

LafargeHolcim Bangladesh Limited

A company of  LafargeHolcim and  CEMEX MOLINS



ANNUAL REPORT 2022



LafargeHolcim Bangladesh Limited

A company of  LafargeHolcim and 



CONCEPT NOTE

The cover page reflects the sustainable initiatives implemented by LafargeHolcim Bangladesh for the communities around its operations. It also reflects the uniqueness of the Surma Plant which is the only integrated cement plant of the country.

TABLE OF CONTENTS

Page No.	Description	Page No.	Description
1	NOTICE OF THE 25TH ANNUAL GENERAL MEETING		
2 - 26	OVERVIEW	27 - 29	OUR PRODUCTS & SERVICES
2	Corporate Profile	27	Cement Segment
3	Our Sponsors	28	Aggregates Segment
4	Board of Directors	29	Geocycle
16	Executive Committee Members		
20	Salient Features 2022	30	CHAIRMAN'S STATEMENT
21	Credit Rating Report	32	BOARD OF DIRECTORS' REPORT
22	Health & Safety		
23	Corporate Social Responsibility (CSR)		
24	Integrity Line		
25	Reward and Recognitions		
26	Pan Bangladesh Presence		
53 - 98	STRATEGIC GOVERNANCE		
53	CORPORATE GOVERNANCE STATEMENT		
	Corporate Governance Compliance Status		
68	Summary of key operating and financial consolidated data of proceedings five (5) year: Annexure I		
71	Details of the Board Meetings held and attendance during the year: Annexure II		
72	Report of the Audit Committee to the Board for the year ended December 31, 2022: Annexure III		
77	Report of the Nomination & Remuneration Committee to the Board for the year ended December 31, 2022 and Nomination & Remuneration Committee Policy: Annexure IV		
81	The Pattern of Shareholdings: Annexure V		
83	Declaration by Chief Executive Officer and Chief Financial Officer on financial statements: Annexure VI		
84	Management Discussion and Analysis on the Company's position on the operation and financial statements for the year ended December 31, 2022: Annexure VII		
85	Statements of unclaimed/undistributed cash dividend as on December 31, 2022: Annexure VIII		
86	Report to the Shareholders of LafargeHolcim Bangladesh Limited on Compliance with the Corporate Governance Code: Annexure IX		
87	Status of Compliance with the Conditions set out by BSEC on Corporate Governance: Annexure X		
99 - 178	AUDITORS' REPORT AND FINANCIAL STATEMENTS		
99	Report and Consolidated Financial Statements		
141	Report and Financial Statements		
179 - 257	DIRECTORS' REPORT, AUDITORS' REPORT AND FINANCIAL STATEMENTS OF THE SUBSIDIARY COMPANIES		
	Lafarge Umium Mining Private Limited		
180	Board of Directors' Report		
198	Report and Financial Statements		
	Lum Mawshun Minerals Private Limited		
240	Board of Directors' Report		
248	Report and Financial Statements		
258	FORM OF PROXY		

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 25th ANNUAL GENERAL MEETING

Notice is hereby given that the 25th Annual General Meeting of the Shareholders of LafargeHolcim Bangladesh Limited (the "Company") will be held on **Tuesday, May 9, 2023**, at **03:00 P.M.** (the "AGM"). The AGM will be held virtually by using digital platform through the following registration link <https://lhbl25thagm.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, 2022.
2. To declare dividend for the year ended on December 31, 2022.
3. To elect/re-elect Directors.
4. To ratify the appointment of the Chief Executive Officer.
5. To appoint Statutory Auditors for the year 2023 and fix their remuneration.
6. To appoint Corporate Governance Compliance Auditors for the year 2023 and fix their remuneration.

By order of the Board



Kazi Mizanur Rahman
Company Secretary

Dated: April 13, 2023

NOTES

- ▶ Pursuant to the Bangladesh Securities and Exchange Commission's (BSEC) Notification No. SEC/SRMIC/94-231/91 dated 31 March 2021, 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
- ▶ Member's name appearing in the Member/Depository Register as on Record Date i.e. March 27, 2023 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 2022 will be sent to Members' respective email addresses as available with the Company. The Annual Report 2022 shall also be available at the Company's website: 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
- ▶ Members may submit their questions in advance to info.cs@lafargeholcim.com or to the Company Secretary at mizanur.rahman@lafargeholcim.com
- ▶ We encourage Members to log in to the system fifteen (15) minutes before the meeting.
- ▶ Please contact +8801708139426 for any technical difficulties in accessing the virtual AGM.

CORPORATE PROFILE

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

BOARD OF DIRECTORS

Mr. Christof Hässig	Chairman
Mr. Mohammad Iqbal Chowdhury	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
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. Mohammad Iqbal Chowdhury

COMPANY SECRETARY

Mr. Kazi Mizanur Rahman

CHIEF FINANCIAL OFFICER

Mr. Md. Anisuzzaman

HEAD OF INTERNAL AUDIT & COMPLIANCE

Mr. Mohammad Nurul Alam

EXECUTIVE COMMITTEE

Mr. Mohammad Iqbal Chowdhury	Chief Executive Officer
Mr. Amit Agarwal	Commercial Director (Sales & Marketing)
Mr. Kazi Mizanur Rahman	Legal Director and Company Secretary
Mr. Md. Anisuzzaman	Chief Financial Officer
Mr. Mohammad Asif Bhuiyan	Chief Corporate Affairs Officer & Human Resources Director
Mr. Wedage Lakmal Suranjan Fonseka	Logistics & Procurement Director

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



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

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 people and communities at the heart of its success. The company is driving circular construction as a world leader in recycling to build better with less. Holcim is 60,000 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.

Becoming the **innovative** and **sustainable**


60,000
employees


29
billion CHF net sales

Leading the way in **sustainability**


Net Zero
pledge


SBTi
validated 2030 and 2050 targets


ESG Rankings
from MSCI to Sustainalytics


Green Solutions
1/3 of our sales

#1 R&D organization in our industry

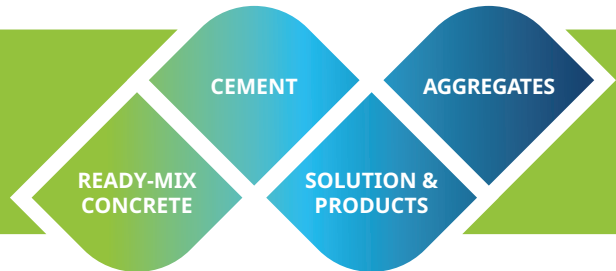

Global R&D
organization - 6 hubs worldwide


300 Scientists
in green construction


>300
patent families


500+
startups assessed per year

4 BUSINESS SEGMENTS



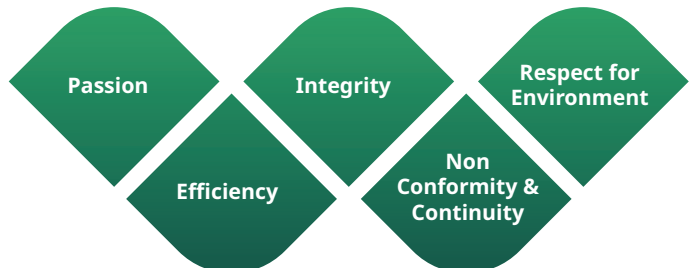
At Cementos Molins we aim to boost social development and people's quality of life by creating innovative and sustainable construction solutions.

Presence in **12** Countries

6200 Employees around the world

152 Total Plants

CORE VALUES



BOARD OF DIRECTORS





CHRISTOF HÄSSIG
CHAIRMAN

Nationality : Swiss
Age : 65
Date of Appointment : March 15, 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:

NIL

AREA OF EXPERTISE:



Finance



Diversity



Global Business



Mergers & Acquisitions



Leadership



Technology



Board Service & Governance



Sales & Marketing



MOHAMMAD IQBAL CHOWDHURY DIRECTOR & CHIEF EXECUTIVE OFFICER

Nationality : Bangladeshi
Age : 49
Date of Appointment : February 15, 2023

SHAREHOLDING

Nil (Nominee of Surma Holding BV)

Mr. Iqbal Chowdhury is the Director & Chief Executive Officer of the Company who joined in July 2017 as CFO and was re-designated as Chief Operating Officer (COO) in December, 2022. He has over 22 years' of diversified experience in the Manufacturing and Marketing Industry covering FMCG & building materials. 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 part of many transformations in his career which has created the base for sustainable business growth. He is an MBA in Finance and 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).

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



JORGE BONNIN BIOSLADA DIRECTOR

Nationality : Spanish
Age : 52
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.

Mr. Bonnin shall retire at the 25th 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:

- CFO of Cementos Molins, Spain

AREA OF EXPERTISE:



Finance



Diversity



Global
Business



Mergers &
Acquisitions



Leadership



Technology



Board Service
& Governance



Sales &
Marketing



JULIO RODRÍGUEZ IZQUIERDO DIRECTOR

Nationality : Spanish
Age : 61
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.

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



MANZURUL ISLAM DIRECTOR

Nationality : Bangladeshi
 Age : 62
 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., former Chairman of Navana Pharmaceuticals Limited 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.

Mr. Islam shall retire at the 25th 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:

- 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
- 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 : 50
Date of Appointment : June 11, 2014

SHAREHOLDING

Nil (Nominee of Surma Holding BV)

Mr. Marcos Cela Rey is Area Manager for Africa, South America and Asia of Cementos Molins Group, and a Member of its Executive Committee.

Mr. Rey has over 23 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.

INTEREST/MEMBERSHIP-OTHER ENTITIES:

- Director at Lafarge Umiam 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



MARTIN KRIEGNER
DIRECTOR

Nationality : Austrian
Age : 61
Date of Appointment : August 22, 2019

SHAREHOLDING

Nil (Nominee of Surma Holding BV)

Mr. Martin Kriegner, an Austrian national born in September 1961. He is a graduate of Vienna University with a Doctorate in Law and he obtained an MBA at the University of Economics in Vienna.

He joined the Holcim Group in 1990 and became the CEO of the Austrian operations in 1998. He moved to India as CEO in 2002 and later served as Regional President Cement for Asia. In 2012, he was appointed CEO for India for Cement, RMX and Aggregates. In July 2015 he became Area Manager Central Europe and was appointed Head of India in 2016.

Martin became a member of the Holcim Group Executive Committee in 2016 and is currently the Region Head for Asia, Middle East & Africa.

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.

Mr. Kriegner shall retire at the 25th 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:

- Executive Committee of Holcim Group
- Holcim Philippines Inc
- Cement Australia PTY Limited
- LafargeHolcim Maroc
- Huaxin Cement Co. Ltd
- Holderfin B.V.
- Holchin B.V.

AREA OF EXPERTISE:



Finance



Diversity



Global Business



Mergers & Acquisitions



Leadership



Technology



Board Service & Governance



Sales & Marketing



RAJIV PRASAD SHAHA INDEPENDENT DIRECTOR

Nationality : Bangladeshi
Age : 55
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 23 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



DR. RUBANA HUQ INDEPENDENT DIRECTOR

Nationality : Bangladeshi
Age : 59
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



SONAL SHRIVASTAVA DIRECTOR

Nationality : Indian
Age : 53
Date of Appointment : October 9, 2020

SHAREHOLDING

Nil (Nominee of Surma Holding BV)

Ms. Sonal Shrivastava is the Chief Financial Officer, AMEA - Asia, Middle East & Africa 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:

- Virtual Sense Gobal Technologies Private Limited
- LH Global Hub Services Private Limited
- Lafarge Umiam Mining Private Limited
- Lum Mawshun Minerals Private Limited
- United Cement Corporation Limited
- Ash Resources Proprietary Limited
- Lafarge Industries South Africa Proprietary Limited
- Lafarge Mining South Africa Proprietary Limited

AREA OF EXPERTISE:



Finance



Diversity



Global
Business



Mergers &
Acquisitions



Leadership



Technology



Board Service
& Governance



SYED MAHMUDUL HUQ
INDEPENDENT DIRECTOR

Nationality : Bangladeshi
 Age : 71
 Date of Appointment : September 17, 2018

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 Vice Chairman of the Board of Directors of Premier LP Gas Limited, Chairman of Bangladesh Shrimp and Fish Foundation, Member of the Board of Trustees of Independent University of Bangladesh & Chittagong Independent University and the Honorary Consul of Malta in Chittagong, Bangladesh.

He is the immediate past President of the France-Bangladesh Chamber of Commerce and Industry and served as President of Bangladesh Frozen Foods Exporters’ Association from 1991 through 1994 and a 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

EXECUTIVE COMMITTEE MEMBERS





MOHAMMAD IQBAL CHOWDHURY
CHIEF EXECUTIVE OFFICER

Mr. Iqbal Chowdhury is the Director & Chief Executive Officer of the Company who joined the Company in July 2017 as CFO and was re-designated as Chief Operating Officer (COO) in December, 2022. He has over 22 years' of diversified experience in the Manufacturing and Marketing Industry covering FMCG & building materials. 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 part of many transformations in his career which has created the base for sustainable business growth. He is an MBA in Finance and 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).



AMIT AGARWAL
COMMERCIAL DIRECTOR (SALES & MARKETING)

Amit Agarwal joined the Company as Commercial Director (Sales & Marketing) in March 2023.

He has an experience over 31 years of a successful career with diverse roles across varying cultures in Building Material space like steel and cement such as Tata Steel Ltd. as Chief Sales Manager, Jindal Steel & Power Ltd. as president & SBU Head and Ambuja Cements Ltd. as President & Director Sales (North India), marked by commended performance in Revenue & Margin maximization, Sales & Marketing, Channel & Brand Management, Innovation and Team Building across B2B & B2C platforms.

He completed his BE (Metallurgical Engineering)-IIT-Roorkee and MBA in Marketing from the University of Pune. He is a Certified Auditor of TBEM (Tata Business Excellence Model) and Certified FELT Leadership Trainer for Safety.



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 more than two decades of experience as in-house corporate lawyer.

Earlier, he worked in the Legal Departments of various Oil & Gas companies and FMCG companies. He obtained his LL.B. (Honours) and LL.M, from the University of Dhaka. He is a Chevening Scholar and completed the Commonwealth Young Lawyers Course from the School of Oriental and African Studies (SOAS), University of London. He also completed professional courses on contract negotiation and dispute resolution from University of Dundee, Scotland, UK.



MD. ANISUZZAMAN

CHIEF FINANCIAL OFFICER

Md. Anisuzzaman joined the Company in December 2022 as Chief Financial Officer (CFO). He has functional expertise evolving from multifaceted 20+ years career track including Auditor role in world renowned KPMG, various Finance roles within GSK and CFO & Company Secretarial role in Linde (former BOC) Bangladesh. He is an accomplished

professional with a proven record and diversified educational background including technical education like CA, CMA and extra functional education like MBA in Marketing. His high adaptability to novel functional and cross-cultural areas demonstrated through overseas assignment in US based projects in Africa Region enriched his experience on working in a multicultural environment.

Mr. Anisuzzaman is a Fellow Member of the Institute of Chartered Accountants of Bangladesh and Fellow Member of the Institute of Cost and Management Accountants of Bangladesh.



M. ASIF BHUIYAN

CHIEF CORPORATE AFFAIRS OFFICER AND HR DIRECTOR

Mr. M 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, Communications, 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, customer and trade marketing, corporate audit, route to market excellence and capability building both in Bangladesh and overseas. In his career which spans over almost two and half decades, he has worked for companies like British American Tobacco, Unilever and Beximco before joining LHBL. 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.



WEDAGE LAKMAL SURANJAN FONSEKA

PROCUREMENT & LOGISTICS DIRECTOR

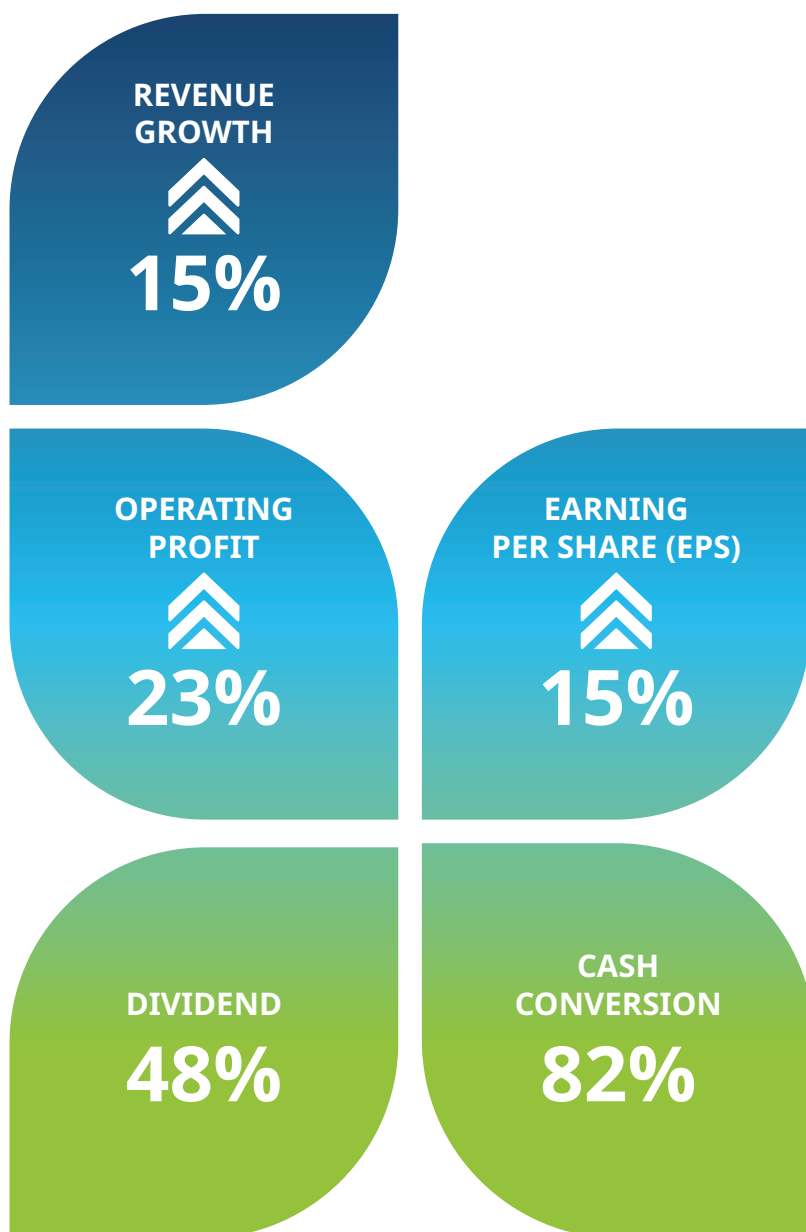
Mr. Lakmal Fonseka, joined the Company in February 2019. He has over 18 years of experience in the manufacturing industry in the field of procurement and logistics with significant international exposure. He is a young leader with grate passion for bring changers and transformation in the business.

He is mastering in driving efficiency improvement in the system and creating higher value though digitization and automation. 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 is a father of two kids and love to travel with family. He holds an MBA from the University of Colombo, Sri Lanka and B.Sc. Engineering (Hons) from the University of Moratuwa, Sri Lanka.

SALIENT FEATURES 2022

"2022 was a commendable year for LafargeHolcim Bangladesh, as we delivered record performance both in profitability and cash generation. We are poised for 2023 as we look to continue introducing new innovative and sustainable building material solutions in the Bangladesh market."

- Mohammad Iqbal Chowdhury
Chief Executive Officer
LafargeHolcim Bangladesh Limited



CREDIT RATING REPORT



Credit Rating Information and Services Limited

Nakshi Homes (1st, 4th & 5th Floor), 6/1/A, Segun Bagicha, Dhaka-1000, Bangladesh

Tel : 88-02-953 0991-3, Fax : 88-02-953 0995, E-mail : info@crislbd.com, Web : www.crislbd.com

First ISO 9001 : 2015 Certified Credit Rating Company in Bangladesh Operating Since 1995

Setting global standard at national level

March 30, 2023

CRISL/Com/984/23

The Chief Executive Officer
LafargeHolcim Bangladesh Limited
Ninakabbo, Level -7, 227/A, Bir Uttam Mir Shawkat Sarak
(Tejgaon-Gulshan Link Road), Tejgaon, Dhaka - 1208, Bangladesh
Fax: +880(2) 222286394
Email: akalam.azad@lafargeholcim.com, ahammeder.chowdhury@lafargeholcim.com

Sub: Announcement of Credit Rating for Public Listed Companies

Sir,

Pursuant to the Credit Rating Companies Rules, 2022, this is to inform you that the Rating Committee of Credit Rating Information and Services Limited (CRISL) has assigned the following rating to "LafargeHolcim Bangladesh Limited" on 30.03.2023 in consideration of its audited financials up to 31st December, 2022 and other relevant quantitative as well as qualitative information up to the date of rating declaration:

Long Term	Short Term	Outlook	Rating Date	Rating Validity
AA+	ST-1	Stable	30.03.2023	29.03.2024

The above is reported as price sensitive information as per guidance in clause 8 A (b) of chapter III of Credit Rating Companies Rules 2022 by BSEC.

Thanking you,

With best regards

Rony Chandra Ghosh
Manager Compliance

BUILDING A SAFE WORKING ENVIRONMENT

Health, Safety and Environment (HSE) is an integral part of LafargeHolcim Bangladesh Limited and its subsidiaries setting the priority at the TOP. It is the core value and critical success factors of our business operations. Visible leadership and personal accountability for Health, Safety and Environment has been embedded in personal objectives of every employee at all levels and throughout our organization. For the fifth (5th) consecutive years, the company, LafargeHolcim Bangladesh had zero (0) Lost Time Injury (LTI) and Lost Time Injury Frequency Rate (LTIFR) by both of its employees and contractors and the Company achieved 35.76 million Safe Man Hours and 1,873 Safe days. Though the Company achieved most of the leading safety indicators, safety remains a major concern and focus. The company also has continued the emphasis on transport safety and environment. Towards sustainable environment, The Company has set pilot projects for 2023 with an objective to achieve ZERO Environmental impact in terms of CO2 emissions, water discharge and waste disposal. The Company is continuing to work to reduce incidents and move forward toward the ambition of ZERO Harm to all employees and stakeholders.



CORPORATE SOCIAL RESPONSIBILITY (CSR)

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.

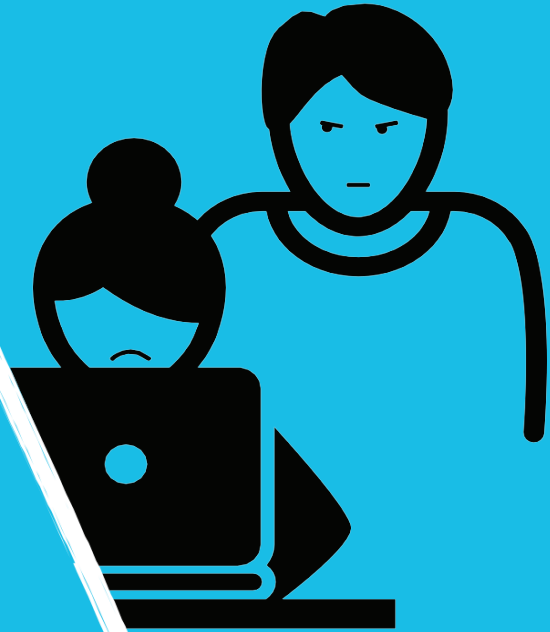


We operate full-fledged health clinics from where our company doctor provides health advice along with medicines to the local community.

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.



Harassment?



Know where
to draw the line

Call our
Integrity Line

+880 9610 101 404

Global identifier code: 77084

Integrity Line

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

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



REWARD AND RECOGNITION



LafargeHolcim Bangladesh has been awarded for best **'Corporate Governance Excellence'** by the Institute of Chartered Secretaries of Bangladesh (ICSB) in the manufacturing category for the year 2021.



LafargeHolcim Bangladesh won **"A Better Tomorrow CSR Awards 2022"** by The Daily Star and CSR Window Bangladesh in the Healthcare Category for its initiatives in Chhatak to improve the marginalized people's lives.



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 fourth consecutive years for its outstanding contribution.



Lafarge Umiam Mining private limited (LUMPL) was adjudicated as **"Overall First"** by the Directorate General of Mines Safety (DGMS) for being the safest Opencast mines in the North-East Region of 18th North East Metalliferous Mines Safety Week for the period 2020-21.

PAN BANGLADESH PRESENCE

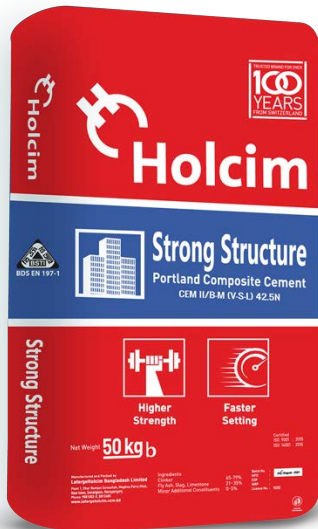
LafargeHolcim Bangladesh Limited

A company of  LafargeHolcim and  CEMENTOS MOLINS



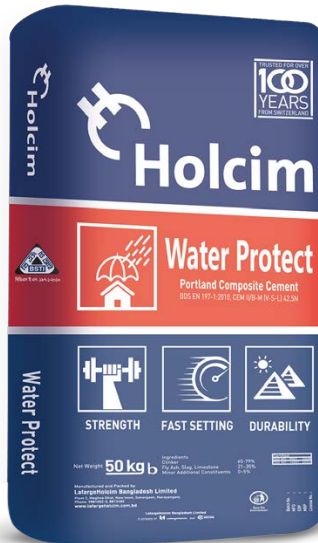
LafargeHolcim Bangladesh Limited has created direct and indirect employment opportunities for over 3000 people, with an impact on livelihood of over 10,000 families through its pan Bangladesh logistics and distribution network.

CEMENT SEGMENT



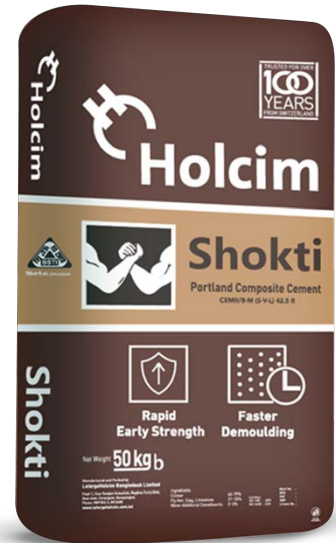
HOLCIM STRONG STRUCTURE

BUILDING DREAMS



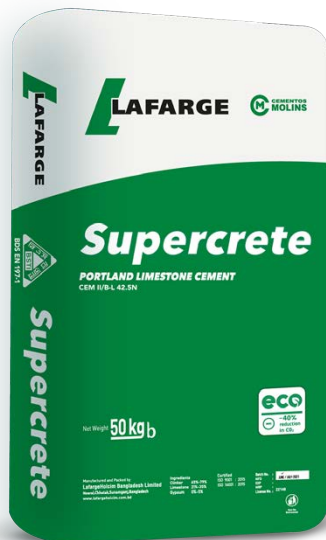
HOLCIM WATER PROTECT

*ROOF TO FOUNDATION,
GET A COMPLETE
WATER PROTECTION*



HOLCIM SHOKTI

*COUNTRY'S FIRST
SUPER STRONG CEMENT*



SUPERCRETE

BEST QUALITY, BUILD RIGHT



SUPERCRETE PLUS

*NUMBER 1 FAIR FACE CEMENT
IN BANGLADESH*

AGGREGATES SEGMENT

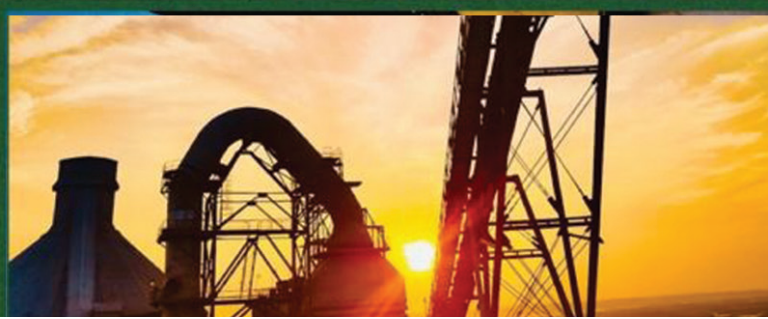
High performance

20mm & 10mm

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

- Ready mix concrete
- Asphalt
- Industrial
- Concrete construction





Geocycle Bangladesh is committed to offering a long-term solution to Bangladesh's waste management problems. Last year we have safely disposed of around 37,000 tonnes of diverse waste streams (hazardous, non-hazardous, plastic garbage, etc.). We are working with municipal corporations on a number of initiatives including the proper segregation and disposal of separated Municipal Solid Waste (MSW) as well as the non-recyclable plastics. Our waste management is aiming to contribute for green Bangladesh and one step closer to a zero waste future.

37000
tonnes of waste
processed by
Geocycle
Bangladesh





CHAIRMAN'S STATEMENT

Dear Shareholders,

It is my pleasure to welcome you to the 25th Annual General Meeting of LafargeHolcim Bangladesh Limited (the "Company").

Your Company is a proud partner in the development of Bangladesh for almost two decades. During this period, the Company relentlessly worked to establish itself on solid footings. Focusing on the fundamental business principles, maintaining the basics of financial discipline, understanding the pulse of the customers and giving overarching importance to customer satisfaction, excellence in operations, with continuous focus on growth opportunities and facing challenges with courage, the right strategy and hard work, your Company has grown its roots deep and strong.

In the last several years, the corporate houses across the globe faced unprecedented external challenges, like pandemics and large scale unrests. Small, medium and large business houses were impacted by the chain effects of such global crisis. During these challenging times, the solid base and strong deep roots, have helped your Company not only to survive but to excel!! During the last few years, your Company has diversified its brand portfolio. We introduced unique, specialized, premium quality cement for our customers with significant added benefits. During this time, we took the bold step to come out of our boundaries as a cement producing company to a building materials solution and services providing entity by introducing locally produced international quality Aggregates. We challenged the traditional approach of marketing and distribution, introduced new innovative channels to directly reach the door steps of the customers in the remote untapped corners of the market.

The results of the right strategy, hard works and undaunted challenging spirit are reflected in the continuous business growth and financial reports placed before you, the honorable shareholders. With the experience of each successful year, the horizon of your Company is expanding and becoming brighter. Our initiatives and efforts for consistent and sustainable growth shall continue into the future.

I take immense pride to inform you of numerous contributions of the Company in sustainability and environment. It will be an understatement if I only mention that our operations are in compliance with the applicable environment parameters. Sustainable waste management has been identified as

a major challenge for the global environment. Household and industrial wastes are polluting land, air and water bodies, be it agricultural lands, forests or oceans. The Surma Plant of your Company provides the only sustainable, environment friendly waste co-processing facility in Bangladesh, under the brand name Geocycle. In 2022 alone, we disposed of around 37,000 tones of wastes. The waste co-processed in the Surma Plant is also providing Alternative Fuel to our Kiln and we are able to use less fossil fuel like gas! While this initiative is contributing to create a better world to live in, your Company is also getting benefits and preparing itself for challenges posed by the depleting energy reserves of the country.

Your Company is particularly honoured for having two import substitute projects. Markets of Clinker and Aggregates in Bangladesh are fully dependent on imports. Your Company is producing both these products locally. The more we produce these products locally, the more the country saves on its valuable foreign currency.

In our Health & Safety culture, there is no scope for complacency. Following the highest standards for health and safety without the slightest compromise for the last two decades, the slogan "Safety First" is deeply embedded in our DNA. While we take pride for more than 5 years of Lost Time Injury (LTI) free operations, we are not complacent. From the top management up to field level, every employee receives trainings and refresher trainings. In every operational site, every morning starts with safety talks, bringing focus on each individual's responsibilities to safety and reinforce our commitment to create a safe working environment for ourselves and for your fellow colleagues.

As far as compliance is concerned, your Company follows the principles of zero-tolerance! There is no scope to compromise on maintaining highest standards of corporate governance, integrity, ethics and values. To run our business in compliance with applicable laws, policies and standards, there are control standards, dedicated resources, trainings, tools and systems. At the end of the day, our customers, employees, contractors, service providers and stakeholders are proud to work for a company which values and relentlessly maintains the highest ethical standards. At the heart of these results are the people, whom I thank very heartily for their continuing support and motivation to drive the company forward. I also take the opportunity to thank Mr. Rajesh Surana for serving so many years not only as CEO but as a strong leader with great ambitions. I wish him all the success in his future endeavors and very warmly Welcome Mr. Mohammad Iqbal Chowdhury as our new CEO. I look forward to work with him on a trustworthy and successful relationship.

I gratefully acknowledge the unequivocal supports and confidence entrusted on the Board of Directors and management of the Company by the honorable shareholders. Your unambiguous, indisputable support has been the foremost driving force in the sustainable growth journey of the Company in the last two decades. For our future endeavors the Board of Directors and Management of the Company count heavily on the continued support and confidence of the shareholders!

Date: April 7, 2023



Christof Hässig
Chairman



BOARD OF DIRECTORS' REPORT



Dear Shareholders,

The Directors of LafargeHolcim Bangladesh Limited (the “Company”) are delighted to present the 25th Annual Report of the Company.

The Directors’ Report along with the audited financial statements (Consolidated and Standalone) for the year ended on December 31, 2022, 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.

The Company has delivered another commendable performance in 2022. Strong cost control, efficiency improvements, introduction of new cement brands, excellent business performance of Aggregates and praiseworthy success in sustainable Alternative Fuel through Geocycle are the hallmarks of the successes of 2022!

The Company has undertaken a transformation journey – transformation from a clinker and cement producing company to a building materials solution and service providing company. The encouraging performance of 2022 is a giant leap in the transformation!

