

ANNUAL REPORT 2023



LafargeHolcim Bangladesh Limited

A company of  LafargeHolcim and  CEMENTOS MOLINS



Concept Note _____

The cover represents our commitments towards building progress for the people and planet.



ANNUAL REPORT RT 2023





Design & Concept

This Annual Report 2023 has been conceptualized and designed by

RUMINATIVE

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Corporate Governance Compliance Status

LafargeHolcim Bangladesh Limited

A company of  LafargeHolcim and  HOLCIM

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 26th Annual General Meeting

Notice is hereby given that the 26th Annual General Meeting of the Shareholders of LafargeHolcim Bangladesh Limited (the "Company") will be held on Tuesday, May 14, 2024, at 03:00 P.M. (the "AGM"). The AGM will be held virtually by using digital platform through the following registration link <https://agmbd.live/lhb126thagm> 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, 2023.
2. To declare dividend for the year ended on December 31, 2023.
3. To elect/re-elect Directors.
4. To appoint Statutory Auditors for the year 2024 and fix their remuneration.
5. To appoint Corporate Governance Compliance Auditors for the year 2024 and fix their remuneration.

Special Business:

6 (a) To consider and if thought fit, to pass, with or without modification(s), following resolution as SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to amendment section 11(KA) (2nd amendment 2020) of the Companies Act, 1994 (including any statutory modification or re-enactment thereof, for the time being in force) and all other applicable provisions, if any, of the Companies Act, 1994, subject to approval of the Registrar of Joint Stock Companies and Firms and any other regulatory authorities as may be necessary, consent of the members, be and is hereby, accorded to **change the name of the Company from "LafargeHolcim Bangladesh Limited" to "LafargeHolcim Bangladesh PLC"** or any other name as may be approved by the Registrar of Joint Stock Companies and Firms, Dhaka and other regulatory authorities, if applicable, whether under the Companies Act, 1994 (2nd amendment 2020) or any other Rules, Laws, Acts, Statutes or Regulations as may be applicable to the Company.

FURTHER RESOLVED THAT the Name Clause being Clause I in the Memorandum of Association of the Company be altered accordingly and substituted by the following clause:

"I. The name of the Company is **LafargeHolcim Bangladesh PLC.**"

FURTHER RESOLVED THAT in terms of Section 20 of the Companies Act, 1994 the Articles of Association of the Company be altered by deleting the existing name of the Company, LafargeHolcim Bangladesh Limited, wherever appearing, and substituting it with the new name of the Company, "LafargeHolcim Bangladesh PLC".

FURTHER RESOLVED THAT the Board of Directors or any Committee thereof, be and is hereby, authorized to accept any other name approved by the relevant regulatory authorities and seek approval for the change in the name of the Company accordingly without making any further reference to the members for their approval."

6 (b) To consider and if thought fit, to pass, with or without modification(s), following resolution as SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of the Section 12 of the Companies Act, 1994 (including any statutory modification or re-enactment thereof, for the time being in force) and all other applicable provisions, if any, of the Companies Act, 1994, subject to approval of the Shareholders of the Company, sanction of the Hon'ble High Court Division of the Supreme Court of Bangladesh, and the Registrar of Joint Stock Companies

and Firms and any other regulatory authorities, as may be required, the Memorandum of the Memorandum of Association of the Company (the "Memorandum"), be and are hereby, altered as follows:

1. Sub Clause 1 of Clause III of the Memorandum shall be replaced with the following Sub Clauses:

- "1A. To establish, acquire, run, operate, manage any factory, facility, establishment etc. for manufacturing of clinker, cement of all kinds and varieties, aggregates, crushed limestone, concrete, pre mixed concrete, ready-mix concrete, recycled concrete, concrete blocks, road pavers, Aerated Autoclaved Concrete Bricks (AAC), asphalt, mortars, dry mortars, wall putty, adhesives, construction chemicals and any and all other building materials and allied products.
 - 1B. To establish, acquire, run, operate, manage any factory, facility, establishment etc. for manufacturing of lime, quick lime, soda ash, carbon capturing, purified carbon dioxide (Co2), Precipitated Calcium Carbonate (PCC) for use as building materials and for use in the manufacturing process of other industries and for any other purposes.
 - 1C. To carry on the business as manufacturers, traders and dealers of clinker, cement of all kinds and varieties, aggregates, crushed limestone for using in concrete or cement, concrete, pre mixed concrete, ready-mix concrete, recycled concrete, concrete blocks, road pavers, Aerated Autoclaved Concrete Bricks (AAC), asphalt, mortars, dry mortars, wall putty, adhesives, construction chemicals, lime, quick lime, soda ash, carbon capturing, purified carbon dioxide (Co2), Precipitated Calcium Carbonate (PCC) and any and all other building materials and allied products and by-products.
 - 1D. To carry on the business of providing services for waste management and/or undertake such waste treatment activities or operating pre-treatment system, through co-processing, incineration, thermal, chemical or biological or through any other process of liquid/ solid/ gaseous, hazardous/ non-hazardous, municipal, agricultural, medical/clinic waste etc. from industrial/ non-industrial sources, body corporate, agencies of the government or from any other sources and includes generation, collection, transportation and storage of wastes and disposal of the same, conducting trial runs, emission monitoring and entering in to agreements for this purpose, receive tipping fees / or pay charges for the material.
 - 1E. To carry on the business as manufacturers, traders and dealers in brick, refractories, sand or other earthy materials, mosaic tiles, roofing materials, fabricated materials for house and other buildings, coal, petroleum coke (petcoke), fuel, timber, builder's requisites and appliances.
 - 1F. To carry on business as traders and dealers of building materials of all kinds, and as builders and contractors for the execution of works and building of all kinds in the constructions.
 - 1G. To purchase, take on lease or otherwise acquire, any mines, mining rights, and metalliferous land, clay land in Bangladesh or elsewhere and any interest therein, and to explore, work, exercise, develop, and turn to account the same.
 - 1H. To own, establish, acquire and operate power plant, captive or otherwise, using fuel such as gas, coal, or Alternative Fuel Resources such as waste co-processing, solar, wind, water etc. to generate electricity and use such electricity to run the factories and other establishments of the Company or to use the electricity for any other purpose."
2. In Sub Clause 5 of Clause III of the Memorandum, the following alterations shall be made:
"To procure, by way of import or locally purchase, raw materials including clay and machines for producing or manufacturing the products produced or to be produced by the Company from time to time."
 3. In Sub Clause 7 of Clause III of the Memorandum, the following alterations shall be made:
"To act as agents, contractors, builders, traders, suppliers, distributors, importers and exporters of building materials and other allied products and by-products."
 4. In Sub Clause 12 of Clause III of the Memorandum, the following alterations shall be made:
"To act as a holding company, to take or otherwise acquire and hold shares in any other company having objects altogether or in part similar to those of this Company or carrying on any business capable of being conducted so as directly or indirectly to benefit the Company."
 5. In Sub Clause 15 of Clause III of the Memorandum, the following alterations shall be made:
"To do all things as are incidental or conducive to the attainment of the objects as set out herein."
 6. In Sub Clause 16 of Clause III of the Memorandum, the following alterations shall be made:
"To impart professional training, technical training, business support and problem solving solution and/ or other support services and to provide material library, reference portal, professional support, hands on experience and/or function as a excellence centre that promotes and offer solution for application of cement, concrete and other construction materials etc. to engineers, masons, architects, consultants, dealers, wholesalers, retailers, channel partners, and other construction industry etc. and for this purpose, to convene, hold or conduct seminars, conferences, workshops, technical lectures and manuals, video screenings, panel discussions and to promote, establish knowledge centres for skill advancement and competency development."

7. Sub Clause 17 to 25 of Clause III shall be added under the following words:
17. To carry on business as quarry masters and stone merchants and to buy, sell, get, work, shape, hew, carve, polish, crush and prepare for market or use stone of all kinds.
 18. To carry on investigation and exploration, to discover places where cement or other building materials or other allied products can be profitably made, or where materials for any manufacturing work, the Company is entitled to carry on can be obtained and to obtain prospecting licenses and mining lease and do prospecting or research work in that behalf.
 19. To carry on the business of miners, metallurgists, builders, contractors, engineers, merchants, importers and exporters, and to buy, sell and deal in property of all kinds.
 20. To work mines or quarries and to prospect for search for find, win, get, work, crush, smelt, manufacture or otherwise deal in limestone, clay, chalk, ores, metal, materials, oils, precious and other stones or deposits or products and generally to carry on the business of mining in all branches.
 21. To carry on all or any general carriers, railway and forwarding agents, ware-housemen, which can conveniently be carried on in connection with the above.
 22. To purchase, take on lease or in exchange, hire or otherwise acquire any immovable or movable property, and any rights or privileges which the Company may think necessary or convenient for the purposes of its business and either to retain any property so acquired for purposes of the Company's business or turn the same to account as may seem expedient.
 23. To apply for purchase, or otherwise acquire any patents, brevets invention, licenses, concessions and the like conferring any exclusive or non-exclusive or limited right to use, or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company, or the acquisition of which may seem calculated directly or indirectly to benefit the Company, and to use exercise, develop or grant licenses in respect of or otherwise turn to account the property, rights, or information so acquired.
 24. To undertake and execute any trusts the undertaking of which may seem to the Company desirable and either gratuitously or otherwise.
 25. To carry on any other activity and do anything of any nature which may seem to the directors capable of being conveniently carried on or done by the Company in connection with the above or otherwise, or may seem to the directors calculated directly or indirectly to benefit the Company.

It is hereby declared that each of the above specified objects should be treated as independent and in no way ancillary or subordinate to another."

6 (c) To consider and if thought fit, to pass, with or without modification(s), following resolution as SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to provisions of the Section 20 of the Companies Act, 1994 (including any statutory modification or re-enactment thereof, for the time being in force) and all other applicable provisions, if any, of the Companies Act, 1994, subject to approval of the Shareholders of the Company and the Registrar of Joint Stock Companies and Firms and any other regulatory authorities, as may be required, the Articles of the Articles of Association of the Company (the "Articles"), be and are hereby, altered as follows:

1. In Article 2 the following amendments shall be made:

- "Board of Directors' or the 'Board' means the Board of Directors of the Company for the time being;"
- "Chief Executive Officer' means the Chief Executive Officer appointed under Article 15.2;"
- "Chairman' means the Chairman of the Board for the time being;"
- "Company' means LafargeHolcim Bangladesh PLC;"
- "Dematerialized Share' means non paper electronic Share of the Company recorded and maintained as per Rules and Regulation under Depository Act, 1999;"
- "Director' includes any person occupying the position of director by whatever name called;"
- "Dividend' means payments to owners of Shares of the Company from the after-tax profits of the Company;"
- "General Meeting' of the Company means a meeting of the Shareholders and includes the Annual General Meeting;"
- "Lafarge' means Financiere Lafarge S.A.S., a company incorporated and existing under the laws of the France;"
- The words "Member' means a Shareholder whose name has been registered in the books of the Company;" shall be deleted.
- "Molins' means Cemolins Internacional, S.L.U.Cementos Molins, S.A., a company incorporated under the laws of Spain with registered office at Sant Vicenç dels Horts, Barcelona, Spain"
- "Proxy' includes attorney duly constituted/appointed under an instrument of proxy, power of attorney or other authority in writing;"
- "Register' means the register of Shareholders to be kept pursuant to Section 34 of the Act;"
- "Secretary' means Secretary of the Board;"

“Shareholder’ means a person whose name is entered in and is on the Register;”

“Special Resolution’ means a resolution passed by a majority of not less than three-fourths of such Shareholders entitled to vote as are present in person or by Proxy, where proxies are allowed, at a General Meeting of which notice specifying the intention to propose the resolution as special resolution has been duly given;”

“Sponsor’ means Surma Holding BV, a company incorporated under the laws of the Netherlands as joint venture company of Lafarge and Molins;”

The words “Surma BV’ means Surma Holding BV, a company incorporated under the laws of the Netherlands as 50:50 joint venture company of Lafarge and Molins;” shall be deleted.

2. In Article 3 the following amendments shall be made:

“The authorized share capital of the Company is Tk. 14,000,000,000/- (Taka Fourteen Billion) divided into 1,400,000,000 Shares of Tk. 10/- (Taka Ten) each with power to increase and reduce it or any portion thereof and to divide from time to time into several classes and to attach thereto respectively any preferential, deferred, qualified or other special rights, privileges or condition and upon the sub-division or consolidation of any Share or Shares to apportion the rights to participate in profits in any manner as between the holders of Shares resulting from such sub-division.”

3. In Article 4 the following amendments shall be made:

(a) The existing sub-article 4.1 shall be replaced by the following words:

“Further increase of the authorised share capital of the Company, whenever required shall be decided in a General Meeting.”

(b) The existing sub-article 4.2 shall be replaced by the following words:

“Increase of the paid-up share capital, whenever required by further issue of Shares within the limit of authorised share capital, shall be decided by the Board. In such event, Shareholders will have the right to subscribe the additional Shares in proportion to their respective shareholdings in the Company at the relevant time.”

4. In Article 5 the following amendments shall be made:

“The Company may, by special resolution at a General Meeting, reduce its share capital in any manner subject to fulfilling the requirements of law.”

5. In Article 6 the following amendments shall be made:

“Every Shareholder shall name to the Company a place in Bangladesh or elsewhere to be registered as his address and such address shall for all purposes be deemed as the notified address to which notice shall be sent.”

6. In Article 7 the following amendments shall be made:

(a) The existing sub-article 7.1 shall be replaced by the following words:

“If any Share certificate shall be defaced, worn out, destroyed or lost it may be re-issued on such evidence being produced and such indemnity (if any) on delivering of the old certificate and payment of such amount not exceeding Taka twenty as the Board may from time to time deem fit”

(b) The existing sub-article 7.2 shall be replaced by the following words:

“Ownership of Shares can also be recorded and maintained in electronic form in accordance with the Depository Act, 1999.”

7. In Article 8 the following amendments shall be made:

“The Company shall have the first and paramount lien upon all the Shares registered in the name of each Shareholder (whether solely or jointly) for any debt or obligation to or with the Company, whether the period for payment, fulfilment, discharge thereof shall have actually arrived or not and such lien shall extend to all dividends from time to time declared in respect of such Share.”

8. In Article 9 the following amendments shall be made:

(a) The existing sub-article 9.1 shall be replaced by the following words:

“The Company may sell, in such manner as the Board think fit, any Shares on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable, nor until the expiration of fourteen days after a notice in writing, stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the Share.”

(b) The existing sub-article 9.2 shall be replaced by the following words:

“The sale proceeds shall be applied in payment of such part of the amount in respect of which the lien exists as is presently payable, and the residue shall subject to a like lien for sums not presently payable as existed upon the Shares prior to the sale be paid to the person entitled to the Shares at the date of the sale. The purchaser shall be registered as the holder of the Shares and he shall not be entitled to see to the application

of the purchase money, nor shall any irregularity or invalidity in the proceedings in reference to the sale affect his title to the Share."

