



LafargeHolcim

INTERIM **FINANCIAL** STATEMENTS

as at and for the
period ended 30 September 2021
(Un-audited)

LafargeHolcim Bangladesh Limited

A company of  LafargeHolcim and  CEMENTOS
MOLINS

LAFARGEHOLCIM BANGLADESH LIMITED
Consolidated Statement of Financial Position (Un-audited)
at 30 September 2021

		30 Sep 2021	31 Dec 2020
	NOTES	Taka'000	Taka'000
Assets			
Non-current assets			
Property, plant and equipment	7	16,395,599	16,675,338
Goodwill	8	317,776	317,776
Intangible assets	9	2,263,569	2,293,293
Total non-current assets		18,976,944	19,286,407
Current assets			
Inventories	10	2,957,251	2,183,534
Trade receivables	11	1,341,612	1,747,990
Other assets	12A	1,267,072	615,819
Advance income tax	13	432,230	998,139
Derivative instruments		2,157	14,435
Cash and cash equivalents	14	3,945,581	1,372,660
Total current assets		9,945,903	6,932,577
Total assets		28,922,847	26,218,984
Equity & liabilities			
Share capital	31.3	11,613,735	11,613,735
Retained earnings		7,369,857	5,442,469
Other components of equity		(89,642)	(89,671)
Foreign currency translation		397,169	322,712
Equity attributable to owners of the Company		19,291,119	17,289,245
Non-controlling interests		(169)	(170)
Total equity		19,290,950	17,289,075
Non-current liabilities			
Borrowings	15A	35,060	65,876
Deferred tax liabilities	16	2,321,921	2,587,978
Employee benefits		311,990	293,689
Provision	17	44,168	41,865
Total non-current liabilities		2,713,139	2,989,408
Current liabilities			
Trade payables	18	6,091,097	5,074,955
Other current liabilities	19	783,420	768,700
Borrowings	15B	21,936	37,099
Unclaimed dividend		22,305	59,747
Total current liabilities		6,918,758	5,940,501
Total equity and liabilities		28,922,847	26,218,984
Net Asset Value (NAV) Per Share	27C	16.61	14.89

The accompanying Notes 1 to 31 form an integral part of these interim financial statements.




 Company Secretary


 Chief Financial Officer


 Director


 Director


 Chief Executive Officer



LAFARGEHOLCIM BANGLADESH LIMITED
Consolidated Statement of Profit or Loss (Un-audited)
for the period ended 30 September 2021

	NOTES	Jan-Sep 2021 Taka '000	Jan-Sep 2020 Taka '000	Jul-Sep 2021 Taka '000	Jul-Sep 2020 Taka '000
Revenue	20	15,655,963	11,424,200	4,601,726	3,654,989
Cost of sales	21	(10,527,127)	(8,451,681)	(2,955,664)	(2,406,992)
Gross profit		5,128,836	2,972,519	1,646,062	1,247,997
Other operating income	24	81,088	5,357	38,187	2,339
General and administrative expenses	22	(1,078,409)	(880,658)	(353,968)	(313,681)
Sales and marketing expenses	23	(370,350)	(321,905)	(115,463)	(93,129)
Operating profit		3,761,165	1,775,313	1,214,818	843,526
Finance cost	25	(25,464)	(83,998)	(13,322)	(38,996)
Finance income	25	24,813	9,866	(4,743)	1,154
Profit before tax		3,760,514	1,701,181	1,196,753	805,684
Income tax	26A	(671,752)	(204,328)	(260,105)	(151,788)
Profit for the period		3,088,762	1,496,853	936,648	653,896
Earning Per Share					
Basic (Taka)	27A	2.66	1.29	0.81	0.56
Diluted (Taka)	27A	2.66	1.29	0.81	0.56

The accompanying Notes 1 to 31 form an integral part of these interim financial statements.




 Company Secretary


 Chief Financial Officer


 Director


 Director


 Chief Executive Officer



LAFARGEHOLCIM BANGLADESH LIMITED
Consolidated Statement of Comprehensive Income (Un-audited)
for the period ended 30 September 2021

	Jan-Sep 2021 <u>Taka'000</u>	Jan-Sep 2020 <u>Taka'000</u>	Jul-Sep 2021 <u>Taka'000</u>	Jul-Sep 2020 <u>Taka'000</u>
Profit for the period	<u>3,088,762</u>	<u>1,496,853</u>	<u>936,648</u>	<u>653,896</u>
Items that may be reclassified subsequently to profit or loss				
Cash flow hedge instruments	29	(5,789)	2,529	219
Exchange differences on translating foreign operation	74,457	195,059	(989)	77,196
Non controlling interests- currency translation adjustment	1	(5)	(30)	4
Other comprehensive income for the period	<u>74,487</u>	<u>189,265</u>	<u>1,510</u>	<u>77,419</u>
Total comprehensive income for the period	<u><u>3,163,249</u></u>	<u><u>1,686,118</u></u>	<u><u>938,158</u></u>	<u><u>731,315</u></u>
Profit attributable to:				
Owners of the parent Company	3,163,248	1,686,123	938,188	731,311
Non-controlling interests	1	(5)	(30)	4
	<u><u>3,163,249</u></u>	<u><u>1,686,118</u></u>	<u><u>938,158</u></u>	<u><u>731,315</u></u>




 Company Secretary


 Chief Financial Officer


 Director


 Director


 Chief Executive Officer



LAFARGEHOLCIM BANGLADESH LIMITED
Consolidated Statement of Changes in Equity (Un-audited)
for the period ended 30 September 2021