1. OVERVIEW OF THE FINANCIAL PERFORMANCE

Consolidated operating and financial results as compared to previous year of the Company are as follows:

Particulars	2022 (million BDT)	2021 (million BDT)	Growth
Revenue	23,594	20,534 ▲	15%
Cost of goods sold	15,260	13,894 ▲	10%
Gross Profit	8,334	6,640 ▲	26%
Net profit before tax (PBT)	5,744	4,828 ▲	19%
Net profit after tax (PAT)	4,445	3,882 ▲	14%
Total assets	28,971	29,622 ▲	-2%
Net asset value	17,711	19,794 ▼	-11%
Net operating cash flow	6,694	6,077 ▲	10%
Earnings per share (in BDT)	3.83	3.34 ▲	15%
Net Asset Value (NAV) per share (in BDT)	15.25	17.04 ▼	-11%
Net operating cash flow per share (in BDT)	5.76	5.23 ▲	10%
Return on equity	25.10%	19.61% ▲	28%
Gross margin	35.32%	32.34% ▲	9%
Net profit before tax (PBT) Margin	24.34%	23.51% ▲	4%
Net profit after tax (PAT) Margin	18.84%	18.90% ▲	0%

The Company delivered yet another resilient financial result in 2022. Net Sales increased by 15% to 23,594 million Bangladesh Taka (mBDT) as compared to 20,534 mBDT in 2021. The Company started its Aggregates business in 2021, which gave a leverage to the Company increasing its revenue by 10% in 2022. The Profit After Tax (PAT) during the year was up by 14% to 4,445 mBDT as compared to 3,882 mBDT in 2021.

The year 2022 has been challenging for the cement industry as it experienced spiralling cost increases for all the key raw materials, fuel and ocean freight resulting from global challenges and currency devaluation. Due to market reality, the cement industry could not pass the increased input costs to the customers. The Company has increased the price by 14% during the year. The cement volume sold by the Company was same as of 2021.

The Company successfully navigated through the external challenges. The biggest saviour for the Company was securing 95% volume growth of Aggregates and cost optimization. Our commitment to the customers to make international standard specialized cement available in local markets and the excellent market responses to the new brands like Supercrete Plus, Holcim Shokti and Holcim Water Protect played encouraging role in the good financial results of 2022. Digital applications and new E-commerce platform helped the Company to be more efficient. Direct to Retail (D2R) channel has been another prime factor of the Company's success.

2. DIVIDEND AND RETAINED EARNINGS

In July 2022, the Board of Directors of the Company recommended an interim dividend of fifteen percent (15%), in cash, on the paid-up capital of the Company out of the first six (6) months' profit of 2022 (from January 1, 2022 to June 30, 2022). At BDT 1.50 per share of BDT 10.00 each the said interim dividend amounted to BDT 1,742,060,250.

In November 2022, the Board of Directors recommended second interim dividend of eighteen percent (18%), in cash, on the paid-up capital of the Company out of the ten (10) months' profit of 2022 (from January 1, 2022 to October 31, 2022). At BDT 1.80 per share of BDT 10.00 each the said interim dividend amounted to BDT 2,090,472,300.

On March 2, 2023, the Board of Directors' of the Company recommended a final dividend of fifteen percent (15%), in cash, on the paid-up capital of the Company out of the profits of 2022 (January 1, 2022 to December 31, 2022). At BDT 1.50 per share of BDT 10.00 each the said final dividend to BDT 1,742,060,250.

Accordingly, the total dividend recommended by the Board of Directors for the year ended on December 31, 2022 is 48% of the paid-up capital amounting to BDT 5,574,592,800 which is BDT 4.80 per share of BDT 10.00 each.

As per the dividend distribution policy of the Company and applicable laws, a dividend (including interim dividend) can be declared out of current profits and/or profits accumulated of earlier years. The Board declared a dividend @125% of the profit to ensure the optimum use of retained earnings and sufficient cash balances.

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 since inception.

The above dividend recommendation of the Board of Directors' shall be forwarded to the Shareholders for their consideration and approval at the 25th Annual General Meeting of the Company scheduled on May 9, 2023.

The status of unpaid/unclaimed cash dividend is annexed to this Report 2022 and is also uploaded on the Company's website.

Retained Earnings

The total Retained Earnings of the Company as of December 31, 2022, stood at BDT 5,871,541,000 details of which are given in the Statement of Changes in Equity of the Consolidated Financial Statement.

3. BUSINESS TRANSFORMATION

With the core focus on sustainability in terms of brand innovation, product diversification, innovative business model & digitalization, your Company has taken several initiatives in 2022. Through continuous efforts to provide more environment friendly green products and to adopt to business mode with digital footprints, we continued with our growth and transformation ambitions pioneering the building materials industry of Bangladesh. Some salient ingenuities in our way towards the most sustainable building material solution Company are as follows.

Brand Innovation:

Supercrete Plus – The Country's No. 1 Fair Face Cement: In pursuit of providing premium products and to ensure a robust portfolio, the Company added yet another brand named "Supercrete Plus" in November 2022. "Fair Face Cement" is whiter and brighter cement used for modern aesthetic look of a building without using paints. Supercrete Plus primarily focuses on the need of the Fair Face segment and adds up with a unique strength enhancing formula with a lower carbon footprint. Response of the customers to this new brand is excellent. We sold more than 14,000 Metric Ton (MT) in the first four months of the launch.

Holcim Shokti - the first rapid early strength cement in Bangladesh market: The "R" category specialized cement with its "Rapid Set" technology (solution for speedy construction) with lower energy emission formula, is spreading in the niche market segment. It was launched at the end of 2021 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. In 2022, we have also completed a 9 month long research and development process for accrediting the Unique Selling Proposition (USP) for Holcim Shokti in collaboration with the nation's top engineering institute Bangladesh University of Engineering and Technology (BUET). Holcim Shokti delivers value for our customers and further reinforces customer faith in the innovation capabilities of the Company.

Holcim Water Protect – fit for purpose for the wet weather in Bangladesh: The success journey of the most unique brand with water proofing solution "Holcim Water Protect" continues, as this contributes 4% of the total Holcim brand sales. 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 USP, and loyalty programs has helped us to expand our distribution network for this unique brand in around 1300 retail stores, taking it closer to consumers. 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.

All these research and developments are supported by our very own CIAC (Concrete Innovation Application Centre) lab which was re-inaugurated in April 2022 with modern equipment, facilities and upgraded technical services. CIAC provides different product and solution related testing support to the external users and work as a knowledge hub and learning for the influencers.

Product Diversification:

The Company has been producing clinker and cement for almost two decades. To materialize our ambition to transform from a cement producing company to a building materials solution and service providing company, the first major step was introduction of Aggregates Project. The construction sector of the country has significant demand for world class high quality Aggregates, and the demand is met by imports from overseas. The Company commenced its production of

international standard Aggregates in its plant at Chhatak, Sunamganj in January 2021. The response from the market is overwhelming. This is an import substitution project; the country saves valuable foreign currency for every ton of high quality Aggregates that we produce. This segment of our business contributed 10% of the Company's total revenue of 2022. Your Company is the only manufacture of international quality Aggregates in the country adding more than 100% value addition.

Transformation towards Sustainable Business Model:

“Shojon” – Direct to Retail (D2R): Traditionally, the cement market is dependent on Distributors. By end of 2020, the Company took a bold step to break the shackle to expand its customer reach and to cover untapped white spaces in the market. The Company is also approaching directly to serve the retailers to increase numeric coverage and unlock growth potential. In 2022, this new marketing channel kept its flag flying high. It had a positive impact with higher margin and improved cash based transactions. Through this channel the Company covered more than 1200 new retailers contributing 8% additional sales over distributor channel & 14% Growth. The new retailers are using our customized self-sufficient digital customer App to capture Order to Delivery and Cash, which is unique in the cement industry.

4. OPERATIONAL PERFORMANCE - YEAR 2022

Currently the Company is having eight (8) 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 2022, the Quarry exported 3.06 million tonnes of limestone to Surma Plant.
2. **The Belt Conveyor:** 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 2022, 3.06 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 2022, Surma Plant produced 1,311 thousand tonnes of clinker and 1,131 thousand tons of Supercrete cement.
4. **Meghnaghat I Plant:** The grinding units are located at Sonargaon, Narayanganj. 963 thousand tonnes of cement have been produced in 2022 which includes Holcim Red, Holcim Strong Structure, Holcim Shokti, Holcim Black, Holcim Water Protect, Supercrete and Supercrete Plus brand cement.
5. **Meghnaghat II Plant:** The grinding units are located at Sonargaon, Narayanganj. 382 thousand tonnes of cement have been produced in 2022 which includes Holcim Strong Structure and Supercrete brand cement.
6. **Mongla Plant:** This grinding unit is located at Mongla, Bagerhat. 231 thousand tonnes of cement have been produced in 2022 which includes Holcim Strong Structure, Holcim Red and Supercrete brand cement.
7. **Aggregates Plant:** Located within the premises of Surma Plant. In 2022, the plant produced 757 thousand tonnes of Aggregates.
8. **Geocycle:** Waste Co-processing facilities: Located within the premises of Surma Plant. In 2022, Geocycle co-processed 37,000 tonnes of waste, contributing 7.25% TSR (Thermal Substitution Rate) enabling the Company to produce additional 79,000 tonnes of clinker.

Altogether, the Company is currently having the annual capacity to produce 1.3 million tons of clinker, 4.2 million tonnes of cement and 1.2 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

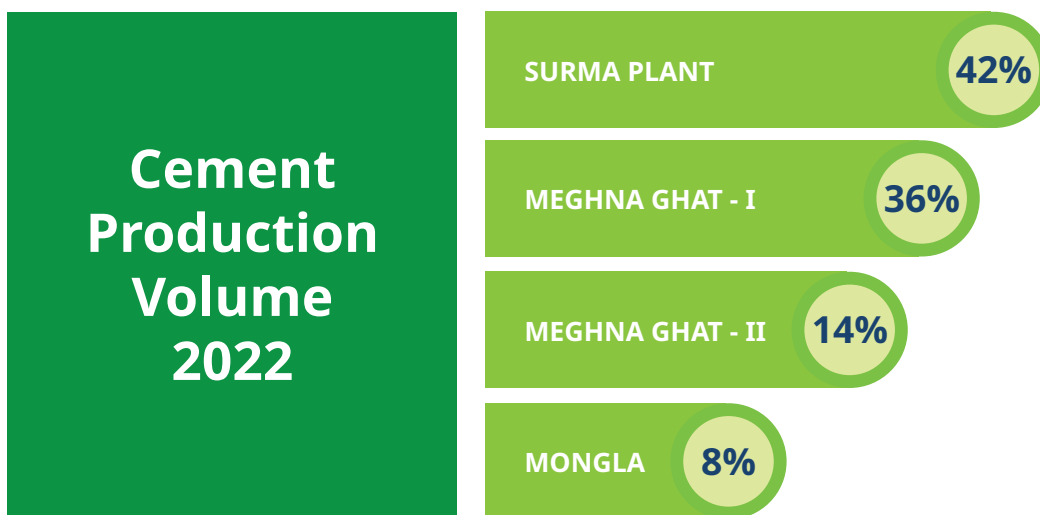
Health, Safety and Environment (HSE) is the core value of the Company. "ZERO Harm" to people, communities and the environment is the Company's uncompromised principle. Behind any business decision that we undertake, HSE gets the highest and foremost priority. All employees of the Company, irrespective of their position and responsibility, work continuously and relentlessly to improve our safety culture and performance across our operations in Bangladesh and in Meghalaya, India.

For the 5th consecutive year, the Company had zero (0) Lost Time Injury (LTI) and Lost Time Injury Frequency Rate (LTIFR) applicable for the employees and contractors. In 2022, the Company achieved 35.76 million Safe Man Hours and 1,873 safe days. To ensure a safe & healthy working environment and to ensure that every employee and contractor's employee return home safely after work, the Company undertakes various operational, training and visibility programs throughout the year in consultation with the Sponsor Groups. Transport safety is another area of focus for which the Company has installed modern facilities like In-vehicle Monitoring Systems (iVMS) in its vehicles to monitor drivers' behaviour, reduce logistics costs and carbon footprint. A Reward and Recognition and Consequence Management Policy is in place and regular follow ups conducted to improve safety culture in logistics operations.

Towards sustainable environment, the Company has set pilot projects for 2023 with an objective to achieve ZERO Environmental impact in terms of CO2 emissions, water discharge and waste disposal.

The Company is aware that there is no scope for complacency in health, safety and environment matters. The Company regularly and continuously emphasise on uncompromised, mandatory and strict compliance of HSE.

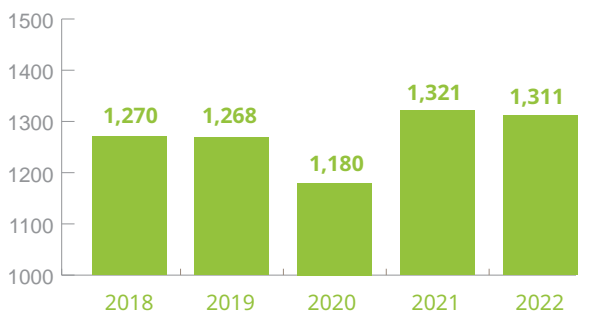
PRODUCTION PERFORMANCE: CEMENT



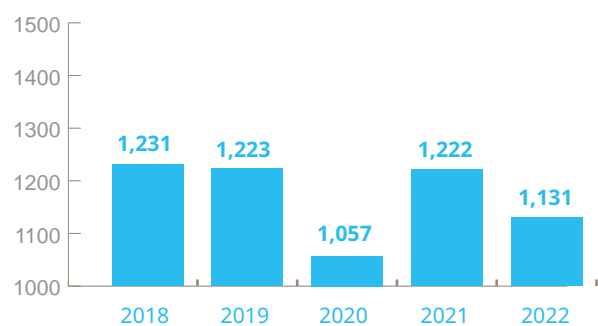
PERFORMANCE OF SURMA PLANT

In 2022 Surma Plant produced 1,311 thousand tonnes of clinker and 1,131 thousand tonnes of cement. Cement dispatch was 1,134 thousand tonnes. This is a commendable performance by the Surma Plant team, especially considering that normally our Kiln Shutdown is around 15 days in a year, but in 2022, Surma Plant had 32 days Kiln Shutdown for Electrostatic Precipitator (ESP) to Bag House Conversion project. This project contributed to the reduction of stack dust emission from 100 mg/Nm³ to 10 mg/Nm³, which is more environment friendly and also facilitated our waste co-processing systems.

Clinker Production (kt) (2018-2022)



Cement Production (kt) (2018-2022)



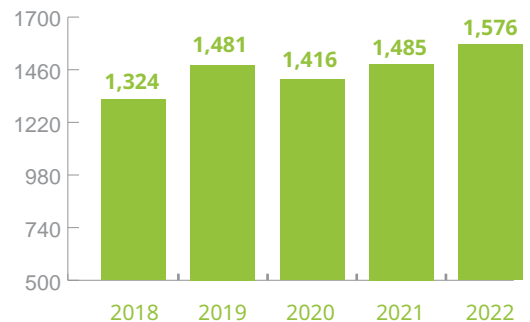
Surma Plant laboratory scored 100% in the “Global Round Robin Test” campaign of 2022 and secured First position in Asia Pacific Region in Holcim Group. We are working to achieve unprecedented performance levels in strong symbiosis with the environment and communities.

MEGHNAGHAT 1, MEGHNAGHAT 2 AND MONGLA PLANTS PRODUCTION

Meghnaghat and Mongla Plants achieved the highest ever cement production volume of 1,576 thousand tonnes and dispatch volume of 1,571 thousand tonnes in 2022.

Meghnaghat Plants are pioneer for developing specialized new product in Bangladesh cement market. In 2022, Supercrete Plus was developed and now being exclusively produced in Meghnaghat 1.

Meghnaghat and Mongla Cement Production (kt) (2018-2022)

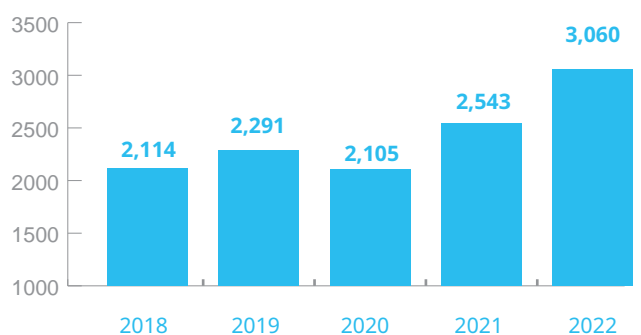


LIMESTONE QUARRY AT MEGHALAYA, INDIA

Lafarge Umiam Mining Private Limited (LUMPL), the subsidiary of the Company, owns and operates the limestone Quarry in Meghalaya, India, and transports the crushed limestone to the Surma Plant in Chhatak, Bangladesh through the 17 kilometre long cross border elevated belt conveyor system. LUMPL exported 3,060 thousand tonnes of limestone during the year in review, which is the highest ever export since inception. The Quarry team demonstrated an exemplary performance in optimization of mining and crushing costs. The 33 Kilovolt (kV) Grid Power line commissioned at the Quarry has decreased the dependency on diesel generators for crushers and belt conveyor. Use of Grid Power has reduced carbon footprint. It has reduced the power consumption cost by 50%, from Indian Rupees (INR) 48 per tonne to INR 24 per tonne.

The Quarry has been awarded Five Star rating for the consecutive 5th year by the Indian Bureau of Mines, Ministry of Mines, Government of India for the exemplary performance and initiatives taken for the implementation of all-round Sustainable Development at the mines. In the year 2021-22, total 1083 mines participated from all over India out of which only 76 mines were awarded Five Star rating. Our Quarry is the only mine awarded with such prestigious award in the north-eastern region of India.

Quarry Production (kt) (2018-2022)



Production Performance: Aggregates

The Aggregates business restarted at the end of March 2022 after about six (6) months stoppage due to opposition from some businessmen from the local community. An exceptional year in terms of performance, we recovered and performed better than what was budgeted for 2022. Despite challenging factors, we were able to grow our market base and improve on our margins to ensure that we made and maintained one of the most profitable EBITDA margins in the Group. We performed well and managed to improve month on month, manufacturing world class Aggregates.

Keeping sustainability at the core of our strategy and decarbonisation, we have now moved to a 100% delivered model to lower our carbon footprint and emission. To further streamline and lower our footprint we are going to be automating our entire circuit from Quarry to Lorry thereby ensuring better streamlining and cost effective energy efficient operations.

Production Performance: Geocycle

Geocycle waste management solution in a future oriented way requires disruptive thinking, active engagement and collaboration. Geocycle rethinks waste challenges to provide innovative ways to manage it. Sustainability is at the core of our strategy for the future and Geocycle is well placed to accelerate the green growth in the Company. Through Geocycle the Company dispose of the wastes of the country in an environment friendly sustainable manner. It reduces use of fossil fuel and increases our clinker production. With the increased use of high calorific wastes to substitute the demand for traditional fossil fuels we are well placed to attain our CO2 emission targets and the path for Net Zero by 2050.

Being the only Department of Environment (DOE) approved facility, the Company's dedication to the environment is reflected in the co-processing of waste through Geocycle. To obtain the sustainability goal of the Company, this year Geocycle Bangladesh has safely disposed of around 37,000 metric tonnes of various waste streams (hazardous, non-hazardous, plastic waste etc.), thus making a tangible contribution to bringing the society a step closer to a zero-waste future. This has resulted in a 7.25% TSR and production of additional 79,000 tonnes of clinker.

We are working on various projects with municipal corporations, various industries for proper segregation and disposal of different wastes categories to ensure less materials going to landfill. By energy recovery from these wastes streams through co-processing we aim to reduce the dependence on traditional fuels and build on the energy security of the Company.

As a member of the Diversity, Inclusion, Environment and Sustainability Committee of Foreign Chambers of Commerce and Industries (FICCI), we are working on extended Producers Responsibility Model for plastic waste disposal with various Multinational Companies in Bangladesh. This year we have been the sustainability partner for the Strategy Summit 2022 which had a focus on creating a sustainable future by transforming organizational operations in line with the Sustainability Development Goals (SDGs).

In February 2023, the Company has entered into an agreement with Sylhet City Corporation under which the Company shall co-process the wastes of Sylhet City, which shall be the beginning of a new era for the environment friendly sustainable municipal waste disposal in Bangladesh.

We strive to be the country's most reliable and trustworthy partner dedicated to your vision of future-friendly solutions, environmental protection, and sustainable waste management.

Sales and Marketing

Your Company has a strong pan Bangladesh presence supported by strategically located production facilities in north-east, central and south-west regions of the country. These production facilities have given the Company competitive advantages to be closer to the customers. The Company reaches to the end customers with around 750 dealers, 7,200 retailers and 700 corporate customers in real estate, industrial and Ready-Mix 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.

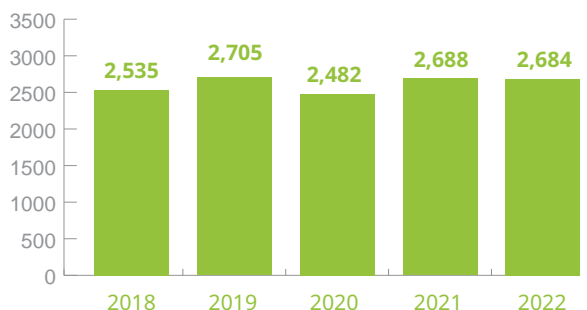
To drive people capability in order to evolve as a sustainable organization through driving business transformation and cultural shift, 8,960 Man hours of classroom training sessions were conducted for the Sales team on the functional and techno commercial aspect, soft (sales craftsmanship) skills and digital skills in both physical and virtual format. To instil a broader strategic perspective for the Company, different strategic team building sessions were organized through internal & external resources.

Our marketing team is driving the brand initiatives through digital, print and electronic media. We went ahead with a razor-sharp targeting approach in digital to reach individual house builders, their spouses, engineers, industry experts, retailers, distributors, masons etc. Apart from communication in digital arena, we maintained brand communication in TV and newspapers. As a tool to help customer taking the best decision in retail, we extensively branded cement selling outlets across the country with shop paint, stickers, banners, festoons, demo-kits, shop signboard etc. As a part of the

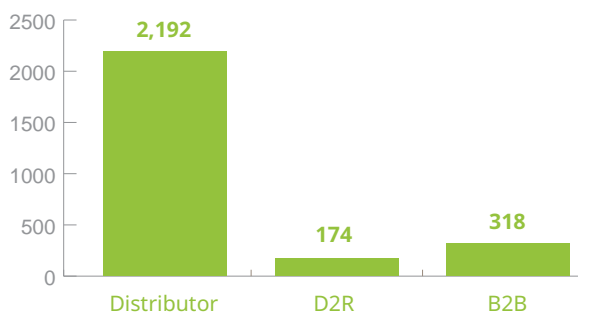
Company's focus on customer centricity, we conducted 1,290 engagement events including Influencers Meet, Individual Home Builders and Retail Meet. A dedicated Call Centre team is also relentlessly supporting all the channel development and telesales initiatives to explore untapped opportunities and assisting field sales force to focus more on business development activities.

With all of the above initiatives finally the business was secured with the below cement volume:

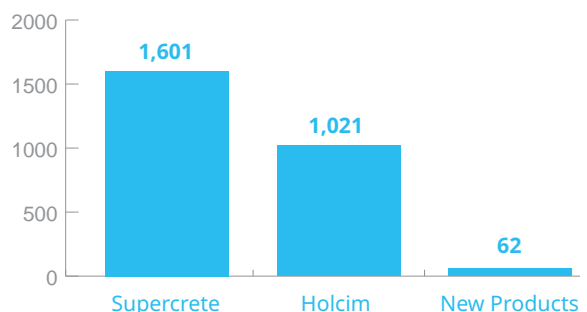
Last 5 years' Cement Sales Volume (KT)



Channel wise Cement Sales Volume (kt)



Product wise Cement Sales Volume (kt)



Towards Sustainable Digital Technologies

Digitalization is one of the key factors that ensure a sustainable future. The Company is the trailblazer in the cement industry in digitalization. Digital system in every aspect of our work streams are helping the Company to serve the customers efficiently. It is also reducing carbon footprint and increasing resource efficiency.

The Company is taking a purpose driven and digital approach on the journey to becoming a net-zero Company. We have introduced e-Office Invoice and Contract Management System, Price and Credit Approval System, Travel Claim System and HR-Connect solutions. With the help of these tools, we ensure that the Company conducts its daily operation in a paperless and eco-friendly manner.

On the commercial side, the Company has already ensured customer satisfaction by mobile app based customer order management tools i.e. Customer Portal, Shojoon D2R App, Retail Management System, and Technical Service Engineers App. All these together contribute on the order to cash management with minimal human involvement. The Company has also introduced "Nirman Bandhob" which is an e-Commerce website, the first ever integrated online solution in the cement

industry of Bangladesh. Soon IHB customers will be able to receive the best building material one stop solution and value added services with the click of their finger.

The Digital transformation to achieve sustainable growth is a continuous journey and the Company is on the right track with the right strategy to improve product and service quality to maintain stakeholders' satisfaction.

Logistics & Procurement

The year 2022 was full of challenges in the field of supply chain as the world went through difficult times navigating rough markets and tough inflation environment. However, it also offered new opportunities and learnings.

Raw materials such as clinker, gypsum, slag etc. recorded highest ever prices and all other commodity prices also increased due to cost increase of energy and freight. In this dynamic and unprecedented time the Company planned well and executed agile procurement strategies to minimize cost impact on our bottom-line. Creating competition by introducing new suppliers, alternative sourcing, and eliminating unplanned / emergency purchases further helped us to maintain the cost discipline.

Sustainability has also been a core priority for us. Outbound and inbound logistics focused more on efficiency improvement and sustainability by reducing CO2 footprint. In 2022, all the green initiatives under logistics helped to reduce our CO2 emission. Overall freight cost increased in the market due to fuel price hike by more than 40%.

This year, the Company expanded the Stock on Wheel (SoW) model in new markets to support the sales channel expansion strategy including Direct to Retailer (D2R) and e-commerce. We started a 24x7 Logistics Call Center to provide support to the customers in terms of cement dispatch, monitor and control the safety and behavior of the drivers of the vehicles on the road.

The Company is committed towards sustainability with more decarbonisation in logistics and implementation of our sustainable competitiveness strategy in the coming years.

Human Resources

People are the most valuable assets of the Company. We focus on building teams that inspire each other to deliver the most innovative and sustainable solutions to accelerate the world's green transformation. Our strategy focuses on creating a stronger performance culture and investing in developing current and future leaders.

Diversity and Inclusion (D&I) is one of the HR agendas to ensure diversity, equity, inclusion and gender balance which ought to benefit the Company in many ways, from improved financial performance to enhancement in innovation to higher employee engagement. The Company aims at ensuring a diverse and inclusive culture by having 30% of female by 2025. As part of the continued endeavour on the Learning and Development (L&D), the HR Function is conducting skill gap analysis, identifying gaps and development opportunities; based on the finding and the organizational requirements, training and capacity building calendar is prepared and executed. Performance Management is ensured by individual and functional goal setting and continued feedback and evaluation. Employee Engagement (EE) is one of our priorities and we are driving it with required rigor and defined actions.

In line with the Company's strategic plan and vision, HR is playing an instrumental role in building and supporting the organization by recruiting the right talents including for the new business verticals. In the space of digital transformation, HR Connect (HRIS) project was launched in 2022 for one stop solutions for end-to-end HR processes. The efforts are focused on building a culture to support growth, transparency, learning, team work, and workforce agility. The Company is committed to continue its efforts in delivering the business results.

Governance, Ethics and Compliance

The Company is committed to conduct its business in full compliance with applicable law of the country. The Company has a Code of Business Conduct (COBC), set Policies and Directives covering every functions of the Company. Adherence to the COBC, Policies and Directives are mandatory for all employees and strictly followed up and monitored by the Company. Commitment to integrity, honesty and fairness is at the core of our culture. We conduct our businesses with strong ethical standards and resilience. The Board of Directors, senior management team, employees and our business partners, all strive to follow without exception.

Our compliance program is comprehensive and structured to confirm adequate assessment of risks, implementation of controls, trainings and communication, monitoring and governance. The compliance program enables the Company to prevent, detect and deter fraud. To ensure proper reporting and to encourage whistle blowing, the Company has an Integrity Line, which allows employees to report any concerns regarding breach of COBC without any fear or hesitation.

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 2022, 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 2022.

5. CORPORATE SOCIAL RESPONSIBILITY (CSR) & SUSTAINABLE DEVELOPMENT

The Company views sustainable development of local communities around its operational sites both in Bangladesh and India as an integrated agenda and fundamental principle that endeavours to provide solutions to economic, social and environmental challenges.

As part of our continuous endeavour, in 2022 we strengthened our initiatives in the field of education, healthcare, skill development and women empowerment for the underprivileged people of the local communities. So far, 6,500 students have completed their primary and secondary education from our Community Welfare School in Chhatak and the wholly sponsored secondary school in Nongtraï Village in Meghalaya - the Nongtraï Secondary School. We also established 6 sub centres for outreach students of the communities particularly for the student from the remote areas who cannot come to our main school. The Company has also provided scholarship to 433 meritorious students in 2022.

The Company has been carrying out comprehensive health program for the Chhatak community and for Nongtraï & Shella communities in the Indian side since commencement of its operation through its community development centre and six sub-centres / dispensaries located in the remote areas. In the year 2022, the Company provided healthcare services to around 25,000 people. Skill development trainings has been provided to the local community people, especially the women so that they can earn their livelihood.

During the devastating flood in Sylhet region in May 2022, the Company and its employees stood by the local communities when they needed us the most. We provided shelter for homeless marginalized people and distributed necessary food items in three phases among more than 6000 families.

In 2022 we have planted around 3,000 saplings. The Company also collaborated with Water & Life for cementation of Bhashantek slum in Dhaka to ensure safe drinking water and proper walkway for about 5,000 slum dwellers.

The Company won “The Daily Star and CSR Window Bangladesh - A Better Tomorrow CSR Awards” in the Healthcare Category for its initiatives in Chhatak to improve the marginalized people’s lives which is the most prestigious CSR award of the country.

For 2023 and beyond the Company plans to carry out its sustainable community development activities and to introduce new initiatives that will create a positive impact in the lives of the communities around its operations.

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

The hearing of the Arbitration with Jalalabad Gas Transmission and Distribution Systems Ltd. has been concluded and the Company is awaiting the Award. In compliance with the Order of the Appellate Division of the Supreme Court of Bangladesh, the Company is (i) paying JGTDS the disputed amount in instalments, and (ii) from March 2021 paying JGTDS at the rate fixed by Bangladesh Energy Regulatory Commission (BERC), instead of Ceiling Price mentioned in the Gas Sales Agreement (GSA) between the Company and JGTDS. In the accounts of the Company, these payments are booked as an advance, because as per our assessment, the Company has a good arguable case and expecting a positive outcome in favour of the Company. If and when the Award is passed in favour of the Company, the advance payments will be recoverable from JGTDS.

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 the 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. Foreign Currency Risk is being mitigated through derivatives by the Company.
- 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. However, the exposures of Interest Rate Risk are within the acceptable parameters to optimize the Company's return
- 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 analysed 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.
- ▶ An interim dividend of 33% has been declared by the Company in 2022.
- ▶ 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 Annex I.
- ▶ Details of the Board Meetings held, attendance in the meetings are disclosed in Annex II.
- ▶ The pattern of shareholding is disclosed in Annex V.
- ▶ A declaration signed by the CEO and CFO to the Board as required under the Corporate Governance Code is disclosed in Annex VI.
- ▶ 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 Annex VII.

10. RESEARCH, DEVELOPMENT AND INNOVATION

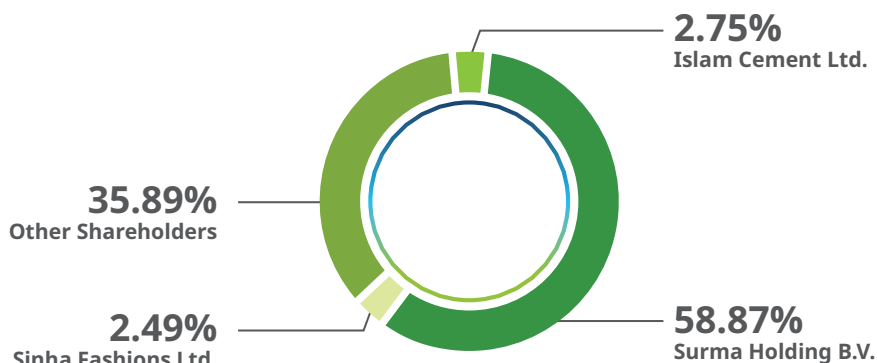
As part of the Holcim and Cementos Molins Group, Research and Development (R&D) of the Company is driven by customer's needs, who face today's major challenges. Together with our partners and customers, our best-in-class R&D teams develop the most innovative products, solutions, and services, as well 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 operating standards which are periodically reviewed. Implementation and compliance with the Policies, Directives and operating standards 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 V**.

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

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 circular construction as a world leader in recycling to build more with less. Holcim is 60,000 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) Resignation of Directors:

Mr. Rajesh Kumar Surana, Director and Chief Executive Officer of the Company submitted his resignation, which was accepted by the Board of Directors effective from February 14, 2023. The Members of the Board very gratefully acknowledged the valuable contributions of Mr. Surana during his tenure in office and wish him all the success in his new enlarged role at Holcim Group.

Ms. Naheed Akhter, Director, submitted her resignation which was accepted by the Board of Directors effective from March 28, 2023. The Board acknowledged the valuable contributions and guidance of Ms. Akhter during her association with the Company.

(c) Appointment of Director and Chief Executive Officer:

In accordance with Article 15.1.2 of the Articles of Association of the Company, Surma Holding B.V., the parent company of the Company, on February 9, 2023 nominated Mr. Mohammad Iqbal Chowdhury on the Board of Directors of the Company. Following the nomination, the Board of Directors appointed Mr. Chowdhury as Director of the Company.

In accordance with Article 15.2.1 of the Articles of Association of the Company, the Board of Directors appointed Mr. Mohammad Iqbal Chowdhury as the Chief Executive Officer of the Company, for a term of five (5) years from February 15, 2023, subject to ratification by the shareholders of the Company in a General Meeting.

Credentials of Mr. Chowdhury is provided in this Annual Report.

(d) Independent Directors

Dr. Rubana 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 Dr. Rubana Huq as Independent Director for a 2nd term of three (3) years, effective from December 7, 2022.