9. In Article 10 the following amendments shall be made:

- (a) The existing sub-article 10.1 shall be replaced by the following words:
"The Board may from time to time make calls upon the Shareholder in respect of any moneys unpaid on their Shares and each Shareholder shall, subject to receiving at least fourteen working days' notice specifying the time or times of payment, pay to the Company at the time or times so specified the amount called on his Shares."
- (b) The existing sub-article 10.2 shall be replaced by the following words:
"The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof."
- (c) The existing sub-article 10.3 shall be replaced by the following words:
"If a sum called in respect of a Share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest upon the sum at the rate of twenty (20) percent per annum from the day appointed for the payment thereof to the time of actual payment, but the Board shall be at liberty to waive payment of that interest wholly or in part."
- (d) The existing sub-article 10.4 shall be replaced by the following words:
"The provisions of these regulations as to payment of interest shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, becomes payable at a fixed time, whether on account of Share, or by way of premium, as if the same had become payable by virtue of a call duly made and notified."
- (e) The existing sub-article 10.5 shall be replaced by the following words:
"The Board may, if they think fit, receive from any Shareholder willing to advance the same all or any part of the moneys uncalled and unpaid upon any Shares held by him."

10. In Article 11 the following amendments shall be made:

- (a) The existing sub-article 11.1 shall be replaced by the following words:
"The instrument of transfer of any Shares shall be executed both by the transferor and transferee and the transferor shall be deemed to remain holder of the Shares until the name of the transferee is entered in the Register in respect thereof."
- (b) The existing sub-article 11.2 shall be replaced by the following words:
"Execution of Dematerialized Share transfer shall be made in accordance with the Depository Act, 1999 and bylaws made thereunder."
- (c) The existing sub-article 11.3 shall be replaced by the following words:
"Shares shall be transferred in a form approved by the Board."

11. In Article 12 the following amendments shall be made:

- (a) The existing sub-article 12.1 shall be replaced by the following words:
"Subject to any other provision affecting the substantive rights of a Shareholder, if a Shareholder fails to pay any call or instalment of a call on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of such call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued."
- (b) The existing sub-article 12.2 shall be replaced by the following words:
"The notice shall name a further day not earlier than the expiration of fourteen days from the date of the notice, on or before which the payment required by the notice is to be made and shall state that in the event of non-payment at or before the time appointed, the Shares in respect of which the call was made will be liable to be forfeited."
- (c) The existing sub-article 12.3 shall be replaced by the following words:
"If the requirements of any such notice as aforesaid are not complied with, any Share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect."
- (d) The existing sub-article 12.4 shall be replaced by the following words:
"A forfeited Share may be sold or otherwise disposed of on such terms and in such manner as the Board think fit, and at any time before a sale or disposition of the forfeiture may be cancelled on such terms as the Board think fit"

- (e) The existing sub-article 12.5 shall be replaced by the following words:
 "A person whose Shares have been forfeited shall cease to be a member in respect of the forfeited Shares, but shall notwithstanding, remain liable to pay to the Company all moneys which, at the date of forfeiture, were presently payable by him to the Company in respect of the Shares, but this liability shall cease if and when the Company receives payment in full of the nominal amount of the Share."
- (f) The existing sub-article 12.6 shall be replaced by the following words:
 "A duly verified declaration in writing that the declaration is by a Director of the Company and that a Share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share and that declaration and the receipt of the Company for the consideration, if any, given for the Share on the sale or disposition thereof, shall constitute a good title to the Share and the person to whom the Share is sold or disposed of shall be registered as the holder of the Share and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be affected by an irregularity or invalidity in the proceeding in reference to the forfeiture, sale or disposal of the Share."
- (g) The existing sub-article 12.7 shall be replaced by the following words:
 "The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, becomes payable at a fixed time, whether on account of the amount of the Share or by way of premium, as if the same had been payable by virtue of a call duly made and notified."

12. In Article 13 the following amendments shall be made:

"The Company may from time to time with the approval of the Board borrow or raise any sum of money for the purpose of the Company from any person, bank, non-banking financial institutions, loan giving institutions, company and secure the payment of such money in such manner and upon such terms and conditions including creating all sorts of charge, mortgage, lien on the property of the Company as the Board may deem fit"

13. In Article 14 the following amendments shall be made:

- (a) The existing sub-article 14.1 shall be replaced by the following words:
 "There shall be held a general meeting of the Company within eighteen months of its incorporation and at least one General Meeting every calendar year but so that these are held within fifteen Months of the last preceding General Meeting. Such General Meetings shall be called Annual General Meetings; all other General Meetings shall be called Extraordinary General Meetings."
- (b) The existing sub-article 14.2 shall be replaced by the following words:
 "An Annual General Meeting may be called by twenty-one (21) days' notice in writing in the manner provided by the Act and the Articles, and a General Meeting other than an Annual General Meeting or a General Meeting for passing a Special Resolution may be called by twenty-one (21) days' notice, unless a shorter notice period is agreed to by all Shareholders entitled to attend the meeting. Notice of the General Meetings shall be given specifying the date, place, time and agenda of the meeting."
- (c) The existing sub-article 14.4 shall be replaced by the following words:
 "Annual General Meetings shall ordinarily transact the business of sanctioning a dividend, the consideration of the accounts, Statements of Financial Position and the ordinary report of the Board of Directors and Auditors, the election of Directors and other officers in the place of those retiring by rotation, appointment of Auditors and the fixing of the remuneration of the Auditors. All other business transacted at an ordinary or an extraordinary general meeting shall be deemed special."
- (d) The existing sub-article 14.5 shall be replaced by the following words:
 "Shareholders owning fifty one percent (51%) or more of paid up Shares present in person or by Proxy shall form a quorum of a General Meeting; if any quorum be not present within half an hour, the meeting shall be adjourned for one week to be held in the same place, same time, same day of the next week, when the Shareholders owning more than fifty percent (50%) of paid up Shares present shall form a quorum."
- (e) The existing sub-article 14.6.1 shall be replaced by the following words:
 "The Chairman shall preside as Chairman at every General Meeting of the Company."
- (f) The existing sub-article 14.6.2 shall be replaced by the following words:
 "If there is no Chairman, or if at any meeting he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairman of the General Meeting, the Shareholders present shall choose someone representing the Sponsor to be the chairman of the General Meeting."
- (g) The existing sub-article 14.7.1 shall be replaced by the following words:
 "On a show of hands every Shareholder present in person or by proxy shall have one vote. On a poll, every Shareholder shall have one vote in respect of each share. The Chairman of the General Meeting or Shareholders representing ten percent (10%) paid up Shares may demand a poll. If a poll is duly demanded, it shall be taken in such manner as the Chairman of the General Meeting directs and the result to the poll shall

be deemed to be the resolution of the General Meeting at which poll was demanded. In the event a poll is conducted, an Ordinary Resolution shall be passed if fifty one percent (51%) of the Shareholders present, in person or by Proxy, vote in favour of the resolution and a Special Resolution shall be passed if seventy-five percent (75%) of the Shareholders present, in person or by Proxy, vote in favour of the resolution."

- (h) The existing sub-article 14.7.2 shall be replaced by the following words:

"The issue put to vote shall be deemed to have been decided on the basis of the votes of the Shareholders representing the majority of Shares subject to Article 14.9. In the case of any equality of votes, whether on a show of hands or on a poll, the Chairman shall have a casting vote."
 - (i) The existing sub-article 14.7.3 shall be replaced by the following words:

"A poll demanded on the election of a chairman of the General Meeting or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time as the chairman of the General Meeting directs."
 - (j) The existing sub-article 14.8.1 shall be replaced by the following words:

"The instrument appointing a Proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing, or, if the appointer is a corporation, either under the common seal or under the hand of an officer or attorney so authorised."
 - (k) The existing sub-article 14.8.2 shall be replaced by the following words:

"The instrument appointing a Proxy and the power of attorney or other authority (if any), under which it is signed or a notarial certified copy of the power or authority, shall be deposited at the Office not less than seventy two hours before the time for holding meeting at which the person named in the instrument proposes to vote, and in default the instrument of Proxy shall not be treated as valid."
 - (l) The existing sub-article 14.8.3 shall be replaced by the following words:

"An instrument appointing a Proxy may be in a form which the Board shall approve."
 - (m) The existing sub-article 14.9 shall be replaced by the following words:

"Notwithstanding anything contained in any other provision herein, the following matters shall require the affirmative vote representing at least fifty one percent (51%) of the total Shares of the Company held by the Shareholders:

 - (a) Amendment of Articles of Association and of Memorandum of Association;
 - (b) Sale, lease, mortgage, pledge or other disposition of all or substantially all of the Company's assets;
 - (c) Merger or consolidation of the Company with another corporation;
 - (d) Increase of the Company's authorised share capital or decrease of the Company's capital;
 - (e) Dissolution of the Company.
- 14. In Article 15 the following amendments shall be made:**
- (a) The existing sub-article 15.1.1 shall be replaced by the following words:

"Until otherwise determined by the Company in General Meeting or unless otherwise required as a result of any regulatory condition, the Board of Directors shall consist of at least five (5) and not exceeding twenty (20) Directors. A Director may be a nominee of a corporate Shareholder."
 - (b) The existing sub-article 15.1.3 shall be replaced by the following words:

"The Share qualification for becoming a Director shall, subject to any regulatory requirement, be the holding of at least one Share for each Director or by the corporate body whose nominee a Director may be; a Director should otherwise acquire his Share qualification within two Months of his appointment."
 - (c) The existing sub-article 15.1.4 shall be replaced by the following words:

"The business of the Company shall be managed by the Board of Directors who may perform all acts of the Company except those required to be done in General Meeting. Any Shareholders Agreement will be relevant in this regard."
 - (d) The existing sub-article 15.1.6 shall be replaced by the following words:

"At the first annual general meeting of the Company, the whole of the Directors shall retire from the office and at every Annual General Meetings in every subsequent year, one third of the Directors for the time being or, if their number is not three or a multiple of three, then the number nearest to one third shall retire from office."
 - (e) The existing sub-article 15.1.9 shall be replaced by the following words:

"The Company at the General Meeting at which a Director retires in manner aforesaid may fill in the vacated office by electing a person thereto."

- (f) The existing sub-article 15.2.1 shall be replaced by the following words:
 "The Directors may appoint one of their members to act as the Chief Executive Officer who may exercise such powers as delegated by the Board. The Company in General Meeting shall ratify such appointment. The Chairman of the Board, appointed under Article 15.3, shall not be appointed or act as the Chief Executive Officer."
- (g) The existing sub- article 15.4 shall be replaced by the following words:
 "Any casual vacancy occurring on the Board of Directors may be filled up by the Directors; a Director remaining absent from Bangladesh for more than three Months may, with the consent of the Board, nominate another person to act for him as Alternate Director; the person so acting shall vacate his position as soon as the Director in whose place he is so acting comes to Bangladesh.
 A Director or Directors may also by a power of attorney authorise another Director to act for him in the Board during his absence from Bangladesh and in that case the Attorney will represent that Director or Directors and if necessary vote for his principal or principals along with his own vote if he is already a Director or Alternate Director. Provided that where an Alternate Director has been appointed to represent one or more Directors in the Board, it will be so deemed that the Alternate Director will exercise the power of the principal or principals as if he is their attorney. No director can appoint different persons at the same time as his attorney and his Alternate Director."
- 15. In Article 16 the following amendments shall be made:**
- (a) The existing sub-article 16.1 shall be replaced by the following words:
 "The Secretary on instructions of the Chairman or the Chief Executive Officer may call a meeting of the Board. At least fourteen (14) days prior written notice including the agenda to be approved by either the Chairman or the Chief Executive Officer shall be given to each Director, who are residents here in Bangladesh and to each Director who are residents abroad, by letter or email as appropriate. The period of notice of a Board of Directors meeting to any Director may be waived by such Director in writing or shall be deemed waived by his presence at the meeting. Board meetings may be held anywhere in Bangladesh or abroad."
- (b) The existing sub-article 16.3 shall be replaced by the following words:
 "The quorum for a meeting of the Board of Directors shall be the presence of seven Directors or the majority of the Directors, whichever is lower provided that there are at least four (4) Directors nominated by the Sponsor present.
 For the purpose of this Article 16.3, the expression 'presence' shall mean presence either personally or through an Alternate Director in a meeting, including meeting by teleconference or other method as provided for in Article 16.2"
- (c) The existing sub-article 16.5 shall be replaced by the following words:
 "A resolution in writing signed or approved by letter or email by a majority of the Directors shall be as effective as a resolution passed at a meeting of the Board of Directors duly convened and held, and any such resolution may consist of several documents in like form, signed by the Directors."
- 16. In Article 17 the following amendments shall be made:**
 "The Directors shall not be entitled to any remuneration, except for the extra services rendered to the Company in excess of the normal duties as Director and subject to a separate service agreement between such Director and the Company, and sitting fee for attending meetings of the Board of Directors and its sub committees, as may be decided by the Board. The Company may bear all such reasonable expenses as the Director may incur for the purpose of attending meetings of the Board of Directors, its sub committees or General Meetings."
- 17. In Article 18 the following amendments shall be made:**
- (a) The existing sub-article 18.1 shall be replaced by the following words:
 "The Board may delegate any of their powers to committees consisting of such Director or Directors as they think fit. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on them by the Board."
- (b) The existing sub-article 18.2 shall be replaced by the following words:
 "All acts done by any meeting of the Board or of a committee of the Board, or by any person acting as a Director shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Directors or persons acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director."
- 18. In Article 19 the following amendments shall be made:**
- (a) The existing sub-article 19.1 shall be replaced by the following words:
 "The Company in General Meeting may declare dividends but no dividend shall exceed the amount recommended by the Board."

- (b) The existing sub-article 19.2 shall be replaced by the following words:

"The Board may from time to time pay to the Shareholders such interim dividends as appear to the Board to be justified by the profits of the Company."

19. In Article 20 the following amendments shall be made:

"The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall, at the discretion of the Board, be applicable for meeting contingencies, or for equalizing dividends, or for any other purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Board may from time to time think fit."

20. In Article 21 the following amendments shall be made:

- (a) The existing sub-article 21.1 shall be replaced by the following words:

"The Board shall cause to be kept in English proper books of accounts with respect to-

- a. All sums of money received and expended by the Company and the matters in respect of which the receipts and expenditure take place;
- b. All sales and purchase of goods by the Company;
- c. The assets and liabilities of the Company;
- d. An account of the raw materials, labour and overhead expenses, if any."

- (b) The existing sub-article 21.2 shall be replaced by the following words:

"The books of accounts shall be kept at the Office or at such place as the Board shall think fit and be open to inspection by the Board during business hours."

- (c) The existing sub-article 21.3 shall be replaced by the following words:

"The Company shall prepare and distribute to each Director regular financial and operating reports in English every six (6) Months."

- (d) The existing sub-article 21.4 shall be replaced by the following words:

"The Board shall, as required by the Companies Act, 1994, cause to be prepared and to be laid before the Company in General Meeting, Income Statement, Statements of Cash Flow and Financial Position (together termed as Annual Financial Statements) and reports of Board of Directors."

- (e) The existing sub-article 21.6 shall be replaced by the following words:

"A Statement of Financial Position shall be made out in every year and laid before the Company in General Meeting made up to a date not more than nine Months before such meeting. The Statement of Financial Position shall be accompanied by a report of the Board of Directors as to the state of the Company's affairs, and the amount (if any) which they propose to carry to a reserve fund."

- (f) The existing sub-article 21.7 shall be replaced by the following words:

"A copy of the Annual Financial Statements and Board of Directors Report shall, at least fourteen days previous to the meeting, be sent to the persons entitled to receive notice of General Meetings in the manner in which notices are to given hereunder."

21. In Article 24 the following amendments shall be made:

- (a) The existing sub-article 24.1 shall be replaced by the following words:

"A notice may be given by the Company to any Shareholder either personally or by sending it by post or email to him at his registered address supplied by him to the Company."

