwide from 2003 to 2015.

Mr. Rodríguez is also a member of the Board of Directors' of Schneider Electric, Spain and Laboratories del Dr Esteve, a reputed Spanish Company in the Pharma sector.

Mr. Rodríguez is a graduate in Industrial Engineering from the University of Barcelona. He holds a degree in Marketing from EADA Business School and a General Management Programme (PDG) from IESE Business School, University of Navarra.

Mr. Rodríguez is a member of the Nomination and Remuneration Committee of the Company.

Mr. Julio shall retire at the 24th Annual General Meeting of the Company and being eligible offers himself for re-election as per the provisions of the Companies Act, 1994.

### INTEREST/MEMBERSHIP-OTHER ENTITIES:

- CEO of Cementos Molins, Spain

### AREA OF EXPERTISE:



Finance



Diversity



Global  
Business



Mergers &  
Acquisitions



Leadership



Technology



Board Service  
& Governance



Sales &  
Marketing



## JORGE BONNIN BIOSLADA DIRECTOR

Nationality : Spanish  
Age : 51  
Date of Appointment : December 7, 2019

### SHAREHOLDING

Nil (Nominee of Surma Holding BV)

Mr. Jorge Bonnin is the Group Chief Financial Officer of Cementos Molins.

He has more than 26 years of experience in executive and senior leadership positions in Controlling, Finance, IT, Legal and Procurement functions at leading global technology industrial groups in the cement, paper & packaging, elevator, automotive, heating and power tools markets. Mr. Bonnin is experienced in managing multifunctional and multicultural teams whose focus is to accelerate the performance and to increase Shareholder's value.

Before joining Cementos Molins Group in June 2019, Mr. Bonnin held executive leadership positions at industrial conglomerates in Spain, Portugal and Germany like Bosch, ThyssenKrupp, and DS Smith. He has sound experience on growth processes, turnaround, reorganization, change management, operational performance, financing optimization and restructuring, M&A, and divestments. Mr. Bonnin managed the transformation and boosted the performance of the stock listed group, Europac, leading its sale to DS Smith amounting to EUR 1.9 billion, acting later as the CFO of DS Smith in South Europe with 65 manufacturing centres. Mr. Bonnin was also the CFO of ThyssenKrupp Elevator in South Europe, Africa and Middle East with presence over 36 countries.

Born in 1971, Mr. Jorge Bonnin, a Spanish national, has a bachelor's degree in business administration specialized in Management, from Complutense University (Madrid, Spain) and attended executive programs at Harvard Business School (USA) and Ashridge Business School (UK).

Mr. Bonnin is a member of the Audit Committee of the Company.

### INTEREST/MEMBERSHIP-OTHER ENTITIES:

- CFO of Cementos Molins, Spain

### AREA OF EXPERTISE:



Finance



Diversity



Global  
Business



Mergers &  
Acquisitions



Leadership



Technology



Board Service  
& Governance



Sales &  
Marketing



## MARTIN KRIEGNER DIRECTOR

Nationality : Austrian  
Age : 60  
Date of Appointment : August 22, 2019

### SHAREHOLDING

Nil (Nominee of Surma Holding BV)

Mr. Martin Kriegner is a Member of the Holcim Group Executive Committee (since August 2016) with overall responsibility for Asia Pacific, including the Company. He is also globally in charge for Cement Manufacturing, Logistics, Commercial and Geocycle. He is a graduate from Vienna University with a Doctorate in Law and has obtained an MBA at the University of Economics in Vienna.

Mr. Kriegner joined the legacy Lafarge group in 1990 and became the CEO of Lafarge Perlmooser AG, Austria in 1998. He moved to India as the CEO of Lafarge's cement operations in 2002 and later served as Regional President Cement for Asia, based in Kuala Lumpur. In 2012, he was appointed CEO of Lafarge India for the Cement, RMX and Aggregates business. In July 2015, he became Area Manager Central Europe for Holcim operations and was appointed Head of India effective March 1, 2016.

Mr. Kriegner has a long association with the Company. In 2002, he was appointed first time as a Director of the Company. From April 2007 to August 2013, he was the Chairman of the Board of Directors of the Company. He led our unique cross border project during the financing, construction and commissioning.

### INTEREST/MEMBERSHIP-OTHER ENTITIES:

- Executive Committee of Holcim Group
- ACC Limited, India
- Ambuja Cement Limited, India
- One India BSC Private Limited
- Holcim Philippines Inc
- Cement Australia PTY Limited
- Holderfin B.V.
- Holchin B.V.

### AREA OF EXPERTISE:



Finance



Diversity



Global  
Business



Mergers &  
Acquisitions



Leadership



Technology



Board Service  
& Governance



Sales &  
Marketing



## MANZURUL ISLAM DIRECTOR

Nationality : Bangladeshi  
Age : 61  
Date of Appointment : November 11, 1997  
(since incorporation)

### SHAREHOLDING

500,200 shares held in person,  
31,914,200 shares held by Islam Cement Limited.

Mr. Manzurul Islam is one of the most respected business personalities in Bangladesh. He has over 35 years of experience and knowledge of managing various businesses in Bangladesh. Mr. Islam is the Chairman of Islam Group – the group that played an instrumental role in bringing legacy Lafarge Group as a foreign partner in Bangladesh. As a promoter, he is the longest serving member on the Board of Directors' of the Company and plays a key role in the strategic developments of the Company.

Islam Group has diverged into multidimensional sectors under his leadership including engineering, construction, trading, manufacturing – pharmaceuticals, jute, media, real estate, finance and agricultural sector. Mr. Islam is the Executive Committee Member of Bangladesh Association of Publicly Listed Companies. He is the former President of France-Bangladesh Chamber of Commerce & Industry, former Chairman of IFIC Bank Ltd. and former Vice Chairman of Bangladesh Associations of Banks.

Mr. Islam attended Caphthorne School, Sussex, UK and Westminster School, London, UK. He completed his graduation in Economics from the University of London, UK.

### INTEREST/MEMBERSHIP-OTHER ENTITIES:

- Eastern Housing Limited
- Bengal Development Corporation Limited
- Islam Cement Limited
- IG Food Limited
- Aftab Bahumukhi Firms Limited
- Aftab Feed Products Limited
- Aftab Hatchery Limited
- The Milnars Tubewells Limited
- Navana Pharmaceuticals Limited
- Jahurul Islam Medical College & Hospital

### AREA OF EXPERTISE:



Finance



Diversity



Global  
Business



Mergers &  
Acquisitions



Leadership



Technology



Board Service  
& Governance



Sales &  
Marketing



## MARCOS CELA REY DIRECTOR

Nationality : Spanish  
Age : 49  
Date of Appointment : June 11, 2014

### SHAREHOLDING

Nil (Nominee of Surma Holding BV)

Mr. Marcos Cela Rey is the Country & Business Director of Cementos Molins Group, and a Member of its Executive Committee.

Mr. Rey has over 22 years' experience in finance management, control and risk management with major global organizations.

Since 2016, Mr. Rey has been involved in managing the businesses of various international operations of Cementos Molins Group. His professional experiences include running diversified business and complex organizations in a wide range of industries which include, cement, mechanical and retail. Mr. Rey is also a visiting Professor at the UNIR University of Spain.

Prior to joining Cementos Molins Group in January 2004, Mr. Rey held several positions at European Division of BIC and at the Spanish subsidiary of Decathlon, one of the biggest manufacturer and retailer of sports apparels and equipment.

Mr. Rey is a graduate in Business Administration from University of Barcelona and obtained his MBA from ESADE Business School in Spain. He also obtained a Senior Business Management Program (PADE) from IESE Business School, University of Navarra, Spain.

Mr. Marcos shall retire at the 24th Annual General Meeting of the Company and being eligible offers himself for re-election as per the provisions of the Companies Act, 1994.

### INTEREST/MEMBERSHIP-OTHER ENTITIES:

- Director at Lafarge Umiyam Mining Private Limited
- Director at Ecocementos and Iacol in Colombia
- Vice President of the Board of Directors of the Tunesia Subsidiaries of Cementos Molins.

### AREA OF EXPERTISE:



Finance



Diversity



Global  
Business



Mergers &  
Acquisitions



Leadership



Technology



Board Service  
& Governance



Sales &  
Marketing



## NAHEED AKHTER DIRECTOR

Nationality : Bangladeshi  
Age : 49  
Date of Appointment : September 26, 2018

### SHAREHOLDING

Nominee of Sinha Fashions Limited

Ms. Naheed Akhter has been involved with different business enterprises and organizations from her early career.

Ms. Akhter is a Sponsor Shareholder of Bank Asia and presently a Director of the Board of Directors of the Bank. She is also the Promoter, Shareholder and Managing Director of Enterprise Cluster Pte. Ltd. and Promoter and Shareholder Director of Cluster World Pte. Ltd., Singapore.

Ms. Akhter completed her MBA with major in Finance from North South University, Dhaka. She also holds on International Diploma in Fashion Designing and Marketing from Management Development Institute of Singapore and Diplomas in Precious Metal Arts and Fashion Jewellery Arts from Jewellery Design and Management International School, Singapore.

Ms. Naheed Akhter shall retire at the 24th Annual General Meeting of the Company and being eligible offers herself for re-election as per the provisions of the Companies Act, 1994.

### INTEREST/MEMBERSHIP-OTHER ENTITIES:

- Enterprise Cluster Pte. Ltd. and Cluster World Pte. Ltd. (both the companies are incorporated in Singapore)
- Bank Asia Limited, Bangladesh
- Sinha Fashions Limited, Bangladesh

### AREA OF EXPERTISE:



Finance



Diversity



Global  
Business



Leadership



Technology



Board Service  
& Governance



## DR. RUBANA HUQ INDEPENDENT DIRECTOR

Nationality : Bangladeshi  
Age : 58  
Date of Appointment : December 7, 2019

### SHAREHOLDING

Nil

Dr. Rubana Huq is a businesswoman, and a poet. Dr. Huq is the Vice Chancellor of the Asian University for Women (AUW), a fully independent, regional institution dedicated to women's education and leadership development. Dr. Huq is also the Vice Chairman of the Board of Trustees of AUW. She is the immediate past President of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), and she was also the first female occupant of the post. She is the Managing Director of Mohammadi Group, a family business conglomerate whose journey began exporting readymade garments, and has since diversified into software, digital distribution, real estate, power generation and the group's latest is the launch of a television channel called Nagorik. She was featured in BBC's 100 Women. Huq won the SAARC Literary Award for her poems in 2006. Her first book of poems is titled Time of My Life. She is the former CEO of TV Southasia, a collaborative platform of South Asian electronic media based in Kolkata.

She has recently been elected to represent the global manufacturers in the UNFCCC fashion industry charter for Climate Action for the period of 2021-22 to the Steering Committee of UN Fashion Charter.

Dr. Huq holds a PhD in English Literature from Jadavpur University in Kolkata and a M.A. in English from East West University in Dhaka. In earlier years she was educated at Viqarunnisa Noon School and Holy Cross College.

Dr. Huq is the Chairperson of the Nomination and Remuneration Committee of the Company.

### INTEREST/MEMBERSHIP-OTHER ENTITIES:

- MG Shirtex Ltd.
- MG Nich Stitch Ltd.
- MG Niche Flair Ltd.
- Jadoo Media Ltd.
- MG Properties Ltd.
- MG Knit Flair Ltd.
- Desh Energy Ltd.
- Mohammadi Gourp Ltd.
- Mohammadi Knit Star Ltd.
- Digi Jadoo Broadband Ltd.
- Mati Naturals Ltd.
- Techno Vista Ltd.
- Jadoo Vision Limited
- Jadoo Cable & Boardband Ltd.
- Jadoo Digital and Broadband Ltd.
- Mohammadi Fashion Sweater Ltd.
- Mohammadi Fancy Yarn Dyeing Ltd.
- Desh Energy Chandpur Power Company Ltd.
- Desh Cambridge Kumargaon Power Company Ltd.

### AREA OF EXPERTISE:



Finance



Diversity



Global  
Business



Leadership



Technology



Board Service  
& Governance



## RAJIV PRASAD SHAHA INDEPENDENT DIRECTOR

Nationality : Bangladeshi  
Age : 54  
Date of Appointment : January 26, 2021

### SHAREHOLDING

Nil

Mr. Rajiv Prasad Shaha is a Bangladeshi business entrepreneur. Currently he runs a welfare organization in Bangladesh named Kumudini Welfare Trust of Bengal (BD) Ltd. For the last 22 years he has been holding the position of Chairman and Managing Director of Kumudini Welfare Trust. Mr. Shaha is a member of the Board of Directors of Kumudini Pharma Ltd. , LafargeHolcim Bangladesh Ltd and Reliance Insurance Ltd.

Mr. Shaha is the grandson of Rai Bahadur Ranada Prasad Shaha, one of the greatest philanthropists of Bangladesh. His grandfather had set up Kumudini Welfare Trust in 1947. All funds generated by the Income Generating Units of the Trust are spent for the welfare of the poor and needy. Among others the Trust is running a 1050 bed free hospital since 1944.

Besides his corporate identity, he is also a keen golfer and a very widely travelled individual.

Born in 1968, Mr. Shaha is a commerce graduate of the University of Dhaka.

Mr. Shaha is the Chairman of the Audit Committee of the Company.

### INTEREST/MEMBERSHIP-OTHER ENTITIES:

- Managing Director, Kumudini Welfare Trust of Bengal (BD) Ltd. and Kumudini Pharma Ltd.
  - Chairman, Ranada Prasad Shaha University
  - Director, Reliance Insurance Ltd.

### AREA OF EXPERTISE:



Finance



Diversity



Global  
Business



Leadership



Technology



Board Service  
& Governance



## SYED MAHMUDUL HUQ INDEPENDENT DIRECTOR

Nationality : Bangladeshi  
Age : 70  
Date of Appointment : September 18, 2021

### SHAREHOLDING

Nil

Mr. Syed Mahmudul Huq is a reputed businessman with significant contributions in the development of exports, regional trade and investment in Bangladesh including capital market development of the country.

Mr. Huq is the President of France-Bangladesh Chamber of Commerce & Industry, Vice Chairman of the Board of Directors of Premier LP Gas Limited, Chairman of Bangladesh Shrimp and Fish Foundation, Members of the Board of Trustee of Independent University of Bangladesh & Chittagong Independent University and the Honorary Consul of Malta in Chittagong, Bangladesh.

Mr. Huq was President of Bangladesh Frozen Foods Exporters' Association from 1991 through 1994 and member of the Management Board of Export Promotion Bureau from 2002 through 2006. He was also the founder Director of Chittagong Stock Exchange and played an important role in the formation of South Asian Federation of Exchanges. He pioneered a transit route for Nepal via Chittagong port in 1979.

Mr. Huq also has stakes in renewable energy (Japan Solartech Bangladesh Limited), Information and Communication Technology including Internet Services (Broad Band Telecom Services), Inter Connection Exchange (M&H Telecom), International Gateway (Venus Telecom Ltd.) and Nationwide Telecommunication Transmission Network (BAHON Limited).

Mr. Huq completed his B. A. (Hons.) and M. A. (Economics) from University of Dhaka.

### INTEREST/MEMBERSHIP-OTHER ENTITIES:

- France-Bangladesh Chamber of Commerce & Industry
- Premier LG Gas Ltd.
- Bangladesh Shrimp and Fish Foundation
- Independent University of Bangladesh
- Chittagong Independent University
- Japan Solartech Bd. Ltd.,
- M&H Telecom Ltd.
- Venus Telecom Ltd.
- BAHON Limited

### AREA OF EXPERTISE:



Finance



Diversity



Global  
Business



Mergers &  
Acquisitions



Leadership



Technology



Board Service  
& Governance



Sales &  
Marketing



## SONAL SHRIVASTAVA DIRECTOR

Nationality : Indian  
Age : 52  
Date of Appointment : October 9, 2020

### SHAREHOLDING

Nil (Nominee of Surma Holding BV)

Ms. Sonal Shrivastava is the Chief Financial Officer, APAC Region of Holcim Group.

Prior to her current role, Ms. Shrivastava was the CFO, Ambuja Cements Limited, India. She joined the Holcim Group in 2002 as Senior Manager M&A, Strategy & Business Development.

Ms. Shrivastava's experiences includes mergers and acquisitions, audit, strategy and business development, supply chain, and finance. Besides Holcim Group, Ms. Shrivastava also worked for leading companies of the energy and mining sectors.

Ms. Shrivastava holds a Bachelor Degree in Chemical Engineering from Vinoba Bhave University, and a Master's degree in Finance from the Jamnalal Bajaj Institute of Management Studies.

Ms. Shrivastava is a member of the Audit Committee of the Company and the Chairperson of Lafarge Umiam Mining Private Limited, the Indian subsidiary of the Company.

### INTEREST/MEMBERSHIP-OTHER ENTITIES:

- Holcim Group, APAC Region
- Lafarge Umiam Mining Private Limited
- Lum Mawshun Minerals Private Limited
- OneIndia BSC Private Limited, India
- Carefewerk Private Limited, India

### AREA OF EXPERTISE:



Finance



Diversity



Global  
Business



Mergers &  
Acquisitions



Leadership



Technology



Board Service  
& Governance

# EXECUTIVE COMMITTEE MEMBERS



## **RAJESH K SURANA**

### **CHIEF EXECUTIVE OFFICER**

Rajesh Surana is a versatile global business executive with a unique balance of strategic and operational experience. Mr. Surana has over two decades of work experience in leading Multinational Companies. As the CEO and member of the Company's Board of Directors', he drives the Company's strong multicultural and diverse leadership team and leads the development and execution of long term strategies with the goal of increasing shareholder value. He sets the tone from the top to ensure that Health and Safety remains at the center of the Company activities, the Company's Code of Conduct is adhered to all the times and all safeguards are in place for the Company to operate with integrity and with sustainable business practices.

Mr. Surana is an undergraduate in Commerce from Delhi University and Fellow Member of Institute of Company Secretaries of India and Fellow Member of the Institute of Chartered Accountants of India. His detailed profile is included along with the profiles of the Board of Directors.



## **GAZI MAHFUZUR RAHMAN**

### **SALES & MARKETING DIRECTOR**

Gazi Mahfuzur Rahman joined the Company in December 2017. He has over 25 years' experience in Sales and Marketing in both Multinational and Bangladeshi organizations like Procter & Gamble, ACI Consumers, Square Toiletries, Unilever, Dhaka Tobacco, etc. He completed his post-graduation from the Institute of Business Administration, University of Dhaka which is one of the finest educational institutions in Bangladesh. Besides his core selling expertise, he also worked in different layers of Brand and trade marketing functions.



## **KAZI MIZANUR RAHMAN**

### **LEGAL DIRECTOR & COMPANY SECRETARY**

Kazi Mizanur Rahman joined the Company in 2004. He strives to drive the Company to achieve its strategic goals in full compliance with applicable laws and company policies. His role includes devising the legal strategy, and implementing the world class corporate governance standards in a dynamic regulatory environment. He has over 26 years' experience as in-house corporate lawyer including 18 years with the Company.

Earlier, he worked in the Legal Departments of various Oil & Gas companies and FMCG companies, including Head of Legal of Shell Bangladesh Exploration & Development B.V. An Advocate registered with Bangladesh Bar Council, he obtained his LL.B. (Honours) and LL.M, from the University of Dhaka. He is a Chevening Scholar who completed the Commonwealth Young Lawyers Course organized from the School of Oriental and African Studies (SOAS), University of London and also completed professional courses on contract negotiation and dispute resolution in University of Dundee, Scotland, UK.



## **M. ASIF BHUIYAN**

### **CHIEF CORPORATE AFFAIRS OFFICER AND HR DIRECTOR**

Asif Bhuiyan joined the Company as Marketing and Commercial Transformation Director in January 2018. He took over the position of Chief Corporate Affairs Officer in January 2019 looking after Corporate Affairs, Stakeholder Management, CSR & Sustainability, and Security functions of the Company. In April 2021, he was given the additional responsibility of Human Resources Function.

Mr. Bhuiyan has wide experience in the fields of general management, marketing, sales and distribution, trade marketing, corporate audit, route to market excellence and capability building both in Bangladesh and overseas. In his career which spans over more than two decades, he has worked for several Multinational companies like British American Tobacco and Unilever. He had three international assignments in Unilever as Senior Audit Manager based at Singapore, Country Manager Lebanon and Syria based at Beirut, Head of Customer Marketing and Capability building based at Casablanca. He also served as the Customer Marketing Director for Unilever Bangladesh and was part of the Management Committee. Prior to joining the Company, he was the Chief Operating Officer (COO) at Beximco Petroleum Limited. He has a Bachelor's degree in Economics and Master of Business Administration (MBA), from Aligarh University, India.



## **MOHAMMAD IQBAL CHOWDHURY**

### **CHIEF FINANCIAL OFFICER**

Iqbal Chowdhury, CFO joined the Company in July 2017. He has over 22 years of experience with inspiring career journey. He is an accomplished professional with a proven record of success and intimate knowledge in the fields of Finance & Corporate Affairs. He has worked for several Multinational companies with remarkable success stories. Prior to joining the Company, he worked in Marico Bangladesh, a FMCG listed company for 11 years, where he headed different portfolios including being CFO, Director-Finance & Company Secretary. Prior to that, he worked for Avery Dennison and Berger Paints Bangladesh. He was instrumental in the creation of two highest valued IPO of the country for Berger Paints and Marico Bangladesh.

As a young and dynamic sector leader, he has been working to transform the Company by driving digitalization. He has an MBA in Finance from Chittagong University. He is also a Fellow member of Institute of Chartered Secretaries (ICSB) and leading Trade, Tariff, Taxation & Company Affairs Sub-Committee of FICCI (Foreign Investors Chamber of Commerce and Industry), EC Member of Switzerland – Bangladesh Chamber of Commerce and Industry (SBCCI) and a founder member of Intellectual Property Association of Bangladesh (IPAB).



## **NARAYAN PRASAD SHARMA**

### **OPERATIONS DIRECTOR, LUMPL**

Narayan Sharma joined the legacy Lafarge Group in 1998 and is in his present position as Operations Director of Lafarge Umiam Mining Private Limited, the subsidiary company of the Company in India, since 2016. He joined the Company in 1999 during the initial setting up phase and has been involved in the stabilizing and then led the expansion of the Quarry operations. He has more than 29 years of extensive work experience in cement plants and mining industries in Nepal, India, Indonesia and Philippines. Before joining LUMPL, he worked in Udayapur Cement Industries, Nepal as Head of Maintenance. He has a MBA with a major in Management of Technology (MT) from Asian Institute of Technology (AIT), Bangkok, Thailand and a Bachelor of Engineering (BE), Mechanical from Motilal Nehru Regional Engineering College (MNREC), presently Motilal Nehru National Institute of Technology (MNNIT), Allahabad, India.



## **WEDAGE LAKMAL SURANJAN FONSEKA**

### **PROCUREMENT & LOGISTICS DIRECTOR**

Lakmal Fonseka, joined the Company in 2019 and took over his current role as Logistics & Procurement Director in 2020. He has 17 years of experience in the manufacturing industry as a supply chain professional. He is a leader with great passion for achievement by challenging status quo.

A young dynamic leader, he is driving efficiency improvements in supply chain with high performance, setting the tone for value creation through implementation of digital solutions and alternate sourcing. He has worked as Head of Supply Chain, Hayleys Fentons Limited, Head of Procurement at Siam City Cement (Lanka) Limited (Ex Holcim (Lanka) Limited). He holds an MBA from the University of Colombo, Sri Lanka and B.Sc. Engineering (Hons) from the University of Moratuwa, Sri Lanka.

# BOARD OF DIRECTORS' REPORT

## Dear Shareholders,

The Directors of LafargeHolcim Bangladesh Limited (the “Company”) are pleased to present the 24th Annual Report of the Company.

The Directors’ Report along with the audited financial statements (Consolidated and Standalone) for the year ended on December 31, 2021, and the Auditors Report thereon have been prepared in compliance with the provisions of Section 184 of the Companies Act, 1994, the Corporate Governance Code issued by Bangladesh Securities and Exchange Commission’s (BSEC) notification dated June 3, 2018 and the Listing Rules of the Dhaka Stock Exchange Limited and the Chittagong Stock Exchange Limited.

Your Company has delivered yet another exceptional performance in 2021 backed by strong cost control and efficiency improvements. Successful launch of Aggregates, an important segment of building materials, positive response to the new specialized cement brands - Holcim Water Protect and Holcim Shokti, and the new channel SHOJON are examples that our customers continued to repose their confidence in our wide range of products and solutions. Our business through digital platforms has entered into a new league of growth and creates potential for continued momentum. Your Company continued the focus on the execution of the action plan engrossed on HEALTH, COST & CASH. Successful execution of this strategy for yet another year has yielded encouraging financial results for the year with a 64% growth in Net Profit After Tax (PAT).

Holcim Group, one of the Sponsors of the Company, has overachieved “Strategy 2022” one year in advance and announced its “Strategy 2025 – Accelerating Green Growth”. In line with the vision, your Company aims to become the leader in innovative and sustainable building solutions in Bangladesh by the year 2025. This will be achieved by positioning your Company in the most attractive segments of the construction value chain with new technologies and by becoming a digital and innovation driven company from a traditional model.

## 1. OVERVIEW OF THE FINANCIAL PERFORMANCE

Consolidated operating and financial results as compared to previous year of LafargeHolcim Bangladesh Ltd. are as follows:

Particulars	2021 (Taka'000)	2020 (Taka'000)	Growth
Revenue	20,534,442	16,222,483	27%
Cost of goods sold	13,894,205	11,616,410	20%
Gross Profit	6,640,237	4,606,073	44%
Net profit before tax	4,827,659	2,848,778	69%
Net profit after tax	3,881,843	2,361,385	64%
Total assets	29,589,806	26,218,984	13%
Net asset value	19,727,188	17,289,075	14%
Net operating cash flow	6,042,516	4,540,495	33%
Earnings per share	3.34	2.03	64%
NAV per share	16.99	14.89	14%
Net operating cash flow per share	5.20	3.91	33%
Return on equity	19.68%	13.66%	44%
Gross margin	32.34%	28.39%	14%
Net profit before tax (PBT) Margin	23.51%	17.56%	34%
Net profit after tax (PAT) Margin	18.90%	14.56%	30%

The Company delivered very resilient financial results in the year 2021. Net Sales increased by 27% to 20,534 million Bangladesh Taka (mBDT) as compared to 16,222 mBDT in 2020. Since 2006, the Company's products were limited to clinker and cement. Presently, the Company is transforming into a building materials solutions and service provider in the country. The Aggregates project is a step in this direction. The Company invested around 400 mBDT to set up the Aggregates business. Production commenced in January 2021 and within nine (9) months, generated a sales volume of 350 thousand tonne (kt) and contributed around 12% to the Net Profit of the Company.

The Profit After Tax (PAT) during the year was up by 64% to 3,882 mBDT as compared to 2,361 mBDT in 2020. SHOJON, a new distribution channel was introduced with digital application to cater white space retailers where our brand was not available. Holcim Shokti - the first Rapid Early Strength Cement in Bangladesh market was launched at the later part of 2021. Holcim Water Protect, the water resistant cement, introduced in November 2020 received positive response from the customers. The Company is consistently delivering strong business performance over the years and generating healthy cash flow.

LafargeHolcim Bangladesh Ltd. demonstrated strength and resilience in execution of the action plan focused on HEALTH, COST & CASH. The year 2021 had seen spiralling cost increases for all the key raw materials, fuel price and ocean freight for the construction industry. However, the cement industry could not pass the increased input costs to the customer to recover. The Company was successful in increasing the price by 7% during the year and also was successful in securing 8% cement volume growth. The journey for cost leadership remained a focal point.

## 2. DIVIDEND AND RETAINED EARNINGS

On January 31, 2022, the Board of Directors' of your Company recommended a final dividend of twenty-five percent (25%), in cash, on the paid-up capital of the Company out of the profits of 2021. The total dividend of 25% of the paid-up capital amounting to BDT 2,903,433,750 which is BDT 2.50 per share of BDT 10.00 each for the year ended on December 31, 2021.

From 2014 to 2020 financial years, the Company declared 10% dividends every year, The dividend recommended by the Board of Directors for the financial year 2021 is 150% higher compared to previous years. The highest ever dividend recommendation by the Board of Directors demonstrates the dedication of the employees and successful implementation of the right strategy by the Management. It also reflects the continued support and confidence of the shareholders on the Company inception.

The above dividend recommendation of the Board of Directors' shall be forwarded to the Shareholders for their consideration and approval at the 24th Annual General Meeting of the Company scheduled on March 21, 2022.

The status of unpaid/unclaimed cash dividend is annexed to this Report 2021 and is also uploaded on the Company's website.

### Retained Earnings

The total Retained Earnings of your Company as of December 31, 2021, stood at BDT 8,162,968,000 details of which are given in the Statement of Changes in Equity of the Consolidated Financial Statement.

## 3. BUSINESS TRANSFORMATION

The Company's constant focus to transform the business from a traditional cement manufacturing company to a sustainable building material solutions provider continued through its innovation and digitalization. Your Company is focused on maintaining a culture of being the best in class because we know that the **FUTURE ISN'T WRITTEN, IT'S BUILT!** We continued with our growth plans in 2021 to provide exclusive solutions to our customers. Here are a few of our recent success stories:

**Holcim Shokti - the First Rapid Early Strength Cement in the Bangladesh Market:** The Company launched Holcim Shokti, the country's first rapid early strength cement product. The product is a game changer for Bangladesh cement market and ensures 50% extra strength in two days. Due to its rapid early strength, it saves 15%-25% construction time at the de-shuttering stage, leading to lower construction costs. The product can be used in Reinforced Cement Concrete (RCC) structure, renovation and development of both residential and commercial projects. Since the date of launching the new brand is receiving encouraging responses from the customers.

**Holcim Water Protect:** We focused on innovation of products to cater to the untapped need of the consumers. Towards the end of 2020, we introduced the magic product Holcim Water Protect. The product has been very well received by the customers. Holcim Water Protect has become the most innovative and premium cement in Bangladesh. Given the heavy rainfall in the country, Holcim Water Protect is now helping our customers to build their dream homes free from dampness and seepages. Holcim Water Protect is the only water proof cement in the country that can be used from the foundation to the roof. Our differentiated approach to establish the product in the market through

influencer activations, live demonstration, digital communication based on unique selling points (USP), and loyalty programs took the market by storm and in the first year of launch, the solution contributed to 5% of the total cement sales.

**New bags for Supercrete Cement:** In June 2021, your Company unveiled a new look of its Supercrete Cement bag with a new tagline '*Shera Maan Shothik Nirman*'. Supercrete is the only Portland Limestone Cement (PLC) brand in Bangladesh and is well recognized and recommended by the professionals for its consistent high quality.

**Clear Size Aggregates:** For the first time since commencement of commercial production, your Company has taken a giant step and has diversified its product portfolio by commencing production and marketing of Aggregates, an important product in the building materials segment. The state-of-the-art Aggregates production unit has been setup with a current capacity to produce 1.1 million tonnes annually of clear size Aggregates (graded limestone chips having uniform size and shape conforming to international standards) at the Company's Surma Plant. The unit commenced commercial production in January 2021. The Aggregates complement our cement segment and provide us with a competitive advantage. The Aggregates market of Bangladesh is totally dependent on imports. The project of LafargeHolcim Bangladesh Ltd. is an import substitute project and contributing in savings of valuable foreign exchange for Bangladesh. Every ton of Aggregates produced by your Company, the country is saving approximately USD 15 foreign exchange expense.

#### 4. OPERATIONAL PERFORMANCE - YEAR 2021

Presently your Company is having seven (7) major operational sites, which includes:

1. **The Quarry:** 100 ha limestone mine in Meghalaya, India, along with two (2) heavy duty crushing units and other ancillary services. In 2021, the Quarry exported 2.54 million tonnes of limestone to Surma Plant.
2. **The belt conveyor:** The seventeen (17) kilometre long cross border elevated belt conveyor systems transporting the crushed limestone from the Quarry in Meghalaya, India to Surma Plant in Chhatak, Bangladesh. In 2021, 2.54 million tons of limestone was transported through belt conveyor.
3. **Surma Plant:** The only integrated cement plant of the country established at Chhatak, Sunamganj produces clinker and cement. In 2021, Surma Plant produced 1,321 kt of clinker and 1,222 kt of Supercrete cement.
4. **Meghnaghat I Plant:** The grinding units are located at Sonargaon, Narayanganj. 893 kt of cement have been produced in 2021 which includes Holcim Red, Holcim Strong Structure, Holcim Shokti, Holcim Black, Holcim Water Protect and Supercrete brand cement.
5. **Meghnaghat II Plant:** The grinding units are located at Sonargaon, Narayanganj. 366 kt of cement have been produced in 2021 which includes Holcim Strong Structure and Supercrete brand cement.
6. **Mongla Plant:** This grinding unit is located at Mongla, Bagerhat. 226 kt of cement have been produced in 2021 which includes Holcim Strong Structure, Holcim Red and Supercrete brand cement.
7. **Aggregates Plant:** Located within the premises of Surma Plant. In 2021, the plant produced 350 kt of Aggregates.

Altogether, your Company is currently having the annual capacity to produce 1.3 million tons of clinker, 4.2 million tons cement and 1.1 million tonnes of clear size Aggregates. The Quarry in Meghalaya, India has permits to produce up to 5 million tonnes of limestone per annum.

## Health & Safety

Health and Safety (H&S) is our fundamental value. This overarching principle is a critical success factor for our operational performance. H&S is regarded as the core competency at all levels of the organization.

In 2021, the Company achieved 28.68 million Safe Man Hours and 1,508 safe days. All major parameters of H&S including zero (0) Lost Time Injury (LTI) and Lost Time Injury Frequency Rate (LTIFR) have been met. For the fourth consecutive year, the Company had Zero Lost Time Injury (LTI) which is testimony of focus, dedication and commitment to H&S of all the employees of the Company. The Company gives topmost priority on core indicators to prevent incidents through H&S audits and follow up actions, H&S trainings, alerts, Incident Reporting and Investigations etc. The Company has continued its emphasis on transport safety and has installed In-vehicle Monitoring Systems (iVMS) in all trucks and bulkers to monitor drivers behaviour. A Reward and Recognition and Consequence Management Policy has been implemented to improve safety culture in transport operations. A visible leadership and engagement tool - Boots on Ground (BOG) has been implemented in June 2021 to ensure management's engagement in the field. Global HSE Days 2021 were held from October 18 to 28, 2021 with the theme "Speak up to stop unsafe act" in line with the spirit of "FIND IT & FIX IT". We received overwhelming participation from our employees as well as contractor's employees.

Your Company has been putting efforts to cover 100% employees and contractor's employees under the vaccination program offered by the Government. Our Business Resilience Teams (BRT) are fully engaged to manage COVID 19 norms at all our sites. "Operating During COVID 19 - Health & Safety Minimum Requirement" are in place for all the employees and contractors covering sanitization, use of mask and social distancing. Process are in place for providing both physical monitoring and personal level support. Mental wellbeing sessions were also conducted for boosting mental health and awareness.

## PRODUCTION PERFORMANCE: CEMENT

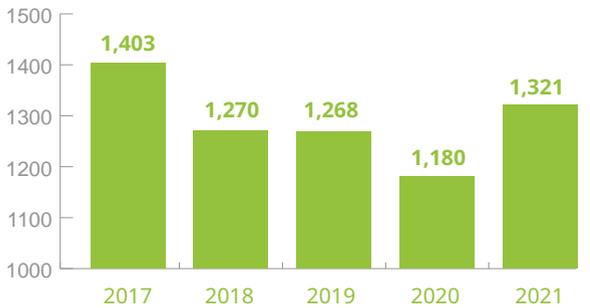
### Cement Production in 2021



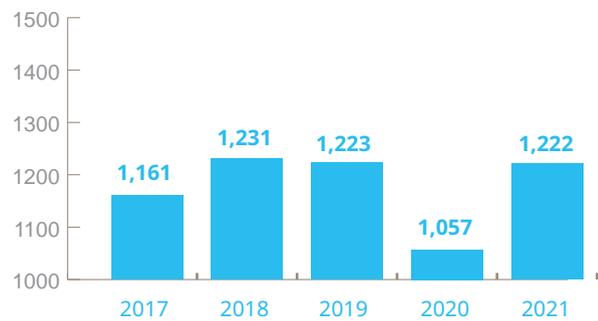
## PERFORMANCE OF SURMA PLANT

In 2021, Surma Plant produced 1,321 kt of clinker and 1,222 kt of cement as compared to 1,180 kt of clinker and 1,057 kt of cement in 2020. Cement dispatch was 1228 kt. This is commendable performance despite the limited supply of gas by Jalalabad Gas Transmission and Distribution Systems Ltd.

Surma Plant Clinker Production (kt) (2017-2021)



Surma Plant Cement Production (kt) (2017-2021)



Surma Plant ranked 2nd in the efficiency category in the Industrial Performance Benchmark among 127 cement plants in the Holcim Group across the world. Surma Plant is one of the “Plants of Tomorrow” globally initiated by the Holcim Group. We are working to achieve unprecedented performance levels in strong symbiosis with the environment and communities. The Plants of Tomorrow solutions are being deployed across our entire value chain to accelerate the transition to net-zero building.

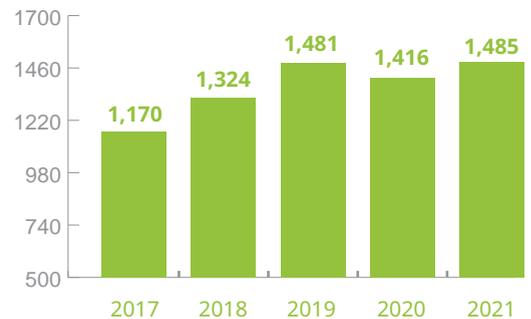
The solutions implemented in your Company include High Level Controls (HLC), Performance and Collaboration Tool (PACT) and Walk by Inspection (WBI). The HLC solutions have made contributions to increase the Raw Mill Output Rate by 2.7%, Cement Mill Output Rate by 0.5% to 1.0%. It also reduced Raw Mill Power Consumption by 1.7%. PACT enables remote operation and allows our Plant teams to stay on top of operational decision making which helps to improve the collaboration through data transparency and achieve the targets more consistently. WBI solution has enabled migration from a manual process done on paper sheets to a digital platform that enables tasks lists, equipment, functional locations and work order and the possibility to create notifications within Systems Applications & Products in data processing (SAP). The Surma Plant took various initiatives and reduced fixed cost and variable costs through optimization of plant security cost, transport cost, heavy mobile equipment usages, scrap sale etc. These efforts have saved 65 million BDT compared to last year.

## MEGHNAGHAT 1, MEGHNAGHAT 2 AND MONGLA PLANTS PRODUCTION

Collectively these three plants achieved the highest ever cement production volume of 1,485 kt and dispatch volume of 1,478 kt in 2021. Meghnaghat, being the hub for innovative product development, our new products - Holcim Water Protect and Holcim Shokti - are exclusively produced in Meghnaghat 1.

These plants also implemented solutions for Plants of Tomorrow in order to achieve improvements in the processes. Positive results are already visible in strong cost control and efficiency improvements, the performance indicators i.e. Specific Electrical Energy Consumption, Clinker Factor, Mean Time Between Failures (MTBF), and Net Availability Index.

Meghnaghat and Mongla  
Cement Production (kt) (2017-2021)

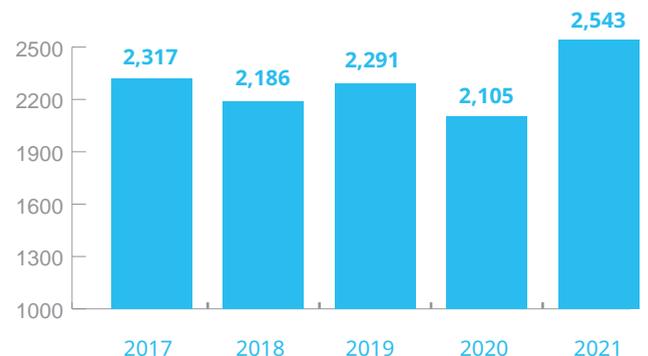


## LIMESTONE QUARRY AT MEGHALAYA, INDIA

Lafarge Umiam Mining Private Limited (LUMPL), the subsidiary of your Company, exported 2,543 kt of limestone during the year in review. The Quarry team demonstrated an exemplary performance in optimization of mining and crushing costs. A 33 Kilovolt (kV) Grid Power line has been commissioned at the Quarry which has eliminated the dependency on diesel for crushing, and Long Belt Conveyor. Use of Grid Power has reduced the Quarry's carbon footprint, and also reduced the power consumption cost by Indian Rupees (INR) 38 per tonne i.e. from INR 58 per tonne to INR 20 per tonne.

The Quarry received 5-star rating at the National level awarded by the Ministry of Mines, Government of India for its efforts and initiatives taken for implementation of all round Sustainable Development at the mine for the last three (3) consecutive years from 2018 to 2020. Only 4% of mining companies in India have received the 5-star rating and our quarry is the only one in the north-eastern region of India awarded with such prestigious rating.

Quarry Production (kt) (2017-2021)



## Production Performance: Aggregate

The production of Aggregates commenced in January 2021. LafargeHolcim Bangladesh Ltd. has set up the Aggregates plant with an investment of around four hundred mBDT. In the nine (9) months of its operations in 2021, the project generated a sales volume of 350 kt and contributed around 12% to the Net Profit of the Company. From the very first day, the customers responded overwhelmingly. The Aggregates business is not only beneficial for the Company, but more importantly it is beneficial for the country. The demand for quality Aggregates in Bangladesh is constantly increasing which is met by imports from overseas spending valuable foreign currency. On the contrary, your Company is producing Aggregates locally which is an import substitution. For every ton of Aggregates produced by your Company, the country saves USD 15 in foreign exchange.

The Company is presently having 1.1 million tonnes of production capacity, which is only marginal as compared to the country's total demand. Accordingly, the Company is having significant growth potentials in this sector. Most importantly, cement and aggregates complement each other and create further growth opportunities for both products. It also paves the way for the Company to further explore into the building materials sectors.

Unfortunately, by letter dated September 16, 2021, the Ministry of Industries instructed the Company to stop production and selling of Aggregates. We have challenged the stoppage order issued by the Ministry of Industries before the proper judicial forum, which is presently pending before the Appellate Division of the Supreme Court of Bangladesh. In the meantime, the selling of Aggregates by the Company in the open market is closed.

## Production Performance: Geocycle

Your Company is the pioneer in Bangladesh to turn waste into usable energy through co-processing in our Cement Kiln. Various industrial and municipal wastes including plastic, Fast Moving Consumer Goods (FMCG), textile industry, sludge and liquids are burnt in the Cement Kiln at high temperatures to generate additional energy.

Co-processing of waste through Geocycle is a result of the Company's commitment to environment. This waste, if not co-processed by your Company, would have polluted the traditional landfills or the rivers and water bodies. Co-processing is a major contributor to the concept of industrial symbiosis and circular economy. Waste products of one industry is a resource for another industry resulting in the overall reduced consumption of traditional fuels, resulting in reduced CO<sub>2</sub>. Our vision is to dispose of around 5% of national waste by the year 2025. Geocycle is the future of alternative energy. Your Company is planning to make investments to ramp up the Total Substitution Rate (TSR) to 25% by 2025. We are upgrading the Geocycle co-processing facilities, which will increase the current co-processing capacity from 15 tonnes per day to 100 tonnes per day through mechanised feeding facility, air supported belt with weighing and feeding system.

Geocycle remains your Company's commitment towards sustainable development and its contribution towards protection of the environment and efficient waste disposal.

## Sales and Marketing

Your Company has a strong pan Bangladesh presence through around 700 dealers, 7,100 retailers and 750 corporate customers in real estate, industrial and RMX segments. Anticipating customer requirements early and being able to address them effectively requires a strong commercial backbone. The Company continues to develop this strength by institutionalising sound commercial processes and building world-class commercial capabilities across its marketing and sales teams.

In 2021, your Company focused heavily on innovation of products to cater the untapped needs of consumers. 'SHOJON', a new distribution channel was introduced with digital application to cater white space retailers. Holcim Shokti - the first Rapid Early Strength Cement in Bangladesh market was launched at the later part of 2021. The water resistant cement, Holcim Water Protect introduced in November 2020 received positive response from the customers.

We have undertaken a differentiated approach to establish our products in the market through activations, live demonstrations, digital communications, engagement events and loyalty programs. Through our highly qualified and efficient Sales and Technical team, we are serving our customers round-the-clock. Your Company continues its focus on digital platforms. Facebook, YouTube, Google Display Network, local news portals were the core platforms in 2021. Your Company also added application based marketing (example: TrueCaller, Imo, Shareit, Viber etc.) to reach the customers at their mobile devices. Implementation of Retail Management System (RMS) & Customer Portal ensured higher customer satisfaction in terms of simplicity and transparency in business operation. In 2021, we introduced Direct-to-Retail (D2R) self-ordering application with the inclusion of Individual House Builders (IHB) to provide a convenient cash management and delivery system. Through D2R, additional 2300 retailers have been added under our portfolio which is 34% additional over the active retail base.

## Digital First

The future is unfolding more quickly and unpredictably than ever before. Customer habits and expectations are rapidly changing with the adoption of technology. To thrive amidst these profound changes, your Company has developed a Digital Transformation enabled strategy to meet today's challenges and seize tomorrow's opportunities.

Over the last one decade, we have been driving digital initiatives in order to create automation of our existing business processes and to meet changing business and market requirements.

In 2021, our teams settled into the new ways of working with the implementation of seventeen (17) different digital initiatives which range from enabling and managing logistics and supply chain planning to facilitate digital customer experience. Our cellular phone application is helping distributors to place orders directly to the Company. Another cellular phone application helps our engineering team to track their performance efficiently. We are entering into e-commerce and commenced our e-commerce based website, Nirman Bandhob, which will act as one-stop solution for all construction related needs of an end user customer.

## Logistics & Procurement

LafargeHolcim Bangladesh Ltd. continues to focus on efficiency improvements. The year 2021 had seen spiralling cost increases for all the key raw materials, fuel price and ocean freight for the construction industry. Your Company undertook special initiatives to avoid any disruption to its business. We implemented various actions to minimise cost impact. e-auction, alternative sourcing and Best Cost Country sourcing are some of the tools used to reduce the costs.

With the installation of a new unloading crane at Meghnaghat Plant I, we achieved 50% efficiency improvement in discharging imported raw materials. Outbound logistics transformation started with introduction of Direct to Retailer (D2R) and e-commerce. This is supported by multiple initiatives like Stoke on Wheel (SoW) and a small size truck fleet delivering small quantity orders. As part of its digital initiatives, your Company introduced the Inland Water Vessel Management System (IWVMS) to monitor and manage the outbound logistics barge fleet efficiently and effectively. Your Company also launched a green logistics initiative "Backhauling by Barge", to carry Surma Plant bound imported raw materials. This has not only reduced the CO<sub>2</sub> emission but also reduced the carrying cost by 35%.

In the coming years, your Company shall focus more on innovation, automation and digitalization to achieve efficiency and sustainability.

## Human Resources

People are integral part of the achievements of LafargeHolcim Bangladesh Ltd. Our strategy focuses on developing a stronger performance culture and investing in developing current and future leaders. We emphasize on the strategic development of the organisation, culture and its people with acquisition of the right talents and retaining them. The Company has driven a number of initiatives for developing in-house talent for future leadership and critical roles, which embedded the business success and helped to achieve the strategic growth in 2021. The Company organised several development programs including in-house trainings and e-learning platform trainings deriving from development needs and skill gap assessment.

In 2021, your Company conducted several H&S awareness programs for its employees and their family members. Your Company also enhanced insurance facilities for the employees and incorporated top hospitals as our corporate health care partner. In order to motivate its employees, the Company acknowledges best employees. Your Company is committed to continue its efforts on developing its employees in the coming years.

## Governance, Ethics and Compliance

Commitment to integrity, honesty and fairness is the bedrock of our culture. We conduct our businesses with strong ethical standards and engage employees across the business to ensure that they are committed to them. The Board of Directors, senior management team, employees and our business partners, all strive to do well and do only the right things.

We maintain a comprehensive risk-based compliance program aligned with the legal requirements of Bangladesh and international standards. Our compliance program is structured to ensure adequate assessment of risks, implementation of controls, training and communication, monitoring and governance. We operate a compliance program within a clear framework of policies and procedures, training and communications, continuous monitoring and testing, corrective actions and open lines of communication.

The compliance program enables your Company to prevent, detect and deter fraud, and includes an Integrity Line, which enables employees to report any concerns regarding breach of rules laid down in the Code of Business Conduct.

The Audit Committee, a sub-committee of the Board of Directors', in every meeting, evaluates and scrutinizes the status of compliance and suggests the management of the Company as it deems necessary.

### **Annual Evaluation of Board of Directors'**

The Nomination & Remuneration Committee (NRC), a sub-committee of the Board, has framed the necessary criterion for the evaluation as per the guidelines provided by the Corporate Governance Code. In accordance with the criterion, the Company undertook the evaluation of the Board of Directors' in 2021, participated by all the members of the Board of Directors'. The details of the evaluation including the parameters and process have been provided in the Corporate Governance Statement of the Annual Report 2021.

## **5. CORPORATE SOCIAL RESPONSIBILITY (CSR) & SUSTAINABLE DEVELOPMENT**

Your Company has been playing a forerunner role in developing the socio economic conditions of the communities around its operational sites both in Bangladesh and India.

In continuation of our CSR and sustainability efforts over the years, in 2021 we strengthened our initiatives in the field of education, healthcare, skill development and women empowerment for the underprivileged individuals from the local communities ensuring sustainability. We provided healthcare services to around 25,000 people, planted around 2,200 saplings, built a footpath benefiting around 1,100 people, and provided scholarships to 358 students. We supported the community by providing equipment for cage fish culturing along with donations of cement to a number of social organisations engaged in the field of community development in different parts of the country. We continued in our outreach programmes and initiatives to stand beside the communities and help them fight COVID 19. Your Company donated Hi Flow oxygen equipment to the Government of Meghalaya. Full body Personal Protective Equipment (PPEs), N95 masks, gloves and disinfectant sprayers were donated to the Community Corona-care Centre (CCC) at Sohra, Meghalaya. We also donated oxygen cylinders to the Shella Public Health Centre (PHC) and to the Nongtraï Dispensary to ensure the two villages are equipped to handle COVID 19 crisis. Sustainability is at the core of our every activity. Your Company is committed to continue its sustainable development initiatives in the coming years while ensuring maximum benefits for the local communities.

### **Net Zero climate pledge**

A net zero world requires collaboration across the entire value chain from architects to policy makers. Your Company is playing its part to support the transition to low-carbon business in line with Holcim Group's 2030 climate targets.

## 6. RISKS AND CONCERNS INCLUDING INTERNAL AND EXTERNAL RISK FACTORS, THREAT TO SUSTAINABILITY AND NEGATIVE IMPACT ON ENVIRONMENT

The Auditors of the Company in their Report to the Shareholders have drawn attention on two (2) Emphasis of Matters: on the ongoing Arbitration process with Jalalabad Gas Transmission and Distribution System Limited (JGTDS) and, on the Writ Petition filed by the Company before the appropriate judicial forum challenging the validity of the letter issued by the Ministry of Industry stopping the Company from selling Aggregates in the open market.

In this regard, the Board of Directors' would like to mention that the Arbitration with JGTDS is presently under procedural stage and the final hearing is expected in December 2022. As per our assessment, we are having a good arguable case and expecting a positive outcome in favour of the Company.

The Writ Petition filed by the Company challenging the order passed by the Ministry of Industries stopping the Company to sell Aggregates in the open market is presently pending before the Appellate Division. As per our assessment, we have a good arguable case in our favour.

Another major risk lies in the Company's cross border operation. Any interruption of limestone supply from its Indian subsidiary company causes a business continuity issue. Strict compliance with applicable laws coupled with strong community development programs are key to minimize this risk.

Bangladesh is a cement capacity surplus market. Despite this fact, new capacity is being added at a higher rate than demand growth. This may further intensify competition in the market resulting in pressure on price. The availability of clinker in Asia impacts the price of clinker imports, which has a significant impact on the level of cement prices in the market and hence on your Company's profitability.

## 7. RISK MANAGEMENT

The management of the Company is responsible for the establishment of the Company's risk management framework. Risk management policies require establishing standard procedures to identify and analyse the main risks to which the Company is exposed and continually deploying and managing risk management systems designed to eliminate or reduce the probability that risks will arise and to limit their impact. The Company is exposed to credit risk, liquidity risk and market risk.

### A. 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, and arises principally from the Company's receivables from customers and other current assets. The management has established a credit policy under which each new customer is analysed individually for creditworthiness. Credit limits are established for each customer and reviewed on a regular basis. Any sales exceeding those limits require approval from the Credit Committee. The Company obtains bank guarantee from all trade customers. A large part of non-trade customers are also under the coverage of bank guarantee and security cheques.

## B. 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 or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

## C. Market Risk

Market risk is the risk that changes in market prices, e.g. foreign exchange rates and interest rates that may impact 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. The Company uses derivatives to manage market risks. Market risk comprises the following three types of risks:

- i. **Foreign Currency Risk** - The Company is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which purchases and borrowings are denominated. The currencies in which these transactions are primarily denominated are Euro, US Dollars, Swiss Franc and Indian Rupee.
- ii. **Interest Rate Risk** - The risk is that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its debts and short term deposits.
- iii. **Commodity Risk** - Commodity risk arises from fluctuation of value of commodity in terms of price, quantity, and cost of the market from or to which the Company procure or sell product respectively. The Company does not have any significant exposure to commodity price risk.

## 8. RELATED PARTIES TRANSACTIONS

All the transactions/contracts/arrangements of the nature as specified under the provisions of International Accounting Standard (IAS) 24 entered by the Company during the year under review with related party (ies) are in ordinary course of business. The details of the names of the related parties, nature of the transactions/contracts/arrangements and their total value are contained in Note No. 29 of the Consolidated Financial Statements.

## 9. DIRECTORS' DECLARATION TO THE FINANCIAL STATEMENTS

The Directors are of the opinion that the Company is a going concern. Accordingly, Financial Statements are prepared on a going concern basis.

The Directors are responsible for the governance of the Company, as part of preparation and presentation of the Financial Statements, the Directors confirm, to the best of their knowledge that:

- ▶ The financial statements prepared by the Management of the Company presents fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- ▶ Proper Books of Account of the Company have been maintained.
- ▶ Appropriate Accounting policies have been consistently applied in preparation of the Financial Statements and that the accounting estimates are based on reasonable and prudent judgment. The International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed.
- ▶ The system of internal control is sound in design and has been effectively implemented and monitored.
- ▶ The minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress.
- ▶ The Board of Directors' have made appropriate examinations and analyzed the significant financial, operating as well as other indicators for enabling them to understand the ability of the Company to continue its operations for a foreseeable period.
- ▶ The Board of Directors' is satisfied and has a reasonable expectation that the Company has adequate resources to continue its operation consistently for the foreseeable future. Hence, the Company adopted the going concern basis in preparing of the Company's financial statements.
- ▶ No interim dividend has been declared by the Company in 2021.
- ▶ The Company issued IPO Share in 2003 and Rights Share in 2011. No further issuance of any kind was made since then.
- ▶ No remuneration was paid to any Director of the Company during the year.
- ▶ The key operating and financial data for the last five (5) years, discussion on cost of goods sold, gross profit margin and net profit margin and explanation on significant deviation from the last year's operating results are disclosed in **Annexure I**.
- ▶ Details of the Board Meetings held, attendance in the meetings, appointments and reappointments of Directors with a brief resume are disclosed in **Annexure II**.
- ▶ The pattern of shareholding is disclosed in **Annexure VI**.
- ▶ A declaration signed by the CEO and CFO to the Board as required under the Corporate Governance Code is disclosed in **Annexure VII**.
- ▶ A Management's Discussion and Analysis signed by CEO presenting detailed analysis of the Company's position and operations along with a brief discussion of changes in the financial statements is disclosed in **Annexure VIII**.

## 10. RESEARCH, DEVELOPMENT AND INNOVATION

As part of the Holcim and Cementos Molins Group, Research and Development (R&D) of your Company is driven by customer's needs, who face today's major challenges. Together with our partners and customers, our best-in-class R&D teams develop the most innovative products, solutions, and services, as well as advanced manufacturing processes to achieve energy efficiency, lower cost of construction, reduce our environmental footprint, and meet the high standards of aesthetics, health, comfort, and well-being.

## 11. INTERNAL CONTROL SYSTEM

The Company has well-documented Policies, Directives and Work Instructions which are periodically reviewed. Implementation and compliance with the Policies, Directives and Work Instructions are monitored and reported to the Audit Committee.

## 12. SHARE HOLDING PATTERN

Your Company is listed at the Dhaka Stock Exchange and Chittagong Stock Exchange. The total Shareholdings of the Company are distributed as follows:



Further information on Shareholding pattern is annexed to this report as **Annexure VI**.

### Surma Holding B.V.

Surma Holding B.V., incorporated in The Netherlands, owns 58.87% shares of your Company. Lafarge S.A. (a subsidiary of Holcim) owns 50% shares of Surma Holding B.V., and the other 50% are owned by Cemolins Internacional S.L.U. of Spain.

### About the Sponsors

#### ABOUT HOLCIM

On May 4, 2021, LafargeHolcim Group changed its name to Holcim Ltd. The simplification of the Group name reflects its transformational journey to become the global leader in innovative and sustainable building solutions. The new name provides efficiency and impact, while building on its legacy.

Holcim builds progress for people and the planet. As a global leader in innovative and sustainable building solutions, Holcim is enabling greener cities, smarter infrastructure and improving living standards around the world. With sustainability at the core of its strategy Holcim is becoming a net zero company, with its people and communities at the heart of its success. The company is driving the circular economy as a world leader in recycling to build more with less. Holcim is the company behind some of the world's most trusted brands in the building sector including ACC, Aggregate Industries, Ambuja Cement, Disensa, Firestone Building Products, Geocycle, Holcim and Lafarge. Holcim is 70,000 people around the world who are passionate about building progress for people and the planet through four business segments: Cement, Ready-Mix Concrete, Aggregates and Solutions & Products. More information is available on <https://www.holcim.com>.