(All figures are in Tk. '000)

	Share capital	Retained earnings	Other components of equity	Foreign currency translation	Equity for parent company	Non controlling interests	Total equity
Balance at 1 January 2020	11,613,735	4,242,436	(43,172)	386,362	16,199,361	(134)	16,199,227
Total comprehensive income for the period	-	1,496,853	(5,789)	195,059	1,686,123	(5)	1,686,118
Final dividend for 2019	-	(1,161,374)	-	-	(1,161,374)	-	(1,161,374)
Balance at 30 September 2020	11,613,735	4,577,915	(48,961)	581,421	16,724,110	(139)	16,723,971
Balance at 1 January 2021	11,613,735	5,442,469	(89,671)	322,712	17,289,245	(170)	17,289,075
Total comprehensive income for the period	-	3,088,762	29	74,457	3,163,248	1	3,163,249
Final dividend for 2020	-	(1,161,374)	-	-	(1,161,374)	-	(1,161,374)
Balance at 30 September 2021	11,613,735	7,369,857	(89,642)	397,169	19,291,119	(169)	19,290,950



Company Secretary

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Director

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LAFARGEHOLCIM BANGLADESH LIMITED
Consolidated Statement of Cash Flows (Un-audited)
for the period ended 30 September 2021

	Notes	Jan-Sep 2021 <u>Taka'000</u>	Jan-Sep 2020 <u>Taka'000</u>
Cash flows from operating activities			
Cash receipts from customers		15,944,048	11,842,932
Cash paid to suppliers and employees		<u>(11,361,425)</u>	<u>(8,370,776)</u>
Cash generated from operations		4,582,623	3,472,156
Income tax paid		(371,900)	(342,481)
Other receipts		28,474	5,357
Net cash generated by operating activities	30	<u>4,239,197</u>	<u>3,135,032</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(450,736)	(326,776)
Proceeds from property, plant and equipment		7,935	-
Interest income on bank deposits		16,830	8,552
Net cash used in investing activities		<u>(425,971)</u>	<u>(318,224)</u>
Cash flows from financing activities			
Repayment of long-term debt		-	(800,001)
Repayments of the lease liabilities		(30,816)	(35,691)
Decrease in short term debt		-	(100,000)
Payment of interest and other finance costs		(4,779)	(60,300)
Interest paid on lease liability		(7,704)	(10,500)
Dividend payment		(1,198,816)	(1,151,116)
Net cash used in financing activities		<u>(1,242,115)</u>	<u>(2,157,608)</u>
Net effect of foreign currency translation on cash and cash equivalents		1,810	(7,427)
Net increase in cash and cash equivalents		<u>2,572,921</u>	<u>651,773</u>
Cash and cash equivalents at beginning of the period		1,372,660	94,340
Cash and cash equivalents at end of the period	14	<u>3,945,581</u>	<u>746,113</u>
Net Operating Cash Flow Per Share (NOCFPS)	27B	<u>3.65</u>	<u>2.70</u>




Company Secretary


Chief Financial Officer


Director


Director


Chief Executive Officer



LAFARGEHOLCIM BANGLADESH LIMITED
Notes to the Condensed Consolidated Financial Statements (Un-audited)
for the period ended 30 September 2021

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:

Lum Mawshun Minerals Private Limited (LMMPL) - 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.

Lafarge Umiam Mining Private Limited (LUMPL) - 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.

2 Nature of business

The Company has established the country's only modern, integrated and state-of-the art cement manufacturing plant at Chhatak under Sunamganj district. The company extracts and processes the basic raw materials limestone from its own quarry in Meghalaya. A 17-kilo metre 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 market and international market.

3 Basis of preparation

The consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*.

4 Principles of consolidation

The accounts of all the subsidiaries of the Company have been fully consolidated as the Company directly controls more than 50% of the voting shares of these entities.

The Company has made following investments in its subsidiaries which have been eliminated during consolidation:

Name of subsidiary	30 Sep 2021 <u>Taka'000</u>	31 Dec 2020 <u>Taka'000</u>
Lafarge Umiam Mining Private Limited, India	519,356	519,356
Lum Mawshun Minerals Private Limited, India	537	537
	<u>519,893</u>	<u>519,893</u>

All inter-company balances between the Company and its subsidiaries are eliminated on consolidation.

5 Scope of consolidation

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

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

6 Significant accounting policies

The same accounting policies, presentation and methods of computation have been followed in these interim financial statements as were applied in the preparation of the Company's financial statements for the year ended 31 December 2020.