- (b) The existing sub-article 24.3 shall be replaced by the following words:

"A notice may be given by the Company to the joint-holders of a Share by giving the notice to the joint-holders named first in the register in respect of the Share."

- (c) The existing sub-article 24.4 shall be replaced by the following words:

"A notice may be given by the Company to the persons entitled to a Share in consequence of the death or insolvency of a member by sending it through the post in prepaid letter addressed to them by name, or by the title of representatives of the deceased, or assignee of the insolvent or by any like description, at the address supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death or insolvency had not occurred."

22. In Article 25 the following amendments shall be made:

"On winding up, the net assets of the Company, if any, shall be appropriated among Shareholders in proportion to their shareholdings."

- 6 (d) "RESOLVED FURTHER THAT** any of the Board of Director of the Company and /or the Company Secretary, be and are hereby, authorized severally to take all such steps and actions for the purposes of making all such fillings and registrations as may be required in relation to the aforesaid amendments to the Memorandum and the Articles and further to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this resolution."

By order of the Board


Kazi Mizanur Rahman
Company Secretary

Dated: April 21, 2024

Notes

- Pursuant to the Bangladesh Securities and Exchange Commission's (BSEC) letter No. BSEC/ICAD/SRIC/2024/318/87 dated March 27, 2024, 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 on the Record Date i.e. March 24, 2024 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 2023 will be sent to Members respective email addresses as available with the Company. The Annual Report 2023 shall also be available at the Company 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 +88 01708139426 for any technical difficulties in accessing the virtual AGM.



Please scan QR code
for registration

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
Ms. Claudia Iris Albertini, Director
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
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. A K M Atiqur Rahman, Human Resources Director
Mr. Amit Agarwal, Commercial Director (Sales & Marketing)
Mr. Amitav Singh, Industrial Director
Mr. Kazi Mizanur Rahman, Director Strategic Projects & Company Secretary
Mr. Md. Anisuzzaman, Chief Financial Officer
Mr. Mohammad Asif Bhuiyan, Chief Corporate Affairs Officer
Mr. Mohammad Mahfuzul Hoque, Logistics & Procurement Director

Audit Committee

Mr. Rajiv Prasad Shaha, Chairman
Ms. Claudia Iris Albertini, Member
Mr. Jorge Bonnin Bioslada, Member
Mr. Kazi Mizanur Rahman, Secretary

Nomination & Remuneration Committee

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

Statutory Auditors

Nurul Faruk Hasan & Co., Deloitte

Compliance Auditors

Mohammad Sanaullah & Associates

Registered Office

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



Board of Directors



Mr. Hässig's leadership, corporate strategy and mergers and acquisitions helped the Company achieve significant improvements.

Position : Chairman
 Nationality : Swiss
 Age : 66
 Date of Appointment : March 15, 2018
 ShareHolding : Nil (Nominee of Surma Holding BV)

CHRISTOF HÄSSIG
 Guiding Leadership and Strategy

Interest/Membership-Other Entities

Nil

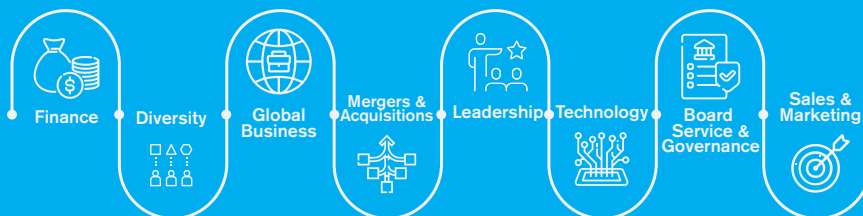
Mr. Christof Hässig's tenure at the Holcim Group embodies a journey marked by dedication and insights, rather than grandiosity. With humility and a wealth of experience, Mr. Hässig has contributed to the Holcim Group's growth and success.

Under Mr. Hässig's guidance, the Holcim Group has made significant strides, improving cost competitiveness and earning recognition for strong Corporate Governance practices. His strategic acumen has contributed to the Company's growth and development over time.

With a background spanning over two decades, Mr. Hässig has held key positions, including Head of Corporate Strategy and Mergers and Acquisitions. His approach emphasizes sustainable growth and prudent financial management.

Mr. Hässig's commitment to personal and professional development is evident in his academic background, which includes a Master's degree from Harvard Business School. Prior to joining the Holcim Group, he excelled in various roles at UBS Switzerland. In addition to his executive duties, Mr. Hässig serves on the Nomination and Remuneration Committee, striving to ensure the Company's strategic alignment and ethical governance practices.

Area of Expertise





As a young and dynamic sector leader, he has been part of many transformations in his career.

Position : Director & Chief Executive Officer
 Nationality : Bangladeshi
 Age : 49
 Date of Appointment : February 15, 2023
 ShareHolding : Nil (Nominee of Surma Holding BV)

MOHAMMAD IQBAL CHOWDHURY

Guiding with Innovation and Inspiration

Interest/Membership-Other Entities

- Director - Lafarge Umiar Mining Private Limited
- Director - Lum Mawshun Minerals Private Limited

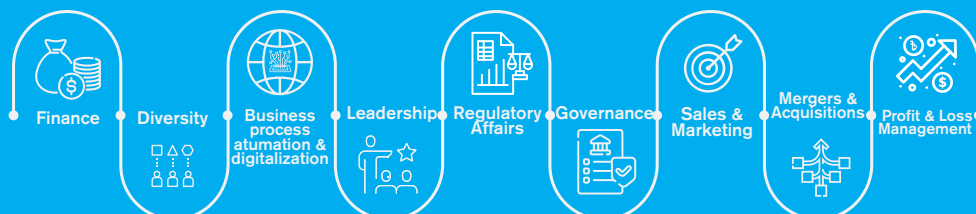
Mr. Mohammad Iqbal Chowdhury brings dynamism to business leadership, serving as Director & CEO with 23 years of enriching journey.

Recognized for his expertise in Finance & Corporate Affairs, particularly in FMCG & building materials sectors, he has made significant contributions in the transformation of the company in last 6 years. With key roles at Marico Bangladesh spanning 11 impactful years, including CFO and Director-Finance & Company Secretary, Mr. Iqbal Chowdhury contributed to the successful IPOs of Berger Paints and Marico Bangladesh. A visionary, he leads transformative initiatives, fostering sustainable business growth through innovation and dedication.

Beyond corporate roles, Mr. Iqbal Chowdhury holds positions within organizations like FICCI and SBCCI, demonstrating commitment to industry progress. With an MBA in Finance and a distinguished Fellow membership at ICSB, he embraces continuous learning.

Mr. Mohammad Iqbal Chowdhury embodies contemporary leadership values, emphasizing innovation, inclusivity, and sustainable growth.

Area of Expertise





CLAUDIA IRIS ALBERTINI
Leading Global Finance



Albertini’s expertise encompasses finance, mergers and acquisitions, leadership, strategy, and business development, reflecting her dynamic approach that propels ventures to triumph.

Position : Director
 Nationality : Italian
 Age : 53
 Date of Appointment : June 22, 2023
 Shareholding : Nil (Nominee of Surma Holding BV)

Interest/Membership-Other Entities

- Vice Chair, Supervisory Board, Holcim Germany
- LafareHolcim Maroc • Bamburi Cement PLC
- Lafarge Africa PLC

Ms. Claudia Iris Albertini is the Chief Financial Officer of the region Asia, Middle East and Africa Region of the Holcim Group.

Prior to her current role, Ms. Albertini was the Head of Business Services and Corporate Projects, Holcim Group Services, Zug, Switzerland. She has experienced in several senior positions in Holcim Group Services and she was CFO and CEO of Holcim Belgium and the Netherlands. She started her professional career in September 1997. Prior to joining Holcim, Ms. Albertini was the Senior Consultant in KPMG in Italy.

She did her Master’s in Economics and Commerce from the University of Cattolica del Sacro Cuore, Milan, Italy and Bachelor’s Degree from the European School of Varese, Italy.

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

Area of Expertise





JORGE BONNIN BIOSLADA
Pioneering Global Finance



Mr. Bonnin spearheaded change, managing 65 manufacturing centers across South Europe during his tenure at DS Smith.

Position : Director
 Nationality : Spanish
 Age : 53
 Date of Appointment : December 7, 2019
 Shareholding : Nil (Nominee of Surma Holding BV)

Interest/Membership-Other Entities

CFO of Cementos Molins, Spain

Mr. Jorge Bonnin Bioslada, the visionary Group Chief Financial Officer of Cementos Molins, brings over 27 years of dynamic leadership, illuminating the corporate landscape with strategic brilliance. His leadership is a testament to navigating complexities and enhancing shareholder value with a forward-looking vision.

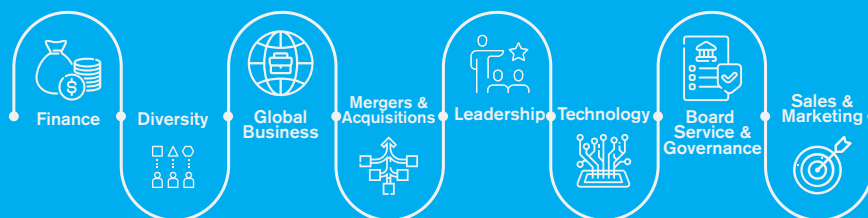
Before Cementos Molins, Mr. Bonnin showcased his expertise in central executive roles across Spain, Portugal, and Germany, leaving an indelible mark at esteemed conglomerates like Bosch, ThyssenKrupp, and DS Smith.

Renowned for his role in the metamorphosis of Europac, later acquired by DS Smith for EUR 1.9 billion, Mr. Bonnin spearheaded change, managing 65 manufacturing centers across South Europe during his tenure at DS Smith.

Rooted in academic brilliance, Mr. Bonnin's journey flourished with a bachelor's degree from Complutense University (Madrid, Spain). He further honed his acumen through prestigious programs at Harvard Business School (USA) and Ashridge Business School (UK).

Mr. Bonnin upholds the pillars of governance, serving as a vigilant member of the Audit Committee, ensuring integrity and transparency within the company's operations.

Area of Expertise





Mr. Rodríguez held significant roles, including Vice President of Global Operations, shaping the organization's trajectory.

Position : Director
 Nationality : Spanish
 Age : 62
 Date of Appointment : March 1, 2016
 Shareholding : Nil (Nominee of Surma Holding BV)

JULIO RODRÍGUEZ IZQUIERDO
 Crafting Global Business Excellence

Interest/Membership-Other Entities

CEO of Cementos Molins, Spain

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.

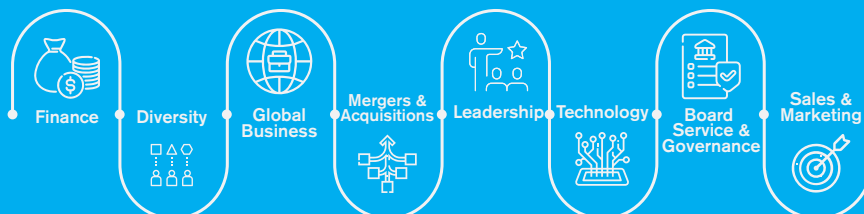
Mr. Rodríguez career has been linked to Schneider Electric between 1984 and 2015. Throughout this period, he held several senior management responsibilities, the last of them being the Vice President of Global Operations. He has been a member of the Executive Committee of Schneider Electric worldwide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

Area of Expertise





Mr. Islam remains a guiding force in Bangladesh's dynamic business landscape.

Position : Director
 Nationality : Bangladeshi
 Age : 63
 Date of Appointment : November 11, 1997 (since incorporation)
 Shareholding : 500,200 shares held personally, 31,914,200 shares held by Islam Cement Limited.

MANZURUL ISLAM
 Guiding Bangladesh's Business Frontier

Interest/Membership-Other Entities

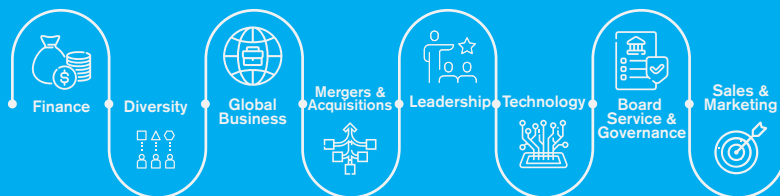
- Eastern Housing Limited • Bengal Development Corporation Limited • Islam Cement Limited
- IG Food Limited • Aftab Bahumukhi Firms Limited
- Aftab Feed Products Limited • Aftab Hatchery Limited • The Milnars Tubewells Limited • Jahurul Islam Medical College & Hospital
- Membership:** • Metropolitan Chamber of Commerce and Industry (MCCI) • Bangladesh Association of Publicly Listed Companies (BAPLC)

With over 36 years of expertise, Mr. Manzurul Islam chairs the Islam Group, leading transformative initiatives such as bringing the Lafarge group to Bangladesh. His strategic vision drives the Company's growth to new heights. Under Mr. Islam's dynamic leadership, the Islam Group expands into engineering, construction, trading, and various manufacturing sectors, solidifying its position as a trailblazer through ventures in pharmaceuticals and real estate.

Mr. Islam's leadership extends beyond corporate territories, serving as Chairman of IFIC Bank Ltd, Chairman of Navana Pharmaceuticals Limited and Vice Chairman of Bangladesh Associations of Banks, embodying excellence in governance.

Graduating with distinction in Economics from the University of London, UK, Mr. Islam's academic excellence complements his strategic acumen, fostering innovation and forward-thinking leadership. Chaired entities like Eastern Housing Limited and Jahurul Islam Medical College & Hospital, Mr. Islam prioritizes societal advancement and healthcare, showcasing his dedication to philanthropy.

Area of Expertise





MARCOS CELA REY
A Visionary Leader in Global Business



Mr. Cela is leading many projects related to sustainability including social plans, energy and alternative fuel solutions, new products with less CO₂ food print etc.

Position : Director
 Nationality : Spanish
 Age : 51
 Date of Appointment : June 11, 2014
 Shareholding : Nil (Nominee of Surma Holding BV)

Interest/Membership-Other Entities

- Director at Lafarge Umiam Mining Private Limited
- Director at Ecocementos and Iacol in Colombia
- President of the Board of Directors of the Tunesia Subsidiaries of Cementos Molins.
- Board Member of Itacamba Cementos S.A.

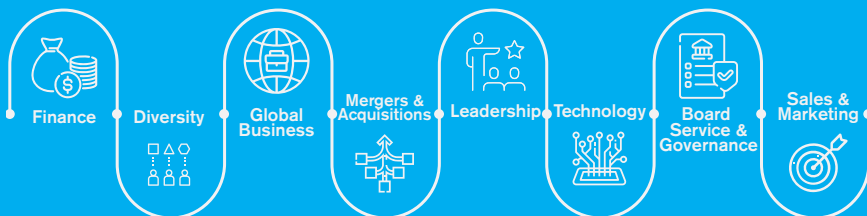
Mr. Marcos Cela Rey is Area Manager for Africa, South America and Asia of Cementos Molins Group, and a Member of its Executive Committee.

Mr Cela has over 24 years experience in Managing Business and finance management with major global organisations.

Since 2016 Mr Cela is involved in managing Business of various international operations of Cementos Molins including cement, aggregates, concrete and Construction business solutions. In this context he is also leading many projects related to sustainability including social plans, energy and alternative fuel solutions, new products with less CO₂ food print etc.

His professional experiences include running diversified business and complex organisations in a wide range of industries including Building materials, Mechanical and retail. Mr. Cela is also visiting professor at the UNIR University of Spain.