#### ABOUT CEMENTOS MOLINS

Cementos Molins is one of the most important companies in the sector in Spain. Born as a family business, over the years, it has developed products of recognized prestige in the construction materials industry, keeping intact its traditional values of integrity, continuous improvement, efficiency, passion, sustainability and environmental protection. Cementos Molins operates in Spain, Argentina, Uruguay, Mexico, Bolivia, Colombia, Tunisia and Bangladesh. In addition to cement, it participates in the business of concrete, aggregates, prefabricated concrete, special mortars, adhesive cements and eco-materials. More information is available on <https://www.cemolins.es>.

Besides Surma Holding B.V., other sponsors of this venture are Islam Cement Limited and Sinha Fashions Limited from Bangladesh.

## 13. BOARD OF DIRECTORS

### (a) Board composition

The Board of Directors' of the Company has twelve (12) members. Three (3) of them are Independent Directors.

### (b) Independent Directors

Mr. Syed Mahmudul Huq, Independent Director, completed one (1) term of three (3) years in office. Pursuant to the provisions of the Corporate Governance Code, the Board of Directors' reappointed Mr. Syed Mahmudul Huq as Independent Director for a 2nd term of three (3) years, effective from September 18, 2021.

It is proposed that the Shareholders approve the appointment of Mr. Syed Mahmudul Huq as an Independent Director of the Company, not liable to retire by rotation at the 24th Annual General Meeting of the Company.

### (c) Recommendation for re-elections

Pursuant to Regulation 79 of Schedule I of the Companies Act, 1994, the following Directors of the Board shall retire at the 24th Annual General Meeting. Being eligible they offer themselves for re-election:

- (i) Mr. Julio Rodriguez Izquierdo
- (ii) Mr. Marcos Cela Rey
- (iii) Ms. Naheed Akhter

A brief profile of the above mentioned three Directors is disclosed in **Annexure III** as a part of the Board of Directors' Report.

#### **(d) Recommendation for re-appointment as CEO**

Mr. Rajesh Surana, Chief Executive Officer, completed one (1) term of five (5) years as the CEO of the Company. As per Section 110 of the Companies Act, 1994, the terms of the CEO is five (5) years and any extension beyond five (5) years shall require consent of the shareholders in the General Meeting. Pursuant to the provisions of Article 15.2.1 of the Articles of Association of the Company, and following the recommendation of the Nomination and Remuneration Committee of the Company, the Board of Directors' recommended reappointment of Mr. Rajesh Surana, as Chief Executive Officer for the 2nd term of five (5) years, effective from February 1, 2022, which shall be presented before the 24th Annual General Meeting of the Company for approval of the shareholders.

#### **(e) Sub Committee of the Board**

For ensuring good governance, the Board of Directors' have formed two sub-committees.

##### **(i) The Audit Committee of the Board**

The Audit Committee consists of three (3) Directors including one (1) Independent Director as the Chairman of the Audit Committee. The Audit Committee ensures that adequate internal checks & balances supported by adequate Minimum Control Standards as defined by the Sponsor Groups are in place for detection of errors, frauds and other deficiencies. The Audit Committee also ensures compliance of requirements of Bangladesh Securities and Exchange Commission (BSEC). The Audit Committee reviews the Quarterly and Annual Financial Statements. The Audit Committee also reviews adequacy and effectiveness of financial reporting process, accounting policies, internal control and risk management process. In addition, the Audit Committee oversee the compliance and provides necessary advices to the Management and Board of Directors' to ensure running the business in 100% compliance of the applicable laws, policies and directives.

##### **(ii) Nomination and Remuneration Committee**

The Nomination and Remuneration Committee (NRC) consists of three (3) Directors including one (1) Independent Director as Chairman of the NRC to set the principles, parameters and governance framework for the nomination and remuneration of the Directors, Key Managerial Personnel, Top-Level Executives and other employees comprising the senior management.

#### **(f) Board and Sub Committee Meetings and Attendance**

In 2021, the Board of Directors' of the Company and Audit Committee of the Company met on four (4) occasions respectively. The NRC of the Company met on one (1) occasion.

Due to the COVID 19 pandemic and the ensuing travel restrictions and social distancing requirements, the meetings of the Board of Directors', Audit Committee and NRC meetings were held virtually in terms of the Bangladesh Securities and Exchange Commission's (BSEC) Order No. SEC/SRMIC/94-231/25 dated July 08, 2020.

The details including dates of the meetings and attendance records of the Directors are annexed to this Annual Report as **Annexure II**. The Directors who could not attend the meetings were granted leave of absence.

## 14. CORPORATE GOVERNANCE COMPLIANCE STATEMENT

The Company complied with all the necessary guidelines under BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 3, 2018. A separate section on Corporate Governance and the Compliance Report along with the necessary remarks and disclosures is appended in this Annual Report for the year 2021. A Certificate of Compliance required under the said Guidelines, as provided by M/s Al-Muqtadir Associates, Chartered Secretaries and Consultants, is annexed to this Annual Report as **Annexure X**.

In 2021, your Company received two (2) awards for excellence in Corporate Governance from two (2) premier Institutes of Bangladesh – The Institute of Cost and Management Accountants of Bangladesh (ICMAB) and the Institute of Chartered Secretaries of Bangladesh (ICSB).

## 15. AUDITORS

### (a) Auditors Report

The Statutory Auditors of the Company submitted their Report to the Shareholders on the Consolidated Financial Statements which is forming part of the Annual Report.

### (b) Statutory Auditors

Pursuant to Section 210 of the Companies Act, 1994, the Company's Statutory Auditors; M/s. Hoda Vasi Chowdhury & Co., Chartered Accountants, retire at the 24th Annual General Meeting. Being eligible, they express their willingness to be re-appointed.

### (c) Corporate Governance Compliance Auditors

Every year, the Company obtains a certificate of compliance from a Practicing Professional Accountant/Secretary (Chartered Accountant/Cost and Management Accountant/Chartered Secretary) regarding compliance of conditions of the Corporate Governance Code.

M/s. Al-Muqtadir Associates, Chartered Secretaries & Consultants, retire at the 24th Annual General Meeting. Being eligible, they express their willingness to be re-appointed.

## 16. INDUSTRY: OUTLOOK & POSSIBLE FUTURE DEVELOPMENTS

According to the International Monetary Fund, Bangladesh's economic growth is expected to increase to 6.6% for the fiscal year ending June 2022. Despite being hit by multiple waves of the COVID 19 pandemic, quick and decisive actions by the Bangladeshi authorities led to a much quicker rebound of the economy. Remittances reached a record high in 2021. The country's Ready Made Garment industry showed strength in adversity.

Construction activities are back to normal. Most projects and individual house builders (IHB) segment are picking up pace. The shipping crisis ignited the freight costs to increase by approximately USD 10 to 15/per tonne which in turn increased the costs of imported raw materials. In addition, the surge in the diesel price by 23% caused logistics costs to increase by approximately 10% across the country. Cement prices however remained stagnant and the abnormal increase in the raw material costs were not passed on to the consumers.

Bangladesh is still one of the lowest consumers of cement products in the world, with per capita cement consumption of around 200 kg, despite the rapid growth of the industry.

## 17. ACKNOWLEDGEMENTS

Your Directors are thankful to the various departments and offices of the Government of Bangladesh, the Government of India and the State Government of Meghalaya for their continued guidance and co-operation. The Directors are grateful to all valuable stakeholders of the Company viz. customers, dealers, vendors, banks, suppliers, business partners for their support and services rendered during the year. The Directors are also grateful for the support received from the local communities around the Surma Plant in Chhatak, Mongla Plant, Meghnaghat Plants and the Quarry in Meghalaya. The Directors would like to recognize the management and all employees of the Company for their dedication and commitment. The results achieved are outstanding and were only possible thanks to their strong and continued believe in building a better company every day. Finally, the Directors are grateful to the Shareholders for their continued and valuable support to the Company.

For and on behalf of the Board of Directors



**Christof Hässig**  
Chairman

Date: February 15, 2022



Call our  
Integrity Line

+880 9610 101 404

Global identifier code: 77084

## Integrity Line

Doing business with integrity is the Holcim way. If you have a question, or need to raise a concern regarding Holcim business practices, speak to your supervisor, HR, legal, or compliance colleagues. And if you don't feel comfortable doing that, use the Holcim Integrity Line.

**Integrity Line: +880 9610 101 404**  
**<https://integrityline.holcim.com/>**  
**Global identifier code: 77084**





# CORPORATE GOVERNANCE STATEMENT

The Board of Directors present the Report on Corporate Governance pursuant to the Bangladesh Securities and Exchange Commission Notification on Corporate Governance dated June 3, 2018 (the "Corporate Governance Code") for the year ended December 31, 2021.

## Company's philosophy on Corporate Governance

At LafargeHolcim Bangladesh Limited (the "Company"), Corporate Governance has been an integral part of the way we have been doing our business since inception. We believe that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the laws coupled with adherence to the highest standards of transparency and business ethics.

The Company places great emphasis on values such as empowerment and integrity of its employees, safety of the employees and communities surrounding our plants, transparency in decision making process, fair and ethical dealings with all, pollution free clean environment and last but not the least, accountability to all the stakeholders.

Throughout its existence spanning over 25 years, the Company has effectively sustained and nurtured itself since its inception with highest levels of professionalism. Our core principles represent the edifice of our two tier governance model, with the Board of Directors and the Committees of the Board at the apex, and the management structure at the operational level. The Board and its Committees guide, support and complement the management team's ideas and initiatives, which in turn assumes accountability, strives to achieve the set objectives and enhances value creation for all.

## THE GOVERNANCE STRUCTURE

### A. Board composition: Size and composition of the Board

The Company is a professionally managed company functioning under the overall supervision of the Board of Directors. The Board of Directors is made up of eminent and qualified persons who ensure that the tradition of demonstrating high standards of Corporate Governance is maintained. The Board of Directors sets out the overall corporate objectives and provides direction and independence to the Management to achieve these objectives for value creation through sustainable profitable growth. The Board of Directors seeks accountability of the Management in creating long term sustainable growth leading to the fulfilment of stakeholders' aspirations. It also sets out standards of corporate behaviour and ensures compliance with laws and regulations.

The Corporate Governance Code has mandated that:

- I. All companies shall have effective representation of Independent Directors on their Boards, so that the Board, as a group, includes core competencies considered relevant in the context of each company.
- II. At least one-fifth (1/5) of the total number of directors in the company's Board shall consist of Independent Directors.

As on January 31, 2022, the Board comprised (12) Directors, consisting of one (1) Non-Executive and Non-Independent Chairman, three (3) Independent Directors, seven (7) Non-Executive Directors and one (1) Executive Director. The Chief Executive Officer (CEO) of the Company is the only Executive Director. An independent director is the chairperson of each of the Board committees – namely Audit Committee, and Nomination and Remuneration Committee.

The Board of Directors play a fundamental role in upholding and nurturing the principles of good governance. The Board of Directors is the highest body of the governance of the Company, who works within the framework of the Memorandum & Articles of Association of the Company, as approved by the Shareholders.

### SIZE AND COMPOSITION OF THE BOARD



**75%**  
Non-Executive and  
Non-Independent Directors  
and Executive Directors

**25%**  
Independent Directors



**75%**  
Men Directors

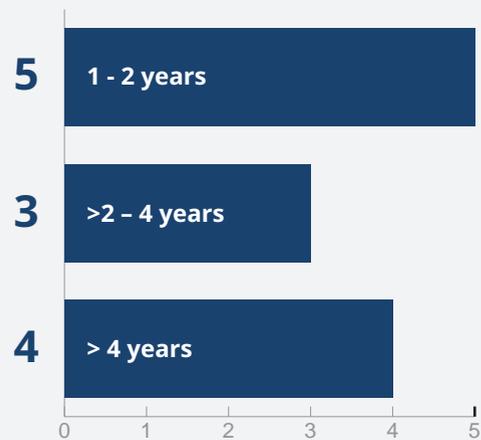


**25%**  
Women Directors

### Average Tenure (in years)



### Tenure of Directors



## B. Role of the Board of Directors

- The primary role of the Board of Directors is that of a trustee – to set and protect the culture and values for the Management, by ensuring high ethical standards. It provides strategic guidance and direction, monitors operational performance and ensures that robust policies and procedures are in place.
- The Board has a fiduciary responsibility to ensure that the Company has clear goals aligned to shareholder value and its growth.
- The Board of Directors, through its various Committees, reviews the identified risks and the mitigation measures undertaken/to be undertaken in respect thereof, ensures integrity in the Company's accounting and financial reporting systems, adequacy of internal controls and compliance with all relevant laws.
- In particular, the Board of Directors reviews and approves quarterly/half yearly unaudited financial results and the audited annual financial statements, corporate strategies, business plans, annual budgets, sets corporate objectives and monitors its implementation and oversees the major capital expenditure.
- The Board monitors overall operating performance, H&S performance and reviews such other items which require the Board of Directors attention. It directs and guides the activities of the Management towards achieving set goals and seeks accountability.
- It also sets standards of corporate behaviour and ensures transparency in corporate dealings. The Agenda for the Board Meetings are supported by relevant information, documents and presentations to enable the Board of Directors to take informed decisions. The Agenda is sent out to the Directors within the prescribed time period.
- In compliance with clause 1(5) of the Corporate Governance Code and section 184 of the Companies Act, 1994, the Board of Directors has placed its Report before the Shareholders, which forms part of the Annual Report 2021.

## C. Responsibilities of the Board leadership

### CHAIRPERSON OF THE BOARD OF DIRECTORS

The Chairman leads the Board of Directors. The Chairman is responsible for fostering and promoting the integrity of the Board of Directors while nurturing a culture where the Board of Directors works harmoniously for the long-term benefit of the Company and all its stakeholders. The Chairman is primarily responsible for ensuring that the Board of Directors provides effective governance to the Company. In doing so, the Chairman presides over meetings of the Board of Directors and of the Shareholders of the Company.

The Chairman is responsible for the providing leadership and governance of the Board of Directors and ensures that all key and appropriate issues are discussed by the Board of Directors in a timely manner. He promotes effective relationships and open communication, and creates an environment that allows constructive debates and challenges, both inside and outside the Boardroom, between Independent & Non-Executive Directors and the Management. He ensures that the strategies and policies agreed by the Board of Directors are effectively implemented by the Chief Executive Officer. He sets, in consultation with the Chief Executive and Company Secretary, the Board meeting schedule and agenda to take full account of the important issues facing the Company and the concerns of all Directors, and ensures that adequate time is available for thorough discussions on critical and strategic issues.

The Chairman establishes good corporate governance practices and procedures and promotes the highest standards of integrity, probity and corporate governance throughout the Company and particularly at Board level. The Chairman works actively with the Nomination and Remuneration Committee to plan the composition of the Board, induction of Directors to the Board, plans for Director Succession, leads the Board evaluation process and engages with individual directors to provide constructive feedback and advice.

### INDEPENDENT DIRECTORS

The role of the Independent Directors is to ensure Board effectiveness to maintain high-quality governance of the organization and the effective functioning of the Board. In compliance to the Notification, there are three (3) Independent Directors, on the Board of Directors of the Company. The Independent Directors are appointed by the Board of Directors and approved by the Shareholders in the Annual General Meeting (AGM). Independent Directors are appointed for a period of 3 (three) years, which may be extended for 1 (one) term only. The Independent Directors shall (i) not subject to retire by rotation, (ii) not serve as "Independent Directors" in more than 5 (five) listed companies and (iii) meet the criteria requirements of clause 1(2)(b) and clause 1(3) of the Corporate Governance Code.

### CHIEF EXECUTIVE OFFICER (CEO)

The CEO is an Executive Director of the Company. CEO is in overall operational control and responsible for the day-to-day working of the Company in terms of the Articles of Association of the Company. He provides strategic directions, lays down policy guidelines and ensures implementation of the decisions of the Board of Directors and its various Committees and functions under the superintendence, direction and control of the Board of Directors.

## **CHIEF FINANCIAL OFFICER, HEAD OF INTERNAL AUDIT & COMPLIANCE AND COMPANY SECRETARY**

In compliance of clause 3 of the Corporate Governance Code, the Board of Directors has appointed a Chief Financial Officer, Company Secretary and a Head of Internal Audit & Compliance. The CEO, Chief Financial Officer, Head of Internal Audit and Compliance and Company Secretary of the Company do not hold any executive position in any other company at the same time. The Board of Directors has clearly defined their respective roles, responsibilities and duties. They attend the meetings of the Board of Directors.

## **DIRECTORS' PROFILE**

The Board of Directors comprises of highly renowned professionals drawn from diverse fields. They collectively bring with them a wide range of skills and rich experiences, which enhances the quality of the Board's decision making process. The profile of the Directors' is enclosed to this Annual Report.

## **REMUNERATION OF DIRECTORS**

In terms of the present Articles of Association of the Company (the "Articles"), none of the Independent Director or the Non-Executive Directors receive any sitting fees or remuneration from the Company. The CEO, who is an Executive Director, is paid as per the terms and conditions of his employment contract with the Company. The Company provides for the travel arrangements for the Directors attending the Board meetings of the Company. In the year 2021, all four (4) Board meetings were held virtually on account of travel restrictions and social distancing requirements.

## **MEETINGS OF THE BOARD OF DIRECTORS**

The Company conducts its Board meetings and records the Minutes of the meetings as well as keeps required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.

## BOARD COMMITTEES

For better, quicker and informed flow of information and thereby exercising effective governance, the Board has also constituted two (2) sub-committees, viz: Audit Committee and Nomination and Remuneration Committee. These Committees assist the Board in the efficient discharge of its responsibilities. The role of the Board Committees is to review and assess respective areas and to advise and make recommendations to the Board. Each Committee operates in accordance with the respective terms of reference (ToR), as approved by the Board. The Board also appoints the members and Chairman of each Committee. Minutes of the Committee meetings are placed for review at the following Board meeting of the Company.



BOARD OF DIRECTORS



AUDIT COMMITTEE

- Formed in accordance to condition 5 of BSEC Corporate Governance Code.
- Comprises 3 Non-Executive Directors.
- Chairman is an Independent Director.
- The CFO, CEO, HIAC and representative of statutory Auditors are Invitees to meetings.
- Company Secretary is the Secretary of the Committee.
- All Members are 'Financially Literate' & able to analyze and interpret financial statements to effectively discharge their duties and responsibilities.



NOMINATION AND REMUNERATION COMMITTEE

- Formed in accordance to Condition 6 of BSEC Corporate Governance Code.
- Assists the Board in formulation of the nomination criteria & policy for determining qualifications, positive attributes, experiences and independence of directors and top level executives (TLE) as well as policy for formal process of considering remuneration of directors, TLE.
- Comprises 1 Independent Director and 2 Non-Executive Directors.
- Chairman is an Independent Director.
- Company Secretary is the Secretary of the Committee.

The Composition of the Audit Committee and details of the Members participation at the meetings of the Committee, and a report on the activities carried out by the Audit Committee are enclosed to this Annual Report.

As required by clause 6(5)(c) of the Notification, the Nomination and Remuneration Policy and the evaluation criteria and activities of the NRC during the year are enclosed to this Annual Report.

## PERFORMANCE EVALUATION OF THE BOARD

The effectiveness of the Board, Independent Directors and Chairman is crucial to the overall success of the Company. In terms of the requirements of the Corporate Governance Code, the Company undertakes a formal assessment of the operation of the Board of Directors annually. The evaluation is an important part of the Board's corporate governance framework and is based on the criteria and framework adopted by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors.

The evaluation is carried out through tailored questionnaires pragmatically structured to draw out significant issues that are relevant to the Board, each of the three (3) Independent Directors and the Chairman of the Board of Directors. The questionnaires are aimed at identifying any areas for improvement as given below: -

BOARD AS A WHOLE	INDEPENDENT DIRECTORS	CHAIRMAN OF BOARD
<ul style="list-style-type: none"> <li>• Board Composition and Quality</li> <li>• Board Meetings and Procedures</li> <li>• Execution and performance of specific duties from the point of view of the members of the Board</li> <li>• Assessment of the Secretarial Department</li> </ul>	<ul style="list-style-type: none"> <li>• Integrity</li> <li>• Implementing best CG practices</li> <li>• Unbiased &amp; ethical judgment</li> <li>• Independent Judgment - Board Deliberations</li> <li>• Updated with business of the Company</li> <li>• Acting in the interest of the Company, Shareholders &amp; Employees</li> <li>• Confidentiality</li> <li>• Adherence to Code of Conduct</li> <li>• Negative press.</li> </ul>	<ul style="list-style-type: none"> <li>• Overall Management of Meetings.</li> <li>• Approachableness.</li> <li>• Ability in handling critical situations.</li> <li>• Openness to discuss difficult issues.</li> <li>• Encouragement of critical interventions of Board Members.</li> </ul>

**Evaluation process:**

- 1 Tailored questionnaires prepared in accordance to the criteria framed by NRC and approved by the BOD
- 2 Secured online platform for providing the responses (Google Forms)
- 3 Results of the evaluation compiled internally by Company Secretary and shared with Chairman
- 4 Final Report - Outcome and feedback discussed at the Q1 of 2022 Board Meeting and Action Plan agreed

**Outcome of Performance Evaluation**

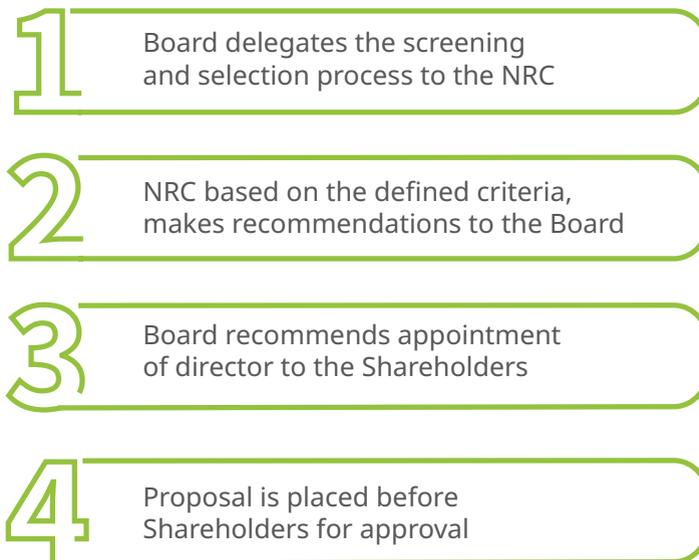
A report in respect of the feedback from the Directors in the evaluation questionnaires and suggested recommendations for areas to focus on in the coming year was presented to the Board for consideration, following which an action plan was agreed. Overall, the review determined that the Board has an appropriate mix of diversity, has an appropriate Sub-committee structure, has a schedule of matters reserved for the Board which is well understood, is performing well in terms of the development and oversight of strategy and is supported by an effective secretariat function. There is very strong confidence in the leadership of the Board and Independent Directors are hard-working and demonstrate a strong commitment to the principles guiding the Company.

**SUCCESSION PLANNING**

The Nomination and Remuneration Committee works with the Board of Directors on the leadership succession plan to ensure orderly succession in appointments to the Board. The Company strives to maintain an appropriate balance of skills and experience within the organization and the Board in an endeavour to introduce new perspectives while maintaining experience and continuity.

The Board members bring to the table their broad and diverse skills and viewpoints to aid the Company in advancing its strategy.

## Selection and appointment of new directors



## LEADERSHIP TEAM - EXECUTIVE COMMITTEE

The Executive Committee operates within the framework of the strategic policies laid down by the Board of Directors and is responsible and accountable for overall business deliverables. The Executive Committee meets on a regular basis to review and monitor the performance vis-a-vis the annual plans and budgets, discusses cross functional operational issues and addresses business challenges and issues.

## SUBSIDIARY COMPANIES

The Company has 2 (two) subsidiary companies i.e. Lafarge Umiam Mining Private Limited and Lum Mawshun Minerals Private Limited (collectively the "Subsidiary Companies"). In compliance with Clause 2 of the Notification:

- I. The Company reviews the affairs of the Subsidiary Companies and the minutes of the Board Meeting of the Company records the same.
- II. Minutes of the Board Meetings of the Subsidiary Companies are placed for review at the following Board meeting of the Company. The Audit Committee of the Company also reviews the Financial Statements of the Subsidiary Companies at the Meetings of the Audit Committee and Board of Directors of the Company.
- III. The financial results of the Subsidiary Companies are also provided to the Audit Committee for an overview prior to their consolidation with the Parent Company.

## STRICTURES AND PENALTIES

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Bangladesh Securities and Exchange Commission or by any statutory authority on any matters related to capital markets during the last three years.

## ETHICS AND INTEGRITY

### (i) Code of Business Conduct

The Company emphasises on high standards of business integrity through its Code on Business Conduct Policy (COBC), which must be followed by all employees and Directors of the Company. The Company has zero tolerance for any behaviour that is inconsistent to the COBC. The Board of the Company had also laid down a code of conduct, based on the recommendation of the NRC for the Chairperson of the Board, other Board Members, CEO. The COBC lays emphasis amongst other things, on the integrity at workplace and in business practices, honest and ethical personal conduct, diversity, fairness and respect etc. The Code gives guidance through examples on the expected behaviour from an employee in a given situation and the reporting structure

To raise awareness of the COBC amongst employees, the Company conducts regular awareness workshops right from the induction stage to periodic face to face training and annual online e-learning courses. The Company has also undertaken various initiatives to enhance the accessibility and outreach of its compliance culture. In 2021, the Company introduced the new Integrity Line and a “one stop service” for all Compliance related documents and literatures - the ‘Integrity Kiosk’ both virtually and in physical locations across the country.

The conduct of all employees, including Directors and all other employees, must be in accordance with the COBC. Apart from adhering to the tenets articulated in the COBC, all employees and Board Members have confirmed their commitment and compliance by executing a declaration of compliance annually.

The COBC has been posted on the Company's website <https://www.lafargeholcim.com.bd/>.

### (ii) Fair Competition

The Company has been carrying out extensive training sessions for creating awareness among relevant employees on fair competitive practices. In 2021, due to the COVID 19 pandemic, all trainings were organized over video conference. The training sessions audience was primarily those in sales and procurement functions, on various aspects of competition law and on behaviour aspects for ensuring fair competition in the market place. E-Learning training is imparted to all such employees in addition to face-to-face training.

In addition to the above, the processes of the Company are subject to periodic reviews and, where required, have been further strengthened.

## VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company is committed to the high standards of corporate governance and stakeholder responsibility.

The Company has an ethics advice and reporting system called the Integrity Line to deal with instances of report violations of the COBC, policies, or directives or any other breaches of law fraud and mismanagement, if any. The Integrity Line ensures that strict confidentiality is maintained whilst dealing with concerns and also ensures that no discrimination is meted out against any person for a genuinely raised concern. The Integrity Line can be contacted to report any suspected or confirmed incidence of violations of COBC, policies, or directives or any other breaches of law fraud and mismanagement.

## PREVENTION OF INSIDER TRADING

The Company has in place an Insider Dealing and Share Transaction Restrictions Policy (Insider Trading Policy) to govern Price Sensitive Information, disclosure of Insider Information and on trading on Company Securities by employees. The Insider Trading Policy prohibits the purchase or sale of the Company's shares by the Directors and their immediate relatives, designated persons and connected persons, while in possession of unpublished price sensitive information in relation to the Company and during the period(s) when the Trading Window to deal in the Company's shares is closed.

## MEANS OF COMMUNICATION

The Company follows a robust process of communicating with its stakeholders and investors. For this purpose, it provides multiple channels of communications viz. through dissemination of information on the online portal of the Stock Exchanges, Press Releases, the Annual Reports and uploading relevant information on its website.

The unaudited quarterly results (both standalone and consolidated) are announced within 45 days of the close of the first quarter and within 30 days of the Second Quarter & Third Quarter. The audited annual results are announced within 120 days from the close of the financial year, as required under Listing Regulations. The aforesaid financial results are disseminated to the Stock Exchanges within thirty minutes from the close of the Board Meeting at which these are considered and approved. The results are published in leading daily newspapers having national circulation and online newspapers.

The audited financial statements form a part of the Annual Report which is sent to the Members within the statutory period and well in advance of the Annual General Meeting.

The Annual Report of the Company, the quarterly/half yearly results and the annual audited financial statements and the press releases of the Company are also placed on the Company's website: <https://www.lafargeholcim.com.bd/> and can be downloaded.

The Company discloses to the Stock Exchanges, information required to be disclosed including material information which have a bearing on the performance/operations of the Company or which is price sensitive in nature. All information is filed electronically on Dhaka and Chittagong exchanges online portal.

The Board of Directors decides on the materiality of information for the purpose of making disclosure to the Stock Exchanges.

All disclosures made to the Stock Exchanges are also made available on the Company's website and can be accessed through web link: <https://www.lafargeholcim.com.bd/>.

## STATUTORY AUDITORS

The Audit Committee recommends and the Board endorses the appointment of the Statutory Auditor which is approved by the Shareholders at the Annual General Meeting. Along with the appointment, the Shareholders also fix the remuneration of the Statutory Auditors.

In compliance with the BSEC Notification on financial reporting and disclosure dated June 20, 2018, and Dhaka Stock Exchange (Listing) Regulations, 2015 dated June 30, 2015, the statutory auditors are not appointed for a consecutive period exceeding three (3) years.

The Audit Committee meets with the Statutory Auditors to ensure that the auditors are acting independently and reviews the financial statements before submission to the Board for approval.

The Financial Statements included in this Annual Report have been audited by M/s. Hoda Vasi Chowdhury & Co., Chartered Accountants.

## CORPORATE GOVERNANCE COMPLIANCE STATEMENT

Every year, the Company obtains a certificate from a Practicing Professional Accountant/ Secretary (Chartered Accountant/ Cost and Management Accountant/ Chartered Secretary) regarding compliance of conditions of the Corporate Governance Code and send the same to the Shareholders along with the Annual Report.

The compliance certificate issued by M/s. Al-Muqtadir Associates, Chartered Secretaries & Consultants., is appended as **Annexure X** to this Report.

The status of compliance with the Corporate Governance Code is captured in the checklist appended as **Annexure XI** to this Report.

## SUMMARY

Effective governance is a continuous process that must weave all functions and employees of the Company into a unified whole to attain the ultimate corporate goals. Being a fully compliant entity, the Company upholds the spirit of transparency and accountability to the society through the establishment of an effective governance regime. Hence, the Company drives good governance procedures across all functions, as it is a key input in managing the business professionally, effectively and responsibly, which makes it transparent, ethical and law abiding, while ensuring accountability.

Overall, the Company upholds its commitment to good corporate governance and pledge to continue to work in meeting the best interests of our shareholders and all other stakeholder groups.

**SUMMARY OF KEY OPERATING AND  
FINANCIAL CONSOLIDATED DATA OF PRECEDING FIVE (5) YEARS:**

in million BDT

Particulars	2021	2020	2019	2018	2017
Revenue	20,534	16,222	17,840	16,633	10,819
Gross Profit	6,640	4,606	4,532	4,100	2,599
Operating profit	4,840	2,954	2,921	2,310	1,271
Profit before tax	4,828	2,849	2,681	1,883	1,356
Profit for the year	3,882	2,361	1,737	1,115	805
Property, plant and equipment	16,384	16,675	16,531	16,665	11,500
Goodwill	318	318	318	318	-
Intangible assets	2,210	2,293	2,520	2,614	975
Current assets	10,710	6,933	7,414	7,149	8,923
Share capital	11,614	11,614	11,614	11,614	11,614
Retained earnings	8,163	5,442	4,242	3,666	3,132
Shareholders' equity-Parent company	19,794	17,289	16,199	15,578	15,274
Non-controlling interests	0	0	0	0	0
Equity	19,794	17,289	1,6199	15,578	15,274
Current liabilities	7,153	5,941	7,243	6,978	3,982

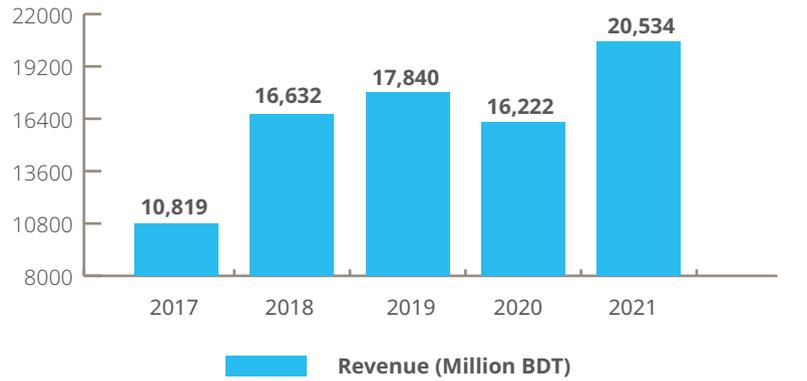
in BDT

Particulars	2021	2020	2019	2018	2017
Net asset value per share	17.04	14.89	13.95	13.41	13.15
Net operating cash flow per share	5.23	3.91	3.52	2.68	1.17
Earnings per share	3.34	2.03	1.50	0.96	0.69

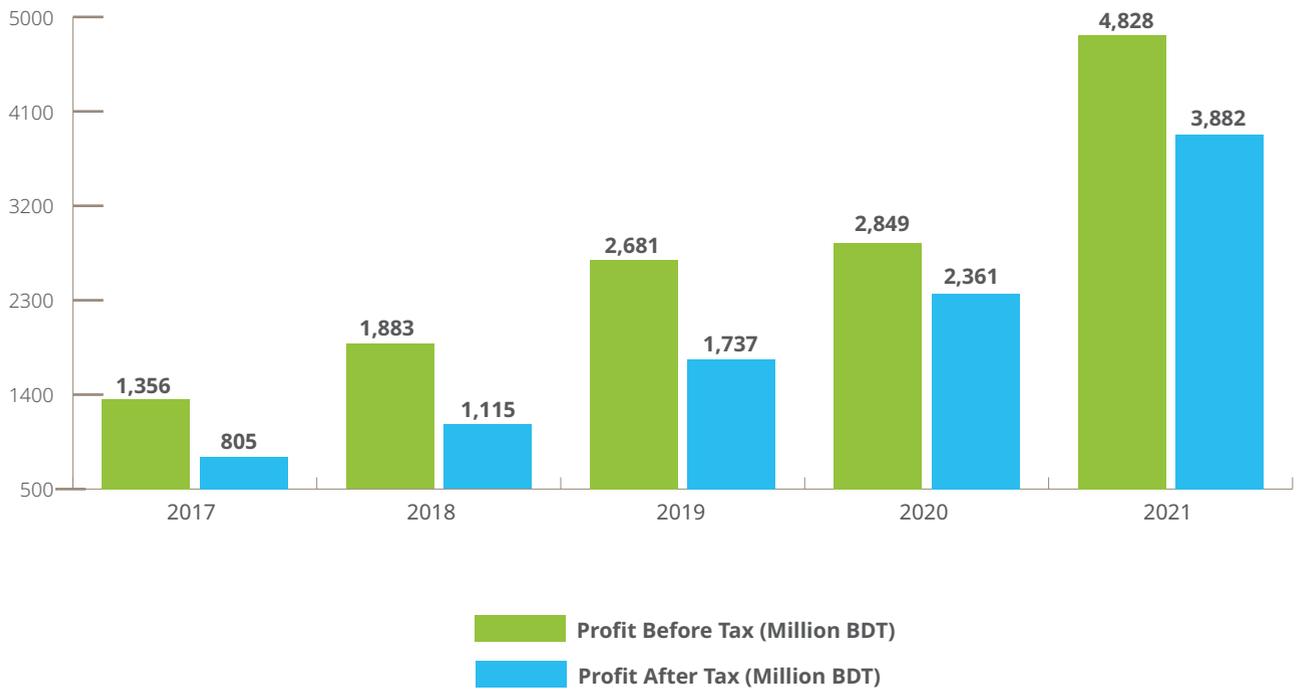
**DISCUSSION ON COST OF GOODS SOLD, GROSS PROFIT MARGIN AND NET PROFIT MARGIN:**

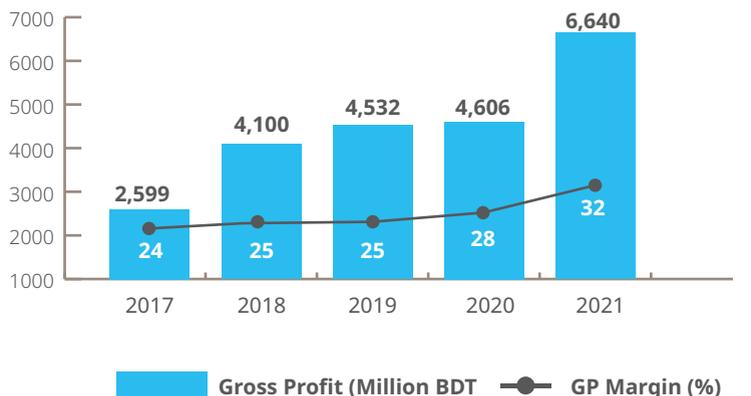
The Company delivered very resilient financial results in the year 2021. Net Sales increased by 27% to 20,534 million Bangladesh Taka (mBDT) as compared to 16,222 mBDT in 2020. The Profit After Tax (PAT) during the year was up by 64% to 3,882 mBDT as compared to 2,361 mBDT in 2020. LafargeHolcim Bangladesh Ltd. demonstrated strength and resilience in execution of the action plan focused on HEALTH, COST & CASH. The year 2021 had seen spiralling cost increases for all the key raw materials, fuel price and ocean freight for the construction industry. The cement industry could not pass the increased input costs to the customer to recover. However, the Company was successful in increasing the price by 7% during the year and also was successful in securing 8% cement volume growth. The journey for cost leadership remained a focal point. The Company invested around 400 mBDT to set up the Aggregates business. Production commenced in January 2021 and within nine (9) months, generated a sales volume of 350 thousand tonne (kt) and contributed around 12% to the Net Profit of the Company.

Total Revenue of 2021 was BDT 20,534 million; out of which Cement Business was BDT 19,463 million (2020: BDT 16,222 million) and Aggregates Business was BDT 1,071 million (2020: Nil), with total 27% growth over 2020.



The Cement Sales Volume grew by 8% compared to 2020. The Gross Profit Margin was improved by 44%. The Earnings Per Share (EPS) of the Company increased and stood at Tk. 3.34 in 2021 whereas it was Tk. 2.03 in 2020.





#### EXPLANATION ON SIGNIFICANT DEVIATION FROM THE LAST YEAR'S OPERATING RESULTS:

There was no significance variance occurred between Quarterly Financial Performance and Annual Financial Statements of the Company. The Company's accounts reflect the performance of the Company after consolidation. Statements regarding the consolidated performance are as under:

Sl.	Item	LHB 2021	LHB 2020	LHB 2019
<b>A</b>	<b>Revenue</b>			
i	Amount (in Million BDT)	20,534	16,222	17,840
ii	Change in Percentage	27%	-9%	7%
<b>B</b>	<b>Gross profit</b>			
i	Amount (in Million BDT)	6,640	4,606	4,532
ii	Change in Percentage	44%	2%	11%
<b>C</b>	<b>Operating Profit</b>			
i	Amount (in Million BDT)	4,840	2,954	2,921
ii	Change in Percentage	64%	1%	26%
<b>D</b>	<b>Earnings per share</b>			
i	Amount (in BDT)	3.34	2.03	1.50
ii	Change in Percentage	64%	36%	56%

**Details of the Board Meetings held and attendance during the Year:**

Dates on which the Board Meetings were held	Total Strength of the Board	No. of Directors Present
March 02, 2021	12	09
April 22, 2021	12	11
July 14, 2021	12	10
October 14, 2021	12	10

**Attendance of Directors at Board Meetings and Annual General Meeting:**

Name of Director	Attendance at the Board Meeting held on				Attendance at AGM held on April 22, 2021
	March 02, 2021	April 22, 2021	July 14, 2021	October 14, 2021	
Mr. Christof Hässig	✓	✓	✓	✓	✓
Mr. Rajesh Kumar Surana	✓	✓	✓	✓	✓
Mr. Martin Kriegner	✓	✓	✓	✓	✓
Mr. Julio Rodriguez Izquierdo	✓	✓	Leave of absence	✓	Not present
Mr. Manzurul Islam	Leave of absence	Leave of absence	Leave of absence	Leave of absence	Not present
Mr. Marcos Cela Rey	✓	✓	✓	✓	✓
Mr. Rajiv Prasad Shaha	Leave of absence	✓	✓	Leave of absence	✓
Ms. Naheed Akhter	✓	✓	✓	✓	✓
Mr. Syed Mahmudul Huq	Leave of absence	✓	✓	✓	✓
Mr. Jorge Bonnin Bioslada	✓	✓	✓	✓	✓
Ms. Sonal Shrivastava	✓	✓	✓	✓	✓
Dr. Rubana Huq	✓	✓	✓	✓	✓

The composition of the Audit Committee as at December 31, 2021 and details of the Members participation at the Meetings of the Committee are as under:

Name of Member	Category	Attendance at the Audit Committee Meeting Held on			
		March 01, 2021	April 22, 2021	July 13, 2021	October 13, 2021
Mr. Rajiv Prasad Shaha	Independent Director	✓	✓	✓	✓
Mr. Jorge Bonnin Bioslada	Director	✓	✓	✓	✓
Ms. Sonal Shrivastava	Director	✓	✓	✓	✓

The Composition of the Nomination and Remuneration Committee (NRC) as of December 31, 2021 and details of the Members participation at the meetings of the Committee are as under:

Name of Member	Category	Attendance at the NRC Meeting March 02, 2021
Dr. Rubana Huq	Independent Director	✓
Mr. Christof Hässig	Non Executive Director	✓
Mr. Julio Rodriguez Izquierdo	Non Executive Director	✓

# RESUME OF THE APPOINTED / RE-APPOINTED DIRECTORS

## Julio Rodríguez Izquierdo Director

Mr. Julio Rodríguez Izquierdo is the Chief Executive Officer of Cementos Molins Group since 2015.

Mr. Rodríguez is active in several institutions of Spanish civil society and in 2012 received the “Executive Director of the Year” award from the Spanish Association of Directors.

Mr. Rodríguez career has been linked to Schneider Electric between 1984 and 2015. Throughout this period, he held several senior management responsibilities, the last of them being the Vice President of Global Operations. He has been a member of the Executive Committee of Schneider Electric worldwide from 2003 to 2015.

Mr. Rodríguez is also a member of the Board of Directors’ of Schneider Electric, Spain and Laboratories del Dr Esteve, a reputed Spanish Company in the Pharma sector.

Mr. Rodríguez is a graduate in Industrial Engineering from the University of Barcelona. He holds a degree in Marketing from EADA Business School and a General Management Programme (PDG) from IESE Business School, University of Navarra.

Mr. Rodríguez is a member of the Nomination and Remuneration Committee of the Company.

Mr. Julio shall retire at the 24th Annual General Meeting of the Company and being eligible offers himself for re-election as per the provisions of the Companies Act, 1994.

## Marcos Cela Rey Director

Mr. Marcos Cela Rey is the Country & Business Director of Cementos Molins Group, and a Member of its Executive Committee.

Mr. Rey has more than 22 years’ experience in finance management, control and risk management with major global organizations.

Since 2016, Mr. Rey has been involved in managing the businesses of various international operations of Cementos Molins Group. His professional experiences include running diversified business and complex organizations in a wide range of industries which include, cement, mechanical and retail. Mr. Rey is also a visiting Professor at the UNIR University of Spain.

Prior to joining Cementos Molins Group in January 2004, Mr. Rey held several positions at European Division of BIC and at the Spanish subsidiary of Decathlon, one of the biggest manufacturer and retailer of sports apparels and equipment.

Mr. Rey is a graduate in Business Administration from University of Barcelona and obtained his MBA from ESADE Business School in Spain. He also obtained a Senior Business Management Program (PADE) from IESE Business School, University of Navarra, Spain.

Mr. Rey is a Director of Lafarge Umiam Mining Private Limited, the Indian subsidiary of the Company.

Mr. Marcos shall retire at the 24th Annual General Meeting of the Company and being eligible offers himself for re-election as per the provisions of the Companies Act, 1994.

## Naheed Akhter Director

Ms. Naheed Akhter has been involved with different business enterprises and organizations from her early career.

Ms. Akhter is a Sponsor Shareholder of Bank Asia and presently a Director of the Board of Directors of the Bank. She is also the Promoter, Shareholder and Managing Director of Enterprise Cluster Pte. Ltd. and Promoter and Shareholder Director of Cluster World Pte. Ltd., Singapore.

Ms. Akhter completed her MBA with major in Finance from North South University, Dhaka. She also holds on International Diploma in Fashion Designing and Marketing from Management Development Institute of Singapore and Diplomas in Precious Metal Arts and Fashion Jewellery Arts from Jewellery Design and Management International School, Singapore.

Ms. Naheed Akhter shall retire at the 24th Annual General Meeting of the Company and being eligible offers herself for re-election as per the provisions of the Companies Act, 1994.

## Syed Mahmudul Huq Independent Director

Mr. Syed Mahmudul Huq is a reputed businessman with significant contributions in the development of exports, regional trade and investment in Bangladesh including capital market development of the country.

Mr. Huq is the President of France-Bangladesh Chamber of Commerce & Industry, Vice Chairman of the Board of Directors of Premier LP Gas Limited, Chairman of Bangladesh Shrimp and Fish Foundation, Members of the Board of Trustee of Independent University of Bangladesh & Chittagong Independent University and the Honorary Consul of Malta in Chittagong, Bangladesh.

Mr. Huq was President of Bangladesh Frozen Foods Exporters' Association from 1991 through 1994 and member of the Management Board of Export Promotion Bureau from 2002 through 2006. He was also the founder Director of Chittagong Stock Exchange and played an important role in the formation of South Asian Federation of Exchanges. He pioneered a transit route for Nepal via Chittagong port in 1979.

Mr. Huq also has stakes in renewable energy (Japan Solartech Bangladesh Limited), Information and Communication Technology including Internet Services (Broad Band Telecom Services), Inter Connection Exchange (M&H Telecom), International Gateway (Venus Telecom Ltd.) and Nationwide Telecommunication Transmission Network (BAHON Limited).

Mr. Huq completed his B. A. (Hons.) and M. A. (Economics) from University of Dhaka.

## Rajesh Kumar Surana Chief Executive Officer

As the Chief Executive Officer and member of the Board of Directors', Mr. Rajesh Kumar Surana sets the strategic direction for the Company while nurturing a strong leadership team to drive its execution.

Mr. Surana has over two decades of experience with leading multinational companies and extensive cross industrial experiences such as audit & consulting, IT & shared services, FMCG, automobiles and building materials. Prior to joining the Company, Mr. Surana held several senior management positions for Holcim Group in Bangladesh, Sri Lanka and India. He was responsible for overseeing many successful Mergers & Acquisitions and start-ups throughout his career. Amalgamation of the Company with Holcim Cement (Bangladesh) Ltd., and successful turnaround thereafter was completed under his leadership.

Mr. Surana is an undergraduate in Commerce from Delhi University & also holds professional memberships as Fellow Member of the Institute of Chartered Accountants of India, and the Institute of Company Secretaries of India respectively.

Mr. Surana believes in people power as the single-most source of success in an organisation and spends a lot of time on cultivating and developing capable teams around the organisation.

# REPORT OF THE AUDIT COMMITTEE TO THE BOARD FOR THE YEAR ENDED DECEMBER 31, 2021

To  
The Board of Directors  
LafargeHolcim Bangladesh Limited

The Audit Committee is pleased to present its report to the Board of Directors of LafargeHolcim Bangladesh Limited (“LHBL” or the “Company”) in accordance with Condition No. 5(6)(a) of the Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission (“BSEC”) vide its Notification dated June 3, 2018 (the “Corporate Governance Code”).

## Composition of the Audit Committee

The Audit Committee currently comprises of three (3) members. All members of the Audit Committee are Non-Executive Directors. The Chairman of Audit Committee is an Independent Director. The Company Secretary functions as the Secretary of the Audit Committee.

 <b>CHAIRMAN</b> Mr. Rajiv Prasad Shaha <i>Independent Director</i>	 <b>MEMBER</b> Ms. Sonal Shrivastava <i>Director</i>	 <b>MEMBER</b> Mr. Jorge Bonnin Bioslada <i>Director</i>	 <b>SECRETARY</b> Mr. Kazi Mizanur Rahman <i>Company Secretary</i>
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All members of the Audit Committee have the adequate qualifications as defined under the Corporate Governance Code.

## The scope and authority of the Audit Committee

The primary scope of the Audit Committee is to assist the Board of Directors of the Company in ensuring the following:

### SCOPE OF THE AUDIT COMMITTEE

#### MONITORING SYSTEM

Good monitoring system in place within the business.

#### COMPLIANCE

Company complies with laws and regulations, internal policies and material licenses and permits.



#### CORPORATE GOVERNANCE CODE

Responsible for the duties set forth by the board of directors in compliance with the corporate governance guidelines promulgated in Condition No. 5(5) of the Corporate Governance Code.

#### STATE OF AFFAIRS OF THE COMPANY

Financial statements reflect a true and fair view of the state of affairs of the company.

As per its Terms of Reference, the Audit Committee has been authorized by the Board of Directors of the Company to have free fair access to any information and activities within the business. Directors, members of management team and employees are expected to cooperate with any request made by the Audit Committee. The Terms of Reference of the Audit Committee may be amended from time to time as required for the business in line with the Corporate Governance Code, subject to approval by the Board of Directors of the Company.

## Responsibilities of the Audit Committee

The authority, composition, duties and responsibilities of the Audit Committee are outlined in Corporate Governance Code and Audit Charter of the Company. The key responsibilities of the Audit Committee are as follows:

### FINANCIAL REPORTING

Review the annual, half-yearly and Quarterly financial statements & other financial results focusing on:

- Compliance with applicable accounting & reporting standards & other legal & regulatory requirements;
- Choice of accounting policies & practices & changes thereon;
- Explanation on any significant variance that occurs between quarterly and annual financial performance;
- Going concern assumption; and
- Material adjustment arising from the audit.

### INTERNAL CONTROL

- Ensure Business Risks Management Framework adopted by the Company is effective in identification, assessing and monitoring of risks & opportunities. Risks treatment plans are in place followed by an implementation timeline;
- Ensure system of internal control is sound in design and has been effectively implemented and monitored. Provide recommendations to the Board of Directors to improve the system of internal control derived from the findings of the internal & external auditors, Group auditors;
- Review extent of compliance with established internal policies, standards, plans and procedures including for example, the Company Standards of Business Conduct;
- Ensure internal Policies, Directives and Standards are in place and compliance with laws and regulations are well monitored.

### INTERNAL AUDIT

- Ensure Internal Audit has full. Free and unrestricted access to all activities, records, property and personnel necessary to perform its duties as defined in Audit Terms of Reference;
- To review and approve the Internal Audit and Compliance Plan in line with the Business Risks Management Framework of the Company and review of the Internal Audit and compliance Report and ensure that appropriate actions have been taken to implement the audit recommendations;
- To monitor Internal Audit and Compliance process to ensure that it is adequately resourced and has the competency and qualifications to complete its mandates and approved audit plans.

### RELATED PARTY TRANSACTIONS

- Review any related party transactions along with a statement showing amount, nature and basis of related party transactions and conflict of interest situations that may compromise management's integrity.

## EXTERNAL AUDIT

- Oversee the hiring and performance of external auditors;
- Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluation of the performance of external auditors;
- Hold meetings with external auditors for review of the annual financial statements before submission to the Board of Directors for approval or adoption;
- Review the management letter on Risk Management and Internal Control weakness of the Company as issued by external auditors.

## REPORTING TO THE BOD

- Reporting its activities to the Board. The report details member composition, terms of reference, number of meetings held during the preceding year including the activities of internal audit services.
- Audit Committee is also required to immediately report to the Board on the following findings, if any:
  - Report on conflicts of interests;
  - Suspected or presumed fraud irregularity or material defect in or the internal control system;
  - Suspected infringement of laws, including securities related laws, rules and regulations;
  - Any other matter that it deems necessary.
- Audit Committee is also responsible to review the Board's statements on compliance with the CG for inclusion in the Annual Report.

## REPORTING TO THE AUTHORITIES

- In the event that the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the ("BSEC"), upon reporting of such matters to the Board of Directors for three (3) times or completion of a period of six (6) months from the date of first reporting to the Board of Directors, whichever is earlier.

## REPORTING TO SHAREHOLDERS & GENERAL INVESTORS

- Report on activities carried out by the Audit Committee, including the report made to the Board of Directors under Condition No. 5(6)(a)(ii) during the year, is signed by the Chairperson of the Audit Committee and disclosed in the Annual Report of the Company.

## Meeting Attendance

In 2021, the Audit Committee met on four (4) occasions. On account of COVID 19 pandemic, and owing to the resultant travel restrictions, social distancing requirements, and other restrictions, all four (4) meetings of the Audit Committee were held virtually in accordance to the Bangladesh Securities and Exchange Commission's (BSEC) Order No. SEC/SRMIC/04-231/932 dated March 24, 2020.

The Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit & Compliance (HIAC) and Director Internal Audit & Compliance Officer of Cementos Molins attended the meetings as invitees.

The Audit Committee met with the statutory auditors on an annual basis to discuss about the financial reporting and management letter on internal control weakness.

A record of the attendance of each member of the Audit Committee at the meetings held in 2021 forms part of the Annual Report.

## Major Activities during the year 2021

The Audit Committee carried out its responsibilities and duties in accordance with the Terms of Reference and carried out the following activities during the financial year ended on December 31, 2021:

<p><b>FINANCIAL REPORTING</b></p>	<ul style="list-style-type: none"> <li>Reviewed the quarterly and annual financial statements of the Company and its subsidiaries focusing on significant changes to accounting policies and practices, compliance with accounting and reporting standards and other legal requirements.</li> <li>Concluded that the financial statements presented a true and fair view of the Company's financial performance before recommending them to the Board of Directors for approval.</li> </ul>
<p><b>INTERNAL CONTROL</b></p>	<ul style="list-style-type: none"> <li>The Audit Committee closely monitored the Business Risk Management Framework adopted by the Company.</li> <li>The Audit Committee has reviewed the progress of implementation of minimum control standards followed by annual financial certifications.</li> <li>The Audit Committee reviewed the extent of governance and compliance has been established within the organization and the level of communications to promote the speak-up culture for ethics, integrity and Code of Business Conduct.</li> <li>Reviewed the report on compliance of conditions of the Corporate Governance Code.</li> <li>Ensured internal Policies, Directives and Standards are in place and compliance related to laws and regulations are well monitored.</li> <li>Reviewed the implementation and effectiveness of the Company's systems and processes for ensuring compliance with all applicable laws, regulations, and material licenses and permits.</li> </ul>
<p><b>INTERNAL AUDIT</b></p>	<ul style="list-style-type: none"> <li>The Audit Committee reviewed the adequacy of Internal Audit activities carried out during the year.</li> <li>The Internal Audit Reports were reviewed by the Audit Committee and monitored the implementation of Audit recommendations to improve Internal Control Environment.</li> <li>The annual internal audit plan 2021 and resource allocation for the Internal Audit Services was reviewed and approved by the Audit Committee.</li> <li>All the audit recommendations have been reviewed and followed up by the Audit Committee to ensure effective internal control and compliance at place.</li> </ul>
<p><b>EXTERNAL AUDIT</b></p>	<ul style="list-style-type: none"> <li>The Audit Committee appraised the external auditor's audit plan, nature and scope of the audit plan, audit report and the overall performance of the external auditor for the year 2021.</li> <li>The Audit Committee also reviewed the comments and responses in Management Letters issued by the statutory auditors for the year 2021.</li> </ul>
<p><b>RELATED PARTY TRANSACTIONS</b></p>	<ul style="list-style-type: none"> <li>Reviewed reports of related party transactions showing amount, nature and basis of related party transactions and conflict of interest situations that may raise questions of management integrity to ensure that all related party transactions are undertaken on an arm's length basis and consistent with the Company's normal course of action.</li> </ul>
<p><b>SUBSIDIARIES OF THE COMPANY</b></p>	<ul style="list-style-type: none"> <li>Reviewed the financial statements of the Subsidiary companies</li> <li>Reviewed the capital investments made by the Subsidiary companies.</li> </ul>

## Activities of Internal Control in 2021

Internal Control function performed designing, implementation and testing of the internal control systems (ICS) as per the Minimum Control Standards (MCS) framework of the Group, performed a risk analysis for the controls and took the necessary measures on related activities as a priority. Special attention was given on the MCS encompassing the following areas and processes in below:



## 2021 Enterprise Risk Management (ERM)

The Risk Management process is structured around several coordinated approaches, including bottom-up and top-down risk assessments, addressing all strategic pillars, financial and non-financial targets and subject to continuous improvement. Like as previous years, in 2021 the company undertaken the Enterprise Risk Management (ERM) exercise. A detailed update and analysis of the Country Risk map was carried out in 2021 and submitted to and reviewed by the Audit Committee.

The full risk spectrum from market, operations, finance, legal, environmental and sustainability, to external risk factors of the business environment is reviewed, including compliance, information technology and reputational risks. Key risks are analyzed more deeply regarding their causes, and risk mitigating actions are defined by the Management. Risk transfer through insurance solutions and the Internal Control system forms an integral part of the risk management process.

## Recommendations

The recommendations of the Audit Committee are regularly placed before the Executive Committee and Board of Directors for necessary action.

## Reporting to the Shareholders and General Investors

Based on the activities throughout the year and after reviewing the effectiveness of the internal controls system, the Audit Committee is of the opinion that adequate controls, procedures and risk management systems are in place to provide reasonable safeguard and that the financial position of the Company is adequately managed. Key issues discussed by the Committee are reported to the Board after each scheduled meeting and this practice will continue, thus ensuring any significant matters are considered and addressed appropriately.

On behalf of the Audit Committee,

Rajiv Prasad Shaha  
Independent Director  
Chairman, Audit Committee

Date: January 31, 2022

# REPORT OF THE NOMINATION & REMUNERATION COMMITTEE

In compliance with the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 and dated June 3, 2018 issued by the Bangladesh Securities and Exchange Commission on Corporate Governance Code (the "BSEC Notification"), LafargeHolcim Bangladesh Limited (the "Company") established a Nomination and Remuneration Committee (NRC) on September 6, 2018.

The NRC is a sub-committee of the Board of Directors. The NRC is responsible to the Board of Directors and they assist the Board of Directors in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive (TLE) as well as a policy for formal process of considering remuneration of directors and TLE's.