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

7 Property, plant and equipment*	30 Sep 2021 <u>Taka'000</u>	31 Dec 2020 <u>Taka'000</u>
Cost		

At January 1	25,508,802	24,504,158
Additions	504,060	1,090,221
Disposals	(57,759)	(20,939)
Translation adjustment	6,032	(64,638)
At September 30/December 31	<u>25,961,135</u>	<u>25,508,802</u>
Depreciation		
At January	8,833,464	7,847,509
Disposals	(52,554)	(20,762)
Charge for the period	782,306	1,031,038
Translation adjustment	2,320	(24,321)
At September 30/December 31	<u>9,565,536</u>	<u>8,833,464</u>
Carrying amount	<u>16,395,599</u>	<u>16,675,338</u>
7.1 *Right-of-use assets (RoUA)		
Cost		
At January 1	238,954	238,954
Disposal	(61,542)	-
At September 30/December 31	<u>177,412</u>	<u>238,954</u>
Depreciation		
At January	151,379	98,731
Disposal	(61,542)	-
Charge for the period	30,816	52,648
At September 30/December 31	<u>120,653</u>	<u>151,379</u>
Carrying amount	<u>56,759</u>	<u>87,575</u>
8 Goodwill*		
Acquisition of subsidiary (Holcim Cement Bangladesh Limited)**	317,776	317,776
**Now Holcim Cement Bangladesh Limited is amalgamated with the LHBL	<u>317,776</u>	<u>317,776</u>
*Goodwill arising on acquisition of subsidiary is measured at cost less accumulated impairment losses.		
9 Intangible assets		
Cost		
At January 1	2,898,442	2,930,691
Translation adjustment	2,316	(32,249)
At September 30/December 31	<u>2,900,758</u>	<u>2,898,442</u>
Amortization		
At January	605,149	536,218
Charge for the period	30,967	80,262
Translation adjustment	1,073	(11,331)
At September 30/December 31	<u>637,189</u>	<u>605,149</u>
Carrying amount	<u>2,263,569</u>	<u>2,293,293</u>
10 Inventories		
Raw materials	959,951	584,723
Semi-finished and finished products	956,594	611,756
Parts and supplies	1,040,706	987,055
	<u>2,957,251</u>	<u>2,183,534</u>
	30 Sep 2021	31 Dec 2020
	Taka'000	Taka'000
11 Trade receivables		
Trade receivables	522,393	846,803
Advance payment to trade suppliers	819,219	901,187
	<u>1,341,612</u>	<u>1,747,990</u>

12 A.Other assets

Prepaid expenses	97,362	73,537
Advance to employees	61,136	9,172
Security and other deposits	92,342	92,651
Other receivables- note B	638,485	79,937
Advance payment to suppliers of fixed assets	366,094	350,148
Accrued interest on bank deposits	11,653	10,374
	<u>1,267,072</u>	<u>615,819</u>

B.Gas Sales Agreement with JGTDS

On 3 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 BERC rate is not applicable for the Gas Sales Agreement (GSA), which provides for Ceiling Price for the gas consumed by the Company under the GSA. However, by letter dated 3 January 2021, JGTDS threatened to discontinue supply of gas under the GSA from 4 March 2021 unless the Company pays at BERC rate. On 3 February 2021, the Company issued an Arbitration Notice on JGTDS as per the terms of the GSA.

To ensure continued supply of gas to the plant during pendency of the Arbitration, the Company filed an application before the High Court Division for interim relief. On 7 February 2021 the High Court Division issued such interim relief in favor 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 before the Appellate Division, Supreme Court of Bangladesh (the “Appeal”) on 8 March 2021. The Appeal was heard on March 18, 2021. The Company received the certified copy of the Interim Order on May 2, 2021. The Appellate Division directed the Company to pay Jalalabad 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 installment 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 is complying with the Court order, and paid Taka 367 million to JGTDS as on 30 September 2021 and accounted for the amount as other receivable.

The interim order of the Appellate Division 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 Award of the Arbitration is in favor of the Company, the Ceiling Price shall be applicable and the amounts paid to Jalalabad against the order of the Appellate Division shall be refunded.

The Arbitration Tribunal has been formed. The process is presently continuing.

13 Advance income tax- net of tax provision

Advance income tax	7,848,129	7,476,229
Current tax liabilities	(7,415,899)	(6,478,090)
	<u>432,230</u>	<u>998,139</u>

14 Cash and cash equivalents

Cash in hand	2,120	2,516
Cash at banks	3,943,461	1,370,144
Cash and cash equivalents in statement of financial position	<u>3,945,581</u>	<u>1,372,660</u>

15 Borrowings**A. Borrowings-long term**

Non-current portion- leases liabilities	35,060	65,876
	<u>35,060</u>	<u>65,876</u>

30 Sep 2021
Taka'000

31 Dec 2020
Taka'000

B. Borrowings-short term

Current portion of long-term leases liabilities	21,699	36,862
Derivative liabilities*	237	237
	<u>21,936</u>	<u>37,099</u>

*The Company entered into forward contracts with the commercial bank 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 period.

16 Deferred tax liability

Deferred tax by type of temporary differences that resulted in deferred tax assets and liability

Property, plant and equipment	2,416,180	2,695,818
Deferred tax liabilities	2,416,180	2,695,818
Provision for gratuity	35,811	45,394
Actuarial loss	9,583	9,583
Provision for doubtful debts	34,105	36,463
Provision for obsolescence of spare parts	14,760	16,400
Deferred tax assets	94,259	107,840
Net deferred tax liability	2,321,921	2,587,978

17 Provisions**Site restoration provisions**

Balance at 1 January	41,865	40,146
Provision for the period	2,198	2,912
Translation adjustment	105	(1,193)
At September 30/December 31	44,168	41,865

The Company is legally 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).

18 Trade payables

Payable for goods and services	5,838,941	4,786,474
Contract liabilities	252,156	288,481
	6,091,097	5,074,955

19 Other current liabilities

Payables to suppliers of fixed assets	170,817	118,894
Income tax and VAT deducted at source	214,285	206,971
Others	398,318	442,835
	783,420	768,700

Jan-Sep 2021

Jan-Sep 2020

Taka'000Taka'000**20 A. Revenue**

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- 20B).