Area of Expertise





Mr. Martin shines as a beacon of innovation in global business leadership.

Position : Director
 Nationality : Austrian
 Age : 62
 Date of Appointment : August 22, 2019
 Shareholding : Nil (Nominee of Surma Holding BV)

MARTIN KRIEGNER
 Forging a Path of Global Business Excellence

Interest/Membership-Other Entities

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

Austrian national born in 1961, Mr. Kriegner was appointed as Head of Asia Pacific and member of the Group Executive Committee of Holcim in August 2016. Since October 2022 he is the Region Head for Asia, Middle East & Africa.

Mr. Kriegner joined the Group in 1990 and has held various senior leadership roles within Europe and Asia. He moved to India as CEO 2002 and later served as Regional President Cement for Asia, based in Kuala Lumpur.

In 2012, he was appointed CEO for Cement, RMX and Aggregates in India. In July 2015 he became the company's Area Manager Central Europe.

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 is a graduate of Vienna University and holds a Doctorate in Law. He also obtained an MBA at the University of Economics in Vienna.

Area of Expertise





RAJIV PRASAD SHAHA
Embodying Philanthropy and Corporate Excellence



Mr. Rajiv Prasad Shaha epitomizes contemporary corporate leadership, guiding organizations towards sustainable growth and societal impact.

Position : Independent Director
Nationality : Bangladeshi
Age : 56
Date of Appointment : January 26, 2021
Shareholding : Nil

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.
- Managing Director, Kumudini International Institute of Medical Sciences and Cancer Research Limited

Membership:

- Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI) • France Bangladesh Chamber of Commerce and Industry (CCIFB) • Dutch-Bangla Chamber of Commerce & Industry (DBCCI)
- Bangladesh Employers' Federation (BEF)
- Bangladesh Jute Association (BJA)
- World Crafts Council, Asia Pacific Region

Mr. Rajiv Prasad Shaha seamlessly intertwines philanthropy and corporate prowess, catalyzing transformative change in Bangladesh for over two decades. As Chairman of Kumudini Welfare Trust of Bengal (BD) Ltd., he uplifts communities and ignites social transformation.

Descended from Rai Bahadur Ranada Prasad Shaha, a philanthropic luminary, Mr. Shaha inherits a legacy steeped in benevolence. The establishment of Kumudini Welfare Trust in 1947 by his grandfather stands as a testament to their dedication to humanitarian causes, with a 1050 bed free hospital expressing their philosophy since 1944.

While Mr. Shaha prioritizes his corporate responsibilities, he finds fulfillment through golf and global exploration, reflecting his vibrant persona.

Born in 1968 and a commerce graduate of the University of Dhaka, Mr. Shaha enriches his role as an Independent Director and Chairman of the Audit Committee of the Company with diverse experiences. He shapes institutions like R. P. Shaha University and Kumudini International Institute of Medical Sciences & Cancer Research.

Area of Expertise





RUBANA HUQ
Inspiring Women, Catalyzing Transformation



Dr. Huq stands as a beacon of inspiration, steering organizations towards sustainable growth and societal impact.

Position : Independent Director
 Nationality : Bangladeshi
 Age : 60
 Date of Appointment : December 7, 2019
 Shareholding : Nil

Interest/Membership-Other Entities

Managing Director: • Mohammadi Gourp Ltd. • MG Shirtex Ltd. • MG Nich Stitch Ltd. • MG Niche Flair Ltd. • Mohammadi Fashion Sweater Ltd. • MG Knit Flair Ltd. • Mohammadi Knit Star Ltd. • Digi Jadoo Broadband Ltd. • Jadoo Media Ltd. • MG Properties Ltd. • Mohammadi Fancy Yarn Dyeing Ltd.
Director: • Desh Energy Ltd. • Desh Cambridge Kumargaon Power Company Ltd. • Desh Energy Chandpur Power Company Ltd. • Jadoo Vision Limited • Jadoo Digital and Broadband Ltd. • Jadoo Cable & Boardband Ltd. • Mati Naturals Ltd. • Techno Vista Ltd.
Membership: • Former President - Bangladesh Garment Manufacturers and Exporters Association (BGMEA), • Vice Chancellor - Asian University for Women (AUW) • Steering Committee of UN Fashion Charter - She has recently been elected to represent the global manufacturers in the UNFCCC fashion industry charter for Climate Action for the period of 2021-2022.

Dr. Rubana Huq, a trailblazing business leader and advocate for women’s empowerment, serves as Vice Chancellor and Vice Chairman of the Board of Trustees at the Asian University for Women (AUW). Her commitment ignites a flame of transformation in future generations.

Breaking barriers, Dr. Huq etched her name in history as the first female President of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA). Guiding the Mohammadi Group with innovation, she expanded its horizons into diverse sectors, leaving an indelible legacy as a visionary.

Dr. Huq’s literary brilliance has garnered international recognition, including being named in BBC’s 100 Women and receiving the prestigious SAARC Literary Award. She has 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.

As Chairperson of the Nomination and Remuneration Committee, she charts the course for excellence and innovation, leaving an enduring legacy of positive change.

Area of Expertise





SYED MAHMUDUL HUQ
Pioneering Progress and Catalyst for Change



Mr. Huq leads economic metamorphosis of Bangladesh, inspiring generations with his visionary leadership.

Position : Independent Director
Nationality : Bangladeshi
Age : 72
Date of Appointment : September 17, 2018
Shareholding : Nil

Interest/Membership-Other Entities

- Member: France-Bangladesh Chamber of Commerce & Industry
- Vice Chairman: Premier LG Gas Ltd.
- Chairman: Bangladesh Myanmar Business Promotion Council
- Chairman: Bangladesh Shrimp and Fish Foundation
- Member: Board of Trustees - Independent University of Bangladesh
- Member: Board of Trustees - Chittagong Independent University
- Managing Director: Japan Solartech Bd. Ltd.,
- Managing Director: Venus Telecom Ltd.
- Director: M&H Telecom Ltd.

Mr. Syed Mahmudul Huq played a very important role in the promotion of Bangladesh’s exports, regional trade and investments and is shaping the capital market for economic expansion and technological innovation.

As Vice Chairman of Premier LP Gas Limited’s Board, Mr. Huq fosters growth and sustainability, forging impactful alliances with TotalEnergies of France. He chairs the Bangladesh Myanmar Business Promotion Council and Bangladesh Shrimp and Fish Foundation, advocating for sustainable development and global collaboration.

Mr. Huq’s dedication to education shines through as a trustee at the Independent University of Bangladesh & Chittagong Independent University, nurturing future leaders and promoting education’s transformative potential.

Beyond corporate realms, Mr. Huq serves as the Honorary Consul of Malta in Chittagong, fostering international cooperation. His philanthropic initiatives, notably in renewable energy through Japan Solartech Bangladesh Limited, propel sustainable development. One of the Founders of the Chittagong Stock Exchange, Mr. Huq’s career is studded with pioneering accomplishments.

Born in 1951, Mr. Huq completed B.A in Hons. and M.A. in economics from the University of Dhaka, Mr. Huq’s academic journey mirrors his commitment to excellence and continuous learning, fueling his drive for positive change in business and development.

Area of Expertise





Executive Committee Members



Sitting in front (Left-right)

AMITAV SINGH
Industrial Director

MOHAMMAD IQBAL CHOWDHURY
Chief Executive Officer

AMIT AGARWAL
Commercial Director (Sales & Marketing)

Standing in back (Left-right)

MD. ANISUZZAMAN
Chief Financial Officer

MOHAMMAD MAHFUZUL HOQUE
Logistics and Procurement Director

M. ASIF BHUIYAN
Chief Corporate Affairs Officer

KAZI MIZANUR RAHMAN
Director, Strategic Projects & Company Secretary

A K M ATIQR RAHMAN
Human Resources Director



LafargeHolcim Bangladesh delivered an outstanding year in 2023, characterized by remarkable achievements in both profitability and cash generation. Looking ahead to 2024, we remain committed to maintaining our momentum by introducing new, innovative and sustainable building material solutions to meet the evolving needs of the Bangladesh market.

Mohammad Iqbal Chowdhury

Chief Executive Officer
LafargeHolcim Bangladesh Limited

SALIENT FEATURES »
2023


REVENUE GROWTH

20% 

OPERATING PROFIT

30% 

EARNING PER SHARE
(EPS)

34% 

CASH DIVIDEND

50%

CASH CONVERSION

84%



CHAIRMAN'S
STATEMENT

Christof Hässig

Chairman



The bedrock of sustainable economic growth, coupled with political stability, is indispensable for business prosperity. Bangladesh has distinguished itself in both arenas, with commendable economic growth averaging around 6-7% annually over the past decade, as per World Bank data. This success has emboldened us to embark on further growth initiatives and augment investments in the nation.

Dear Esteemed Shareholders,

With immense pleasure, I extend a gracious welcome to the esteemed 26th Annual General Meeting of LafargeHolcim Bangladesh Limited (the "Company").

Throughout the past two transformative decades, your Company has exercised a central role in shaping the narrative of Bangladesh, anchored in timeless principles. Guided by the business ethics, your Company place paramount importance on sustainable customer satisfaction, operational excellence and commitment to business expansion. Embracing challenges with resilience, we have firmly entrenched ourselves, fostering deep and enduring connections.

Amidst the backdrop of global challenges, we have not merely endured but soared to unprecedented heights. Through strategic diversification and an expanded footprint, we have transcended our identity from mere cement producers to comprehensive providers of building material solutions. This remarkable evolution owes its roots to our access to the Holcim Group's cutting-edge Research & Development (R&D) facilities in Lyon, France and the expertise of Cementos Molins, renowned for its integrity, continuous improvement, and commitment to sustainability. All this support seamlessly aligns with our ethos of positioning us as trailblazers in effecting qualitative changes within Bangladesh's construction sector. Our most prized possession remains the unwavering trust and confidence bestowed upon our brands by our esteemed clientele, and our foremost duty lies in cherishing and safeguarding this trust.

The bedrock of sustainable economic growth, coupled with political stability, is indispensable for business prosperity. Bangladesh has distinguished itself in both arenas, with commendable economic growth averaging around 6-7% annually over the past decade, as per World Bank data. This success has emboldened us to embark on further growth initiatives and augment investments in the nation.

At the heart of our Company's ethos lies sustainability, encompassing innovative building materials, solutions, and a positive social impact on communities. Committed to spearheading sustainability, LafargeHolcim Bangladesh actively contributes to a circular economy, with a focus on education, healthcare, women empowerment, infrastructure development, and environmental conservation.

Our flagship sustainability and environmental initiative, Geocycle, the country's sole waste co-processing facility, addresses Bangladesh's waste management challenges in an eco-friendly manner. Pioneering waste-to-energy

endeavors, we harness energy and recycle minerals from waste without leaving any residue, reaffirming our dedication to sustainability and environmental stewardship.

The integrated cross-border building materials industry of LafargeHolcim Bangladesh serves as a significant import subsidy project, conserving valuable foreign currency by locally producing clinker and high-quality aggregates, thereby directly contributing to the growth and stability of the economy.

Upholding the highest global standards of Health & Safety is foundational to LafargeHolcim. We are committed to safeguarding the physical, mental, and social well-being of our workforce, conducting business with zero harm, and providing a healthy and safe environment for employees, contractors, communities, and customers.

Conducting business with integrity and adherence to applicable laws is our solemn pledge. Every member of our team is entrusted with the responsibility of upholding compliance, adhering to a zero-tolerance policy, and championing corporate governance, integrity, ethics, and values.

In addition to our commercial endeavors, we take immense pride in our impactful social projects, encompassing the establishment of rainwater harvesting systems, provision of education, establishment of skill development centers, execution of comprehensive healthcare programs, and contributions to environmental conservation efforts.

The augmented returns to shareholders bear testament to our dedication, evidenced through the recommendation of a final dividend. This reflects the commitment of our employees, successful strategy implementation and support from our valued shareholders.

In the dynamic landscape of global business, we remain vigilant in the face of external challenges, constantly refining our operations and strategies to deliver optimal value to our esteemed shareholders.

In conclusion, we extend our heartfelt gratitude to you, our esteemed shareholders, for your continuous support. As we embark on future endeavors, we eagerly anticipate your continued confidence.

Date: March 25, 2024


Christof Hässig
Chairman

BOARD OF DIRECTORS' REPORT



An aerial photograph of a cement plant facility. In the foreground, a bridge with a yellow railing spans across a river. A white truck with a red Holcim logo is driving on the bridge. The river is filled with green algae. In the background, the cement plant's infrastructure, including conveyor belts and storage silos, is visible. The sky is clear and blue.

Dear Shareholders,

We are delighted to present the 26th Annual Report of LafargeHolcim Bangladesh Limited (the “Company”). The report includes the Board of Directors’ review, audited financial statements for the year ending on December 31, 2023, and the Auditors Report. These documents adhere to the Companies Act, 1994 (Section 184), the Corporate Governance Code by Bangladesh Securities and Exchange Commission (BSEC) and Listing Rules of both the Dhaka and Chittagong Stock Exchanges.

Our success in 2023 was driven by sustainability initiatives! Advances in our Aggregates business and the implementation of Alternative Fuel using environmentally friendly waste co-processing were notable contributors. Our achievements represent a significant milestone in our ongoing transformation journey. The year marked a shift towards offering comprehensive building materials solutions rather than solely focusing on cement production. Key factors such as process efficiency, expanding market reach, optimizing resources and fostering a performance-driven culture were instrumental in our success.



Overview of the Financial Performance

The Company's consolidated operating and financial results, when compared with the preceding year, unfold as follows:

Figures in Million BDT

Revenue	2023 28,388	Cost of goods sold	2023 18,119
	20% Growth ↑ 23,594 in 2022		19% Increase ↑ 15,260 in 2022
Gross Profit	2023 10,269	Gross margin	2023 36.2%
	23% Growth ↑ 8,334 in 2022		90 BPS Growth ↑ 35.3% in 2022
Net profit before tax (PBT)	2023 7,716	Net profit before tax (PBT) Margin	2023 27.2%
	34% Growth ↑ 5,744 in 2022		290 BPS Growth ↑ 24.3% in 2022
Net profit after tax (PAT)	2023 5,942	Net profit after tax (PAT) Margin	2023 20.9%
	34% Growth ↑ 4,445 in 2022		210 BPS Growth ↑ 18.8% in 2022
Earnings per share	2023 5.12	Return on equity	2023 27%
	34% Growth ↑ 3.83 in 2022		200 BPS Growth ↑ 25% in 2022
Total assets		2023 36,196	
		25% Growth ↑ 28,971 in 2022	
Net asset value	2023 22,226	Net Asset Value (NAV) per share	2023 19.14
	25% Growth ↑ 17,710 in 2022		26% Growth ↑ 15.25 in 2022
Net operating cash flow	2023 7,927	Net operating cash flow per share	2023 6.83
	18% Growth ↑ 6,694 in 2022		18% Growth ↑ 5.76 in 2022

Resilient Performance and Sustainable Growth

This report outlines your Company's financial performance and strategic initiatives in 2023. Despite unprecedented challenges, we achieved significant growth and advanced our sustainability and market leadership goals.

Snapshot of Financial Performance: In 2023, your Company demonstrated resilience with a 20% increase in net sales to 28,388 million Bangladesh Taka (mBDT) and a 34% rise in profit after tax (PAT) to 5,942 mBDT, despite escalating costs.

Challenges Faced: The past year presented unparalleled challenges, including soaring raw material costs, currency devaluation and high inflation.