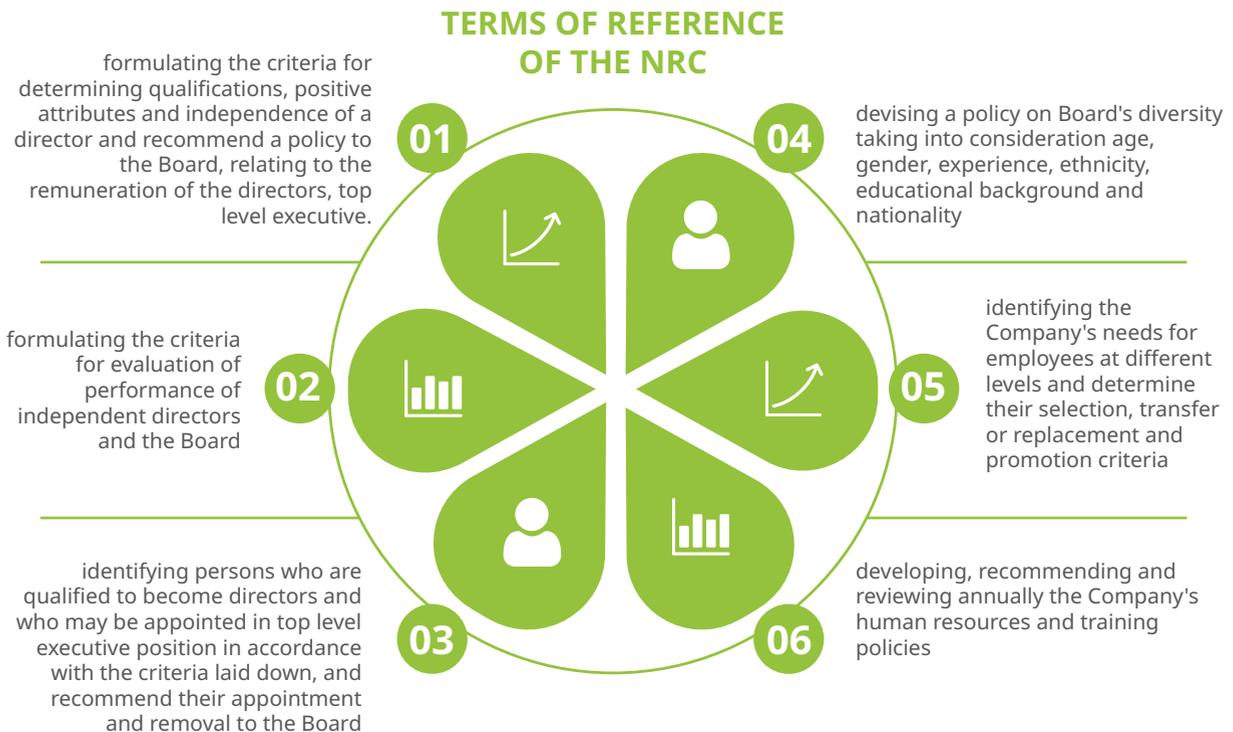
## COMPOSITION OF THE NRC:

In accordance with the requirements of the BSEC Notification, all members of the NRC are appointed by the Board of Directors. The NRC comprises of three (3) non-executive directors. The Chairman of the NRC is an Independent Director. The Company Secretary functions as the Secretary of the NRC.



## TERMS OF REFERENCE:

The terms of reference of the NRC have been determined by the Board of Directors as per the BSEC Notification. The NRC shall oversee, amongst others, the following matters and make report with recommendation to the Board of Directors.



### MEETING OF NRC:

According to the requirement of BSEC Notification, the NRC is required to sit for at least one (1) meeting in a year. In 2021, the NRC met on March 2, 2021. The NRC passed two (2) resolutions by correspondence. Minutes of the NRC meetings and the resolutions passed by correspondence are confirmed at the next meeting of the NRC.

During the year under review, the NRC carried out the following activities:

- Recommend re-appointment of Directors liable to retire by rotation at the 23rd Annual General Meeting of the Company.
- Identified and recommended to the Board, potential individuals for filling one (1) casual vacancy created by the end of term of a Director in terms of the Criteria formulated by the NRC pursuant to Condition No 6(5)(b)(iii) of the BSEC Notification.
- Identified and recommended to the Company, potential individuals for filling one (1) vacancy created by the change to a Top Level Executive in terms of the Criteria formulated by the NRC pursuant to Condition No 6(5)(b)(iii) of the BSEC Notification.
- Formulating and approving a plan for 2021 for fulfilling the requirements of the BSEC Notification.

### NOMINATION AND REMUNERATION POLICY:

The policy of the NRC is enclosed to this Report as **Enclosure A**.

The NRC expresses their sincere thanks to the members of the Board of Directors and the management of the Company for their outstanding support and co-operation.



Dr. Rubana Huq  
Independent Director  
Chairperson of the Nomination and Remuneration Committee  
Date: January 31, 2022

## NOMINATION AND REMUNERATION COMMITTEE POLICY

### 1. PURPOSE:

- Nomination and Remuneration Committee (NRC) is a subcommittee of the Board of Directors (the “Board”) of LafargeHolcim Bangladesh Limited (the “Company”).
- The purpose of this policy is to specify the authority delegated to the NRC by the Board of the Company and to set out the role, responsibilities, membership and operation of the NRC in terms of the Corporate Governance Code notified by the Bangladesh Securities and Exchange Commission vide notification dated June 3, 2018 (the “CG code”).
- The NRC shall be independent and responsible or accountable to the Board and to the Shareholders of the Company.

### 2. RESPONSIBILITY TO THE BOARD OF DIRECTORS:

- a) The Company shall have NRC as a subcommittee of the Board;
- b) The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;
- c) The Terms of Reference (ToR) of the NRC are in terms of the condition No. 6(5)(b) of the CG code.

### 3. CONSTITUTION OF THE NRC:

- a) The NRC shall comprise of at least three (3) members including an independent director;
- b) All members of the NRC shall be non-executive directors;
- c) Members of the NRC shall be nominated and appointed by the Board;
- d) The Board shall have authority to remove and appoint any member of the NRC;
- e) In case of death, resignation, disqualification, or removal of any member of the NRC or in any other cases of vacancies, the Board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the NRC;
- f) The Chairperson of the NRC may appoint or co-opt any external expert and/or member(s) of staff to the NRC as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the NRC;
- g) The Company Secretary shall act as the secretary of the NRC;
- h) The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;
- i) No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director’s fees or honorarium from the Company.

### 4. CHAIRPERSON OF THE NRC:

- a) The Board shall select one (1) member of the NRC to be Chairperson of the NRC, who shall be an independent director;
- b) In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;
- c) The Chairperson of the NRC shall attend the Annual General Meeting (AGM) to answer the queries of the shareholders;
- d) Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the AGM for answering the shareholder’s queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.

### 5. MEETING OF THE NRC:

- a) The NRC shall conduct at least one meeting in a financial year;
- b) The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;
- c) The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the NRC, whichever is higher, where presence of an independent director is must as required under condition 6(2)(h) of the CG code;
- d) The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.

## 6. TERMS OF REFERENCE:

- a) NRC shall be independent and responsible or accountable to the Board and to the Shareholders;
- b) NRC shall oversee, among others, the following matters and make report with recommendation to the Board:
  - i. formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:
    - a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the Company successfully;
    - b. the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
    - c. remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
  - ii. devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;
  - iii. identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;
  - iv. formulating the criteria for evaluation of performance of independent directors and the Board;
  - v. identifying the Company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and developing, recommending and reviewing annually the Company's human resources and training policies;
- c) The Company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.



Dr. Rubana Huq  
Independent Director  
Chairperson of the Nomination and Remuneration Committee

# THE PATTERN OF SHAREHOLDING

## (A) Parent/Subsidiary/Associated companies and other related parties (name wise details):

Name of Shareholders holding ten percent or more voting interest	Status	Share held	Percentage
Surma Holding B.V.	Foreign	683,698,700	58.87%

## (B) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name wise details):

Sl. No.	Name	Position	No. of shares		
			Self	Spouse	Minor Children
1.	Mr. Christof Hässig	Director/Chairman as nominee of Surma Holding BV	Nil	Nil	Nil
2.	Mr. Rajesh K Surana	Director as nominee of Surma Holding BV and CEO	Nil	Nil	Nil
3.	Mr. Jorge Bonnín Bioslada	Director as nominee of Surma Holding BV	Nil	Nil	Nil
4.	Mr. Julio Rodríguez Izquierdo	Director as nominee of Surma Holding BV	Nil	Nil	Nil
5.	Mr. Manzurul Islam	Director as nominee of Islam Cement Ltd	500,200	Nil	Nil
6.	Mr. Marcos Cela Rey	Director as nominee of Surma Holding BV	Nil	Nil	Nil
7.	Mr. Martin Kriegner	Director as nominee of Surma Holding BV	Nil	Nil	Nil
8.	Ms. Naheed Akhter	Director as nominee of Sinha Fashions Ltd	Nil	Nil	Nil
9.	Mr. Rajiv Prasad Shaha	Independent Director	Nil	Nil	Nil
10.	Dr. Rubana Huq	Independent Director	Nil	Nil	Nil
11.	Ms. Sonal Shrivastava	Director as nominee of Surma Holding BV	Nil	Nil	Nil
12.	Mr. Syed Mahmudul Huq	Independent Director	Nil	Nil	Nil
13.	Mr. Mohammad Iqbal Chowdhury	Chief Financial Officer	Nil	Nil	Nil
14.	Mr. Kazi Mizanur Rahman	Company Secretary	Nil	Nil	Nil
15.	Mr. Mohammad Nurul Alam	Head of Internal Audit and Compliance	Nil	Nil	Nil

Note: The Directors' shares shown above are as per the holdings in their personal names; but the shareholdings of the companies that they represent are as follows:

- Surma Holding B.V. : 683,698,700 shares
- Islam Cement Ltd: 31,914,200 shares
- Sinha Fashions Ltd: 35,100,000 shares

**(C) Executives (top five salaried employees other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance):**

Name	Position	No. of shares
Mr. Mohammad Asif Bhuiyan	Chief Corporate Affairs Officer & Human Resources Director	Nil
Mr. Harpal Singh	Head of Industrial Operations & Plant Manager Surma	Nil
Mr. Gazi Mahfuzur Rahman	Sales & Marketing Director	Nil
Mr. Wedage Lakmal Suranjan Fonseka	Logistics & Procurement Director	Nil
Mr. Mahabobur Rahman Sarker	Head of Sales and Operations Planning	Nil

**(D) Shareholders holding ten percent (10%) or more voting interest in the Company (name wise details):**

Name of Shareholders holding ten percent or more voting interest	Status	Share held	Percentage
Surma Holding B.V.	Foreign	683,698,700	58.87%

**(E) Composition of Shareholders up to December 31, 2021:**

Name of the Shareholders	Nationality or incorporated in	Number of Shares	Holding %
Surma Holding B.V.	The Netherlands	683,698,700	58.87
Sinha Fashions Limited	Bangladesh	35,100,000	3.02
Islam Cement Limited	Bangladesh	31,914,200	2.75
Others Shareholders	Bangladesh & NRB	410,660,600	35.36
<b>Total</b>		<b>1,161,373,500</b>	<b>100.00</b>

**(F) Classification of Shares by holding up to December 31, 2021:**

Slabs by number of Shares	Number of Shareholders	Number of Shares	Total Holding (%)
Less than 500 Shares	10,876	2,611,537	0.22
501 to 5,000 Shares	11,420	22,834,857	1.97
5,001 to 10,000 Shares	2,085	15,817,265	1.36
10,001 to 20,000 Shares	1,321	19,555,512	1.68
20,001 to 30,000 Shares	535	13,460,276	1.16
30,001 to 40,000 Shares	258	9,129,369	0.79
40,001 to 50,000 Shares	231	10,751,028	0.93
50,001 to 100,000 Shares	377	27,573,492	2.37
100,001 to 1,000,000 Shares	377	100,254,951	8.63
Over 1,000,000 Shares	40	939,385,213	80.89
<b>Total</b>	<b>27,520</b>	<b>1,161,373,500</b>	<b>100.00</b>

**LafargeHolcim Bangladesh Limited**  
**Declaration by Chief Executive Officer and Chief Financial Officer**

**The Board of Directors**  
**LafargeHolcim Bangladesh Limited**

January 31, 2022

**Subject: Declaration on Financial Statements for the year ended on December 31, 2021.**

Dear Sir's:

In compliance with the Condition No. 1(5)(xxvi) of the Corporate Governance Code as issued by the BSEC vide its notification dated June 3, 2018, we do hereby declare that:

1. The Financial Statements of LafargeHolcim Bangladesh Limited (the "Company") for the year ended on December 31, 2021 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
2. The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
6. The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:

- i. We have reviewed the financial statements for the year ended on December 31, 2021 and that to the best of our knowledge and belief:
  - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b. these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- ii. There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the Company's Board of Directors or its members.

Sincerely Yours,



Rajesh Kumar Surana  
Chief Executive Officer



Mohammad Iqbal Chowdhury  
Chief Financial Officer

## Management Discussion and Analysis on the Company's position on the operation and financial statements for the year ended December 31, 2021

In compliance with the Condition No. 1(5)(xxv) of the Corporate Governance Code as issued by the BSEC vide its notification dated June 3, 2018; a brief Management analysis is given on the Company's position on the operations and financial statements focusing, in particular, on the following issues:

- (a) **Accounting Policies and estimation for preparation of financial statements:** Accounting Policies and estimation for preparation of financial statements have been detailed under Note No 3 of the Consolidated Financial Statements.
- (b) **Changes in accounting policies and estimation:** The details of changes accounting policies and estimation are detailed under Note No 3 of the Consolidated Financial Statements.
- (c) **Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flow for current year with immediate preceding five years:** Enclosed in **Annexure I** to the Directors Report.
- (d) **Compare such financial performance or results and financial position as well as cash flows with peer industry scenario:** The Company maintains its financial year from January to December. Peer companies of the Industry are maintaining financial year from July to June. A comparison with peer listed companies based on their previous years published data is given below. The Statement of Financial Position as at 30 June 2021 or 31 December 2021 and Statement of Profit and Loss for the year ended 30 June 2021 or 31 December 2021 have been considered for the same.

(Taka in Million)

Sl. No.	Items	31-Dec-21	31-Dec-20	30-Jun-21	30-Jun-21	30-Jun-21	30-Jun-21	30-Jun-21
		LHBL	Heidelberg	Crown	Meghna	Premier	Confidence	Aramit
1	Revenue	20,534	11,681	16,315	9,647	12,810	4,619	2,017
2	Gross Profit	6,640	1,355	2,256	795	1,925	468	523
3	Net Profit After Tax	3,882	(81)	859	75	653	1,241*	20
4	Dividend	25% Cash	20% Cash	20% Cash	5% Cash 5% Stock	20% Cash	25% Cash	-
5	No. of shares outstanding (In Mio)	1,161	57	148	27	104	78	37
6	EPS (Taka)	3.34	(1.43)	5.79	2.73	6.18	15.86	0.60
7	NAVPS (Taka)	17.04	68.10	52.69	70.14	79.83	74.26	29.13
8	NOCFPS (Taka)	5.23	26.53	24.40	42.66	6.31	2.13	3.16

LHBL= LafargeHolcim Bangladesh Ltd., Heidelberg = Heidelberg Cement Bangladesh Ltd., Crown = M. I. Cement Factory Ltd., Meghna = Meghna Cement Mills Ltd., Premier = Premier Cement Mills Ltd., Confidence = Confidence Cement Ltd., Aramit = Aramit Cement Ltd., EPS = Earnings Per Share, NAVPS = Net Asset Value Per Share, NOCFPS = Net Operating Cash Flows Per Share.

\*Confidence Cement Limited showed 1,072 mBDT as profit from its associate companies in its total Net Profit After Tax amounting to 1,241 mBDT.

- (e) **Briefly explain the financial and economic scenario of the country and the globe:** The Directors' Report and the Chairman's Statement have explained the financial and economic scenario of the country and the global impact.
- (f) **Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the Company:** This issue has been elaborated in the Directors' Report as well as in Note No. 31B of the Consolidated Financial Statements.
- (g) **Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e. actual position shall be explained to the shareholders in the next AGM:** The shareholders shall be updated of the future plans at the Annual General Meeting and also by communications time to time.



Rajesh Kumar Surana  
Chief Executive Officer

Dated Dhaka, January 31, 2022

**LafargeHolcim Bangladesh Limited**  
**Statement of unclaimed/undistributed Cash Dividend**  
**Report as of December 31, 2021**

Sl. No.	Type of Dividend	Date of Board Meeting	Total Shares	Face Value (BDT)	Gross Amount (BDT)	Declared % of Dividend	Total Dividend amount (BDT)	Paid amount (BDT)	Undistributed/ Unclaimed cash dividend (BDT)	Total % of unclaimed dividend	Cumulative total amount -year wise	Remarks
1	Interim 2014	9-Jun-14	1,161,373,500	10.00	11,613,735,000	5%	580,686,750.00	579,424,993.00	1,261,757.00	0.22	1,261,757	As per BSEC Directive No. BSEC/CMRRCD/2021-386/03 dated 14 January 2021 and BSEC (CMSF) Rules, 2021, LHBL transferred the unpaid / unclaimed cash dividend for the year from 2014 to 2017 to the Capital Market Stabilization Fund (CMSF) on August 29, 2021
2	Final 2014	5-Mar-15	1,161,373,500	10.00	11,613,735,000	5%	580,686,750.00	574,274,435.35	6,412,314.65	1.12	7,674,071.65	
3	Interim 2015	10-Jun-15	1,161,373,500	10.00	11,613,735,000	5%	580,686,750.00	573,476,852.32	7,209,897.68	1.26	14,883,969.33	
4	Final 2015	3-Mar-16	1,161,373,500	10.00	11,613,735,000	5%	580,686,750.00	574,521,251.29	6,165,498.71	1.07	21,049,468.04	
5	Interim 2016	27-Oct-16	1,161,373,500	10.00	11,613,735,000	5%	580,686,750.00	575,627,932.68	5,058,817.32	0.88	26,108,285.36	
6	Final 2016	9-Mar-17	1,161,373,500	10.00	11,613,735,000	5%	580,686,750.00	574,523,863.43	6,162,886.57	1.07	32,271,171.93	
7	Interim 2017	14-Jun-17	1,161,373,500	10.00	11,613,735,000	5%	580,686,750.00	575,387,563.30	5,299,186.70	0.92	37,570,358.63	
8	Final 2017	13-Mar-18	1,161,373,500	10.00	11,613,735,000	5%	580,686,750.00	576,325,854.20	4,360,895.80	0.76	41,931,254.43	
	<b>Total</b>		<b>9,290,988,000</b>		<b>92,909,880,000</b>		<b>4,645,494,000.00</b>	<b>4,603,562,745.57</b>	<b>41,931,254.43</b>	<b>7.29</b>		
9	Final 2018	27-Feb-19	1,161,373,500	10.00	11,613,735,000	10%	1,161,373,500.00	1,153,714,357.80	7,659,142.20	0.66	7,659,142.20	As per Clause (3)(vii) of BSEC Directive No. BSEC/CMRRCD/ 2021- 386 /03 dated 14 January 2021 LHBL published the year-wise unpaid / unclaimed cash dividend list and summary in the website.
10	Final 2019	4-Mar-20	1,161,373,500	10.00	11,613,735,000	10%	1,161,373,500.00	1,155,114,132.58	6,259,367.42	0.54	13,918,509.62	
11	Final 2020	2-Mar-21	1,161,373,500	10.00	11,613,735,000	10%	1,161,373,500.00	1,156,630,103.25	4,743,396.75	0.41	18,661,906.37	
	<b>Total</b>		<b>3,484,120,500</b>		<b>3,484,120,500</b>		<b>3,484,120,500.00</b>	<b>3,465,458,593.63</b>	<b>18,661,906.37</b>	<b>1.62</b>		

## Report to the Shareholders of LafargeHolcim Bangladesh Limited on compliance with the Corporate Governance Code

[As required under code 1(5) (xxvii) of the BSEC Codes of Corporate Governance]

We have examined the compliance status to the Corporate Governance Code by **LafargeHolcim Bangladesh Limited** for the year ended on 31st December 2021. This code relates to the gazette notification no: BSEC/CMRRCD/2006-158/207/Admin/80 dated the 3rd June 2018 of Bangladesh Securities and Exchange Commission (BSEC).

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of Corporate Governance Code. This is a scrutiny and verification and an independent audit on compliance of the conditions of Corporate Governance Code as well as provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of the Corporate Governance Code.

We state that we have obtained all the information and explanations or representations, which we have required, and after due scrutiny and verification thereof, we report that in our opinion and subject to the remarks and observations as reported in the connected Compliance Statement :

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

This report, however, is no endorsement about quality of contents in the Annual Report of the Company for the year 2021.



Dhaka, February 06, 2022

**Al-Muqtadir Associates**  
Chartered Secretaries & Consultants

A.K.A. Muqtadir FCS  
CEO & Chief Consultant

**Status of compliance with the conditions set out by BSEC on Corporate Governance:**  
(Report under Condition No. 9.3)

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
1	<b>Board of Directors</b>			
1(1)	<b>Size of the Board of Directors</b> The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	✓		The Board is comprised of 12 (twelve) Directors
1(2)	<b>Independent Directors</b>			
1(2) (a)	At least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	✓		There are 3 (Three) Independent Directors (IDs) in the Board
1(2)(b)(i)	For the purpose of this clause "independent director" means a director- who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company.	✓		The IDs have declared their compliances
1(2)( b)(ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members;	✓		DO
1(2)(b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	✓		DO
1(2)(b)(iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓		DO
1(2)(b)(v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange.	✓		DO
1(2)(b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market.	✓		DO
1(2)(b)(vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code.	✓		DO
1(2)(b)(viii)	who is not independent director in more than 5 (five) listed companies.	✓		DO

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
1(2)(b)(ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); and	✓		DO
1(2)(b)(x)	who has not been convicted for a criminal offence involving moral turpitude;	✓		DO
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM).	✓		The appointments are duly approved at AGM
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	✓		No vacancy occurred
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only:	✓		The IDs are in their regular term of office
1(3)	<b>Qualification of Independent Director:-</b>			
1(3) (a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	✓		The qualification and backgrounds of IDs justify their abilities as such
1(3)(b)	Independent director shall have following qualifications:			
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association;	✓		The IDs are Business Leaders with long standing backgrounds
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company;	N/A		
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law; or	N/A		
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	N/A		
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	N/A		
1(3) (c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	✓		The IDs have more than 10 years of experience in respective fields
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.	N/A		
1(4)	<b>Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:-</b>			
1(4) (a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	✓		Chairperson of the Board and CEO are different individuals and Chairperson is elected from amongst the Directors

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
1(4) (b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	✓		
1(4) (c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓		
1(4) (d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	✓		The respective roles and responsibilities are clearly defined
1(4) (e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			No such case in the reporting year
1(5)	<b>The Directors' Report to Shareholders</b>			
1(5) (i)	An industry outlook and possible future developments in the industry	✓		As stated in the Directors' Report
1(5) (ii)	The segment-wise or product-wise performance;	✓		DO
1(5) (iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓		DO
1(5) (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	✓		DO
1(5) (v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	N/A		DO
1(5) (vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓		DO
1(5) (vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;	✓		DO
1(5) (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;	N/A		DO
1(5) (ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	N/A		DO
1(5) (x)	A statement of remuneration paid to the directors including independent directors;	N/A		No remuneration paid to any director
1(5) (xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		As stated in the Directors' Report
1(5) (xii)	A statement that proper books of account of the issuer company have been maintained;	✓		DO
1(5) (xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓		DO
1(5) (xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	✓		DO

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
1(5) (xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		DO
1(5) (xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓		DO
1(5) (xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	✓		DO
1(5) (xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	✓		DO
1(5) (xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		DO
1(5) (xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	N/A		Declared 25% cash dividend for the year ended December 31, 2021
1(5) (xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	✓		As stated in the Directors' Report
1(5) (xxii)	The total number of Board meetings held during the year and attendance by each director;	✓		DO
1(5) (xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-	✓		DO
1(5) (xxiii) (a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	✓		DO
1(5) (xxiii) (b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	✓		DO
1(5) (xxiii) (c)	Executives; and	✓		DO
1(5) (xxiii) (d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	✓		DO
1(5) (xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:-			
1(5) (xxiv) (a)	a brief resume of the director;	✓		DO
1(5) (xxiv) (b)	nature of his or her expertise in specific functional areas; and	✓		DO
1(5) (xxiv) (c)	names of companies in which the person also holds the directorship and the membership of committees of the Board;	✓		DO
1(5) (xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:	✓		DO
1(5) (xxv) (a)	accounting policies and estimation for preparation of financial statements;	✓		DO
1(5) (xxv) (b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	✓		DO
1(5) (xxv) (c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓		DO

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
1(5) (xxv) (d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		DO
1(5) (xxv) (e)	briefly explain the financial and economic scenario of the country and the globe;	✓		DO
1(5) (xxv) (f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	✓		DO
1(5) (xxv) (g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	✓		DO
1(5) (xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per <b>Annexure A</b> ; and	✓		Declaration included in the Annual Report
1(5) (xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per <b>Annexure B</b> and <b>Annexure C</b> .	✓		Certificate included in the Annual Report
1 (6)	<b>Meetings of the Board of Directors</b> The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓		Conducting of meetings and keeping of records are done as per provisions of the Bangladesh Secretarial Standards (BSS) of ICSB
1 (7)	<b>Code of Conduct for the Chairperson, other Board members and Chief Executive Officer</b>	✓		
1 (7) (a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	✓		The code of conduct as recommended by NRC and approved by the Board is in place
1 (7) (b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	✓		The code of conduct is duly posted in the Company Website
2	<b>Governance of Board of Directors of Subsidiary Company.</b>	✓		
2 (a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	✓		The CG Codes of BSEC are also complied in cases of the Subsidiaries
2 (b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;	✓		
2 (c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;	✓		DO
2 (d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	✓		DO

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
2 (e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	✓		DO
3	<b>Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)</b>			
3 (1) (a)	<b>Appointment</b> The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓		The Board has duly appointed the CEO, CS, CFO and HIAC in the Company
3 (1) (b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓		They are different individuals
3 (1) (c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	✓		In practice
3 (i) (d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		The roles and duties are separately defined
3 (1) (e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	N/A		No such case in the reporting year
3 (2)	<b>Requirement to attend Board of Directors' Meetings</b> The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	✓		In practice
3 (3)	<b>Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)</b>			
3 (3) (a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:	✓		Given in the Annual Report
3 (3) (a) (i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	✓		DO
3 (3) (a) (ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	✓		DO
3 (3) (b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	✓		DO
3 (3) (c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		DO
4	<b>Board of Directors' Committee:-</b> For ensuring good governance in the company, the Board shall have at least following subcommittees:			
4 (i)	Audit Committee; and	✓		Already in place
4 (ii)	Nomination and Remuneration Committee.	✓		DO

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
5	<b>Audit Committee:-</b>			
5 (1)	<b>Responsibility to the Board of Directors:</b>			
5 (1) (a)	The company shall have an Audit Committee as a sub-committee of the Board;	✓		DO
5 (1) (b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	✓		The Committee duly discharged its responsibilities
5 (1) (c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		In practice. The duties of AC are set forth as per BSEC CG Codes
5 (2)	<b>Constitution of the Audit Committee:</b>			
5 (2) (a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		The Audit Committee is comprised of 3 (Three) members
5 (2) (b)	The Board shall appoint members of the Audit Committee who shall be nonexecutive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	✓		The members of the Audit Committee are appointed by the Board who are non-executive Directors and which includes 1 (One) Independent Director
5 (2) (c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	✓		The backgrounds of AC members conform to the CG Codes of BSEC
5 (2) (d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	N/A		No such case in the reporting year
5 (2) (e)	The company secretary shall act as the secretary of the Committee;	✓		In practice
5 (2) (f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		In practice
5 (3)	<b>Chairperson of the Audit Committee:</b>	✓		
5 (3) (a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	✓		The Chairman selected by the Board is an Independent Director
5 (3) (b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	N/A		No such case in the reporting year

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
5 (3) (c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM).	✓		In practice
5 (4)	<b>Meeting of the Audit Committee:-</b>			
5 (4) (a)	The Audit Committee shall conduct at least its four meetings in a financial year.	✓		
5 (4) (b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		
5 (5)	<b>Role of Audit Committee The Audit Committee shall:-</b>			
5 (5) (a)	Oversee the financial reporting process;	✓		The Committee performed as per norms
5 (5) (b)	monitor choice of accounting policies and principles;	✓		DO
5 (5) (c)	monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓		DO
5 (5) (d)	oversee hiring and performance of external auditors;	✓		DO
5 (5) (e)	hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		DO
5 (5) (f)	review along with the management, the annual financial statements before submission to the Board for approval;	✓		DO
5 (5) (g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	✓		DO
5 (5) (h)	review the adequacy of internal audit function;	✓		DO
5 (5) (i)	review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		DO
5 (5) (j)	review statement of all related party transactions submitted by the management;	✓		DO
5 (5) (k)	review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	✓		DO
5 (5) (l)	oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	✓		DO
5 (5) (m)	oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission;	N/A		
5 (6)	<b>Reporting of the Audit Committee</b>			
5 (6) (a)	<b>Reporting to the Board of Directors</b>			
5 (6) (a) (i)	The Audit Committee shall report on its activities to the Board.	✓		The Committee performed as per norms
5 (6) (a) (ii)	The Audit Committee shall immediately report to the Board on the following findings, if any:-	✓		

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
5 (6) (a) (ii) (a)	report on conflicts of interests;			None
5 (6) (a) (ii) (b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;			None
5 (6) (a) (ii) (c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and			None
5 (6) (a) (ii) (d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	✓		
5 (6) (b)	<b>Reporting to the Authorities</b> If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.	N/A		
5 (7)	<b>Reporting to the Shareholders and General Investors</b> Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	✓		The activities of the Audit Committee are duly disclosed in the Annual Report of the Company
6	<b>Nomination and Remuneration Committee (NRC):-</b>			
6 (1)	<b>Responsibility to the Board of Directors</b>			
6 (1) (a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	✓		Already in place
6 (1) (b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	✓		The NRC duly discharged its responsibilities as per the BSEC CG Codes
6 (1) (c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	✓		The ToR is in place
6 (2)	<b>Constitution of the NRC</b>			
6 (2) (a)	The Committee shall comprise of at least three members including an independent director;	✓		The NRC is constituted as per the CG Codes
6 (2) (b)	All members of the Committee shall be non-executive directors;	✓		DO
6 (2) (c)	Members of the Committee shall be nominated and appointed by the Board;	✓		DO
6 (2) (d)	The Board shall have authority to remove and appoint any member of the Committee;	✓		In practice
6 (2) (e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	None		No such case in the reporting year
6 (2) (f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	None		DO

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
6 (2) (g)	The company secretary shall act as the secretary of the Committee;	✓		In practice
6 (2) (h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	✓		DO
6 (2) (i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	✓		DO
6 (3)	<b>Chairperson of the NRC</b>			
6 (3) (a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	✓		The NRC Chairman selected by the Board is an Independent Director
6 (3) (b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	None		No such case in the reporting year
6 (3) (c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders:			Chairperson shall attend the 24th AGM on March 21, 2022
6 (4)	<b>Meeting of the NRC</b>			
6 (4) (a)	The NRC shall conduct at least one meeting in a financial year;	✓		
6 (4) (b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	✓		
6 (4) (c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	✓		
6 (4) (d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	✓		
6 (5)	<b>Role of the NRC</b>			
6 (5) (a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	✓		The NRC performs as per the CG Codes
6 (5) (b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board;			
6 (5) (b) (i)	formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following;	✓		DO
6 (5) (b) (i) (a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	✓		DO
6 (5) (b) (i) (b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	✓		DO
6 (5) (b) (i) (c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	✓		
6 (5) (b) (ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	✓		DO
6 (5) (b) (iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	✓		The NRC maintained the list of probable candidates

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
6 (5) (b) (iv)	formulating the criteria for evaluation of performance of independent directors and the Board;	✓		DO
6 (5) (b) (v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	✓		DO
6 (5) (b) (vi)	developing, recommending and reviewing annually the company's human resources and training policies;	✓		DO
6 (5) (c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	✓		The NRC report at a glance is disclosed in the Annual Report
7	<b>External or Statutory Auditors:-</b>			
7 (1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			As declared by the Auditor
7 (1) (i)	appraisal or valuation services or fairness opinions;	✓		DO
7 (1) (ii)	financial information systems design and implementation;	✓		DO
7 (1) (iii)	book-keeping or other services related to the accounting records or financial statements;	✓		DO
7 (1) (iv)	broker-dealer services;	✓		DO
7 (1) (v)	actuarial services;	✓		DO
7 (1) (vi)	internal audit services or special audit services;	✓		DO
7 (1) (vii)	any service that the Audit Committee determines;	✓		DO
7 (1) (viii)	audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	✓		DO
7 (1) (ix)	any other service that creates conflict of interest.	✓		DO
7 (2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company:	✓		DO
7 (3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	✓		The Auditor duly attended the 23rd AGM of the Company
8	<b>Maintaining a website by the Company:-</b>			
8 (1)	The company shall have an official website linked with the website of the stock exchange.	✓		Company Website is duly linked with those of the stock exchanges
8 (2)	The company shall keep the website functional from the date of listing.	✓		In place
8 (3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	✓		In place
9	<b>Reporting and Compliance of Corporate Governance:-</b>			
9 (1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓		The Certificate of Compliance obtained from Al-Muqadir Associates is duly presented in the Annual Report

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
9 (2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	✓		M/s. Al-Muqtadir Associates is duly appointed at AGM
9 (3)	The directors of the company shall state, in accordance with the <b>Annexure C</b> attached, in the directors' report whether the company has complied with these conditions or not.	✓		The status of compliance is duly published in the Directors' Report.

# EDUCATION

Our **Community Development Center (CDC)**, located beside our Chhatak plant, is the hub of our community development activities. It is home to a primary school, where children can receive free education up to class five. In 2021, **1000 students** were facilitated with free education by the company.





Report and Consolidated Financial Statements of  
**LafargeHolcim Bangladesh Limited**

for the year ended December 31, 2021

# Hoda Vasi Chowdhury & Co

## Chartered Accountants

### INDEPENDENT AUDITORS' REPORT

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To the Shareholders of  
LafargeHolcim Bangladesh Limited

#### Report of the audit of the consolidated financial statements

#### Opinion

We have audited the consolidated financial statements of **LafargeHolcim Bangladesh Limited** (hereinafter referred to as "the Company"), which comprise the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements give true and fair view of the consolidated financial position of the Company as at 31 December 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and other applicable laws and regulations.

#### Basis for opinion

We have conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the consolidated 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), and we have fulfilled other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of matter

- 1) We draw attention to note 9.1 to the accompanying consolidated financial statements stating that the Company has legal issues in relation to the excess gas tariff raised by Jalalabad Gas Transmission and Distribution System Limited (JGTDS).

JGTDS filed an appeal before the Appellate Division, Supreme Court of Bangladesh (the "Appeal") on 08 March 2021. The Appellate Division directed the Company to pay JGTDS the full claimed amount of Taka 903 million in quarterly instalments of Taka 100 million. The Company is since complying with the Court order.

However, the Arbitration Tribunal has been formed. The date of the final hearing of the Arbitration has been fixed from 12 December 2022 to 20 December 2022.

- 2) We draw attention to note 21(D) to the consolidated financial statements, wherein the management has explained the status of the aggregate business of the Company. The Ministry of Industries, Government of Bangladesh, has issued a letter on 16 September 2021 to LafargeHolcim Bangladesh Limited (LHBL) to stop selling aggregates in the open market. Accordingly, LHBL stopped selling aggregates. The Company has received favorable order from the High Court Division which is again challenged by Ministry of Industries in the Appellate Division. The company is waiting for the outcome of the case.

Our opinion is not modified in respect of these matters.

#### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated 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 auditors' responsibilities for the audit of the consolidated 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 misstatements of the consolidated financial statements. These results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

### **1) Revenue**

Revenue recognition has significant and wide influence on consolidated financial statements. The Company reported revenue for the amount of Taka 20,534 million. Revenue is recognized when the amounts and the related costs are reliably measured and the performance obligation is completed through passing of control to the customers. While the risk and rewards are being transferred for the performance obligations at the delivery point and control has passed, there is a risk that the Company might misstate or manipulate sales quantity or price in the consolidated financial statements. There is also a risk that revenue may be overstated or understated through various discounts and incentives.

#### ***How our audit addressed the key audit matter***

- We assessed the reporting environment of the Company as well as other relevant systems supporting the accounting of revenue;
- We examined customer invoice (Mushak 6.3), VAT submission form (Mushak 9.1) and receipts of payment on a test basis;
- We examined ERP system (SAP) which generated sales report (48 report) and compared with dispatch report (701 report);
- We summarized Mushak 9.1, Mushak 6.7, month wise sales and cross checked with consolidated financial statements;
- We performed detailed walk through tests for the discounts and trade incentives;
- We obtained and reviewed supporting documents for sales transactions recorded;
- We assessed whether the sufficient disclosure has been given; and
- We tested the timing of revenue recognition as well as cut off checked.

### **2) Impairment testing of goodwill**

Refer to note 6(B) to the consolidated financial statements.

Included on the consolidated financial statements is a goodwill balance of Taka 318 million as at 31 December 2021.

The Company is required to, at least annually, perform impairment assessments of intangible assets including goodwill that have an indefinite useful life. For intangible assets with useful lives, the Company is required to review these for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable, and at least annually, review whether there is any change in their expected useful lives.

For the purpose of performing impairment assessments, intangible assets including goodwill have been allocated to the Company of cash generating units (CGUs). The recoverable amount of the underlying CGUs is supported by value-in-use calculations which are based on future discounted cash flows.

Management concluded that the intangible assets including goodwill were not impaired for the year ended 31 December 2021.

We focused on this area as the assessments made by management involved significant estimates and judgments, including sales growth rates, gross profit margin, net profit margin and perpetual growth rates used to estimate future cash flows and discount rates applied to these forecasted future cash flows of the underlying CGUs. These estimates and judgments may be affected by unexpected changes in future market or economic conditions or discount rates applied.

#### ***How our audit addressed the key audit matter***

- We understood, evaluated and validated management's key controls over the impairment assessment process;
- We compared the methodology used (value-in-use calculations based on future discounted cash flows) by the Company with market practice;
- We obtained management's future cash flow forecasts, tested the mathematical accuracy of the underlying value-in-use calculations and agreed them to the approved one-year financial budget and future forecasts. We also compared historical actual results to those budgeted to assess the quality of management's forecasts;
- We also assessed the reasonableness of key assumptions used in the calculations, comprising sales growth rates, operating profit margin, EBITDA margin, perpetual growth rate and discount rates. When assessing these key assumptions, we discussed them with management to understand and evaluate management's basis for determining the assumptions, and compared them to external industry outlook reports and economic growth forecasts from a number of sources. We also engaged our valuation experts to assist us in assessing the reasonableness of the discount rates used by management by comparing the discount rates used to entities with similar risk profiles and market information;

- We obtained and tested management's sensitivity analysis around the key assumptions, to ascertain that selected adverse changes to key assumptions, both individually and in aggregate, would not cause the carrying amount of intangible assets including goodwill to exceed the recoverable amount;
- We evaluated management's assessment on whether any events or change in circumstances indicate there may be a change in the expected useful lives of intangible assets; and
- We found the Company estimates and judgments used in the impairment assessment and review of useful lives of intangible assets to be supported by the available evidence.

### **3) Deferred tax liabilities**

The Company reported net deferred tax liabilities amounting to Taka 2,278 million as at 31 December 2021. Significant judgment is required in relation to deferred tax liabilities as their settlement/recoverability is dependent on forecasts of future profitability over a number of years.

Refer to note 15 to the consolidated financial statements for relevant disclosures regarding deferred tax liabilities.

#### ***How our audit addressed the key audit matter***

- We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company key controls over the recognition and measurement of deferred tax and the assumptions used in estimating the Company future taxable income;
- We also assessed the completeness and accuracy of the data used for the estimations of future taxable income;
- We involved tax specialists to assess key assumptions, controls, recognition and measurement of deferred tax (DTs); and
- Finally assessed the appropriateness and presentation of disclosures against IAS 12: Income Tax.

#### **Other matter**

The Company comprises the parent LafargeHolcim Bangladesh Limited and its two subsidiaries namely Lafarge Umiam Mining Private Limited (LUMPL) and Lum Mawshun Minerals Private Limited (LMMPL) located in India. The financial statements of two subsidiaries have been audited locally by RKP Associates, Chartered Accountants, India. The auditors of subsidiaries have expressed an unmodified opinion on those financial statements as of 31 December 2021.

#### **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 consolidated financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report.

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

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

If, based on the work we have performed, on the other information obtained prior to the date of this audit report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISAs), we exercised professional judgment and maintained professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated 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.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company's 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 also provide 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year, 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.

**Report on other legal and regulatory requirements**

In accordance with the Companies Act, 1994 and International Standards on Auditing (ISAs), we also report the following:

- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c. the Company's statement of consolidated financial position and the statement of consolidated profit or loss and other comprehensive income along with the annexed notes 1 to 35 dealt with by the report are in agreement with the books of account; and
- d. the expenditures incurred and payments made were for the purposes of the Company's affairs.



**A F Nesaruddin, FCA**  
Senior Partner  
Enrolment # 469  
Hoda Vasi Chowdhury & Co  
Chartered Accountants

Dhaka, Bangladesh  
Date: 31 January 2022

**LafargeHolcim Bangladesh Limited**  
**Consolidated statement of financial position**  
**As at 31 December**

	Notes	2021 Taka'000	2020 Taka'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	16,384,327	16,675,338
Goodwill	6	317,776	317,776
Intangible assets	6	2,209,540	2,293,293
<b>Total non-current assets</b>		<b>18,911,643</b>	<b>19,286,407</b>
<b>Current assets</b>			
Inventories	7	2,903,883	2,183,534
Trade receivables	8	556,658	1,747,990
Other current assets	9	1,812,216	615,819
Advance income tax	10	160,942	998,139
Cash and cash equivalents	11	5,276,723	1,372,660
<b>Total current assets</b>		<b>10,710,422</b>	<b>6,932,577</b>
<b>Total assets</b>		<b>29,622,065</b>	<b>26,218,984</b>
<b>Equity &amp; liabilities</b>			
<b>Equity</b>			
Share capital	12.3	11,613,735	11,613,735
Retained earnings		8,162,968	5,442,469
Other components of equity	12.6	(231,712)	(89,671)
Foreign currency translation	3.5	249,045	322,712
<b>Equity attributable to owners of the Company</b>		<b>19,794,036</b>	<b>17,289,245</b>
Non-controlling interests	13	(210)	(170)
<b>Total equity</b>		<b>19,793,826</b>	<b>17,289,075</b>
<b>Non-current liabilities</b>			
Borrowings	14A	29,111	65,876
Deferred tax liabilities	15	2,278,353	2,587,978
Employee benefits	16	317,150	293,689
Provisions	17	50,493	41,865
<b>Total non-current liabilities</b>		<b>2,675,107</b>	<b>2,989,408</b>
<b>Current liabilities</b>			
Trade payables	18	6,292,140	5,074,955
Other current liabilities	19	811,115	768,700
Borrowings	14B	31,215	37,099
Unclaimed dividend		18,662	59,747
<b>Total current liabilities</b>		<b>7,153,132</b>	<b>5,940,501</b>
<b>Total liabilities</b>		<b>9,828,239</b>	<b>8,929,909</b>
<b>Total equity and liabilities</b>		<b>29,622,065</b>	<b>26,218,984</b>
<b>Net Asset Value (NAV) Per Share</b>	33	<b>17.04</b>	<b>14.89</b>

The accompanying Notes 1 to 35 form an integral part of these financial statements.

  
Chief Financial Officer

  
Company Secretary

  
Director

  
Chief Executive Officer

As per our annexed report of same date

  
A F Nesaruddin, FCA  
Senior Partner  
Enrolment # 469  
Hoda Vasi Chowdhury & Co  
Chartered Accountants

Dhaka, Bangladesh  
Date: 31 January 2022

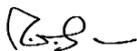
**LafargeHolcim Bangladesh Limited**  
**Consolidated statement of profit or loss**  
**For the year ended 31 December**

	Notes	2021 Taka '000	2020 Taka '000
<b>Revenue</b>	21A	20,534,442	16,222,483
Cost of sales	22	(13,894,205)	(11,616,410)
<b>Gross profit</b>		<b>6,640,237</b>	<b>4,606,073</b>
Other operating income	25	136,051	21,071
General and administrative expenses	23	(1,475,405)	(1,264,181)
Sales and marketing expenses	24	(460,908)	(408,903)
<b>Operating profit</b>		<b>4,839,975</b>	<b>2,954,060</b>
Finance cost	26	(39,043)	(123,966)
Finance income	26	26,727	18,684
<b>Profit before tax</b>		<b>4,827,659</b>	<b>2,848,778</b>
Income tax	27	(945,816)	(487,393)
<b>Profit for the year</b>		<b>3,881,843</b>	<b>2,361,385</b>
<b>Profit attributable to:</b>			
Owners of the parent Company		3,881,873	2,361,407
Non-controlling interests		(30)	(22)
		<b>3,881,843</b>	<b>2,361,385</b>
<b>Earnings per share</b>			
Basic (Taka)	28A	3.34	2.03
Diluted (Taka)	28A	3.34	2.03

The accompanying Notes 1 to 35 form an integral part of these financial statements.

  
Chief Financial Officer

  
Company Secretary

  
Director

  
Chief Executive Officer

As per our annexed report of same date

  
**A F Nesaruddin, FCA**  
Senior Partner  
Enrolment # 469  
Hoda Vasi Chowdhury & Co  
Chartered Accountants

Dhaka, Bangladesh  
Date: 31 January 2022

**LafargeHolcim Bangladesh Limited**  
**Consolidated statement of comprehensive income**  
**For the year ended 31 December**

	2021 Taka'000	2020 Taka'000
<b>Profit for the year</b>	<b>3,881,843</b>	<b>2,361,385</b>
<b>Items that will not be reclassified to profit or loss</b>		
Actuarial (loss)/gain-net off tax	(132,646)	(38,667)
<b>Total items that will not be reclassified to profit or loss</b>	<b>(132,646)</b>	<b>(38,667)</b>
<b>Items that are or may be reclassified subsequently to profit or loss</b>		
Cash flow hedge instruments-net off tax	(9,395)	(7,832)
Foreign operation-foreign currency translation differences	(73,667)	(63,650)
Non controlling interests-currency translation adjustment	(10)	(14)
<b>Total items that may be reclassified to profit or loss</b>	<b>(83,072)</b>	<b>(71,496)</b>
<b>Other comprehensive (loss)/income for the year</b>	<b>(215,718)</b>	<b>(110,163)</b>
<b>Total comprehensive income for the year</b>	<b>3,666,125</b>	<b>2,251,222</b>
<b>Profit attributable to:</b>		
Owners of the parent Company	3,666,165	2,251,258
Non-controlling interests	(40)	(36)
	<b>3,666,125</b>	<b>2,251,222</b>

The accompanying Notes 1 to 35 form an integral part of these financial statements.

  
Chief Financial Officer

  
Company Secretary

  
Director

  
Chief Executive Officer

As per our annexed report of same date

  
**A F Nesaruddin, FCA**  
Senior Partner  
Enrolment # 469  
Hoda Vasi Chowdhury & Co  
Chartered Accountants

Dhaka, Bangladesh  
Date: 31 January 2022

LafargeHolcim Bangladesh Limited  
Consolidated statement of changes in equity  
For the year ended 31 December

	In thousands of taka						
	Share capital	Retained earnings	Other components of equity	Foreign currency translation	Equity for parent company	Non controlling interests	Total equity
<b>Balance at 1 January 2020</b>	11,613,735	4,242,436	(43,172)	386,362	16,199,361	(134)	16,199,227
Total comprehensive income for the year	-	2,361,407	(46,499)	(63,650)	2,251,258	(36)	2,251,222
Dividend for 2019	-	(1,161,374)	-	-	(1,161,374)	-	(1,161,374)
<b>Balance at 31 December 2020</b>	<b>11,613,735</b>	<b>5,442,469</b>	<b>(89,671)</b>	<b>322,712</b>	<b>17,289,245</b>	<b>(170)</b>	<b>17,289,075</b>
<b>Balance at 1 January 2021</b>	11,613,735	5,442,469	(89,671)	322,712	17,289,245	(170)	17,289,075
Total comprehensive income for the year	-	3,881,873	(142,041)	(73,667)	3,666,165	(40)	3,666,125
Dividend for 2020	-	(1,161,374)	-	-	(1,161,374)	-	(1,161,374)
<b>Balance at 31 December 2021</b>	<b>11,613,735</b>	<b>8,162,968</b>	<b>(231,712)</b>	<b>249,045</b>	<b>19,794,036</b>	<b>(210)</b>	<b>19,793,826</b>

The accompanying Notes 1 to 35 form an integral part of these financial statements.



Chief Executive Officer



Director



Company Secretary



Chief Financial Officer

**LafargeHolcim Bangladesh Limited**  
**Consolidated statement of cash flows**  
**For the year ended 31 December**

	Notes	2021 Taka'000	2020 Taka'000
<b>Cash flows from operating activities</b>			
Cash receipts from customers		20,769,723	16,673,625
Cash paid to suppliers and employees		(14,264,135)	(11,655,013)
<b>Cash generated from operations</b>		<b>6,505,588</b>	<b>5,018,612</b>
Income taxes paid		(460,217)	(486,251)
Other receipts		31,551	8,134
<b>Net cash generated from operating activities*</b>	34	<b>6,076,922</b>	<b>4,540,495</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(945,768)	(774,714)
Proceeds from sale of property, plant and equipment		7,935	6,630
Interest income		26,976	17,517
<b>Net cash used in investing activities</b>		<b>(910,857)</b>	<b>(750,567)</b>
<b>Cash flows from financing activities</b>			
Repayment of long term borrowings		-	(918,562)
Repayments of the lease liabilities		(29,184)	(43,486)
Interest paid on lease liabilities		(2,367)	(15,068)
Decrease in short term debt		-	(300,689)
Payment of interest and other finance costs		(12,386)	(75,148)
Dividend paid		(1,202,459)	(1,156,150)
<b>Net cash used in financing activities</b>		<b>(1,246,396)</b>	<b>(2,509,103)</b>
<b>Net increase in cash and cash equivalents</b>		<b>3,919,669</b>	<b>1,280,825</b>
Net effect of foreign currency translation on cash and cash equivalents		(15,606)	(2,505)
<b>Cash and cash equivalents at beginning of the year</b>	11	1,372,660	94,340
<b>Cash and cash equivalents at end of the year</b>	11	<b>5,276,723</b>	<b>1,372,660</b>
<b>Net Operating Cash Flow Per Share (NOCFPS)</b>	33	<b>5.23</b>	<b>3.91</b>

\*Refer to Note 34 for a reconciliation between net profit with cash flows from operating activities.  
The accompanying Notes 1 to 35 form an integral part of these financial statements.

  
Chief Financial Officer

  
Company Secretary

  
Director

  
Chief Executive Officer

**LAFARGEHOLCIM BANGLADESH LIMITED**  
**Notes to the consolidated financial statements**  
**For the year ended 31 December**

## 1. General information

LafargeHolcim Bangladesh Limited (LHBL) - (hereinafter referred to as "the Company") was incorporated on 11 November 1997 as a private limited company in Bangladesh under the Companies Act 1994 having its registered office in Dhaka. At the time of incorporation the name of the Company was "Lafarge Surma Cement Limited". On 07 February 2017 the Registrar of Joint Stock Companies and Firms of Bangladesh (RJSC) approved the name change to "LafargeHolcim Bangladesh Limited" of the Company. The Company has subsequently been converted into a public limited company on 20 January 2003 and went for Initial Public Offering of shares in November 2003 which was fully subscribed and issued. The shares have since been listed and are being traded in Dhaka and Chittagong Stock Exchanges. Presently the Company has two subsidiaries in India. The main objectives of the subsidiaries are to support the holding company. A brief description of each of the subsidiary is given below:

**Lafarge Umiam Mining Private Limited (LUMPL)** - LUMPL is fully owned subsidiary of the Company. LUMPL was incorporated under the Indian Companies Act 1956 on 22 March 1999 as a private limited company with its registered office at Shillong in the State of Meghalaya, India.

**Lum Mawshun Minerals Private Limited (LMMPL)** - LMMPL is a 74% owned subsidiary of the Company. LMMPL was incorporated under the Indian Companies Act 1956 on 17 November 1994 as a private limited company with its registered office at Shillong in the State of Meghalaya, India.

## 2. Nature of business

**LafargeHolcim Bangladesh Limited (LHBL)** - The Company operates cement and aggregates manufacturing plants at Chhatak under Sunamganj district, and three (3) grinding plants near Dhaka and Khulna. The Company extracts and processes the basic raw materials of limestone from the quarry in Meghalaya, India, owned by the Company's fully owned subsidiary Lafarge Umiam Mining Private Limited. A 17 kilometres cross-border conveyor belt links the quarry with the cement plant for transportation of raw materials. The Company is engaged in manufacturing and marketing of building materials in the local and international market.

**Lafarge Umiam Mining Private Limited (LUMPL)** - LUMPL owns and operates the limestone and shale mine located at Nongtraï and Shella area of East Khasi Hills District, Meghalaya. The project involves supply of crushed limestone and shale from the mines located in the State of Meghalaya through continuous cross border elevated belt conveyor to the plant at Chhatak in Bangladesh promoted by Lafarge SA France and Cementos Molins of Spain for the manufacture building materials by LHBL.

**Lum Mawshun Minerals Private Limited (LMMPL)** - LMMPL was formed for acquisition of mining and land rights to facilitate the mining operation of limestone and shale. During the earlier years LMMPL transferred the mining and land rights as well as freehold and leasehold lands as was acquired to LUMPL along with the preoperative expenses and related account balances pertaining to such lands transferred, after obtaining necessary approval from the Government of India. Consequently, there has been no business during the year as well as in the previous years. However, LMMPL is exploring new opportunities.

## 3. Summary of significant accounting policies

### 3.1 Basis of preparation

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), the Companies Act 1994 and the Securities and Exchange Rules 1987. They were authorized for issue by the Company's Board of Directors on 31 January 2022.

Pursuant to recent amendment to the Companies Act, 1994 incorporating certain amendments, among others, is to change of the word 'Limited' by the word 'PLC' in case of Public Limited Companies including listed ones. Necessary formalities are in progress in implementing this change.

**LAFARGEHOLCIM BANGLADESH LIMITED**  
**Notes to the consolidated financial statements**  
**For the year ended 31 December**

### 3.2 Basis of consolidation

The accounts of all the subsidiaries of the Company have been fully consolidated as the Company controls these entities. The Company holds majority of voting right in all of the subsidiaries.

The name of subsidiaries, country of incorporation and proportion of ownership interest are as follows:

Name of subsidiary	Country of incorporation	% of ownership interest
Lafarge Umiam Mining Private Limited	India	100
Lum Mawshun Minerals Private Limited	India	74

#### i) Subsidiaries

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

#### ii) Non-controlling interests (NCI)

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Company's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

#### iii) Loss of control

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

#### iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

### 3.3 Use of estimates and judgements

#### i) Estimates

The preparation of the consolidated financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and of revenues and expenses. Such estimates are prepared on the assumption of going concern and are established based on currently available information. Changes in facts and circumstances may result in revised estimates, and actual results could differ from the estimates.

Significant estimates made by management in the preparation of these consolidated financial statements include assumptions used for depreciation, deferred taxes, impairment of investment in subsidiary and provisions for employees benefits.

#### ii) Judgements

The accounting for certain provisions and the disclosure of contingent liabilities and claims at the date of the consolidated financial statements is judgmental.

### 3.4 Functional and presentation currency

These consolidated financial statements are presented in Bangladesh Taka (Taka/Tk/BDT) which is the functional and presentation currency of the Company. Figures have been rounded off to the nearest thousand Taka, unless stated otherwise.

**LAFARGEHOLCIM BANGLADESH LIMITED**  
**Notes to the consolidated financial statements**  
**For the year ended 31 December**

**3.5 Translation of financial statements denominated in foreign currencies**

The accounts of the Indian subsidiaries have been translated into Bangladesh Taka using the year end closing rate of exchange for all financial position items and the average rate of exchange for revenues, expenses and amounts presented in the statement of cash flows. The resulting translation adjustments are included as a separate component of shareholders' equity. The exchange rates used for consolidating the Indian entities are as follows:

Taka equivalent of Rs. 1	2021	2020
Average rate	1.1509	1.1456
Closing rate	1.1350	1.1559

**3.6 Property, plant and equipment**

**i) Recognition of property, plant and equipment**

These are capitalized at cost of acquisition and subsequently stated at cost less accumulated depreciation and accumulated impairment losses. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its operating condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

**ii) Subsequent costs**

Subsequent maintenance and normal repairs are expensed as incurred while major renewals and improvements are capitalized.

**iii) Construction in progress**

These expenditures are capitalized and recognized as operating assets upon completion of the acquisition process or construction, where applicable and physical possession thereof.

**iv) Depreciation of property, plant and equipment**

Straight line depreciation method is followed and depreciation has been charged on all assets acquired that are put to use except land. Depreciation is charged from the date of acquisition and no depreciation is charged at the date of disposal. The rates of depreciation and category of property, plant and equipment are as follows:

Category	Rate %
Building	2-2.5
Plant & machinery	3.33
Vehicles	20
Computer equipment	33.33
Office equipment	10, 20 & 33.33
Furniture & fixtures	10

**v) Impairment of property, plant and equipment**

The carrying amounts of property, plant and equipment are reviewed at each reporting date to determine whether there is any indication that the assets might be impaired. Any provision of impairment is charged to the statement of profit or loss in the year concerned.

**vi) Retirement and disposals**

An asset is derecognized on disposal or when no further economic benefits are expected from its use. Gains and losses on disposals are determined by comparing proceeds with carrying amounts, and are recognized in the statement of profit or loss in "gain/(loss) on disposals and other non-operating income/(expenses)".