It is proposed that the Shareholders approve the appointment of Dr. Rubana Huq as an Independent Director of the Company, not liable to retire by rotation at the 25th Annual General Meeting of the Company.

Credentials of Dr. Huq is provided in this Annual Report.

(e) 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 25th Annual General Meeting. Being eligible they offer themselves for re-election:

- Mr. Jorge Bonnin Bioslada
- Mr. Manzurul Islam
- Mr. Martin Kriegner

Credentials of the above mentioned three Directors are provided on page numbers 7, 9 & 11 in this Annual Report.

(f) 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 & 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.

(g) Board and Sub Committee Meetings and Attendance

In 2022, the Board of Directors' of the Company met on six (6) and Audit Committee of the Company met on four (4) occasions respectively. The NRC of the Company met on one (1) occasion.

The meetings of the Board of Directors', Audit Committee and NRC meetings were held virtually (except 1 (one) Board of Directors meeting that was held in Zug, Switzerland on October 13, 2022) 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 Annex 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 2022. 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 Annex IX.

In 2022, the Company received two (2) prestigious awards in the field of Corporate Governance and Corporate Social Responsibility (CSR). The Institute of Chartered Secretaries of Bangladesh (ICSB) recognised the Company for Corporate Governance Excellence and The Daily Star & CSR Window awarded the Company for its contribution in the healthcare sector at the "A Better Tomorrow CSR Awards 2022".

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 25th Annual General Meeting of the Company on completion of consecutive term of three (3) years. They are not eligible for reappointment as per BSEC Notification on financial reporting and disclosure dated June 20, 2018 and Dhaka & Chittagong Stock Exchange (Listing) Regulations, 2015 dated June 30, 2015.

M/s Nurul Faruk Hasan & Co., Chartered Accountants expressed their interest to be appointed as statutory auditors of the Company for the year 2023. The Board of Directors has accepted the willingness of M/s Nurul Faruk Hasan & Co., Chartered Accountants, as per recommendation of Audit Committee, for appointment as statutory auditors for the year ending December 31, 2023 which is being placed in the 25th Annual General Meeting.

(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 completed three (3) consecutive years and shall retire at the 25th Annual General Meeting of the Company. The Company need to change the Compliance Auditors every three (3) consecutive years for the good Corporate Governance.

M/s Mohammad Sanaullah & Associates, Chartered Secretaries & Management Consultants expressed their interest to be appointed as compliance auditors of the Company for the year 2023. The Board of Directors has accepted the willingness of M/s Mohammad Sanaullah & Associates, Chartered Secretaries & Management Consultants, as per recommendation of Audit Committee, for appointment as compliance auditors for the year ending December 31, 2023 which is being placed in the 25th Annual General Meeting.

16. INDUSTRY: OUTLOOK & POSSIBLE FUTURE DEVELOPMENTS

According to the International Monetary Fund, Bangladesh's economic growth is expected to be 6.0% for the fiscal year 2023 that is lower than the previous year. Despite being hit by multiple external challenges including increase of oil & gas prices elevated throughout the year, it has ultimately resulted in sky-high commodity prices. Inflation rate went up to ~9%, highest in the last 9 years. The country's Ready Made Garment industry showed strength in adversity. However, remittances reached a record high in 2022.

Though construction activities got back to normal after COVID 19, global and external challenges stalled the construction industry and interrupted the growth. The shipping crisis ignited the freight costs to increase by USD 6-7/ per tonne, which in turn increased the costs of imported raw materials abnormally. In addition, the surge in the diesel price caused logistics costs to increase by 20%-30% across the country. Most projects and individual house builders (IHB) segments have slowed down for lower funds, high priced construction materials, no revision to schedule of rates, non-payment of contractors, and problems in opening LCs for dollar crisis. Meanwhile, the Government has decided to stop the subsidy in the power sector eventually and as a first step increased the natural gas price to ~179% and electricity price to ~15% recently. Cement prices however remained stagnant and the abnormal increase in the raw material costs could not be passed on to the consumers for the high competition in market.

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 the valuable stakeholders of the Company viz. customers, dealers, vendors, banks, suppliers, business partners for their relentless support and services during the year. The Directors are also obliged to the local communities around the Surma Plant in Chhatak, Mongla Plant, Meghnaghat Plants and the Quarry in Meghalaya for the support received. The Directors would like to recognize the efforts of the management and all employees of the Company and thank them for their dedication and perseverance. The results achieved are outstanding and were only possible due to their robust 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: April 7, 2023



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, 2022.

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 26 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 business of the Company is a thrifty three-tier pursuit resulting from the concerted governance of the Shareowners, the Board of Directors and the Management Team - all having a thoroughly and distinctly delineated area of governance. It is a perfect stature of 'corporate democracy' as outlined below:

Shareholders

The Board is constituted by the shareholders, from amongst the shareholders and at a meeting of the shareholders. They appoint and authorize the directors, appoint the statutory and compliance auditors, approve the audited financial statements and hold the directors accountable for the conduct of business. The Board reports to the Shareholders at the AGM.

Board of Directors

The Board and its sub-committees are tasked with specific responsibilities as per law and the Articles of Association of the Company. Based on their specific charter, they delegate the authorities and control measures, set strategies of investment and business and exercise their control and supervision over the Executive Management.

Management Team

The Executive Team of Management concentrates on the actual day-to-day affairs and management of business with meticulous compliance of laws of the land and the associated rules and regulations. They perform squarely within the mandated areas of operations and answerable to their line of hierarchy - the Board of Directors, who in turn reports to the Shareholders.

Thus, the undertaking in the Company is a blend of shared stewardship and governance recognised by global practices and corporate culture.

THE GOVERNANCE STRUCTURE

A. BOARD COMPOSITION: SIZE AND COMPOSITION OF THE BOARD

The Company is professionally managed its function 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.

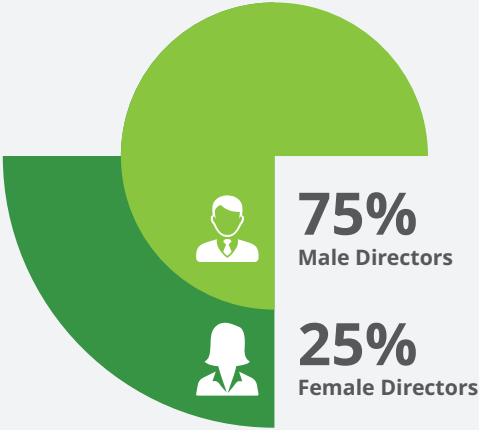
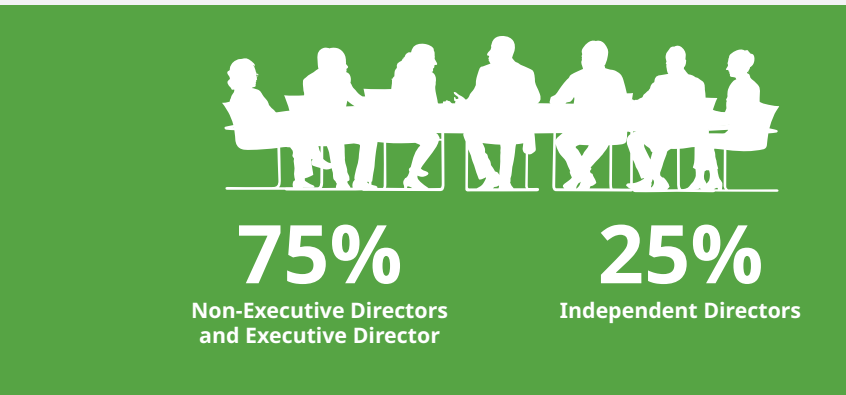
The Corporate Governance Code has mandated that:

- 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;

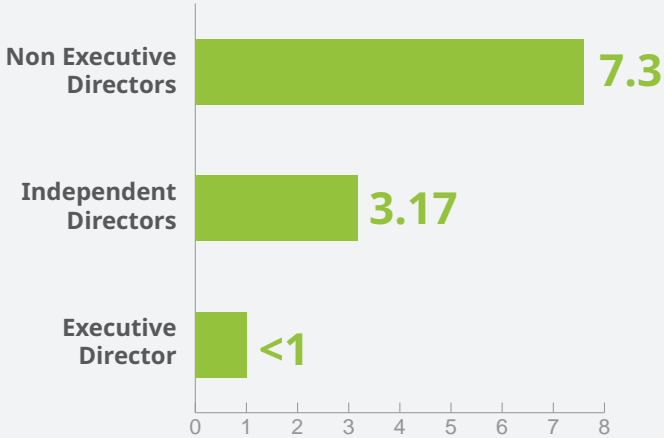
As on March 2, 2023, the Board comprised (12) Directors, consisting of one (1) Non-Executive Chairman, three (3) Independent Directors, seven (7) Non-Executive Directors and one (1) Executive Director. The Chief Executive Officer (CEO) of the Company is the only Executive Director. An independent director 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.

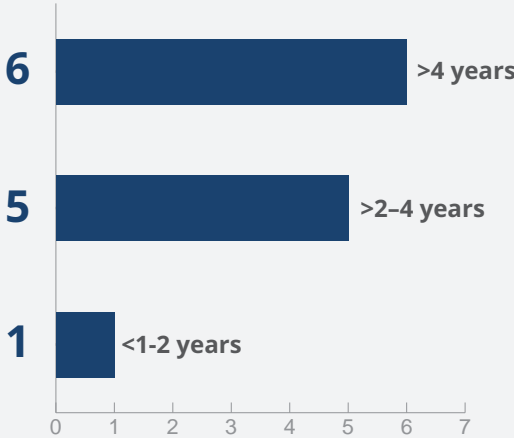
SIZE AND COMPOSITION OF THE BOARD



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 2022.

C. RESPONSIBILITIES OF THE BOARD LEADERSHIP

(I) CHAIRMAN 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.

(II) 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.

(III) CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)

In compliance of clause 3 of the Corporate Governance Code, the Board of Directors has appointed CEO and CFO of the Company.

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.

The CFO operates the Finance Department and reports to CEO of the Company. The CFO does not hold any executive position in any other company at the same time. The Board of Directors has clearly defined his roles, responsibilities and duties. The CFO attends the meetings of the Board of Directors.

(IV) COMPANY SECRETARY (CS) AND HEAD OF INTERNAL AUDIT & COMPLIANCE (HIAC)

In compliance of clause 3 of the Corporate Governance Code, the Board of Directors has appointed a CS and HIAC of the Company.

The CS has the prescribed qualifications, to perform the duties as a secretary under the Bangladesh Companies Act, 1994 (the "Act"). The CS is functionally responsible to the Chairman of the Board of Directors and administratively to the CEO.

The Company has in place an internal audit function which functioning reports to the Audit Committee providing reasonable assurance that its key organizational and procedural controls are effective. The HIAC, shall oversee and be responsible for the internal audit and compliance activity of the Company and its subsidiary companies. In addition the HIAC reports administratively to the CFO of the Company on day to day activities of internal audit function.

The Company Secretary and Head of Internal Audit & Compliance 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.

PROFILE AND REMUNERATION OF DIRECTORS

(i) Director 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.

Distinctions of the company board:

- ✓ The Board is a blend of diverse knowledge, culture and nationality,
- ✓ Members of the Board are non-executive directors,
- ✓ Chairman and CEO of the Company are separate individuals,
- ✓ The Independent Directors and their competencies are precisely as per the CG Codes prescribed by BSEC,
- ✓ None of the Independent Directors is more than six years at the Board,
- ✓ The Board Committees are headed by Independent Directors,
- ✓ Roles and responsibilities of the Chairman, Directors and CEO are clearly demarcated,
- ✓ Members of Management do not indulge in Board matters,
- ✓ Roles and functions of the Board and Management are clearly delineated,
- ✓ Thus the Company Board is capable to deliver the utmost 'collective wisdom' to the Company.

(ii) 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.

MEETINGS OF THE BOARD OF DIRECTORS

Six (6) Board meetings were held in the year 2022 among which five (5) Board meetings were held virtually on account of travel restrictions and social distancing requirements and one (1) Board meeting was held physically. The Company records the Minutes of the meetings as well as keeps required books and register 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 the 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.

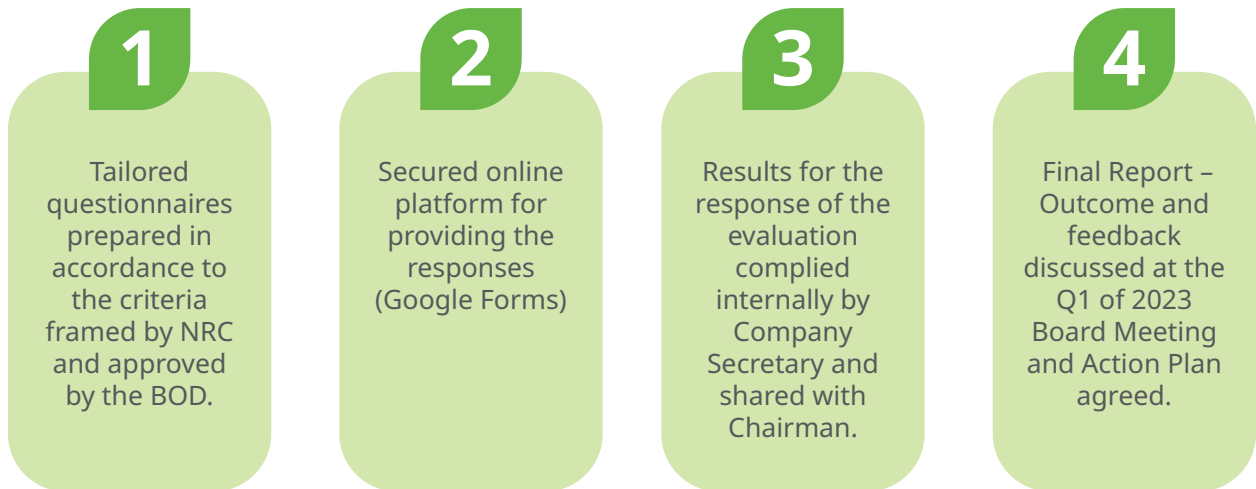
PERFORMANCE EVALUATION OF THE BOARD

The effectiveness of the Board, Independent Directors and Chairman is crucial to the overall success of the Company. In line with 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"> • Board Composition and Quality • Board Meetings and Procedures • Execution and performance of specific duties from the point of view of the members of the Board • Assessment of the Secretarial Department 	<ul style="list-style-type: none"> • Integrity • Implementing best CG practices • Unbiased & ethical judgment • Independent Judgment - Board Deliberations • Updated with business of the Company • Acting in the interest of the Company, Shareholders & Employees • Confidentiality • Adherence to Code of Conduct • Negative press 	<ul style="list-style-type: none"> • Overall Management of Meetings • Approachableness • Ability in handling critical situations • Openness to discuss difficult issues • Encouragement of critical interventions of Board Members

Evaluation process



Outcome of Performance Evaluation

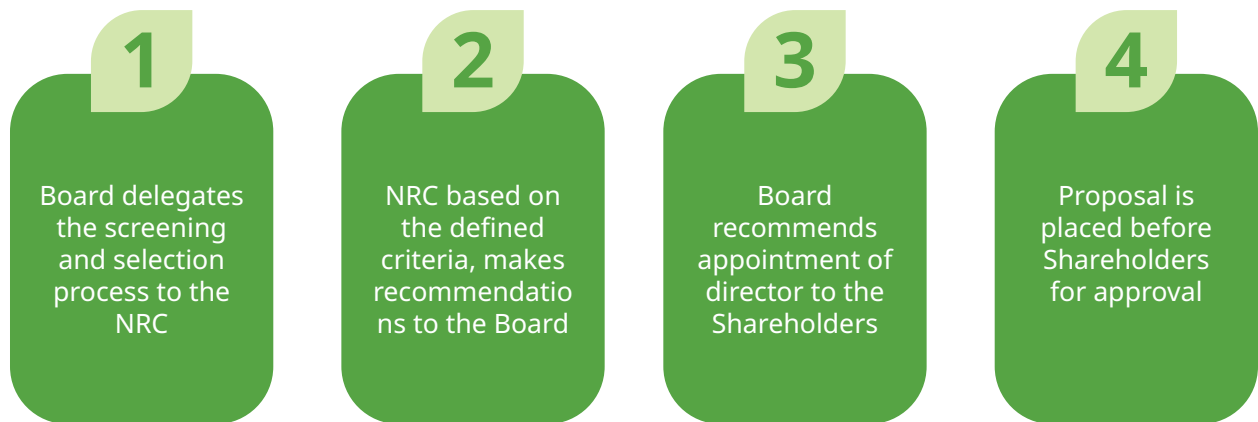
A report in respect of the feedback from the Directors in the evaluation questionnaires and suggested recommendations for areas to focus on in the coming year was presented to the Board for consideration, following which an action plan was agreed. Overall, the review determined that the Board as a whole has been functioning as a cohesive body which is well engaged with different perspectives. There is a good balance of skills and experience on the Board to ensure the delivery of stakeholder goals. Independent Directors are hard-working and demonstrate a strong commitment to the principles guiding the Company. Behaviour in the boardroom is mostly seen to be constructive. There is very strong confidence in the leadership of the Board; and the Company Secretariat Department is functioning effectively.

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

CONTROLS 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, INTEGRITY AND COMPLIANCE

(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.

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/code-conduct>

(ii) Fair Competition

The Company has been carrying out extensive training sessions for creating awareness among relevant employees on fair competitive practices. In 2022, trainings were organized over video conference and physical training was held. 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.

(iii) Compliance

The Company's Corporate Governance philosophy encompasses not only regulatory and legal requirements, but also compliance with other best practices aimed at a high level of business ethics, effective supervision and enhancement of value for all shareholders and stakeholders. Some of such initiatives include :

Observance of BAS, BFRS & Applicable Laws

The Directors expressly confirm that the financial statements have been prepared in accordance with the Bangladesh Accounting Standards and applicable rules and regulations. A statement on implementation of the different accounting standards is set out at the Directors' Report and at notes to the financial statements.

Bangladesh Secretarial Standards (BSS)

The Board and General Meetings of the Company and subsequent preparation of minutes of meetings, as also other necessary pre-meeting requirements viz: serving of notices, agenda, passing of resolutions etc. are precisely done as per the Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB). Such compliances are also reflected and mentioned in the Certificate of Compliance appended in this Report.

VIGIL MECHANISM / INTEGRITY LINE WHISTLE BLOWING

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

In 2021, the Company introduced the 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 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

(i) Financial Reporting

Financial reporting system is the backbone of a successful information structure. The Company has strong financial reporting procedures in place. Financial statements are prepared in accordance with International/Bangladesh Financial Reporting Standards (IFRS/BFRS), the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable financial legislations. These financial statements, once prepared, are reviewed initially by CFO and CEO and then by the Audit Committee on a regular basis. The statutory auditors review the annual financial statements prepared in accordance with the local financial reporting policies and Company procedures. After all internal scrutiny, the financial reports are placed before the Board for final review and approval.

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/financial-reports>

(ii) Employee Health & Safety

As a Company that is constantly focused to uphold standard corporate practices, the Company maintains internal health and safety policies and procedures and country's regulations to ensure a safe working environment. The issues of staff health, safety and security are paramount to the Company and we are working with our employees to ensure that health and safety standards are maintained and improved. LafargeHolcim Bangladesh Limited provides adequate life and hospitalization insurance coverage to all its permanent employees.

(iii) Assets and Records Management

The records, documents and assets are of prime importance to the Company. The Board recognizes its role as the Trustees of the investors' funds. And, as such, it assigns special care to protect and safeguard the records, documents and all assets of the Company. From acquisition to disposal of assets due transparency and accountability is ensured keeping in mind the interests of the investors. Implementation of adequate safety and security measures followed by periodic check and physical verification of the assets are duly ensured. Accuracy and genuineness of the inventory of assets are thoroughly checked with actual situation. The assets are properly insured with renowned insurance companies against fire and industrial risks. Records of the Company are systematically preserved to ensure adequate and timely retrieval as and when necessary.

(iv) Dividend: policy, allocation and distribution

The divisibility of dividend and its payout is an annual exercise of the Board. Being a yearly entitlement of the shareholders, the Board strives to ensure the highest pragmatic return of dividend to them. To that end, the Board has instituted an allocation strategy which forms the basis for fund provisioning, appropriation and distribution of dividend. The allocations are worked out taking into consideration the primary business performance of the year, over against its strategic initiatives, future engagements, investments, equity build-up, long and short-term obligations and the vital working capital needs. The Board believes that it is in the best interest of the Company to frame out a long term and predictable future dividend policy that is sustainable and could also be in the foremost benefit interest of the shareholders. Abiding by the requirements, the dividends once declared are transferred to a separate dividend account. Further, the unclaimed dividends are treated meticulously as per the regulatory guidelines. LafargeHolcim Bangladesh Limited being a listed entity, the Board always upholds full transparency for all to make informed investment in the Company. A summary of unclaimed dividend is presented at the Directors' Report and at 'notes to the annual accounts' of the Company.

(v) Process of Distribution of Cash Dividend

The cash dividends are paid directly to the respective bank accounts within 15 days and not more than 30 (thirty) days of the date of approval by the shareholders at the AGM and the date of Board approval in the case of an interim dividend, subject to compliance with BSEC or Bangladesh Bank or other regulatory authority circulars/directives from time to time.

(vi) Process for settling unpaid dividends

Unpaid or unclaimed cash dividends for less than three years from the declaration date shall be paid to shareholders upon application and disbursed within the time period specified. In case of the cash or stock dividend for more than three years from the declaration date shall be settled as per the instructions of the BSEC or other regulatory authorities from time to time.

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 - IX to this Report.

The status of compliance with the Corporate Governance Code is captured in the checklist appended as Annexure - X 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:**

Taka in Million

Particulars	2022	2021	2020	2019	2018
Revenue	23,594	20,534	16,222	17,840	16,632
Gross Profit	8,334	6,640	4,606	4,532	4,100
Operating profit	5,970	4,840	2,954	2,921	2,310
Profit before tax	5,744	4,828	2,849	2,681	1,883
Profit for the year	4,445	3,882	2,361	1,737	1,115
Property, plant and equipment	16,033	16,384	16,675	16,531	16,665
Goodwill	318	318	318	318	318
Intangible assets	2,170	2,210	2,293	2,520	2,614
Current assets	10,450	10,710	6,933	7,414	7,149
Share capital	11,614	11,614	11,614	11,614	11,614
Retained earnings	5,872	8,163	5,442	4,242	3,666
Shareholders' equity-Parent company	17,711	19,794	17,289	16,199	15,578
Non-controlling interests	(0.180)	(0.210)	(0.170)	(0.134)	(0.066)
Equity	17,710	19,794	17,289	1,6199	15,578
Current liabilities	8,917	7,153	5,941	7,243	6,978

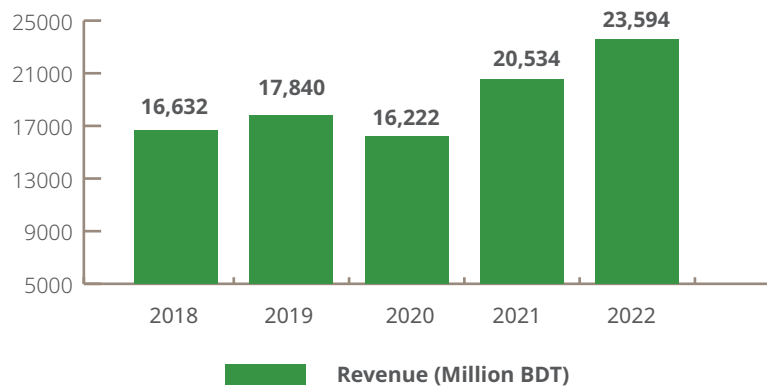
in BDT

Particulars	2022	2021	2020	2019	2018
Net asset value per share	15.25	17.04	14.89	13.95	13.41
Net operating cash flow per share	5.76	5.23	3.91	3.52	2.68
Earnings per share	3.83	3.34	2.03	1.50	0.96

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

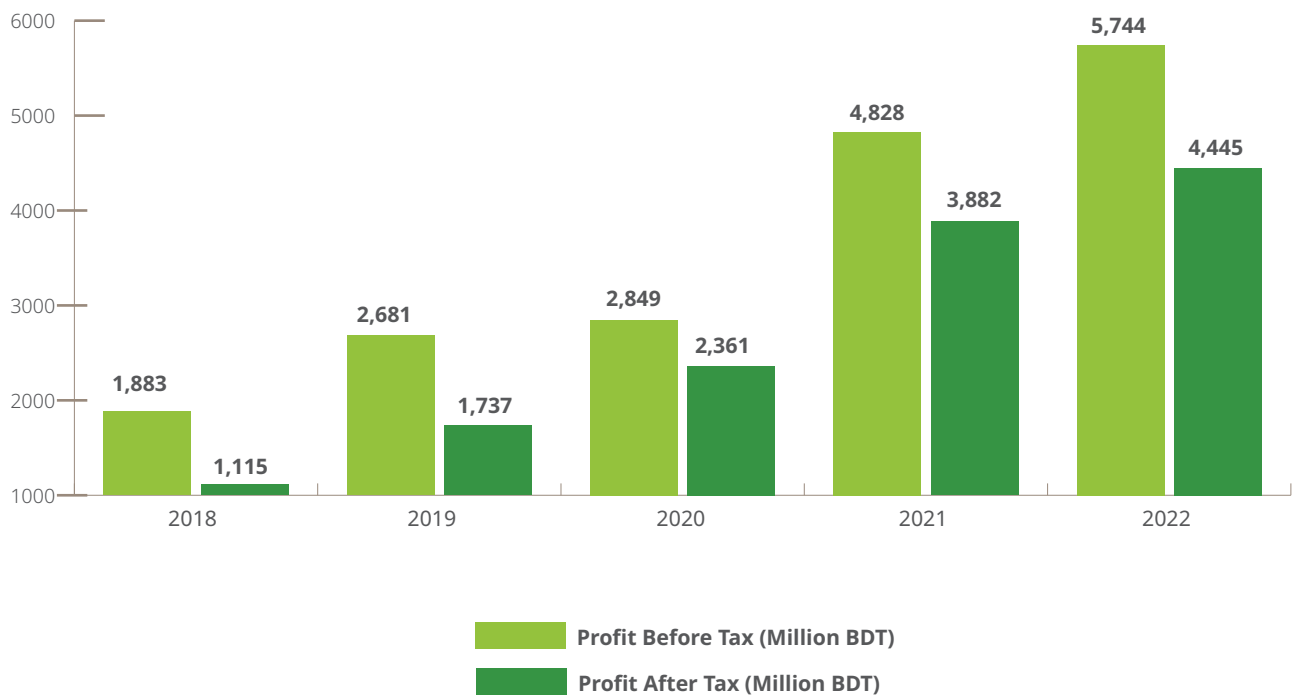
Year 2022, hoped to be a brilliant year following the end of pandemic. However, this was not the case it had to observed the new Front of War in the Eastern Europe, which almost paralysed the Country's economies in every sector, mainly on Energy and Forex exchange area. Despite all these odds, your Company continued to be the best in class with many others new fronts like growing in Aggregates, expanding the Geocycle footprint, increasing its TSR up to 7.25% from very basic, introducing two new Green products. The efforts resulted in good savings of the costs and increase the profit despite spiralling hike of prices of energy and almost all the raw materials. However, we have not carried out any extra-ordinary activities that resulted any gain or loss.

Total Revenue of 2022 were BDT 23,594 million; out of these, Cement Business was BDT 21,299 million (2021: BDT 19,463 million) and Aggregate Business BDT 2,295 million (2021:BDT 1,072 million), with total 15% growth over 2021. However, profit before tax grew by 19% with hard works and dedication by its employees and management.

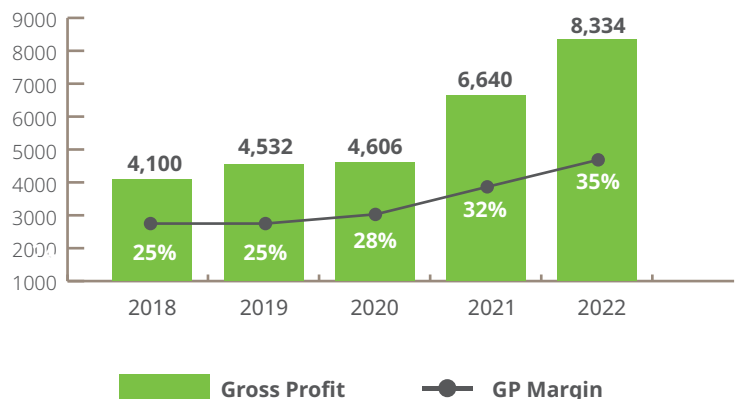


The Gross Profit Margin was improved by 26%. The Earnings Per Share (EPS) of the Company increased by 14% and stood at Tk. 3.83 in 2022 whereas it was Tk. 3.34 in 2021.

Profit in Million BDT



Gross Profit in Million BDT



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

Thanks to new business of Aggregates, increasing TSR percentage of 7.25%, aggressive cost challenges for production and logistic operations, lower finance cost helped to achieve 14% Earning Per Share (EPS) growth in 2022 over 2021. However, 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	LHBL 2022	LHBL 2021	LHBL 2020
A	Revenue			
i	Amount (in Million BDT)	23594	20,534	16,222
ii	Change in Percentage	15%	27%	-9%
B	Gross profit			
i	Amount (in Million BDT)	8334	6,640	4,606
ii	Change in Percentage	26%	44%	2%
C	Operating Profit			
i	Amount (in Million BDT)	5970	4,840	2,954
ii	Change in Percentage	23%	64%	1%
D	Earnings per share			
i	Amount (in Million BDT)	3.83	3.34	2.03
ii	Change in Percentage	15%	64%	36%

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
January 31, 2022	12	10
April 25, 2022	12	10
July 20, 2022	12	08
October 13, 2022	12	09
November 15, 2022	12	11
December 1, 2022	12	11

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 March 21, 2022
	January 31, 2022	April 25, 2022	July 20, 2022	October 13, 2022	November 15, 2022	December 1, 2022	
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	✓	✓	✓	Not present
Mr. Marcos Cela Rey	✓	✓	✓	✓	✓	✓	✓
Mr. Rajiv Prasad Shaha	✓	✓	Leave of absence	Leave of absence	Leave of absence	✓	✓
** Ms. Naheed Akhter	✓	Leave of absence	Leave of absence	✓	✓	Leave of absence	Not present
Mr. Syed Mahmudul Huq	✓	✓	✓	✓	✓	✓	Not present
Mr. Jorge Bonnín Bioslada	✓	✓	✓	✓	✓	✓	✓
Ms. Sonal Shrivastava	✓	✓	✓	✓	✓	✓	✓
Dr. Rubana Huq	Leave of absence	Leave of absence	Leave of absence	Leave of absence	✓	✓	✓

* Mr. Rajesh Kumar Surana resigned on February 14, 2023.

** Ms. Naheed Akhter resigned on March 28, 2023.

The composition of the Audit Committee as at December 31, 2022 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			
		January 27, 2022	April 25, 2022	July 19, 2022	October 10, 2022
Mr. Rajiv Prasad Shaha	Independent Director	✓	✓	✓	✓
Mr. Jorge Bonnín Bioslada	Director	✓	Leave of absence	✓	✓
Ms. Sonal Shrivastava	Director	✓	✓	✓	✓

The Composition of the Nomination and Remuneration Committee (NRC) as of December 31, 2022 and details of the Members participation at the meetings of the Committee are as under:

Name of Member	Category	Attendance at the NRC Meeting November 25, 2022
Dr. Rubana Huq	Independent Director	✓
Mr. Christof Hässig	Non Executive Director	✓
Mr. Julio Rodriguez Izquierdo	Non Executive Director	✓


REPORT OF THE AUDIT COMMITTEE TO THE BOARD FOR THE YEAR ENDED DECEMBER 31, 2022

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 & 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.

			
CHAIRMAN	MEMBER	MEMBER	SECRETARY
Mr. Rajiv Prasad Shaha <i>Independent Director</i>	Ms. Sonal Shrivastava <i>Director</i>	Mr. Jorge Bonnin Bioslada <i>Director</i>	Mr. Kazi Mizanur Rahman <i>Company Secretary</i>

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 CGC 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 2022, the Audit Committee met on four (4) occasions. Which 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) and Head of Internal Audit & Compliance (HIAC) 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 2022 forms part of the Annual Report.

Major Activities during the year 2022

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, 2022:

FINANCIAL REPORTING	<ul style="list-style-type: none"> 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. 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.
INTERNAL CONTROL	<ul style="list-style-type: none"> The Audit Committee closely monitored the Business Risk Management Framework adopted by the Company. The Audit Committee has reviewed the progress of implementation of minimum control standards followed by annual financial certifications. 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. Reviewed the report on compliance of conditions of the Corporate Governance Code. Ensured internal Policies, Directives and Standards are in place and compliance related to laws and regulations are well monitored. 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.
INTERNAL AUDIT	<ul style="list-style-type: none"> The Audit Committee reviewed the adequacy of Internal Audit activities carried out during the year. The Internal Audit Reports were reviewed by the Audit Committee and monitored the implementation of Audit recommendations to improve Internal Control Environment. The annual internal audit plan 2022 and resource allocation for the Internal Audit Services was reviewed and approved by the Audit Committee. All the audit recommendations have been reviewed and followed up by the Audit Committee to ensure effective internal control and compliance at place.
EXTERNAL AUDIT	<ul style="list-style-type: none"> 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 2022. The Audit Committee also reviewed the comments and responses in Management Letters issued by the statutory auditors for the year 2022.
RELATED PARTY TRANSACTIONS	<ul style="list-style-type: none"> 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.
SUBSIDIARIES OF THE COMPANY	<ul style="list-style-type: none"> Reviewed the financial statements of the Subsidiary companies Reviewed the capital investments made by the Subsidiary companies.

Activities of Internal Control in 2022

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:



2022 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 2022 the company undertaken the Enterprise Risk Management (ERM) exercise. A detailed update and analysis of the Country Risk map was carried out in 2022 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: March 2, 2023

REPORT OF THE NOMINATION & REMUNERATION COMMITTEE TO THE BOARD FOR THE YEAR ENDED DECEMBER 31, 2022

In compliance with 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.