Market Performance: Despite adversities, the Company achieved exceptional results. Cement prices grew by 9%, outpacing industry norms, while cement volume surged by 5.5%, surpassing industry growth. Record production and sales in Quarry and Aggregate operations further strengthened our market position.

Sustainability Initiatives: Our commitment to sustainability yielded positive results. Your Company achieved a full-year Thermal Substitution Rate (TSR) of 9.5% and reduced net CO₂ emissions by 5 KG/t. Additionally, Specific Electrical Energy Consumption (SEEC) decreased to 0.8 kWh/t of cement, reflecting our environmental efforts.

Strategic Initiatives: Strategic initiatives helped to navigate challenges effectively. Introducing fit for purpose specialized cement brands like Supercrete Plus and Holcim Water Protect received favorable market responses. Digital applications and Direct to Retail (D2R) channel boosted our success.

Your Company's resilient financial performance, combined with sustainable practices and strategic initiatives, positions us for continued growth. The Company is optimistic about the future prospects and remain committed to delivering value to the stakeholders.



Dividend Recommendation and Retained Earnings

Dividend Recommendation

On February 29, 2024, the Board of Directors of your Company recommended a final dividend of fifty percent (50%), in cash, on the paid-up capital of the Company out of the profits of 2023 (January 1, 2023 to December 31, 2023) and also from retained earnings. The total dividend of 50% of the paid-up capital amounting to BDT 5,806,867,500 which is BDT 5 per share of BDT 10 each for the year ended on December 31, 2023.

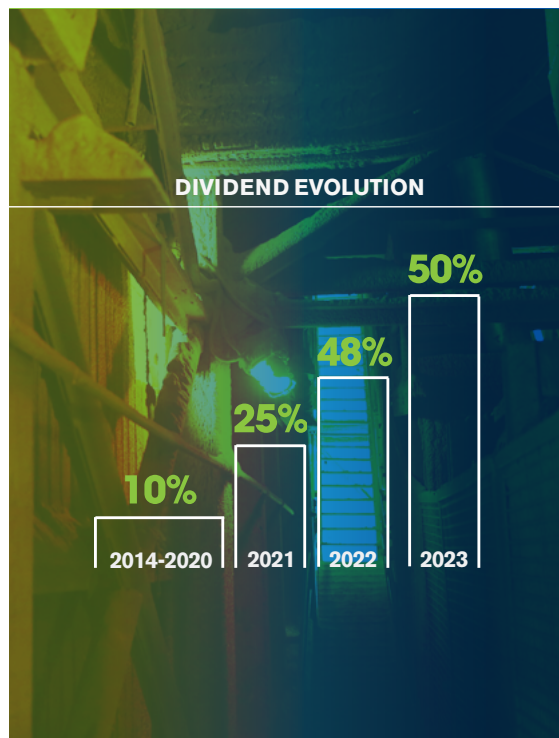
As per the dividend distribution policy of the Company and applicable laws, a dividend can be declared out of current profits and/or profits accumulated of earlier years. The Board declared a dividend @ 111% of the profit to ensure the optimum use of retained earnings and sufficient cash balances.

The above dividend recommendation of the Board of Directors shall be forwarded to the Shareholders for their consideration and approval at the 26th Annual General Meeting of the Company scheduled on May 14, 2024.

The status of unpaid/unclaimed cash dividend is annexed to this Report for the year 2023 and is also uploaded on the Company's website.

Retained Earnings

As of December 31, 2023, the total Retained Earnings are mBDT 10,072. Details are in the Statement of Changes in Equity of the Consolidated Financial Statements.





Health, Safety and Environment (HSE) Report



ONSITE SAFETY

0

Fatal incidents in 2018-2023

45

CRITICAL CONTROLS TO ELIMINATE

11



APPLICABLE UNWANTED EVENTS



ZERO HARM CULTURE

Lost Time Injury Frequency Rate ~0

Best in class performance since 2018



Boots on the Ground

04 Sites covered

188 App users



HSE Conversations

8,335

Visible Personal Commitments

5,456

Critical Visible Personal Commitments



SYSTEMS & PROCESSES

iCARE

~800

actions created each month



14001 & 45001 Compliant



HSE Audits

01

SURMA PLANT CORE ASSESSMENT CONDUCTED IN 2023

 **CONTROL OF HEALTH RISKS**

04
sites covered
mental & physical
well-being


 **OCCUPATIONAL HEALTH**
01 UNIT
INDUSTRIAL HYGIENE
CONDUCTED

 **Cultural Perception Survey**
909
Participants
+10.3%
improvement YoY


 **ROAD FATALITY REDUCTION**


0
Road Fatal incidents
in 2018-2023


 **ROAD SAFETY**
97.7% km
WITH TRAINED
DRIVERS

 **PEOPLE TRANSPORT**
18% km
IMPROVED WITH
APPROVED iVMS

 **ENVIRONMENTAL EXCELLENCE**

 **CO₂**
5 kg/t
cementitious reduction of
Specific net CO₂ emission

 **WATER**
8 lt/t
cementitious reduction of
Specific freshwater
withdrawal

 **WASTE**
3%
increase of
recycled waste

166 PARTICIPANTS OF
TREASURE HUNT

Global limits for
air emissions & real
time air emissions
monitoring

84% DUST
EMISSION
REDUCTION



Operational Landscape: Bridging Borders for National Service

The operational sites of the unique cross border project of your Company is spread over two neighboring countries and in three geographical locations in Bangladesh.

1. **100 hectare limestone mine in Meghalaya, India;**
2. **The elevated cross border 17 kilometer long Belt Conveyor.**
3. **Surma Plant**, with unique facilities to produce **Clinker, Cement and Aggregates**,
4. **Geocycle**, the environment friendly waste processing segment at the Surma Plant.
5. **Meghnaghat 1 and Meghnaghat 2**, the cement grinding units at Sonargaon Narayanganj; and
6. **Mongla Plant**, the cement grinding unit located at Bagerhat.

Commitment to Sustainability: Driving Long-Term Value

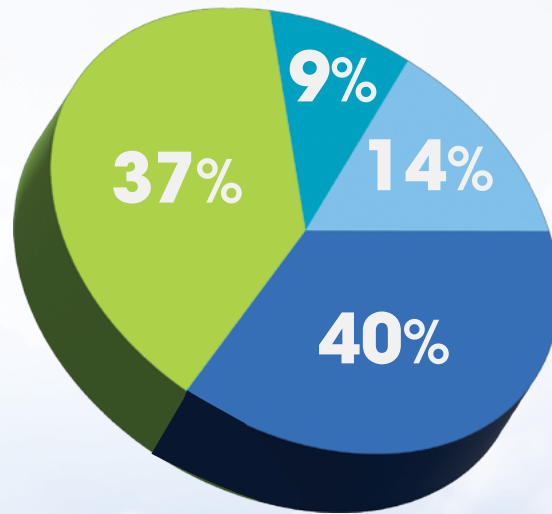
We prioritize environmental stewardship, efficiency, social responsibility and economic viability in all our operations.





Production Performance

Production Performance: Cement



- Surma Plant
- Meghnaghat 1
- Mongla
- Meghnaghat 2

Cement Production Volume in 2023

Surma Plant

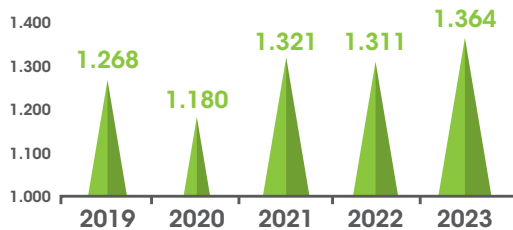


Surma Plant's Operational Efficiency

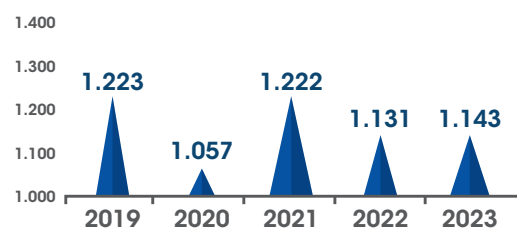
Surma Plant enhances operational resilience, raising Kiln Net Availability Index (NAI) by 3% and Production Rate Index (PRI) by 1%. This highlights the plant's commitment to continuous improvement. In the 2023 Global Industrial Performance Benchmarking (IPB) ranking, Surma achieved 9th place in operational efficiency.

Surma Plant excelled in 2023 achieving clinker production of 1.364 million tonnes, a remarkable 4% increase from the previous year, marking its highest output in the last 5 years.

Clinker Production (Million Tonnes)
2019-2023



Cement Production (Million Tonnes)
2019-2023



Strategic Power Boost: Commissioning of 5MW (mega-watt) Grid power in October 2023 led to a commendable 1% rise in cement production, part of a 4% increase, showcasing proactive power management.

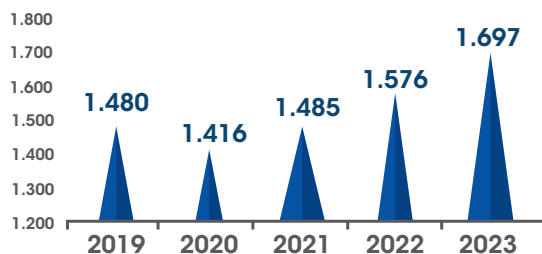
Steady Cement Dispatch Growth: Cement dispatch for 2023 reached 1.138 million tonnes, displaying a modest yet steady 0.3% growth compared to the previous year.

Surma Plant's Lab Tops Global Quality Control Rankings: Achieving a flawless 100% score in 2023, Surma Plant's lab surged from 26th to 8th place in the Global Laboratory Accuracy Index (LAI).

Meghnaghat & Mongla Plants' Success in 2023

Meghnaghat 1, Meghnaghat 2 and Mongla Plants excelled in cement production and dispatch, achieving a record 1.697 million tonnes – an 8% increase. Key indicators show notable efficiency enhancements: Gross Availability Index (GAI) up 7%, Net Availability Index (NAI) up 1%, and Production Rate Index (PRI) up 2%.

**Meghnaghat & Mongla
Cement Production (Million Tonnes)**
2019-2023

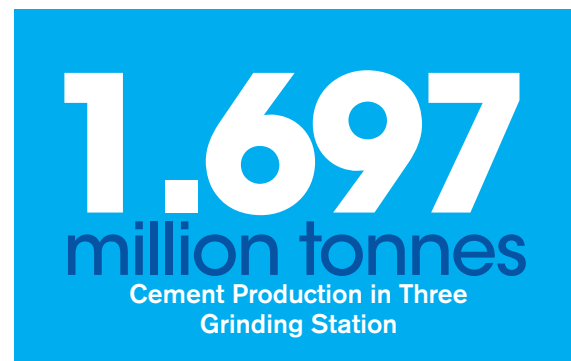


Dispatch Achievements: The cement dispatch in 2023 saw a notable 7% increase, reaching 1.691 million tonnes, showcasing production prowess and market responsiveness.

Robust Growth: Affirming a robust growth trajectory, the Plants emerge as industry leaders, with evident continuous improvement in GAI, NAI, and PRI.

Future Prospects: Milestones lay a solid foundation for sustained success, highlighting adaptability, efficiency gains and capacity for higher production volumes.

2023 Performance: The Plants demonstrated dedicated commitment to excellence, solidifying their role as industry frontrunners.



Lafarge Umiam Mining Private Limited's Limestone Quarry Operations

Lafarge Umiam Mining Private Limited (LUMPL), a subsidiary of the Company extracts limestone from its Quarry in Meghalaya, India and exports the crushed limestone to Surma Plant in Chatak, Bangladesh. This report highlights the notable achievements in 2023 and strategic plans for further growth and operational excellence.

2023 Performance Highlights: In 2023 LUMPL achieved an export volume of 3,543 million tonnes of limestone, marking 16% increase from the previous year's production of 3,060 million tonnes. This commendable performance underscores LUMPL's dedication to seamless operations and cross-border logistics.



Strategic Targets for 2024: In anticipation of 2024, LUMPL strategically plans to boost limestone production and dispatch, empowering the Surma Plant to generate more clinker and aggregates to meet the rising demand in Bangladesh.

Aggregates Business: 2023 Highlights & 2024 Outlook

The report celebrates 2023's successes and outlines 2024's strategic initiatives of Aggregates business of the Company.

2023 Performance Highlights: Despite global freight rate fluctuations and election-related uncertainties, the Company's Aggregates Business surpassed predictions. Meticulous planning secured Company's top global ranking among Holcim Group countries with under 50 mCHF revenue, highlighting profitability and operational excellence.

Decarbonization and Operational Streamlining: The Company embraces future growth and decarbonization by automating the dispatch circuit. This initiative aims to enhance dispatch efficiency by reducing manual intervention and utilizing conveying systems for loading Aggregates.



2024 Strategic Goals: Building on 2023's success, the Company aims to maximize Aggregates production and dispatch capabilities in 2024. Internal process innovation and optimization across plant operations and sales are key to achieving this ambitious endeavor. Company's proven track record and ongoing initiatives demonstrate its commitment to excellence, safety, and future growth, setting new benchmarks for the industry.

Geocycle: Advancing Environmentally Friendly Waste Management

Sustainability and Waste Management Challenges: Bangladesh faces persistent challenges in waste management, leading to environmental pollution. Geocycle addresses this through scientific waste disposal, aligning with national policies and community involvement.

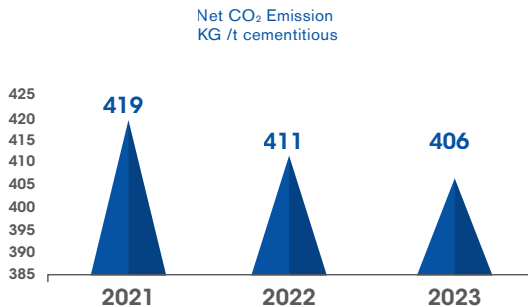
Turning Waste into Assets: Leveraging high-temperature (1450 degree) clinkerization kiln, Geocycle pioneers waste co-processing, minimizing waste generation, and maximizing material reuse. By adopting innovative technologies, it transforms waste into valuable resources, contributing to a circular and sustainable construction industry.



Aggregates Plant

Remarkable Growth and Leadership: Geocycle achieves a remarkable 30% Year-Over-Year growth, advancing Thermal Substitution Rate to 9.5%. Future plans aim to double the rate and expand daily waste management capacity to address 5% of the country's waste.

Environmental Commitment: Geocycle helped to reduce CO₂ emissions per MT of cementitious material to 406 kg/MT. Collaborating on plastic waste management reflects a cradle-to-grave approach, striving for zero waste to landfill. As Bangladesh's sole approved waste management facility, Geocycle significantly contributes to the circular economy.



Eco-Friendly Hazardous Waste Disposal: The commitment extends to eco-friendly disposal of hazardous tannery and textile waste, highlighted by a

Memorandum of Understanding with BGMEA for comprehensive textile waste solutions.

Pioneering Municipal Waste Management: Geocycle collaborates with Sylhet City Corporation to commission the country's first state-of-the-art municipal waste segregation and disposal facility in Sylhet. With a capacity of 1,000 MT per day, the facility ensures zero waste to landfill, enriching the local environment and recovering precious land resources.

Key Force in Sustainability: Geocycle spearheads Bangladesh's sustainable journey through strategic advancements. With plans to replicate the facility across major city corporations, Geocycle aims to dispose of 200,000 MT of segregated solid waste by 2026, offering sustainable solutions through circular economy principles.