**vii) Leases**

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The Company presents right-of-use assets in 'property, plant and equipment' and lease liabilities in 'borrowings' in the statement of financial position.

The Company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**LAFARGEHOLCIM BANGLADESH LIMITED**  
**Notes to the consolidated financial statements**  
**For the year ended 31 December**

**3.7 Goodwill**

Goodwill arising on acquisition of subsidiary is measured at cost less accumulated impairment losses.

**3.8 Intangible assets**

**i) Software**

Software costs are capitalized where it is expected to provide future economic benefits. Capitalization costs include license fees and cost of implementation/system integration services which are capitalized in the year in which the relevant software is installed for use. Costs of maintenance, up gradation and enhancements are charged off as revenue expenditure unless they bring similar significant additional long term benefits.

**ii) Others**

Capitalization costs of leasehold land and quarry land include statutory fees, lump sum payment to lessor and subsequent development cost. These are shown as "intangible assets" in line with the Company policy.

**iii) Construction in progress**

These expenditures are capitalized and recognized as operating assets upon completion of the development process.

**iv) Amortization of intangible assets**

**a) Software**

Software costs are amortized using the straight-line method over their useful lives (three years).

**b) Others**

The leased land and quarry land are amortized using the straight-line method over their amortization year calculated on the basis of different leased years. However, the quarry lands are amortized over a maximum of thirty years. The rate of amortization for lease hold land is 1%- 5%.

**3.9 Inventories**

Inventories are stated at the lower of cost and net realizable value while packing materials and spare parts are valued at cost. The cost of inventories is based on the weighted average cost method.

**3.10 Financial instruments**

**i. Recognition and initial measurement**

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized 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: amortized 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 amortized 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:

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- 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 realizing 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 amortized cost:**

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

**iii) Derivative instruments**

The Company enters into financial derivative contracts only in order to reduce its exposure to changes in interest rates and foreign currency exchange rates.

Forward exchange contracts are used to hedge foreign currency exchange rate exposures.

Pursuant to the guidance in IFRS 9, the Company records in the consolidated statement of financial position derivative instruments at their fair values. The accounting of changes in fair value of a derivative depends on the intended use of the derivative and the resulting designation. The Company designates its derivatives based on the criteria established under IFRS 9.

In case of fair value hedge relationship, changes in fair value on the hedging items are recognized in the consolidated statement of profit or loss of the year of change.

In case of cash flow hedge relationship, changes in fair value on the hedging items are recognized directly in other comprehensive income for the effective portion and in the consolidated statement of profit or loss under the "Finance cost/income" caption for the ineffective portion. The gain and loss recognized in equity is subsequently reclassified to the consolidated statement of profit or loss when hedge exposure affects earnings.

**iv. Derecognition**

**Financial assets**

The Company derecognizes 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 recognized 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 derecognized.

**Financial liabilities**

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes 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 recognized 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 recognized in profit or loss.

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**v. Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

**3.11 Employees' benefit schemes**

**i) Gratuity plan- funded**

The Company operated an unfunded gratuity plan till 15 January 2014 and thereafter, the scheme has been converted to a funded one. However, the provision has been made in respect of all eligible employees and reflected in these accompanying financial statements. At the time of separation, the liability to each employee is settled in cash. Actuary valuation of the gratuity plan is carried out by a professional actuary.

**ii) Gratuity plan- unfunded (Holcim Cement Bangladesh Limited- amalgamation)**

The Company operates an unfunded gratuity scheme, provision for which has been made in respect of all eligible employees and reflected in these accompanying financial statements. In the time of separation, the liability to each employee is settled in cash. Actuary valuation of the gratuity fund is carried out by a professional actuary.

**iii) Gratuity plan- LUMPL**

LUMPL operates an unfunded gratuity scheme, provision for which has been made in respect of all eligible employees and reflected in these accompanying financial statements. In the time of separation, the liability to each employee is settled in cash. Actuary valuation of the gratuity fund is carried out by a professional actuary.

**iv) Provident fund**

The Company also operates a recognized provident fund scheme with equal contributions by the employees and the Company. The fund is administered by the Board of Trustees.

**v) Workers' profit participation and welfare funds- for LHBL**

The Company recognizes a provision for Workers' Profit Participation and Welfare Funds @ 5% of income before tax before charging such expenses as per Bangladesh Labour Act, 2006 (Amended in 2013).

**3.12 Taxation**

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in OCI.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under IAS 37: Provisions, Contingent Liabilities and Contingent Assets.

**i) Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount or current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

**ii) Deferred tax**

Deferred income tax is provided in full, using the balance sheet method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements in accordance with the provisions of IAS 12. Currently enacted tax rates are used in the determination of deferred income tax.

Deferred tax liabilities are recognized for all temporary taxable differences.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

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**3.13 Revenue recognition**

Sale of the products, net of value added tax is recognized upon meeting the performance obligation and raising invoices to customers.

Contract liabilities primarily relate to the advance consideration received from customers for goods for which delivery will occur at a future point in time.

**3.14 Provision**

The Company recognizes provisions when it has a legal or constructive obligation resulting from past events, the resolution of which would result in outflow of resources embodying economic benefits from the Company.

**3.15 Materiality and aggregation**

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

**3.16 Comparatives**

Comparative figures and account titles in the financial statements have been rearranged/reclassified where necessary to conform with changes in presentation in the current year.

**3.17 Dividend distribution**

Final dividend distributions to the Company's shareholders are recognized as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders at the Annual General Meeting, while interim dividend distributions are recognized in the period in which the dividends are declared and paid. During the year under review, the Company has not paid any interim dividend.

**3.18 Operating segment**

LafargeHolcim Bangladesh Limited have two operating segments clinker & cement and aggregates whose results are regularly reviewed by the entity's Chief Operating Decision Maker to make decisions about resources to be allocated to segments and assess its performance and for which discrete financial information is available.

**3.19 Preparation and presentation of the separate financial statements**

The management of the Company is responsible for the preparation and fair presentation of the separate financial statements of LafargeHolcim Bangladesh Limited. Information about subsidiaries of LafargeHolcim Bangladesh Limited has been detailed in Note-1.

**4. Adoption of new and amended International Financial Reporting Standards**

The new and amended standards are not expected to have a material impact on the Company's financial statements.

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5. Property, plant and equipment  
A. Reconciliation of carrying amount

Particulars	<i>In thousands of taka</i>									
	Freehold land	Building	Right of use assets- Building	Plant and machinery	Right of use assets- Machinery	Vehicles	Office equipment	Furniture and fixture	Construction in progress	Total
<b>2021</b>										
<b>Cost</b>										
Balance at 1 January 2021	1,531,021	2,517,632	179,597	19,392,453	-	233,448	517,821	64,738	1,012,735	25,449,445
Additions	-	45,068	-	263,837	-	69,106	8,650	4,035	564,557	955,253
Disposals	-	-	-	(21,301)	-	(36,458)	-	-	-	(57,759)
Transfers	-	244,536	-	685,111	-	-	-	3,262	(932,909)	-
Translation adjustments	(428)	(2,283)	-	(39,463)	-	(1,394)	(674)	(203)	(2,729)	(47,174)
<b>Balance at 31 December 2021</b>	<b>1,530,593</b>	<b>2,804,953</b>	<b>179,597</b>	<b>20,280,637</b>	<b>-</b>	<b>264,702</b>	<b>525,797</b>	<b>71,832</b>	<b>641,654</b>	<b>26,299,765</b>
<b>Accumulated depreciation</b>										
Balance at 1 January 2021	-	491,558	92,022	7,590,660	-	194,775	342,493	62,599	-	8,774,107
Disposals	-	-	-	(16,096)	-	(36,458)	-	-	-	(52,554)
Charge for the year	-	104,547	29,184	1,023,314	-	20,919	28,956	6,223	-	1,213,143
Translation adjustments	-	(576)	-	(17,301)	-	(653)	(636)	(92)	-	(19,258)
<b>Balance at 31 December 2021</b>	<b>-</b>	<b>595,529</b>	<b>121,206</b>	<b>8,580,577</b>	<b>-</b>	<b>178,583</b>	<b>370,813</b>	<b>68,730</b>	<b>-</b>	<b>9,915,438</b>
<b>Carrying amount</b>										
<b>At December 31, 2021</b>	<b>1,530,593</b>	<b>2,209,424</b>	<b>58,391</b>	<b>11,700,060</b>	<b>-</b>	<b>86,119</b>	<b>154,984</b>	<b>3,102</b>	<b>641,654</b>	<b>16,384,327</b>

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Particulars	<i>In thousands of taka</i>									
	Freehold land	Building	Right of use assets- Building	Plant and machinery	Right of use assets- Machinery	Vehicles	Office equipment	Furniture and fixture	Construction in progress	Total
<b>2020</b>										
<b>Cost</b>										
Balance at 1 January 2020	1,531,763	2,511,436	179,597	19,076,136	59,357	252,066	509,854	65,848	318,101	24,504,158
Additions	-	3,650	-	234,615	-	-	982	-	850,974	1,090,221
Disposals	-	-	-	(2,163)	-	(16,661)	(1,289)	(826)	-	(20,939)
Transfers	-	6,475	-	142,241	-	-	9,441	-	(158,157)	-
Translation adjustments	(742)	(3,929)	-	(58,376)	-	(1,957)	(1,167)	(284)	1,817	(64,638)
<b>Balance at 31 December 2020</b>	<b>1,531,021</b>	<b>2,517,632</b>	<b>179,597</b>	<b>19,392,453</b>	<b>59,357</b>	<b>233,448</b>	<b>517,821</b>	<b>64,738</b>	<b>1,012,735</b>	<b>25,508,802</b>
<b>Accumulated depreciation</b>										
Balance at 1 January 2020	-	397,829	45,998	6,776,265	52,733	198,685	317,075	58,924	-	7,847,509
Disposals	-	-	-	(1,986)	-	(16,661)	(1,289)	(826)	-	(20,762)
Charge for the year	-	94,528	46,024	836,908	6,624	13,883	27,809	5,262	-	1,031,038
Translation adjustments	-	(799)	-	(20,527)	-	(1,132)	(1,102)	(761)	-	(24,321)
<b>Balance at 31 December 2020</b>	<b>-</b>	<b>491,558</b>	<b>92,022</b>	<b>7,590,660</b>	<b>59,357</b>	<b>194,775</b>	<b>342,493</b>	<b>62,599</b>	<b>-</b>	<b>8,833,464</b>
<b>Carrying amount</b>										
<b>At December 31, 2020</b>	<b>1,531,021</b>	<b>2,026,074</b>	<b>87,575</b>	<b>11,801,793</b>	<b>-</b>	<b>38,673</b>	<b>175,328</b>	<b>2,139</b>	<b>1,012,735</b>	<b>16,675,338</b>

5.1 Depreciation charge for the year allocated to

	2021 Taka'000	2020 Taka'000
Production and maintenance costs (Note 22.2)	1,115,808	920,240
Depot operating and transportation costs (Note 22.4)	51,888	52,572
General and administrative expenses (Note 23)	43,567	56,346
Sales and marketing (Note 24)	1,880	1,880
	<b>1,213,143</b>	<b>1,031,038</b>

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**B. Details of disposal of property, plant and equipment**

Disposal details 2021	<i>In thousands of taka</i>					
	Plant and machinery	Vehicles	Office equipment	Furniture and fixture	Construction in progress	Total
Cost	21,301	36,458	-	-	-	57,759
Accumulated depreciation	(16,096)	(36,458)	-	-	-	(52,554)
<b>Carrying amount at December 31, 2021</b>	5,205	-	-	-	-	5,205
<b>Sale proceeds</b>	<b>3,270</b>	<b>4,665</b>	-	-	-	<b>7,935</b>
<b>Mode of disposal</b>	Tender	Company policy/ Tender	-	-	-	-
<b>Particulars of purchaser/Type of disposal</b>	Third party	Third party & employees	-	-	-	-

Disposal details 2020	<i>In thousands of taka</i>					
	Plant and machinery	Vehicles	Office equipment	Furniture and fixture	Construction in progress	Total
Cost	2,163	16,661	1,289	826	-	20,939
Accumulated depreciation	(1,986)	(16,661)	(1,289)	(826)	-	(20,762)
<b>Carrying amount at December 31, 2020</b>	<b>177</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>177</b>
<b>Sale proceeds</b>	<b>923</b>	<b>5,443</b>	<b>57</b>	<b>207</b>	<b>-</b>	<b>6,630</b>
<b>Mode of disposal</b>	Company policy	Tender	Tender	Tender	-	-
<b>Particulars of purchaser/Type of disposal</b>	Third party & Written off	Third party & employees	Third party & Written off	Third party	-	-

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**6. A. Goodwill and intangible assets**

2021	<i>In thousands of taka</i>						
	Goodwill	Leasehold land	Quarry land	Software	Construction in progress	Total excluding goodwill	Total including goodwill
Cost							
Balance at 1 January 2021	317,776	1,695,450	1,027,091	163,224	12,677	2,898,442	3,216,218
Translation adjustments	-	(290)	(18,250)	(78)	-	(18,618)	(18,618)
Balance at 31 December 2021	317,776	1,695,160	1,008,841	163,146	12,677	2,879,824	3,197,600
<b>Accumulated depreciation</b>							
Balance at 1 January 2021	-	34,675	407,313	163,161	-	605,149	605,149
Charge for the year	-	31,897	41,315	-	-	73,212	73,212
Translation adjustments	-	(147)	(7,853)	(77)	-	(8,077)	(8,077)
Balance at 31 December 2021	-	66,425	440,775	163,084	-	670,284	670,284
<b>Carrying amount</b>							
<b>Balance at 31 December 2021</b>	<b>317,776</b>	<b>1,628,735</b>	<b>568,066</b>	<b>62</b>	<b>12,677</b>	<b>2,209,540</b>	<b>2,527,316</b>

2020	<i>In thousands of taka</i>						
	Goodwill	Leasehold land	Quarry land	Software	Construction in progress	Total excluding goodwill	Total including goodwill
Cost							
Balance at 1 January 2020	317,776	1,695,953	1,058,702	163,359	12,677	2,930,691	3,248,467
Translation adjustments	-	(503)	(31,611)	(135)	-	(32,249)	(32,249)
Balance at 31 December 2020	317,776	1,695,450	1,027,091	163,224	12,677	2,898,442	3,216,218
<b>Accumulated depreciation</b>							
Balance at 1 January 2020	-	34,328	377,732	124,158	-	536,218	536,218
Charge for the year	-	601	40,525	39,136	-	80,262	80,262
Translation adjustments	-	(254)	(10,944)	(133)	-	(11,331)	(11,331)
Balance at 31 December 2020	-	34,675	407,313	163,161	-	605,149	605,149
<b>Carrying amount</b>							
<b>Balance at 31 December 2020</b>	<b>317,776</b>	<b>1,660,775</b>	<b>619,778</b>	<b>63</b>	<b>12,677</b>	<b>2,293,293</b>	<b>2,611,069</b>

**Amortization charge for the year allocated to**

	2021	2020
	Taka '000	Taka '000
Production and maintenance costs (Note 22.2)	73,212	41,126
General and administrative expenses (Note 23)	-	39,136
	<b>73,212</b>	<b>80,262</b>

**B. Impairment testing for goodwill**

The recoverable amount was based on the value in use, determined by discounting the future cash flows to be generated from continuing use. Five years of cash flows were included in the discounted cash flow model. A long-term growth rate into perpetuity has been determined based on the inflation rate. Budgeted EBITDA was based on expectations of future outcomes taking into account past experience, adjusted for anticipated revenue growth. Revenue growth was projected taking into account the average growth levels experienced over past years and the estimated sales volume and price growth for the next five years.

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	2021 Taka'000	2020 Taka'000
<b>7. Inventories</b>		
Raw materials	907,028	584,723
Semi-finished and finished products	920,122	611,756
Parts and supplies	1,076,733	987,055
	<u>2,903,883</u>	<u>2,183,534</u>
<b>8. Trade receivables</b>		
Trade receivables	<u>556,658</u>	<u>846,803</u>
See Note 31B(i) for disclosures regarding credit risk, allowance for doubtful debts and ageing analysis of trade receivables.		
<b>9. Other current assets</b>		
Advance payment to trade suppliers	184,532	187,540
Prepaid expenses	41,857	73,537
Advance to employees	20,578	9,172
Security and other deposits	86,908	92,651
Other receivables (Note-9.1)	1,152,238	793,584
Advance payment to suppliers of fixed assets	307,360	350,148
Derivative assets	8,618	14,435
Accrued interest on bank deposits	10,125	10,374
	<u>1,812,216</u>	<u>1,531,441</u>

Other current assets mentioned above are unsecured and considered good. Advances made to employees include advance related to employee matters and for running the day to day operating cost of different departments.

**9.1 Gas sales agreement with JGTDS**

On 03 January 2021, Jalalabad Gas Transmission and Distribution System Limited (JGTDS) issued a Final Notice instructing the Company to pay for the gas, since September 2015, at the rate fixed by Bangladesh Energy Regulatory Commission (BERC). The Company's position is that, pursuant to the Gas Sales Agreement (GSA), JGTDS has contractually agreed to limit the contract price for the supply of gas to a Ceiling Price. Therefore, the BERC rate applies to the supply of gas to the Company under the GSA until the BERC rate reaches the Ceiling Price. If the BERC rate exceeds the Ceiling Price, the Company will only be required to pay the Ceiling Price. However, by its letter dated 03 January 2021, JGTDS threatened to discontinue the supply of gas under the GSA from 04 March 2021 unless the Company pays for the supply of gas at the BERC rate. On 03 February 2021, the Company issued the Notice of Arbitration on JGTDS to resolve the dispute as per the provisions of the GSA. As per the GSA, the dispute is being resolved by a three (3) member tribunal under the UNCITRAL Rules 1976 ("Arbitration"). The seat of the Arbitration is in Singapore.

To ensure continued supply of gas to the plant during the pendency of the Arbitration, the Company filed an application before the High Court Division, Supreme Court of Bangladesh (the "High Court Division") for an interim injunction restraining JGTDS from terminating the GSA or stopping the supply of gas. On 07 February 2021, the High Court Division issued such interim relief in favour of the Company subject to submission of Bank Guarantee of Taka 860 million. Accordingly, the Company submitted the Bank Guarantee.

However, JGTDS filed an appeal against the interim order before the Appellate Division, Supreme Court of Bangladesh (the "Appellate Division") on 08 March 2021 (the "Appeal"). The Appeal was heard on 18 March 2021. The Company received the certified copy of the Interim Order on 02 May 2021. The Appellate Division maintained the interim relief but directed the Company to pay JGTDS the claimed amount since September 2015, which is Taka 903 million; out of which Taka 100 million shall be paid within 1 (one) month along with regular bills and the balance amount of Taka 803 million shall have to be paid in quarterly instalments of Taka 100 million. Furthermore, the Appellate Division also directed the Company to pay monthly gas bills at the rate fixed by BERC, as will be invoiced by JGTDS. The Company, in order to preserve the interim relief, is complying with the Appellate Division order, and paid Taka 608 million to JGTDS as on 31 December 2021 against the past claim and differential gas price for the year 2021. The amount reported as other receivable.

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The order of the Appellate Division relates to the interim relief as stated above and shall have no impact on the merit of the Arbitration pending before the Tribunal. The Company has a good case before the Arbitration Tribunal. If the Tribunal finds in favour of the Company, the Ceiling Price shall be applicable and the amounts paid to JGTDS against the order of the Appellate Division shall be refunded with interest.

The Arbitration Tribunal has been formed. Arbitration proceedings are progressing as per the agreed timetable. The procedural phase has been completed with the execution of the Terms of Appointment between the Company, JGTDS and the Arbitral Tribunal. Currently, the Arbitration is in the pleading phase. JGTDS has submitted their response to the Company's Notice of Arbitration. The Company has submitted its Statement of Claim to the Arbitral Tribunal on 18 November 2021. After following a few other processes etc. the date of the final hearing of the Arbitration has been fixed from 12 December 2022 to 20 December 2022.

	2021 Taka'000	2020 Taka'000
<b>10. Advance income tax- net of tax provision</b>		
Advance income tax-deducted at source	7,936,446	7,476,229
Current tax liabilities (Note 10.1)	(7,775,504)	(6,478,090)
	<u>160,942</u>	<u>998,139</u>
<b>10.1 Current tax liabilities</b>		
Balance at 1 January	6,478,090	5,551,933
Provision for the year	1,273,435	935,923
Translation adjustment	23,979	(9,766)
<b>Balance at 31 December</b>	<u>7,775,504</u>	<u>6,478,090</u>
<b>11. Cash and cash equivalents</b>		
Cash in hand	1,801	2,516
	<u>1,801</u>	<u>2,516</u>
<b>Cash at banks</b>		
Current accounts	1,560,521	1,133,054
Short term deposit accounts	3,714,401	237,090
	<u>5,274,922</u>	<u>1,370,144</u>
<b>Cash and cash equivalents in statement of financial position</b>	<u>5,276,723</u>	<u>1,372,660</u>
<b>Cash and cash equivalents for the purpose of the statement of cash flows</b>	<u>5,276,723</u>	<u>1,372,660</u>
<b>12. Share capital</b>		
<b>12.1 Authorized capital</b>		
<b>1,400,000,000 ordinary shares of Taka 10 each</b>	<u>14,000,000</u>	<u>14,000,000</u>
In the year 2011, authorized capital was increased from Taka 7,000,000,000 to Taka 14,000,000,000. Further 58,068,675 ordinary shares of Taka 100 per share were issued as right shares at par amounting to Taka 5,806,867,500 offered on the basis of 1:1, for which approval of Bangladesh Securities and Exchange Commission (BSEC) was obtained on 08 September 2011. Moreover, face value of each ordinary share has been denominated from Taka 100 to Taka 10 at 04 December 2011.		
<b>12.2 Issued and subscribed capital</b>		
<b>1,161,373,500 ordinary shares of Taka 10 each</b>	<u>11,613,735</u>	<u>11,613,735</u>

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	<b>2021</b>	<b>2020</b>
	<b>Taka'000</b>	<b>Taka'000</b>
<b>12.3 Paid up capital</b>		
Fully paid up in cash	5,759,888	5,759,888
Fully paid up in other than cash	46,980	46,980
Fully paid up in cash as rights issue	5,806,867	5,806,867
	<b>11,613,735</b>	<b>11,613,735</b>

**12.4 Composition of shareholders at 31 December**

Name of the shareholders	Nationality/ Incorporated In	Number of shares		Holding %	
		2021	2020	2021	2020
Surma Holding B.V.	The Netherlands	683,698,700	683,698,700	58.87	58.87
Sinha Fashions Limited	Bangladesh	35,100,000	35,100,000	3.02	3.02
Islam Cement Limited	Bangladesh	31,914,200	31,914,200	2.75	2.75
Other Shareholders	Bangladesh and NRB	410,660,600	410,660,600	35.36	35.36
		<b>1,161,373,500</b>	<b>1,161,373,500</b>	<b>100.00</b>	<b>100.00</b>

**12.5 Classification of shares by holding at 31 December**

Slabs by number of shares	Number of shareholders		Holding %	
	2021	2020	2021	2020
Less than 500 Shares	10,876	7,767	0.22	0.17
501 to 5,000 Shares	11,420	12,123	1.97	2.14
5,001 to 10,000 Shares	2,085	2,503	1.36	1.64
10,001 to 20,000 Shares	1,321	1,614	1.68	2.06
20,001 to 30,000 Shares	535	573	1.16	1.23
30,001 to 40,000 Shares	258	284	0.79	0.86
40,001 to 50,000 Shares	231	241	0.93	0.96
50,001 to 100,000 Shares	377	404	2.37	2.55
100,001 to 1,000,000 Shares	377	359	8.63	7.94
Over 1,000,000 Shares	40	49	80.89	80.45
	<b>27,520</b>	<b>25,917</b>	<b>100.00</b>	<b>100.00</b>

	<b>2021</b>	<b>2020</b>
	<b>Taka'000</b>	<b>Taka'000</b>
<b>12.6 Other components of equity</b>		
Actuarial loss-net of tax	(236,606)	(103,960)
Cash flow hedge	4,894	14,289
	<b>(231,712)</b>	<b>(89,671)</b>

**12.7 Dividends**

The final dividend amounts to Taka 2.90 billion which is Taka 2.50 per share of Taka 10 each for the year 2021 proposed by the Board of Directors of the Company for approval at the Annual General Meeting of Shareholders. As this dividend is subject to approval by the shareholders in the Annual General Meeting, it has not been included as a liability in these financial statements as of 31 December 2021.

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	2021 Taka'000	2020 Taka'000
<b>13. Non-controlling interests</b>		
Retained earnings	(690)	(659)
Share capital	161	164
Share money deposits	319	325
	<u>(210)</u>	<u>(170)</u>
<b>14. Borrowings</b>		
<b>A. Borrowings- long term</b>		
Non-current portion-lease liabilities	29,111	65,876
	<u>29,111</u>	<u>65,876</u>
<b>B. Borrowings- short term</b>		
Current portion-lease liabilities	29,280	36,862
Derivative liabilities*	1,935	237
	<u>31,215</u>	<u>37,099</u>
<p>*The Company entered into forward contracts with the commercial banks in order to manage its foreign exchange exposure due to change in exchange rates. The amount is the difference between market prices and prices the Company would pay to settle the foreign exchange liabilities at the end of the year.</p>		
<b>15. Deferred tax liability</b>		
<b>Deferred tax by type of temporary differences that resulted in deferred tax assets and liability</b>		
Property, plant and equipment	2,364,094	2,695,818
Actuarial gain	704	-
<b>Deferred tax liabilities</b>	<u>2,364,798</u>	<u>2,695,818</u>
Provision for gratuity	1,458	45,394
Actuarial loss	37,563	9,583
Provision for doubtful debts	32,664	36,463
Provision for obsolescence of spare parts	14,760	16,400
<b>Deferred tax assets</b>	<u>86,445</u>	<u>107,840</u>
<b>Net deferred tax liabilities</b>	<u>2,278,353</u>	<u>2,587,978</u>
<b>15.1 Change in deferred tax assets and liability</b>		
Balance at 1 January- deferred tax liabilities	2,587,978	3,066,862
Deferred tax income for the year	(327,619)	(448,530)
Other components of equity	9,286	(14,882)
Translation adjustments	8,708	(15,472)
<b>Balance at 31 December-deferred tax liabilities</b>	<u>2,278,353</u>	<u>2,587,978</u>
<b>16. Employee benefits</b>		
Funded plan (Note-16.1A)	140,519	161,137
Unfunded plan (Note-16.2C)	176,631	132,552
	<u>317,150</u>	<u>293,689</u>

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	2021 Taka'000	2020 Taka'000
<b>16.1 Funded Plan</b>		
<b>A. Net position of gratuity plan</b>		
Present value of defined benefit obligation	514,083	372,688
Fair value of plan assets	(373,564)	(211,551)
Net funded status	<u>140,519</u>	<u>161,137</u>
<b>B. Actuarial valuation</b>		
The actuarial valuations of the plan and the present value of the defined benefit obligation were carried out at 31 December 2021 by a professional actuary using Projected Unit Credit Method.		
<b>C. Assumptions employed for the valuations are as follows:</b>		
	%	%
Salary increase rate	10.00	8.00
Discount rate	7.20	9.20
<b>D. Movement in the present value of the defined benefit obligation are as follows:</b>		
Balance at 1 January	372,688	308,961
Current service cost	36,070	32,427
Interest cost	24,910	26,809
Actuarial loss [Note-D.1]	111,775	41,347
Benefits paid during the year	(31,360)	(36,856)
<b>Balance at 31 December</b>	<u>514,083</u>	<u>372,688</u>
<b>D.1 Actuarial loss/(gain)</b>		
Financial	86,248	65,214
Experience	25,527	(23,867)
	<u>111,775</u>	<u>41,347</u>
<b>E. Movement in the fair value of the plan assets are as follows:</b>		
Balance at 1 January	211,551	236,269
Expected return on plan assets	14,809	21,737
Employer contribution	200,000	-
Actuarial (gain)	(21,436)	(14,210)
Benefits paid during the year	(31,360)	(32,245)
<b>Balance at 31 December</b>	<u>373,564</u>	<u>211,551</u>

The above has been invested in bond.

**F. Sensitivity**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Effect in thousands of taka	31 December 2021	
	Increase	Decrease
Discount rate	487,569	542,656
Salary increase rate	541,768	488,104

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	2021 Taka'000	2020 Taka'000
<b>16.2 Unfunded Plan</b>		
<b>A. Actuarial valuation</b>		
The actuarial valuations of the plan and the present value of the defined benefit obligation were carried out at 31 December 2021 by a professional actuary using Projected Unit Credit Method.		
<b>B. Assumptions employed for the valuations are as follows:</b>		
	2021 %	2020 %
Salary increase rate	10.00	8.00
Discount rate	7.20	7.00
<b>C. Movement in the present value of the defined benefit obligation are as follows:</b>		
Balance at 1 January	132,552	108,282
Current service cost	11,896	10,863
Interest cost	8,950	8,939
Actuarial loss [Note-C.1]	31,282	12,345
Benefits paid during the year	(7,558)	(7,119)
Translation adjustment	(491)	(758)
<b>Balance at 31 December</b>	<b>176,631</b>	<b>132,552</b>
<b>C.1 Actuarial loss/(gain)</b>		
Financial	24,369	21,782
Experience	6,913	(9,437)
	<b>31,282</b>	<b>12,345</b>
<b>D. Sensitivity</b>		
Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:		
<b>Effect in thousands of taka</b>	<b>31 December 2021</b>	
	<b>Increase</b>	<b>Decrease</b>
Discount rate	165,698	188,776
Salary increase rate	187,652	166,301
	2021 Taka'000	2020 Taka'000
<b>17. Provisions</b>		
<b>Site restoration provisions</b>		
Balance at 1 January	41,865	40,146
Addition for the year	9,516	2,912
Translation adjustment	(888)	(1,193)
<b>Balance at 31 December</b>	<b>50,493</b>	<b>41,865</b>

The Company is required to restore a quarry site, the estimated costs of site restoration are accrued and recognized to the cost of sales, on the basis of mines closure plan submitted to Indian Bureau of Mines (IBM).

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	2021 Taka'000	2020 Taka'000
<b>18. Trade payables</b>		
Payable for goods and services	6,058,523	4,786,474
Contract liabilities	233,617	288,481
	<u>6,292,140</u>	<u>5,074,955</u>
<b>19. Other current liabilities</b>		
Payables to suppliers of fixed assets	85,591	118,894
Income tax and VAT deducted at source	277,185	206,971
Others	448,339	442,835
	<u>811,115</u>	<u>768,700</u>
<b>20. Commitments and Contingencies</b>		
<b>20.1 Commitments</b>		
<b>Commitments related to operating activities</b>		
Purchase commitments	2,129,543	3,524,656
Capital expenditure commitments	306,664	248,953
Guarantees given	1,330,322	521,192
	<u>3,766,529</u>	<u>4,294,801</u>
<b>20.2 Contingent Liabilities</b>		
Tax related cases with the tax authorities and Hon'ble High Court	1,869,132	1,869,132
VAT related cases with the VAT authorities and Hon'ble High Court	444,250	418,183
Custom related case with the Hon'ble High Court	5,000	5,000
Compulsory afforestation (CA) land	160,867	160,867
	<u>2,479,249</u>	<u>2,453,182</u>
<b>20.3 Claims</b>		
a. Claims against the Company not acknowledged as debt	<u>Nil</u>	<u>Nil</u>
b. Claims by the Company not acknowledged as receivable	<u>Nil</u>	<u>Nil</u>
<b>20.4 Lafarge Umiam Mining Private Limited (LUMPL)</b>		

The Company entered into a Limestone Mining Agreement with a mining contractor (the "Contractor"). The Contractor failed to engage the right mining equipment, many mining equipment were more than 5 years old and in violation of the provisions of the Agreement. The Contractor failed to produce right sizes of Limestone as specified in the Agreement. The Company issued notices of Breach, Material Breach to the Contractor in terms of the Agreement. On 28 February 2017 the Agreement was terminated. The Company submitted its 'Request for Arbitration' to the Secretariat of the International Court of Arbitration (ICC), Paris as per the provisions of the Agreement, with a claim of Taka 264.86 million. The Contractor made counter-claim of Taka 733.25 million. By order dated 11 September 2017, the ICC appointed Arbitration Tribunal rejected the counterclaim of the Contractor on procedural ground. On 11 December 2017, the Contractor filed an application before the Calcutta High Court under Section 34 of the Arbitration and Conciliation Act, 1996 seeking to set aside the Order of the Arbitration Tribunal dated 11 September 2017 (the "Application"). The Hearing on the Application is awaited. Arbitration proceedings however continue to proceed on the claim filed by LUMPL. The Contractor has filed an application for stay of the Order dated 11 September 2017 before the Tribunal on the ground that the matter is pending before the High Court. The application is yet to be heard by the Tribunal. The Company is of the opinion that the counter-claim of the Contractor, even if taken on record by the Tribunal at a subsequent stage or under order of the High Court, is not likely to succeed in full on merits of the matter and accordingly counterclaim of the Contractor has not been acknowledged as debt and no provision for the same has been made. The lawyers are of the view that the case of Company is strong on merits.

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	2021 Taka'000	2020 Taka'000
<b>21. A. Revenue</b>		
The Company derives its revenue from the transfer of goods at a point in the time in the following product lines. This is consistent with the segment information that is disclosed for each reportable segment under IFRS 8 (note- 21B).		
<b>Segment revenue</b>		
Sale of cement*	18,534,653	15,926,030
Sale of cement clinker	928,553	296,453
Sale of aggregates	1,071,236	-
	<b>20,534,442</b>	<b>16,222,483</b>
Products transferred at a point in time	20,534,442	16,222,483
	<b>20,534,442</b>	<b>16,222,483</b>
<b>*Sale of cement</b>		
Local sales	18,379,898	15,753,150
Export in Export Processing Zones and India	154,755	172,880
	<b>18,534,653</b>	<b>15,926,030</b>

**B. Segment information**

2021 Taka'000	Reportable segments		Total
	Clinker and cement	Aggregates	
<b>Statement of profit and loss</b>			
Segment revenue	19,463,206	1,071,236	20,534,442
<b>Operating profit</b>	<b>4,344,609</b>	<b>495,366</b>	<b>4,839,975</b>
<b>Statement of financial position</b>			
<b>Assets</b>			
Segment assets	23,790,534	385,248	24,175,782
Unallocated assets*	-	-	5,446,283
<b>Total assets</b>	<b>23,790,534</b>	<b>385,248</b>	<b>29,622,065</b>
<b>Equity and liabilities</b>			
Segment liabilities	7,461,422	9,476	7,470,898
Unallocated equity and liabilities**	-	-	22,151,167
<b>Total equity and liabilities</b>	<b>7,461,422</b>	<b>9,476</b>	<b>29,622,065</b>

2020 Taka'000	Reportable segments		Total
	Clinker and cement	Aggregates	
<b>Statement of profit and loss</b>			
Segment revenue	16,222,483	-	16,222,483
<b>Operating profit</b>	<b>2,954,060</b>	-	<b>2,954,060</b>
<b>Statement of financial position</b>			
<b>Assets</b>			
Segment assets	23,833,750	-	23,833,750
Unallocated assets*	-	-	2,385,234
<b>Total assets</b>	<b>23,833,750</b>	-	<b>26,218,984</b>
<b>Equity and liabilities</b>			
Segment liabilities	6,179,209	-	6,179,209
Unallocated equity and liabilities**	-	-	20,039,775
<b>Total equity and liabilities</b>	<b>6,179,209</b>	-	<b>26,218,984</b>

\*Advance tax, derivatives instruments and cash and cash equivalents

\*\* Borrowings, deferred tax liabilities and unclaimed dividend.

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**C. Major customers**

The Company has no reliance on any of its customers.

**D. Current status of aggregates production**

The Ministry of Industries (MOI) issued a letter dated 16 September 2021, directing LafargeHolcim Bangladesh Limited (LHBL) to stop production and selling of aggregates in the open market. The Company filed a Writ Petition challenging the validity of the MOI letter dated 16 September 2021. The chronology of events are as follows:

i) On 16 September 2021 - Ministry of Industries issued a letter directing LHBL to stop production and selling aggregates in the open market (Impugned Letter).

ii) On 20 September 2021 - LHBL received the above letter and stopped production and selling aggregates in open market.

iii) On 23 September 2021 - LHBL filed a Writ Petition challenging the Impugned Letter. The Hon'ble Court did not issue any Interim Relief and listed the Writ Petition for early hearing.

iv) On 16 November 2021 - Hon'ble High Court issued a stay order on the Impugned Letter. LHBL recommenced its aggregates production.

v) On 21 November 2021 - Ministry of Industries filed a Civil Miscellaneous Petition (CMP) and the Hon'ble Judge In Chamber of the Appellate Division stayed the order passed by High Court Division dated 16 November 2021. Accordingly, LHBL stopped the aggregates operations again.

vi) On 05 January 2022 - After full hearing of all parties, the High Court Division passed the judgment declaring the Impugned Letter as illegal. LHBL recommenced the aggregate production. The Company is yet to receive the certified copy of the judgment.

vii) On 18 January 2022 - Ministry of Industries filed another CMP and the Hon'ble Judge In Chamber of the Appellate Division stayed the order passed by High Court Division dated 05 January 2022 and has forwarded the CMP for hearing before the Full Bench of Appellate Division for hearing on 24 January 2022.

viii) No hearing was held on 31 January 2022, although the matter came in the daily cause list of the Hon'ble Appellate Division bearing serial number 461. The Company is waiting for fresh date of hearing in this matter.

ix) Accordingly, LHBL stopped production and selling aggregates in open market until getting favourable order from the court.

	<b>2021</b>	<b>2020</b>
	<b>Taka'000</b>	<b>Taka'000</b>
<b>22 Cost of Sales</b>		
Opening finished goods and work in process (Note-7)	611,756	865,192
Raw materials costs (Note-22.1)	4,816,723	2,845,516
Consumption of purchased clinker	3,202,502	3,099,650
Power and fuel costs	1,901,678	1,800,627
Production and maintenance costs (Note-22.2)	2,603,149	2,148,138
Plant-general and administrative costs (Note-22.3)	407,127	439,818
Freight cost to customers	338,777	259,358
Depot operating and transportation costs (Note-22.4)	923,099	766,955
Site restoration costs	9,516	2,912
Closing finished goods and work in process (Note-7)	(920,122)	(611,756)
	<b>13,894,205</b>	<b>11,616,410</b>

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	2021 Taka'000	2020 Taka'000
<b>22.1 Raw materials costs</b>		
Fly ash	522,550	496,718
Slag	655,015	474,616
Gypsum	568,355	431,365
Iron ore	94,779	62,018
Sand	18,476	16,162
Clay	129,356	99,118
Limestone	1,803,962	501,042
Packing materials	1,024,230	757,281
Others	-	7,196
	<b>4,816,723</b>	<b>2,845,516</b>
<b>22.2 Production and maintenance costs</b>		
Salary, allowances and benefits	388,103	351,106
Contributions to employees' benefit schemes	32,839	26,984
Maintenance	232,932	220,875
Other supplies and spares	354,251	324,352
Material handling	146,740	89,515
Other expenses	257,750	139,357
Technical studies	1,514	578
Depreciation	1,115,808	920,240
Amortization of intangible assets	73,212	41,126
	<b>2,603,149</b>	<b>2,114,133</b>
<b>22.3 Plant general and administrative costs</b>		
Salary, allowances and benefits	131,793	130,413
Contributions to employees' benefit schemes	7,026	7,765
Staff welfare expenses	45,795	38,376
Training, seminars and meetings	513	174
Travelling	5,161	5,230
Rent	1,494	-
Gas, electricity and water	982	789
Telephone, fax and postage	2,079	3,067
Office maintenance	33,867	23,716
Security services	72,267	77,232
Printing and stationery	833	850
Other supplies and spares	8,292	2,202
Other office expenses	20,869	21,031
Legal expenses	1,265	836
Consultancy	11,028	15,642
Vehicles running expenses	4,403	10,043
Corporate social activities	16,470	19,019
Insurance	42,990	42,952
	<b>407,127</b>	<b>399,337</b>
<b>22.4 Depot operating and transportation costs</b>		
Salary, allowances and benefits	92,552	101,463
Contributions to employees' benefit schemes	8,946	8,599
Staff welfare expenses	888	1,100
Training, seminars and meeting	464	361
Depreciation	51,888	52,572
Depot other operating costs	182,814	155,577
Transportation costs	585,547	521,769
	<b>923,099</b>	<b>841,441</b>

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	2021 Taka'000	2020 Taka'000
<b>23. General and administrative expenses</b>		
Salary, allowances and benefits	297,830	289,390
Contributions to employees' benefit schemes	21,384	15,612
Staff welfare expenses	3,890	102
Training, seminars and meeting	16,793	8,445
Travelling	2,905	1,738
Gas, electricity and water	872	1,001
Telephone, fax and postage	1,653	2,202
Entertainment	1,769	1,866
Office maintenance	1,700	1,799
Office security services	246	250
Printing and stationery	1,395	1,219
IT maintenance expenses	88,562	89,029
Other office expenses	13,051	52,459
Registration and other fees	3,594	6,074
Audit and tax advisory fees	3,396	3,280
Legal expenses	41,776	2,674
Vehicles running expenses	17,587	15,704
Publicity and public relation	5,744	5,153
General assistance fee	339,171	269,837
Trademark license fee	339,171	269,837
Consulting, survey and studies	3,429	7,407
Depreciation	43,567	56,346
Amortization of intangible assets	-	39,136
Contribution to Workers' Profit Participation and Welfare Fund	225,920	123,621
	<b>1,475,405</b>	<b>1,264,181</b>
<b>23.1 General assistance fee</b>		
The amount is payable to Holcim Technology Limited for general assistance fee (2 percent of annual net turnover of the Company in accordance with the General Assistance Agreement).		
<b>23.2 Trademark license fee</b>		
The amount is payable to Lafarge S.A., Holcim Limited and Cementos Molins for trademark licence fee (2 percent of annual net turnover of the Company in accordance with the Trademark License Fee Agreement).		
<b>24. Sales and marketing expenses</b>		
Salary, allowances and benefits	149,913	168,733
Contributions to employees' benefit schemes	13,596	12,648
Staff welfare expenses	-	918
Training, seminars and meeting	679	-
Travelling	15,141	17,215
Gas, electricity and water	667	789
Telephone, fax and postage	2,013	3,549
Entertainment	211	401
Office maintenance	2,261	1,635
Printing and stationery	289	146
Other office expenses	8,869	7,541
Registration and other fees	8,141	7,798
Vehicles running expenses	24,722	13,734
Advertisement expenses	208,924	157,766
Promotional expenses	20,025	12,972
Bad debts and provision for trade receivables	2,457	303
General survey and studies	1,120	875
Depreciation	1,880	1,880
	<b>460,908</b>	<b>408,903</b>

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	2021 Taka'000	2020 Taka'000
<b>25. Other operating income and expenses</b>		
Sale of miscellaneous scrap items	31,551	8,134
Gain on sale of property, plant and equipment	2,730	6,453
Provident fund forfeited amount*	-	4,092
Others	101,770	2,392
	<b>136,051</b>	<b>21,071</b>
* The amount represents for the period from the year 2015 to 2020.		
<b>26. Finance costs and income</b>		
Interest on borrowings	-	38,298
Net interest expenses/income on net gratuity liabilities/assets	19,051	14,011
Other finance costs	1,502	1,502
Bank charges and commission	10,884	18,103
Interest expenses on lease liabilities	2,367	15,068
Exchange loss	5,239	36,984
<b>Finance costs</b>	<b>39,043</b>	<b>123,966</b>
Interest income on bank deposits	26,727	18,684
<b>Finance income</b>	<b>26,727</b>	<b>18,684</b>
<b>Net finance cost</b>	<b>(12,316)</b>	<b>(105,282)</b>
<b>27. Income tax</b>		
Current income tax expenses	1,273,435	935,923
Deferred income tax	(327,619)	(448,530)
	<b>945,816</b>	<b>487,393</b>
<b>27.1 Reconciliation of effective tax rate (%)</b>		
Average statutory tax rate	25.81	27.06
Permanent differences	3.87	4.91
Effect of change in tax rate	(6.66)	-
Change in structure (HBL amalgamation)	-	(9.47)
Effect of foreign tax differentials	(3.43)	(5.39)
<b>Effective tax rate</b>	<b>19.59</b>	<b>17.11</b>
<b>28. A. Earnings per share</b>		
The computation of basic and diluted earnings per share for the years ended 31 December 2021 and 31 December 2020 are as follows:		
<b>Numerator</b> <i>(Thousands of Taka)</i>		
Profit for the year- attributable to owners of the company	3,881,873	2,361,407
<b>Denominator</b> <i>(Thousands of Shares)</i>		
Weighted average number of shares outstanding	1,161,374	1,161,374
<b>Basic earnings per share</b> <i>Taka</i>	<b>3.34</b>	<b>2.03</b>
<b>Diluted earnings per share</b> <i>Taka</i>	<b>3.34</b>	<b>2.03</b>

**LAFARGEHOLCIM BANGLADESH LIMITED**  
**Notes to the consolidated financial statements**  
**For the year ended 31 December**

**B. Net asset value (NAV) per share**

The computation of net asset value per share for the years ended 31 December 2021 and 31 December 2020 are as follows:

<b>Numerator</b>	<i>(Thousands of Taka)</i>		
Net asset value for the year		19,793,826	17,289,075
<b>Denominator</b>	<i>(Thousands of Shares)</i>		
Weighted average number of shares outstanding		1,161,374	1,161,374
<b>Net asset value (NAV) per share</b>	<i>Taka</i>	<b>17.04</b>	<b>14.89</b>

**C. Net operating cash flow per share (NOCFPS)**

The computation of net operating cash flow per share for the years ended 31 December 2021 and 31 December 2020 are as follows:

<b>Numerator</b>	<i>(Thousands of Taka)</i>		
Net operating cash flow for the year		6,076,922	4,540,495
<b>Denominator</b>	<i>(Thousands of Shares)</i>		
Weighted average number of shares outstanding		1,161,374	1,161,374
<b>Net operating cash flow per share</b>	<i>Taka</i>	<b>5.23</b>	<b>3.91</b>

**29. Related Party Transactions**

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

**LAFARGEHOLCIM BANGLADESH LIMITED**  
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2021

in thousands of Taka

Name of the Party	Relationship	Nature of transaction	Transaction value during the year Taka '000	Receivable/ (Payable) at 31 Dec 2021 Taka '000
Surma Holding B.V.	Shareholder	Dividend Payment	683,701	-
LH Trading Pte Ltd	Group Company	Intercompany purchase	1,287,088	(108,075)
Lafarge S.A.	Group Company	Technical assistance/trademark license	95,802	(498,591)
Cementos Molins	Group Company	Trademark license/travel expenses	84,793	(255,496)
Holcim Limited	Group Company	Trademark license	(111,260)	(124,847)
Holcim Asean Business Service Centre	Group Company	Technical assistance	-	(47,027)
Bengal Development Corporation	Shareholder's associated entity	Cement sales	752	(207)
Holcim Group Services Ltd.	Group Company	Intercompany services	11,566	(66,607)
Lafarge International Services Singapore Pte Ltd.	Group Company	Intercompany services	13,414	(4,862)
Eastern Housing Ltd.	Shareholder's associated entity	Cement sales	243	64
Jahurul Islam Medical College	Shareholder's associated entity	Cement sales	552	552
Bank Asia Limited	Shareholder's associated entity	Cement sales	-	(1)
Holcim Services (South Asia) India	Group Company	Intercompany services	41,292	(77,796)
Holcim Technology Holderbank	Group Company	Intercompany services	-	(6,428)
Holcim Technology Ltd.	Group Company	Trademark license	4,442	(745,078)
Aftab Bahumukhi Firm Ltd.	Shareholder's associated entity	Cement sales	287	147
Opex Group	Shareholder's associated entity	Cement sales	86	176
Sinha Peoples Energy Ltd.	Shareholder's associated entity	Cement sales	-	15
LafargeHolcim IT EMEA	Group Company	Technical assistance	1,869	1,812

**LAFARGEHOLCIM BANGLADESH LIMITED**  
**Notes to the consolidated financial statements**  
**For the year ended 31 December**

		in thousands of Taka	
Name of the Party	Relationship	Transaction value during the year Taka '000	Receivable/ (Payable) at 31 Dec 2020 Taka '000
Surma Holding B.V.	Shareholder	683,699	-
Holcim Asean Business Service Centre	Group Company	-	(40,500)
Lafarge S.A.	Group Company	236,107	(402,293)
Cementos Molins	Group Company	67,459	(158,198)
LafargeHolcim Limited	Group Company	236,107	(236,107)
LH Trading Ltd	Group Company	1,112	784
LH Trading Pte Ltd	Group Company	624,102	(167,747)
Holcim Group Services Ltd.	Group Company	13,494	(36,784)
Holcim Technology Holderbank	Group Company	-	(5,810)
Lafarge International Services Singapore Pte Ltd.	Group Company	16,923	(5,438)
Holcim Services (South Asia) India	Group Company	40,561	(40,527)
Holcim Technology Ltd.	Group Company	-	(263,541)
Eastern Housing Ltd.	Shareholder's associated entity	5,577	618
Aftab Bahumukhi Firm Ltd.	Shareholder's associated entity	-	(15)
Bengal Development Corporation	Shareholder's associated entity	3,805	(77)
Jahurul Islam Medical College	Shareholder's associated entity	3,234	555
Bank Asia Limited	Shareholder's associated entity	204	(1)
Opex Group	Shareholder's associated entity	246	(84)
Sinha Peoples Energy Ltd.	Shareholder's associated entity	82	(11)
		<b>2021 Taka '000</b>	<b>2020 Taka '000</b>
		524,746	456,196
		40,434	31,812
		11,902	11,088
		<b>577,082</b>	<b>499,096</b>

**30. Directors', Managers' and Officers' Remuneration**

Salary, allowances and benefits  
Contributions to employees' benefit scheme  
Reimbursable expenses

During the year, the Board of Directors did not receive any remuneration or fees for services rendered by them.

31. **Financial instruments**  
**A. Accounting classifications**

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

31 December 2021 <i>In thousands of taka</i>	Carrying amount			Fair value			
	Fair value - Hedging instruments	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
<b>Financial assets measured at fair value</b>							
Forward exchange contracts used for hedging	8,618	-	-	8,618	-	8,618	-
	<b>8,618</b>	-	-	<b>8,618</b>	-	<b>8,618</b>	-
<b>Financial assets not measured at fair value</b>							
Trade and other current assets	-	2,019,657	-	2,019,657	-	-	-
Cash and cash equivalents	-	5,276,723	-	5,276,723	-	-	-
	-	<b>7,296,380</b>	-	<b>7,296,380</b>	-	-	-
<b>Financial liabilities measured at fair value</b>							
Forward exchange contracts used for hedging	1,935	-	-	1,935	-	1,935	-
	<b>1,935</b>	-	-	<b>1,935</b>	-	<b>1,935</b>	-
<b>Financial liabilities not measured at fair value</b>							
Borrowings	-	-	58,391	58,391	-	-	-
Trade payables	-	-	6,292,140	6,292,140	-	-	-
Other current liabilities	-	-	811,115	811,115	-	-	-
	-	-	<b>7,161,646</b>	<b>7,161,646</b>	-	-	-
<b>31 December 2020</b>							
<b>Financial assets measured at fair value</b>							
Forward exchange contracts used for hedging	14,435	-	-	14,435	-	14,435	-
	<b>14,435</b>	-	-	<b>14,435</b>	-	<b>14,435</b>	-
<b>Financial assets not measured at fair value</b>							
Trade and other current assets	-	1,954,559	-	1,954,559	-	-	-
Cash and cash equivalents	-	1,372,660	-	1,372,660	-	-	-
	-	<b>3,327,219</b>	-	<b>3,327,219</b>	-	-	-
<b>Financial liabilities measured at fair value</b>							
Forward exchange contracts used for hedging	237	-	-	237	-	237	-
	<b>237</b>	-	-	<b>237</b>	-	<b>237</b>	-
<b>Financial liabilities not measured at fair value</b>							
Borrowings	-	-	102,738	102,738	-	-	-
Trade payables	-	-	5,074,955	5,074,955	-	-	-
Other current liabilities	-	-	768,700	768,700	-	-	-
	-	-	<b>5,946,393</b>	<b>5,946,393</b>	-	-	-

2021  
Taka'000

2020  
Taka'000

## B. Financial risk management

### i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and other current assets. The carrying amounts of financial assets represents the maximum credit exposure.

Expected credit losses on financial assets recognized in profit or loss up to 2021 were as follows:

Expected credit loss on trade receivables from contracts with customers	(145,175)	(145,852)
	<b>(145,175)</b>	<b>(145,852)</b>

### Trade receivables and other current assets

The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry in which the customers operate.

The management has established a credit policy under which each new customer is analyzed individually for creditworthiness. The Company's review includes financial statements and industry information. Credit limits are established for each customer and reviewed on a regular basis. Any sales exceeding those limits require approval from the credit committee.

The Company's limits its exposure to credit risk from trade receivables by establishing a maximum payment period of one to three months for distributions and corporate customers respectively. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are distributors, corporate customer, industry, trading history with the Company and existence of previous financial difficulties. The Company obtains bank guarantee from customers.

An analysis of the credit quality of trade receivables is as follows:

<b>Neither past due</b>	403,208	652,681
<b>Past due</b>		
Past due 1-30 days	83,561	144,388
Past due 31-90 days	33,710	30,540
Past due 91-180 days	9,815	24,900
Over 180 days	171,539	140,146
	<b>701,833</b>	<b>992,655</b>

For trade receivables the Company determined expected losses on trade receivables by using a provision policy, estimated based on historical credit loss based on past due status of the debtors. The Company also considered whether the receivables were secured by bank guarantee in determining the amount of expected credit loss.

**LAFARGEHOLCIM BANGLADESH LIMITED**  
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	2021 Taka'000	2020 Taka'000
<b>The change in the valuation allowance for doubtful receivables is as follows:</b>		
Balance at 1 January	(145,852)	(145,549)
Decrease/(increase) in current year	677	(303)
	<u>(145,175)</u>	<u>(145,852)</u>
<b>Maximum exposure to credit risk of the Group at reporting date are as follows:</b>		
Trade receivables (Note 8)	556,658	846,803
Other current assets excluding prepaid expenses (Note 9)	1,770,359	1,457,904
	<u>2,327,017</u>	<u>2,304,707</u>

**Cash and cash equivalents**

i) The Company held cash and cash equivalents of 5,277 million at 31 December 2021 (2020: 1,373 million). The cash and cash equivalents are held with bank and financial institution counterparties with satisfactory credit ratings. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

**ii) 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 or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities. The Company also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.

**Exposure to liquidity risk**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

**31 December 2021**

<i>In thousands of taka</i>	Carrying amount Taka'000	6 months or less Taka'000	From 6 to 12 months Taka'000	From 1 to 5 years Taka'000
<b>Non-derivative financial liabilities</b>				
Trade payables	6,292,140	4,644,376	1,647,764	-
Other current liabilities	811,115	737,054	74,061	-
Lease liabilities	58,391	-	29,280	29,111
	<u>7,161,646</u>	<u>5,381,430</u>	<u>1,751,105</u>	<u>29,111</u>
<b>Derivative financial liabilities</b>				
Forward exchange contracts used for hedging	1,935	1,935	-	-
	<u>1,935</u>	<u>1,935</u>	<u>-</u>	<u>-</u>

**31 December 2020**

Trade payables	5,074,955	3,623,680	1,451,275	-
Other current liabilities	768,700	635,647	133,053	-
Lease liabilities	102,738	-	36,862	65,876
	<u>5,946,393</u>	<u>4,259,327</u>	<u>1,621,190</u>	<u>65,876</u>
<b>Derivative financial liabilities</b>				
Forward exchange contracts used for hedging	237	237	-	-
	<u>237</u>	<u>237</u>	<u>-</u>	<u>-</u>

**LAFARGEHOLCIM BANGLADESH LIMITED**  
**Notes to the consolidated financial statements**  
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**iii) Market risk**

Market risk is the risk that changes in market prices- e.g. foreign exchange rates, interest rates and equity prices-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.

The Company uses derivatives to manage market risks. All such transactions are carried out within the guidelines set by the Company in line with the requirements of IFRS 9.

**a) Currency risk**

The Company is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which purchases and borrowings are denominated. The currencies in which these transactions are primarily denominated are Euro, US dollars, Swiss franc and Indian rupee.

**Exposure to currency risk**

The summary of quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

<b>Balance at 31 December 2021</b>	<b>BDT'000</b>	<b>INR'000</b>	<b>USD'000</b>	<b>EUR'000</b>	<b>CHF'000</b>
<b>Foreign currency denominated assets</b>					
Other current assets	2,203,561	1,937,684	50	-	-
Cash and cash equivalents	847,447	746,649	-	-	-
<b>Total</b>	<b>3,051,008</b>	<b>2,684,333</b>	<b>50</b>	<b>-</b>	<b>-</b>
<b>Foreign currency denominated liabilities</b>					
Trade payables	774,953	424,660	2,861	359	466
Other current liabilities	157,207	73,256	601	231	-
<b>Total</b>	<b>932,160</b>	<b>497,916</b>	<b>3,462</b>	<b>590</b>	<b>466</b>
<b>Balance at 31 December 2020</b>					
<b>Foreign currency denominated assets</b>					
Other current assets	2,338,713	2,015,433	107	-	-
Cash and cash equivalents	80,379	69,212	2	2	-
<b>Total</b>	<b>2,419,092</b>	<b>2,084,645</b>	<b>109</b>	<b>2</b>	<b>-</b>
<b>Foreign currency denominated liabilities</b>					
Trade payables	1,076,059	498,143	5,130	291	364
Other current liabilities	147,324	63,704	586	231	69
<b>Total</b>	<b>1,223,383</b>	<b>561,847</b>	<b>5,716</b>	<b>522</b>	<b>433</b>

**Foreign currency translation/ transaction**

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rate between the functional currency and foreign currency at the date of the transaction.