CHAIRPERSON
Dr. Rubana Huq
Independent Director



MEMBER
Mr. Christof Hässig
Director



MEMBER
Mr. Julio Rodriguez
Director



SECRETARY
Mr. Kazi Mizanur Rahman
Company Secretary

During the year 2022, the Nomination and Remuneration Committee has recommended and accordingly the Board Directors of LafargeHolcim Bangladesh Limited has approved Dr. Rubana Huq's reappointment as an Independent Director on December 6, 2022 for a term of three (3) years i.e. up to December 5, 2025 by its Resolution dated October 3, 2022.

Bangladesh Securities and Exchange Commission (BSEC) has also approved the reappointment of Dr. Rubana Huq as per condition No. 1(2)(c) of the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 3, 2018.

THE NRC ALSO PERFORMED THE FOLLOWING FUNCTIONS DURING THE YEAR UNDER REVIEW:

- Reviewed the mix and composition of the Board and Committees of the Company and those of its Subsidiaries,
- Reviewed the background qualifications, positive attributes and level of independence of the directors in the Board of the Company and those of its Subsidiaries,
- Reviewed the report relating to Independent Directors as submitted to the regulatory authority,
- Reviewed the frequency of meetings of the Committee in a year.

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.



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;



devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;



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;



formulating the criteria for evaluation of performance of independent directors and the Board;



identifying the Company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;



developing, recommending and reviewing annually the Company's human resources and training policies.

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 2022, the NRC met on November 25, 2022. However, the NRC passed two (2) resolutions by correspondences which were ratified in the NRC meeting on November 25, 2022.

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

- Recommend Directors liable to retire by rotation at the 24th Annual General Meeting of the Company.
- Identified and recommended to the Board, potential individuals for filling one (1) casual vacancy created by the resignations/ end of term of Directors 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 three (3) vacancies created by the changes to Top Level Executives 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 2022 for fulfilling the requirements and evaluations specified in Clause 6(5)(b) 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: March 2, 2023

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 & 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 sub-committee 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. Mohammad Iqbal Chowdhury	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.	Mr. Rajiv Prasad Shaha	Independent Director	Nil	Nil	Nil
9.	Dr. Rubana Huq	Independent Director	Nil	Nil	Nil
10.	Ms. Sonal Shrivastava	Director as nominee of Surma Holding BV	Nil	Nil	Nil
11.	Mr. Syed Mahmudul Huq	Independent Director	Nil	Nil	Nil
12.	Mr. Md. Anisuzzaman	Chief Financial Officer	9,080	Nil	Nil
13.	Mr. Kazi Mizanur Rahman	Company Secretary	Nil	Nil	Nil
14.	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 BV: 683,698,700 shares
- Islam Cement Ltd: 31,914,200 shares
- Sinha Fashions Ltd: 28,950,000 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. Amit Agarwal	Commercial Director (Sales & Marketing)	Nil
Mr. Wedage Lakmal Suranjan Fonseka	Logistics & Procurement Director	Nil
Mr. Md. Mahabobur Rahman Sarker	Head of Sales and Operation 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, 2022:

Name of the Shareholders	Nationality or incorporated in	Number of Shares	Holding %
Surma Holding B.V	The Netherlands	683,698,700	58.87
Islam Cement Limited	Bangladesh	31,914,200	2.75
Sinha Fashions Limited	Bangladesh	28,950,000	2.49
Others Shareholders	Bangladesh & NRB	416,810,600	35.89
Total		1,161,373,500	100.00

(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	13,547	3,154,759	0.27
501 to 5,000 Shares	13,802	26,199,033	2.26
5,001 to 10,000 Shares	2,255	17,166,897	1.48
10,001 to 20,000 Shares	1,387	20,561,425	1.77
20,001 to 30,000 Shares	547	13,750,090	1.18
30,001 to 40,000 Shares	248	8,770,188	0.76
40,001 to 50,000 Shares	239	11,194,119	0.96
50,001 to 100,000 Shares	396	29,577,605	2.55
100,001 to 1,000,000 Shares	400	104,453,263	8.99
Over 1,000,000 Shares	39	926,546,121	79.78
Total	32,860	1,161,373,500	100.00

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

The Board of Directors
LafargeHolcim Bangladesh Limited

March 2, 2023

Subject: Declaration on Financial Statements for the year ended on December 31, 2022.

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, 2022 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, 2022 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,



Mohammad Iqbal Chowdhury
Chief Executive Officer



Md. Anisuzzaman
Chief Financial Officer

Management Discussion and Analysis on the Company's position on the operation and financial statements for the year ended December 31, 2022

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 2022 or 31 December 2022 and Statement of Profit and Loss for the year ended 30 June 2022 or 31 December 2022 have been considered for the same.

(Taka in Million)

Sl. No.	Items	31-Dec-22	31-Dec-21	30-Jun-22	30-Jun-22
		LHBL	HCBL	CCPLC	MCML
1	Revenue	23,594	14,328	19,140	8,295
2	Gross Profit	8,334	1,598	1,592	935
3	Net Profit After Tax	4,445	475	(229)	56
4	Dividend	48% Cash	26% Cash	10% Cash	5% Cash, 5% Stock
5	No. of shares outstanding (In Million)	1,161	57	149	29
6	EPS (Taka)	3.83	8.41	(1.54)	1.95
7	NAVPS (Taka)	15.25	66.60	49.18	57.90
8	NOCFPS (Taka)	5.76	19.75	21.84	15.14

LHBL= LafargeHolcim Bangladesh Ltd., HCBL = Heidelberg Cement Bangladesh Ltd., CCPLC = Crown Cement PLC., MCML = Meghna Cement Mills Ltd., EPS = Earnings Per Share, NAVPS = Net Asset Value Per Share, NOCFPS = Net Operating Cash Flows Per Share.

- (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.

Dated Dhaka, March 2, 2023



Mohammad Iqbal Chowdhury
Chief Executive Officer

LafargeHolcim Bangladesh Limited
Statement of unclaimed/undistributed Cash Dividend
as on December 31, 2022

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	1,261,757.00	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 from 2014 to 2017 to 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	
	Total		9,290,988,000		92,909,880,000	40%	4,645,494,000.00	4,603,562,745.57	41,931,254.43	7.29		
9	Final 2018	27-Feb-19	1,161,373,500	10.00	11,613,735,000	10%	1,161,373,500.00	1,155,572,836.95	5,800,663.05	0.50	47,731,917.48	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 2018 (as of June 30, 2022) to CMSF on July 3, 2022
	Total		10,452,361,500		104,523,615,000	50%	5,806,867,500.00	5,759,135,582.52	47,731,917.48	7.80		
10	Final 2019	4-Mar-20	1,161,373,500	10.00	11,613,735,000	10%	1,161,373,500.00	1,155,573,028.23	5,800,471.77	0.50	53,532,389.25	As per Clause (3)(vii) of 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 2019 (as of June 30, 2022) to CMSF on July 3, 2022
11	Final 2020	2-Mar-21	1,161,373,500	10.00	11,613,735,000	10%	1,161,373,500.00	1,157,941,202.45	3,432,297.55	0.30	56,964,686.80	
12	Final 2021	31-Jan-22	1,161,373,500	10.00	11,613,735,000	25%	2,903,433,750.00	2,895,489,912.97	7,943,837.03	0.27	64,908,523.83	386 /03 dated 14 January 2021 LHBL published the year-wise unpaid / unclaimed cash
13	ID 2022	20-Jul-22	1,161,373,500	10.00	11,613,735,000	15%	1,742,060,250.00	1,612,688,038.55	129,372,211.45	8.02	194,280,735.28	dividend list and
14	2nd ID 2022	15-Nov-22	1,161,373,500	10.00	11,613,735,000	18%	2,090,472,300.00	1,950,197,960.88	140,274,339.12	7.19	334,555,074.40	summary in the website.
	Total		5,806,867,500		58,068,675,000	78%	9,058,713,300.00	8,771,890,143.08	286,823,156.92	16.29		
	Grand Total		16,259,229,000		162,592,290,000	128%	14,865,580,800.00	14,531,025,725.60	334,555,074.40	24.08		

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 2022. 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 :

- (a) The Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Corporate Governance Code issued by the Commission.
- (b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code.
- (c) Proper books and records have been kept by the Company as required under the Companies Act 1994, the securities laws and other relevant laws, and
- (d) The 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 2022.

Al-Muqtadir Associates
Chartered Secretaries & Consultants



Date: March 30, 2023

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	Board of Directors			
1(1)	Size of the Board of Directors The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	✓		The Board is comprised of 12 (twelve) Directors
1(2)	Independent Directors			
1(2) (a)	At least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	✓		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)	Qualification of Independent Director:-			
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)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:-			
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)	The Directors' Report to Shareholders			
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 48% cash dividend for the year ended December 31, 2022
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 Annexure A ; 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 Annexure B and Annexure C .	✓		Certificate included in the Annual Report
1 (6)	Meetings of the Board of Directors The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓		Conducting of meetings and keeping of records are done as per provisions of the Bangladesh Secretarial Standards (BSS) of ICSB
1 (7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer	✓		
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	Governance of Board of Directors of Subsidiary Company.	✓		
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	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)			
3 (1) (a)	Appointment 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)	Requirement to attend Board of Directors' Meetings The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	✓		In practice
3 (3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
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	Board of Directors' Committee:- 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	Audit Committee:-			
5 (1)	Responsibility to the Board of Directors:			
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)	Constitution of the Audit Committee:			
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)	Chairperson of the Audit Committee:	✓		
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)	Meeting of the Audit Committee:-			
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)	Role of Audit Committee The Audit Committee shall:-			
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)	Reporting of the Audit Committee			
5 (6) (a)	Reporting to the Board of Directors			
5 (6) (a) (i)	The Audit Committee shall report on its activities to the Board.	✓		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)	Reporting to the Authorities If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.	N/A		
5 (7)	Reporting to the Shareholders and General Investors Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	✓		The activities of the Audit Committee are duly disclosed in the Annual Report of the Company
6	Nomination and Remuneration Committee (NRC):-			
6 (1)	Responsibility to the Board of Directors			
6 (1) (a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	✓		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)	Constitution of the NRC			
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)	Chairperson of the NRC			
6 (3) (a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	✓		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 25th AGM on May 9, 2023
6 (4)	Meeting of the NRC			
6 (4) (a)	The NRC shall conduct at least one meeting in a financial year;	✓		
6 (4) (b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	✓		
6 (4) (c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	✓		
6 (4) (d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	✓		
6 (5)	Role of the NRC			
6 (5) (a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	✓		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	External or Statutory Auditors:-			
7 (1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			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 24 th AGM of the Company
8	Maintaining a website by the Company:-			
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	Reporting and Compliance of Corporate Governance:-			
9 (1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓		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 Annexure C 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.



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

for the year ended December 31, 2022

Hoda Vasi Chowdhury & Co

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

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 2022, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and 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 2022, 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 Auditor's 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

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 8 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 hearing has been completed on 23 February 2023 and the Company is awaiting for the Arbitration Award from the Tribunal.

Our opinion is not modified in respect of this matter.

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 Auditor's 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 23,594 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 2022.

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 2022.

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 2,057 million as at 31 December 2022. 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 14 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 Umiyam 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 2022.

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 auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's 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.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 auditor's 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the 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 auditor's 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: 02 March 2023

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

	Notes	2022 Taka'000	2021 Taka'000
Assets			
Non-current assets			
Property, plant and equipment	5	16,033,485	16,384,327
Goodwill	6	317,776	317,776
Intangible assets	6	2,170,241	2,209,540
Total non-current assets		18,521,502	18,911,643
Current assets			
Inventories	7	2,930,286	2,903,883
Trade receivables	8	525,707	556,658
Other current assets	9	2,150,258	1,812,216
Advance income tax	19	-	160,942
Cash and cash equivalents	10	4,843,726	5,276,723
Total current assets		10,449,977	10,710,422
Total assets		28,971,479	29,622,065
Equity & liabilities			
Equity			
Share capital	11.3	11,613,735	11,613,735
Retained earnings		5,871,541	8,162,968
Other components of equity	11.6	(214,283)	(231,712)
Foreign currency translation	3.5	439,517	249,045
Equity attributable to owners of the Company		17,710,510	19,794,036
Non-controlling interests	12	(180)	(210)
Total equity		17,710,330	19,793,826
Non-current liabilities			
Lease liabilities	13A	3,844	29,111
Deferred tax liabilities	14	2,056,545	2,278,353
Employee benefits	15	216,786	317,150
Provisions	16	67,201	50,493
Total non-current liabilities		2,344,376	2,675,107
Current liabilities			
Trade payables	17	7,218,254	6,292,140
Other current liabilities	18	1,051,807	813,050
Lease liabilities	13B	27,582	29,280
Current income tax liabilities	19	332,307	-
Unclaimed dividend		286,823	18,662
Total current liabilities		8,916,773	7,153,132
Total liabilities		11,261,149	9,828,239
Total equity and liabilities		28,971,479	29,622,065
Net Asset Value (NAV) Per Share	28B	15.25	17.04

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: 02 March 2023

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

	Notes	2022 Taka '000	2021 Taka '000
Revenue	21A	23,594,038	20,534,442
Cost of sales	22	(15,259,770)	(13,894,205)
Gross profit		8,334,268	6,640,237
Other operating income	25A	44,616	136,051
General and administrative expenses	23	(1,777,613)	(1,475,405)
Sales and marketing expenses	24	(618,781)	(460,908)
Other operating expense	25B	(12,017)	-
Operating profit		5,970,473	4,839,975
Finance cost	26	(275,935)	(39,043)
Finance income	26	49,174	26,727
Profit before tax		5,743,712	4,827,659
Income tax	27	(1,299,201)	(945,816)
Profit for the year		4,444,511	3,881,843
Profit attributable to:			
Owners of the parent Company		4,444,540	3,881,873
Non-controlling interests		(29)	(30)
		4,444,511	3,881,843
Earnings Per Share (EPS)			
Basic EPS (Taka)	28A	3.83	3.34
Diluted EPS (Taka)	28A	3.83	3.34

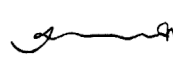
The accompanying Notes 1 to 35 form an integral part of these financial statements.



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: 02 March 2023

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

	2022 Taka'000	2021 Taka'000
Profit for the year	4,444,511	3,881,843
Items that will not be reclassified to profit or loss		
Actuarial gain/(loss)-net off tax	25,747	(132,646)
Total items that will not be reclassified to profit or loss	25,747	(132,646)
Items that are or may be reclassified subsequently to profit or loss		
Cash flow hedge instruments-net off tax	(8,318)	(9,395)
Foreign operation-foreign currency translation differences	190,472	(73,667)
Non controlling interests-currency translation adjustment	59	(10)
Total items that may be reclassified to profit or loss	182,213	(83,072)
Other comprehensive income/(loss)for the year	207,960	(215,718)
Total comprehensive income for the year	4,652,471	3,666,125
Profit attributable to:		
Owners of the parent Company	4,652,441	3,666,165
Non-controlling interests	30	(40)
	4,652,471	3,666,125

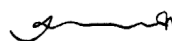
The accompanying Notes 1 to 35 form an integral part of these financial statements.



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: 02 March 2023

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

	<i>In thousands of taka</i>						
	Share capital	Retained earnings	Other components of equity	Foreign currency translation	Equity for parent company	Non controlling interests	Total equity
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 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)
Balance at 31 December 2021	11,613,735	8,162,968	(231,712)	249,045	19,794,036	(210)	19,793,826
Balance at 1 January 2022	11,613,735	8,162,968	(231,712)	249,045	19,794,036	(210)	19,793,826
Total comprehensive income for the year	-	4,444,540	17,429	190,472	4,652,441	30	4,652,471
Dividend for 2021	-	(2,903,435)	-	-	(2,903,435)	-	(2,903,435)
		(3,832,532)	-	-	(3,832,532)	-	(3,832,532)
Balance at 31 December 2022	11,613,735	5,871,541	(214,283)	439,517	17,710,510	(180)	17,710,330

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
Consolidated statement of cash flows
For the year ended 31 December

	Notes	2022 Taka'000	2021 Taka'000
Cash flows from operating activities			
Cash receipts from customers		23,700,457	20,769,723
Cash paid to suppliers and employees		(16,056,593)	(14,264,135)
Cash generated from operations		7,643,864	6,505,588
Income taxes paid		(994,570)	(460,217)
Other receipts		44,398	31,551
Net cash generated from operating activities*	34	6,693,692	6,076,922
Cash flows from investing activities			
Payments for property, plant and equipment		(701,444)	(945,768)
Proceeds from sale of property, plant and equipment		23,394	7,935
Interest income		45,000	26,976
Net cash used in investing activities		(633,050)	(910,857)
Cash flows from financing activities			
Repayments of the lease liabilities		(26,965)	(29,184)
Interest paid on lease liabilities		(6,741)	(2,367)
Payment of interest and other finance costs		(15,025)	(12,386)
Dividend paid		(6,467,806)	(1,202,459)
Net cash used in financing activities		(6,516,537)	(1,246,396)
Net increase in cash and cash equivalents		(455,895)	3,919,669
Net effect of foreign currency translation on cash and cash equivalents		22,898	(15,606)
Cash and cash equivalents at beginning of the year	10	5,276,723	1,372,660
Cash and cash equivalents at end of the year	10	4,843,726	5,276,723
Net Operating Cash Flow Per Share (NOCFPS)	28C	5.76	5.23

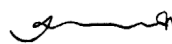
*Refer to Note 34 for a reconciliation between net profit with cash flows from operating activities.
The accompanying Notes 1 to 35 form an integral part of these financial statements.



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 02 March 2023.

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	2022	2021
Average rate	1.1937	1.1509
Closing rate	1.2738	1.1350

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	2-3.5
Plant & machinery	3.33-20
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 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, upgradation 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:

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

- 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.

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.

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

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 fund - for LHBL

The Company recognizes a provision for Workers' Profit Participation and Welfare Fund @ 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.

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.

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

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.

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.

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

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	Vehicles	Office equipment	Furniture and fixture	Construction in progress	Total
2022									
Cost									
Balance as at 1 January 2022	1,530,593	2,804,953	179,597	20,280,637	264,702	525,797	71,832	641,654	26,299,765
Additions	-	77,788	-	545,448	-	18,059	-	212,809	854,104
Disposals	-	-	-	(61,210)	(25,290)	-	-	-	(86,500)
Transfers	-	179,290	-	443,004	-	442	-	(622,736)	-
Translation adjustments	2,844	24,941	-	186,290	9,714	4,475	1,428	8,446	238,138
Balance as at 31 December 2022	1,533,437	3,086,972	179,597	21,394,169	249,126	548,773	73,260	240,173	27,305,507
Accumulated depreciation									
Balance as at 1 January 2022	-	595,529	121,206	8,580,577	178,583	370,813	68,730	-	9,915,438
Disposals	-	-	-	(26,213)	(24,876)	-	-	-	(51,089)
Charge for the year	-	104,054	26,965	1,064,652	18,439	26,589	3,030	-	1,243,729
Translation adjustments	-	4,185	-	150,677	4,243	4,226	613	-	163,944
Balance as at 31 December 2022	-	703,768	148,171	9,769,693	176,389	401,628	72,373	-	11,272,022
Carrying amount									
Balance at December 31, 2022	1,533,437	2,383,204	31,426	11,624,476	72,737	147,145	887	240,173	16,033,485

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

Particulars	<i>In thousands of taka</i>								
	Freehold land	Building	Right of use assets- Building	Plant and machinery	Vehicles	Office equipment	Furniture and fixture	Construction in progress	Total
2021									
Cost									
Balance as 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)
Balance as at 31 December 2021	1,530,593	2,804,953	179,597	20,280,637	264,702	525,797	71,832	641,654	26,299,765
Accumulated depreciation									
Balance as 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)
Balance as at 31 December 2021	-	595,529	121,206	8,580,577	178,583	370,813	68,730	-	9,915,438
Carrying amount									
Balance at December 31, 2021	1,530,593	2,209,424	58,391	11,700,060	86,119	154,984	3,102	641,654	16,384,327

5.1 Depreciation charge for the year allocated to

	2022	2021
	Taka '000	Taka '000
Production and maintenance costs (Note 22.2)	1,149,715	1,115,808
Depot operating and transportation costs (Note 22.4)	49,997	51,888
General and administrative expenses (Note 23)	42,484	43,567
Sales and marketing (Note 24)	1,533	1,880
	1,243,729	1,213,143

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

B. Details of disposal of property, plant and equipment

Disposal details 2022	<i>In thousands of taka</i>					
	Plant and machinery	Vehicles	Office equipment	Furniture and fixture	Construction in progress	Total
Cost	61,210	25,290	-	-	-	86,500
Accumulated depreciation	(26,213)	(24,876)	-	-	-	(51,089)
Carrying amount as at December 31, 2022	34,997	414	-	-	-	35,411
Sale proceeds	14,036	9,358	-	-	-	23,394
Mode of disposal	Company policy/ tender	Company policy/ tender	-	-	-	-
Particulars of purchaser/Type of disposal	Third party & written off	Third party & employees	-	-	-	-

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)
Carrying amount as at December 31, 2021	5,205	-	-	-	-	5,205
Sale proceeds	3,270	4,665	-	-	-	7,935
Mode of disposal	Company policy/ Tender	Company policy/ Tender	-	-	-	-
Particulars of purchaser/Type of disposal	Third party & Written Off	Third party & employees	-	-	-	-

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

6. A. Goodwill and intangible assets

2022	<i>In thousands of taka</i>						
	Goodwill	Leasehold land	Quarry land	Software	Construction in progress	Total excluding goodwill	Total including goodwill
Cost							
Balance as at 1 January 2022	317,776	1,695,160	1,008,841	163,146	12,677	2,879,824	3,197,600
Additions	-	9,060	-	-	-	9,060	9,060
Translation adjustments	-	2,535	121,204	516	-	124,255	124,255
Balance as at 31 December 2022	317,776	1,706,755	1,130,045	163,662	12,677	3,013,139	3,330,915
Accumulated depreciation							
Balance as at 1 January 2022	-	66,425	440,775	163,084	-	670,284	670,284
Charge for the year	-	72,601	42,398	-	-	114,999	114,999
Translation adjustments	-	975	56,189	451	-	57,615	57,615
Balance as at 31 December 2022	-	140,001	539,362	163,535	-	842,898	842,898
Carrying amount							
Balance at 31 December 2022	317,776	1,566,754	590,683	127	12,677	2,170,241	2,488,017
	<i>In thousands of taka</i>						
2021	Goodwill	Leasehold land	Quarry land	Software	Construction in progress	Total excluding goodwill	Total including goodwill
Cost							
Balance as 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 as at 31 December 2021	317,776	1,695,160	1,008,841	163,146	12,677	2,879,824	3,197,600
Accumulated depreciation							
Balance as 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 as at 31 December 2021	-	66,425	440,775	163,084	-	670,284	670,284
Carrying amount							
Balance at 31 December 2021	317,776	1,628,735	568,066	62	12,677	2,209,540	2,527,316
Amortization charge for the year allocated to							
		2022	2021				
		Taka '000	Taka '000				
Production and maintenance costs (Note 22.2)		114,999	73,212				
		114,999	73,212				

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.

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

	2022 Taka'000	2021 Taka'000
7. Inventories		
Raw materials	770,339	907,028
Semi-finished and finished products	1,013,424	920,122
Parts and supplies	1,146,523	1,076,733
	2,930,286	2,903,883
8. Trade receivables		
Trade receivables	525,707	556,658
9. Other current assets*		
Advance payment to trade suppliers	185,850	184,532
Prepaid expenses	33,999	41,857
Security and other deposits	85,815	86,908
Other receivables (Note-9.1)	1,712,212	1,172,816
Advance payment to suppliers of fixed assets	116,551	307,360
Derivative assets	1,532	8,618
Accrued interest on bank deposits	14,299	10,125
	2,150,258	1,812,216

See Note 31B(i) for disclosures regarding credit risk, allowance for doubtful debts and ageing analysis of trade receivables.

*Other current assets mentioned above are unsecured and considered good.

9.1 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, pursuant to the Gas Sales Agreement (GSA), JGTDS has agreed to limit the price for the supply of gas to a Ceiling Price. On 3 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) members tribunal under the UNCITRAL Rules 1976 ("Arbitration").

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 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 against the interim order before the Appellate Division, Supreme Court of Bangladesh (the "Appellate Division") on 8 March 2021 (the "Appeal"). The Appellate Division maintained the interim relief but directed the Company to pay JGTDS the claimed amount which is Taka 903 million and monthly gas bills at the rate fixed by BERC. The Company has paid Taka 1,392 million as of 31 December 2022 to JGTDS and accounted for the amount as other receivable. The order of the Appellate Division relates to the interim relief 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 favor 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.

The hearing before the Tribunal has been concluded on 23 February 2023. The Company is awaiting for the Arbitration Award.

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

	2022 Taka'000	2021 Taka'000
10. Cash and cash equivalents		
Cash in hand	1,821	1,801
Cash at banks	1,821	1,801
Current accounts*	2,341,568	1,560,521
Short term deposit accounts	2,500,337	3,714,401
	4,841,905	5,274,922
Cash and cash equivalents in statement of financial position	4,843,726	5,276,723
Cash and cash equivalents for the purpose of the statement of cash flows	4,843,726	5,276,723

*The current accounts balances are included amounting to Taka 286,823 (in thousands) of dividend accounts.

11. Share capital

11.1 Authorized capital

1,400,000,000 ordinary shares of Taka 10 each

14,000,000

14,000,000

In the year 2011, authorized capital 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 8 September 2011. Moreover, face value of each ordinary share has been denominated from Taka 100 to Taka 10 at 4 December 2011.

11.2 Issued and subscribed capital

1,161,373,500 ordinary shares of Taka 10 each

11,613,735

11,613,735

11.3 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

11.4 Composition of shareholders at 31 December

Name of the shareholders	Nationality/ Incorporated In	Number of shares		Holding %	
		2022	2021	2022	2021
Surma Holding B.V.	The Netherlands	683,698,700	683,698,700	58.87	58.87
Sinha Fashions Limited	Bangladesh	28,950,000	35,100,000	2.49	3.02
Islam Cement Limited	Bangladesh	31,914,200	31,914,200	2.75	2.75
Other Shareholders	Bangladesh and NRB	416,810,600	410,660,600	35.89	35.36
		1,161,373,500	1,161,373,500	100.00	100.00

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

	2022 Taka'000	2021 Taka'000
--	------------------	------------------

11.5 Classification of shares by holding at 31 December

Slabs by number of shares	Number of shareholders		Holding %	
	2022	2021	2022	2021
Less than 500 Shares	13,547	10,876	0.27	0.22
501 to 5,000 Shares	13,802	11,420	2.26	1.97
5,001 to 10,000 Shares	2,255	2,085	1.48	1.36
10,001 to 20,000 Shares	1,387	1,321	1.77	1.68
20,001 to 30,000 Shares	547	535	1.18	1.16
30,001 to 40,000 Shares	248	258	0.76	0.79
40,001 to 50,000 Shares	239	231	0.96	0.93
50,001 to 100,000 Shares	396	377	2.55	2.37
100,001 to 1,000,000 Shares	400	377	8.99	8.63
Over 1,000,000 Shares	39	40	79.78	80.89
	32,860	27,520	100.00	100.00

	2022 Taka'000	2021 Taka'000
11.6 Other components of equity		
Actuarial loss-net of tax	(210,859)	(236,606)
Cash flow hedge-net of tax	(3,424)	4,894
	(214,283)	(231,712)

11.7 Dividends

The final dividend amounts to Taka 1.74 billion which is Taka 1.50 per share of Taka 10 each for the year 2022 proposed by 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 2022. Total cash dividend including this final cash dividend stands at 48% of the paid-up capital (i.e. BDT 4.80 per share) for the year 2022.

	2022 Taka'000	2021 Taka'000
12. Non-controlling interests		
Retained earnings	(719)	(690)
Share capital	181	161
Share money deposits	358	319
	(180)	(210)
13. Lease liabilities		
A. Long term		
Non-current portion	3,844	29,111
B. Short term		
Current portion	27,582	29,280

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

	2022 Taka'000	2021 Taka'000
14. Deferred tax liabilities		
Deferred tax by type of temporary differences that resulted in deferred tax assets and liabilities:		
Property, plant and equipment	2,199,220	2,364,094
Actuarial gain	-	704
Deferred tax liabilities	2,199,220	2,364,798
Provision for gratuity	35,198	1,458
Actuarial loss	30,161	37,563
Provision for doubtful debts	48,845	32,664
Provision for obsolescence of spare parts	28,471	14,760
Deferred tax assets	142,675	86,445
Net deferred tax liabilities	2,056,545	2,278,353
14.1 Change in deferred tax assets and liability		
Balance at 1 January- deferred tax liabilities	2,278,353	2,587,978
Deferred tax income for the year	(199,067)	(327,619)
Other components of equity	(44,907)	9,286
Translation adjustments	22,166	8,708
Balance at 31 December-deferred tax liabilities	2,056,545	2,278,353
15. Employee benefits		
Funded plan (Note-15.1A)	30,006	140,519
Unfunded plan (Note-15.2C)	186,780	176,631
	216,786	317,150
15.1 Funded Plan		
A. Net position of gratuity plan		
Present value of defined benefit obligation	528,475	514,083
Fair value of plan assets	(498,469)	(373,564)
Net funded status	30,006	140,519
B. Actuarial valuation		
The actuarial valuations of the plan and the present value of the defined benefit obligation were carried out at 31 December 2022 by a professional actuary using Projected Unit Credit Method.		
C. Assumptions employed for the valuations are as follows:		
	2022	2021
	%	%
Salary increase rate	8.00	10.00
Discount rate	8.50	7.20
	2022	2021
	Taka'000	Taka'000
D. Movement in the present value of the defined benefit obligation are as follows:		
Balance at 1 January	514,083	372,688
Current service cost	48,116	36,070
Interest cost	36,276	24,910
Actuarial (gain)/loss [Note-D.1]	(37,724)	111,775
Benefits paid during the year	(32,276)	(31,360)
Balance at 31 December	528,475	514,083

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

	2022 Taka'000	2021 Taka'000
D.1 Actuarial (gain)/loss		
Financial	(76,724)	86,248
Experience	39,000	25,527
	<u>(37,724)</u>	<u>111,775</u>

E. Movement in the fair value of the plan assets are as follows:

Balance at 1 January	373,564	211,551
Expected return on plan assets	31,336	14,809
Employer contribution	150,000	200,000
Actuarial loss	(24,155)	(21,436)
Benefits paid during the year	(32,276)	(31,360)
Balance at 31 December	<u>498,469</u>	<u>373,564</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 2022	
	Increase	Decrease
Discount rate	504,411	554,265
Salary increase rate	553,804	504,599

15.2 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 2022 by a professional actuary using Projected Unit Credit Method.

B. Assumptions employed for the valuations are as follows:

	2022 %	2021 %
Salary increase rate	8.00	10.00
Discount rate	8.50	7.20

	2022 Taka'000	2021 Taka'000
C. Movement in the present value of the defined benefit obligation are as follows:		
Balance at 1 January	176,631	132,552
Current service cost	15,181	11,896
Interest cost	12,566	8,950
Actuarial (gain)/loss [Note-C.1]	(14,565)	31,282
Benefits paid during the year	(7,558)	(7,558)
Translation adjustment	4,525	(491)
Balance at 31 December	<u>186,780</u>	<u>176,631</u>

C.1 Actuarial (gain)/loss

Financial	(23,300)	24,369
Experience	8,813	6,913
Demographic	(78)	-
	<u>(14,565)</u>	<u>31,282</u>

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

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 2022	
	Increase	Decrease
Discount rate	174,412	195,257
Salary increase rate	194,495	174,730

	2022	2021
	Taka'000	Taka'000
16. Provisions		
Site restoration provisions		
Balance at 1 January	50,493	41,865
Addition for the year	9,870	9,516
Translation adjustment	6,838	(888)
Balance at 31 December	<u>67,201</u>	<u>50,493</u>

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).

17. Trade payables		
Payable for goods and services	6,909,169	6,058,523
Contract liabilities	309,085	233,617
	<u>7,218,254</u>	<u>6,292,140</u>
18. Other current liabilities		
Payables to suppliers of fixed assets	47,442	85,591
Income tax and VAT deducted at source	325,753	277,185
Derivative liabilities*	6,678	1,935
Others	671,934	448,339
	<u>1,051,807</u>	<u>813,050</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.

19. Current tax liabilities		
Balance at 1 January	(160,942)	(998,139)
Provision for the year (Note-27)	1,498,268	1,273,435
Advance payment of income tax	(994,570)	(460,217)
Translation adjustment	(10,449)	23,979
Balance at 31 December	<u>332,307</u>	<u>(160,942)</u>

20. Commitments and Contingencies**20.1 Commitments****Commitments related to operating activities**

Purchase commitments	3,506,250	2,129,543
Capital expenditure commitments	18,881	306,664
Guarantees given	1,106,942	1,330,322
	<u>4,632,073</u>	<u>3,766,529</u>

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

	2022 Taka'000	2021 Taka'000
20.2 Contingent Liabilities		
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	444,250
Custom related case with the Hon'ble High Court	5,000	5,000
	2,318,382	2,318,382
20.3 Claims		
a. Claims against the Company not acknowledged as debt	Nil	Nil
b. Claims by the Company not acknowledged as receivable	Nil	Nil

20.4 Lafarge Umiam Mining Private Limited (LUMPL)

i) The Ministry of Environment, Forests and Climate Change (MOEFCC), vide Letter No. F.No.8- 64/2007-FC dated 22 April 2010 and Letter No. F.No.8-64/2007-FC dated 29 February 2012, has granted permission for diversion of 116.589 ha. of forest land for limestone mining and other ancillary activities in favour of M/s Lafarge Umiam 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 MOEFCC that Compensatory Afforestation could not be raised due to non-availability of degraded forest land. By a letter dated 09 December 2019, PCCF has directed the Company to provide the details of 307 ha. of non-forest land for the purpose of transferring to the State Forest Department for Compulsory Afforestation.

In 2020 LUMPL has received another letter from the Meghalaya Government (Chief Conservator of Forests & Nodal Officer FC Act, 1980) dated 09 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 is approximately from Rs. 3,700 lakhs to Rs. 1,400 lakhs based on prevailing land rates.