Promoting Responsible Growth Through De-Carbonization

In 2023 your Company strategically advanced responsible growth, emphasizing sustainability initiatives. This report highlights key achievements, with a focus on the Special Green Product Revolution and our commitment to sustainable environment.

Surma Clinker Plant

Special Green Product Revolution



Holcim Water Protect

Complete Protection from Roof to Foundation:

Sustainable Growth: Experienced an 18% growth rate with a substantial 63% additional margin over regular products.

Strategic Engagement: Success attributed to influencer activations, team engagement, live demonstrations and targeted digital communication.

Widespread Accessibility: Distribution expanded to approximately 1600 retail stores, a commendable 15% increase from 2022.

Contributed
5% to Holcim
brand sales



Supercrete Plus

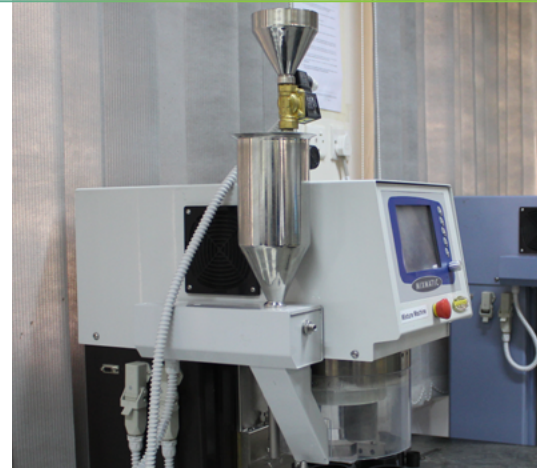
The Country's No. 1 Fair Face Cement

Premium Aesthetics: Met market demands for premium Fair Face cement without the need for paint.

Sustainable Impact: Unique formula and lower carbon footprint contributed to widespread acceptance.

Extended Reach: Distribution expanded to 1400 retailers in 2023, showcasing growing market presence.

Achived
3% contribution
to the overall
Supercrete
brand sales



CIAC Lab: Innovation and Knowledge Hub

The Concrete Innovation Application Centre (CIAC) lab facilitates research on high-strength concrete, mortar mix design, aggregate analysis, and special product development. CIAC promotes collaboration among stakeholders to ensure impactful innovations. In 2023, our focus on the Special Green Product Revolution and Coastal Areas expansion underscores our commitment to responsible growth and sustainability leadership in eco-friendly building materials.

Sustainable Channel Transformation: D2R Initiative

Direct to Retailer (D2R) revolutionizes channel strategy, serving retailers directly, enhancing coverage and driving growth. Operating on a 100% advance model, D2R yields 28% higher margins than traditional dealers. Contributing 7% in volume by serving 1300 retailers nationwide, our commitment lies in customer delight through team engagement, delivery excellence and seamless contactless operations, enabled by digitalization and process automation.





The Company is serving
1300
Retailers nationwide





Sales and Marketing Success in 2023

Overview: Amidst 2023's economic challenges like fuel price hikes, inflation, and national elections, your Company achieved commendable results, surpassing industry standards. This success stems from our commitment to key sales and marketing strategies.

Sales Team Performance: Our efficient team, spanning Bangladesh, served 900 dealers, 10,000 retailers, and 700 corporate clients. Expanding our channel, we increased net coverage by 2026 retailers and onboarded 316 new dealers.

Commercial Capabilities Development: We invested 2,894 man-hours in training sessions to enhance commercial processes and elevate capabilities across sales and marketing teams. Focusing on a techno-commercial approach fosters a unified team with a broader strategic outlook.

Brand Positioning and Marketing Strategies: Maintaining price premium, we targeted home builders, influencers, and channel partners through ATL, BTL and digital platforms. Brand awareness efforts at points of

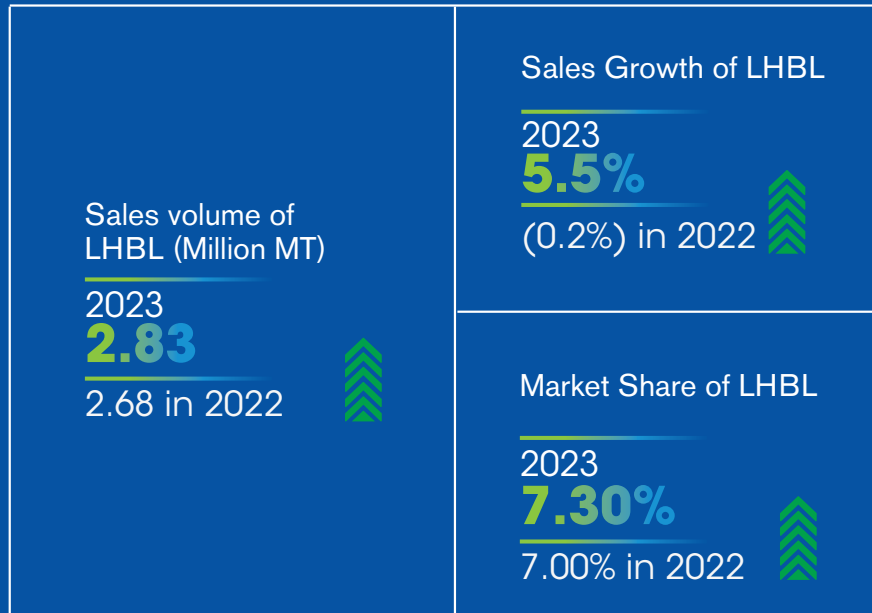
purchase included extensive nationwide outlet branding.

Influencer Engagement and Customer Satisfaction: Engaging 21,300 influencers through events and loyalty programs, we prioritized customer satisfaction. Our Call Center team played a key role in customer relationship management and sales support.

Digital Transformation: We are moving towards consolidating operational apps into a single platform to enhance digital capabilities, resulting in higher customer satisfaction and operational efficiency. Our Technical Services App facilitates targeted influencer engagement and customer interaction.

Brand Success Amid Market Pressures: Despite market challenges, our brands, Holcim and Supercrete, maintained remarkable price premiums, reflecting customer trust in our products' quality. Moving forward, our strategic initiatives and innovative marketing approaches position us for sustained success in the evolving sales and marketing landscape.

2023 Results at a Glance





Navigating Challenges and Advancements in Logistics & Procurement - 2023

Priorities for Sustainable Supply Chain Operations: Safety, Environment, Quality and Cost Optimization are key priorities guiding your Company's sustainable supply chain operations.

Road & Transport Safety Success: Achieving Key Performance Indicators (KPIs) with zero fatalities marks a significant milestone in Road & Transport Safety. Increased utilization of In-Vehicle Monitoring Systems (IVMS) enhances safety for passengers and goods.

Decarbonization Initiatives: Strategically increasing transshipment to reduce empty backhaulage remains central to our decarbonization efforts, contributing to environmental sustainability.

Sustainability Commitment: With a focus on further decarbonization, we align logistics with our sustainable competitiveness strategy. This commitment reflects our vision for a resilient and environmentally conscious future, supporting overall corporate sustainability goals.

Facing External Challenges Successfully: Rising fuel costs, currency devaluation, and foreign exchange reserve issues in 2023 posed significant challenges.

Our strategic approach emphasizes comprehensive cost optimization and innovative solutions to achieve logistics excellence.

Comprehensive Cost Optimization: To counter challenges, we pursue import substitution, collaborate with alternative suppliers, and enhance supply chain efficiency through automation, ensuring financial prudence and operational efficiency.

Optimizing Aggregates Business: Optimizing cost through operational modality changes is reflecting our commitment to financial prudence and operational efficiency in supporting our thriving Aggregates business.

Digitalization for Operational Efficiency: Introduction of the "E-Auction" mobile application and adoption of E-sourcing enhance competitiveness and transparency in sourcing raw materials, promoting operational efficiency.

Despite challenges, our strategic initiatives and commitment to innovation position us to navigate effectively, contributing to a sustainable and efficient future in Logistics & Procurement.



Advancing Towards Sustainable & Eco-friendly Digital Journey

The company has enhanced its operational efficiency, compliance and customer satisfaction by implementing cutting-edge technologies such as Sales Force Automation (SFA), Distributors Management System (DMS), Customer Relationship Management (CRM), Workflow Management System like Invoice & Contract Management of E-Office, Price & Credit Approval System, Employee Self Service (ESS) in HR Application, Electronic Document Management System (EDMS), Host-to-Host Collection and Payment Automation with SAP and Banks, and many more which eventually lead to a significant and incremental revenue growth.

In 2024 our key initiatives will be focused on Geocycle optimization through high tech digital solutions, promoting Waste Management efficiency and eco friendly practices. Our commitment towards technological innovation and environmental responsibility ensures business success while fostering a brighter, sustainable future.





Human Resources in 2023 Nurturing Talent and Improving Capability

Employee Engagement: Throughout the year, initiatives focused on decarbonization and product innovation boosted employee engagement, with scores rising from 3.82 in 2022 to an impressive 4.16 in 2023.

Diversity and Inclusion (D&I) Drive Excellence: D&I initiatives thrived with the establishment of a dedicated committee and the introduction of the "Back-to-School" learning platform. In 2023, 18,825 man-hours were dedicated to learning sessions, enriching capabilities and contributing to overall success.

Strategic Alignment for Long-Term Success: Functional alignment sessions engaged 370 employees, crafting a meticulous long-term strategy in line with Group Strategy 2027. Efforts in female leadership development and targeted graduate hiring underscored commitments to sustainable talent management.

Cultivating a Performance-Centric Culture: Efforts focused on fostering a culture of performance, transparency, learning, teamwork and agility, ensuring business results and a dynamic workplace. HR remains pivotal in driving sustained success and innovation as we conclude 2023.



Corporate Social Responsibility (CSR) & Sustainable Development

Ambitious Sustainability Goals: Your Company commits to innovate sustainable building solutions aiming for 1.5 C validated by the Science Based Target Initiative (SBTi).

Community Engagement: Our continued endeavor on infrastructure, skill development, education and environment are creating positive social impact both in Bangladesh and India.

Future Initiatives: Continued commitment to positive social initiatives in 2024 and beyond.

Corporate Communications and Stakeholder Engagement

Strengthening our rapport and professional relationship through effective engagement with the media, and stakeholders including diplomats, trade bodies, NGOs, policy makers helped us to create positive brand image. We obtained 280 mBDT PR value by publishing positive stories in the national and local media in 2023.

18,825

Man Hours of learning
session

4.16%

Employee Engagement
Increased in 2023



312

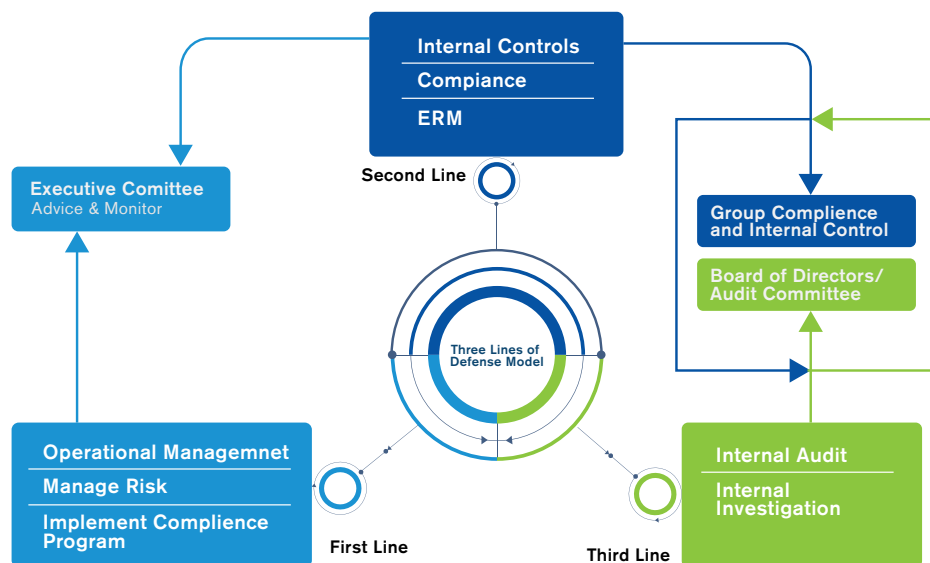
Students got Supplementary Tution-support in 2023



Governance, Ethics and Compliance

Integrated Approach: We maintain integrity, embedding robust ethical standards across all levels. This report details our governance, ethics and compliance strategy, ensuring adherence to industry best practices.

Comprehensive Compliance: Key policies like the Code of Business Conduct (COBC), Anti-Bribery & Corruption, Compliance Policy and Fair Competition Directive are integrated. Supported by rigorous monitoring, these policies form the foundation of our compliance framework. Our 'Three Lines of Defense Model' systematically addresses risk assessment, control implementation, training, communication and monitoring. Behold, presented herein is an exquisite portrayal of the Three Lines of Defense Model:



Risk Management and Assessment

Proactive Risk Management: We conduct Compliance Risk Assessments (CRA) and Enterprise Risk Assessments (ERM) to manage risks effectively. These assessments encompass areas like Business Integrity, Pricing Integrity and Anti-Competition Compliance, ensuring a resilient operational foundation.

Assurance Metrics: Holcim Group measures compliance effectiveness through “The 6 Packs” metrics quarterly. Ratings of Green, Amber and Red indicate performance in areas such as training, communication, due diligence, risk assessments, internal controls and audits. In 2023, your Company achieved an All Green rating in the 6 Packs, reflecting our continued focus on ethics and compliance.

Whistleblower Mechanism: The Integrity Line, a global 24/7 confidential online & hotline service, allows employees to report concerns anonymously. Operated by a third-party supplier, it addresses breaches of COBC, Company Policies, or local laws, ensuring accountability and transparency.

Audit Committee Oversight: The Audit Committee evaluates and scrutinizes compliance status, offering insights for continuous improvement. Their oversight guides management, ensuring alignment with regulatory standards.

Our commitment to governance, ethics and compliance fosters a culture of integrity and transparency, driving sustainable success.

Annual Evaluation of Board of Directors: The Nomination and Remuneration Committee (NRC), a sub-committee of the Board, set evaluation criteria aligned with Corporate Governance Code guidelines. In 2023, the Company conducted the evaluation with full Board participation. The Corporate Governance Statement in the Annual Report 2023 outlines evaluation details, parameters and processes.



Alteration of the Memorandum and Articles of Association

Your Company is in the journey of transformation – transforming from a cement manufacturing entity to a building materials solution and services providing company. The vision of your Company is to become the leader in innovative and sustainable building solutions and services in Bangladesh with profitable growth across all its businesses, driven by sustainability and innovation. The Company is accelerating the expansion of its Solutions & Products, positioning itself in the most attractive segments of the construction value chain with new technologies and move to a digital and innovation driven company from a traditional model.

The Memorandum of Association and Articles of Association of the Company needs to reflect the transformation, sustainability and growth ambitions of the Company. Accordingly, The Board of Directors of the Company in its meeting dated February 29, 2024, has recommended to alter the Memorandum and Articles of Association of the Company. The recommendation of the Board of Directors to alter the Memorandum and Articles of Association of the Company shall be forwarded for the approval of the Shareholders of the Company at the 26th Annual General Meeting of the Company scheduled on May 14, 2024, subject to approval of the High Court Division of the Supreme Court of Bangladesh.





Awards & Recognition

Your Company's relentless efforts have been recognized by various authorities. In 2023, the Company received six (6) prestigious awards in the field of Corporate Governance and Sustainable Development.