At each financial position date, monetary assets and liabilities denominated in foreign currencies recorded at historical cost are retranslated at the functional currency closing rate provided by Bangladesh Bank (Central Bank). The resultant gain and loss has been reflected in the financial statements. These rates are as follows:

**LAFARGEHOLCIM BANGLADESH LIMITED**  
**Notes to the consolidated financial statements**  
**For the year ended 31 December**

Currencies	31 December 2021		31 December 2020	
	Closing rate	Average rate	Closing rate	Average rate
BDT/INR	1.1350	1.1509	1.1559	1.1456
BDT/USD	85.8000	85.0840	84.8020	84.8724
BDT/EUR	97.3830	100.4538	103.8740	96.6986
BDT/CHF	93.6272	93.4035	96.1365	90.4896

**Exchange rate sensitivity**

If the BDT increases in value against a currency, the value in BDT of assets, liabilities, income and expenses originally recorded in the other currencies will decrease. Conversely, if the BDT decreases in value against a currency, the value in BDT of assets, liabilities, income and expenses originally recorded in the other currency will increase. Consequently, increases and decreases in the value of the BDT may affect the value in BDT of non-BDT assets, liabilities, income and expenses, even though the value of these items have not changed in their original currency.

A change of 50 basis points (bp) in foreign currencies would have increased or decreased equity and profit or loss of the Company by the amounts shown below:

Particulars	Estimated impact on profit/loss and equity (+/-) 2021	Estimated impact on profit/loss and equity (+/-) 2020
	Taka'000	Taka'000
Assets denominated in USD	21	46
Assets denominated in EUR	-	1
Assets denominated in INR	15,234	12,048
Other liabilities denominated in USD	1,485	2,424
Other liabilities denominated in EUR	287	271
Other liabilities denominated in INR	2,826	3,247
Other liabilities denominated in CHF	218	208

**b) Interest rate risk**

The risk is that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its debts and short term deposits.

**Interest rate sensitivity**

A +/- 1% change in short-term interest rates calculated on the financial assets and financial liabilities, would have a maximum impact on the Company's 2021 profit before tax of +/- Taka 37,144 (Taka 2,371 for 2020) in thousands and Taka 603 (Taka 1,030 for 2020) in thousands respectively.

	2021	2020
	Taka'000	Taka'000
<b>Interest bearing financial instruments of the Company at reporting date are as follows:</b>		
<b>Financial assets</b>		
Short term deposits	3,714,401	237,090
	<u>3,714,401</u>	<u>237,090</u>
<b>Financial liabilities</b>		
Borrowings	60,326	102,975
	<u>60,326</u>	<u>102,975</u>

**c) Other price risk**

The risk is that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices other than those arising from interest rate risk and currency risk. The Company is not exposed to any equity risk, as the Company does not have any investment in equity shares. The Company also does not have any significant exposure to commodity price risk.

**LAFARGEHOLCIM BANGLADESH LIMITED**  
**Notes to the consolidated financial statements**  
**For the year ended 31 December**

	2021	2020
<b>32. Number of Employees</b>		
<b>LafargeHolcim Bangladesh Limited</b>		
Nationality:		
Bangladeshi	544	551
Non-Bangladeshi	7	6
<b>Lafarge Umiam Mining Private limited</b>		
Nationality:		
Indian	116	115
Non-Indian	1	1
	<b>668</b>	<b>673</b>
<b>Salary range:</b>		
Monthly Taka 3,000 or above	668	673
Monthly below Taka 3,000	Nil	Nil
	<b>2021</b>	<b>2020</b>
	<b>Taka'000</b>	<b>Taka'000</b>
<b>33. Comparative information of the shareholders (Note- 28)</b>		
Net Asset Value (NAV) Per Share	17.04	14.89
Earning Per Share (EPS)	3.34	2.03
Net Operating Cash Flow Per Share (NOCFPS)	5.23	3.91
Profit for the year (in thousand)	3,881,843	2,361,385
<b>34. Reconciliation of net profit with cash flows from operating activities</b>		
<b>Net profit for the period</b>	<b>3,881,843</b>	<b>2,361,385</b>
Income tax expenses	945,816	487,393
<b>Net profit before tax</b>	<b>4,827,659</b>	<b>2,848,778</b>
Depreciation and amortization	1,286,355	1,111,300
Other non-cash items	57,482	46,202
Non-operating items	12,316	105,282
Contribution to gratuity plan	(207,558)	(7,114)
Income tax paid	(460,217)	(486,251)
Changes in net working capital	560,885	922,298
<b>Cash flows from operating activities</b>	<b>6,076,922</b>	<b>4,540,495</b>
<b>35. Lease disclosures</b>		
Expenses for leases of low value assets	-	-
Payments for leases of low value assets	-	-
Short-term lease expenses	(12,828)	(7,410)
Payment for short-term leases	(12,828)	(7,410)
Average lease terms (in years)	2	2



Chief Financial Officer



Company Secretary



Director



Chief Executive Officer



# SKILL DEVELOPMENT

Our company believes in the development of underprivileged people of the communities where we operate. Every year we organize **special skill development training sessions** for these people that helps them to support their families **financially**.



# Report and Financial Statements of **LafargeHolcim Bangladesh Limited**

for the year ended December 31, 2021

# Hoda Vasi Chowdhury & Co

## Chartered Accountants

### INDEPENDENT AUDITORS' REPORT

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To the Shareholders of  
LafargeHolcim Bangladesh Limited

#### Report of the audit of the financial statements

##### Opinion

We have audited the financial statements of **LafargeHolcim Bangladesh Limited** (hereinafter referred to as "the Company"), which comprise the statement of financial position as at 31 December 2021, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then from 01 January 2021 to 31 December 2021 and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations.

##### Basis for opinion

We have conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Emphasis of matter

- 1) We draw attention to note 10.1 to the accompanying financial statements stating that the Company has legal issues in relation to the excess gas tariff raised by Jalalabad Gas Transmission and Distribution System Limited (JGTDS).

JGTDS filed an appeal before the Appellate Division, Supreme Court of Bangladesh (the "Appeal") on 08 March 2021. The Appellate Division directed the Company to pay JGTDS the full claimed amount of Taka 903 million in quarterly instalments of Taka 100 million. The Company is since complying with the Court order.

However, the Arbitration Tribunal has been formed. The date of the final hearing of the Arbitration has been fixed from 12 December 2022 to 20 December 2022.

- 2) We draw attention to note 20(B) to the financial statements, wherein the management has explained the status of the aggregate business of the Company. The Ministry of Industries, Government of Bangladesh, has issued a letter on 16 September 2021 to LafargeHolcim Bangladesh Limited (LHBL) to stop selling aggregates in the open market. Accordingly, LHBL stopped selling aggregates. The Company has received favorable order from the High Court Division which is again challenged by Ministry of Industries in the Appellate Division. The company is waiting for the outcome of the case.

Our opinion is not modified in respect of these matters.

## **Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. 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 auditors' 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 misstatements of the financial statements. These 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) Revenue**

Revenue recognition has significant and wide influence on financial statements. The Company reported revenue for the amount of Taka 20,534 million. Revenue is recognized when the amounts and the related costs are reliably measured and the performance obligation is completed through passing of control to the customers. While the risk and rewards are being transferred for the performance obligations at the delivery point and control has passed, there is a risk that the Company might misstate or manipulate sales quantity or price in the financial statements. There is also a risk that revenue may be overstated or understated through various discounts and incentives.

#### **How our audit addressed the key audit matter**

- We assessed the reporting environment of the Company as well as other relevant systems supporting the accounting of revenue
- We examined customer invoice (Mushak 6.3), VAT submission form (Mushak 9.1) and receipts of payment on a test basis;
- We examined ERP system (SAP) which generated sales report (48 report) and compared with dispatch report (701 report);
- We summarized Mushak 9.1, Mushak 6.7, month wise sales and cross checked with financial statements booked as revenue;
- We performed detailed walk through tests for the discounts and trade incentives;
- We obtained and reviewed supporting documents for sales transactions recorded;
- We assessed whether the sufficient disclosure has been given; and
- We tested the timing of revenue recognition as well as cut off checked.

### **2) Impairment testing of goodwill**

Refer to note 6(B) to the financial statements

Included on the financial statements is an intangible assets balance of Taka 318 million as at 31 December 2021.

The Company is required to, at least annually, perform impairment assessments of intangible assets including goodwill that have an indefinite useful life. For intangible assets with useful lives, the Company is required to review these for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable, and at least annually, review whether there is any change in their expected useful lives.

For the purpose of performing impairment assessments, intangible assets including goodwill have been allocated to the Company of cash generating units (CGUs). The recoverable amount of the underlying CGUs is supported by value-in-use calculations which are based on future discounted cash flows.

Management concluded that the intangible assets including goodwill were not impaired for the year ended 31 December 2021.

We focused on this area as the assessments made by management involved significant estimates and judgments, including sales growth rates, gross profit margin, net profit margin and perpetual growth rates used to estimate future cash flows and discount rates applied to these forecasted future cash flows of the underlying CGUs. These estimates and judgments may be affected by unexpected changes in future market or economic conditions or discount rates applied.

***How our audit addressed the key audit matter***

- We understood, evaluated and validated management's key controls over the impairment assessment process;
- We compared the methodology used (value-in-use calculations based on future discounted cash flows) by the Company with market practice;
- We obtained management's future cash flow forecasts, tested the mathematical accuracy of the underlying value-in-use calculations and agreed them to the approved one-year financial budget and future forecasts. We also compared historical actual results to those budgeted to assess the quality of management's forecasts;
- We also assessed the reasonableness of key assumptions used in the calculations, comprising sales growth rates, operating profit margin, EBITDA margin, perpetual growth rate and discount rates. When assessing these key assumptions, we discussed them with management to understand and evaluate management's basis for determining the assumptions, and compared them to external industry outlook reports and economic growth forecasts from a number of sources. We also engaged our valuation experts to assist us in assessing the reasonableness of the discount rates used by management by comparing the discount rates used to entities with similar risk profiles and market information;
- We obtained and tested management's sensitivity analysis around the key assumptions, to ascertain that selected adverse changes to key assumptions, both individually and in aggregate, would not cause the carrying amount of intangible assets including goodwill to exceed the recoverable amount;
- We evaluated management's assessment on whether any events or change in circumstances indicate there may be a change in the expected useful lives of intangible assets; and
- We found the Company estimates and judgments used in the impairment assessment and review of useful lives of intangible assets to be supported by the available evidence.

***3) Deferred tax liabilities***

The reported net deferred tax liabilities amounting to Taka 2,075 million as at 31 December 2021. Significant judgment is required in relation to deferred tax liabilities as their settlement/recoverability is dependent on forecasts of future profitability over a number of years.

Refer to note 15 to the financial statements for relevant disclosures regarding deferred tax liabilities.

***How our audit addressed the key audit matter***

- We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company key controls over the recognition and measurement of deferred tax and the assumptions used in estimating the Company future taxable income;
- We also assessed the completeness and accuracy of the data used for the estimations of future taxable income;
- We involved tax specialists to assess key assumptions, controls, recognition and measurement of deferred tax; and
- Finally assessed the appropriateness and presentation of disclosures against IAS 12: Income Taxes.

**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. The Annual Report is expected to be made available to us after the date of this auditors' report.

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

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

If, based on the work we have performed, on the other information obtained prior to the date of this audit report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the financial statements 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 with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISAs), we exercised professional judgment and maintained professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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.
- 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.
- 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's 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 also provide 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year, 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.

**Report on other legal and regulatory requirements**

In accordance with the Companies Act, 1994 and International Standards on Auditing (ISAs), we also report the following:

- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c. the Company's statement of financial position and the statement of profit or loss and other comprehensive income along with the annexed notes 1 to 40 dealt with by the report are in agreement with the books of account; and
- d. the expenditures incurred and payments made were for the purposes of the Company's affairs.



**A F Nesaruddin, FCA**

Senior Partner

Enrolment # 469

Hoda Vasi Chowdhury & Co

Chartered Accountants

Dhaka, Bangladesh  
Dated: 31 January 2022  
DVC: 2202160469AS578502

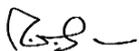
**LafargeHolcim Bangladesh Limited**  
**Statement of financial position**  
**As at 31 December**

	Notes	2021 Taka'000	2020 Taka'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	16,408,511	16,696,730
Intangible assets	6	317,776	317,776
Investment in subsidiaries	7	519,893	519,893
<b>Total non-current assets</b>		<b>17,246,180</b>	<b>17,534,399</b>
<b>Current assets</b>			
Inventories	8	2,839,158	2,187,723
Trade receivables	9	556,658	846,803
Other current assets	10	1,149,467	617,334
Advance income tax	11	-	649,343
Cash and cash equivalents	12	4,429,276	1,292,660
<b>Total current assets</b>		<b>8,974,559</b>	<b>5,593,863</b>
<b>Total assets</b>		<b>26,220,739</b>	<b>23,128,262</b>
<b>Equity &amp; liabilities</b>			
<b>Capital and reserves</b>			
Share capital	13.4	11,613,735	11,613,735
Retained earnings		5,302,040	2,955,783
Other components of equity	13.7	(236,727)	(102,614)
<b>Total equity</b>		<b>16,679,048</b>	<b>14,466,904</b>
<b>Non-current liabilities</b>			
Borrowings	14A	27,809	53,227
Deferred tax liabilities	15	2,075,324	2,379,700
Employee benefits	16	290,329	267,128
<b>Total non-current liabilities</b>		<b>2,393,462</b>	<b>2,700,055</b>
<b>Current liabilities</b>			
Trade payables	17	6,213,486	5,130,044
Other current liabilities	18	804,207	741,422
Borrowings	14B	30,288	30,090
Current income tax liabilities	11	81,586	-
Unclaimed dividend		18,662	59,747
<b>Total current liabilities</b>		<b>7,148,229</b>	<b>5,961,303</b>
<b>Total liabilities</b>		<b>9,541,691</b>	<b>8,661,358</b>
<b>Total equity and liabilities</b>		<b>26,220,739</b>	<b>23,128,262</b>
<b>Net Asset Value (NAV) Per Share</b>	35	<b>14.36</b>	<b>12.46</b>

The accompanying Notes 1 to 40 form an integral part of these financial statements.

  
Chief Financial Officer

  
Company Secretary

  
Director

  
Chief Executive Officer

As per our annexed report of same date

Dhaka, Bangladesh  
Dated: 31 January 2022  
DVC: 2202160469AS578502

  
A F Nesaruddin, FCA  
Senior Partner  
Enrolment # 469  
Hoda Vasi Chowdhury & Co  
Chartered Accountants

**LafargeHolcim Bangladesh Limited**  
**Statement of profit or loss**  
**For the year ended 31 December**

	Notes	2021 Taka '000	2020 Taka'000
<b>Revenue</b>	20A	20,534,442	16,222,483
Cost of sales	21	(14,412,397)	(12,187,486)
<b>Gross profit</b>		<b>6,122,045</b>	<b>4,034,997</b>
Other operating income	24	134,615	21,071
General and administrative expenses	22	(1,240,843)	(1,088,570)
Sales and marketing expenses	23	(460,908)	(408,903)
<b>Operating profit</b>		<b>4,554,909</b>	<b>2,558,595</b>
Finance cost	25	(59,499)	(99,786)
Finance income	25	22,995	13,616
<b>Net finance cost</b>		<b>(36,504)</b>	<b>(86,170)</b>
<b>Profit before WPPF &amp; tax</b>		<b>4,518,405</b>	<b>2,472,425</b>
Workers' profit participation and welfare fund (WPPF)		(225,920)	(123,621)
<b>Profit before tax</b>		<b>4,292,485</b>	<b>2,348,804</b>
Income tax expense	26	(784,854)	(364,822)
<b>Profit for the year</b>		<b>3,507,631</b>	<b>1,983,982</b>
<b>Earnings per share</b>			
Basic (taka)	27A	3.02	1.71
Diluted (taka)	27A	3.02	1.71

The accompanying Notes 1 to 40 form an integral part of these financial statements.

  
Chief Financial Officer

  
Company Secretary

  
Director

  
Chief Executive Officer

As per our annexed report of same date

  
**A F Nesaruddin, FCA**  
Senior Partner  
Enrolment # 469  
Hoda Vasi Chowdhury & Co  
Chartered Accountants

Dhaka, Bangladesh  
Dated: 31 January 2022  
DVC: 2202160469AS578502

**LafargeHolcim Bangladesh Limited**  
**Statement of comprehensive income**  
**For the year ended 31 December**

	2021 Taka'000	2020 Taka'000
<b>Profit for the year</b>	<b>3,507,631</b>	<b>1,983,982</b>
<b>Other comprehensive income</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Actuarial (loss) - net off tax	(129,383)	(60,146)
	<b>(129,383)</b>	<b>(60,146)</b>
<b>Items that may be reclassified to profit or loss</b>		
Cash flow hedge- net off tax	(4,730)	5,661
	<b>(4,730)</b>	<b>5,661</b>
<b>Other comprehensive income for the year, net of tax</b>	<b>(134,113)</b>	<b>(54,485)</b>
<b>Total comprehensive income for the year</b>	<b>3,373,518</b>	<b>1,929,497</b>

The accompanying Notes 1 to 40 form an integral part of these financial statements.



Chief Financial Officer



Company Secretary



Director



Chief Executive Officer

As per our annexed report of same date



**A F Nesaruddin, FCA**

Senior Partner  
Enrolment # 469  
Hoda Vasi Chowdhury & Co  
Chartered Accountants

Dhaka, Bangladesh  
Dated: 31 January 2022  
DVC: 2202160469AS578502

**LafargeHolcim Bangladesh Limited**  
**Statement of changes in equity**  
**For the year ended 31 December**

*In thousands of taka*

	Share capital	Retained earnings	Other components of equity	Total equity
<b>Balance as at 1 January 2020</b>	<b>11,613,735</b>	<b>2,133,175</b>	<b>(48,129)</b>	<b>13,698,781</b>
Total comprehensive income for the year	-	1,983,982	(54,485)	1,929,497
Final dividend for 2019	-	(1,161,374)	-	(1,161,374)
<b>Balance as at 31 December 2020</b>	<b>11,613,735</b>	<b>2,955,783</b>	<b>(102,614)</b>	<b>14,466,904</b>
<b>Balance as at 1 January 2021</b>	<b>11,613,735</b>	<b>2,955,783</b>	<b>(102,614)</b>	<b>14,466,904</b>
Total comprehensive income for the year	-	3,507,631	(134,113)	3,373,518
Final dividend for 2020	-	(1,161,374)	-	(1,161,374)
<b>Balance as at 31 December 2021</b>	<b>11,613,735</b>	<b>5,302,040</b>	<b>(236,727)</b>	<b>16,679,048</b>

*The accompanying Notes 1 to 40 form an integral part of these financial statements.*

  
Chief Financial Officer

  
Company Secretary

  
Director

  
Chief Executive Officer

**LafargeHolcim Bangladesh Limited**  
**Statement of cash flows**  
**For the year ended 31 December**

	Notes	2021 Taka'000	2020 Taka'000
<b>Cash flows from operating activities</b>			
Cash receipts from customers		20,769,723	16,673,625
Cash paid to suppliers and employees		(15,342,527)	(12,419,671)
<b>Cash generated from operations</b>		<b>5,427,196</b>	<b>4,253,954</b>
Income taxes paid		(369,946)	(280,311)
Other receipts		31,551	8,134
<b>Net cash generated from operating activities*</b>	36	<b>5,088,801</b>	<b>3,981,777</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(740,330)	(642,303)
Proceeds from sale of property, plant and equipment		7,935	6,630
Interest income		22,995	13,616
<b>Net cash used in investing activities</b>		<b>(709,400)</b>	<b>(622,057)</b>
<b>Cash flows from financing activities</b>			
Repayments of long term borrowings		-	(94,248)
Repayments of the lease liabilities		(26,918)	(30,135)
Interest paid on lease liabilities		(2,183)	(7,782)
Repayment of short term debt		-	(951,820)
Payment of interest and other finance costs		(11,225)	(64,299)
Dividend paid		(1,202,459)	(1,156,150)
<b>Net cash used in financing activities</b>		<b>(1,242,785)</b>	<b>(2,304,434)</b>
<b>Net Increase in cash and cash equivalents</b>		<b>3,136,616</b>	<b>1,055,286</b>
<b>Cash and cash equivalents at beginning of the year</b>		1,292,660	237,374
<b>Cash and cash equivalents at end of the year</b>	12	<b>4,429,276</b>	<b>1,292,660</b>
<b>Net Operating Cash Flow Per Share (NOCFPS)</b>	35	<b>4.38</b>	<b>3.43</b>

\*Refer to Note 36 for a reconciliation between net profit with cash flows from operating activities.

The accompanying notes 1 to 40 form an integral part of these financial statements.

  
Chief Financial Officer

  
Company Secretary

  
Director

  
Chief Executive Officer

**LAFARGEHOLCIM BANGLADESH LIMITED**  
**Notes to the financial statements**  
**For the year ended 31 December**

**1. General information**

LafargeHolcim Bangladesh Limited (LHBL) - (hereinafter referred to as "the Company") was incorporated on 11 November 1997 as a private limited company in Bangladesh under the Companies Act 1994 having its registered office in Dhaka. At the time of incorporation the name of the Company was "Lafarge Surma Cement Limited". On 07 February 2017 the Registrar of Joint Stock Companies and Firms of Bangladesh (RJSC) approved the name change to "LafargeHolcim Bangladesh Limited" of the Company. The Company has subsequently been converted into a public limited company on 20 January 2003 and went for Initial Public Offering of shares in November 2003 which was fully subscribed and issued. The shares have since been listed and are being traded in Dhaka and Chittagong Stock Exchanges.

The Company operates cement and aggregates manufacturing plants at Chhatak under Sunamganj district, and three (3) grinding plants near Dhaka and Khulna. The Company extracts and processes the basic raw materials of limestone from the quarry in Meghalaya owned by the Company's fully owned subsidiary Lafarge Umiam Mining Private Limited. A 17 kilometres cross-border belt conveyor links the quarry with the cement plant for transportation of raw materials. The Company is engaged in manufacturing and marketing of building materials in the local and international market.

**2. Summary of significant accounting policies**

**2.1 Basis of preparation**

These financial statements have been prepared in line with the International Financial Reporting Standards (IFRS), the Companies Act 1994 and the Securities and Exchange Rules 1987. More specifically, the financial statements of the Company have been prepared in accordance with the provisions of International Accounting Standard 27 "Separate Financial Statements". They were authorized for issue by the Company's Board of Directors on 31 January 2022.

Pursuant to recent amendment to the Companies Act, 1994 incorporating certain amendments, among others, is to change of the word 'Limited' by the word 'PLC' in case of Public Limited Companies including listed ones. Necessary formalities are in progress in implementing this change.

**2.2 Use of estimates and judgments**

**i) Estimates**

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and of revenues and expenses. Such estimates are prepared on the assumption of going concern and are established based on currently available information. Changes in facts and circumstances may result in revised estimates, and actual results could differ from the estimates.

Significant estimates made by management in the preparation of these financial statements include assumptions used for depreciation, deferred taxes, impairment of investment in subsidiary and provisions for employees benefits.

**ii) Judgments**

The accounting for certain provisions and the disclosure of contingent liabilities and claims at the date of the financial statements is judgmental.

**iii) Measurement of fair values**

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Company uses observable market 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 or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Further information about the assumptions made in measuring fair values is included in financial instruments (Note 2.8 and 30).

**LAFARGEHOLCIM BANGLADESH LIMITED**  
**Notes to the financial statements**  
**For the year ended 31 December**

**2.3 Functional and presentation currency**

These financial statements are presented in Bangladesh Taka (Taka/Tk/BDT), which is the Company's functional and presentation currency. Figures have been rounded off to the nearest thousand Taka, unless stated otherwise.

**2.4 Property, plant and equipment**

**i) Recognition of property, plant and equipment**

These are capitalized at cost of acquisition and subsequently stated at cost less accumulated depreciation and accumulated impairment losses. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its operating condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

**ii) Subsequent costs**

Subsequent maintenance and normal repairs are expensed as incurred while major renewals and improvements are capitalized.

**iii) Construction in progress**

These expenditures are capitalized and recognized as operating assets upon completion of the acquisition process or construction, where applicable and physical possession thereof.

**iv) Depreciation of property, plant and equipment**

Straight line depreciation method is followed and depreciation has been charged on all assets acquired that are put to use except land. Depreciation is charged from the date of acquisition and no depreciation is charged at the date of disposal. The rates of depreciation and category of property, plant and equipment are as follows:

Category	Rate %
Building	2-2.5
Plant & machinery	3.33
Vehicles	20
Office equipment	10, 20 & 33.33
Furniture & fixtures	10

**v) Impairment of property, plant and equipment**

The carrying amounts of property, plant and equipment are reviewed at each reporting date to determine whether there is any indication that the assets might be impaired. Any provision of impairment is charged to the statement of profit or loss in the period concerned.

**vi) Retirement and disposals**

An asset is derecognized on disposal or when no further economic benefits are expected from its use. Gains and losses on disposals are determined by comparing proceeds with carrying amounts, and are recognized in the statement of profit or loss in "gain/(loss) on disposals and other non-operating income/(expenses)".

**vii) Leases**

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease. The Company uses its incremental borrowing rate as the discount rate.

The Company presents right-of-use assets in 'property, plant and equipment' and lease liabilities in 'borrowings' in the statement of financial position.

The Company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**LAFARGEHOLCIM BANGLADESH LIMITED**  
**Notes to the financial statements**  
**For the year ended 31 December**

**2.5 Goodwill**

In the year 2019, Holcim Cement (Bangladesh) Limited (HBL) was amalgamated with the Company pursuant to a court order. Investment in subsidiary - HBL and net equity of HBL have been eliminated and the excess representing goodwill has been booked into the financial statements of the Company. This goodwill originally arose on the acquisition of HBL as on 07 January 2018.

**2.6 Intangible assets**

**i) Software**

Software costs are capitalized where it is expected to provide future economic benefits. Capitalization costs include license fees and cost of implementation/system integration services which are capitalized in the year in which the relevant software is installed for use. Costs of maintenance, up gradation and enhancements are charged off as revenue expenditure unless they bring similar significant additional long term benefits.

**ii) Amortization of intangible assets**

**Software**

Software costs are amortized using the straight-line method over their useful lives of three years.

**2.7 Inventories**

Inventories are stated at the lower of cost and net realizable value while packing materials and spare parts are valued at cost. The cost of inventories is based on the weighted average cost method.

**2.8 Financial instruments**

**i. Recognition and initial measurement**

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized 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: amortized 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 amortized 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 realizing 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.

## LAFARGEHOLCIM BANGLADESH LIMITED

### Notes to the financial statements

#### For the year ended 31 December

#### **Financial assets-Subsequent measurement and gains and losses:**

##### **Financial assets at amortized cost:**

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

##### **Financial liabilities- Classification, subsequent measurement and gains and losses**

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

#### **iii. Derivative instruments**

The Company enters into financial derivative contracts only in order to reduce its exposure to changes in interest rates and foreign currency exchange rates.

Forward exchange contracts are used to hedge foreign currency exchange rate exposures.

Pursuant to the guidance in IFRS 9, the Company records in the statement of financial position derivative instruments at their fair values. The accounting of changes in fair value of a derivative depends on the intended use of the derivative and the resulting designation. The Company designates its derivatives based on the criteria established under IFRS 9.

In case of fair value hedge relationship, changes in fair value on the hedging items are recognized in the statement of profit or loss of the year of change.

In case of cash flow hedge relationship, changes in fair value on the hedging items are recognized directly in other comprehensive income for the effective portion and in the statement of profit or loss under the "Finance cost/income" caption for the ineffective portion. The gain and loss recognized in equity is subsequently reclassified to the statement of profit or loss when hedge exposure affects earnings.

#### **iv. Derecognition**

##### **Financial assets**

The Company derecognizes 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 recognized 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 derecognized.

##### **Financial liabilities**

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired. The Company also derecognizes 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 recognized 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 recognized in profit or loss.

#### **v. Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

## **2.9 Foreign currency translation/transaction**

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rate between the functional currency and foreign currency at the date of the transaction.

At each financial position date, monetary assets and liabilities denominated in foreign currencies recorded at historical cost are retranslated at the functional currency closing rate provided by Bangladesh Bank (Central bank). The resultant gain and loss has been reflected in the financial statements.

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**2.10 Employees' benefit schemes**

**i) Gratuity plan- funded**

The Company had operated an unfunded gratuity plan till 15 January 2014 and thereafter, the scheme has been converted to a funded one. However, the provision has been made in respect of all eligible employees and reflected in these accompanying financial statements. At the time of separation, the liability to each employee is settled in cash. Actuary valuation of the gratuity plan is carried out by a professional actuary.

**ii) Gratuity plan- unfunded (Holcim Cement Bangladesh Limited- amalgamation)**

The Company operates an unfunded gratuity scheme, provision for which has been made in respect of all eligible employees and reflected in these accompanying financial statements. In the time of separation, the liability to each employee is settled in cash. Actuary valuation of the gratuity fund is carried out by a professional actuary.

**iii) Provident fund**

The Company also operates a recognized provident fund scheme with equal contributions by the employees and the Company. The fund is administered by a Board of Trustees.

**iv) Workers' profit participation and welfare funds**

The Company recognizes a provision for Workers' Profit Participation and Welfare Funds @ 5% of income before tax before charging such expenses per Bangladesh Labor Act, 2006 (Amended in 2013).

**2.11 Taxation**

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in OCI.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under IAS 37: Provisions, Contingent Liabilities and Contingent Assets.

**i) Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount or current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

**ii) Deferred tax**

Deferred income tax is provided in full, using the balance sheet method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements in accordance with the provisions of IAS 12. Currently enacted tax rates are used in the determination of deferred income tax.

Deferred tax liabilities are recognized for all temporary taxable differences.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

**2.12 Revenue recognition**

Sale of the products, net of value added tax is recognized when the Company satisfied a performance obligation and raising invoices to customers.

Contract liabilities primarily relate to the advance consideration received from customers for goods for which delivery will occur at a future point in time.

**2.13 Provision**

The Company recognizes provisions when it has a legal or constructive obligation resulting from past events, the resolution of which would result in outflow of resources embodying economic benefits from the Company.

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**2.14 Materiality and aggregation**

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

**2.15 Dividend distribution**

Final dividend distributions to the Company's shareholders are recognized as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders at the Annual General Meeting, while interim dividend distributions are recognized in the period in which the dividends are declared and paid. During the year under review, the Company has not paid any interim dividend.

**3. Adoption of new and amended International Financial Reporting Standards**

The new and amended standards are not expected to have a material impact on the Company's financial statements.

**4. Preparation and presentation of the separate financial statements**

The management of the Company is responsible for the preparation and fair presentation of the separate financial statements of LafargeHolcim Bangladesh Limited.

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**5. Property, plant and equipment**  
**A. Reconciliation of carrying amount**

2021	<i>In thousands of taka</i>									
	Freehold land	Leasehold land	Building	Right of use assets	Plant & machinery	Vehicles	Office equipment	Furniture and fixture	Construction in progress	Total
<b>Cost</b>										
Balance at 1 January 2021	1,507,337	1,653,763	2,216,719	130,348	17,179,330	192,392	422,143	75,047	707,283	24,084,362
Additions	-	-	42,827	-	148,278	49,987	8,650	1,230	489,149	740,121
Disposals	-	-	-	-	(21,301)	(36,458)	-	-	-	(57,759)
Transfers	-	-	244,536	-	406,491	-	-	3,262	(654,289)	-
<b>Balance at 31 December 2021</b>	<b>1,507,337</b>	<b>1,653,763</b>	<b>2,504,082</b>	<b>130,348</b>	<b>17,712,798</b>	<b>205,921</b>	<b>430,793</b>	<b>79,539</b>	<b>542,143</b>	<b>24,766,724</b>
<b>Accumulated depreciation</b>										
Balance at 1 January 2021	-	600	282,090	48,213	6,512,856	174,004	319,936	49,933	-	7,387,632
Disposals	-	-	-	-	(16,096)	(36,458)	-	-	-	(52,554)
Charge for the year	-	31,897	101,336	26,918	806,887	20,919	28,955	6,223	-	1,023,135
<b>Balance at 31 December 2021</b>	<b>-</b>	<b>32,497</b>	<b>383,426</b>	<b>75,131</b>	<b>7,303,647</b>	<b>158,465</b>	<b>348,891</b>	<b>56,156</b>	<b>-</b>	<b>8,358,213</b>
<b>Carrying amounts</b>										
<b>At 31 December 2021</b>	<b>1,507,337</b>	<b>1,621,266</b>	<b>2,120,656</b>	<b>55,217</b>	<b>10,409,151</b>	<b>47,456</b>	<b>81,902</b>	<b>23,383</b>	<b>542,143</b>	<b>16,408,511</b>

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*In thousands of taka*

2020	Freehold land	Leasehold land	Building	Right of use assets	Plant & machinery	Vehicles	Office equipment	Furniture and fixture	Construction in progress	Total
<b>Cost</b>										
Balance at 1 January 2020	1,507,337	1,653,763	2,206,594	130,348	16,831,426	209,053	413,009	75,874	306,664	23,334,068
Additions	-	-	3,650	-	207,826	-	982	-	558,776	771,234
Disposals	-	-	-	-	(2,163)	(16,661)	(1,289)	(827)	-	(20,940)
Transfers	-	-	6,475	-	142,241	-	9,441	-	(158,157)	-
<b>Balance at 31 December 2020</b>	<b>1,507,337</b>	<b>1,653,763</b>	<b>2,216,719</b>	<b>130,348</b>	<b>17,179,330</b>	<b>192,392</b>	<b>422,143</b>	<b>75,047</b>	<b>707,283</b>	<b>24,084,362</b>
<b>Accumulated depreciation</b>										
Balance at 1 January 2020	-	-	190,758	8,916	5,779,789	165,355	293,415	41,624	-	6,479,857
Disposals	-	-	-	-	(1,986)	(16,661)	(1,289)	(827)	-	(20,763)
Charge for the year	-	600	91,332	39,297	735,053	25,310	27,810	9,136	-	928,538
<b>Balance at 31 December 2020</b>	<b>-</b>	<b>600</b>	<b>282,090</b>	<b>48,213</b>	<b>6,512,856</b>	<b>174,004</b>	<b>319,936</b>	<b>49,933</b>	<b>-</b>	<b>7,387,632</b>
<b>Carrying amounts</b>										
<b>At 31 December 2020</b>	<b>1,507,337</b>	<b>1,653,163</b>	<b>1,934,629</b>	<b>82,135</b>	<b>10,666,474</b>	<b>18,388</b>	<b>102,207</b>	<b>25,114</b>	<b>707,283</b>	<b>16,696,730</b>

**Depreciation charge for the year allocated to**

	2021 Taka'000	2020 Taka'000
Production and maintenance costs (Note 21.2)	925,800	837,200
Depot operating and transportation costs (Note 21.4)	51,888	33,112
General and administrative expenses (Note 22)	43,567	56,346
Sales and Marketing Expenses (Note 23)	1,880	1,880
	<b>1,023,135</b>	<b>928,538</b>

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B. Details of disposal of property plant and equipment

							<i>In thousands of taka</i>	
2021	Plant and machinery	Vehicles	Office equipment	Furniture and fixture	Construction in progress	Total		
Cost	21,301	36,458	-	-	-	57,759		
Accumulated depreciation	(16,096)	(36,458)	-	-	-	(52,554)		
<b>Carrying amount at December 31, 2021</b>	<b>5,205</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,205</b>		
<b>Sale proceeds</b>	<b>3,270</b>	<b>4,665</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,935</b>		
<b>Mode of disposal</b>	Tender	Company policy/ Tender	-	-	-	-		
<b>Particulars of purchaser/type of disposal</b>	Third party	Third party & employees	-	-	-	-		
<b>2020</b>								
<i>In thousands of taka</i>								
2020	Plant and machinery	Vehicles	Office equipment	Furniture and fixture	Construction in progress	Total		
Cost	2,163	16,661	1,289	827	-	20,940		
Accumulated depreciation	(1,986)	(16,661)	(1,289)	(827)	-	(20,763)		
<b>Carrying amount at December 31, 2020</b>	<b>177</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>177</b>		
<b>Sale proceeds</b>	<b>923</b>	<b>5,443</b>	<b>57</b>	<b>207</b>	<b>-</b>	<b>6,630</b>		
<b>Mode of disposal</b>	Company policy	Company policy/ Tender	Company policy/ Tender	Company policy/ Tender	-	-		
<b>Particulars of purchaser/type of disposal</b>	written off	Third party & employees	Third party & written off	Third party	-	-		

6. A. Intangible assets Reconciliation of carrying amount		<i>In thousands of taka</i>				
		2021	Goodwill	Software	Construction in progress	Total
<b>Cost</b>						
Balance at 1 January 2021			317,776	158,847	-	476,623
<b>Balance at 31 December 2021</b>			<b>317,776</b>	<b>158,847</b>	<b>-</b>	<b>476,623</b>
<b>Accumulated depreciation</b>						
Balance at 1 January 2021			-	158,847	-	158,847
<b>Balance at 31 December 2021</b>			<b>-</b>	<b>158,847</b>	<b>-</b>	<b>158,847</b>
<b>Carrying amounts</b>			<b>317,776</b>	<b>-</b>	<b>-</b>	<b>317,776</b>
<b>At 31 December 2021</b>			<b>317,776</b>	<b>-</b>	<b>-</b>	<b>317,776</b>
2020		<i>In thousands of taka</i>				
		2020	Goodwill	Software	Construction in progress	Total
<b>Cost</b>						
Balance at 1 January 2020			317,776	158,847	-	476,623
<b>Balance at 31 December 2020</b>			<b>317,776</b>	<b>158,847</b>	<b>-</b>	<b>476,623</b>
<b>Accumulated depreciation</b>						
Balance at 1 January 2020			-	119,711	-	119,711
Charge for the year			-	39,136	-	39,136
<b>Balance at 31 December 2020</b>			<b>-</b>	<b>158,847</b>	<b>-</b>	<b>158,847</b>
<b>Carrying amounts</b>			<b>317,776</b>	<b>-</b>	<b>-</b>	<b>317,776</b>
<b>At 31 December 2020</b>			<b>317,776</b>	<b>-</b>	<b>-</b>	<b>317,776</b>

**Amortization charge for the year allocated to**

	2021 Taka '000	2020 Taka '000
General and administrative expenses (Note 22)	-	39,136
	<u>-</u>	<u>39,136</u>

**B. Impairment testing for goodwill**

The recoverable amount was based on the value in use, determined by discounting the future cash flows to be generated from continuing use. Five years of cash flows were included in the discounted cash flow model. A long-term growth rate into perpetuity has been determined based on the inflation rate. Budgeted EBITDA was based on expectations of future outcomes taking into account past experience, adjusted for anticipated revenue growth. Revenue growth was projected taking into account the average growth levels experienced over past years and the estimated sales volume and price growth for the next five years.

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	2021 Taka'000	2020 Taka'000
<b>7. Investment in subsidiaries</b>		
<b>Details of Investment in subsidiaries</b>		
Lafarge Umiam Mining Private Limited (LUMPL) - a fully owned subsidiary incorporated in India	519,356	519,356
Lum Mawshun Minerals Private Limited (LMMPL) - a 74% owned subsidiary incorporated in India	537	537
	<b>519,893</b>	<b>519,893</b>

These represent investments made in the above entities against the shares issued by those companies in the name of LafargeHolcim Bangladesh Limited (formerly known as Lafarge Surma Cement Limited).

Shares held in different entities are as follows:

Name of entities	Face value per share	Number of ordinary shares held by the Company	
		2021	2020
Lafarge Umiam Mining Private Limited	Indian Rupees 10	41,133,099	41,133,099
Lum Mawshun Minerals Private Limited	Indian Rupees 100	4,046	4,046

	2021 Taka'000	2020 Taka'000
<b>8. Inventories</b>		
Raw materials	951,768	708,465
Semi-finished and finished products	933,043	601,566
Parts and supplies	954,347	877,692
	<b>2,839,158</b>	<b>2,187,723</b>
<b>9. Trade receivables</b>		
Trade receivables	<b>556,658</b>	<b>846,803</b>

See note 30B(i) for disclosures regarding credit risk, allowance for doubtful debts and ageing analysis of trade receivables.

	2021 Taka'000	2020 Taka'000
<b>10. Other current assets</b>		
Advance payment to trade suppliers	148,155	236,957
Prepaid expenses	36,544	63,480
Advance to employees	19,326	8,295
Security and other deposits	84,446	90,095
Other receivables (Note-10.1)	679,617	24,609
Advance payment to suppliers of fixed assets	176,584	193,898
Derivative assets	2,933	-
Accrued interest on bank deposits	1,862	-
	<b>1,149,467</b>	<b>617,334</b>

Other current assets mentioned above are unsecured and considered good. Advances made to employees include advance related to employee matters and for running the day to day operating cost of different departments.

**10.1 Gas sales agreement with JGTDS**

On 03 January 2021, Jalalabad Gas Transmission and Distribution System Limited (JGTDS) issued a Final Notice instructing the Company to pay for the gas, since September 2015, at the rate fixed by Bangladesh Energy Regulatory Commission (BERC). The Company's position is that, pursuant to the Gas Sales Agreement (GSA), JGTDS has contractually agreed to limit the contract price for the supply of gas to a Ceiling Price. Therefore, the BERC rate applies to the supply of gas to the Company under the GSA until the BERC rate reaches the Ceiling Price. If the BERC rate exceeds the Ceiling Price, the Company will only be required to pay the Ceiling Price. However, by its letter dated 03 January 2021, JGTDS threatened to discontinue supply of gas under the GSA from 04 March 2021 unless the Company pays for the supply of gas at the BERC

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rate. On 03 February 2021, the Company issued the Notice of Arbitration on JGTDS to resolve the dispute as per the provisions of the GSA. As per the GSA, the dispute is being resolved by a three (3) member tribunal under the UNCITRAL Rules 1976 ("Arbitration"). The seat of the Arbitration is in Singapore.

To ensure continued supply of gas to the plant during the pendency of the Arbitration, the Company filed an application before the High Court Division, Supreme Court of Bangladesh (the "High Court Division") for an interim injunction restraining JGTDS from terminating the GSA or stopping the supply of gas. On 07 February 2021, the High Court Division issued such interim relief in favour of the Company subject to submission of Bank Guarantee of Taka 860 million. Accordingly, the Company submitted the Bank Guarantee.

However, JGTDS filed an appeal against the interim order before the Appellate Division, Supreme Court of Bangladesh (the "Appellate Division") on 08 March 2021 (the "Appeal"). The Appeal was heard on 18 March 2021. The Company received the certified copy of the Interim Order on 02 May 2021. The Appellate Division maintained the interim relief but directed the Company to pay JGTDS the claimed amount since September 2015, which is Taka 903 million; out of which Taka 100 million shall be paid within 1 (one) month along with regular bills and the balance amount of Taka 803 million shall have to be paid in quarterly instalments of Taka 100 million. Furthermore, the Appellate Division also directed the Company to pay monthly gas bills at the rate fixed by BERC, as will be invoiced by JGTDS. The Company, in order to preserve the interim relief, is complying with the Appellate Division order, and paid Taka 608 million to JGTDS as of 31 December 2021 and accounted for the amount as other receivable.

The order of the Appellate Division relates to the interim relief as stated above and shall have no impact on the merit of the Arbitration pending before the Tribunal. The Company has a good case before the Arbitration Tribunal. If the Tribunal finds in favour of the Company, the Ceiling Price shall be applicable and the amounts paid to JGTDS against the order of the Appellate Division shall be refunded with interest.

The Arbitration Tribunal has been formed. Arbitration proceedings are progressing as per the agreed timetable. The procedural phase has been completed with the execution of the Terms of Appointment between the Company, JGTDS and the Arbitral Tribunal. Currently, the Arbitration is in the pleading phase. JGTDS has submitted their response to the Company's Notice of Arbitration. The Company has submitted its Statement of Claim to the Arbitral Tribunal on 18 November 2021. After following a few other processes etc. the date of the final hearing of the Arbitration has been fixed from 12 December 2022 to 20 December 2022.

	2021 Taka'000	2020 Taka'000
<b>11. Advance income tax</b>		
Advance income tax	6,530,200	6,160,254
Current tax liabilities (Note 11.1)	(6,611,786)	(5,510,911)
	<b>(81,586)</b>	<b>649,343</b>
<b>11.1 Current Tax Liabilities</b>		
Balance at 1 January	5,510,911	4,721,531
Provision for the year (Note-26)	1,100,875	789,380
<b>Balance at 31 December</b>	<b>6,611,786</b>	<b>5,510,911</b>
<b>12. Cash and cash equivalents</b>		
Cash in hand	1,708	2,422
	<u>1,708</u>	<u>2,422</u>
<b>Cash at banks</b>		
Current accounts	1,226,954	1,090,238
Short term deposit accounts	3,200,614	200,000
	<u>4,427,568</u>	<u>1,290,238</u>
<b>Cash and cash equivalents in statement of financial position</b>	<b>4,429,276</b>	<b>1,292,660</b>
<b>Cash and cash equivalents for the purpose of the statement of cash flows</b>	<b>4,429,276</b>	<b>1,292,660</b>

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	2021 Taka'000	2020 Taka'000
<b>13. Share capital</b>		
<b>13.1 Authorized capital</b>		
1,400,000,000 ordinary shares of Taka 10 each	<u>14,000,000</u>	<u>14,000,000</u>
<b>13.2</b> In the year 2011, authorized capital was increased from Taka 7,000,000,000 to Taka 14,000,000,000. Further 58,068,675 ordinary shares of Taka 100 per share were issued as right shares at par amounting to Taka 5,806,867,500 offered on the basis of 1:1, for which approval of Bangladesh Securities and Exchange Commission (BSEC) was obtained on 08 September 2011. Moreover, face value of each ordinary share has been denominated from Taka 100 to Taka 10 at 04 December 2011.		
<b>13.3 Issued and subscribed capital</b>		
1,161,373,500 ordinary shares of Taka 10 each	<u>11,613,735</u>	<u>11,613,735</u>
<b>13.4 Paid up capital</b>		
Fully paid up in cash	5,759,888	5,759,888
Fully paid up in other than cash	46,980	46,980
Fully paid up in cash as rights issue	5,806,867	5,806,867
	<u>11,613,735</u>	<u>11,613,735</u>

**13.5 Composition of shareholders at 31 December**

Name of the shareholders	Nationality/ Incorporated in	Number of shares		Holding %	
		2021	2020	2021	2020
Surma Holding B.V.	The Netherlands	683,698,700	683,698,700	58.87	58.87
Sinha Fashions Limited	Bangladesh	35,100,000	35,100,000	3.02	3.02
Islam Cement Limited	Bangladesh	31,914,200	31,914,200	2.75	2.75
Other Shareholders	Bangladesh and NRB	410,660,600	410,660,600	35.36	35.36
		<u>1,161,373,500</u>	<u>1,161,373,500</u>	<u>100.00</u>	<u>100.00</u>

**13.6 Classification of shares by holding at 31 December**

Slabs by number of shares	Number of shareholders		Holding %	
	2021	2020	2021	2020
Less than 500 Shares	10,876	7,767	0.22	0.17
501 to 5,000 Shares	11,420	12,123	1.97	2.14
5,001 to 10,000 Shares	2,085	2,503	1.36	1.64
10,001 to 20,000 Shares	1,321	1,614	1.68	2.06
20,001 to 30,000 Shares	535	573	1.16	1.23
30,001 to 40,000 Shares	258	284	0.79	0.86
40,001 to 50,000 Shares	231	241	0.93	0.96
50,001 to 100,000 Shares	377	404	2.37	2.55
100,001 to 1,000,000 Shares	377	359	8.63	7.94
Over 1,000,000 Shares	40	49	80.89	80.45
	<u>27,520</u>	<u>25,917</u>	<u>100.00</u>	<u>100.00</u>

	2021 Taka'000	2020 Taka'000
<b>13.7 Other components of equity</b>		
Actuarial loss-net of tax	(237,501)	(108,118)
Cash flow hedge-net off tax	774	5,504
	<u>(236,727)</u>	<u>(102,614)</u>

**13.8 Dividends**

The final dividend amounts to Taka 2.90 billion which is Taka 2.50 per share of Taka 10 each for the year 2021 proposed by the Board of Directors of the Company for approval at the Annual General Meeting of Shareholders. As this dividend is subject to approval by the shareholders in the Annual General Meeting, it has not been included as a liability in these financial statements as of 31 December 2021.

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	2021 Taka'000	2020 Taka'000
<b>14. Borrowings</b>		
<b>A. Borrowings- long term</b>		
Non-current portion-lease liabilities	27,809	53,227
	<u>27,809</u>	<u>53,227</u>
<b>B. Borrowings- short term</b>		
Current portion-lease liabilities	28,353	29,853
Derivative liabilities*	1,935	237
	<u>30,288</u>	<u>30,090</u>
*The Company entered into forward contracts with the commercial banks in order to manage its foreign exchange exposure due to change in exchange rates. The amount is the difference between market prices and prices the Company would pay to settle the foreign exchange liabilities at the end of the year.		
<b>15. Deferred tax liability</b>		
<b>Deferred tax by type of temporary differences that resulted in deferred tax assets and liability.</b>		
Property, plant and equipment	2,161,769	2,479,806
<b>Deferred tax liabilities</b>	<u>2,161,769</u>	<u>2,479,806</u>
Provision for gratuity	1,458	37,660
Actuarial loss	37,563	9,583
Provision for doubtful debts	32,664	36,463
Provision for obsolescence of spare parts	14,760	16,400
<b>Deferred tax assets</b>	<u>86,445</u>	<u>100,106</u>
<b>Net deferred tax liabilities</b>	<u>2,075,324</u>	<u>2,379,700</u>
<b>15.1 Change in deferred tax assets and liability</b>		
Balance at 1 January- deferred tax liabilities	2,379,700	2,819,140
Deferred tax income for the year (Note 26)	(316,021)	(424,558)
Other component of equity	11,645	(14,882)
<b>Balance at 31 December- deferred tax liabilities</b>	<u>2,075,324</u>	<u>2,379,700</u>
<b>16. Employee benefits</b>		
Funded plan (Note 16.1A)	140,519	161,137
Unfunded plan (Note 16.2C)	149,810	105,991
	<u>290,329</u>	<u>267,128</u>
<b>16.1 Funded Plan</b>		
<b>A. Net position of gratuity plan</b>		
Present value of defined benefit obligation	514,083	372,688
Fair value of plan assets	(373,564)	(211,551)
<b>Net funded status</b>	<u>140,519</u>	<u>161,137</u>
<b>B. Actuarial valuation</b>		
The actuarial valuations of the plan and the present value of the defined benefit obligation were carried out at 31 December 2021 by a professional actuary using Projected Unit Credit Method.		
<b>C. Assumptions employed for the valuations are as follows:</b>		
	2021	2020
	%	%
Salary increase rate	10.00	8.00
Discount rate	7.20	7.00

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<b>D. Movement in the present value of the defined benefit obligation are as follows:</b>		
Balance at 1 January	372,688	308,961
Current service cost	36,070	32,427
Interest cost	24,910	26,809
Actuarial loss [Note D.1]	111,775	41,347
Benefits paid during the year	(31,360)	(36,856)
<b>Balance at 31 December</b>	<b>514,083</b>	<b>372,688</b>

**D.1 Actuarial loss**

Financial	86,248	65,214
Experience	25,527	(23,867)
	<b>111,775</b>	<b>41,347</b>

**E. Movement in the fair value of the plan assets are as follows:**

Balance at 1 January	211,551	236,269
Expected return on plan assets	14,809	21,737
Employer contribution	200,000	-
Actuarial (loss)	(21,436)	(14,210)
Benefits paid during the year	(31,360)	(32,245)
<b>Balance at 31 December</b>	<b>373,564</b>	<b>211,551</b>

The above has been invested in bond.

**F. Sensitivity**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Effect in thousands of taka	31 December 2021	
	Increase	Decrease
Discount rate	487,569	542,656
Salary increase rate	541,768	488,104

**16.2 Unfunded Plan**

**A. Actuarial valuation**

The actuarial valuations of the plan and the present value of the defined benefit obligation were carried out at 31 December 2021 by a professional actuary using Projected Unit Credit Method.

**B. Assumptions employed for the valuations are as follows:**

	2021 %	2020 %
Salary increase rate	10.00	8.00
Discount rate	7.20	7.00

	2021 Taka'000	2020 Taka'000
<b>C. Movement in the present value of the defined benefit obligation are as follows:</b>		
Balance as at 1 January	105,991	84,855
Current service cost	9,646	8,733
Interest cost	7,205	7,392
Actuarial loss [Note C.1]	33,734	11,518
Benefits paid during the year	(6,766)	(6,507)
<b>Balance as at 31 December</b>	<b>149,810</b>	<b>105,991</b>

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	2021 Taka'000	2020 Taka'000
<b>C.1 Actuarial loss/(gain)</b>		
Financial	26,027	20,955
Experience	7,707	(9,437)
	<u><b>33,734</b></u>	<u><b>11,518</b></u>

**D. Sensitivity**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Effect in thousands of taka	31 December 2021	
	Increase	Decrease
Discount rate	141,758	158,537
Salary increase rate	158,264	141,919

**17. Trade payables**

Payable for goods and services	5,979,869	4,841,563
Contract liabilities	233,617	288,481
	<u><b>6,213,486</b></u>	<u><b>5,130,044</b></u>

**18. Other current liabilities**

Payables to suppliers of fixed assets	84,515	102,038
Income tax and VAT deducted at source	271,353	201,760
Others	448,339	437,624
	<u><b>804,207</b></u>	<u><b>741,422</b></u>

**19. Commitments and Contingencies**

**19.1 Commitments**

**Commitments related to operating activities**

Purchase commitments	1,949,056	3,551,659
Capital expenditure commitments	239,202	139,501
Guarantees given	1,330,322	521,192
	<u><b>3,518,580</b></u>	<u><b>4,212,352</b></u>

**19.2 Contingent Liabilities**

Tax related cases with the Hon'ble High Court	1,869,132	1,869,132
VAT related cases with the Hon'ble High Court	444,250	413,183
Custom related cases with the Hon'ble High Court	5,000	5,000
	<u><b>2,318,382</b></u>	<u><b>2,287,315</b></u>

**19.3 Claims**

a. Claims against the Company not acknowledged as debt	<u>Nil</u>	<u>Nil</u>
b. Claims by the Company not acknowledged as receivable	<u>Nil</u>	<u>Nil</u>

	2021 Taka'000	2020 Taka'000
<b>20. A. Revenue</b>		
Sale of gray cement*	18,534,653	15,926,030
Sale of cement clinker	928,553	296,453
sale of aggregates	1,071,236	-
	<u>20,534,442</u>	<u>16,222,483</u>
Products transferred at a point in time	20,534,442	16,222,483
<b>*Sale of gray cement</b>		
Local sales	18,379,898	15,753,150
Export in Export Processing Zones and India	154,755	172,880
	<u>18,534,653</u>	<u>15,926,030</u>

### B. Current status of aggregates production

The Ministry of Industries (MOI) issued a letter dated 16 September 2021, directing LafargeHolcim Bangladesh Limited (LHBL) to stop production and selling of aggregates in the open market. The Company filed a Writ Petition challenging the validity of the MOI letter dated 16 September 2021. The chronology of events are as follows:

- i) On 16 September 2021 - Ministry of Industries issued a letter directing LHBL to stop production and selling aggregates in the open market (Impugned Letter).
- ii) On 20 September 2021 - LHBL received the above letter and stopped production and selling aggregates in open market.
- iii) On 23 September 2021 - LHBL filed a Writ Petition challenging the Impugned Letter. The Hon'ble Court did not issue any Interim Relief and listed the Writ Petition for early hearing.
- iv) On 16 November 2021 - Hon'ble High Court issued a stay order on the Impugned Letter. LHBL recommenced its aggregates production.
- v) On 21 November 2021 - Ministry of Industries filed a Civil Miscellaneous Petition (CMP) and the Hon'ble Judge In Chamber of the Appellate Division stayed the order passed by High Court Division dated 16 November 2021. Accordingly, LHBL stopped the aggregates operations again.
- vi) On 05 January 2022 - After full hearing of all parties, the High Court Division passed the judgment declaring the Impugned Letter as illegal. LHBL recommenced the aggregate production. The Company is yet to receive the certified copy of the judgment.
- vii) On 18 January 2022 - Ministry of Industries filed another CMP and the Hon'ble Judge In Chamber of the Appellate Division stayed the order passed by High Court Division dated 05 January 2022 and has forwarded the CMP for hearing before the Full Bench of Appellate Division for hearing on 24 January 2022. During hearing on 24 January 2022 the date was refixed on 31 January 2022.
- viii) No hearing was held on 31 January 2022, although the matter came in the daily cause list of the Hon'ble Appellate Division bearing serial number 461. The Company is waiting for fresh date of hearing in this matter.
- ix) Accordingly, LHBL stopped production and selling aggregates in open market until getting favourable order from the court.