Segment revenue

Sale of gray cement	13,879,063	11,216,283
Sale of cement clinker	755,800	207,917
Aggregate	1,021,100	-
	15,655,963	11,424,200

B. Segment information

2021 Taka'000	Reportable segments		
	Clinker and cement	Aggregates	Total
Statement of profit and loss			
Segment revenue	14,634,863	1,021,100	15,655,963
Operating profit	3,237,668	523,497	3,761,165
Statement of financial position			
Assets			
Segment assets	24,133,353	409,526	24,542,879
Unallocated assets*	-	-	4,379,968
Total assets			28,922,847
Equity and liabilities			
Segment liabilities	7,161,552	69,123	7,230,675
Unallocated equity and liabilities**	-	-	21,692,172

Total equity and liabilities	28,922,847
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2020 Taka'000	Reportable segments		Total
	Clinker and cement	Aggregates	

Statement of profit and loss

Segment revenue	11,424,200	-	11,424,200
Operating profit	1,775,313	-	1,775,313

Statement of financial position

Assets			
Segment assets	23,833,750	-	23,833,750
Unallocated assets*	-	-	2,385,234
Total assets			26,218,984
Equity and liabilities			
Segment liabilities	6,179,209	-	6,179,209
Unallocated equity and liabilities**	-	-	20,039,775
Total equity and liabilities			26,218,984

*Advance tax, derivatives instruments and cash and cash equivalents

** Borrowings, deferred tax liabilities and unclaimed dividend.

C. Major customers

The Company has no reliance on any of its customers.

	Jan-Sep 2021 Taka'000	Jan-Sep 2020 Taka'000
21 Cost of sales		
Manufacturing variable cost	7,572,306	5,479,867
Manufacturing fixed cost	1,980,760	1,837,952
Freight cost to customers	261,212	190,999
Depot operating and transportation costs	719,788	531,790
Inventory movement	(6,939)	411,073
	10,527,127	8,451,681
22 General and administrative expenses		
Salary, allowances and benefits	254,305	269,413
IT maintenance expenses	58,794	59,429
Other office expenses	597,699	482,769
Contribution to Workers' Profit Participation and welfare Fund	167,611	69,047
	1,078,409	880,658
	Jan-Sep 2021 Taka'000	Jan-Sep 2020 Taka'000
23 Sales and marketing expenses		
Salary, allowances and benefits	123,452	125,347
Advertisement	186,732	136,047
Other office expenses	60,166	60,511
	370,350	321,905
24 Other operating income		
Sale of miscellaneous scrap items	78,358	5,357
Gain on sale of property, plant and equipment	2,730	-
	81,088	5,357
25 Finance costs and income		
Interest expenses	-	29,214
Exchange loss	-	21,087
Other finance costs	13,151	3,361
Interest expenses on lease liabilities	7,704	15,750
Bank charges and commission	4,609	14,586
Finance costs	25,464	83,998

	Interest income on Bank Deposits	18,109	9,866
	Exchange gain	6,704	-
	Finance income	24,813	9,866
	Net finance (income)/costs	651	74,132
26	A. Income tax		
	Current income tax expenses	937,809	597,080
	Deferred income tax income	(266,057)	(392,752)
		671,752	204,328
	B. Reconciliation of effective tax rate (%)		
	Average statutory tax rate	25.81	27.06
	Permanent differences	2.75	1.51
	Change in structure (HBL amalgamation)	-	(15.48)
	Effect of change in tax rate	-8.19	-
	Effect of foreign tax differentials	-2.51	-1.08
	Effective tax rate	17.86	12.01
27	A. Earnings Per Share		
	The computation of basic earnings per share for the periods ended 2021 and 2020 are as follows:		
	Numerator (Thousand Taka)		
	Profit for the period	3,088,762	1,496,853
	Denominator (Thousands of Shares)		
	Weighted average number of shares outstanding	1,161,374	1,161,374
	Basic Earnings Per Share Taka	2.66	1.29
	Diluted Earnings Per Share Taka	2.66	1.29
	B. Net operating cash flow per share (NOCFPS)		
	The computation of net operating cash flow per share for the periods ended 2021 and 2020 are as follows:		
	Numerator (Thousand Taka)		
	Net operating cash flow for the period	4,239,197	3,135,032
	Denominator (Thousands of Shares)		
	Weighted average number of shares outstanding	1,161,374	1,161,374
	Net operating cash flow per share Taka	3.65	2.70
		30 Sep 2021	31 Dec 2020
	C. Net asset value (NAV) per share		
	The computation of net asset value per share for the periods ended 2021 and 2020 are as follows:		
	Numerator (Thousand Taka)		
	Net asset value for the period/year	19,291,119	17,289,245
	Denominator (Thousand Shares)		
	Weighted average number of shares outstanding	1,161,374	1,161,374
	Net asset value per share Taka	16.61	14.89
28	Related Party Transactions		
	Except for the regular transactions, there were no significant related party transactions during the period.		
		Jan-Sep 2021	Jan-Sep 2020
		Taka	Taka
29	Comparative Information of the Shareholders (Note- 27)*		
	Net Asset Value (NAV) Per Share	16.61	14.89
	Earning Per Share (EPS)	2.66	1.29
	Net Operating Cash Flow Per Share (NOCFPS)	3.65	2.70
	Profit for the period	3,088,762,000	1,496,853,000

*For the period January to September 2021, EPS increased compared to the previous period, mainly due to increased cement sales and new aggregate business. NOCFPS also increased compared to same period of last year, due to higher EPS and higher net cash generation from operation.