By letter dated 14 October 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 400 ha. identified by the Government of Meghalaya. On 22 October 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 MOEFCC. LUMPL has made representations clarifying its position. The matter is still under review by MOEFCC. 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 which is equivalent to Taka 178,332 (in thousand) as of 31 December 2022.

ii) The Company has received a demand notice from the Additional Director General, Directorate General of Goods & Service Tax Intelligence, Guwahati Zonal Unit demanding Rs. 860.60 lakhs which are equivalent to Taka 109,623 (in thousand) as of 31 December 2022 as Service Tax under the Reverse Charge Mechanism on services received from the Government for extraction of limestone during the period April 2016 to June 2017, the Company has paid Rs. 587.58 lakhs as Service Tax for the above period before issuing the demand notice. The net demand of service tax of Rs. 276.77 lakhs are arising only due to misinterpretation 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 the Government under the 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 January 2018 granted a stay from payment of service tax on grant of mining lease/royalty and the 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.

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

The Company has submitted a reply to the Commissioner, Central GST Commissionerate, Shillong against the demand and their response is awaited. The case has not been adjudicated in view of various ongoing cases for similar matters and adjudication is kept in abeyance until the matter is settled at Hon'ble Supreme Court and various High Courts.

iii) 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.

	2022 Taka'000	2021 Taka'000
21. 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- 21B).		
Segment revenue		
Sale of cement*	21,111,262	18,534,653
Sale of cement clinker	187,364	928,553
Sale of aggregates	2,295,412	1,071,236
	23,594,038	20,534,442
Products transferred at a point in time	23,594,038	20,534,442
	23,594,038	20,534,442
*Sale of cement		
Local sales	21,014,193	18,379,898
Export in Export Processing Zones and India	97,069	154,755
	21,111,262	18,534,653

B. Segment information

2022 Taka'000	Reportable segments		
	Clinker and cement	Aggregates	Total
Statement of profit and loss			
Segment revenue	21,298,626	2,295,412	23,594,038
Operating profit	4,670,372	1,300,101	5,970,473
Statement of financial position			
Assets			
Segment assets	23,755,788	370,433	24,126,221
Unallocated assets*	-	-	4,845,258
Total assets	23,755,788	370,433	28,971,479
Equity and liabilities			
Segment liabilities	8,761,037	125,318	8,886,355
Unallocated equity and liabilities**	-	-	20,085,124
Total equity and liabilities	8,761,037	125,318	28,971,479

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

2021 Taka'000	Reportable segments		Total
	Clinker and cement	Aggregates	
Statement of profit and loss			
Segment revenue	19,463,206	1,071,236	20,534,442
Operating profit	4,380,609	459,366	4,839,975
Statement of financial position			
Assets			
Segment assets	23,790,534	385,248	24,175,782
Unallocated assets*	-	-	5,446,283
Total assets	23,790,534	385,248	29,622,065
Equity and liabilities			
Segment liabilities	7,461,422	9,476	7,470,898
Unallocated equity and liabilities**	-	-	22,151,167
Total equity and liabilities	7,461,422	9,476	29,622,065

*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.

	2022 Taka'000	2021 Taka'000
22 Cost of Sales		
Opening finished goods and work in process (Note-7)	920,122	611,756
Raw materials costs (Note-22.1)	5,192,878	4,816,723
Consumption of purchased clinker	3,381,058	3,202,502
Power and fuel costs	1,859,805	1,901,678
Production and maintenance costs (Note-22.2)	3,051,360	2,603,149
Plant-general and administrative costs (Note-22.3)	407,359	407,127
Freight cost to customers	341,712	338,777
Depot operating and transportation costs (Note-22.4)	1,109,030	923,099
Site restoration costs	9,870	9,516
Closing finished goods and work in process (Note-7)	(1,013,424)	(920,122)
	15,259,770	13,894,205
22.1 Raw materials costs		
Fly ash	692,616	522,550
Slag	708,717	655,015
Gypsum	591,651	568,355
Iron ore	92,075	94,779
Sand	29,733	18,476
Clay	136,121	129,356
Limestone	1,815,443	1,803,962
Packing materials	1,126,522	1,024,230
	5,192,878	4,816,723
22.2 Production and maintenance costs		
Salary, allowances and benefits	443,694	388,103
Contributions to employees' benefit schemes	42,422	32,839
Maintenance	243,449	232,932
Other supplies and spares	456,272	354,251
Material handling	191,543	146,740
Other expenses	406,347	257,750
Technical studies	2,919	1,514
Depreciation	1,149,715	1,115,808
Amortization of intangible assets	114,999	73,212
	3,051,360	2,603,149

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

	2022 Taka'000	2021 Taka'000
22.3 Plant general and administrative costs		
Salary, allowances and benefits	105,819	131,793
Contributions to employees' benefit schemes	7,386	7,026
Staff welfare expenses	56,982	45,795
Training, seminars and meetings	5	513
Travelling	7,310	5,161
Rent	3,190	1,494
Gas, electricity and water	806	982
Telephone, fax and postage	1,896	2,079
Office maintenance	32,860	33,867
Security services	80,177	72,267
Printing and stationery	907	833
Other supplies and spares	11,131	8,292
Other office expenses	27,810	20,869
Legal expenses	2,061	1,265
Consultancy	7,332	11,028
Vehicles running expenses	3,834	4,403
Corporate social activities	22,696	16,470
Insurance	35,157	42,990
	407,359	407,127
22.4 Depot operating and transportation costs		
Salary, allowances and benefits	107,784	92,552
Contributions to employees' benefit schemes	11,280	8,946
Staff welfare expenses	1,798	888
Training, seminars and meeting	634	464
Depreciation	49,997	51,888
Depot other operating costs	192,532	182,814
Transportation costs	745,005	585,547
	1,109,030	923,099
23. General and administrative expenses		
Salary, allowances and benefits	288,323	297,830
Contributions to employees' benefit schemes	25,493	21,384
Staff welfare expenses	2,861	3,890
Training, seminars and meeting	9,264	16,793
Travelling	9,720	2,905
Gas, electricity and water	1,052	872
Telephone, fax and postage	1,897	1,653
Entertainment	3,032	1,769
Office maintenance	2,359	1,700
Office security services	288	246
Printing and stationery	1,758	1,395
IT maintenance expenses	103,182	88,562
Other office expenses	47,492	13,051
Registration and other fees	4,575	3,594
Audit and tax advisory fees	3,503	3,396
Legal expenses	108,949	41,776
Vehicles running expenses	19,418	17,587
Publicity and public relation	4,261	5,744
General assistance fee	404,190	339,171
Royalty- trademark license fee	404,190	339,171
Consulting, survey and studies	4,371	3,429
Depreciation	42,484	43,567
Contribution to Workers' Profit Participation and Welfare Funds	284,951	225,920
	1,777,613	1,475,405

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

	2022 Taka'000	2021 Taka'000
24. Sales and marketing expenses		
Salary, allowances and benefits	171,913	149,913
Contributions to employees' benefit schemes	16,166	13,596
Staff welfare expenses	164	-
Training, seminars and meeting	535	679
Travelling	18,652	15,141
Gas, electricity and water	1,060	667
Telephone, fax and postage	2,040	2,013
Entertainment	260	211
Office maintenance	3,762	2,261
Printing and stationery	142	289
Other office expenses	17,452	8,869
Registration and other fees	7,162	8,141
Vehicles running expenses	30,103	24,722
Advertisement expenses	313,658	208,924
Promotional expenses	23,371	20,025
Bad debts and provision for trade receivables	8,096	2,457
General survey and studies	2,712	1,120
Depreciation	1,533	1,880
	618,781	460,908
25. Other operating income and expenses		
A. Other operating income		
Sale of miscellaneous scrap items	44,398	31,551
Gain on sale of property, plant and equipment	-	2,730
Others	218	101,770
	44,616	136,051
B. Other operating expense		
Loss on sale of property, plant and equipment	12,017	-
26. Finance costs and income		
Net interest expenses (income) on net gratuity liabilities (assets)	15,530	19,051
Other finance costs	5,138	1,502
Bank charges and commission	9,887	10,884
Interest expenses on lease liabilities	6,741	2,367
Exchange loss	238,639	5,239
Finance costs	275,935	39,043
Interest income on bank deposits	49,174	26,727
Finance income	49,174	26,727
Net finance cost	(226,761)	(12,316)
27. Income tax		
Current income tax expenses	1,498,268	1,273,435
Deferred income tax	(199,067)	(327,619)
	1,299,201	945,816
27.1 Reconciliation of effective tax rate (%)		
Average statutory tax rate	24.56	25.81
Permanent differences	2.65	3.87
Effect of change in tax rate	(3.44)	(6.66)
Effect of foreign tax differentials	(1.15)	(3.43)
Effective tax rate	22.62	19.59

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

	<u>2022</u>	<u>2021</u>
28. A. Earnings per share (EPS)		
The computation of basic and diluted earnings per share for the years ended 31 December 2022 and 31 December 2021 are as follows:		
Numerator <i>(Thousands of Taka)</i>		
Profit for the year- attributable to owners of the company	4,444,540	3,881,873
Denominator <i>(Thousands of Shares)</i>		
Weighted average number of shares outstanding	1,161,374	1,161,374
Basic earnings per share <i>Taka</i>	3.83	3.34
Diluted earnings per share <i>Taka</i>	3.83	3.34

B. Net asset value (NAV) per share

The computation of net asset value per share for the years ended 31 December 2022 and 31 December 2021 are as follows:

Numerator <i>(Thousands of Taka)</i>		
Net asset value for the year - attributable to owners of the company	17,710,510	19,794,036
Denominator <i>(Thousands of Shares)</i>		
Weighted average number of shares outstanding	1,161,374	1,161,374
Net asset value (NAV) per share <i>Taka</i>	15.25	17.04

C. Net operating cash flow per share (NOCFPS)

The computation of net operating cash flow per share for the years ended 31 December 2022 and 31 December 2021 are as follows:

Numerator <i>(Thousands of Taka)</i>		
Net operating cash flow for the year	6,693,692	6,076,922
Denominator <i>(Thousands of Shares)</i>		
Weighted average number of shares outstanding	1,161,374	1,161,374
Net operating cash flow per share <i>Taka</i>	5.76	5.23

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 2022 <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
Financial assets measured at fair value							
Forward exchange contracts used for hedging	1,532	-	-	1,532	-	1,532	-
	1,532	-	-	1,532	-	1,532	-
Financial assets not measured at fair value							
Trade and other current assets	-	2,525,415	-	2,525,415	-	-	-
Cash and cash equivalents	-	4,843,726	-	4,843,726	-	-	-
	-	7,369,141	-	7,369,141	-	-	-
Financial liabilities measured at fair value							
Forward exchange contracts used for hedging	6,678	-	-	6,678	-	6,678	-
	6,678	-	-	6,678	-	6,678	-
Financial liabilities not measured at fair value							
Lease liabilities	-	-	31,426	31,426	-	-	-
Trade payables	-	-	7,218,254	7,218,254	-	-	-
Other current liabilities	-	-	1,051,807	1,051,807	-	-	-
	-	-	8,301,487	8,301,487	-	-	-
31 December 2021							
Financial assets measured at fair value							
Forward exchange contracts used for hedging	8,618	-	-	8,618	-	8,618	-
	8,618	-	-	8,618	-	8,618	-
Financial assets not measured at fair value							
Trade and other current assets	-	2,019,657	-	2,019,657	-	-	-
Cash and cash equivalents	-	5,276,723	-	5,276,723	-	-	-
	-	7,296,380	-	7,296,380	-	-	-
Financial liabilities measured at fair value							
Forward exchange contracts used for hedging	1,935	-	-	1,935	-	1,935	-
	1,935	-	-	1,935	-	1,935	-
Financial liabilities not measured at fair value							
Lease liabilities	-	-	58,391	58,391	-	-	-
Trade payables	-	-	6,292,140	6,292,140	-	-	-
Other current liabilities	-	-	813,050	813,050	-	-	-
	-	-	7,163,581	7,163,581	-	-	-

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

	2022 Taka'000	2021 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 2022 were as follows:		
Expected credit loss on trade receivables from contracts with customers	(143,992)	(145,175)
	(143,992)	(145,175)

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 limits its exposure to credit risk from trade receivables by establishing a maximum payment period of one to three months for distributors 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 customers, industry, trading history with the Company and existence of previous financial difficulties. The Company obtains bank guarantees from customers.

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

Neither past due	369,731	403,208
Past due		
Past due 1-30 days	72,477	83,561
Past due 31-90 days	35,360	33,710
Past due 91-180 days	14,935	9,815
Over 180 days	177,196	171,539
	669,699	701,833

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
Notes to the consolidated financial statements
For the year ended 31 December

	2022 Taka'000	2021 Taka'000
The change in the valuation allowance for doubtful receivables is as follows:		
Balance at 1 January	(145,175)	(145,852)
Decrease in current year	1,183	677
	<u>(143,992)</u>	<u>(145,175)</u>
Maximum exposure to credit risk of the Group at reporting date are as follows:		
Trade receivables (Note 8)	525,707	556,658
Other current assets excluding prepaid expenses (Note 9)	2,116,259	1,770,359
	<u>2,641,966</u>	<u>2,327,017</u>

Cash and cash equivalents

The Company held cash and cash equivalents of 4,844 million at 31 December 2022 (2021: 5,277 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 2022

<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
Non-derivative financial liabilities				
Trade payables	7,218,254	4,961,562	2,256,692	-
Other current liabilities	1,051,807	947,756	104,051	-
Lease liabilities	31,426	-	27,582	3,844
	<u>8,301,487</u>	<u>5,909,318</u>	<u>2,388,325</u>	<u>3,844</u>
Derivative financial liabilities				
Forward exchange contracts used for hedging	6,678	6,678	-	-
	<u>6,678</u>	<u>6,678</u>	<u>-</u>	<u>-</u>

31 December 2021

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>
Derivative financial liabilities				
Forward exchange contracts used for hedging	1,935	1,935	-	-
	<u>1,935</u>	<u>1,935</u>	<u>-</u>	<u>-</u>

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

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:

Balance at 31 December 2022	BDT'000	INR'000	USD'000	EUR'000	CHF'000
Foreign currency denominated assets					
Trade and other receivables	2,292,205	1,780,015	235	-	-
Cash and cash equivalents	253,097	28,374	2,054	-	-
Total	2,545,302	1,808,389	2,289	-	-
Foreign currency denominated liabilities					
Trade payables	843,766	481,938	1,674	158	310
Other current liabilities	1,904,893	1,413,756	580	266	113
Total	2,748,659	1,895,694	2,254	424	423
Balance at 31 December 2021					
Foreign currency denominated assets					
Trade and other receivables	2,203,561	1,937,684	50	-	-
Cash and cash equivalents	1,283,483	746,649	5,082	-	-
Total	3,487,044	2,684,333	5,132	-	-
Foreign currency denominated liabilities					
Trade payables	806,065	424,660	2,861	359	466
Other current liabilities	1,320,925	1,098,558	601	231	-
Total	2,126,990	1,523,218	3,462	590	466

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 2022		31 December 2021	
	Closing rate	Average rate	Closing rate	Average rate
BDT/INR	1.2738	1.1937	1.1350	1.1509
BDT/USD	105.6250	93.7823	85.8000	85.0840
BDT/EUR	112.5108	98.8782	97.3830	100.4538
BDT/CHF	113.8078	98.1857	93.6272	93.4035

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 (+/-) 2022	Estimated impact on profit/loss and equity (+/-) 2021
	Taka'000	Taka'000
Assets denominated in USD	1,209	2,202
Assets denominated in INR	11,518	13,611
Other liabilities denominated in USD	1,190	1,485
Other liabilities denominated in EUR	239	287
Other liabilities denominated in INR	12,074	8,644
Other liabilities denominated in CHF	241	218

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 2022 profit before tax of +/- Taka 25,003 (Taka 37,144 for 2021) in thousands and Taka 314 (Taka 584 for 2021) in thousands respectively.

	2022	2021
	Taka'000	Taka'000
Interest bearing financial instruments of the Company at reporting date are as follows:		
Financial assets		
Short term deposits	2,500,337	3,714,401
	<u>2,500,337</u>	<u>3,714,401</u>
Financial liabilities		
Lease liabilities	31,426	58,391
	<u>31,426</u>	<u>58,391</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

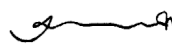
	2022	2021
32. Number of Employees		
LafargeHolcim Bangladesh Limited		
Nationality:		
Bangladeshi	562	544
Non-Bangladeshi	6	7
Lafarge Umiam Mining Private limited		
Nationality:		
Indian	132	116
Non-Indian	-	1
	700	668
Salary range:		
Monthly Taka 3,000 or above	700	668
Monthly below Taka 3,000	Nil	Nil
	2022	2021
33. Comparative information of the shareholders (Note- 28)		
Net Asset Value (NAV) Per Share	15.25	17.04
Earnings Per Share (EPS)	3.83	3.34
Net Operating Cash Flow Per Share (NOCFPS)	5.76	5.23
Profit for the year (in thousand) - attributable to owners of the company	4,444,540	3,881,873
34. Reconciliation of net profit with cash flows from operating activities		
Net profit for the period	4,444,511	3,881,843
Income tax expenses	1,299,201	945,816
Net profit before tax	5,743,712	4,827,659
Depreciation and amortization	1,358,728	1,286,355
Other non-cash items	73,167	57,482
Non-operating items	226,761	12,316
Contribution to gratuity plan	(157,558)	(207,558)
Income tax paid	(994,570)	(460,217)
Changes in net working capital	443,452	560,885
Cash flows from operating activities	6,693,692	6,076,922
35. Lease disclosures		
Short-term lease expenses	(3,150)	(12,828)
Payment for short-term leases	(3,150)	(12,828)
Average lease terms (in years)	2	2



Chief Financial Officer



Company Secretary



Director



Chief Executive Officer



Report and Financial Statements of
LafargeHolcim Bangladesh Limited

for the year ended December 31, 2022

Hoda Vasi Chowdhury & Co

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

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 2022, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies 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 2022, 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 Auditor's 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

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 8 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 hearing has been completed on 23 February 2023 and the Company is awaiting for the Arbitration Award from the Tribunal.

Our opinion is not modified in respect of this matter.

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 Auditor's 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 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 23,594 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 2022.

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 2022.

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 1,839 million as at 31 December 2022. 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 14 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 auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 auditor's 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

LafargeHolcim Bangladesh Limited
Statement of financial position
As at 31 December

	Notes	2022 Taka'000	2021 Taka'000
Assets			
Non-current assets			
Property, plant and equipment	5	15,882,733	16,408,511
Intangible assets	6	317,776	317,776
Investment in subsidiaries	7	519,893	519,893
Total non-current assets		16,720,402	17,246,180
Current assets			
Inventories	8	2,983,040	2,839,158
Trade receivables	9	525,707	556,658
Other current assets	10	1,759,274	1,149,467
Cash and cash equivalents	11	4,633,586	4,429,276
Total current assets		9,901,607	8,974,559
Total assets		26,622,009	26,220,739
Equity & liabilities			
Capital and reserves			
Share capital	12.4	11,613,735	11,613,735
Retained earnings		3,026,793	5,302,040
Other components of equity	12.7	(206,821)	(236,727)
Total equity		14,433,707	16,679,048
Non-current liabilities			
Lease liabilities	13A	2,844	27,809
Deferred tax liabilities	14	1,838,780	2,075,324
Employee benefits	15	177,521	290,329
Total non-current liabilities		2,019,145	2,393,462
Current liabilities			
Trade payables	16	8,458,243	6,213,486
Other current liabilities	17	1,037,043	806,142
Lease liabilities	13B	27,408	28,353
Current income tax liabilities	18	359,640	81,586
Unclaimed dividend		286,823	18,662
Total current liabilities		10,169,157	7,148,229
Total liabilities		12,188,302	9,541,691
Total equity and liabilities		26,622,009	26,220,739
Net Asset Value (NAV) Per Share	27B	12.43	14.36

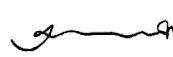
The accompanying Notes 1 to 40 form an integral part of these financial statements.



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: 02 March 2023
DVC: 2303070469AS426880

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

	Notes	2022 Taka'000	2021 Taka'000
Revenue	20	23,594,038	20,534,442
Cost of sales	21	(16,231,824)	(14,412,397)
Gross profit		7,362,214	6,122,045
Other operating income	24A	758,962	134,615
General and administrative expenses	22	(1,483,885)	(1,240,843)
Sales and marketing expenses	23	(618,781)	(460,908)
Other operating expense	24B	(2,390)	-
Operating profit		6,016,120	4,554,909
Finance cost	25	(359,867)	(59,499)
Finance income	25	42,766	22,995
Net finance cost		(317,101)	(36,504)
Profit before WPPF & tax		5,699,019	4,518,405
Workers' profit participation and welfare funds (WPPF)		(284,951)	(225,920)
Profit before tax		5,414,068	4,292,485
Income tax expense	26	(953,348)	(784,854)
Profit for the year		4,460,720	3,507,631
Earnings Per Share (EPS)			
Basic EPS (Taka)	27A	3.84	3.02
Diluted EPS (Taka)	27A	3.84	3.02

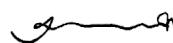
The accompanying Notes 1 to 40 form an integral part of these financial statements.



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: 02 March 2023
DVC: 2303070469AS426880

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

	2022 Taka'000	2021 Taka'000
Profit for the year	4,460,720	3,507,631
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Actuarial (loss)/gain-net off tax	29,609	(129,383)
	29,609	(129,383)
Items that may be reclassified to profit or loss		
Cash flow hedge- net off tax	297	(4,730)
	297	(4,730)
Other comprehensive income for the year, net of tax	29,906	(134,113)
Total comprehensive income for the year	4,490,626	3,373,518

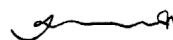
The accompanying Notes 1 to 40 form an integral part of these financial statements.



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: 02 March 2023
DVC: 2303070469AS426880

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
Balance as at 01 January 2021	11,613,735	2,955,783	(102,614)	14,466,904
Total comprehensive income for the year	-	3,507,631	(134,113)	3,373,518
Dividend for 2020	-	(1,161,374)	-	(1,161,374)
Balance as at 31 December 2021	11,613,735	5,302,040	(236,727)	16,679,048
Balance as at 01 January 2022	11,613,735	5,302,040	(236,727)	16,679,048
Total comprehensive income for the year	-	4,460,720	29,906	4,490,626
Dividend for 2021	-	(2,903,435)	-	(2,903,435)
Interim dividend	-	(3,832,532)	-	(3,832,532)
Balance as at 31 December 2022	11,613,735	3,026,793	(206,821)	14,433,707

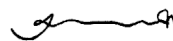
The accompanying Notes 1 to 40 form an integral part of these financial statements.



Chief Financial Officer



Company Secretary



Director



Chief Executive Officer

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

	Notes	2022 Taka'000	2021 Taka'000
Cash flows from operating activities			
Cash receipts from customers		23,700,457	20,769,723
Cash paid to suppliers and employees		(16,336,801)	(15,342,527)
Cash generated from operations		7,363,656	5,427,196
Income taxes paid		(868,414)	(369,946)
Other receipts		44,344	31,551
Net cash generated from operating activities*	36	6,539,586	5,088,801
Cash flows from investing activities			
Payments for property, plant and equipment		(587,895)	(740,330)
Proceeds from sale of property, plant and equipment		12,358	7,935
Interest income on bank deposits		34,877	22,995
Dividend income from subsidiary company		714,400	-
Net cash used in investing activities		173,740	(709,400)
Cash flows from financing activities			
Repayments of the lease liabilities		(25,910)	(26,918)
Interest paid on lease liabilities		(6,241)	(2,183)
Payment of interest and other finance costs		(9,059)	(11,225)
Dividend paid		(6,467,806)	(1,202,459)
Net cash used in financing activities		(6,509,016)	(1,242,785)
Net Increase in cash and cash equivalents		204,310	3,136,616
Cash and cash equivalents at beginning of the year		4,429,276	1,292,660
Cash and cash equivalents at end of the year	11	4,633,586	4,429,276
Net Operating Cash Flow Per Share (NOCFPS)	27C	5.63	4.38

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

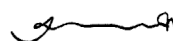
The accompanying notes 1 to 40 form an integral part of these financial statements.



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 7 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 2 March 2023.

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	2-3.5
Plant & machinery	3.3-20
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.

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

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.

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.

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

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.

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.

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

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.

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.

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.

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

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

2022	<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
Cost										
Balance as at 1 January 2022	1,507,337	1,653,763	2,504,082	130,348	17,712,798	205,921	430,793	79,539	542,143	24,766,724
Additions	-	-	21,423	-	469,296	-	18,059	-	160,854	669,632
Disposals	-	-	-	-	(29,387)	(23,849)	-	-	-	(53,236)
Transfers	-	-	90,865	-	430,736	-	442	-	(522,043)	-
Balance as at 31 December 2022	1,507,337	1,653,763	2,616,370	130,348	18,583,443	182,072	449,294	79,539	180,954	25,383,120
Accumulated depreciation										
Balance as at 1 January 2022	-	32,497	383,426	75,131	7,303,647	158,465	348,891	56,156	-	8,358,213
Disposals	-	-	-	-	(15,053)	(23,435)	-	-	-	(38,488)
Charge for the year	-	72,601	100,081	24,965	934,957	18,439	24,589	5,030	-	1,180,662
Balance as at 31 December 2022	-	105,098	483,507	100,096	8,223,551	153,469	373,480	61,186	-	9,500,387
Carrying amounts										
Balance as at 31 December 2022	1,507,337	1,548,665	2,132,863	30,252	10,359,892	28,603	75,814	18,353	180,954	15,882,733

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

		<i>In thousands of taka</i>								
2021	Freehold land	Leasehold land	Building	Right of use assets	Plant & machinery	Vehicles	Office equipment	Furniture and fixture	Construction in progress	Total
Cost										
Balance as 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)	-
Balance as at 31 December 2021	1,507,337	1,653,763	2,504,082	130,348	17,712,798	205,921	430,793	79,539	542,143	24,766,724
Accumulated depreciation										
Balance as 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
Balance as at 31 December 2021	-	32,497	383,426	75,131	7,303,647	158,465	348,891	56,156	-	8,358,213
Carrying amounts										
Balance as at 31 December 2021	1,507,337	1,621,266	2,120,656	55,217	10,409,151	47,456	81,902	23,383	542,143	16,408,511
Depreciation charge for the year allocated to										
			2022	2021						
			Taka'000	Taka'000						
Production and maintenance costs (Note 21.2)			1,086,648	925,800						
Depot operating and transportation costs (Note 21.4)			49,997	51,888						
General and administrative expenses (Note 22)			42,484	43,567						
Sales and marketing expenses (Note 23)			1,533	1,880						
			1,180,662	1,023,135						

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

B. Details of disposal of property plant and equipment

		<i>In thousands of taka</i>					
2022		Plant and machinery	Vehicles	Office equipment	Furniture and fixture	Construction in progress	Total
Cost		29,387	23,849	-	-	-	53,236
Accumulated depreciation		(15,053)	(23,435)	-	-	-	(38,488)
Carrying amount as at 31 December 2022		14,334	414	-	-	-	14,748
Sale proceeds		3,000	9,358	-	-	-	12,358
Mode of disposal		Company policy / tender	Company policy / tender	-	-	-	-
Particulars of purchaser/type of disposal		Third party & written off	Third party & employees	-	-	-	-

		<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)
Carrying amount as at 31 December 2021		5,205	-	-	-	-	5,205
Sale proceeds		3,270	4,665	-	-	-	7,935
Mode of disposal		Company policy/ Tender	Company policy/ Tender	-	-	-	-
Particulars of purchaser/type of disposal		Third party & Written off	Third party & employees	-	-	-	-

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

6. A. Intangible assets
Reconciliation of carrying amount

2022	<i>In thousands of taka</i>		
	Goodwill	Software	Construction in progress
	Total		
Cost			
Balance as at 1 January 2022	317,776	158,847	-
Balance as at 31 December 2022	317,776	158,847	-
Accumulated depreciation			
Balance as at 1 January 2022	-	158,847	-
Balance as at 31 December 2022	-	158,847	-
Carrying amounts			
Balance as at 31 December 2022	317,776	-	-
	317,776		317,776

In thousands of taka

2021	<i>In thousands of taka</i>		
	Goodwill	Software	Construction in progress
	Total		
Cost			
Balance as at 1 January 2021	317,776	158,847	-
Balance as at 31 December 2021	317,776	158,847	-
Accumulated depreciation			
Balance as at 1 January 2021	-	158,847	-
Balance as at 31 December 2021	-	158,847	-
Carrying amounts			
Balance as at 31 December 2021	317,776	-	-
	317,776		317,776

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.

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

	2022 Taka'000	2021 Taka'000
7. Investment in subsidiaries		
Details of investment in subsidiaries		
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
	519,893	519,893

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	
		2022	2021
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

	2022 Taka'000	2021 Taka'000
8. Inventories		
Raw materials	935,499	951,768
Semi-finished and finished products	1,055,296	933,043
Parts and supplies	992,245	954,347
	2,983,040	2,839,158
9. Trade receivables		
Trade receivables	525,707	556,658
See note 30B(i) for disclosures regarding credit risk, allowance for doubtful debts and ageing analysis of trade receivables.		
10. Other current assets*		
Advance payment to trade suppliers	132,584	148,155
Prepaid expenses	30,891	36,544
Security and other deposits	84,746	84,446
Other receivables (Note-10.1)	1,448,083	698,943
Advance payment to suppliers of fixed assets	51,880	176,584
Derivative assets	1,339	2,933
Accrued interest on bank deposits	9,751	1,862
	1,759,274	1,149,467

*Other current assets mentioned above are unsecured and considered good.

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 agreed to limit the price for the supply of gas to a Ceiling Price. On 3 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) members tribunal under the UNCITRAL Rules 1976 ("Arbitration").

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

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

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 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 against the interim order before the Appellate Division, Supreme Court of Bangladesh (the "Appellate Division") on 8 March 2021 (the "Appeal"). The Appellate Division maintained the interim relief but directed the Company to pay JGTDS the claimed amount which is Taka 903 million and monthly gas bills at the rate fixed by BERC. The Company has paid Taka 1,392 million as of 31 December 2022 to JGTDS and accounted for the amount as other receivable. The order of the Appellate Division relates to the interim relief 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 favor 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.

The hearing before the Tribunal has been concluded on 23 February 2023. The Company is awaiting for the Arbitration Award.

	2022 Taka'000	2021 Taka'000
11. Cash and cash equivalents		
Cash in hand	1,717	1,708
Cash at banks		
Current accounts*	2,131,554	1,226,954
Short term deposit accounts	2,500,315	3,200,614
	4,631,869	4,427,568
Cash and cash equivalents in statement of financial position	4,633,586	4,429,276
Cash and cash equivalents for the purpose of the statement of cash flows	4,633,586	4,429,276

*The current accounts balances are included amounting to Taka 286,823 (in thousands) of dividend accounts.

12. Share capital

12.1 Authorized capital

1,400,000,000 ordinary shares of Taka 10 each	14,000,000	14,000,000
--	-------------------	-------------------

12.2 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.

12.3 Issued and subscribed capital

1,161,373,500 ordinary shares of Taka 10 each	11,613,735	11,613,735
--	-------------------	-------------------

12.4 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

12.5 Composition of shareholders at 31 December

Name of the shareholders	Nationality/ Incorporated in	Number of shares		Holding %	
		2022	2021	2022	2021
Surma Holding B.V.	The Netherlands	683,698,700	683,698,700	58.87	58.87
Sinha Fashions Limited	Bangladesh	28,950,000	35,100,000	2.49	3.02
Islam Cement Limited	Bangladesh	31,914,200	31,914,200	2.75	2.75
Other Shareholders	Bangladesh and NRB	416,810,600	410,660,600	35.89	35.36
		1,161,373,500	1,161,373,500	100.00	100.00

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

	2022	2021
	Taka'000	Taka'000
12.6 Classification of shares by holding at 31 December		
Slabs by number of shares	Number of shareholders	
	2022	2021
	Holding %	
	2022	2021
Less than 500 Shares	13,547	10,876
501 to 5,000 Shares	13,802	11,420
5,001 to 10,000 Shares	2,255	2,085
10,001 to 20,000 Shares	1,387	1,321
20,001 to 30,000 Shares	547	535
30,001 to 40,000 Shares	248	258
40,001 to 50,000 Shares	239	231
50,001 to 100,000 Shares	396	377
100,001 to 1,000,000 Shares	400	377
Over 1,000,000 Shares	39	40
	32,860	27,520
		100.00
		100.00
12.7 Other components of equity		
Actuarial loss-net of tax	(207,892)	(237,501)
Cash flow hedge-net off tax	1,071	774
	(206,821)	(236,727)
12.8 Dividends		
The final dividend amounts to Taka 1.74 billion which is Taka 1.50 per share of Taka 10 each for the year 2022 proposed by 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 2022. Total cash dividend including this final cash dividend stands at 48% of the paid-up capital (i.e. BDT 4.80 per share) for the year 2022.		
13. Lease liabilities		
A. Long term		
Non-current portion	2,844	27,809
B. Short term		
Current portion	27,408	28,353
14. Deferred tax liabilities		
Deferred tax by type of temporary differences that resulted in deferred tax assets and liabilities.		
Property, plant and equipment	1,970,133	2,161,769
Deferred tax liabilities	1,970,133	2,161,769
Provision for gratuity	23,876	1,458
Actuarial loss	30,161	37,563
Provision for doubtful debts	48,845	32,664
Provision for obsolescence of spare parts	28,471	14,760
Deferred tax assets	131,353	86,445
Net deferred tax liabilities	1,838,780	2,075,324
14.1 Change in deferred tax assets and liabilities		
Balance at 1 January- deferred tax liabilities	2,075,324	2,379,700
Deferred tax income for the year (Note 26)	(193,120)	(316,021)
Other component of equity	(43,424)	11,645
Balance at 31 December- deferred tax liabilities	1,838,780	2,075,324

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

	2022 Taka'000	2021 Taka'000
15. Employee benefits		
Funded plan (Note 15.1A)	30,006	140,519
Unfunded plan (Note 15.2C)	147,515	149,810
	177,521	290,329

15.1 Funded Plan**A. Net position of gratuity plan**

Present value of defined benefit obligation	528,475	514,083
Fair value of plan assets	(498,469)	(373,564)
Net funded status	30,006	140,519

B. Actuarial valuation

The actuarial valuations of the plan and the present value of the defined benefit obligation were carried out at 31 December 2022 by a professional actuary using Projected Unit Credit Method.