	2021 Taka'000	2020 Taka'000
<b>21. Cost of Sales</b>		
Opening finished goods and work in process (Note-34)	601,566	413,524
Raw materials costs (Note-21.1)	6,216,800	4,499,634
Consumption of purchased clinker	3,202,502	3,078,264
Power and fuel costs	1,759,732	1,692,759
Production and maintenance costs (Note-21.2)	2,028,805	1,751,328
Plant-general and administrative costs (Note-21.3)	274,159	260,847
Freight cost to customers	338,777	259,358
Depot operating and transportation costs (Note-21.4)	923,099	833,338
Closing finished goods and work in process (Note-34)	(933,043)	(601,566)
	<b>14,412,397</b>	<b>12,187,486</b>
<b>21.1 Raw materials costs</b>		
Fly ash	522,550	496,718
Slag	655,015	474,616
Gypsum	568,355	431,365
Iron ore	94,779	62,018
Sand	18,476	16,162
Clay	129,356	99,118
Limestone	3,200,725	2,155,160
Packing materials	1,027,544	757,281
Others	-	7,196
	<b>6,216,800</b>	<b>4,499,634</b>
<b>21.2 Production and maintenance costs</b>		
Salary, allowances and benefits	297,312	272,058
Contributions to employees' benefit schemes	27,219	21,344
Maintenance	67,446	60,206
Other supplies and spares	305,024	296,170
Material handling	146,740	89,515
Other expenses	257,750	193,717
Technical studies	1,514	578
Depreciation	925,800	817,740
	<b>2,028,805</b>	<b>1,751,328</b>
<b>21.3 Plant general and administrative costs</b>		
Salary, allowances and benefits	89,215	91,906
Contributions to employees' benefit schemes	3,800	5,304
Staff welfare expenses	42,602	35,439
Training, seminars and meetings	506	7
Travelling	653	482
Rent	1,494	-
Telephone, fax and postage	1,560	2,600
Office maintenance	33,867	23,716
Security services	25,794	29,079
Printing and stationery	11	407
Other supplies and spares	8,292	2,202
Other office expenses	19,171	18,741
Consultancy	283	-
Vehicles running expenses	4,304	9,869
Corporate social activities	4,677	3,525
Insurance	37,930	37,570
	<b>274,159</b>	<b>260,847</b>

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<b>21.4 Depot operating and transportation costs</b>		
Salary, allowances and benefits	92,552	101,463
Contributions to employees' benefit schemes	8,946	8,599
Staff welfare expenses	888	1,100
Training, seminars and meeting	464	361
Depreciation	51,888	52,572
Depot other maintenance costs	182,814	147,474
Transportation costs	585,547	521,769
	<b>923,099</b>	<b>833,338</b>
<b>22. General and administrative expenses</b>		
Salary, allowances and benefits	297,830	289,390
Contributions to employees' benefit schemes	21,384	15,612
Staff welfare expenses	3,890	102
Training, seminars and meeting	16,793	8,445
Travelling	2,905	1,738
Gas, electricity and water	872	1,001
Telephone, fax and postage	1,653	2,202
Entertainment	1,769	1,866
Office maintenance	1,700	1,799
Office security services	246	250
Printing and stationery	1,395	1,219
IT maintenance expenses	81,536	80,702
Other office expenses	13,051	10,917
Registration and other fees	3,594	6,074
Audit and tax advisory fees	1,780	1,775
Legal expenses	41,776	2,674
Vehicles running expenses	17,587	15,704
Publicity and public relation	5,744	4,537
General assistance fee (Note- 22.1)	339,171	269,837
Trademark license fee (Note- 22.2)	339,171	269,837
Consulting, survey and studies	3,429	7,407
Depreciation	43,567	56,346
Amortization of intangible assets	-	39,136
	<b>1,240,843</b>	<b>1,088,570</b>

**22.1 General assistance fee**

The amount is payable to Holcim Technology Limited for general assistance fee (2 percent of annual net turnover of the Company in accordance with the General Assistance Agreement).

**22.2 Trademark license fee**

The amount is payable to Lafarge S.A., Holcim Limited and Cementos Molins for trademark licence fee (2 percent of annual net turnover of the Company in accordance with the Trademark License Fee Agreement).

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	2021 Taka'000	2020 Taka'000
<b>23. Sales and marketing expenses</b>		
Salary, allowances and benefits	149,913	168,733
Contributions to employees' benefit schemes	13,596	12,648
Staff welfare expenses	-	918
Training, seminars and meeting	679	756
Travelling	15,141	16,459
Gas, electricity and water	667	789
Telephone, fax and postage	2,013	3,549
Entertainment	211	401
Office maintenance	2,261	1,635
Printing and stationery	289	146
Other office expenses	8,869	7,541
Registration and other fees	8,141	7,798
Vehicles running expenses	24,722	13,734
Advertisement expenses	208,924	157,766
Promotional expenses	20,025	12,972
Bad debts and provision for trade receivables	2,457	303
General survey and studies	1,120	875
Depreciation	1,880	1,880
	<b>460,908</b>	<b>408,903</b>
<b>24. Other operating income and expenses</b>		
Sale of miscellaneous scrap items	31,551	8,134
Gain on sale of property, plant and equipment	2,730	6,453
Provident fund forfeited amount*	-	4,092
Other	100,334	2,392
	<b>134,615</b>	<b>21,071</b>
* The amount represents for the period from the year 2015 to 2020.		
<b>25. Finance costs and income</b>		
Interest on borrowings	-	37,508
Net interest expenses/income on net gratuity liabilities/assets	17,306	12,464
Other finance expenses	1,502	1,502
Bank charges and commission	9,723	8,414
Interest expenses on lease liabilities	2,183	7,782
Exchange loss	28,785	32,116
<b>Total finance costs</b>	<b>59,499</b>	<b>99,786</b>
Interest income on bank deposits	22,995	13,616
<b>Total finance income</b>	<b>22,995</b>	<b>13,616</b>
<b>Net finance costs</b>	<b>36,504</b>	<b>86,170</b>
<b>26. Income tax</b>		
Current income tax expenses	1,100,875	789,380
Deferred tax income	(316,021)	(424,558)
	<b>784,854</b>	<b>364,822</b>
<b>26.1 Reconciliation of effective tax rate (%)</b>		
Statutory tax rate	22.50	25.00
Permanent difference	2.44	1.00
Effect of change in tax rate	(6.66)	-
Change in structure (HBL amalgamation)	-	(8.47)
<b>Effective tax rate</b>	<b>18.28</b>	<b>17.53</b>

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**27. A. Earnings per share**

The computation of basic and diluted earnings per share for the years ended 31 December 2021 and 31 December 2020 are as follows:

<b>Numerator</b>	<i>(Thousands of Taka)</i>	3,507,631	1,983,982
Profit for the year			
<b>Denominator</b>	<i>(Thousands of Shares)</i>	1,161,374	1,161,374
Weighted average number of shares outstanding			
<b>Basic earnings per share</b>	<i>Taka</i>	<b>3.02</b>	<b>1.71</b>
<b>Diluted earnings per share</b>	<i>Taka</i>	<b>3.02</b>	<b>1.71</b>

**B. Net asset value (NAV) per share**

The computation of net asset value per share for the years ended 31 December 2021 and 31 December 2020 are as follows:

<b>Numerator</b>	<i>(Thousands of Taka)</i>	16,679,048	14,466,904
Net asset value for the year			
<b>Denominator</b>	<i>(Thousands of Shares)</i>	1,161,374	1,161,374
Weighted average number of shares outstanding			
<b>Net asset value per share</b>	<i>Taka</i>	<b>14.36</b>	<b>12.46</b>

**C. Net operating cash flow per share (NOCFPS)**

The computation of net operating cash flow per share for the years ended 31 December 2021 and 31 December 2020 are as follows:

<b>Numerator</b>	<i>(Thousands of Taka)</i>	5,088,801	3,981,777
Net operating cash flow for the year			
<b>Denominator</b>	<i>(Thousands of Shares)</i>	1,161,374	1,161,374
Weighted average number of shares outstanding			
<b>Net operating cash flow per share</b>	<i>Taka</i>	<b>4.38</b>	<b>3.43</b>

**28. Related Party Transactions**

During the period, the Company carried out a number of transactions with related parties in the normal course of business. The name of these related parties, nature of these transactions and their total value have been set out in accordance with the provisions of IAS 24: Related Party Disclosure.

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2021

<b>Name of the Party</b>	<b>Relationship</b>	<b>Nature of transaction</b>	<b>Transaction value during the year Taka '000</b>	<b>Receivable/ (Payable) at 31 Dec 2021 Taka '000</b>
Lafarge Umiam Mining Private Limited	Subsidiary company	Purchase of limestone	2,544,527	(409,256)
Surma Holding B.V.	Shareholder	Dividend Payment	683,701	-
LH Trading Pte Ltd	Group Company	Intercompany purchase	1,287,088	(108,075)
Lafarge S.A.	Group Company	Technical assistance/trademark license	95,802	(498,591)
Cementos Molins	Group Company	Trademark license/travel expenses	84,793	(255,496)
LafargeHolcim Limited	Group Company	Trademark license	(111,260)	(124,847)
Holcim Asean Business Service Centre	Group Company	Technical assistance	-	(47,027)
Bengal Development Corporation	Shareholder's associated entity	Cement sales	752	(207)
Holcim Group Services Ltd.	Group Company	Intercompany services	11,566	(62,100)
Lafarge International Services Singapore Pte Ltd.	Group Company	Intercompany services	13,414	(4,862)
Eastern Housing Ltd.	Shareholder's associated entity	Cement sales	243	64
Jahurul Islam Medical College	Shareholder's associated entity	Cement sales	552	552
Bank Asia Limited	Shareholder's associated entity	Cement sales	-	(1)
Holcim Services (South Asia) India	Group Company	Intercompany services	41,292	(41,639)
Holcim Technology Holderbank	Group Company	Intercompany services	-	(74,442)
Holcim Technology Ltd.	Group Company	Trademark license	4,442	(745,078)
Aftab Bahumukhi Firm Ltd.	Shareholder's associated entity	Cement sales	287	147
Opex Group	Shareholder's associated entity	Cement sales	86	176
Sinha Peoples Energy Ltd.	Shareholder's associated entity	Cement sales	-	15
LafargeHolcim IT EMEA	Group Company	Technical assistance	1,869	1,812

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2020

Name of the Party	Relationship	Nature of transaction	Transaction value during the year Taka '000	Receivable/ (Payable) at 31 Dec 2020 Taka '000
Lafarge Umiam Mining Private Limited	Subsidiary company	Purchase of limestone	2,042,192	(503,874)
Surma Holding B.V.	Shareholder	Dividend Payment	683,699	-
LH Trading Pte Ltd	Group Company	Intercompany purchase	624,102	(167,747)
Lafarge S.A.	Group Company	Technical assistance/Trademark license	236,107	(402,293)
Cementos Molins	Group Company	Trademark license/Travel expenses	67,459	(158,198)
LafargeHolcim Limited	Group Company	Trademark license	236,107	(236,107)
Holcim Asean Business Service Centre	Group Company	Intercompany services/Technical assistance	-	(40,500)
Bengal Development Corporation	Shareholder's associated entity	Cement sales	3,805	(77)
Holcim Group Services Ltd.	Group Company	Intercompany services	13,494	(36,784)
LH Trading Ltd	Group Company	Intercompany services	1,112	784
Lafarge International Services Singapore Pte Ltd.	Group Company	Intercompany services	16,923	(5,438)
Eastern Housing Ltd.	Shareholder's associated entity	Cement sales	5,577	618
Jahurul Islam Medical College	Shareholder's associated entity	Cement sales	3,234	555
Bank Asia Limited	Shareholder's associated entity	Cement sales	204	(1)
Holcim Services (South Asia) India	Group Company	Intercompany services	40,561	(40,527)
Holcim Technology Holderbank	Group Company	Intercompany services	-	(5,810)
Holcim Technology Ltd.	Group Company	Trademark license	-	(263,541)
Aftab Bahumukhi Firm Ltd.	Shareholder's associated entity	Cement sales	-	(15)
Opex Group	Shareholder's associated entity	Cement sales	246	(84)
Sinha Peoples Energy Ltd.	Shareholder's associated entity	Cement sales	82	(11)
			<b>2021 Taka'000</b>	<b>2020 Taka'000</b>
			474,065	413,784
			36,356	28,923
			11,560	10,755
			<b>521,981</b>	<b>453,462</b>

**29. Directors', Managers' and Officers' Remuneration**

Salary, allowances and benefits  
Contributions to employees' benefit scheme  
Reimbursable expenses

During the year, the Board of Directors of the Company did not receive any remuneration or fees for services rendered by them.

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**30. Financial instruments**

**A. Accounting classifications**

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

31 December 2021	Carrying amount				Fair value		
	Fair value - Hedging instruments	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
<b>Financial assets measured at fair values</b>							
Forward exchange contracts used for hedging	2,933	-	-	2,933	-	2,933	-
	<b>2,933</b>	-	-	<b>2,933</b>	-	<b>2,933</b>	-
<b>Financial assets not measured at fair value</b>							
Trade and other current assets	-	1,492,997	-	1,492,997	-	-	-
Cash and cash equivalents	-	4,429,276	-	4,429,276	-	-	-
	-	<b>5,922,273</b>	-	<b>5,922,273</b>	-	-	-
<b>Financial liabilities measured at fair value</b>							
Forward exchange contracts used for hedging	1,935	-	-	1,935	-	1,935	-
	<b>1,935</b>	-	-	<b>1,935</b>	-	<b>1,935</b>	-
<b>Financial liabilities not measured at fair value</b>							
Borrowings	-	-	56,162	56,162	-	-	-
Trade payables	-	-	6,213,486	6,213,486	-	-	-
Other current liabilities	-	-	804,207	804,207	-	-	-
	-	-	<b>7,073,855</b>	<b>7,073,855</b>	-	-	-
<b>31 December 2020</b>							
<b>Financial assets measured at fair values</b>							
Forward exchange contracts used for hedging	(237)	-	-	(237)	-	(237)	-
	<b>(237)</b>	-	-	<b>(237)</b>	-	<b>(237)</b>	-
<b>Financial assets not measured at fair value</b>							
Trade and other current assets	-	1,206,759	-	1,206,759	-	-	-
Cash and cash equivalents	-	1,292,660	-	1,292,660	-	-	-
	-	<b>2,499,419</b>	-	<b>2,499,419</b>	-	-	-
<b>Financial liabilities not measured at fair value</b>							
Borrowings	-	-	83,080	83,080	-	-	-
Trade payables	-	-	5,130,044	5,130,044	-	-	-
Other current liabilities	-	-	741,422	741,422	-	-	-
	-	-	<b>5,954,546</b>	<b>5,954,546</b>	-	-	-

2021  
Taka'000

2020  
Taka'000

## B. Financial risk management

### i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and other current assets.

The carrying amounts of financial assets represents the maximum credit exposure.

Expected credit losses on financial assets recognized in profit or loss up to 2021 were as follows:

Expected credit loss on trade receivables from contracts with customers	(145,175)	(145,852)
	<b>(145,175)</b>	<b>(145,852)</b>

### Trade receivables and other current assets

The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry in which the customers operate.

The management has established a credit policy under which each new customer is analyzed individually for creditworthiness. The Company's review includes financial statements and industry information. Credit limits are established for each customer and reviewed on a regular basis. Any sales exceeding those limits require approval from the credit committee.

The Company's limits its exposure to credit risk from trade receivables by establishing a maximum payment period of one to three months for distributions and corporate customers respectively. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are distributors, corporate customer, industry, trading history with the Company and existence of previous financial difficulties. The Company obtains bank guarantee from customers.

An analysis of the credit quality of gross trade receivables is as follows:

<b>Neither past due</b>	403,208	652,681
<b>Past due</b>		
Past due 1-30 days	83,561	144,388
Past due 31-90 days	33,710	30,540
Past due 91-180 days	9,815	24,900
Over 180 days	171,539	140,146
	<b>701,833</b>	<b>992,655</b>

For trade receivables the Company determined expected credit losses on trade receivables by using a provision policy, estimated based on historical credit loss based on past due status of the debtors. The Company also considered whether the receivables was secured by bank guarantee in determining the amount of expected credit loss.

**LAFARGEHOLCIM BANGLADESH LIMITED**  
**Notes to the financial statements**  
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	2021 Taka'000	2020 Taka'000
<b>The change in the valuation allowance for doubtful receivables is as follows:</b>		
Balance at 1 January	(145,852)	(145,549)
Decrease/(increase) in current year	677	(303)
	<u>(145,175)</u>	<u>(145,852)</u>

**Maximum exposure to credit risk of the Company at reporting date are as follows:**

Trade receivables net of impairment loss	556,658	846,803
Other current assets excluding prepaid expenses	1,112,923	553,854
	<u>1,669,581</u>	<u>1,400,657</u>

**Cash and cash equivalents**

The Company held cash and cash equivalents of Taka 4,429 million at 31 December 2021 (2020: Taka 1,293 million). The cash and cash equivalents are held with bank and financial institution counterparties with satisfactory credit ratings. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

**ii) 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 or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities. The Company also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.

**Exposure to liquidity risk**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

	Carrying amount Taka'000	6 months or less Taka'000	From 6 to 12 months Taka'000	From 1 to 5 years Taka'000
<b>31 December 2021</b>				
<b>Non-derivative financial liabilities</b>				
Trade payables	6,213,486	4,575,692	1,637,794	-
Other current liabilities	804,207	730,146	74,061	-
Lease liabilities	56,162	-	28,353	27,809
	<u>7,073,855</u>	<u>5,305,838</u>	<u>1,740,208</u>	<u>27,809</u>
<b>Derivative financial liabilities</b>				
Forward exchange contracts used for hedging	1,935	1,935	-	-
	<u>1,935</u>	<u>1,935</u>	-	-
<b>31 December 2020</b>				
<b>Non-derivative financial liabilities</b>				
Trade payables	5,130,044	4,231,324	898,720	-
Other current liabilities	741,422	667,733	73,689	-
Lease liabilities	83,080	-	29,853	53,227
	<u>5,954,546</u>	<u>4,899,057</u>	<u>1,002,262</u>	<u>53,227</u>
<b>Derivative financial liabilities</b>				
Forward exchange contracts used for hedging	237	237	-	-
	<u>237</u>	<u>237</u>	-	-

**LAFARGEHOLCIM BANGLADESH LIMITED**  
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**iii) Market risk**

Market risk is the risk that changes in market prices- e.g. foreign exchange rates, interest rates and equity prices-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.

The Company uses derivatives to manage market risks. All such transactions are carried out within the guidelines set by the Company in line with the requirements of IFRS 9.

**a) Currency risk**

The Company is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which purchases and borrowings are denominated. The currencies in which these transactions are primarily denominated are Euro, US dollars and Swiss franc.

**Exposure to currency risk**

The summary quantitative data about the Company's exposure to currency risk as reported to the management of the Company is as follows:

<b>Balance at 31 December 2021</b>	<b>BDT'000</b>	<b>USD'000</b>	<b>EUR'000</b>	<b>CHF'000</b>
<b>Foreign currency denominated assets</b>				
Trade receivables	4,290	50	-	-
Cash and cash equivalents	-	-	-	-
<b>Total</b>	<b>4,290</b>	<b>50</b>	<b>-</b>	<b>-</b>
<b>Foreign currency denominated liabilities</b>				
Trade payables	725,311	7,591	359	417
Other current liabilities	74,061	601	231	-
<b>Total</b>	<b>799,372</b>	<b>8,192</b>	<b>590</b>	<b>417</b>
<b>Balance at 31 December 2020</b>				
<b>Foreign currency denominated assets</b>				
Other receivables	9,073	107	-	-
Cash and cash equivalents	377	2	2	-
<b>Total</b>	<b>9,450</b>	<b>109</b>	<b>2</b>	<b>-</b>
<b>Foreign currency denominated liabilities</b>				
Trade payables	1,004,048	11,072	291	364
Other current liabilities	80,322	586	231	69
<b>Total</b>	<b>1,084,370</b>	<b>11,658</b>	<b>522</b>	<b>433</b>

The following significant exchange rates have been applied.

<b>Currencies</b>	<b>31 December 2021</b>		<b>31 December 2020</b>	
	<b>Closing rate</b>	<b>Average rate</b>	<b>Closing rate</b>	<b>Average rate</b>
BDT/USD	85.8000	85.0840	84.8020	84.8724
BDT/EUR	97.3830	100.4538	103.8740	96.6986
BDT/CHF	93.6272	93.4035	96.1365	90.4896

**Exchange rate sensitivity**

If the BDT increases in value against a currency, the value in BDT of assets, liabilities, income and expenses originally recorded in the other currencies will decrease. Conversely, if the BDT decreases in value against a currency, the value in BDT of assets, liabilities, income and expenses originally recorded in the other currency will increase. Consequently, increases and decreases in the value of the BDT may affect the value in BDT of non-BDT assets, liabilities, income and expenses, even though the value of these items have not changed in their original currency.

A change of 50 basis points (bp) in foreign currencies would have increased or decreased equity and profit or loss of the Company by the amounts shown below:

**LAFARGEHOLCIM BANGLADESH LIMITED**  
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Particulars	Estimated impact on profit/loss and equity (+/-) 2021 Taka'000	Estimated impact on profit/loss and equity (+/-) 2020 Taka'000
Assets denominated in USD	21	46
Assets denominated in EUR	-	1
Liabilities denominated in USD	3,514	4,943
Liabilities denominated in EUR	287	271
Liabilities denominated in CHF	195	208

**b) Interest rate risk**

The risk is that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

**Interest rate sensitivity**

A +/- 1% change in short-term interest rates calculated on the financial assets and financial liabilities, would have a maximum impact on the Company's 2021 profit before tax of +/- Taka 32,006 (Taka 2,000 for 2020) in thousands and Taka 581 (Taka 833 for 2020) in thousands respectively.

	2021 Taka'000	2020 Taka'000
<b>Interest bearing financial instruments of the Company at reporting date are as follows:</b>		
<b>Financial assets</b>		
Short term deposits	3,200,614	200,000
	<u>3,200,614</u>	<u>200,000</u>
<b>Financial liabilities</b>		
Long-term borrowings- including current portion of the long term borrowings	27,809	53,227
Short-term borrowings	30,288	30,090
	<u>58,097</u>	<u>83,317</u>

**c) Other price risk**

The risk is that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices other than those arising from interest rate risk and currency risk. The Company is not exposed to any equity risk, as the Company does not have any investment in equity shares. The Company also does not have any significant exposure to commodity price risk.

	2021	2020
<b>31. Number of Employees</b>		
LafargeHolcim Bangladesh Limited		
Nationality:		
Bangladeshi	544	551
Non-Bangladeshi	7	6
	<u>551</u>	<u>557</u>
Salary range:		
Monthly Taka 3,000 or above	551	557
Monthly below Taka 3,000	Nil	Nil
	<u>2021</u> Taka'000	<u>2020</u> Taka'000
<b>32. Expenditure in foreign currencies</b>		
Technical assistance	55,209	53,154
	<u>55,209</u>	<u>53,154</u>

**LAFARGEHOLCIM BANGLADESH LIMITED**  
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	2021 Taka'000	2020 Taka'000
<b>33. Materials consumption</b>		
<i>In terms of value</i>		
<b>Imported</b>		
Raw materials	4,424,095	3,061,141
Spare parts and other supplies	219,321	208,860
	<b>4,643,416</b>	<b>3,270,001</b>
<b>Indigenous</b>		
Raw materials	1,270,155	934,579
Spare parts and other supplies	93,995	89,512
	<b>1,364,150</b>	<b>1,024,091</b>
	<b>6,007,566</b>	<b>4,294,092</b>
<i>In terms of percentage</i>		
<b>Imported</b>		
Raw materials	73	71
Spare parts and other supplies	4	5
	<b>77</b>	<b>76</b>
<b>Indigenous</b>		
Raw materials	21	22
Spare parts and other supplies	2	2
	<b>23</b>	<b>24</b>
	<b>100</b>	<b>100</b>

**34. Opening and closing finished goods and work in process**

Items	Unit	2021		2020	
		Quantity'000	Taka'000	Quantity'000	Taka'000
Gray cement	MT	31	128,074	46	184,967
Cement clinker	MT	119	467,465	60	225,015
Work in process	MT	5	6,027	3	3,542
<b>Balance at 1 January</b>		<b>155</b>	<b>601,566</b>	<b>109</b>	<b>413,524</b>
Gray cement	MT	47	204,044	31	128,074
Cement clinker	MT	159	696,665	119	467,465
Aggregates	MT	27	26,540	-	-
Work in process	MT	5	5,794	5	6,027
<b>Balance at 31 December</b>		<b>238</b>	<b>933,043</b>	<b>155</b>	<b>601,566</b>

	2021 In Taka	2020 In Taka
<b>35. Comparative information of the shareholders (Note- 27)</b>		
Net Asset Value (NAV) Per Share	14.36	12.46
Earning Per Share (EPS)	3.02	1.71
Net Operating Cash Flow Per Share (NOCFPS)	4.38	3.43
Profit for the year (in thousand)	3,507,631	1,983,982

	2021 Taka'000	2020 Taka'000
<b>36. Reconciliation of net profit with cash flows from operating activities</b>		
<b>Net profit for the year</b>	<b>3,507,631</b>	<b>1,983,982</b>
Income tax expenses	784,854	364,822
<b>Net profit before tax</b>	<b>4,292,485</b>	<b>2,348,804</b>
Depreciation and amortization	1,023,135	967,674
Other non-cash items	45,716	41,160
Non-operating items	36,504	86,170
Contribution to gratuity plan	(206,766)	(6,507)
Income tax paid	(369,946)	(280,311)
Changes in net working capital	267,673	824,787
<b>Cash flows from operating activities</b>	<b>5,088,801</b>	<b>3,981,777</b>

**LAFARGEHOLCIM BANGLADESH LIMITED**  
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**37. Installed capacity and actual production (figures in thousand MT)**

Products	Annual installed capacity	Actual Production	
		2021	2020
Gray cement	4,191	2,707	2,480
Cement clinker	1,289	1,321	1,180
Aggregates	1,100	876	-
		<b>2021</b>	<b>2020</b>
		<b>Taka'000</b>	<b>Taka'000</b>

**38. Value of imports**

Raw materials and others	7,203,405	5,048,548
	<b>7,203,405</b>	<b>5,048,548</b>

**39. Remittances of foreign currency**

*Final dividend*

Name of Shareholder	2021		2020	
	Number of shares	Final for 2020 Taka'000	Number of shares	Final for 2019 Taka'000
Surma Holding B.V. (The Netherlands)*	341,849,350	307,664	341,849,350	307,664
Jean Hidier (France)	11,560	8	11,560	8
Mohammed Abdul Gaffar (UK)	18,010	13	18,010	13

Name of Shareholder	2021		2020	
	Currency	Amount	Currency	Amount
Surma Holding B.V. (The Netherlands)	EUR	2,971,168	EUR	3,224,994
Jean Hidier (France)	EUR	78	EUR	84
Mohammed Abdul Gaffar (UK)	GBP	121	GBP	120

\* In addition to the above, an amount of Taka 307,664,415 (EUR 2,972,603) representing 341,849,350 shares has been remitted through NITA account.

**40. Lease disclosures**

	2021 Taka'000	2020 Taka'000
Expenses for leases of low value assets	-	-
Payments for leases of low value assets	-	-
Short-term lease expenses	(12,828)	(7,410)
Payment for short-term leases	(12,828)	(7,410)
Average lease terms (in years)	2	2



Chief Financial Officer



Company Secretary



Director



Chief Executive Officer



# HEALTH

We operate full-fledged health clinics from where our company doctor provides health advice along with medicines to the local community. In 2021, we have served **31,000 patients**. We are committed to ensure a healthy life for all of our **neighboring communities**.





# Report and Financial Statements of **Lafarge Umiam Mining Private Limited**

for the year ended December 31, 2021

# BOARD OF DIRECTORS' REPORT

## Dear Shareholders:

The Directors of Lafarge Umiam Mining Private Limited (the "Company") take pleasure in presenting their report together with audited financial statements of your Company for the year ended on December 31, 2021.

## State of Affairs of the Company:

During the year, your Company's core focus remained on 'Health, Cost and Cash'. Our operations continued to pave the way for business continuity and resilience as we drove cost efficiencies and prudently optimized cash flows. On account of the continued COVID 19 pandemic, the Business Resilience Team (BRT) took proactive steps in guarding the safety of Company employees, business partners and local communities.

In 2021, your Company exported 2.54 million tonnes of limestone to the plant of the parent Company, LafargeHolcim Bangladesh Limited (LHBL), at Chhatak, Bangladesh (the "Plant"). The performances of the MMD & Skid Mounted Crushers were consistent. For better sustainability of the business and running of day to day operations, cost efficiency and reduction of overheads costs were priorities. The Quarry team demonstrated an exemplarily performance in optimization of mining and crushing costs. This ensured a reduction in operational costs. Your Company successfully commissioned a 33 Kilovolt (kV) Grid Power line for operation of its Quarry. As a result of this project, the Company has eliminated the dependency on diesel for its crushing, Long Belt Conveyor and lighting operations. The project has reduced the Company's carbon footprint and has also reduced power consumption cost by INR 38/ton i.e. from INR 58/ton to INR 20/ton.

During the year under review, the Company's Quarry was also awarded 5-star rating at the National level by the Ministry of Mines, Government of India for its efforts and initiatives taken for implementation of all round Sustainable Development at Mines level for the last 3 consecutive financial years from 2017 - 18 to 2019 - 20. The award and recognition gained by your Company is a matter of great pride as only 4% of mining companies in India, your Company being the only company in the north-eastern region of India, who has been awarded with this 5-star rating.

As part of its continued support to the Government of Meghalaya in its ongoing efforts to contain the outbreak of the second wave of the COVID 19 pandemic, your Company donated two numbers of Hi Flow oxygen equipment. Additionally, your Company has been working with the local communities to provide type B oxygen cylinders, ensuring Personal Protective Equipment (PPE's), N95 masks, hand sanitizers, medicines and vitamins.

Our exciting journey of growth and holistic value creation will continue with the support and guidance of our employees, shareholders, suppliers, bankers, government and the Board. As we look forward to the coming year, the Company shall continue to prioritize health and safety and commit itself to supporting one another. The Company is optimistic of the processes put in place for sustainable value creation.

## Financial results:

In million INR

Particulars	Year ended 31st December 2021	Year ended 31st December 2020
Revenue from operations	2,067.59	1,782.64
Expenditure	1,418.49	1,204.56
<b>EBITDA</b>	<b>649.10</b>	<b>578.08</b>
Interest and finance charges	1.50	11.02
Interest and other income	22.74	4.89
Depreciation	159.49	181.65
<b>Profit / ( Loss ) before Taxation</b>	<b>510.85</b>	<b>390.30</b>
Provision for tax	139.19	107.02
Other Comprehensive Income/(Loss)	1.51	(0.51)
<b>Profit / ( Loss ) After Taxation</b>	<b>373.17</b>	<b>282.77</b>
<b>Earnings /(loss) per Share :</b>	<b>9.07</b>	<b>6.85</b>

In 2021, your Company's total export sale was INR 2,067.59 million. The dispatch volume was 2.54 million tones. EBIDTA performance was INR 649.10 million, which is 12% higher as compared to 2020. The profit before tax was INR 510.85 million, which is 31% more than 2020. With a profit after tax of INR 373.17 million, reserve and surplus stood at INR 2,462.96 million as compared to INR 2,089.78 million in 2020. There were several factors contributing these achievements, namely export of highest quantity limestone in a year, cost optimization initiatives – variable costs and fixed costs, reduction in interest cost, and fluctuation in foreign exchange.

The State Forest Department has reduced the quantum of non-forest land to be provided by the Company for Compensatory Afforestation (CA). Earlier the demand was for 307 hectares (ha) of land, now the demand has been reduced to 116.589 ha of land. The matter is still under review of the Ministry of Environment, Forests and Climate Change (MoEFCC), as the condition to provide land for CA was not part of the original Forest Clearance approval granted to the Company in 2012. Until the outcome of the said review by MoEFCC, no provision has been made. It has been treated as a contingent liability. However, the likely compensation that could arise for the procurement of land for CA demanded by the State Government could be approximately INR 145 million based on prevailing land rates.

### Dividend and Retained Earnings:

In 2017, the Company declared 60% dividend i.e. INR 6 per share. No dividend was declared in 2018, 2019 and 2020. The Company has performed excellently in 2021. The retained earnings as on December 31, 2021 stood at INR 2,462.96 million. The Company does not have any debt.

On February 18, 2022, the Board of Directors' of your Company recommended a dividend of one hundred and fifty percent (150%), in cash, on the paid-up capital of the Company, out of the profits of the financial year 2021 and retained earnings as per the Financial Statements of the Company as on December 31, 2021. The total dividend of 150% of the paid-up capital amounts to INR 616,996,485, which is INR 15 per share of INR 10 each.

The above dividend recommendation of the Board of Directors' shall be forwarded to the Shareholders for their consideration and approval at the 22nd Annual General Meeting of the Company scheduled on March 16, 2022.

The retained earnings of the Company after payment of Dividend shall be INR 1,845.95 million.

### **Health and Safety:**

Health and Safety (H&S) is the core value of your Company. H&S gets the highest priority in our business decisions. Our goal is "ZERO Harm" to people, communities and environment. We continuously work to improve our safety culture and performance across our operations in Meghalaya, India.

During the year under review, your Company conducted its operations with zero harm. There was no fatality, no Lost Time Injury and no Medical Injury.

With the advent of the outbreak of the second wave of the COVID 19 pandemic, your Company continued its efforts to promote the safety and well-being of all its employees and local communities through emergency response plans, good hygiene practices, and processes of physical monitoring to provide personal level support.

Your Company shall continue to monitor the situation and ensure the health and wellbeing of all its employees and local communities in 2022.

### **Production Performance:**

Your Company exported 2.54 million tonnes of limestone which is significantly higher compared to 2.10 million tonnes exported in 2020. There is continuous improvement to feed both MMD & Skid Mounted Crusher in parallel to run at 750 tonnes per hour (tph) of rated capacity. The performance of the MMD and L&T Skid Mounted Crusher improved to 92.69% reliability as strict measures were implemented to reduce overheads costs. The Grid Power has a reliability factor of 95% and a total of INR 21.4 million have been saved from September to December, 2021 as compared to Diesel Generator (DG) operations.

### **Corporate Social Responsibility (CSR):**

The Company has in place a Corporate Social Responsibility (CSR) Committee (the "Committee") which is a sub-committee of the Board of Directors. The Committee currently comprises of four (4) members.

The composition of the Committee is mentioned in **Annexure "A"**.

The CSR Policy of the Company has been placed on the Company's website.

In compliance with Section 135 & Schedule VII of the Companies Act, 2013, INR 10.21 million was earmarked for CSR activities in 2021. Against this budget, your Company spent INR 10.25 million on CSR activities, thereby exceeding its entire CSR obligation by INR 0.04 million.

The Company also contributes INR 90/- per tonne of limestone mined to the Special Purpose Vehicle (SPV), a body, set up in compliance with the Order dated April 22, 2010, of the Hon'ble Supreme Court of India. As of December 31, 2021, your Company has deposited INR 2,376.61 million to the SPV.

The Ministry of Corporate Affairs (MCA) has amended the Companies (Corporate Social Responsibility Policy) Rules, 2014 through notification dated January 22, 2021 and notified the major changes through the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 (the "Amended Rules"). The Company is ensuring compliance with the Amended Rules and implementing the requirements.

### **Internal Control Systems and their Adequacy:**

The establishment of an effective corporate governance and internal control system is essential for sustainable growth and long-term improvements in corporate value, and accordingly the Company works to strengthen such structures. The Company believes that a strong internal control framework is an important pillar of Corporate Governance.

The Company has in place necessary internal financial controls and systems with regard to adherence to Company policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information. The system includes policies and procedures, delegation of authority, internal audit and review framework etc.

The Company periodically assesses design as well as operational effectiveness of its internal controls across multiple functions and locations through extensive internal audit exercises. Based on the assessment of internal audit function of the parent company, LHBL, process owners undertake corrective action in their respective areas, and thereby strengthen the controls.

### **Directors:**

The Company has six (6) Directors on the Board. The Directors are not liable to retire by rotation.

#### Appointments & Resignations in 2021:

##### Appointments:

No appointments took place during the year under review.

##### Resignations:

**Mr. Kotam Vamsidhar Reddy** was appointed as an Additional Director on the Board of the Company effective from November 23, 2020 (Nominated by LHBL). He has resigned from the Board with effect from August 31, 2021.

Your Board thanks Mr. Reddy for his contributions, leadership and guidance provided during his tenure as Director of the Company.

### **Directors' Responsibility Statement:**

In accordance with Section 134(3)(c) of the Companies Act, 2013, your Directors, to the best of their knowledge and belief and according to the information and explanation obtained by them, confirm that:

1. in preparation of the annual accounts for the year ending December 31, 2021, the applicable Accounting Standards have been followed along with proper explanations provided for material departures, if any;
2. the accounting policies selected have been applied consistently and judgments and estimates are made, that are reasonable and prudent to give a true and fair view of the state of affairs of the Company as on December 31, 2021, and of the profit of your Company for the year ended on that date;
3. proper and sufficient care has been taken for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
4. the annual accounts for the year ended December 31, 2021, have been prepared on a going concern basis;
5. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and
6. that the directors have devised proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

### **Auditors Report:**

There are no observations made in the Auditor's Report and the notes to the accounts are self-explanatory and hence do not call for any further comments. The Auditors Report is enclosed with the financial statements in this Annual Report.

### **Statutory Auditors:**

M/s RKP Associates, Chartered Accountants (having Firm Registration No 322473E) were appointed as the Statutory Auditor of the Company at the 18th Annual General Meeting (AGM) held on May 17, 2018, and were assigned to hold office from the conclusion of the said meeting till the conclusion of the 23rd AGM.

### **Cost Records:**

The Company has maintained cost records in accordance with the provisions of Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014.

### **Number of Board meetings conducted during the year under review:**

Four (4) Board Meetings were held in 2021 viz. on February 16, 2021, April 29, 2021, July 15, 2021, and October 13, 2021. Due to the advent of the second wave of the COVID 19 pandemic and the ensuing travel restrictions/ social distancing requirements, all four (4) Board meetings were held virtually as per Section 173(2) of the Companies Act, 2013 read with General Circular No. 28/ 2011 issued by the MCA on May 20, 2011. The intervening gap between the meetings was within the period prescribed by the MCA vide General Circular No. 11/ 2020 and dated March 24, 2020.

### **Particulars of loans, Guarantees and investments:**

The particulars of loans, guarantees, and investments have been disclosed in the financial statements.

### **Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013:**

The Company has zero tolerance towards sexual harassment at the workplace. A policy has been adopted in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. The Company has in place an Internal Complaints Committee for dealing with complaints of sexual harassment. In 2021, no complaints of sexual harassment were received by the Company.

### **Extract of Annual Return:**

The extract of the annual return in Form MGT - 9 is annexed hereto and forms part of this report as **Annexure "B"**.

### **Indian Accounting Standards (Ind AS)**

The MCA vide its notification No G.S.R. 111(E) dated February 16, 2015, has made the application of Companies (Indian Accounting Standards) Rules, 2015 (the "2015 Rules"), effective for certain categories of companies from accounting periods beginning on or after April 01, 2016.

The audited financial statements of the Company drawn up for the financial year ending December 31, 2021 are in compliance with Clause III of Sub - Rule - 1 of Rule 4 of the 2015 Rules. Figures for the previous year have also been re-stated in line with the requirements of the 2015 Rules.

### **Conservation of Energy, Technology Absorption and Foreign Exchange:**

Information required to be disclosed pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed hereto and forms part of this report as **Annexure "C"**.

### **Related Party Transactions:**

All the transactions/contracts/arrangements of the nature as specified in Section 188(1) of the Companies Act, 2013 entered by the Company during the year under review with related party(ies) are in ordinary course of business and on arm's length. The details of such transactions/contracts/arrangements which are material (i.e., satisfying the criteria provided in first provision of section 188(1) of the Companies Act, 2013) in nature are contained in form AOC-2 annexed hereto and forms part of this report as **Annexure "D"**.

### **Deposits:**

During the year under review, the Company has not accepted any deposit from the public.

## Acknowledgements:

Your Directors wish to place on record their sincere appreciation of the efforts and dedicated service of all employees, which contributed to the continuous growth and consequent performance of the Company amidst a challenging environment. Your Directors wish to place on record their gratitude for the valuable assistance and co-operation extended to the Company by the Central Government, State Government, Government of Bangladesh, the Durbars of Nongtraï and Shella villages, LHBL, banks, and project consultants.

For and on Behalf of the Board



Place: Shillong  
Date: February 18, 2022

Chairman  
DIN: 06497446

## ANNEXURE "A"

### [Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended]

#### 1. Brief outline on CSR Policy of the Company:

The Company's Corporate Social Responsibility Policy has been formulated as per the policies, strategies and goals in compliance with the provisions of the Companies Act, 2013 and the same has been placed on the company's website. The web link of the same is as below:

<http://www.lumpl.com/sustainable-development/corporate-social-responsibility-policy/>

#### 2. Composition of CSR Committee:

Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
Ms. Sonal Shrivastava	Chairperson	2	2
Mr. Narayan Sharma	Member	2	2
Mr. Kazi Mizanur Rahman	Member	2	2
Mr. Mohammad Iqbal Chowdhury	Member	2	2

**3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:**

Composition of CSR Committee : <https://www.lumpl.com/about-us/csr-committee-members/>

CSR Policy and CSR Projects:

<http://www.lumpl.com/sustainable-development/corporate-social-responsibility-policy/>  
<https://www.lumpl.com/wp-content/uploads/2022/01/CSR-Projects-approved-by-the-Board-for-the-Financial-Year-2021.pdf>

**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report):**

Not Applicable.

**5. Details of the amount available for set-off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set-off for the financial year, if any:**

Financial Year	Amount available for set-off from preceding financial years (` in crores)	Amount required to be set-off for the financial year, if any (` in crores)
-	-	-

**6. Average net profit of the Company as per section 135(5): INR 5,10,345,419**

**7. (a) Two percent of average net profit of the Company as per section 135(5): INR 1,02,06,908  
(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil**

**(c) Amount required to be set-off for the financial year, if any: Nil**

**(d) Total CSR obligation for the financial year (7a + 7b - 7c): INR 1,02,06,908**

**8. (a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year (in crore)	Amount Unspent (` in crore)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
1.02	-	-	-	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year:

Sl No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (in crores)	Amount spent in the current financial year (in crores)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in crores)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
-	-	-	-	-	-	-	-	-	-	-	-	-

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sl No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1	Mobile Clinic with full time Medical Doctor for community, free medicines, annual health camps and eye camps.	(i)	Yes	Meghalaya	East Khasi Hills	47,92,884	Direct	N/A	N/A
2	Sponsored Secondary School, books and tuition fees, Scholarship, Enhanced salary to math and science teachers, sponsorship for higher technical studies.	(ii)	Yes	Meghalaya	East Khasi Hills	43,35,019	Direct	N/A	N/A
3	Livelihood Trainings, Enhancing Livelihoods of women (Women Empowerment), Procuring Weaving materials, Awareness Program.	(iii)	Yes	Meghalaya	East Khasi Hills	47,785	Direct	N/A	N/A
4	Environmental Sustainability -cleaning drives and plantation, Assistance to Community development activities	(iv)	Yes	Meghalaya	East Khasi Hills	7,98,287	Direct	N/A	N/A
5	Rural infrastructure development -Footpaths, enhancing water supply, Drains, Toilets, Railings etc	(x)	Yes	Meghalaya	East Khasi Hills	2,72,890	Direct	N/A	N/A
<b>Total Direct expense of projects &amp; programs</b>						<b>1,02,46,895</b>			
<b>TOTAL</b>						<b>1,02,46,895</b>			

- (d) Amount spent in Administrative Overheads: Nil  
 (e) Amount spent on Impact Assessment, if applicable: Nil  
 (f) Total amount spent for the Financial Year (8b + 8c + 8d + 8e): INR 1,02,46,895  
 (g) Excess amount for set-off, if any:

SL	Particulars	Amount
1	Two percent of average net profit of the company as per section 135(5)	1,02,06,908
2	Total amount spent for the financial year	1,02,46,895
3	Excess amount spent for the financial year [(ii)-(i)]	39,987
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
5	Amount available for set-off in succeeding financial years [(iii)-(iv)]	39,987

9. (a) Details of Unspent CSR amount for the preceding three financial years:

SL	Preceding financial year	Amount transferred to Unspent CSR Account under section 135 (6)	Amount spent in the reporting financial year	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years
				Name of the Fund	Amount	Date of transfer	
-	-	-	-	-	-	-	-

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

SL	Project ID	Name of the project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project	Amount spent on the project in the reporting financial year	Cumulative amount spent at the end of reporting financial year	Status of the project - completed / ongoing
-	-	-	-	-	-	-	-	-

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):**

- (a) Date of creation or acquisition of the capital asset(s): NONE
- (b) Amount of CSR spent for creation or acquisition of capital asset: NIL
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not Applicable
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

**11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) : Not Applicable**

For and on Behalf of the Board



**Sonal Shrivastava**  
Chairperson, CSR  
DIN: 06497446

Place: Shillong  
Date: February 18, 2022

FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN  
As on financial year ended on 31.12.2021

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:		
1	CIN	U14107ML1999PTC005707
2	Registration Date	22/03/1999
3	Name of the Company	LAFARGE UMIAM MINING PRIVATE LIMITED
4	Category/Sub-category of the Company	Company Limited by shares Indian Non-Government Company
5	Address of the Registered office & contact details	3rd Floor, Goenka Towers, Morello Compound, Keating Road, European Ward, Shillong, East Khasi Hills, Meghalaya 793001
6	Email	manjuree.rai@lafargeholcim.com
7	Whether listed company	No
8	Name, Address & contact details of the Registrar & Transfer Agent, if any.	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Mining and quarrying	5109	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	LAFARGEHOLCIM BANGLADESH LIMITED	NA	Foreign Holding Company	100%	2(6)

<b>IV. SHARE HOLDING PATTERN</b>									
(Equity share capital breakup as percentage of total equity)									
<b>(i) Category-wise Share Holding</b>									
Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-January-2021]			No. of Shares held at the end of the year [As on 31-December-2021]			% Change during the year		
	Demat	Physical	Total	% of Total Shares	Demat	Physical		Total	% of Total Shares
<b>A. Promoters</b>									
(1) Indian				NA				NA	
<b>Sub Total (A) (1)</b>				0.00%				0.00%	0.00%
(2) Foreign									
c) Bodies Corp.		41,133,099	41,133,099	100.00%			41,133,099	100.00%	0.00%
<b>Sub Total (A) (2)</b>		41,133,099	41,133,099	100.00%			41,133,099	100.00%	0.00%
<b>TOTAL (A)</b>		41,133,099	41,133,099	100.00%			41,133,099	100.00%	0.00%
<b>B. Public Shareholding</b>				NA				NA	
<b>1. Institutions</b>				NA				NA	
<b>2. Non-Institutions</b>				NA				NA	
<b>Sub-total (B)(2):-</b>				0.00%				0.00%	0.00%
<b>Total Public (B)</b>				0.00%				0.00%	0.00%
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>				0.00%				0.00%	0.00%
<b>Grand Total (A+B+C)</b>			41,133,099	100.00%			41,133,099	100.00%	0.00%

**(ii) Shareholding of Promoter**

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	LAFARGEHOLCIM BANGLADESH LTD	41,133,098	100.00%		41,133,098	100.00%		0.00%
2	Surma Holding BV	1	0.00%		1	0.00%		0.00%
	<b>Total</b>	41,133,099	100.00%		41,133,099	100.00%		0.00%

**(iii) Change in Promoters' Shareholding: Nil.**

(iv) Shareholding Pattern of top ten Shareholders:

SN	Shareholder's Name	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No of shares	% of total	No of shares	% of total
1	LafargeHolcim Bangladesh Limited	01.01.2021		4,11,33,098	100.00%	4,11,33,098	100.00%
	At the beginning of the year			--	0.00%	--	0.00%
	Changes during the year			4,11,33,098	100.00%	4,11,33,098	100.00%
	At the end of the year	31.12.2021					
2	Surma Holding BV	01.01.2021		1	0.00%	1	0.00%
	At the beginning of the year			--	0.00%	--	0.00%
	Changes during the year			1	0.00%	1	0.00%
	At the end of the year	31.12.2021					

(v) Shareholding of Directors and Key Managerial: NIL

<b>V. INDEBTEDNESS</b>						
Indebtedness of the Company including interest outstanding/accrued but not due for payment.						
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness		
<b>Indebtedness at the beginning of the financial year</b>						
i) Principal Amount	Nil	Nil	Nil	Nil		Nil
ii) Interest due but not paid	Nil	--	Nil	Nil		--
iii) Interest accrued but not due	Nil	Nil	Nil	Nil		Nil
<b>Total (i+ii+iii)</b>	Nil	Nil	Nil	Nil		Nil
<b>Change in Indebtedness during the financial year</b>						
* Addition	Nil	--	Nil	Nil		--
* Reduction	Nil	Nil	Nil	Nil		Nil
Net Change	Nil	Nil	Nil	Nil		Nil
<b>Indebtedness at the end of the financial year</b>						
i) Principal Amount	Nil	Nil	Nil	Nil		Nil
ii) Interest due but not paid	Nil	--	Nil	Nil		--
iii) Interest accrued but not due	Nil	Nil	Nil	Nil		Nil
<b>Total (i+ii+iii)</b>	Nil	Nil	Nil	Nil		Nil

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL: Not applicable as LUMPL is a Private Company**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:					
Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding			No Penalties, Punishments or Compounding of Offences		
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding			No Penalties, Punishments or Compounding of Offences		
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding			No Penalties, Punishments or Compounding of Offences		

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO UNDER SECTION 134(3)(M) OF THE COMPANIES ACT, 2013, READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014.

---

### A. CONSERVATION OF ENERGY:

#### (a) The steps taken or impact on conservation of Energy:

- Focused drive on improving energy consumption footprint by continual deployment of state of the art energy equipment.
- Installed and commissioned Grid Energy - A total of 33 KV power line utilized fully for running crushing plant and for all the miscellaneous lighting purpose.

#### (b) The steps taken by the company for utilizing alternate sources of energy:

- As part of our commitment towards Green Energy, your Company has commissioned 33 KV Grid power line for a sustainable energy- a step to reduce carbon footprint.
- Reduce power cost after Grid line to INR 20/ton from current power cost of INR 58/ton, hence a reduction in power by INR 38/ton.
- Eliminate the dependency on diesel and Captive diesel power plant of 5 MVA (DG sets of 1,250 KVA X4), and;
- Promote green and clean energy.

#### (c) The capital investment on energy conservation equipment's:

- 0.70 mINR

### B. TECHNOLOGY ABSORPTION:

#### (a) Efforts made towards technology absorption:

- As it is new unit, hence no such action taken.

#### (b) Benefits derived like product improvement, cost reduction, product development or import substitution:

- NIL

#### (c) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

- (a) the details of technology imported: NA for reasons stated above
- (b) the year of import: NA for reasons stated above
- (c) whether the technology been fully absorbed: NA for reasons stated above
- (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: NA for reasons stated above

#### (d) The expenditure incurred on Research and Development:

- NIL

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

- Foreign exchange earnings for the year ended 31.12.2021: INR 20,675.95 lakh
- Foreign exchange outgo for the year ended 31.12.2021: INR 17.83 lakh.

For and on Behalf of the Board



Chairman  
DIN: 06497446

Place: Shillong  
Date: February 18, 2022

## FORM NO. AOC – 2

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 ('the Act') and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/ arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Act including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: Nil
2. Details of materials contracts or arrangements or transactions at arm's length basis:

SI	Particulars	Details
<b>1</b>		
a)	Name (s) of the related party & nature of relationship	LafargeHolcim Bangladesh Limited (Holding Company) registered under the Bangladesh Companies Act 1994
b)	Nature of contracts/arrangements/transaction	Long Term Limestone and Shale purchase Agreement
c)	Duration of the contracts/arrangements/transaction	35 years
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	LUMPL is a company incorporated in India as a 100% subsidiary of LafargeHolcim Bangladesh Limited of Bangladesh, has been operating a limestone & shale mine in Meghalaya, India for the purpose of extraction and export of limestone & shale to a cross-border cement manufacturing plant of LafargeHolcim Bangladesh Limited in Bangladesh. The project was set up under the agreement between the Government of India and the Government of Bangladesh.
e)	Date of approval by the Board	May 2, 2002
f)	Amount paid as advances, if any	NIL
<b>2</b>		
a)	Name (s) of the related party & nature of relationship	Holcim Services (South Asia) Limited, India ("HSSA")
b)	Nature of contracts/arrangements/transaction	IT Enabled Services which includes Business application and support services, Technical Services and IT Service Quality.
c)	Duration of the contracts/arrangements/transaction	1 year
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	INR 38,76,000 (Rupees Thirty Eight Lakh Seventy Six Thousand only) per annum.
e)	Date of approval by the Board	July 15, 2021
f)	Amount paid as advances, if any	NIL

For and on Behalf of the Board



Chairman  
DIN: 06497446

Place: Shillong  
Date: February 18, 2022

## INDEPENDENT AUDITORS' REPORT

To  
The Members of  
Lafarge Umiam Mining Private Limited  
3rd Floor, Goenka Towers, Morello Compound,  
Keating Road, Shillong – 793 001, Meghalaya

### I. Report on the Audit of the Standalone Ind AS Financial Statements:

#### 1. Opinion

- A. We have audited the accompanying standalone Ind AS financial statements of **LAFARGE UMIAM MINING PRIVATE LIMITED** (“the Company”), which comprises the Balance Sheet as at 31st December, 2021, the Statement of Profit and Loss Account (including Statement of Other Comprehensive Income), Statement of Changes in Equity, and the Cash Flow Statement for the year then ended, and notes to Financial Statements including a summary of significant accounting policies and other explanatory information.
- B. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at December 31, 2021, the profit for the year ended on that date.

#### 2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### 3. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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 Board of Directors are also responsible for overseeing the Company's financial reporting process

#### 4. Auditor’s Responsibility

- A. Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs 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. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.
- B. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
1. 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.
  2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  4. Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  5. 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.
- C. Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.
- D. 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.
- E. We also provide 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.

#### 5. Other Matter

Due to the continuous spreading of Covid19 across India, the Government of India has issued various advisories across the India to contain the spread of the virus. This has resulted in restriction on physical visit to the client locations and the need for carrying out alternative audit procedures as per the Standards on Auditing prescribed by the Institute of Chartered Accountants of India (ICAI).

In view of the above, the audit was carried out by visiting client's office as well as based on remote access of the data as provided by the Management. This has been carried out based on the advisory on “Specific Considerations while conducting Distance Audit/Remote Audit/ Online Audit under current Covid19 situation” issued by the Auditing and Assurance Standards Board of ICAI. We have been represented by the management that the data provided for our audit purposes is correct, complete, reliable and the exact extract of Books of Accounts, Bills & Vouchers etc. of the Company without any further manual modifications.

We bring to the attention of the users that the audit of the Ind AS financial statements has been performed in the aforesaid conditions.

However, our opinion is not modified in respect of above matter.

## 6. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of The Companies Act 2013, we give in the **Annexure A**, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit ;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books ;
  - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account ;
  - d. In our opinion the aforesaid Ind AS financial statements comply with Indian Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2016 as amended ;
  - e. On the basis of written representations received from the directors as on 31st December, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on 31st December, 2021, from being appointed as a director in terms of Section 164(2) of the Act ;
  - f. With respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such control, refer to our separate report in '**Annexure B**' to this report and ;
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. As per the representation made by the management, the Company does not have any pending litigations which would impact its financial position;
    - ii. The Company had not entered into any long-term contracts including derivative contracts for which there would have been any material foreseeable losses;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

FOR RKP ASSOCIATES  
CHARTERED ACCOUNTANTS



(CA. DEVAJIT BISWAS)  
PARTNER  
MRN. 304922  
FRN. 322473E

Dated at Silchar  
the 29th day of January 2022

## ANNEXURE A TO THE INDEPENDENT AUDITOR’S REPORT

Referred to in para (1) of our Independent Auditor’s Report of even date on statements of Account of **LAFARGE UMIAM MINING PRIVATE LIMITED**. for the year ended on 31st December 2021

- I) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) As explained to us, all the Assets of the Company have been physically verified by the management at reasonable intervals during the year and no material discrepancies have been noticed on such verifications.
- c) According to the information and explanations given by the management, title deeds of immovable properties are held in the name of the Company.
- II) a) As explained to us, the inventory has been physically verified by the management at reasonable intervals during the year.
- b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate having regard to the size and the nature of its business.
- III) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnership or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- IV) In our opinion and according to the information and explanations given to us, the Company had neither given any loan or guarantee nor provide any security to director or any person to whom the directors are interested. Further, the Company had not made any loan, investment, guarantee which are in violation of section 186 of the Companies Act, 2013.
- V) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits from public. Therefore, the provisions of Para. 3(v) of the CARO 2016 are not applicable to the Company.
- VI) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been maintained. However, we have not made a detailed examination of the same.
- VII) a) The Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income-tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Goods & Services Tax, Cess and other statutory dues applicable to it. The unpaid undisputed dues in respect of Income-tax, Duty of Custom, Duty of Excise, Value Added Tax, Goods & Services Tax, Cess and other statutory dues in arrears as at 31st December, 2021 for a period of more than six months from the date they became payable, are:-

Name of the Statute	Nature of Dues	Due Date	Period to which the amount relates	Amount involved (‘in lacs)
Meghalaya Stamp Act, 1993	Stamp Duty	January 30, 2002	January 2002	3.39

- b) According to the information and explanations given to us there are no dues of Income-tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Goods & Services Tax which have not been deposited on account of any dispute.

- VIII) According to information and explanations given to us, the Company is regular in repayment of loans or borrowings from any financial institutions, banks, government or debentures holders during the year.
- IX) According to information and explanations given by the management, the Company has not raised any moneys by way of initial public offer or further public offer including debt instruments; however the term loan taken were applied for the purpose for which it was taken during the year. Therefore, the provisions of Para. 3(ix) of the CARO 2016 is not applicable to the Company.
- X) Based upon the audit procedure performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given by the management, we report that no fraud by the Company and no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- XI) The Company is a private company. Accordingly, the provisions of section 197 read with Schedule V to the Act do not apply to the Company. Thus paragraph 3(xi) of the Order is not applicable to the Company and hence not commented upon.
- XII) In our opinion and according to information & explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of Para.3(xii) of the Order are not applicable to the Company and hence not commented upon.
- XIII) According to information & explanations given by the management, transactions with the related parties are in compliance with section 177 and section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable Indian accounting standards.
- XIV) According to information & explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under Para. 3(xiv) is not applicable to the company and, not commented upon.
- XV) According to information & explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- XVI) In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of Para. 3(xvi) of the Order are not applicable to the Company.

FOR RKP ASSOCIATES  
CHARTERED ACCOUNTANTS



(CA. DEVAJIT BISWAS)  
PARTNER  
MRN. 304922  
FRN. 322473E

Dated at Silchar  
the 29th day of January 2022

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

### Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of **LAFARGE UMIAM MINING PRIVATE LIMITED**. ('the Company') as of 31 December' 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on the date.