30 Reconciliation of net profit with cash flows from operating activities

Net profit for the period	3,088,762	1,496,853
Income tax expenses	671,752	204,328
Net profit before tax	3,760,514	1,701,181
Depreciation and amortization	813,273	877,939
Other non-cash items	43,989	38,197
Non-operating items	651	74,132
Income tax paid	(371,900)	(627,086)
Changes in net working capital	(7,330)	1,070,669
Cash flows from operating activities	4,239,197	3,135,032

	30 Sep 2020	31 Dec 2020
	Taka'000	Taka'000
31 Share Capital		
31.1 Authorized capital		
1,400,000,000 ordinary shares of Taka 10 each	14,000,000	14,000,000

In the year 2011, authorized capital has been increased from Taka 7,000,000,000 to Taka 14,000,000,000. Further, steps have been taken to issue right shares of 58,068,675 ordinary shares of Taka 100 per share at par value amounting to Taka 5,806,867,500 offered on the basis of 1:1, for which approval of Bangladesh Securities and Exchange Commission (BSEC) has been received on 8 September 2011. Moreover, face value of each ordinary share has been denominated from Taka 100 to Taka 10 at 4 December 2011.

31.2 Issued and subscribed capital		
1,161,373,500 ordinary shares of Taka 10 each	11,613,735	11,613,735

31.3 Paid up capital		
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
	11,613,735	11,613,735

31.4 Composition of shareholders at 30 September/31 December

Name of the shareholders	Nationality/Incorporated in	Number of shares	
		30 Sep 2021	31 Dec 2020
Surma Holding B.V.	The Netherlands	683,698,700	683,698,700
Sinha Fashions Limited	Bangladesh	35,100,000	35,100,000
Islam Cement Limited	Bangladesh	31,914,200	31,914,200
Other Shareholders	Bangladesh and NRB	410,660,600	410,660,600
		1,161,373,500	1,161,373,500

31.5 Composition of shareholders at 30 September/31 December

Name of the shareholders	Nationality/Incorporated in	Holding (%)	
		30 Sep 2021	31 Dec 2020
Surma Holding B.V.	The Netherlands	58.87	58.87
Sinha Fashions Limited	Bangladesh	3.02	3.02
Islam Cement Limited	Bangladesh	2.75	2.75
Other Shareholders	Bangladesh and NRB	35.36	35.36
		100.00	100.00




Company Secretary


Chief Financial Officer


Director


Director


Chief Executive Officer



LAFARGEHOLCIM BANGLADESH LIMITED
Statement of financial position (Un-audited)
at 30 September 2021

	NOTES	30 Sep 2021 Taka'000	31 Dec 2020 Taka'000
Assets			
Non-current assets			
Property, plant and equipment	5	16,353,962	16,696,730
Goodwill	6	317,776	317,776
Investment in subsidiaries		519,893	519,893
Total non-current assets		17,191,631	17,534,399
Current assets			
Inventories	7	2,908,268	2,187,723
Trade receivables	8	667,612	1,083,760
Other current assets	9A	988,287	380,377
Advance income tax	10	177,721	649,343
Cash and cash equivalents	11	3,139,205	1,292,660
Total current assets		7,881,093	5,593,863
Total assets		25,072,724	23,128,262
Equity & liabilities			
Equity			
Share capital	27.3	11,613,735	11,613,735
Retained earnings		4,435,841	2,955,783
Other component of equity		(102,614)	(102,614)
Total equity		15,946,962	14,466,904
Non-current liabilities			
Borrowings	12A	34,208	53,227
Deferred tax liabilities	13	2,146,446	2,379,700
Employee benefits		314,395	267,128
Total non-current liabilities		2,495,049	2,700,055
Current liabilities			
Trade payables	14	5,920,998	5,130,044
Other current liabilities	15	666,711	741,422
Borrowings	12B	20,699	30,090
Unclaimed dividend		22,305	59,747
Total current liabilities		6,630,713	5,961,303
Total equity and liabilities		25,072,724	23,128,262
Net Asset Value (NAV) Per Share	23C	13.73	12.46

The accompanying Notes 1 to 27 form an integral part of these interim financial statements.





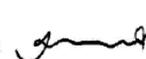
Company Secretary



Chief Financial Officer



Director



Director



Chief Executive Officer



LAFARGEHOLCIM BANGLADESH LIMITED
Statement of profit or loss (Un-audited)
for the period ended 30 September 2021

	NOTES	Jan-Sep 2021 Taka '000	Jan-Sep 2020 Taka '000	Jul-Sep 2021 Taka '000	Jul-Sep 2020 Taka '000
Revenue	16	15,655,963	11,424,200	4,601,726	3,654,989
Cost of sales	17	(11,078,901)	(8,852,838)	(3,135,551)	(2,534,339)
Gross profit		4,577,062	2,571,362	1,466,175	1,120,650
Other operating income	20	79,650	5,357	37,528	2,339
General and administrative expenses	18	(1,078,409)	(880,658)	(359,300)	(313,681)
Sales and marketing expenses	19	(370,350)	(321,905)	(115,463)	(93,129)
Operating profit		3,207,953	1,374,156	1,028,940	716,179
Finance cost	21	(38,924)	(68,424)	(10,311)	(23,425)
Finance income	21	15,578	6,158	376	-
Profit before tax		3,184,607	1,311,890	1,019,005	692,754
Income tax	22A	(543,175)	(138,057)	(201,262)	(110,181)
Profit for the period		2,641,432	1,173,833	817,743	582,573
Earnings Per Share					
Basic (Taka)	23A	2.27	1.01	0.70	0.50
Diluted (Taka)	23A	2.27	1.01	0.70	0.50

The accompanying Notes 1 to 27 form an integral part of these interim financial statements.