C. Assumptions employed for the valuations are as follows:

	2022 %	2021 %
Salary increase rate	8.00	10.00
Discount rate	8.50	7.20

D. Movement in the present value of the defined benefit obligation are as follows:

Balance at 1 January	514,083	372,688
Current service cost	48,116	36,070
Interest cost	36,276	24,910
Actuarial (gain)/loss [Note D.1]	(37,724)	111,775
Benefits paid during the year	(32,276)	(31,360)
Balance at 31 December	528,475	514,083

D.1 Actuarial (gain)/loss

Financial	(76,724)	86,248
Experience	39,000	25,527
	(37,724)	111,775

E. Movement in the fair value of the plan assets are as follows:

Balance at 1 January	373,564	211,551
Expected return on plan assets	31,336	14,809
Employer contribution	150,000	200,000
Actuarial loss	(24,155)	(21,436)
Benefits paid during the year	(32,276)	(31,360)
Balance at 31 December	498,469	373,564

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 2022	
	Increase	Decrease
Discount rate	504,411	554,265
Salary increase rate	553,804	504,599

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

15.2 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 2022 by a professional actuary using Projected Unit Credit Method.

B. Assumptions employed for the valuations are as follows:

	2022	2021
	%	%
Salary increase rate	8.00	10.00
Discount rate	8.50	7.20

	2022	2021
	Taka'000	Taka'000

C. Movement in the present value of the defined benefit obligation are as follows:

Balance at 01 January	149,810	105,991
Current service cost	12,766	9,646
Interest cost	10,563	7,205
Actuarial (gain)/loss [Note C.1]	(23,442)	33,734
Benefits paid during the year	(2,182)	(6,766)
Balance at 31 December	147,515	149,810

C.1 Actuarial (gain)/loss

Financial	(22,683)	26,027
Experience	(759)	7,707
	<u>(23,442)</u>	<u>33,734</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 2022	
	Increase	Decrease
Discount rate	140,417	155,157
Salary increase rate	155,018	140,472

	2022	2021
	Taka'000	Taka'000
16. Trade payables		
Payable for goods and services	8,149,158	5,979,869
Contract liabilities	309,085	233,617
	<u>8,458,243</u>	<u>6,213,486</u>
17. Other current liabilities		
Payables to suppliers of fixed assets	41,548	84,515
Income tax and VAT deducted at source	319,565	271,353
Derivative liabilities*	-	1,935
Others	675,930	448,339
	<u>1,037,043</u>	<u>806,142</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.

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

	2022 Taka'000	2021 Taka'000
18. Current tax liabilities		
Balance at 1 January	81,586	(649,343)
Provision for the year (Note-26)	1,146,468	1,100,875
Advance payment of income tax	(868,414)	(369,946)
Balance at 31 December	359,640	81,586
19. Commitments and Contingencies		
19.1 Commitments		
Commitments related to operating activities		
Purchase commitments	3,208,207	1,949,056
Capital expenditure commitments	9,678	239,202
Guarantees given	1,106,942	1,330,322
	4,324,827	3,518,580
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	444,250
Custom related cases with the Hon'ble High Court	5,000	5,000
	2,318,382	2,318,382
19.3 Claims		
a. Claims against the Company not acknowledged as debt	Nil	Nil
b. Claims by the Company not acknowledged as receivable	Nil	Nil
20. A. Revenue		
Sale of gray cement*	21,111,262	18,534,653
Sale of cement clinker	187,364	928,553
sale of aggregates	2,295,412	1,071,236
	23,594,038	20,534,442
Products transferred at a point in time	23,594,038	20,534,442
*Sale of gray cement		
Local sales	21,014,193	18,379,898
Export in Export Processing Zones and India	97,069	154,755
	21,111,262	18,534,653
21. Cost of Sales		
Opening finished goods and work in process (Note-34)	933,043	601,566
Raw materials costs (Note-21.1)	6,858,702	6,216,800
Consumption of purchased clinker	3,381,058	3,202,502
Power and fuel costs	1,859,805	1,759,732
Production and maintenance costs (Note-21.2)	2,534,758	2,028,805
Plant-general and administrative costs (Note-21.3)	274,494	274,159
Freight cost to customers	341,712	338,777
Depot operating and transportation costs (Note-21.4)	1,103,548	923,099
Closing finished goods and work in process (Note-34)	(1,055,296)	(933,043)
	16,231,824	14,412,397

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

	2022 Taka'000	2021 Taka'000
21.1 Raw materials costs		
Fly ash	692,616	522,550
Slag	708,717	655,015
Gypsum	591,651	568,355
Iron ore	92,075	94,779
Sand	29,733	18,476
Clay	136,121	129,356
Limestone	3,481,267	3,200,725
Packing materials	1,126,522	1,027,544
	6,858,702	6,216,800
21.2 Production and maintenance costs		
Salary, allowances and benefits	345,532	297,312
Contributions to employees' benefit schemes	33,998	27,219
Maintenance	73,666	67,446
Other supplies and spares	394,105	305,024
Material handling	191,542	146,740
Other expenses	406,348	257,750
Technical studies	2,919	1,514
Depreciation	1,086,648	925,800
	2,534,758	2,028,805
21.3 Plant general and administrative costs		
Salary, allowances and benefits	63,552	89,215
Contributions to employees' benefit schemes	3,993	3,800
Staff welfare expenses	54,557	42,602
Training, seminars and meetings	-	506
Travelling	1,322	653
Rent	1,745	1,494
Telephone, fax and postage	1,445	1,560
Office maintenance	35,360	33,867
Security services	31,276	25,794
Printing and stationery	10	11
Other supplies and spares	11,131	8,292
Other office expenses	25,850	19,171
Consultancy	102	283
Vehicles running expenses	3,624	4,304
Corporate social activities	10,118	4,677
Insurance	30,409	37,930
	274,494	274,159
21.4 Depot operating and transportation costs		
Salary, allowances and benefits	107,784	92,552
Contributions to employees' benefit schemes	11,281	8,946
Staff welfare expenses	1,798	888
Training, seminars and meeting	635	464
Depreciation	49,997	51,888
Depot other maintenance costs	187,048	182,814
Transportation costs	745,005	585,547
	1,103,548	923,099

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

	2022 Taka'000	2021 Taka'000
22. General and administrative expenses		
Salary, allowances and benefits	288,323	297,830
Contributions to employees' benefit schemes	25,493	21,384
Staff welfare expenses	2,861	3,890
Training, seminars and meeting	9,264	16,793
Travelling	9,720	2,905
Gas, electricity and water	1,052	872
Telephone, fax and postage	1,897	1,653
Entertainment	3,032	1,769
Office maintenance	2,359	1,700
Office security services	288	246
Printing and stationery	1,758	1,395
IT maintenance expenses	96,046	81,536
Other office expenses	47,492	13,051
Registration and other fees	4,575	3,594
Audit and tax advisory fees	1,861	1,780
Legal expenses	108,949	41,776
Vehicles running expenses	19,418	17,587
Publicity and public relation	4,261	5,744
General assistance fee	404,190	339,171
Royalty- trademark license fee	404,190	339,171
Consulting, survey and studies	4,372	3,429
Depreciation	42,484	43,567
	1,483,885	1,240,843
23. Sales and marketing expenses		
Salary, allowances and benefits	171,913	149,913
Contributions to employees' benefit schemes	16,166	13,596
Staff welfare expenses	164	-
Training, seminars and meeting	535	679
Travelling	18,652	15,141
Gas, electricity and water	1,060	667
Telephone, fax and postage	2,040	2,013
Entertainment	260	211
Office maintenance	3,762	2,261
Printing and stationery	142	289
Other office expenses	17,452	8,869
Registration and other fees	7,162	8,141
Vehicles running expenses	30,103	24,722
Advertisement expenses	313,658	208,924
Promotional expenses	23,371	20,025
Bad debts and provision for trade receivables	8,096	2,457
General survey and studies	2,712	1,120
Depreciation	1,533	1,880
	618,781	460,908
24. A. Other operating income		
Sale of miscellaneous scrap items	44,344	31,551
Gain on sale of property, plant and equipment	-	2,730
Dividend income from subsidiary company	714,400	-
Other	218	100,334
	758,962	134,615
B. Other operating expense		
Loss on sale of property, plant and equipment	2,390	-

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

	2022 Taka'000	2021 Taka'000
25. Finance costs and income		
Net interest expenses (income) on net gratuity liabilities (assets)	15,503	17,306
Other finance expenses	5,138	1,502
Bank charges and commission	3,921	9,723
Interest expenses on lease liabilities	6,241	2,183
Exchange loss	329,064	28,785
Total finance costs	359,867	59,499
Interest income on bank deposits	42,766	22,995
Total finance income	42,766	22,995
Net finance costs	317,101	36,504
26. Income tax		
Current income tax expenses	1,146,468	1,100,875
Deferred tax income	(193,120)	(316,021)
	953,348	784,854
26.1 Reconciliation of effective tax rate (%)		
Statutory tax rate	20.00	22.50
Permanent difference	1.05	2.44
Effect of change in tax rate	(3.44)	(6.66)
Effective tax rate	17.61	18.28
27. A. Earnings per share (EPS)		
The computation of basic and diluted earnings per share for the years ended 31 December 2022 and 31 December 2021 are as follows:		
Numerator (Thousands of Taka)	4,460,720	3,507,631
Profit for the year		
Denominator (Thousands of Shares)	1,161,374	1,161,374
Weighted average number of shares outstanding		
Basic earnings per share Taka	3.84	3.02
Diluted earnings per share Taka	3.84	3.02
B. Net asset value (NAV) per share		
The computation of net asset value per share for the years ended 31 December 2022 and 31 December 2021 are as follows:		
Numerator (Thousands of Taka)	14,433,707	16,679,048
Net asset value for the year		
Denominator (Thousands of Shares)	1,161,374	1,161,374
Weighted average number of shares outstanding		
Net asset value per share Taka	12.43	14.36
C. Net operating cash flow per share (NOCFPS)		
The computation of net operating cash flow per share for the years ended 31 December 2022 and 31 December 2021 are as follows:		
Numerator (Thousands of Taka)	6,539,586	5,088,801
Net operating cash flow for the year		
Denominator (Thousands of Shares)	1,161,374	1,161,374
Weighted average number of shares outstanding		
Net operating cash flow per share Taka	5.63	4.38

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

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.

2022

Name of the Party	Relationship	Nature of transaction	Transaction value during the year		Receivable/ (Payable) at 31 Dec 2022	
			Taka '000	Taka '000	Taka '000	Taka '000
Lafarge Umiam Mining Private Limited	Subsidiary company	Purchase of limestone/dividend income	3,912,223		(1,967,202)	
Surma Holding B.V.	Shareholder	Dividend payment	3,965,455		-	
LH Trading Pte Ltd	Group Company	Intercompany purchase	1,028,431		(67,740)	
Lafarge S.A.	Group Company	Technical assistance/trademark license	183,907		(554,794)	
Cementos Molins	Group Company	Trademark license/travel expenses	101,048		(266,432)	
Holcim Limited	Group Company	Trademark license	119,236		(244,083)	
Bengal Development Corporation	Shareholder's associated entity	Cement sales	5,608		(42)	
Holcim Group Services Ltd.	Group Company	Intercompany services	17,309		(56,236)	
Eastern Housing Ltd.	Shareholder's associated entity	Cement sales	2,771	82		
Jahurul Islam Medical College	Shareholder's associated entity	Cement sales	8,084	676		
Bank Asia Limited	Shareholder's associated entity	Cement sales	168			
Holcim Services (South Asia) India	Group Company	Intercompany services	49,518		(105,975)	
Holcim Technology Holderbank	Group Company	Intercompany services	-		(7,813)	
Holcim Technology Ltd.	Group Company	Trademark license	404,190		(1,018,591)	
Aftab Bahumukhi Firm Ltd.	Shareholder's associated entity	Cement sales	1,671	30		
Opex Group	Shareholder's associated entity	Cement sales	1,426	148		
Sinha Peoples Energy Ltd.	Shareholder's associated entity	Cement sales	469	99		
MG Properties Ltd.	Shareholder's associated entity	Cement sales	1,056	(126)		

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

2021

Name of the Party	Relationship	Nature of transaction	Transaction value during the year Taka '000	Receivable/ (Payable) at 31 Dec 2021 Taka '000
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)
Holcim Limited	Group Company	Trademark license	(111,260)	(124,847)
Holcim Asean Business Service Centre	Shareholder's associated entity	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)
Holcim 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	(74,442)
Holcim Technology Holderbank	Group Company	Intercompany services	-	(6,428)
Holcim Technology Ltd.	Group Company	Trademark license	339,171	(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)
			2022 Taka '000	2021 Taka '000
			458,882	474,065
			38,306	36,356
			18,872	11,560
			516,060	521,981

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.

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

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.

	Carrying amount				Fair value		
	Fair value - Hedging instruments	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
31 December 2022							
<i>In thousands of taka</i>							
Financial assets measured at fair values							
Forward exchange contracts used for hedging	1,339	-	-	1,339	-	1,339	-
	1,339			1,339		1,339	
Financial assets not measured at fair value							
Trade and other current assets	-	2,202,210	-	2,202,210	-	-	-
Cash and cash equivalents	-	4,633,586	-	4,633,586	-	-	-
		6,835,796		6,835,796			
Financial liabilities measured at fair value							
Forward exchange contracts used for hedging	-	-	-	-	-	-	-
Financial liabilities not measured at fair value							
Lease liabilities	-	-	30,252	30,252	-	-	-
Trade payables	-	-	8,458,243	8,458,243	-	-	-
Other current liabilities	-	-	1,037,043	1,037,043	-	-	-
			9,525,538	9,525,538			
31 December 2021							
Financial assets measured at fair values							
Forward exchange contracts used for hedging	2,933	-	-	2,933	-	2,933	-
	2,933			2,933		2,933	
Financial assets not measured at fair value							
Trade and other current assets	-	1,492,997	-	1,492,997	-	-	-
Cash and cash equivalents	-	4,429,276	-	4,429,276	-	-	-
		5,922,273		5,922,273			
Financial liabilities measured at fair value							
Forward exchange contracts used for hedging	1,935	-	-	1,935	-	1,935	-
	1,935			1,935		1,935	
Financial liabilities not measured at fair value							
Lease liabilities	-	-	56,162	56,162	-	-	-
Trade payables	-	-	6,213,486	6,213,486	-	-	-
Other current liabilities	-	-	806,142	806,142	-	-	-
			7,075,790	7,075,790			

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

	2022 Taka'000	2021 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 2022 were as follows:		
Expected credit loss on trade receivables from contracts with customers	(143,992)	(145,175)
	(143,992)	(145,175)

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 limits its exposure to credit risk from trade receivables by establishing a maximum payment period of one to three months for distributors 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 customers, industry, trading history with the Company and existence of previous financial difficulties. The Company obtains bank guarantees from customers.

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

Neither past due	369,731	403,208
Past due		
Past due 1-30 days	72,477	83,561
Past due 31-90 days	35,360	33,710
Past due 91-180 days	14,935	9,815
Over 180 days	177,196	171,539
	669,699	701,833

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
For the year ended 31 December

	2022 Taka'000	2021 Taka'000
The change in the valuation allowance for doubtful receivables is as follows:		
Balance at 1 January	(145,175)	(145,852)
Decrease in current year	1,183	677
	<u>(143,992)</u>	<u>(145,175)</u>
Maximum exposure to credit risk of the Company at reporting date are as follows:		
Trade receivables net of impairment loss	525,707	556,658
Other current assets excluding prepaid expenses	1,728,383	1,112,923
	<u>2,254,090</u>	<u>1,669,581</u>

Cash and cash equivalents

The Company held cash and cash equivalents of Taka 4,634 million at 31 December 2022 (2021: Taka 4,429 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
31 December 2022				
Non-derivative financial liabilities				
Trade payables	8,458,243	4,236,943	4,221,300	-
Other current liabilities	1,037,043	932,992	104,051	-
Lease liabilities	30,252	-	27,408	2,844
	<u>9,525,538</u>	<u>5,169,935</u>	<u>4,352,759</u>	<u>2,844</u>
Derivative financial liabilities				
Forward exchange contracts used for hedging	-	-	-	-
	-	-	-	-
31 December 2021				
Non-derivative financial liabilities				
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>
Derivative financial liabilities				
Forward exchange contracts used for hedging	1,935	1,935	-	-
	<u>1,935</u>	<u>1,935</u>	-	-

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

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:

Balance at 31 December 2022	BDT'000	USD'000	EUR'000	CHF'000
Foreign currency denominated assets				
Trade receivables	24,822	235	-	-
Cash and cash equivalents	42,989	407	-	-
Total	67,811	642	-	-
Foreign currency denominated liabilities				
Trade payables	2,194,904	20,294	158	295
Other current liabilities	104,051	580	266	113
Total	2,298,955	20,874	424	408
Balance at 31 December 2021				
Foreign currency denominated assets				
Trade receivables	4,290	50	-	-
Cash and cash equivalents	111,540	1,300	-	-
Total	115,830	1,350	-	-
Foreign currency denominated liabilities				
Trade payables	725,311	7,591	359	417
Other current liabilities	74,061	601	231	-
Total	799,372	8,192	590	417

The following significant exchange rates have been applied.

Currencies	31 December 2022		31 December 2021	
	Closing rate	Average rate	Closing rate	Average rate
BDT/USD	105.6250	93.7823	85.8000	85.0840
BDT/EUR	112.5108	98.8782	97.3830	100.4538
BDT/CHF	113.8078	98.1857	93.6272	93.4035

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
Notes to the financial statements
For the year ended 31 December

Particulars	Estimated impact on profit/loss and equity (+/-) 2022 Taka'000	Estimated impact on profit/loss and equity (+/-) 2021 Taka'000
Assets denominated in USD	339	579
Liabilities denominated in USD	11,024	3,514
Liabilities denominated in EUR	239	287
Liabilities denominated in CHF	232	195

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 2022 profit before tax of +/- Taka 25,003 (Taka 32,006 for 2021) in thousands and Taka 303 (Taka 562 for 2021) in thousands respectively.

	2022 Taka'000	2021 Taka'000
Interest bearing financial instruments of the Company at reporting date are as follows:		
Financial assets		
Short term deposits	2,500,315	3,200,614
	2,500,315	3,200,614
Financial liabilities		
Long-term lease liabilities	2,844	27,809
Short-term lease liabilities	27,408	28,353
	30,252	56,162

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.

	2022	2021
31. Number of Employees		
LafargeHolcim Bangladesh Limited		
Nationality:		
Bangladeshi	562	544
Non-Bangladeshi	6	7
	568	551
Salary range:		
Monthly Taka 3,000 or above	568	551
Monthly below Taka 3,000	Nil	Nil
	2022 Taka'000	2021 Taka'000
32. Expenditure in foreign currencies		
Technical assistance	62,775	55,209
	62,775	55,209

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

	2022 Taka'000	2021 Taka'000			
33. Materials consumption					
<i>In terms of value</i>					
Imported					
Raw materials	5,566,326	5,041,424			
Spare parts and other supplies	283,665	219,321			
	5,849,991	5,260,745			
Indigenous					
Raw materials	1,292,376	1,175,376			
Spare parts and other supplies	121,571	93,995			
	1,413,947	1,269,371			
	7,263,938	6,530,116			
	2022	2021			
<i>In terms of percentage</i>					
Imported					
Raw materials	76.63	77.20			
Spare parts and other supplies	3.91	3.36			
	80.54	80.56			
Indigenous					
Raw materials	17.79	18.00			
Spare parts and other supplies	1.67	1.44			
	19.46	19.44			
	100.00	100.00			
34. Opening and closing finished goods and work in process					
	2022	2021			
Items	Unit	Quantity'000	Taka'000	Quantity'000	Taka'000
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
Balance at 1 January		238	933,043	155	601,566
Gray cement	MT	60	337,804	47	204,044
Cement clinker	MT	172	684,338	159	696,665
Aggregates	MT	25	31,442	27	26,540
Work in process	MT	1	1,712	5	5,794
Balance at 31 December		258	1,055,296	238	933,043
		2022		2021	
35. Comparative information of the shareholders (Note- 27)					
Net Asset Value (NAV) Per Share		12.43		14.36	
Earnings Per Share (EPS)		3.84		3.02	
Net Operating Cash Flow Per Share (NOCFPS)		5.63		4.38	
Profit for the year (in thousand)		4,460,720		3,507,631	
		2022		2021	
		Taka'000		Taka'000	
36. Reconciliation of net profit with cash flows from operating activities					
Net profit for the year		4,460,720		3,507,631	
Income tax expenses		953,348		784,854	
Net profit before tax		5,414,068		4,292,485	
Depreciation and amortization		1,180,662		1,023,135	
Other non-cash items		60,882		45,716	
Non-operating items		317,101		36,504	
Contribution to gratuity plan		(152,182)		(206,766)	
Income tax paid		(868,414)		(369,946)	
Changes in net working capital		587,469		267,673	
Cash flows from operating activities		6,539,586		5,088,801	

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

37. Installed capacity and actual production (figures in thousand MT)

Products	Annual installed capacity	Actual Production	
		2022	2021
Gray cement	4,191	2,707	2,707
Cement clinker	1,289	1,311	1,321
Aggregates	1,100	757	526
		2022	2021
		Taka'000	Taka'000

38. Value of imports

Raw materials and others	6,792,978	7,203,405
	<u>6,792,978</u>	<u>7,203,405</u>

39. Remittances of foreign currency

Final dividend

Name of Shareholder	2022		2021	
	Number of shares	Final for 2021 Taka'000	Number of shares	Final for 2020 Taka'000
Surma Holding B.V. (The Netherlands)*	-	-	341,849,350	307,664
Jean Hidier (France)	11,560	20	11,560	8
Mohammed Abdul Gaffar (UK)	18,010	32	18,010	13

Name of Shareholder	2022		2021	
	Currency	Amount	Currency	Amount
Surma Holding B.V. (The Netherlands)	EUR	-	EUR	2,971,168
Jean Hidier (France)	EUR	207	EUR	78
Mohammed Abdul Gaffar (UK)	GBP	274	GBP	121

* In addition to the above, an amount of Taka 3,568,910,033 (EUR 34,809,883) representing 683,698,700 shares has been remitted through NITA account.

40. Lease disclosures

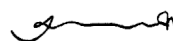
	2022 Taka'000	2021 Taka'000
Short-term lease expenses	(3,150)	(12,828)
Payment for short-term leases	(3,150)	(12,828)
Average lease terms (in years)	2	2



Chief Financial Officer



Company Secretary



Director



Chief Executive Officer



Report and Financial Statements of
Lafarge Umiam Mining Private Limited

for the year ended December 31, 2022



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, 2022.

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.

Your Company is a subsidiary of LafargeHolcim Bangladesh Ltd. (LHBL). During the year in review the Company exported 3,060 Kilo Tonne of limestone, the highest ever in its history. This impressive achievement was made possible by the hard works and dedication of the Quarry team who demonstrated an exceptional performance in optimizing mining and crushing costs.

One of the major steps taken by the quarry team to optimize the process was the commissioning of a 33 Kilovolt (kV) Grid Power line. This played a crucial role in reducing the dependency on diesel. The use of grid power not only reduced the carbon footprint of the Quarry, but it also resulted in a significant reduction of power consumption cost, which dropped from INR 48 per tonne to INR 24 per tonne, a reduction of 50%.

The Quarry received 5-star rating 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 five (5) consecutive years from 2018-19 to 2022-23. Only 6% 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.

Our dynamic growth trajectory and commitment to creating comprehensive value will persist with the invaluable contributions of our employees, stakeholders, suppliers, financial institutions, government and Board of Directors. As we embark on the upcoming year, the company places utmost importance on health and safety and remains dedicated to fostering a supportive environment. With confidence in our established processes for sustained value creation, the company remains optimistic for the future.

Financial results:

In million INR

Particulars	Year ended 31st December 2022	Year ended 31st December 2021
Revenue from operations	2,656.43	2,067.59
Expenditure	1,575.01	1,418.49
EBITDA	1,081.42	649.10
Interest and finance charges	5.35	1.50
Interest and other income	71.80	22.74
Depreciation	205.92	159.49
Profit / (Loss) before Taxation	941.95	510.85
Provision for tax	291.93	139.19
Other Comprehensive Income/(Loss)	5.27	1.51
Profit / (Loss) After Taxation	644.75	373.17
Earnings /(loss) per Share :	15.80	9.04

In 2022, your Company's total export sale was INR 2,656.43 million. The dispatch volume was 3.06 million tons. EBITDA performance was INR 1081.42 million, which is 67% higher as compared to 2021. The profit before tax was INR 941.95 million, which is 84% more than 2021. With a profit after tax of INR 644.75 million, reserve and surplus stood at INR 2,490.71 million as compared to INR 2,462.96 million in 2021. 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.

Change in the nature of business:

There has been no change in the nature of business of the Company during the financial year.

Dividend:

The Company has been accruing and preserving cash for growth, for future capital investment, to meet working capital requirements and to cover for appropriate market & economic risks.

The Board of Directors does not recommend any Dividend for the financial year ended December 31, 2022.

Transfer to reserves:

The Company has not transferred any amount to the Reserves for the financial year ended December 31, 2022.

Share capital:

During the year under review, the Company has not issued any shares or convertible securities. The Company does not have any scheme for the issue of shares, including sweat equity to its employees or Directors.

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.

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.

Your Company shall continue to monitor the situation and ensure the health and wellbeing of all its employees and local communities in 2023.

Production Performance:

Your Company exported 3.06 million tonnes of limestone which is significantly higher compared to 2.54 million tonnes exported in 2021. 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 95.25% reliability as strict measures were implemented to reduce overheads costs. The Grid Power has a reliability factor of 75% and a total of INR 109 million have been saved from September 2021 to December, 2022 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.

The Chief Financial Officer of the Company has certified that CSR funds so disbursed for the projects have been utilized for the purposes and in the manner as approved by the Board.

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 2022:

Appointments:

Mr. George Chacko was appointed as an Additional Director on the Board of the Company effective from November 24, 2022 (Nominated by LHBL).

Resignations:

Mr. Narayan Sharma has resigned from the Board with effect from December 1, 2022.

The Board of Directors of the Company thanks Mr. Sharma for his contributions, leadership and guidance provided during his tenure as Director of the Company.

Furthermore, Mr. Rajesh Kumar Surana has resigned from the Board with effect from February 14, 2022. The Board of Directors of the Company thanks Mr. Surana for his contribution, excellent leadership, dedication 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, 2022, 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, 2022, 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, 2022, 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.

Explanations or comments on every qualification, reservation or adverse remark or disclaimer made by Auditors:

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. The Secretarial Audit Report is not obtained by the Company as the same is not applicable on your company.

Reporting of fraud:

The Auditors of the company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013. Further, no case of Fraud has been reported to the Management from any other sources.

Statutory Auditors:

As per Section 139(2)(b) of the Companies Act, 2013 read with Rule 6(3)(i) and the first proviso of Rule 3(7) of the Companies (Audit & Auditors) Rules, 2014, the maximum period for which an audit firm can serve a company as a Statutory Auditors is for two (2) terms of five (5) consecutive years subject to ratification in every annual general meeting by way of passing an ordinary resolution.

M/s RKP Associates, Chartered Accountants (having Firm Registration No. 322473E), Statutory Auditors of the Company will be completing one (2) term of five (5) years at the conclusion of this 23rd Annual General Meeting of the Company. Accordingly, it is proposed P. Gaggar & Associates, Chartered Accountants be appointed as Statutory Auditors of the Company for a term of five (5) years to hold office from the conclusion of the 23rd Annual General Meeting till the conclusion of the 28th Annual General Meeting of the Company subject to ratification of their appointment at every AGM by way of passing an ordinary resolution.

Compliance with secretarial standards on board and annual general meetings:

The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board meetings and Annual General Meetings.

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:

During the year ended December 31, 2022, the Board of Directors met five (5) Board Meetings were held in 2022 viz. on January 27, 2022, February 18, 2022, April 25, 2022, July 19, 2022 and November 24, 2022.

Particulars of loans, Guarantees and investments under section 186:

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 2022, no complaints of sexual harassment were received by the Company.

The details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year alongwith their status as at the end of the financial year.

There are no proceedings, either filed by LUMPL or filed against LUMPL, pending under the Insolvency and Bankruptcy Code, 2016 as amended, before National Company Law Tribunal or other courts during the year 2022.

The details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof.

During the year under review, there were no such transactions.

The names of companies which have become or ceased to be its Subsidiaries, joint ventures or associate companies during the year

The company does not have any Subsidiaries, joint ventures or associate company.

Details of significant and material orders passed by regulators or courts or tribunals

During the year under review, there were no material and significant orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations in future.

Annual Return:

As per the provisions of section 92(3) of the Companies Act, 2013, the Annual Return of the Company for the financial year ended 31st December 22 is available on our website www.lumpl.com

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, 2022 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 "B"**.

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 "C"**.

Risk management policy:

The Company has formulated a risk management policy and has in place a mechanism to inform the Board Members about risk assessment and minimization procedures. The Board periodically reviews the risk to ensure that executive management controls risk by means of a properly designed framework.

Public Deposits:

During the year under review, the Company has not accepted any deposit from the public.

Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report

No material changes or commitments have occurred between the end of the financial year and the date of this Report, which affect the Financial Statements of the Company with respect to the reporting year.

Award & Recognitions:

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 five (5) consecutive years from 2018-2019 to 2022-2023. For the assessment year 2021-22, only 6% 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 a prestigious rating.

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 of India, State Government of Meghalaya, Government of Bangladesh, the Durbars of Nongtraï and Shella villages, LHBL, banks, and project consultants.

For and on Behalf of the Board



Chairman
DIN: 06497446

Place: Shillong
Date: February 27, 2023

[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	1
Mr. Narayan Sharma *	Member	2	2
Mr. Kazi Mizanur Rahman	Member	2	2
Mr. Mohammad Iqbal Chowdhury	Member	2	1

* Mr. Narayan Sharma has resigned on December 1, 2022 and Mr. George Chacko has been appointed as Member on November 24, 2022.

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:

<http://www.lumpl.com/sustainable-development/corporate-social-responsibility-policy/>

CSR Policy and CSR Projects:

<http://www.lumpl.com/sustainable-development/corporate-social-responsibility-policy/>

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 5,16,916,000

7. (a) Two percent of average net profit of the Company as per section 135(5) : INR 1.03 Cr
 (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 1.03 Cr

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
1.05	-	-	-	-	-

(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	32,22,196	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	43,68,543	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	2,28,885	Direct	N/A	N/A	
4	Environmental Sustainability -cleaning drives and plantation, Assistance to Community development activities	(iv)	Yes	Meghalaya	East Khasi Hills	13,68,117	Direct	N/A	N/A	
5	Rural infrastructure development -Footpaths, enhancing water supply, Drains, Toilets, Railings etc.	(x)	Yes	Meghalaya	East Khasi Hills	13,48,365	Direct	N/A	N/A	
Total Direct expense of projects & programs							1,05,37,106			
TOTAL							1,05,37,106			

- (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 1,05,37,106
 (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)	1,03,28,300
2	Total amount spent for the financial year	1,05,37,106
3	Excess amount spent for the financial year [(ii)-(i)]	2,08,806
4	Surplus arising out of the CSR projects or programmers or activities of the previous financial years, if any	Nil
5	Amount available for set-off in succeeding financial years [(iii)-(iv)]	Nil

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 27, 2023

ANNEXURE "B"

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.12.2022

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	george.chacko@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	Applicable Section
1	LAFARGEHOLCIM BANGLADESH LIMITED	NA	2(6)
		Holding/ Subsidiary/ Associate Foreign Holding Company	% of shares held 100%

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-January-2022]			No. of Shares held at the end of the year [As on 31-December-2022]			% Change during the year
	Demat	Physical	Total	Demat	Physical	Total	
A. Promoters							
(1) Indian							
Sub Total (A) (1)							
(2) Foreign							
c) Bodies Corp.		41,133,099	41,133,099		41,133,099	41,133,099	0.00%
Sub Total (A) (2)		41,133,099	41,133,099		41,133,099	41,133,099	0.00%
TOTAL (A)		41,133,099	41,133,099		41,133,099	41,133,099	0.00%
B. Public Shareholding							
1. Institutions							
2. Non-Institutions							
Sub-total (B)(2):-							
Total Public (B)							
C. Shares held by Custodian for GDRs & ADRs							
Grand Total (A+B+C)			41,133,099			41,133,099	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%
	Total	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	01.01.2022		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						
	At the end of the year	31.12.2022		4,11,33,098	100.00%	4,11,33,098	100.00%
2	Surma Holding BV						
	At the beginning of the year	01.01.2022		1	0.00%	1	0.00%
	Changes during the year			--	0.00%	--	0.00%
	At the end of the year	31.12.2022		1	0.00%	1	0.00%

(v) Shareholding of Directors and Key Managerial: NIL

V. INDEBTEDNESS						
Indebtedness of the Company including interest outstanding/accrued but not due for payment.						
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness		
Indebtedness at the beginning of the financial year						
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
Total (i+ii+iii)	Nil	Nil	Nil	Nil		Nil
Change in Indebtedness during the financial year						
* Addition	Nil	--	Nil	Nil		--
* Reduction	Nil	Nil	Nil	Nil		Nil
Net Change	Nil	Nil	Nil	Nil		Nil
Indebtedness at the end of the financial year						
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
Total (i+ii+iii)	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)
A. COMPANY					
Penalty					
Punishment					
Compounding			No Penalties, Punishments or Compounding of Offences		
B. DIRECTORS					
Penalty					
Punishment					
Compounding			No Penalties, Punishments or Compounding of Offences		
C. OTHER OFFICERS IN DEFAULT					
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.
- 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:

- NIL

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 31.12.2022: INR 26,564.27 lakhs
- Foreign exchange outgo for the year ended 31.12.2022: INR 25.62 lakhs.