1. "Corporate Governance Excellence Award" by the Institute of Chartered Secretaries of Bangladesh (ICSB).
2. "Best Corporate Award 2022" by the Institute of Cost and Management Accountants of Bangladesh (ICMAB).
3. "Best Presented Annual Report, Integrated Reporting and Corporate Governance Disclosures Award" by the Institute of Chartered Accountants of Bangladesh (ICAB).
4. 'Bangladesh Sustainability Excellence Award 2023' by The Daily Star and CSR Window.
5. "SDG Brand Champion Awards 2023 for Affordable and Clean Energy" by Bangladesh Brand Forum.
6. "SDG Brand Champion Awards 2023 for Sustainable Community Development" by Bangladesh Brand Forum.





Risks and Concerns in Company Operations

i. Dispute Resolution with Jalalabad Gas Transmission and Distribution System Limited (JGTDS) and the Company:

The Company had an Arbitration with Jalalabad Gas Transmission and Distribution System Limited (JGTDS). On September 15, 2023, the Arbitration Tribunal issued the Final Award in favor of the Company. As per the Award, the Ceiling Price is a valid and enforceable provision of the Gas Sales Agreement (GSA).

The Primary Term of the GSA is for 20 years from the Gas Delivery Commencement Date which is due on January 17, 2026. As per the GSA, the Primary Term shall automatically be extended for a further period of five (5) years unless terminated by either party. On January 25, 2024, JGTDS communicated their intention not to extend the GSA beyond

the Primary Term. The Company has taken the communication by JGTDS with due importance and is presently working on it.

ii. Cross-Border Operations:

Cross-border activities, notably limestone sourcing from our Indian subsidiary, pose significant risks. Any disruption in supply threatens business continuity, necessitating strict legal compliance and community development initiatives.

iii. Market Dynamics in Bangladesh Cement Industry:

Bangladesh faces a surplus cement capacity market, yet new additions surpass demand, heightening market competition. Asian clinker availability directly impacts import prices, influencing Bangladesh's cement market and your Company's profitability.



Risk Management Overview

The Company's management is tasked with establishing a robust risk management framework. This entails developing standard procedures for risk identification, analysis and ongoing management to mitigate their impact. The organization confronts credit, liquidity and market risks.

contractual obligations. Primarily originating from receivables and current assets, the management individually assesses the creditworthiness of new customers, sets credit limits and periodically reviews them. Sales surpassing these limits necessitate approval from the appropriate authority level. Additionally, the Company secures bank guarantees from a substantial portion of both trade and non-trade customers.

1. Credit Risk

Credit risk represents potential financial losses arising if customers or counterparties fail to fulfill



2. Liquidity Risk

The Company faces the challenge of liquidity risk, impacting its ability to meet financial liabilities settled in cash or other financial assets. To counter this risk, the Company ensures sufficient liquidity to fulfill obligations under normal and stressed conditions without incurring unacceptable losses or damaging its reputation.

3. Market Risk

Market risk stems from fluctuations in market prices, encompassing foreign exchange rates and interest rates, affecting the Company's income or financial instrument values. Utilizing derivatives, the Company manages market risk, which includes:

- ▶ **Foreign Currency Risk:** Mitigated through hedging, particularly for transactions denominated in Euro, US Dollars, Swiss Franc and Indian Rupee.

- ▶ **Liquidity of Foreign Currency Risk:** LC opening with foreign currency is managed through opening various banks to ease the ongoing liquidity crisis.
- ▶ **Interest Rate Risk:** Ensuring exposures are maintained within acceptable parameters to optimize returns, affecting debts and short-term deposits.
- ▶ **Commodity Risk:** Managed via negotiation to minimize exposure to commodity price, quantity, and market cost fluctuations during procurement or sales.

By proactively addressing these risks, the Company strengthens its resilience and enhances its ability to navigate uncertainties in the business environment effectively.



Related Parties Transactions

Transactions with related parties, as per International Accounting Standard (IAS) 24, were conducted in the ordinary course of business. Details, including nature of related party, transaction nature and total value, are in Note No. 29 of the Consolidated Financial Statements.



Directors' Declaration to The Financial Statements

The Directors affirm the Company's status as a going concern, reflected in the Financial Statements. They assert:

- **Fair Presentation:** Financial Statements fairly represent the Company's state, operations, cash flows, and equity.
- **Proper Bookkeeping:** Accurate maintenance of Company books.
- **Consistent Accounting Policies:** Adherence to appropriate accounting policies and prudent judgment in estimates.
- **Compliance:** Adherence to International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS) with adequate disclosure of any deviations.
- **Effective Internal Control:** Implementation and monitoring of a sound internal control system.
- **Minority Shareholder Protection:** Assurance against abusive actions by controlling shareholders.
- **Financial Analysis:** Examination of financial indicators to ensure continued operation viability.
- **Going Concern Basis:** Adoption of going concern basis, with adequate resources for future operations.

Other disclosures include:

- **Dividend and Share Issuance:** No interim dividend in 2023, and no share issuance since Rights Share in 2011.
- **Director Remuneration:** No director remuneration for the year.
- **Financial Data:** Annex I details key financial data for the past five years and explains significant deviations.
- **Board Meetings:** Annex II discloses Board meeting details and attendance.
- **Shareholding Pattern:** Annex V presents the shareholding pattern.
- **CEO and CFO Declaration:** Annex VI includes the CEO and CFO's declaration per Corporate Governance Code requirements.
- **Management's Discussion and Analysis:** Annex VII features CEO-signed analysis of the Company's position, operations, and financial statement changes.



Research, Development and Innovation

Holcim and Cementos Molins Group's R&D aligns with customer needs, addressing contemporary challenges. Collaborating, our elite teams deliver innovative products, enhance energy efficiency and minimize environmental impact while maintaining high standards in aesthetics, health, comfort and well-being.



Internal Control System

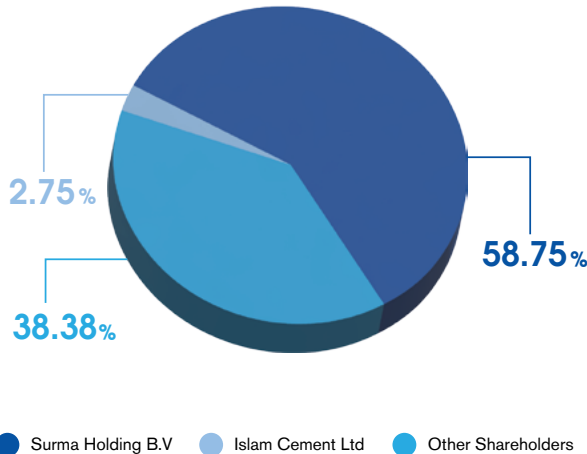
Well-documented policies, directives and operating standards undergo regular review. Implementation and compliance are monitored and reported to the Audit Committee.



Shareholders' Overview

Crafting A Symphony of Investments

Shareholder Composition Symphony



Further details regarding the shareholding pattern are attached to this report as Annexure V.

Surma Holding B.V.

Leads with 58.87%, showcasing significant presence and influence.

Surma Holding B.V. and Lafarge S.A.

Hold commanding shares, orchestrating 58.87% and 50% respectively, while Cemolins Internacional S.L.U. complements the harmony.

Islam Cement Ltd.

Contribute delicately, with 2.75%, adding elegance and strength to the shareholder ensemble.

Other Shareholders

Combine for 38.38%, highlighting diversity and collective strength within the investor community.



Building Progress: 60,000 employees focus on decarbonizing buildings and elevating global living standards, driven by innovative solutions like ECOPact and ECOPlanet.

Circular Solutions: Commits to recycling over 54 million tons of materials by 2021, with a target to double by 2030, aligning with 2050 net-zero objectives.

Net-Zero Targets and Green Building Solutions: Aims for 25% of ready-mix net sales from ECOPact, ensuring a 30% to 100% lower CO₂ footprint, aligning with 1.5°C targets.

Holcim's sustainability initiatives position it as a leader in sustainable building practices.



Founded in 1928 in Barcelona, Spain, Cementos Molins has over 90 years of cement manufacturing experience. It extends its industrial resonance globally through collaborations with Lafarge S.A., Cemolins Internacional S.L.U., Islam Cement Limited, and Sinha Fashions Limited. Each shareholder contributes to a legacy of progress, sustainability and global collaboration.



Board of Directors

a) Board composition

The Board comprises eleven (11) members, including three (3) Independents

b) Resignation of Director

Ms. Sonal Srivastava resigned, effective June 15, 2023, acknowledged for her contributions.

c) Director Appointment

Ms. Claudia Iris Albertini was nominated by Surma Holding B.V. on June 22, 2023, and officially appointed

d) Independent Directors

Mr. Rajiv Prasad Shaha's tenure extended for three (3) years, proposed for re-election at the AGM.

e) Recommendation for re-elections

Directors scheduled for retirement propose re-election:

- Mr. Christof Hässig
- Mr. Julio Rodriguez Izquierdo
- Ms. Claudia Iris Albertini

f) Governance Sub-Committees Overview

- Audit Committee:**
Ensures internal controls, accountability, and adherence to regulations set by BSEC.
- Nomination and Remuneration Committee (NRC):**
Defines principles for nomination and remuneration, shaping the governance framework.

g) Board and Sub-Committee Meetings

In 2023, the Board held five (5) meetings, the Audit Committee four (4), and the NRC one (1), mostly virtual, with detailed attendance records in Annex II.



Corporate Governance Compliance Statement

Our commitment to Corporate Governance excellence is evident in our adherence to BSEC Notification No. BSEC/CMRRC/2006-158/207/Admin/80. The 2023 Annual Report includes a dedicated section on Corporate Governance, featuring the Compliance Report and transparent disclosures. M/s Mohammad Sanallah & Associates, Chartered Secretaries & Management Consultants, provided the Certificate of Compliance, annexed as **Annex IX**, reinforcing our dedication to upholding the highest standards of corporate governance.



Auditors' Report

The Company's Statutory Auditors have submitted their report on the Consolidated Financial Statements to the Shareholders, included in the Annual Report

Statutory Auditors

As per Section 210 of the Companies Act, 1994, the Company's Statutory Auditors, M/s Nurul Faruk Hasan & Co., Chartered Accountants, will retire at the 26th Annual General Meeting. They are eligible for reappointment and have expressed their willingness to continue.

Corporate Governance Compliance Auditors

Annually, the Company obtains a compliance certificate from a Practicing Professional Accountant/Secretary (Chartered Accountant/Cost and Management Accountant/Chartered Secretary) regarding adherence to the Corporate Governance Code.

M/s Mohammad Sanallah & Associates, Chartered Secretaries & Management Consultants, will retire at the 26th Annual General Meeting. They are eligible for reappointment and have expressed their willingness to continue.



Unveiling Bangladesh's Economic Landscape:

Navigating Challenges and Charting Future Courses

Despite global uncertainties, Bangladesh has exhibited robust growth, propelled by a demographic dividend, strong RMG exports, and resilient remittance inflows. While the country rebounded swiftly post-COVID-19, impending challenges like import suppression measures may temper growth in FY24, though IMF projects a sustained 6% GDP growth.

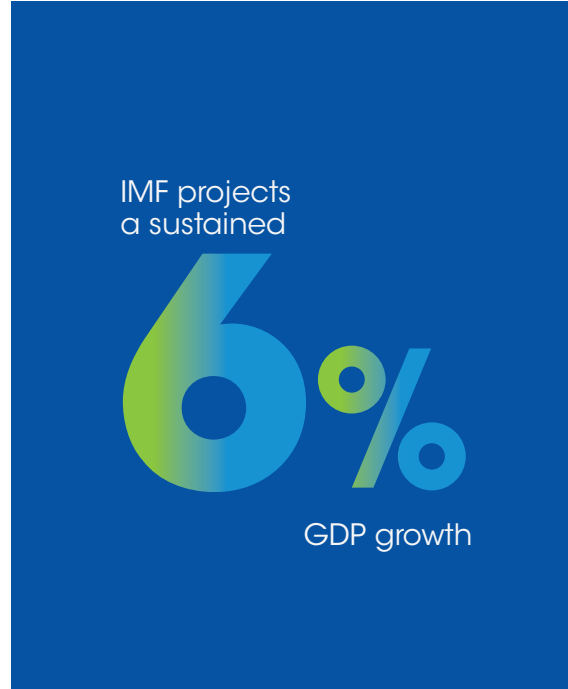
Navigating the Foreign Currency Crisis

With reserves dwindling and currency depreciating, Bangladesh faces credit rating downgrades and inflationary pressures. Increased costs, exacerbated by the war and conflict situations in Europe and Middle East, have strained economic activity, especially impacting industries reliant on imports like cement.

Cement Industry: Weathering the Storm

Escalating energy and raw material costs, coupled with currency depreciation, have inflated production expenses for cement manufacturers. Despite these challenges, fierce price competition and subdued demand from IHBs and real estate developers have added to industry woes.

While headwinds persist, resilience remains a hallmark of Bangladesh's economy, offering optimism for future growth and development.



Acknowledgements

With profound gratitude, the Directors extend heartfelt appreciation to the esteemed departments and offices of the Governments of Bangladesh, India, and Meghalaya for their guidance and collaborative spirit. We extend sincere thanks to our stakeholders – customers, dealers, vendors, banks, suppliers, and business partners – for their support, vital to our success.

We deeply appreciate the solidarity from the local communities surrounding the Surma Plant in Chhatak, Mongla Plant, Meghnaghat Plants, and the Quarry in Meghalaya.

A special acknowledgment is dedicated to our management and employees, whose dedication and perseverance have been played a key role in achieving outstanding results. This success is a testament to their enduring belief in tirelessly building a better Company each day.

Finally, heartfelt thanks to our shareholders, whose ongoing and invaluable support has been instrumental in our journey.

For and on behalf of the Board of Directors



Christof Hässig
Chairman

Date: March 25, 2024



Corporate Governance Statement

Welcome to a journey of transparency, responsibility, and excellence. The Board of Directors proudly unveils the Corporate Governance Report, aligning with the esteemed principles outlined in the Bangladesh Securities and Exchange Commission Notification on Corporate Governance, dated June 3, 2018 (the "Corporate Governance Code"). As stewards of integrity, we navigate the intricate landscape of corporate governance, offering a comprehensive overview for the year culminating on December 31, 2023. Embrace a narrative of ethical leadership and sustainable practices as we unveil the essence of our commitment to governance excellence.

LafargeHolcim Bangladesh Limited: Upholding Governance Excellence

Corporate Governance is at the heart of LafargeHolcim Bangladesh Limited's (the "Company") ethos since its inception. The Company asserts that robust Corporate Governance stems from applying optimal management practices, strict legal compliance, and upholding the highest standards of transparency and business ethics. The Company places immense emphasis on core values: employee empowerment, integrity, safety, transparent decision-making, fair dealings, environmental responsibility, and accountability to stakeholders.

With a history spanning over 27 years, the Company has consistently sustained itself with the utmost professionalism. Core principles form the foundation of its two-tier governance model, featuring the Board of

Directors and Board Committees at the apex, and the operational management structure. The Board and its Committees actively guide, support, and complement the management team's initiatives. This collaborative approach ensures accountability, the pursuit of set objectives, and value creation for all stakeholders.

The Company's governance is a meticulous three-tier pursuit involving Shareowners, the Board of Directors, and the Management Team, each with distinctly delineated areas of governance. This structure epitomizes a balanced 'corporate democracy,' highlighting LafargeHolcim Bangladesh's commitment to robust and ethical corporate governance practices.