 Company Secretary


 Chief Financial Officer


 Director


 Director


 Chief Executive Officer



LAFARGEHOLCIM BANGLADESH LIMITED
Statement of Comprehensive Income (Un-audited)
for the period ended 30 September 2021

	Jan-Sep 2021 Taka '000	Jan-Sep 2020 Taka '000	Jul-Sep 2021 Taka '000	Jul-Sep 2020 Taka '000
Profit for the period	<u>2,641,432</u>	<u>1,173,833</u>	<u>817,743</u>	<u>582,573</u>
Items that may be reclassified subsequently to profit or loss				
Cash flow hedge instruments	-	(9,683)	(383)	(9,683)
Other comprehensive loss for the period	<u>-</u>	<u>(9,683)</u>	<u>(383)</u>	<u>(9,683)</u>
Total comprehensive income for the period	<u>2,641,432</u>	<u>1,164,150</u>	<u>817,360</u>	<u>572,890</u>




 Company Secretary


 Chief Financial Officer


 Director


 Director


 Chief Executive Officer



LAFARGEHOLCIM BANGLADESH LIMITED
Statement of Changes in Equity (Un-audited)
for the period ended 30 September 2021

(All figures are in Tk. '000)

	Share capital	Retained earnings	Other component of equity	Total equity
Balance at 1 January 2020	11,613,735	2,133,175	(48,129)	13,698,781
Total comprehensive income for the period	-	1,173,833	(9,683)	1,164,150
Final dividend for 2019	-	(1,161,374)	-	(1,161,374)
Balance at 30 September 2020	11,613,735	2,145,634	(57,812)	13,701,557
Balance at 1 January 2021	11,613,735	2,955,783	(102,614)	14,466,904
Total comprehensive income for the period	-	2,641,432	-	2,641,432
Final dividend for 2020	-	(1,161,374)	-	(1,161,374)
Balance at 30 September 2021	11,613,735	4,435,841	(102,614)	15,946,962




 Company Secretary


 Chief Financial Officer


 Director


 Director


 Chief Executive Officer



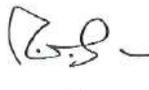
LAFARGEHOLCIM BANGLADESH LIMITED
Statement of Cash Flows (Un-audited)
for the period ended 30 September 2021

	Notes	Jan-Sep 2021 <u>Taka'000</u>	Jan-Sep 2020 <u>Taka'000</u>
Cash flows from operating activities			
Cash receipts from customers		15,944,048	11,792,165
Cash paid to suppliers and employees		(12,249,301)	(8,828,613)
Cash generated from operations		<u>3,694,747</u>	<u>2,963,552</u>
Income tax paid		(304,807)	(196,401)
Other receipts		28,474	5,357
Net cash generated by operating activities	26	<u>3,418,414</u>	<u>2,772,508</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(360,130)	(264,594)
Proceeds from sale of property, plant and equipment		7,935	-
Interest income on bank deposits		15,578	6,158
Net cash used in investing activities		<u>(336,617)</u>	<u>(258,436)</u>
Cash flows from financing activities			
Repayment of long-term debt		-	(800,001)
Repayments of the lease liabilities		(27,228)	(28,359)
Decrease in short term debt		-	(100,000)
Payment of interest and other finance costs		(3,876)	(49,958)
Interest paid on lease liability		(5,332)	(11,139)
Dividend payment		(1,198,816)	(1,151,116)
Net cash used in financing activities		<u>(1,235,252)</u>	<u>(2,140,573)</u>
Net increase in cash and cash equivalents		<u>1,846,545</u>	<u>373,499</u>
Cash and cash equivalents at beginning of the period		1,292,660	199,307
Cash and cash equivalents at end of the period	11	<u>3,139,205</u>	<u>572,806</u>
Net Operating Cash Flow Per Share (NOCFPS)	23B	<u>2.94</u>	<u>2.39</u>




 Company Secretary


 Chief Financial Officer


 Director


 Director


 Chief Executive Officer



LAFARGEHOLCIM BANGLADESH LIMITED
Notes to the Condensed Financial Statements (Un-audited)
for the period ended 30 September 2021

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.

2 Nature of business

The Company has established the country's only modern, integrated and state-of-the art cement manufacturing plant at Chhatak under Sunamganj district. The company extracts and processes the basic raw materials limestone from its own quarry in Meghalaya. A 17-kilo metre 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 market and international market.

3 Basis of preparation

The interim financial statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*.

4 Significant accounting policies

The same accounting policies, presentation and methods of computation have been followed in these interim financial statements as were applied in the preparation of the Company's financial statements for the year ended 31 December 2020.

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

	30 Sep 2021	31 Dec 2020
	<u>Taka'000</u>	<u>Taka'000</u>
5 Property, plant and equipment*		
Cost		
At January 1	24,084,362	23,334,068
Additions	385,808	771,234
Disposals	(57,759)	(20,940)
At September 30/December 31	<u>24,412,411</u>	<u>24,084,362</u>
Depreciation		
At January	7,387,632	6,479,857
Disposals	(52,554)	(20,763)
Charge for the period	723,371	928,538
At September 30/December 31	<u>8,058,449</u>	<u>7,387,632</u>
Carrying amount	<u>16,353,962</u>	<u>16,696,730</u>
5.1 *Right-of-use assets (RoUA)		
Cost		
At January 1	130,348	130,348
At September 30/December 31	<u>130,348</u>	<u>130,348</u>
Depreciation		
At January	48,213	8,916
Charge for the period	27,228	39,297
At September 30/December 31	<u>75,441</u>	<u>48,213</u>
Carrying amount	<u>54,907</u>	<u>82,135</u>