For and on Behalf of the Board



Chairman
DIN: 06497446

Place: Shillong
Date: February 27, 2023

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
1		
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
2		
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 39,29,400 (Rupees Thirty Nine Lacs Twenty Nine Thousand Four Hundred only) per annum.
e)	Date of approval by the Board	April 25, 2022
f)	Amount paid as advances, if any	NIL
3		
a)	Name(s) of the related party & nature of relationship	Holcim Group Services Limited ("HGS") - Software Use and IT Service Agreement
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	Two agreement for year 2021 CHF 13,677 and for year 2022 CHF 19,588
e)	Date of approval by the Board	April 25, 2022
f)	Amount paid as advances, if any	NIL

For and on Behalf of the Board



Chairman
DIN: 06497446

Place: Shillong
Date: February 27, 2023

INDEPENDENT AUDITOR’S 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, 2022, the Statement of Profit and Loss Account (including Statement of Other Comprehensive income), Statement of Change in Equity, the Cash Flow Statement for the year then ended, and notes to the Financial Statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the “standalone Ind AS financial statements”).
- B. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS Financial Statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st December, 2022 and its profit, other comprehensive income, changes in equity, and its cash flows for the year ended on that date.

2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (“SA’s”) 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 standalone Ind AS 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 (“ICAI”) together with the ethical requirements that are relevant to our audit of the Standalone Ind AS Financial Statements under the provisions of the Companies Act, 2013 and the Rules made 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 audit opinion on the standalone Ind AS Financial statements

3. Information other than the Financial Statements and Auditor’s Report there on:

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board’s Report including Annexures to Board’s Report, Business Responsibility Report, Corporate Governance and Shareholder’s Information, but does not include the standalone Ind AS financial statements and our auditor’s report thereon.

Our opinion on the standalone Ind AS 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 standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

4. 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 (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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.

5. Auditor’s Responsibilities for the Audit of the Standalone Ind AS Financial Statements:

- A. Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone Ind AS financial statements.
- 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 standalone Ind AS 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 standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- C. Materiality is the magnitude of misstatements in the standalone Ind AS 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.
- F. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

6. Other Matter:

1. As per the requirement of Section 203 of the Companies Act, 2013, the Company has not appointed any Company Secretary as on the date of audit report for the period ending 31st December 2022. However, our opinion is not modified in respect of above matter

7. Report on Other Legal and Regulatory Requirements:

1. As required by section 143(3) of the Act, we report that:
- 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;
 - 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;
 - The Balance Sheet, Statement of Profit and Loss (including Statement of Other Comprehensive Income), Statement of Change in Equity, and Cash Flow Statement dealt with by this Report are in agreement with the books of account ;
 - In our opinion the aforesaid standalone Ind AS financial statements comply with Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2016 as amended;
 - On the basis of written representations received from the directors as on 31st December, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on 31st December, 2022, from being appointed as a director in terms of Section 164(2) of the Act ;
 - 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 - A**' to this report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
 - Pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of Section 197 of the Companies Act, 2013, are not applicable to the Company, being a Private Limited Company; and
 - 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:
 - The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – **Refer Note 33 & 34** to the financial statements;
 - The Company had not entered into any long-term contracts including derivative contracts for which there would have been any material foreseeable losses;
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

- iv. (a) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. As stated in **Note 45** to the Standalone Ind AS financial statements:
(a) The Company has declared and paid final dividend during the financial year 2022 with respect to financial year 2021. The amount of dividend declared and paid is in accordance with section 123 of the Act, as applicable.
2. As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”) 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-B**”, a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

Dated at Silchar
The 28th day of February 2023

FOR RKP ASSOCIATES
CHARTERED ACCOUNTANTS



(CA. DEVAJIT BISWAS)
PARTNER

MRN. 304922
FRN. 322473E
UDIN - 23304922BGGVPL7491

ANNEXURE-A 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' 2022 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' 2022, 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 28th day of February 2023

FOR RKP ASSOCIATES
CHARTERED ACCOUNTANTS



(CA. DEVAJIT BISWAS)
PARTNER
MRN. 304922
FRN. 322473E

UDIN - 23304922BGGVPL7491

ANNEXURE-B TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Paragraph 2 to “Report on Other legal and regulatory requirements” of the Independent Auditors’ Report of even date to the members of **LAFARGE UMIAM MINING PRIVATE LIMITED** on the Standalone Ind AS Financial Statements for the year ended 31st December, 2022.

- I) a) The Company has maintained proper records showing full particulars including
 - A) Quantitative details and situation of Property, Plant and Equipment.
 - B) The Company has maintained proper records showing full particulars of intangible 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.
- d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
- e) According to the information and explanations given by the management, no proceedings have been initiated during the year or are pending against the Company as at 31st December, 2022 for holding any benami property under the Benami Transactions (Prohibition) Amendment Act, 2016 and rules made thereunder.
- II) a) As explained to us, the inventory has been physically verified by the management at reasonable intervals during the year. 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. The discrepancies noticed on physical verification of inventory as compared with book records were not material considering the size of the company and the nature of its business and the same have been properly dealt with in the books of accounts.
- b) The Company had not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate from banks on the basis of security of current assets and hence, filing of quarterly returns or statements is not applicable the company.
- III) The Company has not made investments in any company, has not granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under para 3 (iii) (a) (b) (c) (d) (e) & (f) of the Order are not applicable to the Company.
- IV) In our opinion and according to the information and explanations given to us, the Company had neither given any loan or guarantee nor provided 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 185 and 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 2020 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) On the basis of test check carried out during the course of audit, we are of the opinion that, the Company is 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, 2022 for a period of more than six months from the date they became payable, are:-

Name of the Statute	Nature of Dues	Period to which the amount relates	Amount involved (Rs. in lacs)
Meghalaya Stamp Act, 1993	Stamp Duty	January 2002	3.39
Employees' Provident Fund	Employer's Contribution to Provident Fund	April'22 to June'22	0.18
Employees' Provident Fund	Employees' Contribution to Provident Fund	April'22 to June'22	0.18

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) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

IX) a) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

c) In our opinion, and according to the information and explanations given to us, the company has no taken term loans taken during the year hence, the provision of this clause is not applicable to the company.

d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its joint ventures or associate.

f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, hence the clause 3(ix)(f) of the Order is not applicable to the Company.

X) a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable

b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

XI) a) According to the information and explanations given to us and procedures performed by us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

b) According to the information and explanations given to us and procedures performed by us, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014, as amended with the Central Government, during the year and upto the date of this report.

c) We have taken into consideration the whistle blower complaints if any received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures.

- 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) (a), (b) & (c) of the Order are not applicable to the Company.
- XIII) According to information & explanations given by the management, and on the basis of audit procedure performed for the purpose, we are of the opinion that, transactions with the related parties are in compliance with section 177 and section 188 of Companies Act, 2013, wherever applicable, and the details have been disclosed in the notes to the Standalone Financial Statements, as required by the applicable Accounting Standards.
- XIV) a) In our opinion and based on our examination, the Company have an internal audit system commensurate with the size and nature of its business.
- b) According to information & explanations given to us and based on our examination of the records of the Company during the year, the Company had conducted internal audit for the year under audit, which we have considered in determining the nature, timing and extent of our audit procedures.
- XV) According to information & explanations given to us and based on our examination of the records of the Company during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- XVI) a) 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) (a), (b) & (c) of the Order are not applicable to the Company.
- b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- XVII) According to information & explanations given to us and based on our examination of the records of the Company during the year, the Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- XVIII) There has been no resignation of the statutory auditors of the Company during the year.
- XIX) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- XX) a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- b) There are no unspent amounts towards Corporate Social Responsibility (CSR) on ongoing projects requiring a transfer to a Fund to a special account in compliance with the proviso to sub-section (6) of Section 135 of the said Act.

FOR RKP ASSOCIATES
CHARTERED ACCOUNTANTS

(CA. DEVAJIT BISWAS)

PARTNER

MRN. 304922

FRN. 322473E

UDIN - 23304922BGVGPL7491

Dated at Silchar
The 28th day of February 2023

LAFARGE UMIAM MINING PRIVATE LIMITED
Balance Sheet as at 31st December 2022

Particulars	Note	As at 31.12.2022 (Rs. in Lakhs)	As at 31.12.2021 (Rs. in Lakhs)
I. Assets			
Non-current assets			
(a) Property, plant and equipment	03	10,496.82	10,553.72
(b) Right of use assets	03B	140.56	90.22
(c) Capital work-in-progress	04	462.62	870.92
(d) Other Intangible assets	03	3,765.41	3,895.23
(e) Financial assets			
(i) Loans & Advance	05	168.00	209.18
(ii) Other financial assets		-	-
(f) Other non-current assets	06	226.77	2,124.82
Total non-current assets		15,260.18	17,744.09
Current assets			
(a) Inventories	07	1,271.81	1,136.59
(b) Financial assets			
(i) Trade receivable	08	15,418.43	3,544.14
(ii) Cash and cash equivalents	09	1,649.54	2,939.74
(iii) Other bank balances other than (ii) above	10	-	4,709.57
(iv) Other financial assets	11 & 05	-	54.44
(c) Current Tax Assets (Net)	06	-	-
(d) Other current assets	06	2,899.48	5,417.70
Total current assets		21,239.26	17,802.18
Total Assets		36,499.44	35,546.27
II. Equity and Liabilities			
Equity			
(a) Equity share capital	12	4,113.31	4,113.31
(b) Other equity	13	24,907.10	24,629.55
Total equity		29,020.41	28,742.86
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	03C	2.68	28.84
(ii) Other financial liabilities	18	3.38	3.38
(b) Provisions	14	738.77	673.05
(c) Deferred tax liabilities (net)	15	1,716.23	1,765.74
Total non-current liabilities		2,461.06	2,471.01
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	-	-
(ii) Lease liabilities	03C	25.74	22.80
(iii) Trade payable			
Due to Micro Enterprises and Small Enterprises	17	29.66	26.95
Other than Micro Enterprises and Small Enterprises	17	3,528.95	3,233.00
(iv) Other financial liabilities	18	49.84	6.58
(b) Other current liabilities	19	1,286.74	1,034.95
(c) Provisions	14	97.04	8.12
(d) Current Tax Liabilities (Net)	14	-	-
Total current liabilities		5,017.97	4,332.40
Total Equity and Liabilities		36,499.44	35,546.27
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
Membership No. 304922
FRN. 322473E

Place: Silchar
Date: 28th February 2023
UDIN: 23304922BVGGL7491

For and on behalf of the Board of Directors



Mohammad Iqbal Chowdhury
Director
DIN 07977063



George Chacko
Director
DIN 08696541

Place: Dhaka
Date: 27th February 2023

LAFARGE UMIAM MINING PRIVATE LIMITED
Statement of Profit and Loss for the year ended 31st December 2022

Particulars	Note	Year ended 31.12.2022 (Rs. in Lakhs)	Year ended 31.12.2021 (Rs. in Lakhs)
I. Revenue from operations	20	26,564.27	20,675.95
II. Other income	21	717.99	227.41
III. Total income (I +II)		27,282.26	20,903.36
IV. Expenses			
(a) Cost of Extracted Limestone	22	2,747.42	2,237.64
(b) Employee benefits expense	23	1,288.93	1,272.16
(c) Finance cost	24	53.50	14.99
(d) Depreciation and amortisation expenses	03	2,059.18	1,594.90
(e) Other expenses	25	11,713.72	10,675.06
Total expenses		17,862.75	15,794.75
V. Profit before tax (III-IV)		9,419.51	5,108.61
VI. Tax expense:			
(i) Current tax		2,968.80	1,493.15
(ii) Current tax relating to earlier years		-	-
(iii) Deferred tax		(49.51)	(101.17)
VII. Profit for the year (V-VI)		6,500.22	3,716.63
VIII. Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
(i) Remeasurements of net defined benefit liability		74.37	(21.30)
(ii) Income tax relating to net defined benefit liability		(21.66)	6.20
Total other comprehensive income/(loss) for the year (net of taxes)		52.71	(15.10)
IX. Total Comprehensive Income		6,447.51	3,731.73
Earnings (basic) per share in rupees (face value of Rs 10/- each) .		15.80	9.04
Earnings (diluted) per share in rupees (face value of Rs 10/- each)		15.80	9.04
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
Membership No. 304922
FRN. 322473E

Place: Silchar
Date: 28th February 2023
UDIN: 23304922BVGGL7491

For and on behalf of the Board of Directors



Mohammad Iqbal Chowdhury
Director
DIN 07977063



George Chacko
Director
DIN 08696541

Place: Dhaka
Date: 27th February 2023

LAFARGE UMIAM MINING PRIVATE LIMITED
Statement of Changes in Equity for the year ended 31 December 2022

A. Equity Share Capital (Refer Note 12)

A. Equity share capital

Particulars	(Rs. in Lakhs)
Balance as at 1 January, 2021	4,113.31
Changes in share capital during the year	-
Balance as at 31 December, 2021	4,113.31
Changes in share capital during the year	-
Balance as at 31 December, 2022	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)
Balance as at 1 January 2021	-	20,902.92	(5.11)	20,897.81
Profit/(Loss) for the year	-	3,716.64	-	3,716.64
Other comprehensive income	-	-	15.10	15.10
Balance as at 31 December 2021	-	24,619.56	9.99	24,629.55
Profit/(Loss) for the period	-	6,500.22	-	6,500.22
Dividend	-	(6,169.96)	-	(6,169.96)
Other comprehensive income	-	-	(52.71)	(52.71)
Balance as at 31 December 2022	-	24,949.82	(42.72)	24,907.10

As per our report of even date
For R K P Associates
Chartered Accountants



CA. DEVAJIT BISWAS
Partner
Membership No. 304922
FRN. 322473E

Place: Silchar
Date: 28th February 2023
UDIN: 23304922BVGVP7491

For and on behalf of the Board of Directors



Mohammad Iqbal Chowdhury
Director
DIN 07977063



George Chacko
Director
DIN 08696541

Place: Dhaka
Date: 27th February 2023

LAFARGE UMIAM MINING PRIVATE LIMITED
Cash Flow Statement for the year ended 31st December 2022

	Year ended 31.12.2022 (Rs. in Lakhs)	Year ended 31.12.2021 (Rs. in Lakhs)
A. Cash Flow from Operating Activities:		
Profit / (Loss) before Taxes and Exceptional Item	9,417.06	5,129.92
Adjustments for:		
Depreciation	2,059.18	1594.90
Unrealised foreign exchange (gain)/ loss	(297.95)	(22.55)
Financial charges	49.97	9.88
Interest income	(53.65)	(32.40)
Operating Profit before Working Capital Changes	11,281.38	6,679.75
Changes in Working Capital:		
Adjustments for (increase) / decrease in operating assets:	(2,526.96)	(150.68)
Trade receivables	(11,576.33)	819.15
Short term and long term loans and advances	9,184.59	(841.27)
Inventories	(135.22)	(128.56)
Adjustments for increase / (decrease) in operating liabilities:	748.59	(600.42)
Trade payables and other current and non current liabilities	545.31	(689.62)
Long and short term provisions	203.28	89.20
Cash from / (used in) Operations	9,503.02	5,298.65
Provision for tax/taxes paid	(2,947.14)	(1,499.35)
Net Cash from/(used in) Operating Activities	6,555.88	4,429.30
B. Cash Flow from Investing Activities:		
Capital expenditure on property, plant and equipment and capital work in progress	(1,621.28)	(1,869.25)
Interest received	90.51	39.49
Net Cash used in Investing Activities	(1,530.77)	(1,829.76)
C. Cash Flow from Financing Activities:		
Repayment of short term borrowings	-	-
Repayment of lease liabilities	(20.78)	(20.78)
Financial charges paid	(50.18)	(10.09)
Net Cash from/ (used in) Financing Activities	(6,315.31)	(30.87)
Net Increase or (Decrease) in Cash or Cash equivalents	(1,290.20)	2,568.68
Cash and Cash equivalents as at 1st January	2,939.74	371.06
Cash and Cash equivalents as at 31st December	1,649.54	2,939.74

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. The above statement of cash flow has been prepared under the indirect method as set out in Ind AS 7 "Statement of Cash Flows".

As per our report of even date
For R K P Associates
Chartered Accountants



CA. DEVAJIT BISWAS
Partner
Membership No. 304922
FRN. 322473E

Place: Silchar
Date: 28th February 2023

For and on behalf of the Board of Directors



Mohammad Iqbal Chowdhury
Director
DIN 07977063



George Chacko
Director
DIN 08696541

Place: Dhaka
Date: 27th February 2023

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

The 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 2022 were prepared in accordance with the Companies (Accounts) Rules 2014, notified under section 133 of the Act and other provisions of the Act. 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 for the year ended 31 December 2021.

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.

03. Property, Plant and Equipment as at 31st December 2022

Particulars	Gross Block - At Cost			Depreciation / Amortisation			Net Block	
	As at 1st Jan, 2022 (Rs. in Lakhs)	Additions during the year (Rs. in Lakhs)	Adjustments during the year (Rs. in Lakhs)	As at 31st Dec, 2022 (Rs. in Lakhs)	As at 1st Jan, 2022 (Rs. in Lakhs)	Additions during the year (Rs. in Lakhs)	As at 31st Dec, 2022 (Rs. in Lakhs)	As at 1st Jan, 2022 (Rs. in Lakhs)
03 A. Tangible Assets								
Freehold Land	204.90	-	-	204.90	-	-	204.90	204.90
Building	1,070.16	1,212.95	-	2,283.11	316.11	232.34	1,734.66	754.05
Plant and Machinery	20,652.31	740.73	(266.59)	21,126.45	11,682.23	1,627.84	7,976.20	8,970.08
Development of property	1,073.62	-	-	1,073.62	613.79	15.19	444.64	459.83
Furniture and Fixtures	93.74	-	-	93.74	57.22	5.28	31.24	36.52
Office & Household Equipments	117.13	-	-	117.13	105.15	2.92	9.06	11.98
Electronic Data Processing Equipment	121.42	-	-	121.42	116.74	1.23	3.45	4.68
Vehicles	423.03	-	(12.07)	410.96	311.35	19.01	92.67	111.68
Total	23,756.31	1,953.68	(278.66)	25,431.33	13,202.59	1,903.81	10,496.82	10,553.72
Previous year	20,095.73	3,799.43	-	23,895.16	11,852.14	1,442.92	10,600.10	-
03 B. Intangible Assets								
Software (acquired)	37.05	-	-	37.05	37.05	-	-	-
Development of property	7,433.90	-	-	7,433.90	3,538.67	129.82	3,765.41	3,895.23
Total	7,470.95	-	-	7,470.95	3,575.72	129.82	3,705.54	3,895.23
Previous year	7,470.95	-	-	7,470.95	3,445.90	129.82	3,895.23	-

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)
03 A. Tangible Assets								
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
Total	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	-
03 B. Intangible Assets								
Software (acquired)	37.05	-	-	37.05	-	-	-	-
Development of property	7,433.90	-	-	7,433.90	129.82	-	3,895.23	4,025.05
Total	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

03B. Right of use (Assets) - As at December 31, 2022

	Gross Block			Accumulated amortisation			Net Block	
	As at 1st Jan, 2022 (Rs. in Lakhs)	Recognised during the year (Rs. in Lakhs)	Deductions/ adjustment (Rs. in Lakhs)	As at 31st Dec, 2022 (Rs. in Lakhs)	As at 1st Jan, 2022 (Rs. in Lakhs)	Charge for the year (Rs. in Lakhs)	Deductions/ adjustment (Rs. in Lakhs)	As at 31st Dec, 2022 (Rs. in Lakhs)
Leases- Land	138.85	75.90	-	214.75	92.47	3.39	-	118.89
Leases -Building	137.44	-	-	137.44	93.61	22.16	-	21.67
Leases -Equipments	-	-	-	-	-	-	-	-
Total	276.29	75.90	-	352.19	186.08	25.55	-	140.56

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

LAFARGE UMIAM MINING PRIVATE LIMITED
Notes to the Financial Statements

Lease liabilities	As at 31st December 2022 (Rs. in Lakhs)	As at 31st December 2021 (Rs. in Lakhs)
Non-current lease liabilities	2.68	28.84
Current lease liabilities	25.74	22.80
Movement in lease liabilities		
Opening Lease Liability	51.64	72.43
Addition during the year	-	-
Cancellation of lease contracts	-	-
Finance Cost accrued during the year	3.32	4.90
Payment of Lease Liabilities	26.55	25.68
Closing Lease Liability	28.42	51.64
Maturity analysis of lease liabilities (Cash Outflow undiscounted)		
a. Not later than one year	-	-
b. Later than one year and not later than five years	-	-
c. Later than five years	-	-

04. Capital Work-in-Progress

	As at 31.12.2022 (Rs. in Lakhs)	As at 31.12.2021 (Rs. in Lakhs)
(a) Building	50.00	790.24
(b) Plant & Machinery	188.20	71.58
(c) Others	224.42	9.10
Total Capital Work-in-Progress	462.62	870.92

Ageing in Capital Work-in-Progress for a period of

	Less than 1 year (Rs. in Lakhs)	1-2 years (Rs. in Lakhs)	2-3 years (Rs. in Lakhs)	More than 3 years (Rs. in Lakhs)	Total (Rs. in Lakhs)
Projects in progress	224.62	238.00	-	-	462.62
Projects temporarily suspended	-	-	-	-	-
	224.62	238.00	-	-	462.62
Previous year	-	870.90	-	-	870.90

There are no projects where the completion is overdue or cost has exceeded when compared to its original plan.

05. Loans and Advances

	As at 31.12.2022 (Rs. in Lakhs)		As at 31.12.2021 (Rs. in Lakhs)	
	Non Current	Current	Non Current	Current
(a) Security deposits	132.30	-	146.07	-
(b) Interest accrued on deposits	35.70	-	63.11	9.45
Total Loans and Advances	168.00	-	209.18	9.45

LAFARGE UMIAM MINING PRIVATE LIMITED
Notes to the Financial Statements

06. Other Non-Current & Current Assets	As at 31.12.2022 (Rs. in Lakhs)		As at 31.12.2021 (Rs. in Lakhs)	
	Non Current	Current	Non Current	Current
	Loans and Advances (Unsecured, considered good)			
(a) Capital advances	-	507.70	-	1,152.21
(b) Advance tax (Net of provision for tax)	214.58	-	916.75	-
(c) MAT credit entitlement	-	-	1,188.11	-
(d) Other loans and advances				
Prepayments	-	24.40	8.33	21.40
Advances to suppliers	12.19	423.05	11.63	376.57
Others	-	1,944.33	-	3,867.52
Total Loans and Advances	226.77	2,899.48	2,124.82	5,417.70

07. Inventories	As at 31.12.2022 (Rs. in Lakhs)	As at 31.12.2021 (Rs. in Lakhs)
	(a) Extracted Limestone	60.64
(b) Oil and Fuel	72.24	40.49
(c) Stores, Spares and Explosive	1,138.93	1,037.81
Total Inventories	1,271.81	1,136.59

08. Trade Receivables	As at 31.12.2022 (Rs. in Lakhs)	As at 31.12.2021 (Rs. in Lakhs)
	Current Trade Receivable	
Unsecured, considered good unless otherwise stated		
Outstanding for a period exceeding six months, from the date they were due for payment.	-	-
Others	15,418.43	3,544.14
Total Current Trade Receivable	15,418.43	3,544.14

Trade receivable ageing schedule for the year ended as on December 31, 2022 and December 31, 2021:

	Outstanding for the following periods from due date of payment					
	Less than 6 months (Rs. in Lakhs)	6 months - 1 year (Rs. in Lakhs)	1-2 years (Rs. in Lakhs)	2-3 years (Rs. in Lakhs)	More than 3 years (Rs. in Lakhs)	Total (Rs. in Lakhs)
(i) Undisputed Trade receivables - considered good	13,949.40	1,469.03	-	-	-	15,418.43
(ii) Undisputed Trade receivables - considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade receivables - considered good	-	-	-	-	-	-
(iv) Disputed Trade receivables - considered doubtful	-	-	-	-	-	-
Total Trade Receivable	13,949.40	1,469.03	-	-	-	15,418.43
Previous year	3,544.14	-	-	-	-	3,544.14

LAFARGE UMIAM MINING PRIVATE LIMITED
Notes to the Financial Statements

09. Cash and Cash equivalents	As at 31.12.2022 (Rs. in Lakhs)	As at 31.12.2021 (Rs. in Lakhs)
(a) Cash on hand	0.82	0.82
(b) Balances with banks In Current Accounts	1,648.72	2,938.92
Total Cash and Cash equivalents	1,649.54	2,939.74
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>1,649.54</u>	<u>2,939.74</u>
 10. Other bank balances	 As at 31.12.2022 (Rs. in Lakhs)	 As at 31.12.2021 (Rs. in Lakhs)
(a) Margin money deposit against Bank Guarantee and Letters of credit (1)	-	209.57
(b) Term deposit	-	4,500.00
Total Other bank balances	<u>-</u>	<u>4,709.57</u>
 11. Other financial assets	 As at 31.12.2022 (Rs. in Lakhs)	 As at 31.12.2021 (Rs. in Lakhs)
Derivative account (Forward Contract MTM)	-	44.99
Total Other financial assets	<u>-</u>	<u>44.99</u>
 12. Share Capital	 As at 31.12.2022 (Rs. in Lakhs)	 As at 31.12.2021 (Rs. in Lakhs)
Authorised:		
42,000,000 (as at 31st December, 2021: 42,000,000) equity shares of Rs. 10 each	4,200.00	4,200.00
	<u>4,200.00</u>	<u>4,200.00</u>
Issued, Subscribed and Fully Paid up:		
41,133,099 (as at 31st December, 2021: 41,133,099) equity shares of Rs. 10 each	4,113.31	4,113.31
	<u>4,113.31</u>	<u>4,113.31</u>
 12.1 Share Capital	 As at 31.12.2022	 As at 31.12.2021
Reconciliation of Number of Shares	No. of Shares	No. of Shares
	Amount (Rs. in Lakhs)	Amount (Rs. in Lakhs)
 Issued, Subscribed and Fully paid		
At the beginning of the year	41,133,099	41,133,099
At the end of the year	<u>41,133,099</u>	<u>41,133,099</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 31.12.2022		As at 31.12.2021	
	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%	41,133,098	100%

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 31.12.2022 (Rs. in Lakhs)	As at 31.12.2021 (Rs. in Lakhs)
Surplus / (Deficit) in Statement of Profit and Loss :		
Opening Balance	24,629.55	20,897.81
Add: Profit / (Loss) for the year	6,447.51	3,731.73
	31,077.06	24,629.55
Less: Appropriations		
Final dividend {Amount per equity share Rs. 15 (Previous year Rs. Nil)}	6,169.96	-
Closing Balance	24,907.10	24,629.55

14. Non-Current & Current Provisions

	As at 31.12.2022 (Rs. in Lakhs)		As at 31.12.2021 (Rs. in Lakhs)	
	Non Current	Current	Non Current	Current
(a) Provision for employee benefits				
Post-employment Defined Benefits				
Retiring Gratuity	211.21	97.04	228.18	8.12
(b) Provision for Site Restoration	527.56	-	444.87	-
(c) Provision for Income Tax (Net of advance tax)	-	-	-	-
Total Provisions	738.77	97.04	673.05	8.12

15. Deferred Tax Liabilities (Net)

	As at 31.12.2022 (Rs. in Lakhs)	As at 31.12.2021 (Rs. in Lakhs)
Deferred tax assets		
Gratuity	103.71	89.60
Lease obligations	8.27	15.04
Total A	111.98	104.64
Deferred tax liabilities		
Depreciation on property, plant and equipments	1,821.90	1,857.61
Right of Use Assets	6.31	12.77
Total B	1,828.21	1,870.38
Deferred Tax Liabilities (Net) (B-A)	1,716.23	1,765.74

LAFARGE UMIAM MINING PRIVATE LIMITED
Notes to the Financial Statements

16. Current Borrowings	As at 31.12.2022 (Rs. in Lakhs)		As at 31.12.2021 (Rs. in Lakhs)	
	Non Current	Current	Non Current	Current
Loans from banks				
Unsecured				
(a) From Citibank NA, Mumbai :				
Working capital demand loan	-	-	-	-
Overdraft	-	-	-	-
Total current borrowings	-	-	-	-

17. Trade Payables	As at 31.12.2022 (Rs. in Lakhs)		As at 31.12.2021 (Rs. in Lakhs)	
	Non Current	Current	Non Current	Current
Creditors for supplies / services				
Total outstanding dues of micro enterprises and small enterprises	-	29.66	-	26.95
Total outstanding dues of creditors other than micro and small enterprises	-	3,297.43	-	2,972.60
Creditors for accrued wages and salaries	-	231.52	-	260.40
Total Trade Payables	-	3,558.61	-	3,259.95

	Ageing in Capital Work-in-Progress for a period of				
	Less than 1 year (Rs. in Lakhs)	1-2 years (Rs. in Lakhs)	2-3 years (Rs. in Lakhs)	More than 3 years (Rs. in Lakhs)	Total (Rs. in Lakhs)
(i) MSME	29.66	-	-	-	29.66
(ii) Others	1,581.31	532.72	298.79	1,116.18	3,528.99
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total Trade Payables	1,610.97	532.72	298.79	1,116.18	3,558.65
Previous year	1,581.49	466.74	437.46	774.26	3,259.95

18. Other financials Liabilities	As at 31.12.2022 (Rs. in Lakhs)		As at 31.12.2021 (Rs. in Lakhs)	
	Non Current	Current	Non Current	Current
(a) Creditors for capital liability	3.38	1.20	3.38	6.58
(b) Interest accrued and due on borrowings	-	-	-	-
(c) Derivatives	-	48.64	-	-
Total financials liabilities	3.38	49.84	3.38	6.58

19. Other Current Liabilities	As at 31.12.2022 (Rs. in Lakhs)		As at 31.12.2021 (Rs. in Lakhs)	
	Non Current	Current	Non Current	Current
Statutory Dues		1,286.74		1,034.95
Total Other Current Liabilities	-	1,286.74	-	1,034.95

LAFARGE UMIAM MINING PRIVATE LIMITED
Notes to the Financial Statements

20. Revenue from Operations	Year ended 31.12.2022 (Rs. in lakhs)	Year ended 31.12.2021 (Rs. in lakhs)
Revenue from operations (gross)	26,564.27	20,675.95
Less : Goods & Services Tax on revenue from operations	-	-
Revenue from Operations (net)	<u>26,564.27</u>	<u>20,675.95</u>
20.1 Revenue from Operations (net)	Year ended 31.12.2022 (Rs. in lakhs)	Year ended 31.12.2021 (Rs. in lakhs)
Sale of crushed limestone (1)	26,564.27	20,675.95
	<u>26,564.27</u>	<u>20,675.95</u>
Additional information		
(1) Sales of crushed limestone represent 100% export sales to holding company, LafargeHolcim Bangladesh Ltd, Bangladesh		
21. Other Income	Year ended 31.12.2022 (Rs. in lakhs)	Year ended 31.12.2021 (Rs. in lakhs)
(a) Interest Income from bank deposits	53.65	32.40
(b) Gain on foreign exchange fluctuation (Net)	663.89	182.54
(c) Others	0.45	12.47
Total Other Income	<u>717.99</u>	<u>227.41</u>
22. Cost of Extracted Limestone	Year ended 31.12.2022 (Rs. in lakhs)	Year ended 31.12.2021 (Rs. in lakhs)
Extracted Limestone		
Opening stock	58.29	61.90
Add:- Cost of extraction	2,749.77	2,234.03
Less : Closing stock	60.64	58.29
Extracted Limestone Consumed	<u>2,747.42</u>	<u>2,237.64</u>
23. Employee Benefits Expenses	Year ended 31.12.2022 (Rs. in lakhs)	Year ended 31.12.2021 (Rs. in lakhs)
(a) Salaries and wages, including bonus	1,187.44	1,175.80
(b) Contribution to provident and other funds	101.49	96.36
Total Employee Benefits Expense	<u>1,288.93</u>	<u>1,272.16</u>

LAFARGE UMIAM MINING PRIVATE LIMITED
Notes to the Financial Statements

24. Finance Cost

	Year ended 31.12.2022 (Rs. in lakhs)	Year ended 31.12.2021 (Rs. in lakhs)
(a) Interest expenses		
Interest on working capital demand loan and overdraft	0.22	-
(b) Bank charges	49.96	10.09
(c) Other borrowing costs on lease obligations	3.32	4.90
Total Finance Cost	53.50	14.99

25. Other Expenses

	Year ended 31.12.2022 (Rs. in lakhs)	Year ended 31.12.2021 (Rs. in lakhs)
Consumption of stores, spare parts and loose tools	199.73	127.96
Fuel for power generation	456.00	973.46
Cost of operation and maintenance of DG Sets for power generation	5.97	158.27
Grid Power	284.60	101.61
Rent	3.19	4.38
Repairs to machinery	112.78	134.08
Repairs to others	258.45	223.50
Insurance	40.56	44.81
Royalty and Cess for Limestone mining lease	5,066.91	4,212.16
Lease rent for limestone mining surface rights	676.90	573.69
LBC and mining operation support & assistance by local bodies & others	666.05	539.21
Contribution to Special Purpose Vehicle (1)	2,753.55	2,289.11
Corporate Social Responsibility Expenditure (2)	105.37	102.47
Environmental cost	169.92	208.58
Business Promotion & Public Relations	12.32	82.86
Study, reports and consultancy fees	31.64	71.35
IT Cost	59.78	61.05
Security cost	444.68	442.38
Communication charges	3.96	4.53
Gas, Water & Electricity	6.91	8.54
Legal fees and consultation	16.93	10.99
Travelling and conveyance	69.49	57.70
Safety expense	52.67	67.30
Site restoration cost	82.69	82.69
Write off of property, plant and equipment	14.32	-
Deputation of custom officials at site	40.98	40.25
Auditors remuneration and out-of-pocket		
(i) Statutory Auditors	7.50	7.50
(ii) Tax Audit related matter	2.80	2.80
(iii) Reimbursement of Expense	0.26	0.23
Miscellaneous expenses	66.81	41.60
Total Other Expenses	11,713.72	10,675.06

(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. 105.37 lakhs (Previous year : Rs. 102.47 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 to the Financial Statements

26. 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 31.12.2022 (Rs. in Lakhs)	As at 31.12.2021 (Rs. in Lakhs)
	Carrying amount / Fair Value	Carrying amount / Fair Value
Financial assets measured at amortized cost		
Trade receivables	15,418.43	3,544.14
Cash and cash equivalents	1,649.54	2,939.74
Other bank balance	-	4,709.57
Security deposits	132.30	146.07
Other financial assets	35.70	117.55
Total	17,235.98	11,457.08
Financial liabilities measured at amortized cost		
Borrowings	-	-
Lease liabilities	28.42	51.64
Lease deposits	-	-
Security deposits	-	-
Trade payables	3,528.95	3,259.95
Other financial liabilities	53.22	9.96
Financial Liabilities measured at Fair Value		
Total	3,610.59	3,321.55

Note: 26 (i) The Management assessed that cash and cash equivalents, trade receivables, trade payables, and other current liabilities approximate their carrying amounts.