#### Management's Responsibility for Internal Financial Controls:

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor's Responsibility:

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial control systems over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting:

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transaction and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting:**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st December' 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Dated at Silchar  
the 29th day of January 2022

FOR RKP ASSOCIATES  
CHARTERED ACCOUNTANTS



(CA. DEVAJIT BISWAS)  
PARTNER  
MRN. 304922  
FRN. 322473E

**LAFARGE UMIAM MINING PRIVATE LIMITED**  
**Balance Sheet as at 31st December 2021**

	Note	As at 31.12.2021 (Rs. in Lakhs)	As at 31.12.2020 (Rs. in Lakhs)	As at 31.12.2019 (Rs. in Lakhs)
<b>I. Assets</b>				
<b>Non-current assets</b>				
(a) Property, plant and equipment	03	10,553.72	8,195.66	9,221.48
(b) Right of use assets	03B	90.22	113.93	458.30
(c) Capital work-in-progress	04	870.92	2,801.10	250.49
(d) Intangible assets	03	3,895.23	4,025.05	4,401.83
(e) Financial assets				
(i) Loans & Advance	05	209.18	427.09	329.04
(ii) Other financial assets				
(f) Other non-current assets	06	2,124.82	2,628.11	2,773.72
<b>Total non-current assets</b>		<b>17,744.09</b>	<b>18,190.94</b>	<b>17,434.86</b>
<b>Current assets</b>				
(a) Inventories	07	1,136.59	1,008.03	1,215.01
(b) Financial assets				
(i) Trade receivable	08	3,544.14	4,340.75	2,176.65
(ii) Cash and cash equivalents	09	2,939.74	371.06	241.56
(iii) Other bank balances	10	4,709.57	524.92	506.37
(iv) Other financial assets	11 & 05	54.44	75.67	1,239.09
(c) Other current assets	06	5,417.70	8,025.73	6,595.06
<b>Total current assets</b>		<b>17,802.18</b>	<b>14,346.16</b>	<b>11,973.74</b>
<b>Total Assets</b>		<b>35,546.27</b>	<b>32,537.10</b>	<b>29,408.60</b>
<b>II. Equity and Liabilities</b>				
<b>Equity</b>				
(a) Equity share capital	12	4,113.31	4,113.31	4,113.31
(b) Other equity	13	24,629.55	20,897.81	18,070.06
<b>Total equity</b>		<b>28,742.86</b>	<b>25,011.12</b>	<b>22,183.37</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
(a) Financial liabilities				
(i) Lease liabilities	03C	28.84	51.64	73.86
(ii) Other financial liabilities	18	9.96	15.43	12.26
(b) Provisions	14	673.05	585.91	522.83
(c) Deferred tax liabilities (net)	15	1,765.74	1,866.91	2,078.03
<b>Total non-current liabilities</b>		<b>2,477.59</b>	<b>2,519.89</b>	<b>2,686.98</b>
<b>Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	16	-	-	1,425.83
(ii) Lease liabilities	03C	22.80	20.78	344.17
(iii) Trade payable				
Due to Micro Enterprises and Small Enterprises	17	-	1.75	-
Other than Micro Enterprises and Small Enterprises	17	3,259.95	2,672.07	2,217.02
(iv) Other financial liabilities	18	-	-	-
(b) Provisions	14	8.12	6.06	9.70
(c) Other current liabilities	19	1,034.95	2,305.43	541.53
<b>Total current liabilities</b>		<b>4,325.82</b>	<b>5,006.09</b>	<b>4,538.25</b>
<b>Total Equity and Liabilities</b>		<b>35,546.27</b>	<b>32,537.10</b>	<b>29,408.60</b>
Company profile and background	01			
Significant accounting policies	02			

The notes referred to above form an integral part of the Standalone Financial Statements

As per our report of even date  
**For R K P Associates**  
Chartered Accountants



CA. DEVAJIT BISWAS  
PARTNER

MRN. 304922 Place: Silchar  
FRN. 322473E Date: 29th January 2022

**For and on behalf of the Board of Directors**



Mohammad Iqbal Chowdhury  
Director  
DIN 07977063



Narayan Sharma  
Director  
DIN 01579171



Manjuree Rai  
Company Secretary  
ACS 12858

Place : Dhaka  
Date: 27th January 2022

**LAFARGE UMIAM MINING PRIVATE LIMITED**  
**Statement of Profit and Loss for the year ended 31st December 2021**

	Note	Year ended 31.12.2021 (Rs. in Lakhs)	Year ended 31.12.2020 (Rs. in Lakhs)
<b>I. Revenue from operations</b>	20	<b>20,675.95</b>	17,826.40
<b>II. Other income</b>	21	<b>227.41</b>	48.89
<b>III. Total income (I +II)</b>		<b>20,903.36</b>	17,875.29
<b>IV. Expenses</b>			
(a) Cost of Extracted Limestone	22	2,237.64	1,872.21
(b) Employee benefits expense	23	1,272.16	1,134.50
(c) Finance cost	24	14.99	110.15
(d) Depreciation and amortisation expenses	03	1,594.90	1,816.48
(e) Other expenses	25	10,675.06	9,038.93
Total expenses		<b>15,794.75</b>	13,972.27
<b>V. Profit before tax (III-IV)</b>		<b>5,108.61</b>	3,903.02
<b>VI. Tax expense:</b>			
(i) Current tax		1,493.15	1,281.28
(ii) Current tax relating to earlier years			-
(iii) Deferred tax		(101.17)	(211.12)
<b>VII. Profit for the year (V-VI)</b>		<b>3,716.63</b>	2,832.86
<b>VIII. Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss			
(i) Remeasurements of net defined benefit liability		(21.30)	7.21
(ii) Income tax relating to net defined benefit liability		6.20	(2.10)
Total other comprehensive (income)/loss for the year (net of taxes)		(15.10)	5.11
<b>IX. Total Comprehensive Income</b>		<b>3,731.73</b>	2,827.75
Earnings (basic) per share in rupees (face value of Rs 10/- each) .		9.07	6.85
Earnings (diluted) per share in rupees (face value of Rs 10/- each)		9.07	6.85
Company profile and background	01		
Significant accounting policies	02		

The notes referred to above form an integral part of the Standalone Financial Statements

As per our report of even date

**For R K P Associates**  
Chartered Accountants



CA. DEVAJIT BISWAS  
PARTNER  
MRN. 304922  
FRN. 322473E

Place: Silchar  
Date: 29th January 2022

**For and on behalf of the Board of Directors**



Mohammad Iqbal Chowdhury  
Director  
DIN 07977063



Narayan Sharma  
Director  
DIN 01579171



Manjuree Rai  
Company Secretary  
ACS 12858

Place : Dhaka  
Date: 27th January 2022

**LAFARGE UMIAM MINING PRIVATE LIMITED**  
**Statement of Changes in Equity for the year ended 31 December 2021**

**A. Equity Share Capital (Refer Note 12)**

**A. Equity share capital**

Particulars	(Rs. in Lakhs)
Balance as at 1 January, 2019	4,113.31
Changes in share capital during the year	-
Balance as at 31 December, 2019	4,113.31
Changes in share capital during the year	-
Balance as at 31 December, 2020	4,113.31
Changes in share capital during the year	-
Balance as at 31 December, 2021	4,113.31

**B. Other Equity (Refer Note 13)**

Particulars	General Reserve (Rs. in lakhs)	Retained Earnings (Rs. in lakhs)	Other Comprehensive income/(loss) (Rs. in lakhs)	Total (Rs. in lakhs)
<b>Balance as at 1 January 2020</b>	-	<b>18,070.06</b>	-	<b>18,070.06</b>
Profit/(Loss) for the year	-	2,832.86	-	<b>2,832.86</b>
Other comprehensive income	-	-	(5.11)	<b>(5.11)</b>
<b>Balance as at 31 December 2020</b>	-	<b>20,902.92</b>	<b>(5.11)</b>	<b>20,897.81</b>
Profit/(Loss) for the period	-	3,716.64	-	<b>3,716.64</b>
Other comprehensive income	-	-	15.10	<b>15.10</b>
<b>Balance as at 31 December 2021</b>	-	<b>24,619.56</b>	<b>9.99</b>	<b>24,629.55</b>

As per our report of even date  
**For R K P Associates**  
Chartered Accountants



CA. DEVAJIT BISWAS  
PARTNER  
MRN. 304922  
FRN. 322473E

**For and on behalf of the Board of Directors**



Mohammad Iqbal Chowdhury  
Director  
DIN 07977063



Narayan Sharma  
Director  
DIN 01579171



Manjuree Rai  
Company Secretary  
ACS 12858

Place: Silchar  
Date: 29th January 2022

Place : Dhaka  
Date: 27th January 2022

**LAFARGE UMIAM MINING PRIVATE LIMITED**  
**Cash Flow Statement for the year ended 31st December 2021**

	Year ended 31.12.2021 (Rs. in Lakhs)	Year ended 31.12.2020 (Rs. in Lakhs)
<b>A. Cash Flow from Operating Activities:</b>		
<b>Profit / (Loss) before Taxes and Exceptional Item</b>	<b>5,129.92</b>	3,895.81
Adjustments for:		
Depreciation	1,594.90	1,816.48
Unrealised foreign exchange (gain)/ loss	(22.55)	3.99
Financial charges	9.88	91.25
Interest income	(32.40)	(44.24)
<b>Operating Profit before Working Capital Changes</b>	<b>6,679.75</b>	5,763.28
Changes in Working Capital:		
Adjustments for (increase) / decrease in operating assets:	(150.68)	(2,174.25)
Trade receivables	819.15	(2,168.08)
Short term and long term loans and advances	(841.27)	(213.14)
Inventories	(128.56)	206.97
Adjustments for increase / (decrease) in operating liabilities:	(600.42)	2,285.63
Trade payables and other current and non current liabilities	(689.62)	2,226.19
Long and short term provisions	89.20	59.44
<b>Cash from / (used in) Operations</b>	<b>5,928.65</b>	5,874.66
Provision for tax/taxes paid	(1,499.35)	(1,279.18)
<b>Net Cash from/(used in) Operating Activities</b>	<b>4,429.30</b>	4,595.48
<b>B. Cash Flow from Investing Activities:</b>		
Capital expenditure on property, plant and equipment and capital work in progress	(1,869.25)	(2,563.79)
Interest received	39.49	19.14
<b>Net Cash used in Investing Activities</b>	<b>(1,829.76)</b>	(2,544.65)
<b>C. Cash Flow from Financing Activities:</b>		
Repayment of short term borrowings	-	(1,425.61)
Repayment of lease liabilities	(20.78)	(401.93)
Financial charges paid	(10.09)	(93.79)
<b>Net Cash from/ (used in) Financing Activities</b>	<b>(30.87)</b>	(1,921.33)
<b>Net Increase or (Decrease) in Cash or Cash equivalents</b>	<b>2,568.68</b>	129.50
<b>Cash and Cash equivalents as at 1st January</b>	<b>371.06</b>	241.56
<b>Cash and Cash equivalents as at 31st December</b>	<b>2,939.74</b>	371.06

Notes:

1. Include cash and cheques on hand, balance in current and deposit accounts with banks (refer note - 09).
2. Figures in brackets represent outflows.
3. Previous year figures have been regrouped/restated wherever necessary.
4. Note 4 in CFS: The above statement of cash flow has been prepared under the indirect method as set out in Ind AS 7 "Statement of Cash Flows".

in terms of our report attached

**For R K P Associates**  
Chartered Accountants



CA. DEVAJIT BISWAS  
PARTNER  
MRN. 304922  
FRN. 322473E

**For and on behalf of the Board of Directors**



Mohammad Iqbal Chowdhury  
Director  
DIN 07977063



Narayan Sharma  
Director  
DIN 01579171



Manjuree Rai  
Company Secretary  
ACS 12858

Place: Silchar  
Date: 29th January 2022

Place : Dhaka  
Date: 27th January 2022

## LAFARGE UMIAM MINING PRIVATE LIMITED Notes to the Financial Statements

### 01. Background

"Lafarge Umiam Mining Private Ltd ("LUMPL"), a private limited company incorporated under the laws of India, having its registered office in Shillong, Meghalaya, is a 100% subsidiary company of LafargeHolcim Bangladesh Ltd. ("LHBL"), (former Lafarge Surma Cement Ltd) a public limited company incorporated under the laws of Bangladesh.

LUMPL owns and operates the limestone and shale mine located at Nongtraï and Shella area of East Khasi Hills District, Meghalaya. The project involves supply of crushed limestone and shale from the mines located in the State of Meghalaya through continuous a cross border elevated belt conveyor to the plant at Chattak in Bangladesh promoted by Lafarge SA of France and Cementos Molins of Spain for the manufacture of clinker, cement and building materials by LHBL."

### 02. Significant Accounting Policies

#### a). Basis of Accounting and Preparation of Financial Statements

These financial statements have been prepared in accordance with Ind AS as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act, 2013, (the Act) and other relevant provisions. The financial statements up to and for the year ended 31 December 2020 were prepared in accordance with the Companies (Accounts) Rules 2014, notified under section 133 of the Act and other provisions of the Act. As these are the Company's first standalone financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101- First Time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 26.

#### b). Use of Estimates

The preparation of the financial statements requires the management to make estimates and assumptions that affect the reporting balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reporting amounts of income and expenses during the year. Examples of such estimates include provision for doubtful debts, future obligations under employee retirement benefit plans, income taxes, and useful life of fixed assets and intangible assets. Contingencies are recorded when it is probable that a liability will be incurred, and the amount can be reasonably estimated. Actual results could differ from such estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

#### c). Revenue Recognition

"Revenue from sale of products is recognized on the basis of dispatch to customer. Interest on deposits is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable."

#### d). Financial Instruments

##### 1) Financial assets

##### a) Initial recognition

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through Profit or Loss are initially recognised at fair value, and transaction costs are expensed in the Statement of Profit and Loss.

##### b) Subsequent measurement

Financial assets, other than equity instruments, are subsequently measured at amortised cost, fair value through Other Comprehensive Income (OCI) or fair value through profit or loss on the basis of:

- i) the entity's business model for managing the financial assets; and
- ii) the contractual cash flow characteristics of the financial asset.

##### i) Measured at amortised cost

A financial asset is measured at amortised cost, if it is held under "the hold to collect business model" i.e. held with an objective of holding the assets to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest on the principal outstanding. Amortised cost is calculated using the effective interest rate ("EIR") method by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in interest income in the Statement of Profit and Loss.

## LAFARGE UMIAM MINING PRIVATE LIMITED Notes to the Financial Statements

The losses arising from impairment of these assets are recognised in the Statement of Profit and Loss. On derecognition of these assets, gain or loss, if any, is recognised to Statement of Profit and Loss.

### ii) Measured at fair value through Other Comprehensive Income (FVTOCI)

A financial asset is measured at FVTOCI, if it is held under "the hold to collect and sell business model" i.e. held with an objective to collect contractual cash flows and selling such financial asset, and the contractual cash flows are solely payments of principal and interest on the principal outstanding.

It is subsequently measured at fair value with fair value movements recognised in the OCI, except for interest income which recognised using EIR method.

The losses arising from impairment of these assets are recognised in the Statement of Profit and Loss. On derecognition of these assets, cumulative gain or loss previously recognised in the OCI is reclassified from the equity to Statement of Profit and Loss.

### iii) Measured at fair value through profit or loss (FVTPL)

Investment in financial asset other than equity instrument, not measured at either amortised cost or FVTOCI is measured at FVTPL. Such financial assets are measured at fair value and changes in fair value, including interest income and dividend income, if any, are recognised in the Statement of Profit and Loss.

### c) Impairment of financial assets

Expected credit losses are recognized for all financial assets subsequent to initial recognition other than financials assets in FVTPL category.

As per Ind AS 109, for financial assets other than trade receivables, the Company recognises 12 months expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. The Company's trade receivables do not contain significant financing component, and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall.

The impairment losses and reversals are recognised in Statement of Profit and Loss.

### d) De-recognition

The Company de-recognises a financial asset when the contractual right to the cash flows from the financial asset expires, or it transfers the contractual rights to receive the cash flows from the asset.

## 2) Financial Liabilities

### a) Initial Recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss.

The Company's financial liabilities includes trade and other payables, loans and borrowings including bank overdrafts and derivative instruments.

### b) Subsequent measurement

Financial liabilities measured at amortised cost are subsequently measured using EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

### c) Loans & Borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using EIR method.

Gains and losses are recognized in the Statement of Profit and Loss when the liabilities are de-recognized.

### d) De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

## LAFARGE UMIAM MINING PRIVATE LIMITED Notes to the Financial Statements

### e) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a current enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### 3) Fair Value Measurement

a) The Company measures financial instruments, such as, derivatives at fair value at each Balance Sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, assuming that market participants act in their economic best interest.

b) A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

c) The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

d) For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

e) For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### 4) Lease

a) Ind AS 116, "Leases" (notified by Ministry of Corporate Affairs (MCA) from reporting period 1 April 2019), introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases which is not a short-term lease, unless the underlying asset is low value in nature. As per Ind AS 116, the lessee needs to recognize depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities.

b) On transition, the Company recognized a lease liability measured at the present value of the remaining lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the average of incremental borrowing rates.

c) The right-of-use asset is recognized at an amount equal to lease liability as at 1 April 2019. It is depreciated from the commencement date on a straight-line basis over the lease term or useful life of the underlying asset, whichever is less.

d) For short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

e) The company has some of its premises under operating lease. The lease agreements generally have an escalation clause and are structured to increase necessarily in line with expected general inflation and hence operating lease receipts are recognised as revenue in the Statement of Profit and Loss on actual basis over the lease term.

## LAFARGE UMIAM MINING PRIVATE LIMITED Notes to the Financial Statements

### e). Property, Plant and Equipment

Property, plant and equipment are stated at original cost of acquisition less accumulated depreciation. Cost includes inward freight, duties, taxes and incidental expenses related to acquisition and installation of asset.

Software expected to provide future enduring economic benefits is stated at cost less amortization. All up gradation/enhancements are charged off as revenue expenditure unless they bring significant additional benefits.

### f). Development of Quarry

Cost as listed below incurred in relation to quarry where the future economic benefits associated with those cost flows are capitalized and amortized over the mining lease rights period.

- a) Cost for development of quarry for commercial exploration.
- b) Cost for obtaining definite extraction permit which includes amongst others environmental clearance as per statutory rules and regulations in force from time to time and as imposed by regulatory authorities.

### g). Inventory

Extracted Limestone and Shalestone are valued at the lower of cost and net realizable value.

Spare parts, oil & fuel and other supplies are valued at/ under cost.

Cost of inventories is ascertained on the weighted average basis

### h). Depreciation/Amortisation

Depreciation is provided on straight line basis over the useful lives of assets, which is as stated in Schedule II of Companies, Act 2013 or based on estimate made by the Company. The details of estimated useful life for each category of asset are as under :

Buildings - 30 to 60 years  
Plant and Machinery used in Crushing and Long Belt Conveyor - 21 years \*  
Capital Spares for above Plant & Machinery - 5 years \*  
Other Plant & Machinery - 15 years  
Furniture and Fixtures - 10 years  
Office & Household Equipments - 5 years  
Electronic Data Processing Equipment - 3 to 6 years  
Computer Softwares - 3 years  
Vehicles - 8 years

Leasehold Land is amortised over the remaining tenure of the lease.

Development of property - Tangible and In-Tangible pertaining to Limestone and Shalestone quarry is amortised over the remaining tenure of legal rights or useful period of the mine whichever is less.

\* For Crusher and Long Belt Conveyor Plant & Machinery and related capital spare for the same , the Company believes that the useful lives as given above best represent the period over which Company expects to use these assets which is based on the Company's Group Company estimate followed. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of the Schedule II of the Companies Act 2013.

### i). Foreign Exchange Transaction

a) Foreign currency transactions entered during the year are recorded at the rate of exchange prevailing on the date of transactions.

b) Monetary items denominated in foreign currencies at the year end are restated at year end rates. Non monetary foreign currency items are carried at cost . Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss

c) In case of forward exchange contracts which are entered into to hedge the foreign exchange risks in respect of existing assets/liabilities, the premium or discount on such contracts is recognized over the life of the contract. In case of forward exchange contracts entered into to hedge the foreign currency risk of a firm commitment or a highly probable future forecast transactions, mark to market loss, if any, arising in respect of such outstanding forward contracts at the balance sheet date is recognized in the Statement of Profit and Loss.

## LAFARGE UMIAM MINING PRIVATE LIMITED Notes to the Financial Statements

### j). Employee Benefits

Defined Contribution Schemes: Company's contribution towards Provident Fund paid / payable during the year to the Provident Fund Authority are charged to Statement of Profit and Loss.

Defined Benefit Schemes: Company's liabilities towards Gratuity are defined benefit scheme. All liability of Defined Benefit Schemes is ascertained by independent actuarial valuations as per the requirements of Ind AS 19 on "Employee Benefits".

### k). Borrowing Cost

Borrowing costs to the extent / attributed to the acquisition / construction of qualifying assets are capitalized up to the date when such assets are ready for its intended use and all other borrowing costs are recognized as an expense in the period in which they are incurred.

### l). Taxes on Income

Income tax expense for the year comprises of current tax and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent it relates to a business combination or to an item which is recognised directly in equity or in Other Comprehensive Income.

a) Current tax is the expected tax payable/receivable on the taxable income/loss for the year using applicable tax rates at the Balance Sheet date, and any adjustment to taxes in respect of previous years. Interest income/expenses and penalties, if any, related to income tax are included in current tax expense.

b) Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

A deferred tax liability is recognised based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

c) Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

### m). Impairment of Property, Plant and Equipment

An impairment loss is recognized wherever the carrying amount of property, plant and equipment of cash generating unit exceeds the recoverable amount i.e. net selling price or value in use, whichever is higher.

### n). Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements

### o). Classification of Assets and Liabilities into Current/Non-current

All assets and liabilities are presented as Current or Non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realization, the Company has ascertained its operating cycle as 12 months for the purpose of Current / Non-current classification of assets and liabilities.

**LAFARGE UMIAM MINING PRIVATE LIMITED**  
Notes to the Financial Statements

**03. Property, Plant and Equipment as at 31st December 2021**

Particulars	Gross Block - At Cost			Depreciation / Amortisation			Net Block	
	As at 1st Jan, 2021 (Rs. in Lakhs)	Additions during the year (Rs. in Lakhs)	Adjustments during the year (Rs. in Lakhs)	As at 31st Dec, 2021 (Rs. in Lakhs)	Additions during the year (Rs. in Lakhs)	Adjustments during the year (Rs. in Lakhs)	As at 31st Dec, 2021 (Rs. in Lakhs)	As at 1st Jan, 2021 (Rs. in Lakhs)
<b>03 A. Tangible Assets</b>								
Freehold Land	204.90	-	-	204.90	-	-	204.90	204.90
Leasehold Land	138.85	-	-	138.85	1.55	-	46.38	47.93
Building	1,050.69	19.47	-	1,070.16	31.24	-	754.05	765.82
Plant and Machinery	16,964.86	3,687.45	-	20,652.31	1,362.81	-	8,970.08	6,645.44
Development of property	1,073.62	-	-	1,073.62	15.19	-	459.83	475.02
Furniture and Fixtures	69.38	24.36	-	93.74	5.25	-	36.52	17.41
Office & Household Equipments	117.13	-	-	117.13	3.13	-	11.98	15.11
Electronic Data Processing Equipment	121.42	-	-	121.42	1.57	-	4.68	6.25
Vehicles	354.88	68.15	-	423.03	22.18	-	111.68	65.71
<b>Total</b>	20,095.73	3,799.43	-	23,895.16	1,442.92	-	10,600.10	8,243.59
Previous year	20,082.55	13.18	-	20,095.73	1,045.50	-	8,243.59	
<b>03 B. Intangible Assets</b>								
Software (acquired)	37.05	-	-	37.05	-	-	-	-
Development of property	7,433.90	-	-	7,433.90	129.82	-	3,895.23	4,025.05
<b>Total</b>	7,470.95	-	-	7,470.95	129.82	-	3,895.23	4,025.05
Previous year	7,470.95	-	-	7,470.95	376.78	-	4,025.05	

**LAFARGE UMIAM MINING PRIVATE LIMITED**  
Notes to the Financial Statements

**03. Property, Plant and Equipment as at 31st December 2020**

Particulars	Gross Block - At Cost			Depreciation / Amortisation				Net Block	
	As at 1st Jan, 2020 (Rs. in Lakhs)	Additions during the year (Rs. in Lakhs)	Adjustments during the year (Rs. in Lakhs)	As at 31st Dec, 2020 (Rs. in Lakhs)	Additions during the year (Rs. in Lakhs)	Adjustments during the year (Rs. in Lakhs)	As at 31st Dec, 2020 (Rs. in Lakhs)	As at 1st Jan, 2020 (Rs. in Lakhs)	
<b>03 A. Tangible Assets</b>									
Freehold Land	204.90	-	-	204.90	-	-	-	204.90	204.90
Leasehold Land	138.85	-	-	138.85	6.50	-	90.92	47.93	54.43
Building	1,050.69	-	-	1,050.69	31.10	-	284.87	765.82	796.92
Plant and Machinery	16,951.68	13.18	-	16,964.86	936.66	-	10,319.42	6,645.44	7,568.92
Development of property	1,073.62	-	-	1,073.62	43.69	-	598.60	475.02	518.71
Furniture and Fixtures	69.38	-	-	69.38	3.88	-	51.97	17.41	21.29
Office & Household Equipments	117.13	-	-	117.13	5.01	-	102.02	15.11	20.12
Electronic Data Processing Equipment	121.42	-	-	121.42	2.60	-	115.17	6.25	8.85
Vehicles	354.88	-	-	354.88	16.06	-	289.17	65.71	81.77
<b>Total</b>	<b>20,082.55</b>	<b>13.18</b>	<b>-</b>	<b>20,095.73</b>	<b>1,045.50</b>	<b>-</b>	<b>11,852.14</b>	<b>8,243.59</b>	<b>9,275.91</b>
Previous year	19,378.65	709.03	(5.13)	20,082.55	1,025.13	(3.55)	10,806.64	9,275.91	
<b>03 B. Intangible Assets</b>									
Software (acquired)	37.05	-	-	37.05	-	-	37.05	-	-
Development of property	7,433.90	-	-	7,433.90	376.78	-	3,408.85	4,025.05	4,401.83
<b>Total</b>	<b>7,470.95</b>	<b>-</b>	<b>-</b>	<b>7,470.95</b>	<b>376.78</b>	<b>-</b>	<b>3,445.90</b>	<b>4,025.05</b>	<b>4,401.83</b>
Previous year	7,470.95	-	-	7,470.95	375.75	-	3069.12	4,401.83	

LAFARGE UMIAM MINING PRIVATE LIMITED  
Notes to the Financial Statements

03. Property, Plant and Equipment as at 31st December 2019

Particulars	Gross Block - At Cost			Depreciation / Amortisation				Net Block	
	As at 1st Jan, 2019 (Rs. in Lakhs)	Additions during the year (Rs. in Lakhs)	Adjustments during the year (Rs. in Lakhs)	As at 31st Dec, 2019 (Rs. in Lakhs)	As at 1st Jan, 2019 (Rs. in Lakhs)	Additions during the year (Rs. in Lakhs)	Adjustments during the year (Rs. in Lakhs)	As at 31st Dec, 2019 (Rs. in Lakhs)	As at 1st Jan, 2019 (Rs. in Lakhs)
<b>03 A. Tangible Assets</b>									
Freehold Land	204.90	-	-	204.90	-	-	-	204.90	204.90
Leasehold Land	138.85	-	-	138.85	77.93	6.49	-	54.43	60.92
Building	890.38	160.31	-	1,050.69	229.70	24.07	-	796.92	660.68
Plant and Machinery	16,455.28	499.66	(3.26)	16,951.68	8,458.18	926.45	(1.87)	7,568.92	7,997.10
Development of property	1,073.62	-	-	1,073.62	511.34	43.57	-	518.71	562.28
Furniture and Fixtures	61.93	7.45	-	69.38	44.92	3.17	-	21.29	17.01
Office & Household Equipments	103.66	15.34	(1.87)	117.13	95.52	3.17	(1.68)	20.12	8.14
Electronic Data Processing Equipment	116.65	4.77	-	121.42	110.47	2.10	-	8.85	6.18
Vehicles	333.38	21.50	-	354.88	257.00	16.11	-	81.77	76.38
<b>Total</b>	19,378.65	709.03	(5.13)	20,082.55	9,785.06	1,025.13	(3.55)	9,275.91	9,593.59
Previous year	17,752.74	1,625.91	-	19,378.65	8,790.09	994.97	-	9,593.59	-
<b>03 B. Intangible Assets</b>									
Software (acquired)	37.05	-	-	37.05	37.05	-	-	-	-
Development of property	7,433.90	-	-	7,433.90	2,656.32	375.75	-	4,401.83	4,777.58
<b>Total</b>	7,470.95	-	-	7,470.95	2,693.37	375.75	-	4,401.83	4,777.58
Previous year	7,470.95	-	-	7,470.95	2,314.06	379.31	-	4,777.58	-

LAFARGE UMIAM MINING PRIVATE LIMITED  
Notes to the Financial Statements

03B. Right of use (Assets) - As at December 31, 2021

	Gross Block			Accumulated amortisation			Net Block	
	As at 1st Jan, 2021 (Rs. in Lakhs)	Recognised during the year (Rs. in Lakhs)	Deductions/ adjustment (Rs. in Lakhs)	As at 31st Dec, 2021 (Rs. in Lakhs)	As at 1st Jan, 2021 (Rs. in Lakhs)	Charge for the year (Rs. in Lakhs)	Deductions/ adjustment (Rs. in Lakhs)	As at 31st Dec, 2021 (Rs. in Lakhs)
Leases- Land	138.85	-	-	138.85	90.92	1.55	-	46.38
Leases -Building	137.44	-	-	137.44	71.45	22.16	-	43.84
Leases -Equipments	-	-	-	-	-	-	-	-
Total	276.29	-	-	276.29	162.37	23.71	-	90.22

03B. Right of use (Assets) - As at December 31, 2020

	Gross Block			Accumulated amortisation			Net Block	
	As at 1st Jan, 2020 (Rs. in Lakhs)	Recognised during the year (Rs. in Lakhs)	Deductions/ adjustment (Rs. in Lakhs)	As at 31st Dec, 2020 (Rs. in Lakhs)	As at 1st Jan, 2020 (Rs. in Lakhs)	Charge for the year (Rs. in Lakhs)	Deductions/ adjustment (Rs. in Lakhs)	As at 31st Dec, 2020 (Rs. in Lakhs)
Leases- Land	138.85	-	-	138.85	84.42	6.50	-	47.93
Leases -Building	81.12	56.33	-	137.44	51.68	19.76	-	66.00
Leases -Equipments	748.88	-	-	748.88	374.44	374.44	-	-
Total	968.85	56.33	-	1,025.18	510.55	400.70	-	113.93

**LAFARGE UMIAM MINING PRIVATE LIMITED**  
Notes to the Financial Statements

**03B. Right of use (Assets) - As at December 31, 2019**

	Gross Block			Accumulated amortisation				Net Block
	As at 1st Jan, 2019 (Rs. in Lakhs)	Recognised during the year (Rs. in Lakhs)	Deductions/ adjustment (Rs. in Lakhs)	As at 31st Dec, 2019 (Rs. in Lakhs)	As at 1st Jan, 2019 (Rs. in Lakhs)	Charge for the year (Rs. in Lakhs)	Deductions/ adjustment (Rs. in Lakhs)	As at 31st Dec, 2019 (Rs. in Lakhs)
Leases- Land	138.85	-	-	138.85	77.93	6.49	-	54.43
Leases -Building	-	81.12	-	81.12	-	51.68	-	29.43
Leases -Equipments	-	748.88	-	748.88	-	374.44	-	374.44
Total	-	830.00	-	968.85	-	432.62	-	458.30

	As at 31st December 2021 (Rs. in Lakhs)		As at 31st December 2020 (Rs. in Lakhs)		As at 31st December 2019 (Rs. in Lakhs)	
	As at 31st December 2021 (Rs. in Lakhs)	As at 31st December 2020 (Rs. in Lakhs)	As at 31st December 2020 (Rs. in Lakhs)	As at 31st December 2019 (Rs. in Lakhs)	As at 31st December 2019 (Rs. in Lakhs)	As at 31st December 2019 (Rs. in Lakhs)
<b>Lease liabilities</b>						
Non-current lease liabilities	28.84	51.64	51.64	73.86	73.86	73.86
Current lease liabilities	22.80	20.78	20.78	344.17	344.17	344.17
Movement in lease liabilities						
Opening Lease Liability	72.43	418.03	418.03	-	-	-
Addition during the year	-	56.33	56.33	830.00	830.00	830.00
Cancellation of lease contracts	-	-	-	-	-	-
Finance Cost accrued during the year	4.90	18.69	18.69	38.74	38.74	38.74
Payment of Lease Liabilities	25.68	420.63	420.63	450.71	450.71	450.71
Closing Lease Liability	51.64	72.43	72.43	418.03	418.03	418.03
Maturity analysis of lease liabilities (Cash Outflow undiscounted)						
a. Not later than one year	-	-	-	461.07	461.07	461.07
b. Later than one year and not later than five years	-	-	-	453.76	453.76	453.76
c. Later than five years	-	-	-	453.76	453.76	453.76

**LAFARGE UMIAM MINING PRIVATE LIMITED**  
**Notes to the Financial Statements**

**04. Capital Work-in-Progress**

	As at 31.12.2021 (Rs. in Lakhs)	As at 31.12.2020 (Rs. in Lakhs)	As at 31.12.2019 (Rs. in Lakhs)
(a) Building	790.24	320.89	-
(b) Plant & Machinery	71.58	2,393.04	250.49
(c) Others	9.10	87.17	-
<b>Total Capital Work-in-Progress</b>	<b>870.92</b>	<b>2,801.10</b>	<b>250.49</b>

Additional information

(1) Development of property includes expenditure incurred on account of development of quarry

**05. Loans and Advances**

	As at 31.12.2021 (Rs. in Lakhs)		As at 31.12.2020 (Rs. in Lakhs)		As at 31.12.2019 (Rs. in Lakhs)	
	Non Current	Current	Non Current	Current	Non Current	Current
(a) Security deposits (1)	146.07	-	356.07	-	282.11	1,212.68
(b) Interest accrued on deposits	63.11	9.45	71.02	8.64	46.93	7.62
<b>Total Loans and Advances</b>	<b>209.18</b>	<b>9.45</b>	<b>427.09</b>	<b>8.64</b>	<b>329.04</b>	<b>1,220.30</b>

**06. Other Non-Current & Current Assets**

	As at 31.12.2021 (Rs. in Lakhs)		As at 31.12.2020 (Rs. in Lakhs)		As at 31.12.2019 (Rs. in Lakhs)	
	Non Current	Current	Non Current	Current	Non Current	Current
<b>Loans and Advances (Unsecured, considered good)</b>						
(a) Capital advances	-	1,152.21	-	1,351.76	-	1,320.96
(b) Advance tax (Net of provision for tax)	779.16	-	1,273.52	-	623.80	-
(c) MAT credit entitlement	1,325.71	-	1,325.71	-	2,096.24	-
(d) Other loans and advances						
Prepayments	8.33	21.40	18.33	68.67	43.90	63.08
Advances to suppliers	11.63	376.57	10.55	423.77	9.78	143.93
Others	-	3,867.52	-	6,181.53	-	5,067.10
<b>Total Loans and Advances</b>	<b>2,124.82</b>	<b>5,417.70</b>	<b>2,628.11</b>	<b>8,025.73</b>	<b>2,773.72</b>	<b>6,595.06</b>

**07. Inventories**

	As at 31.12.2021 (Rs. in Lakhs)	As at 31.12.2020 (Rs. in Lakhs)	As at 31.12.2019 (Rs. in Lakhs)
(a) Extracted Limestone			
(b) Oil and Fuel	58.29	61.90	61.75
(c) Stores, Spares and Explosive	40.49	36.79	48.57
<b>Total Inventories</b>	<b>1,037.81</b>	<b>909.34</b>	<b>1,104.69</b>
	<b>1,136.59</b>	<b>1,008.03</b>	<b>1,215.01</b>

**08. Trade Receivables**

	As at 31.12.2021 (Rs. in Lakhs)	As at 31.12.2020 (Rs. in Lakhs)	As at 31.12.2019 (Rs. in Lakhs)
<b>Current Trade Receivable</b>			
Unsecured, considered good unless otherwise stated			
Outstanding for a period exceeding six months, from the date they were due for payment.	-	-	-
Others	3,544.14	4,340.75	2,176.65
<b>Total Current Trade Receivable</b>	<b>3,544.14</b>	<b>4,340.75</b>	<b>2,176.65</b>

**LAFARGE UMIAM MINING PRIVATE LIMITED**  
**Notes to the Financial Statements**

**09. Cash and Cash equivalents**

	As at 31.12.2021 (Rs. in Lakhs)	As at 31.12.2020 (Rs. in Lakhs)	As at 31.12.2019 (Rs. in Lakhs)
(a) Cash on hand	0.82	0.82	0.82
(b) Balances with banks In Current Accounts	2,938.92	370.24	240.74
Total Cash and Cash equivalents	<u>2,939.74</u>	<u>371.06</u>	<u>241.56</u>

Out of above, the balances that meet the definition of Cash and Cash equivalents as per Indian Accounting Standard 7 Statements of Cash Flows

	<u>2,939.74</u>	<u>371.06</u>	<u>241.56</u>
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**10. Other bank balances**

	As at 31.12.2021 (Rs. in Lakhs)	As at 31.12.2020 (Rs. in Lakhs)	As at 31.12.2019 (Rs. in Lakhs)
(a) Margin money deposit against Bank Guarantee and Letters of credit (1)	209.57	209.07	506.37
(b) Term deposit	4,500.00	315.85	-
Total Other bank balances	<u>4,709.57</u>	<u>524.92</u>	<u>506.37</u>

**11. Other financial assets**

	As at 31.12.2021 (Rs. in Lakhs)	As at 31.12.2020 (Rs. in Lakhs)	As at 31.12.2019 (Rs. in Lakhs)
Derivative account (Forward Contract MTM)	44.99	67.03	18.79
Total Other financial assets	<u>44.99</u>	<u>67.03</u>	<u>18.79</u>

**12. Share Capital**

	As at 31.12.2021 (Rs. in Lakhs)	As at 31.12.2020 (Rs. in Lakhs)	As at 31.12.2019 (Rs. in Lakhs)
<b>Authorised:</b>			
42,000,000 (as at 31st December, 2020: 42,000,000) equity shares of Rs. 10 each	4,200.00	4,200.00	4,200.00
	<u>4,200.00</u>	<u>4,200.00</u>	<u>4,200.00</u>
<b>Issued, Subscribed and Fully Paid up:</b>			
41,133,099 (as at 31st December, 2020: 41,133,099) equity shares of Rs. 10 each	4,113.31	4,113.31	4,113.31
	<u>4,113.31</u>	<u>4,113.31</u>	<u>4,113.31</u>

**12.1 Share Capital**

**Reconciliation of Number of Shares**

	As at 31.12.2021		As at 31.12.2020		As at 31.12.2019	
	No. of Shares	Amount (Rs. in Lakhs)	No. of Shares	Amount (Rs. in Lakhs)	No. of Shares	Amount (Rs. in Lakhs)
<b>Issued, Subscribed and Fully paid</b>						
At the beginning of the year	41,133,099	4,113.31	41,133,099	4,113.31	41,133,099	4,113.31
At the end of the year	<u>41,133,099</u>	<u>4,113.31</u>	<u>41,133,099</u>	<u>4,113.31</u>	<u>41,133,099</u>	<u>4,113.31</u>

**LAFARGE UMIAM MINING PRIVATE LIMITED**  
**Notes to the Financial Statements**

**12.2 Details of shareholders holding more than 5% of outstanding shares**

Shareholder	As at 31.12.2021		As at 31.12.2020		As at 31.12.2019	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
(1) LafargeHolcim Bangladesh Ltd, Bangladesh, the holding company	41,133,098	100%	41,133,098	100%	41,133,098	100%
	<b>41,133,098</b>	<b>100%</b>	<b>41,133,098</b>	<b>100%</b>	<b>41,133,098</b>	<b>100%</b>

**12.3 Rights, Preferences and Restrictions attached to the Equity Shareholders**

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**13. Reserves and Surplus**

	As at 31.12.2021 (Rs. in Lakhs)	As at 31.12.2020 (Rs. in Lakhs)	As at 31.12.2019 (Rs. in Lakhs)
Surplus / (Deficit) in Statement of Profit and Loss :			
Opening Balance	20,897.81	18,070.06	13,994.70
Add: Profit / (Loss) for the year	3,731.73	2,827.75	4,089.52
Add: Ind AS adjustments on transition	-	-	(14.16)
<b>Closing Balance</b>	<b>24,629.55</b>	<b>20,897.81</b>	<b>18,070.06</b>

**14. Non-Current & Current Provisions**

	As at 31.12.2021 (Rs. in Lakhs)		As at 31.12.2020 (Rs. in Lakhs)		As at 31.12.2019 (Rs. in Lakhs)	
	Non Current	Current	Non Current	Current	Non Current	Current
(a) Provision for employee benefits Post-employment Defined Benefits Retiring Gratuity	228.18	8.12	223.72	6.06	186.06	9.70
(b) Provision for Site Restoration	444.87	-	362.19	-	336.77	-
<b>Total Provisions</b>	<b>673.05</b>	<b>8.12</b>	<b>585.91</b>	<b>6.06</b>	<b>522.83</b>	<b>9.70</b>

**15. Deferred Tax Liabilities (Net)**

	As at 31.12.2021 (Rs. in Lakhs)	As at 31.12.2020 (Rs. in Lakhs)	As at 31.12.2019 (Rs. in Lakhs)
<b>Deferred tax assets</b>			
Gratuity	89.60	66.91	68.41
Lease obligations	15.04	21.09	-
<b>Total A</b>	<b>104.64</b>	<b>88.00</b>	<b>68.41</b>
<b>Deferred tax liabilities</b>			
Depreciation on property, plant and equipments	1,857.61	1,935.69	2,146.44
Right of Use Assets	12.77	19.22	-
<b>Total B</b>	<b>1,870.38</b>	<b>1,954.91</b>	<b>2,146.44</b>
<b>Deferred Tax Liabilities (Net) (B-A)</b>	<b>1,765.74</b>	<b>1,866.91</b>	<b>2,078.03</b>

**LAFARGE UMIAM MINING PRIVATE LIMITED**  
**Notes to the Financial Statements**

**16. Current Borrowings**

	As at 31.12.2021 (Rs. in Lakhs)	As at 31.12.2020 (Rs. in Lakhs)	As at 31.12.2019 (Rs. in Lakhs)
Loans from banks			
Unsecured			
(a) From Citibank NA, Mumbai :			
Working capital demand loan	-	-	-
Overdraft	-	-	467.99
(b) From State Bank of India, Shillong :			
Overdraft	-	-	957.84
<b>Total current borrowings</b>	<b>-</b>	<b>-</b>	<b>1,425.83</b>

**17. Trade Payables**

	As at 31.12.2021 (Rs. in Lakhs)		As at 31.12.2020 (Rs. in Lakhs)		As at 31.12.2019 (Rs. in Lakhs)	
	Non Current	Current	Non Current	Current	Non Current	Current
Creditors for supplies / services						
Total outstanding dues of micro enterprises and small enterprises	-	26.95	-	1.75	-	-
Total outstanding dues of creditors other than micro and small enterprises	-	2,972.60	-	2,490.66	-	2,112.97
Creditors for accrued wages and salaries	-	260.40	-	181.41	-	104.05
<b>Total Trade Payables</b>	<b>-</b>	<b>3,259.95</b>	<b>-</b>	<b>2,673.82</b>	<b>-</b>	<b>2,217.02</b>

**18. Other financials Liabilities**

	As at 31.12.2021 (Rs. in Lakhs)		As at 31.12.2020 (Rs. in Lakhs)		As at 31.12.2019 (Rs. in Lakhs)	
	Non Current	Current	Non Current	Current	Non Current	Current
(a) Creditors for capital liability	9.96	-	15.43	-	9.94	-
(b) Interest accrued and due on borrowings	-	-	-	-	2.32	-
<b>Total financials liabilities</b>	<b>9.96</b>	<b>-</b>	<b>15.43</b>	<b>-</b>	<b>12.26</b>	<b>-</b>

**19. Other Current Liabilities**

	As at 31.12.2021 (Rs. in Lakhs)	As at 31.12.2020 (Rs. in Lakhs)	As at 31.12.2019 (Rs. in Lakhs)
Statutory Dues	1,034.95	2,305.43	541.53
Total Other Current Liabilities	1,034.95	2,305.43	541.53

**LAFARGE UMIAM MINING PRIVATE LIMITED**  
**Notes to the Financial Statements**

**20. Revenue from Operations**

	Year ended 31.12.2021 (Rs. in lakhs)	Year ended 31.12.2020 (Rs. in lakhs)
Revenue from operations (gross)	20,675.95	17,826.40
Less : Goods & Services Tax on revenue from operations	-	-
<b>Revenue from Operations (net)</b>	<b>20,675.95</b>	<b>17,826.40</b>

**20.1 Revenue from Operations (net)**

	Year ended 31.12.2021 (Rs. in lakhs)	Year ended 31.12.2020 (Rs. in lakhs)
Sale of crushed limestone (1)	20,675.95	17,826.40
	<b>20,675.95</b>	<b>17,826.40</b>

**Additional information**

(1) Sales of crushed limestone represent 100% export sales to holding company, LafargeHolcim Bangladesh Ltd, Bangladesh

**21. Other Income**

	Year ended 31.12.2021 (Rs. in lakhs)	Year ended 31.12.2020 (Rs. in lakhs)
(a) Interest Income from bank deposits	32.40	44.24
(b) Excess liability written back	-	-
(c) Gain on foreign exchange fluctuation (Net)	182.54	4.65
(e) Others	12.47	-
<b>Total Other Income</b>	<b>227.41</b>	<b>48.89</b>

**22. Cost of Extracted Limestone**

	Year ended 31.12.2021 (Rs. in lakhs)	Year ended 31.12.2020 (Rs. in lakhs)
Extracted Limestone		
Opening stock	61.90	61.75
Add:- Cost of extraction	2,234.03	1,872.36
Less : Closing stock	58.29	61.90
<b>Extracted Limestone Consumed</b>	<b>2,237.64</b>	<b>1,872.21</b>

**23. Employee Benefits Expenses**

	Year ended 31.12.2021 (Rs. in lakhs)	Year ended 31.12.2020 (Rs. in lakhs)
(a) Salaries and wages, including bonus	1,175.80	1,041.37
(b) Contribution to provident and other funds	96.36	93.13
<b>Total Employee Benefits Expense</b>	<b>1,272.16</b>	<b>1,134.50</b>

**LAFARGE UMIAM MINING PRIVATE LIMITED**  
**Notes to the Financial Statements**

**24. Finance Cost**

	Year ended 31.12.2021 (Rs. in lakhs)	Year ended 31.12.2020 (Rs. in lakhs)
(a) Interest expenses		
Interest on working capital demand loan and overdraft	-	6.89
(b) Bank charges	10.09	84.57
(c) Other borrowing costs on lease obligations	4.90	18.69
<b>Total Finance Cost</b>	<b>14.99</b>	<b>110.15</b>

**25. Other Expenses**

	Year ended 31.12.2021 (Rs. in lakhs)	Year ended 31.12.2020 (Rs. in lakhs)
Consumption of stores, spare parts and loose tools	127.96	125.56
Fuel for power generation	973.46	788.50
Cost of operation and maintenance of DG Sets for power generation	158.27	153.09
Grid Power	101.61	-
Rent	4.38	10.74
Repairs to building	-	3.59
Repairs to machinery	134.08	84.15
Repairs to others	223.50	232.44
Insurance	44.81	47.41
Royalty and Cess for Limestone mining lease	4,212.16	3,486.30
Lease rent for limestone mining surface rights	573.69	486.05
LBC and mining operation support & assistance by local bodies & others	539.21	391.26
Contribution to Special Purpose Vehicle (1)	2,289.11	1,894.73
Corporate Social Responsibility Expenditure (2)	102.47	140.62
Environmental cost	208.58	204.73
Business Promotion & Public Relations	82.86	82.28
Study, reports and consultancy fees	71.35	109.28
IT Cost	61.05	72.68
Security cost	442.38	419.43
Communication charges	4.53	4.08
Gas, Water & Electricity	8.54	11.78
Legal fees and consultation	10.99	7.26
Travelling and conveyance	57.70	75.63
Safety expense	67.30	45.14
Site restoration cost	82.69	25.42
Written down of stores, spare parts and loose tools	-	49.43
Deputation of custom officials at site	40.25	33.67
Auditors remuneration and out-of-pocket		
(i) Statutory Auditors	7.50	7.50
(ii) Tax Audit related matter	2.80	2.80
(iii) For Other Services	-	0.45
(iv) Reimbursement of Expense	0.23	0.45
Miscellaneous expenses	41.60	42.48
<b>Total Other Expenses</b>	<b>10,675.06</b>	<b>9,038.93</b>

(1) Represents the contribution payable to Special Purpose Vehicle (SPV) based on Rs. 90/- per tonne of limestone production from the Company's mines. The SPV was set up in terms of the directions of the Ministry of Environment and Forests (MoEF), Government of India vis-à-vis Orders of the Supreme Court of India dated 12th April 2010 and the Order and Judgement dated 6th July, 2011. The amount so deposited by the Company to SPV is meant for various welfare projects mandated upon the SPV including the development of health, education, irrigation and agriculture in the mining project area (i.e 50 kms) of the Company solely for the local community and welfare of Tribals.

(2) Corporate Social Responsibility Expenditure Rs. 102.47 lakhs (Previous year : Rs. 140.62 lakhs) incurred by the Company represents with the requirement of the provision of Section 135 of the Companies Act, 2013.

**LAFARGE UMIAM MINING PRIVATE LIMITED**  
**Notes forming part of Financial Statements**

**26. First time adoption**

**A. Reconciliation of Balance Sheet as at 31 December 2020**

	Previous GAAP* (Rs. in lakhs)	Ind AS Ajustments (Rs. in lakhs)	IND AS (Rs. in lakhs)
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	8,195.66	-	8,195.66
(b) Right of use assets	47.93	66.00	113.93
(c) Capital Work-in-Progress	2,801.10	-	2,801.10
(d) Other Intangible Assets	4,025.05	-	4,025.05
(e) Financial assets			-
(i) Loans & Advance	92.72	-	92.72
(ii) Other Financial Assets	-	-	-
(f) Other non-current assets	3,166.53	-	3,166.53
<b>Total non-current assets</b>	<b>18,328.99</b>	<b>66.00</b>	<b>18,394.98</b>
<b>Current assets</b>			
(a) Inventories	1,008.03	-	1,008.03
(b) Financial assets			
(i) Trade receivable	4,340.75	-	4,340.75
(ii) Cash and cash equivalents	371.06	-	371.06
(iii) Other bank balances	-	-	-
(iv) Other financial assets	8.64	-	8.64
(c) Other current assets	8,413.64	-	8,413.64
<b>Total current assets</b>	<b>14,142.12</b>	<b>-</b>	<b>14,142.12</b>
<b>Total Assets</b>	<b>32,471.11</b>	<b>66.00</b>	<b>32,537.10</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	4,113.31	-	4,113.31
(b) Other equity	20,902.37	(4.56)	20,897.81
<b>Total equity</b>	<b>25,015.68</b>	<b>(4.56)</b>	<b>25,011.12</b>
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Lease liabilities	-	51.64	51.64
(ii) Other financial liabilities (other than those specified above)	15.43	-	15.43
(b) Provision	585.91	-	585.91
(c) Deferred Tax Liabilities (Net)	1,868.78	(1.87)	1,866.91
(d) Other non-current liabilities	-	-	-
<b>Total non-current liabilities</b>	<b>2,470.12</b>	<b>49.77</b>	<b>2,519.89</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	-	-	-
(ii) Lease liabilities	-	20.78	20.78
(iii) Trade and other payables	2,673.82	-	2,673.82
(iv) Other financial liabilities	-	-	-
(b) Provisions	6.06	-	6.06
(c) Other current liabilities	2,305.43	-	2,305.43
<b>Total current liabilities</b>	<b>4,985.31</b>	<b>20.78</b>	<b>5,006.09</b>
<b>Total Equity and Liabilities</b>	<b>32,471.11</b>	<b>66.00</b>	<b>32,537.10</b>

**LAFARGE UMIAM MINING PRIVATE LIMITED**  
**Notes forming part of Financial Statements**

**B. Reconciliation of Balance Sheet as at date of transition 1 January 2020**

	Previous GAAP* (Rs. in lakhs)	Ind AS Ajustments (Rs. in lakhs)	IND AS (Rs. in lakhs)
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	9,221.48	-	9,221.48
(b) Right of use assets	54.43	403.87	458.30
(c) Capital Work-in-Progress	250.49	-	250.49
(d) Intangible assets	4,401.83	-	4,401.83
(e) Financial assets			
(i) Loans & Advance	65.97	-	65.97
(ii) Other Financial Assets		-	-
(f) Other non-current assets	3,245.87	-	3,245.87
<b>Total non-current assets</b>	<b>17,240.07</b>	<b>403.87</b>	<b>17,643.94</b>
<b>Current assets</b>			
(a) Inventories	1,215.01	-	1,215.01
(b) Financial assets			
(i) Trade receivable	2,176.65	-	2,176.65
(ii) Cash and cash equivalents	241.56	-	241.56
(iii) Other Bank Balance	-	-	-
(iv) Other financial assets	1,220.30	-	1,220.30
(c) Other current assets	6,911.14	-	6,911.14
<b>Total current assets</b>	<b>11,764.66</b>	<b>-</b>	<b>11,764.66</b>
<b>Total assets</b>	<b>29,004.73</b>	<b>403.87</b>	<b>29,408.60</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	4,113.31	-	4,113.31
(b) Other equity	18,084.22	(14.16)	18,070.06
<b>Total equity</b>	<b>22,197.53</b>	<b>(14.16)</b>	<b>22,183.37</b>
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Lease liabilities	-	73.86	73.86
(ii) Other financial liabilities (other than those specified above)	12.26	-	12.26
(b) Provisions	522.83	-	522.83
(c) Deferred Tax Liabilities (Net)	2,078.03	-	2,078.03
(d) Other non-current liabilities	-	-	-
<b>Total non-current liabilities</b>	<b>2,613.12</b>	<b>73.86</b>	<b>2,686.98</b>
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	1,425.83	-	1,425.83
(ii) Lease liabilities		344.17	344.17
(iii) Trade and other payables	2,217.02	-	2,217.02
(iv) Other financial liabilities	-	-	-
(b) Provisions	9.70	-	9.70
(c) Other current liabilities	541.53	-	541.53
<b>Total current liabilities</b>	<b>4,194.08</b>	<b>344.17</b>	<b>4,538.25</b>
<b>Total equity and liabilities</b>	<b>29,004.73</b>	<b>403.87</b>	<b>29,408.60</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note

**LAFARGE UMIAM MINING PRIVATE LIMITED**  
**Notes forming part of Financial Statements**

**C. Reconciliation of total comprehensive income for the year ended 31 December 2020**

	Previous GAAP* (Rs. in lakhs)	Ind AS Adjustments (Rs. in lakhs)	IND AS (Rs. in lakhs)
<b>Income</b>			
I. Revenue from operations	17,826.40	-	17,826.40
II. Other income	48.89	-	48.89
<b>III. Total income</b>	<b>17,875.29</b>	<b>-</b>	<b>17,875.29</b>
<b>IV. Expenses</b>			
(a) Cost of Extracted Limestone	2,277.91	(405.70)	1,872.21
(b) Employee benefits expense	1,141.71	(7.21)	1,134.50
(c) Finance cost	91.46	18.69	110.15
(d) Depreciation and amortisation expenses	1,422.28	394.20	1,816.48
(e) Other expenses	9,053.85	(14.93)	9,038.92
<b>Total expenses</b>	<b>13,987.21</b>	<b>(14.94)</b>	<b>13,972.27</b>
<b>V. Profit before tax (III-IV)</b>	<b>3,888.08</b>	<b>14.94</b>	<b>3,903.02</b>
<b>VI. Tax expense:</b>			
(i) Current tax	1,279.18	2.10	1,281.28
(ii) Tax adjustments relating to previous year	-	-	-
(iii) Deferred tax expenses/(income)	(209.25)	(1.87)	(211.12)
<b>VII. Profit for the year (V-VI)</b>	<b>2,818.15</b>	<b>14.71</b>	<b>2,832.86</b>
<b>VIII. Other Comprehensive Income</b>			
Items that will not be reclassified to profit or loss			
(i) Remeasurements of net defined benefit liability	-	-	-
Income tax relating to net defined benefit liability	-	7.21	7.21
(ii) liability	-	(2.10)	(2.10)
<b>Total comprehensive income for the year</b>	<b>2,818.15</b>	<b>9.60</b>	<b>2,827.75</b>

**D. Reconciliation of Cash flow for the year ended 31 December 2020**

There were no reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS.

**Notes to reconciliation**

a) Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of lease term) are recorded at transaction price. Under Ind AS, all financial assets are required to be recognised at present value. Accordingly, the Company has fair valued the security deposits and the difference between the present value and transaction value of the security deposit has been recognised as deferred rent.

b) Under the previous GAAP, cost relating to post employment benefit obligations including actuarial gain/losses were recognised in Statement of Profit and Loss. Under Ind AS, actuarial gain/losses and the tax effect on the net defined benefit liability are recognised in Other Comprehensive Income instead of Statement of Profit and Loss.

c) Under previous GAAP, deferred taxes were recognised based on Profit & loss approach i.e. tax impact on difference between the accounting income and taxable income. Under Ind AS, deferred tax is recognised by following balance sheet approach i.e. tax impact on temporary difference between the carrying value of asset and liabilities in the books and their respective tax base.