	30 Sep 2021 Taka'000	31 Dec 2020 Taka'000
6 Goodwill*		
Acquisition of subsidiary (Holcim Cement Bangladesh Limited)	317,776	317,776
	<u>317,776</u>	<u>317,776</u>
*Goodwill arising on amalgamation of subsidiary is measured at cost less accumulated impairment losses.		
7 Inventories		
Raw materials	1,014,156	708,465
Semi-finished and finished products	976,203	601,566
Parts and supplies	917,909	877,692
	<u>2,908,268</u>	<u>2,187,723</u>
8 Trade receivables		
Trade receivables	522,393	846,803
Advance payment to trade suppliers	145,219	236,957
	<u>667,612</u>	<u>1,083,760</u>
9 A.Other current assets		
Prepaid expenses	90,132	63,480
Advance to employees	58,589	8,295
Security and other deposits	89,780	90,095
Other receivables- note B	607,140	24,609
Advance payment to suppliers of fixed assets	142,646	193,898
Derivative assets	-	-
	<u>988,287</u>	<u>380,377</u>
B.Gas Sales Agreement with JGTDS		
<p>On 3 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 BERC rate is not applicable for the Gas Sales Agreement (GSA), which provides for Ceiling Price for the gas consumed by the Company under the GSA. However, by letter dated 3 January 2021, JGTDS threatened to discontinue supply of gas under the GSA from 4 March 2021 unless the Company pays at BERC rate. On 3 February 2021, the Company issued an Arbitration Notice on JGTDS as per the terms of the GSA.</p> <p>To ensure continued supply of gas to the plant during pendency of the Arbitration, the Company filed an application before the High Court Division for interim relief. On 7 February 2021 the High Court Division issued such interim relief in favor of the Company subject to submission of Bank Guarantee of Taka 860 million. Accordingly, the Company submitted the bank guarantee.</p> <p>However, JGTDS filed an appeal before the Appellate Division, Supreme Court of Bangladesh (the "Appeal") on 8 March 2021. The Appeal was heard on March 18, 2021. The Company received the certified copy of the Interim Order on May 2, 2021. The Appellate Division directed the Company to pay Jalalabad 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 installment 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 is complying with the Court order, and paid Taka 367 million to JGTDS as on 30 September 2021 and accounted for the amount as other receivable.</p> <p>The interim order of the Appellate Division 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 Award of the Arbitration is in favor of the Company, the Ceiling Price shall be applicable and the amounts paid to Jalalabad against the order of the Appellate Division shall be adjusted.</p> <p>The Arbitration Tribunal has been formed. The process is presently continuing.</p>		
10 Advance income tax- net of tax provision		
Advance income tax	6,465,061	6,160,254
Current tax liabilities	(6,287,340)	(5,510,911)
	<u>177,721</u>	<u>649,343</u>
11 Cash and cash equivalents		
Cash in hand	2,026	2,422
Cash at banks	3,137,179	1,290,238
Cash and cash equivalents in statement of financial position	<u>3,139,205</u>	<u>1,292,660</u>
12 Borrowings		
A. Borrowings-long term		
Non-current portion-lease liabilities	34,208	53,227
	<u>34,208</u>	<u>53,227</u>

	30 Sep 2021 <u>Taka'000</u>	31 Dec 2020 <u>Taka'000</u>
B. Borrowings-short term		
Current portion of lease liabilities	20,699	29,853
Derivative liabilities*	-	237
	<u>20,699</u>	<u>30,090</u>

*The Company entered into forward contracts with the commercial bank 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 period.

13 Deferred tax liability

Deferred tax by type of temporary differences that resulted in deferred tax assets and liability

Property, plant and equipment	2,238,597	2,479,806
Deferred tax liabilities	<u>2,238,597</u>	<u>2,479,806</u>
Provision for gratuity	33,703	37,660
Actuarial loss	9,583	9,583
Provision for doubtful debts	34,105	36,463
Provision for obsolescence of spare parts	14,760	16,400
Deferred tax assets	<u>92,151</u>	<u>100,106</u>
Net deferred tax liability	<u>2,146,446</u>	<u>2,379,700</u>

14 Trade payables

Payable for goods and services	5,668,842	4,841,563
Contract liabilities	252,156	288,481
	<u>5,920,998</u>	<u>5,130,044</u>

15 Other current liabilities

Payables to suppliers of fixed assets	59,382	102,038
Income tax and VAT deducted at source	209,011	201,760
Others	398,318	437,624
	<u>666,711</u>	<u>741,422</u>

16 Revenue*

	Jan-Sep 2021 <u>Taka'000</u>	Jan-Sep 2020 <u>Taka'000</u>
Sale of gray cement	13,879,063	11,216,283
Sale of cement clinker	755,800	207,917
Sale of aggregate	1,021,100	-
	<u>15,655,963</u>	<u>11,424,200</u>

17 Cost of sales

Manufacturing variable cost	8,385,852	6,186,792
Manufacturing fixed cost	1,718,988	1,532,185
Freight cost to customers	261,212	190,999
Depot operating and transportation costs	719,788	531,789
Inventory movement	(6,939)	411,073
	<u>11,078,901</u>	<u>8,852,838</u>

18 General and administrative expenses

Salary, allowances and benefits	254,305	269,413
IT maintenance expenses	58,794	59,429
Other office expenses	597,699	482,769
Contribution to Workers' Profit Participation and welfare Fund	167,611	69,047
	<u>1,078,409</u>	<u>880,658</u>