Note: 26 (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.

27. 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.

LAFARGE UMIAM MINING PRIVATE LIMITED

Notes to the Financial Statements

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 31 December 2021 and 31 December 2022.

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 1,649.54 lakhs at 31 December 2022 (31 December 2021: INR 2,939.73 lakhs). The cash and cash equivalents are mainly held with scheduled commercial 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	28.42	28.42	25.74	2.68	-	-
Security deposits	-	-	-	-	-	-
Trade payables	3,528.95	3,528.95	3,528.95	-	-	-
Other payables	53.22	53.22	53.22	-	-	-
	3,610.59	3,610.59	3,607.91	2.68	-	-

As at 31 December 2022	(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	77.38	22.80	25.74	28.84	-
Security deposits	-	-	-	-	-	-
Trade payables	3,259.95	3,259.95	3,259.95	-	-	-
Other payables	9.96	9.96	9.96	-	-	-
	3,321.55	3,347.29	3,292.71	25.74	28.84	-

LAFARGE UMIAM MINING PRIVATE LIMITED

Notes to the Financial Statements

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.

28. 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-22	7	USD	3,145.06
31-Dec-21	-	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-22	-	USD	-
31-Dec-21	11	USD	4,519.25

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-22	31-Dec-21
Variable rate borrowings	-	-
Fixed rate borrowings	-	-
Total Borrowings	-	-

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
31-Dec-22 Variable rate borrowings	-
31-Dec-21 Variable rate borrowings	-

LAFARGE UMIAM MINING PRIVATE LIMITED
Notes forming part of Financial Statements

29. Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for Rs. 825.34 lakhs (as at 31st December, 2021 Rs. 902.87 lakhs).

30. **Deferred tax:**

The breakup of deferred tax is as under	Year ended 31.12.2022	Year ended 31.12.2021
	(Rs. in lakhs)	(Rs. in lakhs)
Deferred Tax Liabilities		
Timing difference on account of:-		
-Depreciation	(1821.90)	(1,857.61)
-Right of Use Assets	6.31	(12.77)
Gross Deferred Tax Liabilities (A)	(1828.21)	(1,870.38)
Deferred Tax Assets		
-Unabsorbed Depreciation	Nil	Nil
-Provision for Gratuity	103.71	89.60
-Lease obligations	8.27	15.04
Gross Deferred Tax Assets (B)	111.98	104.64
Deferred Tax Assets/ (Liability) (Net) (A-B)	(1716.23)	(1,765.74)

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 31.12.2022	As on 31.12.2021
		(Rs. in lakhs)	(Rs. in lakhs)
1.	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	29.66	11.48
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.

LAFARGE UMIAM MINING PRIVATE LIMITED

Notes forming part of Financial Statements

32. Expenditure / Earnings in foreign currency:

a) Value of imports calculated on CIF basis :

	Year ended 31.12.2022	Year ended 31.12.2021
	(Rs. in lakhs)	(Rs. in lakhs)
i) Stores and Spare parts	Nil	Nil
ii) Capital goods	324.14	Nil
Total	324.14	Nil

b) Expenditure in foreign currency:

	Year ended 31.12.2022	Year ended 31.12.2021
	(Rs. in lakhs)	(Rs. in lakhs)
i) Professional and Consulting fees	25.62	17.83
ii) Interest and other borrowing cost	Nil	Nil
Total	25.62	17.83

c) Earnings in foreign currency:

	Year ended 31.12.2022	Year ended 31.12.2021
	(Rs. in lakhs)	(Rs. in lakhs)
i) FOB Value of Exports	26,564.27	20,675.95
Total	26,564.27	20,675.95

d) Details of consumption of imported and indigenous items :

	Year Ended 31st December 2022		Year Ended 31st December 2021	
	(Rs. in lakhs)	%	(Rs. in lakhs)	%
i) Imported				
Raw materials	Nil	Nil	Nil	Nil
Stores and Spares	3.19	2%	1.23	1%
ii) Indigenous				
Raw materials	2,747.42	100%	2,237.64	100%
Stores and Spares	196.54	98%	126.73	99%

33. Contingent Liability not provided for:

i) Bank Guarantee amounting to Rs. 370.00 lakhs (as at 31st December 2021 Rs. 209.07 lakhs) issued by The Hongkong and Shanghai Banking Corporation Limited, Mumbai Branch 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 Umiam 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.

LAFARGE UMIAM MINING PRIVATE LIMITED Notes forming part of Financial Statements

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 MOEF&CC 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) 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 as Service Tax for the above period before issuing the demand notice. The net demand of service tax of Rs. 276.77 lakhs are 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 the 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. The case has not been adjudicated in view of various ongoing cases for similar matters and adjudication is kept in abeyance until the matter is settled at 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.

LAFARGE UMIAM MINING PRIVATE LIMITED
Notes forming part of Financial Statements

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:

	Year ended 31.12.2022	Year ended 31.12.2021
	(Rs. in lakhs)	(Rs. in lakhs)
Opening balance	444.87	362.19
Additions	82.69	82.68
Reversals	Nil	Nil
Closing balance	527.56	444.87

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 2022 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.

I. Component of Expenses recognized in the Statement of Profit and Loss

Particulars	Year ended 31.12.2022	Year ended 31.12.2021
	(Rs. in lakhs)	(Rs. in lakhs)
Current Service cost	20.23	19.55
Past Service Cost	-	-
Loss/(Gain) on settlement	-	-
Net Interest (Income)/Cost on the Net Defined Benefit Liability (Asset)	16.77	15.17
Expenses Recognized in the Income Statement	37.00	34.72

II. Other Comprehensive Income(OCI)

Particulars	Year ended 31.12.2022	Year ended 31.12.2021
	(Rs. in lakhs)	(Rs. in lakhs)
Actuarial (gains) / losses due to :		
- change in demographic assumptions	(0.65)	-
- change in financial assumptions	(5.17)	(14.41)
- experience variance (i.e. Actual experience vs assumptions)	80.19	(6.90)
- Others	-	-
Return on plan assets, excluding amount recognized in net interest expense	-	-
Re-measurement (or Actuarial (gain)/loss) arising because of change in effect of asset celling	-	-
Components of defined benefit costs recognized in OCI	74.37	(21.31)

LAFARGE UMIAM MINING PRIVATE LIMITED
Notes forming part of Financial Statements

I. Net Asset/(Liabilities) recognized in the Balance Sheet

Sl. No.	Funded Status	As on 31.12.2022	As on 31.12.2021
		(Rs. in lakhs)	(Rs. in lakhs)
1	Present value of Defined Benefit Obligation	308.25	236.31
2	Fair value of plan assets	-	-
3	Fund status [Surplus/(Defecit)]	(308.25)	(236.31)
4	Effect of balance sheet asset limit	-	-
5	Unrecognized Past Service Costs	-	-
6	Net asset/(liability) recognized in balance sheet	(308.25)	(236.31)
1	Net asset/(liability) recognized in balance sheet at beginning of period	(236.31)	(229.77)
2	Expense recognized in Income Statement	37.00	34.72
3	Expense recognized in Other Comprehensive Income	74.37	(21.30)
4	Employer contributions	39.43	6.88
5	Net Acquisitions / Business Combinations	-	-
6	Net asset/(liability) recognized in balance sheet at end of the period	(308.25)	(236.31)

II. Reconciliation of Defined Benefit Obligation and Fair Value of Assets

A	Change in Defined Benefit Obligations (DBO)	Year ended 31.12.2022	Year ended 31.12.2021
		(Rs. in lakhs)	(Rs. in lakhs)
1	Present Value of DBO at beginning of period	236.31	229.77
2	Current Service cost	20.22	19.55
3	Interest cost	16.78	15.17
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	(0.65)	-
	- change in financial assumptions	(5.17)	(14.40)
	- experience variance (i.e. Actual experience vs assumptions)	80.19	(6.90)
	- others	-	-
10	Benefits Paid	(39.43)	(6.88)
11	Present Value of DBO at the end of period	308.25	236.31

B	Change in Fair Value of Assets	Year ended 31.12.2022	Year ended 31.12.2021
		(Rs. in lakhs)	(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	Fund Transferred	-	-
6	Employee Contribution	-	(6.88)
7	Benefits paid	-	-
8	Plan assets at the end of period	-	-

LAFARGE UMIAM MINING PRIVATE LIMITED
Notes forming part of Financial Statements

A. Major Categories of Plan Assets as percentage of Total Plan Assets

Particulars	Year ended 31.12.2022	Year ended 31.12.2021
	(Rs. in lakhs)	(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	-	-

B. Division of Defined Benefit Obligation (Current / Non-Current) at the end of the period

Sl. No.	Particulars	Year ended 31.12.2022	Year ended 31.12.2021
		(Rs. in lakhs)	(Rs. in lakhs)
1	Current Defined Benefit Obligation	97.04	8.12
2	Non-Current Defined Benefit Obligation	211.21	228.18
3	Total Defined Benefit Obligation	308.25	236.31
C	Best Estimate of Contribution During Next Year	N.A	N.A

A. Sensitivity Analysis

Particulars	Year ended 31.12.2022	Year ended 31.12.2021
	(Rs. in lakhs)	(Rs. in lakhs)
Defined Benefit Obligation (Base)	308.25	236.31

Particulars	Year ended 31.12.2022 (Rs. in lakhs)		Year ended 31.12.2021 (Rs. in lakhs)	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%) % change compared to base due to sensitivity	335.93 8.98%	284.79 -7.61%	266.42 12.75%	210.92 -10.74%
Salary Growth Rate (- / + 1%) % change compared to base due to sensitivity	286.98 -6.90%	330.71 7.28%	214.82 -9.09%	258.93 9.57%
Attrition Rate (- / + 1%) % change compared to base due to sensitivity	309.29 0.34%	307.37 -0.28%	237.08 0.33%	235.67 -0.27%
Mortality Rate (- / + 1%) % change compared to base due to sensitivity	308.24 0.00%	308.26 0.00%	236.13 -0.07%	236.48 0.07%

LAFARGE UMIAM MINING PRIVATE LIMITED

Notes forming part of Financial Statements

B. Maturity Profile of Defined Benefit Obligation

Weighted average duration (based on discounted cash flow)	12 years	13 years
---	----------	----------

Particulars	Year ended 31.12.2022	Year ended 31.12.2021
	(Rs. in lakhs)	(Rs. in lakhs)
Expected cash flows over the next (valued on undiscounted basis)		
1 Year	97.04	8.12
2 to 5 years	48.15	62.38
6 to 10 years	82.78	70.53
More than 10 years	463.89	501.64

Contribution to Defined Contribution Plan recognized as expense for the year and disclosed under "Contribution to provident and other funds" in Note 23:

Particulars	Year ended 31.12.2022	Year ended 31.12.2021
	(Rs. in lakhs)	(Rs. in lakhs)
Employer's Contribution to recognized Provident Fund	64.49	61.14

37. Related party disclosure as per Ind AS -24 :

a) Key Managerial Personnel (KMP):

Name	Nature of relationship	Transactions for the year ended		
		31.12.2022 Rs. in lakhs	31.12.2021 Rs. in lakhs	Nature of transaction
Ms. Sonal Shrivastava	Chairman	Nil	Nil	---
Mr. Narayan Sharma (Ceased to be KMP w.e.f 01.12.2022)	Director	149.04	132.49	Remuneration
Mr. Marcos Cela Rey	Director	Nil	Nil	---
Mr. Kazi Mizanur Rahman	Director	Nil	Nil	---
Mr. Rajesh Surana	Director	Nil	Nil	---
Mr. Mohammed Iqbal Chowdhury	Director	Nil	Nil	---
Mr. George Chacko (Appointed as Director w.e.f 24.11.2022)	Director	9.93	Nil	Remuneration

- b) **Holding Company** : LafargeHolcim Bangladesh Ltd, Bangladesh
Ultimate Holding Company : Surma Holdings B.V, Netherland

Export sales transaction:

	31.12.2022	31.12.2021
	(Rs. in lakhs)	(Rs. in lakhs)
Closing balance of export sales receivables as at	15,418.43	3,544.14
Total value of export sales transaction during the year ended	26,564.27	20,675.95

c) Fellow Subsidiary Company:

Name of the related party: Lum Mawshun Minerals Pvt Ltd
 Transactions:

	31.12.2022	31.12.2021
	(Rs. in lakhs)	(Rs. in lakhs)
Closing balance as at	12.23	11.66
Expense paid by the Company on behalf of the fellow subsidiary company during the year ended	0.57	1.08

LAFARGE UMIAM MINING PRIVATE LIMITED
Notes forming part of Financial Statements

d) Group Company:

Name of Party	Relationship	Nature of Transactions	Transaction value during the year	Payable at 31st Dec 22	Payable at 31st Dec 21
			(Rs. in Lakhs)	(Rs. in Lakhs)	(Rs. in Lakhs)
ACC	Group Company (upto 15.09.2022)	Intercompany Services	2.29	-	-
Holcim Group Services Ltd.	Group Company	Intercompany Services	(20.89)	12.27	33.16
Holcim Service (South Asia) India	Group Company	Intercompany Services	(26.87)	3.32	30.19
Lafarge Asia SDN BHD	Group Company	Intercompany Services	-	25.30	22.71
Lafarge SA	Group Company	Intercompany Services	-	122.97	117.24

38. Earnings per Share (EPS) – The numerators and denominators used to calculate Basic and Diluted EPS:

Particulars	31st December 2022	31st December 2021
a) Net Profit / (Loss) after Tax available for Equity Shareholders (Rs. in lakhs)	6,447.51	3,731.73
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)	15.67	9.07

Analytical Ratios

Ratio	Numerator	Denominator	As at December 2022	As at December 2021	% Variance	Reason for Variance if more than 25%
Current ratio (in times)	Total current assets	Total current liabilities	4.23	4.11	3%	NA
Debt-equity ratio (in times)	Debt = Borrowings - Cash and cash equivalents - Bank balances other than cash and cash equivalents - Current investments	Total equity	NA	NA	0%	NA
Debt service coverage ratio (in times)	Earning for debt Service = Net profit after taxes + Depreciation and amortisation expense + Finance costs	Debt service (Finance Costs + Current maturities of non-current borrowings)	NA	NA	0%	NA
Return on equity ratio (%)	Net profit after tax	Average total equity	22.51%	13.83%	63%	Increase in revenue from operations
Inventory turnover ratio (in times)	Cost of goods sold	Average inventory	2.28	2.09	9%	NA

LAFARGE UMIAM MINING PRIVATE LIMITED

Notes forming part of Financial Statements

Analytical Ratios

Ratio	Numerator	Denominator	As at December 2022	As at December 2021	% Variance	Reason for Variance if more than 25%
Trade receivables turnover ratio (in times)	Revenue from sale of goods	Average trade receivables	2.80	5.24	-47%	Increase in trade receivables
Trade payables turnover ratio (in times)	Purchase + Other expenses	Average trade payables	4.24	4.35	-3%	NA
Net capital turnover ratio (in times)	Total revenue from operations	Working capital (i.e. Total current assets less Total current liabilities)	1.78	1.81	-1%	NA
Net profit ratio (in %)	Net profit after tax	Total revenue from operations	24%	18%	36%	Increase in revenue from operations
Return on capital employed (in %)	Earnings before interest, depreciation, taxes and amortisations	Capital employed (Total equity + Borrowings + Deferred tax liabilities)	35.31%	22.62%	56%	Increase in revenue from operations
Return on investment (in %)	Income generated from treasury investments	Average invested funds in treasury investments	NA	NA	0%	NA

39. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity (ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

40. None of the Company's fixed assets are considered impaired as on the Balance Sheet Date.

41. 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. 93.63 lakhs [as at 31st December 2021 Rs. (22.04) 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 2022 are as follows:

As at	No. of Contracts	Amount (USD in lakhs)	Amount (Rs. in lakhs)
31st December 2022	7	38.50	3,145.06
31st December 2021	11	60.50	4,581.39

42. Corporate Social Responsibility:

The Company has spent towards various schemes of corporate social responsibility (CSR) as prescribed under Section 135 of the Companies Act, 2013. The details are:

LAFARGE UMIAM MINING PRIVATE LIMITED
Notes forming part of Financial Statements

Particulars	For the year ended 31-Dec-22	For the year ended 31-Dec-21
	Rs. In lakhs	Rs. In lakhs
i) Amount required to be spent by the company during the year	103.28	102.07
ii) Amount of expenditure incurred on:		
(a) Construction/acquisition of any asset	Nil	Nil
(b) On purposes other than (i) above	105.37	102.47
(iii) Shortfall/(excess) at the end of the year	-2.09	-0.40
(iv) Total of previous years shortfall/Excess		
(v) Reason for shortfall if any		
(vi) Nature of CSR activities	Health Care Services, Education, Skills Development, Social, Environment & Youth Development and Infrastructure	

43. 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 2022		31st December 2021	
		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	25.30	0.31	22.71
	Euro	1.40	122.97	1.49	124.91
	CHF	0.14	12.27	0.41	33.16
Sundry Receivables	USD	186.24	15,418.43	47.70	3,544.14

44. The Company has no reportable segment as the company is primarily engaged in the mining activities and the entire sales are export sales.
45. The company has declared final dividend at the rate of Rs. 15 per share on 42,122,099 issued, subscribed and fully paid up equity shares of Rs. 10 each (i.e. Rs. 6169.96 lakhs) for the year ended December 2021 at the Annual General Meeting of the company held on 16th Mar 2022 and Board of Directors' Meeting held on 18th February 2022 out of the accumulated profits/surplus of the financial year 2021.

The company has paid the declared dividend of Rs. 6169.96 lakhs to its 100% holding Company LafargeHolcim Bangladesh Limited on 4th April 2022.

The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Companies Act 2013, Foreign Exchange Management Act 1999 and regulations made there under as amended till date.

46. 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.
47. 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



Mohammad Iqbal Chowdhury
Director
DIN 07977063



George Chacko
Director
DIN 08696541

Place : Dhaka
Date: 27th February 2023



Report and Financial Statements of
Lum Mawshun Minerals Private Limited

for the year ended December 31, 2022



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, 2022.

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 2022 was INR 93,594/-.

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.

Appointments & Resignations in 2022:

Appointments:

Mr. George Chacko was appointed as an Additional Director on the Board of the Company effective from November 24, 2022 (Nominated by LHBL).

Resignations:

Mr. Narayan Sharma has resigned from the Board with effect from December 1, 2022.

The Board of Directors of the Company thanks Mr. Sharma for his contributions, leadership and guidance provided during his tenure as Director of the Company.

Furthermore, Mr. Rajesh Kumar Surana has resigned from the Board with effect from February 14, 2022. The Board of Directors of the Company thanks Mr. Surana for his contribution, excellent leadership, dedication and guidance provided during his tenure as Director of the Company.

Presently, Mr. Surana moves to Holcim Group on his new assignment.

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, 2022; 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, 2022, 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, 2022, 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:

As per Section 139(2)(b) of the Companies Act, 2013 read with Rule 6(3)(i) and the first proviso of Rule 3(7) of the Companies (Audit & Auditors) Rules, 2014, the maximum period for which an audit firm can serve a company as a Statutory Auditors is for two (2) terms of five (5) consecutive years subject to ratification in every annual general meeting by way of passing an ordinary resolution.

M/s RKP Associates, Chartered Accountants (having Firm Registration No. 322473E), Statutory Auditors of the Company will be completing one (2) term of five (5) years at the conclusion of this 28th Annual general Meeting of the Company. Accordingly, it is proposed P. Gaggar & Associates, Chartered Accountants be appointed as Statutory Auditors of the Company for a term of five (5) years to hold office from the conclusion of the 28th Annual General Meeting till the conclusion of the 33rd Annual General Meeting of the Company subject to ratification of their appointment at every AGM by way of passing an ordinary resolution.

Number of Board meetings: conducted during the year under review:

During the year ended December 31, 2022, the Board of Directors met four (4) times viz. on January 27, 2022, April 25, 2022, July 19, 2022 and November 24, 2022.

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:

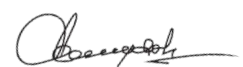
Your Directors wish to express their grateful appreciation for the valuable support and cooperation received from LHBL, LUMPL, project consultants and the Durbars of Nongtraï and Shella for their continued support.

For and on Behalf of the Board



Director

DIN: 07977063



Director

DIN: 01300486

Place: Shillong
Date: February 27, 2023

ANNEXURE A

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.12.2022

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)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-January-2022]			No. of Shares held at the end of the year [As on 31-December-2022]			% Change during the year
	Demat	Physical	Total	Demat	Physical	Total	
A. Promoters							
(1) Indian							
a) Individual/ HUF			1,420			1,420	25.98%
Sub Total (A) (1)			1,420			1,420	25.98%
(2) Foreign							
c) Bodies Corp.			4,046			4,046	74.02%
Sub Total (A) (2)			4,046			4,046	74.02%
TOTAL (A)			5,466			5,466	100.00%
B. Public Shareholding							
1. Institutions							NA
2. Non-Institutions							NA
Sub-total (B)(2):-							0.00%
Total Public (B)							0.00%
C. Shares held by Custodian for GDRs & ADRs							0.00%
Grand Total (A+B+C)			5,466			5,466	100.00%

(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	01.01.2022		4,046	74.02%	4,046	74.02%
	Changes during the year			--	0.00%	--	0.00%
	At the end of the year	31.12.2022		4,046	74.02%	4,046	74.02%
2	Kitty Doris Roy At the beginning of the year	01.01.2022		710	12.99%	710	12.99%
	Changes during the year			--	0.00%	--	0.00%
	At the end of the year	31.12.2022		710	12.99%	710	12.99%
3	Lyngdoh Galmender Singh At the beginning of the year	01.01.2022		710	12.99%	710	12.99%
	Changes during the year			--	0.00%	--	0.00%
	At the end of the year	31.12.2022		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	01.01.2022		710	12.99%	710	12.99%
	Changes during the year				0.00%		0.00%
	At the end of the year	31.12.2022		710	12.99%	710	12.99%
2	KITTY D ROY At the beginning of the year	01.01.2022		710	12.99%	710	12.99%
	Changes during the year				0.00%		0.00%
	At the end of the year	31.12.2022		710	12.99%	710	12.99%

V. INDEBTEDNESS						
Indebtedness of the Company including interest outstanding/accrued but not due for payment.						
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness		
Indebtedness at the beginning of the financial year						
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		
Total (i+ii+iii)	Nil	Nil	Nil	Nil		
Change in Indebtedness during the financial year						
* Addition	Nil	Nil	Nil	Nil		
* Reduction	Nil	Nil	Nil	Nil		
Net Change	Nil	Nil	Nil	Nil		
Indebtedness at the end of the financial year						
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		
Total (i+ii+iii)	Nil	Nil	Nil	Nil		

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL: Not applicable as LMMPL 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)	
A. COMPANY						
Penalty						
Punishment						
Compounding						
B. DIRECTORS						
Penalty						
Punishment						
Compounding						
C. OTHER OFFICERS IN DEFAULT						
Penalty						
Punishment						
Compounding						

**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:

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: 07977063



Director

DIN: 01300486

Place: Shillong
Date: February 27, 2023

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, 2022, the Statement of Profit and Loss Account, and notes to the Financial Statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the “standalone financial statements”).
- 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 (“the Act”) in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act, accounting principles generally accepted in India, of the state of affairs of the Company as at 31st December, 2022 and its Loss, for the year ended on that date.

2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (“SA’s”) 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 (“ICAI”) 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 made 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 audit opinion on the financial statements.

3. Information Other than the Financial Statements and Auditor’s Report Thereon:

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board’s Report including Annexures to Board’s Report, Business Responsibility Report, Corporate Governance and Shareholder’s Information, but does not include the financial statements and our auditor’s report thereon.

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

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

4. 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 the 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 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.

5. Auditor’s Responsibilities for the Audit of the Standalone Financial Statements:

- 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.
- 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.
- F. 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 period and are therefore the key audit matters. We describe these matters in our auditor’s 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.

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. 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 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 written representations received from the directors as on 31st December, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on 31st December, 2022, 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. Pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, provisions of Section 197 of the Companies Act, 2013, are not applicable to the Company, being a Private Limited Company;
- h. 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 received from the management the company does not have any pending litigations which would have impact in its financial positions.
 - 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.

- iv. (a) The management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
2. This Report does not include a statement on the matter’s specified in Companies (Auditor’s Report) Order, 2020 (“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.

FOR RKP ASSOCIATES
CHARTERED ACCOUNTANTS



(CA. DEVAJIT BISWAS)
PARTNER
MRN. 304922
FRN. 322473E

UDIN - 23304922BGGVGP4165

Dated at Silchar
The 28th day of February' 2023

LUM MAWSHUN MINERALS PRIVATE LIMITED
Balance Sheet as at 31st December 2022

	Note	As at 31.12.2022 (Rupees '00)	As at 31.12.2021 (Rupees,00)
(I) EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	03	5,466.00	5,466.00
(b) Reserves and surplus	04	(20,944.47)	(20,008.53)
(c) Money Received against share warrants	-	-	-
		(15,478.47)	(14,542.53)
(2) Share application money pending allotment			
		-	-
(3) Non-current liabilities			
(a) Long-term borrowings	-	-	-
(b) Deferred tax liabilities (Net)	-	-	-
(c) Other Long term liabilities	-	-	-
(d) Long-term provisions	-	-	-
(4) Current liabilities			
(a) Short-term borrowings	-	-	-
(b) Trade payables			
(A) total outstanding dues of MSME	05	-	-
"(B) total outstanding dues of Creditor other than MSME"	05	16,121.98	15,165.99
(c) Other current liabilities	06	-	-
(d) Short-term provisions	-	-	-
		16,121.98	15,165.99
TOTAL EQUITY AND LIABILITIES		643.51	623.46
(II) ASSETS			
Non-current assets			
(1) (a) Property, Plant and Equipment and Intangible Assets			
(i) Property, Plant and Equipment	-	-	-
(ii) Intangible assets	-	-	-
(iii) Capital work-in-progress	-	-	-
(iv) Intangible assets under development	-	-	-
(b) Non-current investments	-	-	-
(c) Deferred tax assets (net)	-	-	-
(d) Long-term loans and advances	07	467.94	441.40
(e) Other non-current assets	-	-	-
		467.94	441.40
(2) Current assets			
(a) Current investments	-	-	-
(b) Inventories	-	-	-
(c) Trade receivables	-	-	-
(d) Cash and bank balances	08	175.57	182.06
(e) Short-term loans and advances	07	-	-
(f) Other current assets	-	-	-
		175.57	182.06
TOTAL ASSETS		643.51	623.46

See accompanying notes forming part of the financial statements

In terms of our report attached

For R K P Associates
Chartered Accountants

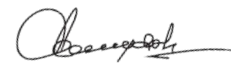


CA. DEVAJIT BISWAS
PARTNER
MRN. 304922
FRN. 322473E
Place: Silchar
Date: 28th February 2023

For and on behalf of the Board of Directors



Mohammad Iqbal Chowdhury
Director
DIN 07977063



Sedhon Galmendersing Lyngdoh
Director
DIN 01300486

Place: Dhaka
Date: 27th February 2023

LUM MAWSHUN MINERALS PRIVATE LIMITED
Statement of Profit and Loss for the year ended 31st December 2022

	Note	As at 31.12.2022 (Rupees '00)	As at 31.12.2021 (Rupees,00)
I Revenue from operations	-	-	-
II Other Income	-	26.55	26.38
III Total Income (I+II)		<u>26.55</u>	<u>26.38</u>
IV EXPENSES			
Cost of materials consumed	-	-	-
Purchases of Stock-in-Trade	-	-	-
Changes in inventories of finished goods work-in-progress	-	-	-
Stock-in-Trade	-	-	-
Employee benefits expense	-	-	-
Finance costs	-	-	-
Depreciation and amortisation expense	-	-	-
Other expenses	09	962.49	1,032.05
Total Expenses		<u>962.49</u>	<u>1,032.05</u>
V Profit before exceptional and extraordinary items and tax (III - IV)		<u>(935.94)</u>	<u>(1,005.67)</u>
VI Exceptional items		-	-
VII Profit before extraordinary items and tax (V - VI)		<u>(935.94)</u>	<u>(1,005.67)</u>
VIII Extraordinary items		-	-
IX Profit / (Loss) before tax (VII- VIII)		<u>(935.94)</u>	<u>(1,005.67)</u>
X Tax Expense		-	-
XI Profit (Loss) for the period (IX - X)		<u>(935.94)</u>	<u>(1,005.67)</u>
XII Loss per equity share (Rupees):			
Basic and Diluted	12	<u>(17.12)</u>	<u>(18.40)</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
Place: Silchar
Date: 28th February 2023

For and on behalf of the Board of Directors



Mohammad Iqbal Chowdhury
Director
DIN 07977063



Sedhon Galmendersing Lyngdoh
Director
DIN 01300486

Place: Dhaka
Date: 27th February 2023

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 to the Financial Statements

03. Share Capital

	As at 31.12.2022 (Rupees '00)	As at 31.12.2021 (Rupees,00)
Authorised:		
168,000 (Previous year 168,000) equity shares of Rs 100 each	168,000.00	168,000.00
	<u>168,000.00</u>	<u>168,000.00</u>
Issued, Subscribed and Fully Paid up:		
5,466 (Previous year 5,466) equity shares of Rs. 100 each	5,466.00	5,466.00
	<u>5,466.00</u>	<u>5,466.00</u>

03.1 Share Capital

Reconciliation of Number of Shares

	As at 31.12.2022		As at 31.12.2021	
	No. of Shares	Amount (Rupees '00)	No. of Shares	Amount (Rupees,00)
Issued, Subscribed and Fully paid				
At the beginning of the year	5,466	5,466.00	5,466	5,466.00
Issued during the year	-	-	-	-
At the end of the year	<u>5,466</u>	<u>5,466.00</u>	<u>5,466</u>	<u>5,466.00</u>

03.2 Details of shareholders holding more than 5% of outstanding shares

Shareholder	As at 31.12.2022		As at 31.12.2021	
	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>5,466</u>	<u>100%</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 31.12.2022 (Rupees '00)	As at 31.12.2021 (Rupees,00)
Surplus / (Deficit) in Statement of Profit and Loss :		
Opening Balance	(20,008.53)	(19,002.86)
Add: Profit / (Loss) for the year	(935.94)	(1,005.67)
Closing Balance	<u>(20,944.47)</u>	<u>(20,008.53)</u>

05. Trade Payables

	As at 31.12.2022 (Rupees '00)	As at 31.12.2021 (Rupees,00)
Creditors for supplies / services payable to MSME	-	-
payable to Other than MSME	16,121.98	15,165.98
Total Trade Payables	<u>16,121.98</u>	<u>15,165.98</u>

LUM MAWSHUN MINERALS PRIVATE LIMITED
Notes to the Financial Statements

06. Other Current Liabilities

	As at 31.12.2022 (Rupees '00)	As at 31.12.2021 (Rupees,00)
Creditors for other liabilities		
Statutory dues	-	-
Total Other Current Liabilities	-	-

07. Loans and Advances

	As at 31.12.2022		As at 31.12.2021	
	Long Term (Rupees '00)	Short Term (Rupees '00)	Long Term (Rupees,00)	Short Term (Rupees,00)
Loans and Advances				
(a) Interest accrued on deposits	4.16	-	241.40	-
(b) Other loans and advances				
- Deposit account (1)	463.78	-	200.00	-
- TDS	-	-	-	-
Total Loans and Advances	467.94	-	441.40	-
Classification of Loans and Advances				
Secured, considered good	-	-	-	-
Unsecured, considered good	467.94	-	441.40	-
Doubtful	-	-	-	-
Gross Loans and Advances	467.94	-	441.40	-

Additional information

1. Pledged with the Director of Mineral Resources, Meghalaya

08. Cash and Bank Balances

	As at 31.12.2022 (Rupees '00)	As at 31.12.2021 (Rupees,00)
(a) Cash on hand	2.74	2.74
(b) Balances with banks		
- In Current Accounts	172.83	179.32
Total Cash and Bank Balances	175.57	182.06
Out of above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements	175.57	182.06

09. Other Expenses

	As at 31.12.2022 (Rupees '00)	As at 31.12.2021 (Rupees,00)
(a) Auditors Remuneration	743.40	743.40
(b) Professional Fees	118.00	132.16
(c) Filing Fees	94.60	150.00
(d) Bank Charges	6.49	6.49
	962.49	1,032.05

LUM MAWSHUN MINERALS PRIVATE LIMITED
Notes forming part of financial statements

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 31.12.2022 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-2022 (Rupees '00)	Year ended 31-Dec-2021 (Rupees,00)
1.	Net Profit after tax attributable to Equity Shareholders (Rs) {A}	(935.94)	(1,005.67)
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}	(17.12)	(18.40)

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. 566.60 (Previous Year Rs. 1,076.31); Balance at the year-end: Rs. 12,227.00 (Previous Year Rs. 11,660.40)

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



Mohammad Iqbal Chowdhury
Director
DIN 07977063



Sedhon Galmendersing Lyngdoh
Director
DIN 01300486

Place: Dhaka
Date: 27th February 2023



LafargeHolcim Bangladesh Limited

A company of  LafargeHolcim and  MOLINS

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