**LAFARGE UMIAM MINING PRIVATE LIMITED**  
**Notes forming part of Financial Statements**

**E. Reconciliation of Equity between the previous GAAP and Ind AS is as follows:-**

Particulars	As at 31 Dec 2020 (Rs. in lakhs)	As at 01 Jan 2020 (Rs. in lakhs)
Equity as per the previous GAAP (Equity Share Capital + Reserves and Surplus)	20,902.37	18,084.22
Add/Less : Adjustments under Ind AS		
Ind AS adjustments on operating leases		
Reversal of rent cost on operating lease under Ind AS 116		450.71
Recognition of finance cost on "lease obligations"		(38.74)
Amortisation of "Right of use assets"		(426.13)
Adjustments as per Note below	9.60	
Ind AS adjustments as at 1 January 2020	(14.16)	
<b>Total Adjustments</b>	<b>(4.56)</b>	<b>(14.16)</b>
<b>Total Equity as per Ind AS</b>	<b>20,897.81</b>	<b>18,070.06</b>

**F. Reconciliation of Profit/(Loss) between the previous GAAP and Ind AS is as follows:**

Particulars	Year ended 31 Dec 2020 (Rs. in lakhs)
Profit / (Loss) after tax as per previous GAAP	2,811.63
Add/Less : Adjustments under Ind AS	
Add: Reversal of rent cost on operating lease under IndAs 116	420.63
Less: Amortisation of right of use assets	(394.20)
Less: Recognition of finance cost on "lease obligations"	(18.69)
Add: Remeasurement of retirement benefits (net of taxes)	5.11
Deferred Tax adjustments (net) on above	1.87
<b>Profit / (Loss) after tax but before OCI as per Ind AS</b>	<b>2,826.34</b>
Other Comprehensive Income (OCI) (net of tax)	(5.11)
<b>Total Comprehensive Income under Ind AS</b>	<b>2,821.23</b>

**26. First time adoption (continued)**

The Company has adopted Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs with effect from 1 January 2021, with a transition date of 1 January 2020. These financial statements, for the year ended 31 December 2020, are the first the Company has prepared under Ind AS. For all periods upto and including the year ended 31 December 2020, the Company prepared its financial statements in accordance with the accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Previous GAAP'). The adoption of Ind AS has been carried out in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards. Ind AS 101 requires that all standards and interpretations that are issued, and effective for the first Ind AS financial statements, be applied retrospectively and consistently for all financial years presented. Accordingly, the Company has prepared financial statements which comply with Ind AS for the year ended 31 December 2021, together with the comparative information as at and for the year ended 31 December 2020, and the opening Ind AS Balance Sheet as at 1 January 2020, the date of transition to Ind AS.

In preparing these Ind AS financial statements, the Company has availed certain exemptions and exceptions in accordance with Ind AS 101, as explained below. The resulting difference between the carrying values of the assets and liabilities in the financial statements as at the transition date under Ind AS and Previous GAAP have been recognised directly in equity (retained earnings or another appropriate category of equity). This note explains the adjustments made by the Company in restating its previous GAAP financial statements, including the Balance Sheet as at 1 January 2020 and the financial statements as at and for the year ended 31 December 2020.

**A. Optional exemptions availed and mandatory exceptions**

In preparing these financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

Property, plant and equipment and intangible assets

## LAFARGE UMIAM MINING PRIVATE LIMITED

### Notes forming part of Financial Statements

As per Ind AS 101 an entity may elect to:

(i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date; or  
(ii) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to:

- fair value;
- cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index.

The elections under (i) and (ii), above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets (including reliable measurement of original cost) and criteria in Ind AS 38 for revaluation (including the existence of an active market); or

(iii) use carrying values of properties, plant and equipment and intangible assets as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101), if there has been no change in its functional currency on the date of transition.

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all items of property, plant and equipment, except for adjustment of certain prior period errors and certain consequential adjustments due to application of Ind AS 101. The said election has been made also in respect of intangible assets.

#### B. Mandatory exceptions

Ind AS 101 also allows first-time adopters certain mandatory exceptions to be applied for retrospective application of certain requirements under Ind AS for transition from the previous GAAP:

##### i) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as at the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition, if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of financial assets accounted at amortised cost has been done retrospectively, except where the same is impracticable.

The presentation requirements under Previous GAAP differ from Ind AS and hence Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The Regrouped Previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP.

##### ii) Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS, at the date of transition to Ind AS, at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS Balance Sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below:

- Impairment of financial assets based on the expected credit loss model.
- Determination of the discounted value for financial instruments carried at amortised cost.

#### Transition to Ind AS – Reconciliations

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101:

- I. Reconciliation of Balance sheet as at January 1 2020 and December 31 2020
- II. Reconciliation of Statement of Profit and Loss for the year ended December 31 2020
- III. Reconciliation of Equity as at January 1 2020 and December 31 2020

The presentation requirements under Previous GAAP differ from Ind AS and hence Previous GAAP information has been regrouped for ease of reconciliation with Ind AS. The Regrouped Previous GAAP information is derived from the Financial Statements of the Company prepared in accordance with Previous GAAP.

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**27. Financial instruments - fair value measurement**

**(a) Accounting classifications and fair values**

The financial assets and financial liabilities of the Company are of Level III category except for forward contracts derivative instruments which are classified as Level II.

The following table shows the carrying amounts and fair values of the financial assets and liabilities.

Particulars	As at 31.12.2021 (Rs. in Lakhs)	As at 31.12.2020 (Rs. in Lakhs)	As at 01.01. 2020 (Rs. in Lakhs)
	Carrying amount / Fair Value	Carrying amount / Fair Value	Carrying amount / Fair Value
<b>Financial assets measured at amortized cost</b>			
Trade receivables	3,544.14	4,340.75	2,176.65
Cash and cash equivalents	2,939.73	371.06	241.56
Other bank balance	4,709.57	524.92	506.37
Security deposits	146.07	356.07	1,494.79
Other financial assets	117.55	146.69	73.34
<b>Total</b>	<b>11,457.07</b>	<b>5,739.50</b>	<b>4,492.71</b>
<b>Financial liabilities measured at amortized cost</b>			
Borrowings	-	-	1,425.83
Lease liabilities	51.64	72.43	418.03
Lease deposits	-	-	-
Security deposits	-	-	-
Trade payables	3,259.95	2,673.82	2,217.02
Other financial liabilities	9.96	15.43	12.26
<b>Financial Liabilities measured at Fair Value</b>			
<b>Total</b>	<b>3,321.55</b>	<b>2,761.68</b>	<b>4,073.14</b>

Note: 27 (i) The Management assessed that cash and cash equivalents, trade receivables, trade payables, and other current liabilities approximate their carrying amounts.

Note: 27 (ii) The Forward Contracts have been taken by the Company for hedging its foreign currency exposures for both receivable and payable in USD, and its fair value has been determined based on the forward rate provided by the bank for outstanding forward contracts.

**28. Financial instruments - risk management**

The Company has exposure to the following risks arising from financial instruments:

- credit risk (refer note (b) below)
- liquidity risk (refer note (c) below)
- market risk (refer note (d) below)"

**(a) Risk management framework**

The Company's board of directors 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 analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

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**(b) 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, and arises principally from the Company's receivables from customers, loans to related parties and cash and cash equivalents.

The carrying amount of financial assets represents the maximum credit exposure.

**i) 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 associated with the industry and country in which customers operate.

Deposits mainly consist of deposits made with government entities.

**Expected credit loss (ECL) assessment for customers as at 1 January 2020, 31 December 2020 and 31 December 2021**

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to repay the company, as per the agreed terms. The Company categorises a loan or receivable for write off, on a case to case basis, when a debtor fails to make contractual payments. Where loans or receivables have been written off, the Company continues to engage in recovery of the receivables due. Where recoveries are made, these are recognized in Statement of Profit or Loss.

**Cash and cash equivalents**

The Company holds cash and cash equivalents of INR 2939.73 lakhs at 31 Dec 2021 (31 December 2020: INR 371.06 lakhs; 1 January 2020: INR 241.56 lakhs ). The cash and cash equivalents are mainly held with nationalised banks which have a very low risk of default.

**(c) 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 or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

**ii) Maturities of financial liabilities**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted contractual cash flow, and include contractual interest payments and exclude the impact of netting agreements.

As at 31 December 2021	(Rs. in lakhs)					
	Carrying amount	Total	0-12 months	1-2 years	2-5 years	More than 5 years
Borrowings	-	-	-	-	-	-
Lease deposits	-	-	-	-	-	-
Lease liabilities	51.64	51.64	22.80	28.84	-	-
Security deposits	-	-	-	-	-	-
Trade payables	3,259.95	3,259.95	3,259.95	-	-	-
Other payables	9.96	9.96	9.96	-	-	-
	<b>3,321.55</b>	<b>3,321.55</b>	<b>3,292.71</b>	<b>28.84</b>	-	-

As at 31 December 2020	(Rs. in lakhs)					
	Carrying amount	Total	0-12 months	1-2 years	2-5 years	More than 5 years
Borrowings	-	-	-	-	-	-
Lease deposits	-	-	-	-	-	-
Lease liabilities	72.43	72.43	20.78	22.80	28.84	-
Security deposits	-	-	-	-	-	-
Trade payables	2,673.82	2,673.82	2,673.82	-	-	-
Other payables	15.43	15.43	15.43	-	-	-
	<b>2,761.68</b>	<b>2,761.68</b>	<b>2,710.03</b>	<b>22.80</b>	<b>28.84</b>	-

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As at 1 January 2020	(Rs. in lakhs)					
	Carrying amount	Total	0-12 months	1-2 years	2-5 years	More than 5 years
Borrowings	1,425.83	1,425.83	1,425.83	-	-	-
Lease deposits	-	-	-	-	-	-
Lease liabilities	418.03	418.03	344.17	20.78	53.08	-
Security deposits	-	-	-	-	-	-
Trade payables	2,217.02	2,217.02	2,217.02	-	-	-
Other payables	12.26	12.26	12.26	-	-	-
	<b>4,073.14</b>	<b>4,073.14</b>	<b>3,999.28</b>	<b>20.78</b>	53.08	-

**(d) Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, which 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 optimising the return.

**i) Currency risk**

Majority of the transactions entered into the company are denominated in INR. However, for certain transactions which are entered in foreign currency, the Company enters into forward exchange contract to mitigate the risks associated with foreign currency fluctuations.

**Outstanding Forward Contracts**

i. Outstanding Short Term Forward Exchange Contracts entered into by the Company on account of payables:

As at	No. of Contracts	Currency	(Rs. in lakhs)
31-Dec-21	-	USD	-
31-Dec-20	-	USD	-
1-Jan-20	-	USD	-

ii. Outstanding Short Term Forward Exchange Contracts entered into by the Company on account of receivables:

As at	No. of Contracts	Currency	(Rs. in lakhs)
31-Dec-21	11	USD	4,581.39
31-Dec-20	11	USD	4,519.25
1-Jan-20	6	USD	2,818.66

**ii) Interest rate risk**

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

**Exposure to interest rate risk**

The exposure of the Company's borrowing to interest rate changes at the end of the year are as follows :-

	(Rs. in lakhs)		
	31-Dec-21	31-Dec-20	01-Jan-20
Variable rate borrowings	-	-	1,425.83
Fixed rate borrowings	-	-	-
Total Borrowings	-	-	1,425.83

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**Cash flow sensitivity analysis for variable-rate instruments**

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	(Rs. in lakhs)
	Impact on Profit or Loss
	1% increase or decrease
<b>31-Dec-21</b>	
Variable rate borrowings	-
<b>31-Dec-20</b>	
Variable rate borrowings	-
<b>01-Jan-20</b>	
Variable rate borrowings	14.26

29. Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for Rs. 902.87 lakhs (as at 31st December, 2020 Rs. 1,806.72 lakhs).

**30. Deferred tax:**

The breakup of deferred tax is as under	Year ended 31.12.2021 (Rs. in lakhs)	Year ended 31.12.2020 (Rs. in lakhs)
<b>Deferred Tax Liabilities</b>		
Timing difference on account of:-		
-Depreciation	1,857.61	1,935.69
-Right of Use Assets	12.77	19.22
<b>Gross Deferred Tax Liabilities (A)</b>	<b>1,870.38</b>	<b>1,954.91</b>
<b>Deferred Tax Assets</b>		
-Unabsorbed Depreciation	Nil	Nil
-Provision for Gratuity	89.60	66.91
-Lease obligations	15.04	21.09
<b>Gross Deferred Tax Assets (B)</b>	<b>104.64</b>	<b>88.00</b>
<b>Deferred Tax Assets/ (Liability) (Net) (A-B)</b>	<b>(1,765.74)</b>	<b>(1,866.91)</b>

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**31. Details of dues to Micro, Small and Medium Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006\***

No.	Particulars	As on 31.12.2021 (Rs. in lakhs)	As on 31.12.2020 (Rs. in lakhs)
1.	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	11.48	1.75
2.	Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	--	--
3.	Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.	--	--
4.	Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	--	--
5.	Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	--	--
6.	Interest due and payable towards suppliers registered under MSMED Act, for payments already made.	--	--
7.	Further interest remaining due and payable for earlier years.	--	--

\*This information has been determined to the extent such parties have been identified on the basis intimation received from the "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

**32. Expenditure / Earnings in foreign currency:**

**a) Value of imports calculated on CIF basis :**

	Year ended 31.12.2021 (Rs. in lakhs)	Year ended 31.12.2020 (Rs. in lakhs)
i) Stores and Spare parts	Nil	Nil
ii) Capital goods	Nil	233.94
<b>Total</b>	<b>Nil</b>	<b>233.94</b>

**b) Expenditure in foreign currency:**

	Year ended 31.12.2021 (Rs. in lakhs)	Year ended 31.12.2020 (Rs. in lakhs)
i) Professional and Consulting fees	17.83	85.84
ii) Interest and other borrowing cost	Nil	Nil
<b>Total</b>	<b>17.83</b>	<b>85.84</b>

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**c) Earnings in foreign currency:**

	<b>Year ended 31.12.2021 (Rs. in lakhs)</b>	Year ended 31.12.2020 (Rs. in lakhs)
i) FOB Value of Exports	<b>20,675.95</b>	17,826.40
<b>Total</b>	<b>20,675.95</b>	17,826.40

**d) Details of consumption of imported and indigenous items :**

	<b>Year Ended 31st December 2021</b>		<b>Year Ended 31st December 2020</b>	
	<b>(Rs. in lakhs)</b>	<b>%</b>	<b>(Rs. in lakhs)</b>	<b>%</b>
i) Imported				
Raw materials	<b>Nil</b>	<b>Nil</b>	Nil	Nil
Stores and Spares	<b>1.23</b>	<b>1%</b>	3.88	2%
ii) Indigenous				
Raw materials	<b>2,237.64</b>	<b>100%</b>	2277.91	100%
Stores and Spares	<b>126.73</b>	<b>99%</b>	171.11	96%

**33. Contingent Liability not provided for:**

i) Bank Guarantee amounting to Rs. 209.07 lakhs (as at 31st December 2020 Rs. 209.07 lakhs) issued by State Bank of India, Main Branch Shillong on behalf of the Company favoring Indian Bureau of Mines as financial assurance for the progressive mines closure plan.

ii) The Ministry of Environment, Forests and Climate Change (MoEFCC), vide Letter No. F.No.8-64/2007-FC dated 22nd April 2010 and Letter No. F.No.8-64/2007-FC dated 29th February 2012, has granted permission for diversion of 116.589 ha forest land for limestone mining and other ancillary activities in favour of M/s Lafarge Umiyam Mining Private Limited (LUMPL) in Sohra -Tehsil, Khasi Hills Division of Meghalaya. In terms of conditions of forest clearance it was mandated that Compensatory Afforestation, shall be raised and maintained over 428.483 ha of degraded forest land from the funds realized from LUMPL. Accordingly, LUMPL deposited an amount of Rs. 239 lakhs as cost of raising and maintaining Compensatory Afforestation with the State Government.

In 2018, the Principal Chief Conservator of Forests (PCCF), Government of Meghalaya communicated to MoEF&CC that Compensatory Afforestation could not be raised due to non-availability of degraded forest land. By a letter dated 9th December 2019, PCCF has directed the Company to provide the details of 307 ha of non-forest land for the purpose of transferring to State Forest Department for Compulsory Afforestation.

In 2020 LUMPL has received another letter from Meghalaya Government ( Chief Conservator of Forests & Nodal Officer FC Act, 1980) dated 9th June 2020, to provide/acquire 116.589 ha. of non-forest land for raising compensatory afforestation. Accordingly the quantum of land likely to be reduced from earlier demand of 307 ha to 116.589 ha and also the total cost approximately from Rs. 3,700 lakhs to Rs. 1,400 lakhs based on prevailing land rates.

By letter dated October 14, 2020, the Principal Chief Conservator of Forests (PCCF) has submitted a proposal to the Government of Meghalaya recommending that LUMPL purchase only 116.589 ha for CA in the land bank of 400ha identified by Government of Meghalaya. On October 22, 2020 the Government of Meghalaya has forwarded the proposal to the Regional office of MOEFCC at Shillong. The proposal is presently being reviewed by the Regional office.

Since the requirement of provision of land by the Company was not part of the conditions based on which approval of "Forest Clearance" was granted to the Company in the year 2012, the direction of the PCCF is subject to review and approval of MOEF&CC. LUMPL has made representations clarifying its position. The matter is still under the review of MoEF&CC. Till the outcome of said review no provision has been made. However, the likely compensation that could arise for the procurement of land by the Company for Compulsory Afforestation demanded by the State Government could be approximately Rs. 1,400 lakhs based on prevailing land rates.

iii) During the year the Company has received demand notice from the Additional Director General, Directorate General of Goods & Service Tax Intelligence, Guwahati Zonal Unit demanding Rs. 860.60 lakhs as Service Tax under Reverse Charge Mechanism on services received from Government for extraction of limestone during the period April 2016 to June 2017, the Company has paid Rs. 587.58 lakhs before issuing the demand notice for the above period.

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The net demand of service tax of Rs. 276.77 lakhs is arising only due to mis-interpretation as to point of taxation/time of supply by the revenue authority. While the Company has paid Rs. 332.80 lakhs GST in respect of services received from Government under Reverse Charge Mechanism, the revenue authority is proposing service tax against the same.

In this connection, reference can be made to the judgement of the Hon'ble Supreme Court in the case of Udaipur Chamber of Commerce and Industry vs UOI [SLP No. 37326 / 2017] wherein the Hon'ble Court has vide its order dated 11-01-2018 granted a stay from payment of service tax on grant of mining lease/royalty and matter is presently sub-judice. Similar stay from payment of service tax against royalty for mining has been granted by various Hon'ble High Courts.

The Company has submitted a reply to the Commissioner, Central GST Commissionerate, Shillong against the demand and their response is awaited in view of the various ongoing cases for similar matters and adjudication is kept in abeyance until the matter is settled at the Hon'ble Supreme Court and various High Courts.

34. Company entered into a Limestone Mining Agreement with a mining contractor (the "Contractor"). The Contractor failed to engage the right mining equipment, many mining equipment were more than 5 years old and in violation of the provisions of the Agreement. The Contractor failed to produce right sizes of Limestone as specified in the Agreement. Company issued notices of Breach, Material Breach to the Contractor in terms of the Agreement. On 28.02.2015 the Agreement was terminated. Company submitted its 'Request for Arbitration' to the Secretariat of the International Court of Arbitration (ICC), Paris as per the provisions of the Agreement, with a claim of Rs. 2,241 lakhs. The Contractor made counter-claim of Rs. 6,204 lakhs. By order dated 11.09.2015, the ICC appointed Arbitration Tribunal rejected the counterclaim of the Contractor on procedural ground. On 11.12.2015, the Contractor filed an application before the Calcutta High Court under Section 34 of the Arbitration and Conciliation Act, 1996 seeking to set aside the Order of the Arbitration Tribunal dated 11.09.2015 (the "Application"). On 18.01.2016, the Contractor filed an application for stay of the Order dated 11.09.2015 before the Arbitration Tribunal on the ground that the matter is pending before the High Court. On 01.02.2016, the Arbitral Tribunal passed an order adjourning hearing before the Tribunal until final disposal of the Application by the Calcutta High Court. The Hearing on the Application is awaited. The Company is of the opinion that the counter-claim of the Contractor, even if taken on record by the Tribunal at a subsequent stage or under order of the High Court, is not likely to succeed in full on merits of the matter and accordingly counterclaim of the Contractor has not been acknowledged as debt and no provision for the same has been made. The lawyers are of the view that the case of Company is strong on merits.
35. The Company is under a legal obligation to restore the mines in terms of final mines closure plan submitted to Indian Bureau of Mines at the end of mining operations. Based on the tenure of the current mining lease, estimated cost of site restoration has been provided during the year.

The details of provisions for site restoration cost are summarized below:

	<b>Year ended 31.12.2021 (Rs. in lakhs)</b>	Year ended 31.12.2020 (Rs. in lakhs)
Opening balance	<b>362.19</b>	336.77
Additions	<b>82.68</b>	25.42
Reversals	<b>Nil</b>	Nil
<b>Closing balance</b>	<b>444.87</b>	362.19

36. The Company is recognizing the provision for the employee retirement benefits as per Ind AS 19 "Employee Benefits".

Independent Actuarial Valuation of all employee benefit scheme was made on 31st December 2021 which is in the nature of unfunded gratuity benefit.

The following tables set out the details of amount recognised in the financial statements in respect of defined benefit scheme for unfunded gratuity as per the actuarial valuation under the Projected Unit Credit Method.

**LAFARGE UMIAM MINING PRIVATE LIMITED**  
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**I. Component of Expenses recognized in the Statement of Profit and Loss**

Sl. No.		Year ended 31.12.2021 (Rs. in lakhs)	Year ended 31.12.2020 (Rs. in lakhs)
1.	Current Service cost	19.55	18.59
2.	Past Service Cost	-	-
3.	Loss/(Gain) on settlement	-	-
4.	Net Interest (Income)/ Cost on the Net Defined Benefit Liability (Asset)	15.17	13.50
5.	<b>Expenses Recognized in the Income Statement</b>	<b>34.71</b>	<b>32.10</b>

**II. Other Comprehensive Income(OCI)**

Sl. No.		Year ended 31.12.2021 (Rs. in lakhs)	Year ended 31.12.2020 (Rs. in lakhs)
1.	Actuarial (gains) / losses due to :		
2.	- change in demographic assumptions	-	-
3.	- change in financial assumptions	(14.41)	8.50
4.	- experience variance (i.e. Actual experience vs assumptions) - Others	(6.90)	(1.28)
5.	Return on plan assets, excluding amount recognized in net interest expense	-	-
6.	Re-measurement (or Actuarial (gain)/loss) arising because of change in effect of asset celling	-	-
7.	Components of defined benefit costs recognized in OCI	(21.30)	7.22

**I. Net Asset/(Liabilities) recognized in the Balance Sheet**

Sl. No.	Funded Status	As on 31.12.2021 (Rs. in lakhs)	As on 31.12.2020 (Rs. in lakhs)
1	Present value of Defined Benefit Obligation	236.31	229.77
2	Fair value of plan assets	-	-
3	Fund status [Surplus/(Defecit)]	(236.31)	(229.77)
4	Effect of balance sheet asset limit	-	-
5	Unrecognized Past Service Costs	-	-
6	Net asset/(liability) recognized in balance sheet	(236.31)	(229.77)
1	Net asset/(liability) recognized in balance sheet at beginning of period	(229.77)	(195.76)
2	Expense recognized in Income Statement	34.71	32.10
3	Expense recognized in Other Comprehensive Income	(21.30)	7.21
4	Employer contributions	6.88	5.30
5	Net Acquisitions / Business Combinations	-	-
6	Net asset/(liability) recognized in balance sheet at end of the period	(236.31)	(229.77)

**LAFARGE UMIAM MINING PRIVATE LIMITED**  
**Notes forming part of Financial Statements**

**II. Reconciliation of Defined Benefit Obligation and Fair Value of Assets**

A	Change in Defined Benefit Obligations (DBO)	Year ended 31.12.2021 (Rs. in lakhs)	Year ended 31.12.2020 (Rs. in lakhs)
1	Present Value of DBO at beginning of period	229.77	195.76
2	Current Service cost	19.55	18.59
3	Interest cost	15.17	13.51
4	Curtailement cost/(credit)	-	-
5	Settlement cost/(credit)	-	-
6	Employee Contribution	-	-
7	Past Service Cost	-	-
8	Acquisitions	-	-
9	Re-measurement (or Actuarial (gains)/losses) arising from:		
	- change in demographic assumptions	-	-
	- change in financial assumptions	(14.51)	8.50
	- experience variance (i.e. Actual experience vs assumptions)	(6.90)	(1.28)
	- others	-	-
10	Benefits Paid	(6.88)	(5.30)
11	Present Value of DBO at the end of period	236.31	229.77

B	Change in Fair Value of Assets	Year ended 31.12.2021 (Rs. in lakhs)	Year ended 31.12.2020 (Rs. in lakhs)
1	Plan assets at beginning of period	-	-
2	Investment Income	-	-
3	Return on Plan Assets, Excluding amount recognized in Net Interest Expense	-	-
4	Actual Company contributions	6.88	5.30
5	Fund Transferred	-	-
6	Employee Contribution	(6.88)	(5.30)
7	Benefits paid	-	-
8	Plan assets at the end of period	-	-

**A. Major Categories of Plan Assets as percentage of Total Plan Assets**

Particulars	Year ended 31.12.2021 (Rs. in lakhs)	Year ended 31.12.2020 (Rs. in lakhs)
Government of India securities	-	-
State Government securities	-	-
High quality corporate bonds	-	-
Equity shares of listed companies	-	-
Property	-	-
Special Deposit Scheme	-	-
Funds Managed by Insurer	-	-
Bank Balance	-	-
Other Investment	-	-
Total	-	-

**LAFARGE UMIAM MINING PRIVATE LIMITED**  
**Notes forming part of Financial Statements**

**B. Division of Defined Benefit Obligation (Current / Non-Current) at the end of the period**

Sl. No.	Particulars	Year ended 31.12.2021 (Rs. in lakhs)	Year ended 31.12.2020 (Rs. in lakhs)
1	Current Defined Benefit Obligation	8.12	6.06
2	Non-Current Defined Benefit Obligation	223.72	228.18
3	Total Defined Benefit Obligation	229.77	236.31
C	Best Estimate of Contribution During Next Year	N.A	N.A

**A. Sensitivity Analysis**

Particulars	Year ended 31.12.2021 (Rs. in lakhs)	Year ended 31.12.2020 (Rs. in lakhs)
Defined Benefit Obligation (Base)	236.31	229.77

Particulars	Year ended 31.12.2021 (Rs. in lakhs)		Year ended 31.12.2020 (Rs. in lakhs)	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%) % change compared to base due to sensitivity	266.42 12.75%	210.92 -10.74%	261.67 13.88%	203.11 -11.60%
Salary Growth Rate (- / + 1%) % change compared to base due to sensitivity	214.82 -9.09%	258.93 9.57%	207.35 -9.76%	254.58 10.80%
Attrition Rate (- / + 1%) % change compared to base due to sensitivity	237.08 0.33%	235.67 -0.27%	231.93 0.94%	227.93 -0.80%
Mortality Rate (- / + 1%) % change compared to base due to sensitivity	236.13 -0.07%	236.48 0.07%	229.85 0.03%	229.70 -0.03%

**B. Maturity Profile of Defined Benefit Obligation**

Weighted average duration (based on discounted cash flow)	13 years	14 years
---	----------	----------

Particulars	Year ended 31.12.2021 (Rs. in lakhs)	Year ended 31.12.2020 (Rs. in lakhs)
Expected cash flows over the next (valued on undiscounted basis)		
1 Year	8.12	6.06
2 to 5 years	62.38	52.73
6 to 10 years	70.53	53.68
More than 10 years	501.64	506.21

Contribution to Defined Contribution Plan recognized as expense for the year and disclosed under "Contribution to provident and other funds" in Note 18:

Particulars	Year ended 31.12.2021 (Rs. in lakhs)	Year ended 31.12.2020 (Rs. in lakhs)
Employer's Contribution to recognized Provident Fund	61.14	53.82

**LAFARGE UMIAM MINING PRIVATE LIMITED**  
**Notes forming part of Financial Statements**

**37. Related party disclosure as per Ind AS -24 :**

**a) Key Managerial Personnel (KMP):**

Name	Nature of relationship	Transactions for the year ended		
		31.12.2021 Rs. in lakhs	31.12.2020 Rs. in lakhs	Nature of transaction
Mr. Shivesh Kumar Sinha (Ceased to be KMP w.e.f 14.10.2020)	Chairman	Nil	32.50	Remuneration
Mr. Narayan Sharma	Director	132.49	130.30	Remuneration
Mr. Mohammed Arif Bhuiyan (Ceased to be KMP w.e.f 20.02.2020)	Director	Nil	Nil	---
Mr. Marcos Cela Rey	Director	Nil	Nil	---
Mr. Kazi Mizanur Rahman	Director	Nil	Nil	---
Mr. Eung Rae Kim (Ceased to be KMP w.e.f 31.07.2020)	Director	Nil	67.20	Remuneration
Mr. Rajesh Surana	Director	Nil	Nil	---
Mr. Mohammed Iqbal Chowdhury	Director	Nil	Nil	---
Ms. Sonal Shrivastava	Chairman	Nil	Nil	---
Mr. Kotam Vamsidhar Reddy (Ceased to be KMP w.e.f 31.08.2021)	Director	Nil	Nil	---

- b) Holding Company : LafargeHolcim Bangladesh Ltd, Bangladesh**  
**Ultimate Holding Company : Surma Holdings B.V, Netherland**

**Export sales transaction:**

	31.12.2021 (Rs. in lakhs)	31.12.2020 (Rs. in lakhs)
Closing balance of export sales receivables as at	3544.14	4,340.75
Total value of export sales transaction during the year ended	20675.95	17,826.40

**c) Fellow Subsidiary Company:**

Name of the related party: Lum Mawshun Minerals Pvt Ltd

Transactions:

	31.12.2021 (Rs. in lakhs)	31.12.2020 (Rs. in lakhs)
Closing balance as at	11.66	10.59
Expense paid by the Company on behalf of the fellow subsidiary company during the year ended	1.08	0.77

**d) Group Company:**

Name	Relationship	Nature of Transactions	(Rs. in Lakhs)		
			Transaction value during the year	Payable at 31st Dec 21	Payable at 31st Dec 20
Holcim Group Services Ltd.	Group Company	Intercompany Services	11.12	33.16	22.48
Holcim Services (South Asia) Ltd. India	Group Company	Intercompany Services	(8.41)	30.19	38.79
Lafarge Asia SDN BHD	Group Company	Intercompany Services	(44.18)	22.71	63.47
Lafarge SA	Group Company	Intercompany Services	-	117.24	125.26

**LAFARGE UMIAM MINING PRIVATE LIMITED**  
**Notes forming part of Financial Statements**

**38. Earnings per Share (EPS) – The numerators and denominators used to calculate Basic and Diluted EPS:**

Particulars	31st December 2021	31st December 2020
a) Net Profit / (Loss) after Tax available for Equity Shareholders (Rs. in lakhs)	3,731.73	2,827.75
b) Weighted average number of equity shares of nominal value of Rs. 10 /- each (Nos.)	41,133,099	41,133,099
c) Basic and diluted Earnings/(Loss) per Share including exceptional item ( a ÷ b) (Rupees)	9.07	6.85

39. None of the Company's fixed assets are considered impaired as on the Balance Sheet Date.

40. During the year the Company had entered into certain forward exchange contracts which are not intended for speculation purpose but only for hedging currency related risks. The Company has provided foreign exchange (gain)/loss of Rs. (22.04) lakhs [as at 31st December 2020 Rs. (48.25) lakhs] due to fluctuation in foreign exchange rates in respect of all outstanding forward contracts at the balance sheet date not backed by any underlying existing assets/liabilities by marking them to the market.

Forward contracts outstanding as on 31st December 2021 are as follows:

As at	No. of Contracts	Amount (USD in lakhs)	Amount (Rs. in lakhs)
31st December 2021	11	60.50	4,581.39
31st December 2020	11	60.50	4,519.25

41. The year end foreign currency exposures that are not hedged by a derivative Instrument or otherwise are given below:

Particulars	Currency	Convertible amount as at			
		31st December 2021		31st December 2020	
		Foreign Currency in lakhs	(Rs. in lakhs)	Foreign Currency in lakhs	(Rs. in lakhs)
Working capital loan	USD	Nil	Nil	Nil	Nil
Interest on Working capital loan	USD	Nil	Nil	Nil	Nil
Sundry Creditors	USD	0.31	22.71	0.87	63.47
	Euro	1.49	124.91	1.48	132.78
	CHF	0.41	33.16	0.27	22.48
Sundry Receivables	USD	47.70	3,544.14	59.42	4,340.75

42. The Company has no reportable segment as the company is primarily engaged in the mining activities and the entire sales are export sales.

43. The company has considered the possible effects that may result from Covid-19 in the preparation of these financial results including the recoverability of carrying amount of financial and non- financial assets. The company has used internal and external sources of information and expects that the carrying amount of the assets will be recovered.

44. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

**For and on behalf of the Board of Directors**



Narayan Sharma  
Director  
DIN 01579171



Manjuree Rai  
Company Secretary  
ACS 12858



Mohammad Iqbal Chowdhury  
Director  
DIN 07977063

Place : Dhaka  
Date: 27th January 2022

# ENVIRONMENT

At LafargeHolcim Bangladesh we always care for the **environment**. Our State of the Art technologies and commitments help us to keep our surrounding green. As part of our commitment we plant **3000 trees** every year.





Report and Financial Statements of  
**Lum Mawshun Minerals Private Limited**

for the year ended December 31, 2021

# BOARD OF DIRECTORS' REPORT

Dear Shareholders:

The Board of Directors of Lum Mawshun Minerals Pvt. Ltd. (the "Company") take pleasure in presenting to the members their report together with audited financial statements of the Company for the year ended on December 31, 2021.

## **Review of the Activities:**

Your Company had been set up as a subsidiary of LafargeHolcim Bangladesh Limited ("LHBL") to obtain the land rights and mining leases for the mining project in Meghalaya, India. With due approval of the Government of Meghalaya, the Company transferred all lands acquired for the project to Lafarge Umiam Mining Private Limited ("LUMPL"). LUMPL is the operating company for the Mining project. Your Company is now exploring new opportunities for development of future business.

## **Financial Highlights:**

The net loss for the year 2021 was INR 100,567/-.

## **Auditors Report:**

The notes to accounts forming part of the financial statements are self explanatory and need no further explanation.

There are no qualifications in the Auditors' Report which requires any clarification/ explanation.

## **Directors:**

The Company has six (6) Directors on the Board. The Directors are not liable to retire by rotation.

No appointments and resignations took place during the year under review.

## **Directors' Responsibility Statement:**

In accordance with Section 134(3)(c) of the Companies Act, 2013, your Directors, to the best of their knowledge and belief and according to the information and explanation obtained by them, confirm that:

1. in preparation of the annual accounts for the year ending December 31, 2021; the applicable Accounting Standards have been followed along with proper explanations provided for material departures, if any;

2. the accounting policies selected have been applied consistently and judgments and estimates are made, that are reasonable and prudent to give a true and fair view of the state of affairs of the Company as on December 31, 2021, and of the profit of your Company for the year ended on that date;
3. proper and sufficient care has been taken for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
4. the annual accounts for the year ended December 31, 2021, have been prepared on a going concern basis;
5. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and
6. that the directors have devised proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

#### **Auditors:**

M/s RKP Associates, Chartered Accountants (having Firm Registration No 322473E) were appointed as the Statutory Auditor of the Company at the 23rd Annual General Meeting held on May 17, 2018 and were assigned to hold office from the conclusion of the said Meeting till the conclusion of the 28th Annual General Meeting.

#### **Number of Board meetings: conducted during the year under review:**

During the year ended December 31, 2021, the Board of Directors met four (4) times viz. on February 16, 2021, April 29, 2021, July 15, 2021 and October 13, 2021. Due to the advent of the second wave of the COVID 19 pandemic and the ensuing travel restrictions/ social distancing requirements, out of the four (4) Board meetings, two (2) Board meetings were held virtually as per Section 173(2) of the Companies Act, 2013 read with General Circular No. 28/ 2011 issued by the MCA on May 20, 2011. The intervening gap between the meetings was within the period prescribed by the MCA vide General Circular No. 11/ 2020 and dated March 24, 2020.

#### **Particulars of loans, Guarantees and investments:**

The Company has not made any investments or given any loans or guarantee or provided any security during the year under scrutiny.

#### **Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013:**

The Board has been taking necessary measures for the protection of women rights.

#### **Related party transactions:**

There have been no materially significant related party transactions between the Company and the Directors, the management, the subsidiaries or the relatives except for those disclosed in the financial statements.

Accordingly, particulars of contracts or arrangements with related parties referred to in Section 188(1) along with the justification for entering into such contract or arrangement in Form AOC -2 does not form part of the report.

### Extract of Annual Return:

The details forming part of the extract of the annual return in Form MGT – 9 are set out in **Annexure A** in this Report.

### Conservation of Energy, Technology Absorption and Foreign Exchange:

Information on conservation of energy, technology absorption and foreign exchange earnings and outgo, required to be disclosed pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed hereto and forms part of this report as **Annexure “B”**.

### Deposits:

During the year under review, the Company has not accepted any deposit from the public.

### Acknowledgements:

Your Directors wish to express their grateful appreciation for the valuable support and cooperation received from LHBL, LUMPL, project consultants and the Durbars of Nongtraï and Shella for their continued support.

For and on Behalf of the Board



Director  
DIN: 01579171



Director  
DIN: 01300486

Place: Shillong  
Date: January 31, 2022

ANNEXURE A

FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN  
As on financial year ended on 31.12.2021

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:	
1	CIN
2	Registration Date
3	Name of the Company
4	Category/Sub-category of the Company
5	Address of the Registered office & contact details
6	Email
7	Whether listed company
8	Name, Address & contact details of the Registrar & Transfer Agent, if any.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)			
Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Mining and quarrying	5109	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES			
Sl. No.	Name and address of the Company	CIN/GLN	Applicable Section
1	LAFARGEHOLCIM BANGLADESH LIMITED	NA	2(46)
	Foreign Holding Company	% of shares held	74.02

IV. SHARE HOLDING PATTERN (Equity share capital breakup as percentage of total equity)									
Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-January-2021]				No. of Shares held at the end of the year [As on 31-December-2021]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF			1,420	25.98%			1,420	25.98%	0.00%
<b>Sub Total (A) (1)</b>			1,420	25.98%			1,420	25.98%	0.00%
(2) Foreign									
c) Bodies Corp.			4,046	74.02%			4,046	74.02%	0.00%
<b>Sub Total (A) (2)</b>			4,046	74.02%			4,046	74.02%	0.00%
<b>TOTAL (A)</b>			5,466	100.00%			5,466	100.00%	0.00%
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
<b>2. Non-Institutions</b>									
<b>Sub-total (B)(2):-</b>				0.00%				0.00%	0.00%
<b>Total Public (B)</b>				0.00%				0.00%	0.00%
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>			5,466	100.00%			5,466	100.00%	0.00%

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	LAFARGEHOLCIM BANGLADESH LIMITED	4,046	74.02%		4,046	74.02%		0.00%
2	KITTY DORIS ROY	710	12.99%		710	12.99%		0.00%
3	LYNGDOH GALMENDER SINGH	710	12.99%		710	12.99%		0.00%
Total		5,466	100.00%		5,466	100.00%		0.00%

(iii) Change in Promoters' Shareholding: No change

(iv) Shareholding Pattern of top ten Shareholders:

SN	Shareholder's Name	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No of shares	% of total	No of shares	% of total
1	LafargeHolcim Bangladesh Limited At the beginning of the year	01.01.2021		4,046	74.02%	4,046	74.02%
	Changes during the year			--	0.00%	--	0.00%
	At the end of the year	31.12.2021		4,046	74.02%	4,046	74.02%
2	Kitty Doris Roy At the beginning of the year	01.01.2021		710	12.99%	710	12.99%
	Changes during the year			--	0.00%	--	0.00%
	At the end of the year	31.12.2021		710	12.99%	710	12.99%
3	Lyngdoh Galmender Singh At the beginning of the year	01.01.2021		710	12.99%	710	12.99%
	Changes during the year			--	0.00%	--	0.00%
	At the end of the year	31.12.2021		710	12.99%	710	12.99%

(v) Shareholding of Directors and Key Managerial

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No of shares	% of total	No of shares	% of total
1	LYNGDOH SEDHON GALMENDERSING At the beginning of the year	01.01.2021		710	12.99%	710	12.99%
	Changes during the year				0.00%		0.00%
	At the end of the year	31.12.2021		710	12.99%	710	12.99%
2	KITTY D ROY At the beginning of the year	01.01.2021		710	12.99%	710	12.99%
	Changes during the year				0.00%		0.00%
	At the end of the year	31.12.2021		710	12.99%	710	12.99%

<b>V. INDEBTEDNESS</b>						
Indebtedness of the Company including interest outstanding/accrued but not due for payment.						
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness		
<b>Indebtedness at the beginning of the financial year</b>						
i) Principal Amount	Nil	Nil	Nil	Nil		
ii) Interest due but not paid	Nil	Nil	Nil	Nil		
iii) Interest accrued but not due	Nil	Nil	Nil	Nil		
<b>Total (i+ii+iii)</b>	Nil	Nil	Nil	Nil		
<b>Change in Indebtedness during the financial year</b>						
* Addition	Nil	Nil	Nil	Nil		
* Reduction	Nil	Nil	Nil	Nil		
Net Change	Nil	Nil	Nil	Nil		
<b>Indebtedness at the end of the financial year</b>						
i) Principal Amount	Nil	Nil	Nil	Nil		
ii) Interest due but not paid	Nil	Nil	Nil	Nil		
iii) Interest accrued but not due	Nil	Nil	Nil	Nil		
<b>Total (i+ii+iii)</b>	Nil	Nil	Nil	Nil		

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL: Not applicable as LMMPL is a Private Company**

<b>VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:</b>						
Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)	
<b>A. COMPANY</b>						
Penalty						
Punishment						
Compounding			No Penalties, Punishments or Compounding of Offences			
<b>B. DIRECTORS</b>						
Penalty						
Punishment						
Compounding			No Penalties, Punishments or Compounding of Offences			
<b>C. OTHER OFFICERS IN DEFAULT</b>						
Penalty						
Punishment						
Compounding			No Penalties, Punishments or Compounding of Offences			

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND  
FOREIGN EXCHANGE EARNINGS AND OUTGO  
UNDER SECTION 134(3)(M) OF THE COMPANIES ACT, 2013,  
READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014**

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**A. CONSERVATION OF ENERGY:**

**(a) The steps taken or impact on conservation of Energy:**

The Company is not a manufacturing Company and hence the details in respect of Conservation of Energy are not applicable.

**(b) The steps taken by the company for utilizing alternate sources of energy**

NA

**(c) The capital investment on energy conservation equipments;**

NA

**B. TECHNOLOGY ABSORPTION:**

NIL

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

**(a) Total foreign exchange used and earned**

a) Expenditure in foreign currency:

NIL

b) Earnings in foreign currency:

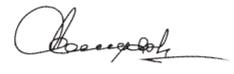
NIL

For and on Behalf of the Board



Director

DIN: 01579171



Director

DIN: 01300486

Place: Shillong  
Date: January 31, 2022

## INDEPENDENT AUDITORS' REPORT

To  
The Members of  
Lum Mawshun Minerals Private Limited  
3rd Floor, Goenka Towers, Morello Compound  
Keating Road, Shillong – 793001, Meghalaya

### I. Report on the Audit of the Standalone Financial Statements:

#### 1. Opinion

- a. We have audited the accompanying standalone financial statements of **LUM MAWSHUN MINERALS PRIVATE LIMITED** (“the Company”), which comprises the Balance Sheet as at 31st December, 2021, and the Statement of Profit and Loss Account for the year then ended, and a summary of significant accounting policies and other explanatory information.
- b. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at December 31, 2021, and the Loss for the year ended on that date.

#### 2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### 3. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and 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 Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### 4. Auditor’s Responsibility:

- A. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs 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. Our responsibility is to express an opinion on these financial statements based on our audit.
- B. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
1. 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.
  2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  4. Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  5. 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.
- C. Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.
- D. 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.
- E. We also provide 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.

#### 5. Other Matter :

Due to the continuous spreading of Covid19 across India, the Government of India has issued various advisories across the India to contain the spread of the virus. This has resulted in restriction on physical visit to the client locations and the need for carrying out alternative audit procedures as per the Standards on Auditing prescribed by the Institute of Chartered Accountants of India (ICAI).

In view of the above, the audit was carried out by visiting client's office as well as based on remote access of the data as provided by the Management. This has been carried out based on the advisory on “Specific Considerations while conducting Distance Audit/Remote Audit/ Online Audit under current Covid19 situation” issued by the Auditing and Assurance Standards Board of ICAI. We have been represented by the management that the data provided for our audit purposes is correct, complete, reliable and the exact extract of Books of Accounts, Bills & Vouchers etc. of the Company without any further manual modifications.

We bring to the attention of the users that the audit of the financial statements has been performed in the aforesaid conditions.

However, our opinion is not modified in respect of above matter.

#### 6. Emphasis of Matter :

Without qualifying our report, we invite attention to Note 11 to the financial statements, regarding financial statements being prepared on a going concern basis, in spite of full erosion of net worth of the Company as at the year end, taking into account the continued financial support from its parent company

#### 7. Report on Other Legal and Regulatory Requirements

1. This Report does not include a statement on the matter's specified in Companies (Auditor's Report) Order, 2016 (“the Order”) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, since in our opinion and according to the information and explanation given to us, the said Order is not applicable to the company.
2. As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet and the Statement of Profit and Loss referred to in this report are in agreement with the books of account.
  - d. In our opinion, the Balance Sheet and the Statement of Profit & Loss referred to in this report are in compliance with the Accounting Standard specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e. On the basis of the written representation received from the directors as on December, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on December, 2019 from being appointed as a director in terms of Section 164(2) of the Act;
- f. Our opinion on adequacy of the internal financial control over financial reporting of the company and the operating effectiveness of such control is not required for the Company vide notification dated 13.06.17.
- g. With Respect to the other matters to be included in the Auditor’s report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:
  - i. As per the representation received from the management the Company does not have any pending litigations which would impact in its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there would have been any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

FOR RKP ASSOCIATES  
CHARTERED ACCOUNTANTS



(CA. DEVAJIT BISWAS)  
PARTNER  
MRN. 304922  
FRN. 322473E

Dated at Silchar,  
The 29th day of January 2022

**LUM MAWSHUN MINERALS PRIVATE LIMITED**  
**Balance Sheet as at 31st December 2021**

	Note	As at 31.12.2021 (Rupees)	As at 31.12.2020 (Rupees)
<b>(I) EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' funds</b>			
(a) Share Capital	03	546,600	546,600
(b) Reserves and surplus	04	(2,000,853)	(1,900,286)
		<u>(1,454,253)</u>	<u>(1,353,686)</u>
<b>(2) Current liabilities</b>			
(a) Trade payables	05	1,516,599	1,414,043
(b) Other current liabilities	06	-	-
		<u>1,516,599</u>	<u>1,414,043</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>62,346</u>	<u>60,357</u>
<b>(II) ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Long-term loans and advances	07	44,140	41,502
		<u>44,140</u>	<u>41,502</u>
<b>(2) Current assets</b>			
(a) Cash and bank balances	08	18,206	18,855
(b) Short-term loans and advances	07	-	-
		<u>18,206</u>	<u>18,855</u>
<b>TOTAL ASSETS</b>		<u>62,346</u>	<u>60,357</u>

See accompanying notes forming part of the financial statements

In terms of our report attached

**For R K P Associates**  
Chartered Accountants



CA. DEVAJIT BISWAS  
PARTNER  
MRN. 304922  
FRN. 322473E

**For and on behalf of the Board of Directors**



Mohammad Iqbal Chowdhury  
Director  
DIN 07977063



Narayan Sharma  
Director  
DIN 01579171

Place: Silchar  
Date: 29th January 2022

Place: Dhaka  
Date: 27th January 2022

**LUM MAWSHUN MINERALS PRIVATE LIMITED**  
**Statement of Profit and Loss for the year ended 31st December 2021**

	Note	As at 31.12.2021 (Rupees)	As at 31.12.2020 (Rupees)
<b>I</b>			
Other Income (interest on bank deposit)		<u>2,638</u>	<u>2,638</u>
<b>II</b>			
<b>Total Revenue</b>		<u>2,638</u>	<u>2,638</u>
<b>III</b>			
<b>EXPENSES</b>			
Other expenses	09	<u>103,205</u>	<u>75,980</u>
<b>Total Expenses</b>		<u>103,205</u>	<u>75,980</u>
<b>IV</b>			
<b>Profit / (Loss) before tax (II-III)</b>		<u>(100,567)</u>	<u>(73,342)</u>
<b>V</b>			
Tax Expense		<u>-</u>	<u>-</u>
<b>VI</b>			
<b>Loss after tax for the year (IV - V)</b>		<u>(100,567)</u>	<u>(73,342)</u>
<b>VII</b>			
<b>Loss per equity share (Rupees):</b>			
Basic and Diluted	12	<u>(18.40)</u>	<u>(13.42)</u>

See accompanying notes forming part of the financial statements

The Notes referred to above form an integral part of the Profit and Loss Account

In terms of our report attached

**For R K P Associates**  
Chartered Accountants



CA. DEVAJIT BISWAS  
PARTNER  
MRN. 304922  
FRN. 322473E

**For and on behalf of the Board of Directors**



Mohammad Iqbal Chowdhury  
Director  
DIN 07977063



Narayan Sharma  
Director  
DIN 01579171

Place: Silchar  
Date: 29th January 2022

Place : Dhaka  
Date: 27th January 2022

## LUM MAWSHUN MINERALS PRIVATE LIMITED Notes to the Financial Statements

### 01. Background

Lum Mawshun Minerals Private Limited (“LMMPL”), a private limited company incorporated under the laws of India, having its registered office in Shillong, Meghalaya, is a 100% subsidiary company of LafargeHolcim Bangladesh Ltd (“LHBL”) ( former Lafarge Surma Cement Ltd), a public limited company incorporated under the laws of Bangladesh.

The Company was formed for acquisition of mining and land rights to facilitate the mining operation of limestone & shale by Lafarge Umiam Mining Pvt Ltd (LUMPL), another subsidiary of the parent Company and supply of the same to the cement plant being set up by the parent Company at Bangladesh. During the earlier years the Company had transferred the Mining & Land rights as well as freehold & leasehold lands as was acquired to LUMPL along with the preoperative expenses and related account balances pertaining to such lands transferred, after obtaining necessary approval from the Government. Consequently there has been no business during the year as well as in the previous years. However, the Company is exploring new opportunities.

### 02. Significant Accounting Policies

#### a). Basis of accounting and preparation of financial statements.

The financial statements have been prepared on an accrual basis and under the historical cost convention in accordance with the Generally Accepted Accounting Principles in India (“Indian GAAP”) to comply with Accounting Standards specified under Section 133 of the Companies Act, 2013 (“the Act”) read together with Rule 7 of the Companies (Accounts) Rules, 2014.

#### b). Use of Estimates

The preparation of the financial statements requires the management to make estimates and assumptions that affect the reporting balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reporting amounts of income and expenses during the year. Examples of such estimates include provision for doubtful debts, future obligations under employee retirement benefit plans, income taxes, foreseeable estimated contract losses and useful life of fixed assets and intangible assets. Contingencies are recorded when it is probable that a liability will be incurred, and the amount can be reasonably estimated. Actual results could differ from such estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

#### c). Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year determined in accordance with the provisions of the Income Tax Act 1961.

Deferred tax is recognized subject to the consideration of prudence in respect of deferred tax assets, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and is measured using tax rates and laws that have been enacted or subsequently enacted by the Balance Sheet date. Deferred tax assets are reviewed at each Balance Sheet date to re-assess realization.

#### d). Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

**LUM MAWSHUN MINERALS PRIVATE LIMITED**  
**Notes forming part of the Financial Statements**

**03. Share Capital**

	As at 31.12.2021 (Rupees)	As at 31.12.2020 (Rupees)
<b>Authorised:</b>		
168,000 (Previous year 168,000) equity shares of Rs 100 each	<b>16,800,000</b>	16,800,000
	<u><b>16,800,000</b></u>	<u>16,800,000</u>
<b>Issued, Subscribed and Fully Paid up:</b>		
5,466 (Previous year 5,466) equity shares of Rs. 100 each	<b>546,600</b>	546,600
	<u><b>546,600</b></u>	<u>546,600</u>

**03.1 Share Capital  
Reconciliation of Number of Shares**

	As at 31.12.2021		As at 31.12.2020	
	No. of Shares	Amount (Rupees)	No. of Shares	Amount (Rupees)
<b>Issued, Subscribed and Fully paid</b>				
At the beginning of the year	5,466	546,600	5,466	546,600
Issued during the year	-	-	-	-
At the end of the year	<u><b>5,466</b></u>	<u><b>546,600</b></u>	<u>5,466</u>	<u>546,600</u>

**03.2 Details of shareholders holding more than 5% of outstanding shares**

Shareholder	As at 31.12.2021		As at 31.12.2020	
	No. of Shares	%	No. of Shares	%
(1) LafargeHolcim Bangladesh Ltd, Bangladesh, the holding company	4,046	74%	4,046	74%
(1) SG Lyngdoh	710	13%	710	13%
(1) Kitty Doris	710	13%	710	13%
	<u><b>5,466</b></u>	<u><b>100%</b></u>	<u>5,466</u>	<u>100%</u>

**03.3 Rights, Preferences and Restrictions attached to the Equity Shareholders**

The Company has one class of equity shares having a par value of Rs. 100 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**04. Reserves and Surplus**

	As at 31.12.2021 (Rupees)	As at 31.12.2020 (Rupees)
Surplus / (Deficit) in Statement of Profit and Loss :		
Opening Balance	<b>(1,900,286)</b>	(1,826,944)
Add: Profit / (Loss) for the year	<b>(100,567)</b>	(73,342)
<b>Closing Balance</b>	<u><b>(2,000,853)</b></u>	<u>(1,900,286)</u>

LUM MAWSHUN MINERALS PRIVATE LIMITED  
Notes to the Financial Statements

05. Trade Payables

	As at 31.12.2021 (Rupees)	As at 31.12.2020 (Rupees)
Creditors for supplies / services payable to MSME	-	-
payable to Other than MSME	1,516,599	1,414,043
<b>Total Trade Payables</b>	<b>1,516,599</b>	<b>1,414,043</b>

06. Other Current Liabilities

	As at 31.12.2021 (Rupees)	As at 31.12.2020 (Rupees)
Creditors for other liabilities	-	-
Statutory dues	-	-
<b>Total Other Current Liabilities</b>	<b>-</b>	<b>-</b>

07. Loans and Advances

	As at 31.12.2021		As at 31.12.2020	
	Long Term (Rupees)	Short Term (Rupees)	Long Term (Rupees)	Short Term (Rupees)
<b>Loans and Advances</b>				
(a) Interest accrued on deposits	24,140	-	21,502	-
(b) Other loans and advances				
- Deposit account (1)	20,000	-	20,000	-
- TDS	-	-	-	-
<b>Total Loans and Advances</b>	<b>44,140</b>	<b>-</b>	<b>41,502</b>	<b>-</b>
<b>Classification of Loans and Advances</b>				
Secured, considered good	-	-	-	-
Unsecured, considered good	44,140	-	41,502	-
Doubtful	-	-	-	-
<b>Gross Loans and Advances</b>	<b>44,140</b>	<b>-</b>	<b>41,502</b>	<b>-</b>

Additional information

1. Pledged with the Director of Mineral Resources, Meghalaya

08. Cash and Bank Balances

	As at 31.12.2021 (Rupees)	As at 31.12.2020 (Rupees)
(a) Cash on hand	274	274
(b) Balances with banks		
- In Current Accounts	17,932	18,581
<b>Total Cash and Bank Balances</b>	<b>18,206</b>	<b>18,855</b>
Out of above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements	<b>18,206</b>	<b>18,855</b>

**LUM MAWSHUN MINERALS PRIVATE LIMITED**  
**Notes forming part of the Financial Statements**

**09. Other Expenses**

	As at 31.12.2021 (Rupees)	As at 31.12.2020 (Rupees)
(a) Auditors Remuneration	74,340	74,340
(b) Professional Fees	13,216	990
(c) Filing Fees	15,000	-
(d) Bank Charges	649	650
	<b>103,205</b>	<b>75,980</b>

**10. Micro, Small and Medium Enterprises Development Act, 2006.**

The Company has not received any intimation from “suppliers” regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, and hence disclosures if any, relating to amounts unpaid as at the period end together with interest paid/ payable are required under the said act have not been given.

**11. The net worth of the Company as on 31.12.2021 has been fully eroded and the Company has been incurring losses over the years including the current year. However, the Company enjoys continued supports from its parent company. In view of this, going concern assumption has not been vitiated.**

**12. Earnings per Share (EPS) – The numerators and denominators used to calculate Basic and Diluted EPS:**

Particulars	Year ended 31-Dec-2021 (Rs)	Year ended 31-Dec-2020 (Rs)
1. Net Profit after tax attributable to Equity Shareholders (Rs) {A}	(100,567)	(73,342)
2. Weighted average number of Equity Shares outstanding during the year (Nos.) {B}	5,466	5,466
3. Nominal Value of Equity per share (Rs.)	100	100
4. Basic / Diluted Earnings per share (Rs.) {A÷B}	(18.40)	(13.42)

**13. Deferred tax Asset/Liability has not been created during the year, there being no timing difference between the accounting income and taxable income, which is capable of reversing in subsequent periods.**

**14. Related party disclosure as per Accounting Standard 18.**

**a. Holding Company:**

Name: LafargeHolcim Bangladesh Ltd, Bangladesh  
Ultimate Holding Company: Surma Holdings B.V, Netherland

**b. Fellow Subsidiary:**

Name: Lafarge Umiam Mining Pvt Ltd  
Transaction: Expense paid by the fellow subsidiary on behalf of the Company Rs. 107,631/- (Previous Year Rs. 76,740/-); Balance at the year-end: Rs.11,66,040/- (Previous Year Rs.10,58,409/-)

**15. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.**

**For and on behalf of the Board**



Narayan Sharma  
Director  
DIN 01579171



Mohammed Iqbal Chowdhury  
Director  
DIN 07977063

Place : Dhaka  
Date: 27th January, 2022





## CREDITS & ACKNOWLEDGEMENT

### CONCEPT & DESIGN

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This Annual Report 2021 has been conceptualized in-house.

***Design credit -***  
*Sajid Kabir*  
*Thuhidul Islam*  
*Maywakit Lyngdoh*

### PHOTO CREDITS

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The photographs inside this Annual Report 2021 have been contributed by the Employees of the Company:

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*Thuhidul Islam*

**LafargeHolcim Bangladesh Limited**

A company of  LafargeHolcim and 

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