	Jan-Sep 2021 Taka'000	Jan-Sep 2020 Taka'000
19 Sales and marketing expenses		
Salary, allowances and benefits	123,452	125,347
Advertisement	186,732	136,047
Other office expenses	60,166	60,511
	370,350	321,905
20 Other operating income		
Sale of scrap items and others	76,920	5,357
Gain on sale of property, plant and equipment	2,730	-
	79,650	5,357
21 Finance costs and income		
Interest expenses	-	28,425
Exchange loss	16,537	20,178
Other finance costs	13,151	3,361
Interest expenses on lease liabilities	5,332	11,139
Bank charges and commission	3,904	5,321
Finance costs	38,924	68,424
Interest income on Bank Deposits	15,578	6,158
Finance income	15,578	6,158
Net finance costs/(income)	23,346	62,266
22 A. Income tax		
Current income tax expenses	776,429	483,723
Deferred income tax income	(233,254)	(345,666)
	543,175	138,057
B. Reconciliation of effective tax rate (%)		
Statutory tax rate	22.50	25.00
Permanent difference	2.75	1.00
Effect of change in tax rate	(8.19)	-
Change in structure (HBL amalgamation)	-	(15.48)
Effective tax rate	17.06	10.52
	Jan-Sep 2021	Jan-Sep 2020
23 A. Earnings Per Share		
The computation of basic earnings per share for the periods ended 2021 and 2020 are as follows:		
Numerator (Thousand Taka)		
Profit for the period	2,641,432	1,173,833
Denominator (Thousands of Shares)		
Weighted average number of shares outstanding	1,161,374	1,161,374
Basic Earnings Per Share Taka	2.27	1.01
Diluted Earnings Per Share Taka	2.27	1.01
B. Net operating cash flow per share (NOCFPS)		
The computation of net operating cash flow per share for the periods ended 2021 and 2020 are as follows:		
Numerator (Thousand Taka)		
Net operating cash flow for the period	3,418,414	2,772,508
Denominator (Thousands of Shares)		
Weighted average number of shares outstanding	1,161,374	1,161,374
Net operating cash flow per share Taka	2.94	2.39
	30 Sep 2021	31 Dec 2020
C. Net asset value (NAV) per share		
The computation of net asset value per share for the periods ended 2021 and 2020 are as follows:		
Numerator (Thousand Taka)		
Net asset value for the period/year	15,946,962	14,466,904
Denominator (Thousand Shares)		
Weighted average number of shares outstanding	1,161,374	1,161,374
Net asset value per share Taka	13.73	12.46
24 Related party transactions		
Except for the regular transactions, there were no significant related party transactions during the period.		

	Jan-Sep 2021 Taka	Jan-Sep 2020 Taka
25 Comparative information of the shareholders (Note- 23)*		
Net Asset Value (NAV) Per Share	13.73	12.46
Earning Per Share (EPS)	2.27	1.01
Net Operating Cash Flow Per Share (NOCFPS)	2.94	2.39
Profit for the period	2,641,432,000	1,173,833,000

*For the period January to September 2021, EPS increased compared to the previous period, mainly due to increased cement sales and new aggregate business. NOCFPS also increased compared to same period of last year, due to higher EPS and higher net cash generation from operation.

26 Reconciliation of net profit with cash flows from operating activities

Net profit for the period	2,641,432	1,173,833
Income tax expenses	543,175	138,057
Net profit before tax	3,184,607	1,311,890
Depreciation and amortization	723,371	720,579
Other non-cash items	34,286	30,871
Non-operating items	23,346	62,266
Income tax paid	(304,807)	(196,401)
Changes in net working capital	(242,389)	843,303
Cash flows from operating activities	3,418,414	2,772,508

	30 Sep 2021 Taka'000	31 Dec 2020 Taka'000
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27 Share capital

27.1 Authorized capital

1,400,000,000 ordinary shares of Taka 10 each	14,000,000	14,000,000
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In the year 2011, authorized capital has been increased from Taka 7,000,000,000 to Taka 14,000,000,000. Further, steps have been taken to issue right shares of 58,068,675 ordinary shares of Taka 100 per share at par value amounting to Taka 5,806,867,500 offered on the basis of 1:1, for which approval of Bangladesh Securities and Exchange Commission (BSEC) has been received on 8 September 2011. Moreover, face value of each ordinary share has been denominated from Taka 100 to Taka 10 at 4 December 2011.

27.2 Issued and subscribed capital

1,161,373,500 ordinary shares of Taka 10 each	11,613,735	11,613,735
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27.3 Paid up capital

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
	11,613,735	11,613,735

27.4 Composition of shareholders at 30 September/31 December

Name of the shareholders	Nationality/Incorporated in	Number of shares	
		30 Sep 2021	31 Dec 2020
Surma Holding B.V.	The Netherlands	683,698,700	683,698,700
Sinha Fashions Limited	Bangladesh	35,100,000	35,100,000
Islam Cement Limited	Bangladesh	31,914,200	31,914,200
Other Shareholders	Bangladesh and NRB	410,660,600	410,660,600
		1,161,373,500	1,161,373,500

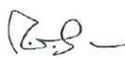
Composition of shareholders at 30 September/31 December

Name of the shareholders	Nationality/Incorporated in	Holding (%)	
		30 Sep 2021	31 Dec 2020
Surma Holding B.V.	The Netherlands	58.87	58.87
Sinha Fashions Limited	Bangladesh	3.02	3.02
Islam Cement Limited	Bangladesh	2.75	2.75
Other Shareholders	Bangladesh and NRB	35.36	35.36
		100.00	100.00




Company Secretary


Chief Financial Officer


Director


Director


Chief Executive Officer



LafargeHolcim Bangladesh Limited

A company of  LafargeHolcim and 

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