Shareholders

The Board is composed of shareholders chosen during a meeting. They appoint directors, select auditors, approve financial statements, and ensure accountability for business conduct, with reports presented at the Annual General Meeting (AGM).

Board of Directors

The Board and its sub-committees adhere to specific responsibilities outlined in accordance with the law and the Company's Articles of Association. They delegate authorities, establish investment and business strategies, and oversee Executive Management based on their charter.

Management Team

The Executive Committee concentrates on day-to-day business affairs, ensuring strict compliance with local laws and associated rules. Operating strictly within mandated areas, they are accountable to the Board of Directors, who, in turn, report to shareholders. The Company's approach integrates shared stewardship and governance, aligning with global practices and corporate culture. This holistic strategy reinforces accountability, transparency, and strategic management within a comprehensive framework.

Corporate Governance Overview

A. Board Composition: Size And Composition Of The Board

The Company, under the vigilant oversight of the Board of Directors, is adeptly managed by eminent individuals committed to upholding robust Corporate Governance standards. This distinguished Board articulates corporate objectives, providing strategic guidance and autonomy to Management, fostering sustainable profitable growth. Emphasizing accountability, the Board aims for enduring, stakeholder-driven growth while establishing and ensuring compliance with corporate behavior standards and regulations.

Key Corporate Governance Code Mandates:

- I. Ensuring effective representation of Independent Directors on Boards, aligning with core competencies for each Company.
- II. Mandating a minimum of one-fifth (1/5) of the total Board directors to be Independent Directors.

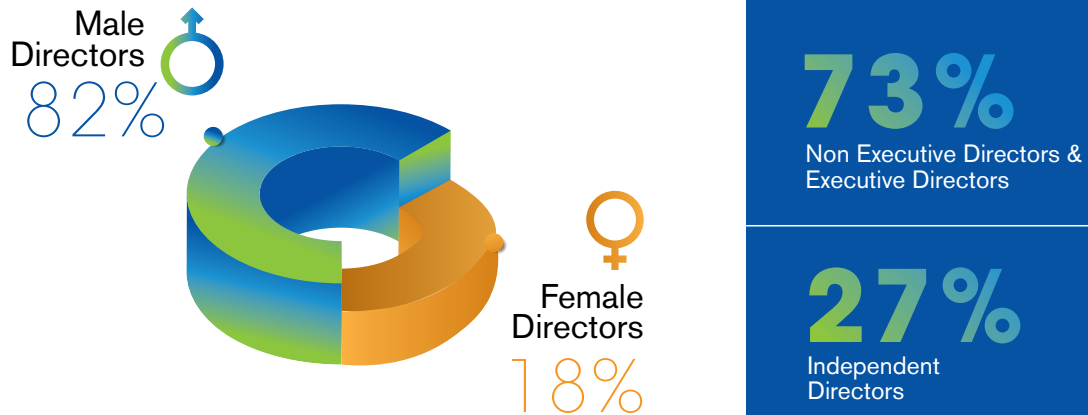
Snapshot of Board Composition as of December 31, 2023:

- Total Directors: 11
- Non-Executive Chairman: 1
- Independent Directors: 3
- Non-Executive Directors: 6
- Executive Director: 1 (Chief Executive Officer)

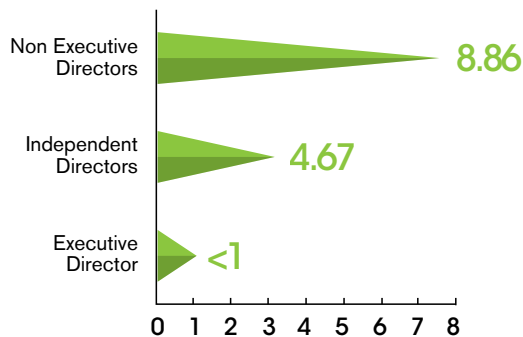
An Independent Director assumes the chair in each Board committee, overseeing critical functions such as the Audit Committee, and Nomination and Remuneration Committee.

The Board of Directors stands as the cornerstone, constantly nurturing and upholding the principles of good governance. Functioning as the highest governing body, it operates within the framework defined by the approved Memorandum & Articles of Association, as mandated by the shareholders.

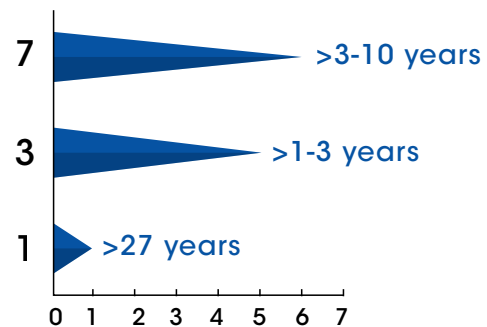
Size and Composition of the Board



Average Tenure (in years)



Tenure of Directors



Navigating the Role of the Board of Directors

Establishing Ethical Foundations: The Board of Directors acts as a trustee, dedicated to creating and preserving a corporate culture rooted in high ethical standards for the Management.

Guiding Strategy and Operations: In actively steering strategic direction, the Board closely monitors operational performance, ensuring the effective implementation of robust policies and procedures.

Fiduciary Commitment to Value: The Board embraces its fiduciary responsibility, aligning the Company's goals with shareholder value and fostering sustainable growth.

Risk Management and Compliance Oversight: Through specialized Committees, the Board assesses identified risks, ensuring integrity in accounting systems, financial reporting, internal controls, and compliance with relevant laws.

Strategic Decision-Making and Financial Oversight: The Board evaluates and approves financial results, annual statements, corporate strategies, business plans, and budgets. It establishes objectives, oversees

implementation, and manages significant capital expenditure.

Comprehensive Performance Monitoring: Proactively monitoring overall operations and HSE performance, the Board addresses various focal points, guiding Management toward enhanced accountability.

Establishing Corporate Standards and Transparency: Shaping corporate identity, the Board sets standards for corporate behavior and ensures transparency in all dealings.

Informed Decision-Making through Rigorous Agendas: Board Meetings feature meticulously prepared agendas, supported by pertinent information, documents, and presentations, fostering informed decision-making.

Compliance Reporting and Shareholder Communication: In adherence to corporate governance standards and legal requirements, the Board shares its Report with Shareholders, an integral part of the Annual Report 2023.

C. Responsibilities of the Board Leadership

i. Chairman of The Board of Directors

Leadership and Integrity: The Chairman leads the Board, fostering integrity and cultivating a harmonious culture for the Company's long-term benefit and Shareholder well-being.

Effective Governance: Providing leadership and governance, the Chairman presides over meetings, ensuring timely discussions on key issues for effective Company governance.

Relationships and Communication: Promoting effective relationships and open communication, the Chairman creates an environment for constructive debates, both within and outside the Boardroom.

Implementation of Strategies: Ensuring strategies and policies agreed upon by the Board are effectively executed by the Chief Executive Officer.

Board Meetings and Agendas: In consultation with the Chief Executive Officer and Company Secretary, the Chairman sets the Board meeting schedule and agenda, addressing crucial Company issues and Director concerns.

Corporate Governance Standards: Establishing robust corporate governance practices, the Chairman upholds the highest standards of integrity, probity, and corporate governance, especially at the Board level.

Collaboration with Committees: As a member of the Nomination and Remuneration Committee, the Chairman plans the Board's composition, directs inductions, develops Succession plans, leads the Board evaluation process, and engages with individual directors for constructive feedback and advice.

ii. Independent Directors

The Independent Directors play a crucial role in ensuring the Board's effectiveness and maintaining high-quality governance within the organization.

Board Composition and Appointment Process: In adherence to the notification, there are three (3) Independent Directors on the Company's Board. They are appointed by the Board and approved by Shareholders during the Annual General Meeting (AGM).

Term and Qualification Criteria: Independent Directors serve a 3-year term, extendable for 1 (one) term only. They are (i) not be subject to retirement 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)

Appointment and Compliance: In accordance with clause 3 of the Corporate Governance Code, the Board of Directors has appointed the CEO and CFO of the Company.

CEO's Executive Oversight: The CEO, serving as an Executive Director, oversees overall operational control and responsibilities for the day-to-day workings, aligning with the Articles of Association.

CFO's Financial Management: The CFO manages the Finance Department and reports to the CEO, holding no executive position in any other company simultaneously.

Strategic Direction and Policy: They provide strategic direction, establish policy guidelines, and ensure the implementation of decisions made by the Board of Directors and its various Committees, all operating under the superintendence, direction, and control of the Board of Directors.

Defined Roles and Responsibilities: The Board of Directors has clearly defined their roles, responsibilities, and duties.

CFO's Participation: The CFO actively attends the meetings of the Board of Directors.

iv. Company Secretary (CS) and Head of Internal Audit & Compliance (HIAC)

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

CS's Qualifications and Reporting Structure: The CS possesses the prescribed qualifications to fulfill the duties as a secretary under the Bangladesh Companies Act, 1994 (the "Act"). Functionally, the CS is responsible to the Chairman of the Board of Directors and administratively to the CEO.

Established Internal Audit Function: The Company has an established internal audit function that functionally reports to the Audit Committee, providing reasonable assurance that its key organizational and procedural controls are effective.

HIAC's Oversight and Responsibilities: The HIAC oversees and is responsible for the internal audit and compliance activities of the Company and its subsidiary companies. Additionally, the HIAC reports administratively to the CFO of the Company on the day-to-day activities of the internal audit function.

Executive Positions and Defined Roles: Both the CS and the HIAC do not hold any executive position in any other company simultaneously. The Board of Directors has clearly defined their respective roles, responsibilities, and duties.

Active Participation in Board Meetings: They actively attend the meetings of the Board of Directors.

Profiles and Remuneration

I. Director Profiles

The Board comprises highly esteemed professionals from diverse fields, collectively contributing a wealth of skills and experiences that significantly enhance the quality of the decision-making process. Detailed Director Profiles are provided in this Annual Report.

Distinctive Features 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 Corporate Governance Codes prescribed by Bangladesh Securities and Exchange Commission (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

As per the Articles, Independent and Non-Executive Directors receive no sitting fees or remuneration. The CEO, an Executive Director, receives compensation according to the terms and conditions of his employment contract. The Company facilitates travel arrangements for Directors attending Board meetings.

Board Meetings in 2023

In 2023, the Board conducted five (5) meetings, with four (4) held virtually and one (1) held physically. Meeting minutes are diligently recorded, and the Company maintains necessary books and registers in accordance with the Bangladesh Secretarial Standards (BSS) adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB), ensuring alignment with this Code's conditions.

Board Committees

Nurturing Excellence

In a commitment to enhance the seamless flow of information, promote effective governance, and streamline decision-making processes, the Board has established two (2) distinct sub-committees: the Audit Committee and the Nomination and Remuneration Committee. These Committees serve as pivotal pillars, facilitating the Board in efficiently fulfilling its responsibilities. Their paramount objective is to thoroughly review and assess specific areas, providing valuable advice and recommendations to the Board. Each Committee operates harmoniously within the framework of its meticulously approved terms of reference (ToR). The Board assumes the responsibility of appointing distinguished members and the Chairman of each Committee. The minutely recorded proceedings of Committee meetings are carefully presented for comprehensive review at the subsequent Board meeting of our esteemed Company, reflecting a commitment to transparency and excellence.

Board of Directors

Audit Committee	Nomination and Remuneration Committee
Formed in accordance to condition 5 of BSEC Corporate Governance Code.	Formed in accordance to Condition 6 of BSEC Corporate Governance Code.
Comprises 3 Non-Executive Directors.	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.
Chairman is an Independent Director.	

Audit Committee	Nomination and Remuneration Committee
The CFO, CEO, HIAC and representative of statutory Auditors are Invitees to the meetings.	Comprises 1 Independent Director and 2 Non-Executive Directors.
Company Secretary is the Secretary of the Committee.	Chairman is an Independent Director
All Members are 'Financially Literate' & able to analyze and interpret financial statements to effectively discharge their duties and responsibilities.	Company Secretary is the Secretary of the Committee.

The Annual Report includes the composition of the Audit Committee, details of members' participation in Committee meetings, and a report on the activities conducted by the Audit Committee as annexed III.

In compliance with clause 6(5)(c) of the Notification, the Annual Report also encompasses the Nomination and Remuneration Policy, along with the evaluation criteria and activities of the NRC throughout the year as annexed IV.

Performance Evaluation of the Board

The effectiveness of the Board, Independent Directors, and Chairman is vital for the Company's success. Following the Corporate Governance Code, the Company conducts annual formal assessment of the Board's operations. This evaluation, integral to the corporate governance framework, relies on criteria endorsed by the Nomination and Remuneration Committee and approved by the Board. Meticulously crafted questionnaires are employed to pinpoint significant issues for the Board, Independent Directors, and the Chairman, with the aim of identifying areas for improvement, as outlined below:

Board as a Whole	Independent Directors	Chairman Of Board
Board Composition and Quality	Integrity	Overall Management of Meetings
Board Meetings and Procedures	Implementing best CG practices	Approachableness
Execution and performance of specific duties from the point of view of the members of the Board	Unbiased & ethical judgment	Ability in handling critical situations
Assessment of the Secretarial Department	Independent Judgment - Board Deliberations	Openness to discuss difficult issues
	Updated with business of the Company	Encouragement of critical interventions of Board Members
	Acting in the interest of the Company, Shareholders & Employees	
	Confidentiality	
	Adherence to Code of Conduct	
	Negative press	



Outcome of Performance Evaluation

This report summarizes the recent performance evaluation, analyzing Directors' feedback and offering insights for the upcoming year.

Feedback Analysis: Presented to the Board, the report spurred a constructive dialogue, resulting in an action plan addressing identified areas of improvement.

Cohesive Board Dynamics: Highlighting cohesive operations, the Board engages effectively with diverse perspectives, showcasing strength in strategic decision-making.

Skills and Experience Balance: The positive review emphasizes a harmonious blend of skills, crucial for successful stakeholder goal delivery.

Dedication of Independent Directors: Acknowledging Independent Directors' diligence and commitment, contributing significantly to the corporate ethos.

Constructive Boardroom Behavior: The report underscores predominantly constructive behavior, reflecting strong confidence in leadership and fostering effective collaboration.

Effective Company Secretariat Department: The Company Secretariat Department's efficient functioning supports governance and facilitates communication.

Performance evaluation outcomes affirm the Board's strength, setting a foundation for continued success. The action plan guides upcoming strategic initiatives for sustained growth and excellence.

Succession Planning

Collaborating seamlessly, the Nomination and Remuneration Committee and Board ensure a strategic succession plan. The Company prioritizes a balanced mix of skills, fostering fresh perspectives while preserving continuity. Board members actively contribute diverse skills, bolstering the Company's strategic advancements.

Selection and appointment of new directors



Leadership Team - Executive Committee

Executive Excellence: Guiding Principles and Compliance

1. Leadership's Strategic Navigation:

The Executive Committee, integral to our Leadership Team, adeptly operates within the strategic policies delineated by the Board of Directors. The commitment propels the achievement of overarching business objectives, fostered through meticulous reviews, cross-functional dialogues, and proactive resolutions in regular meetings.

2. Subsidiary Stewardship:

Managing subsidiaries, Lafarge Umiam Mining Private Limited and Lum Mawshun Minerals Private Limited (collectively "Subsidiary Companies"), meticulous adherence to Clause 2 of the Notification is paramount. Scrutiny of Subsidiary Companies' affairs is methodically documented during Board Meetings. Subsequent reviews and evaluations by the Audit Committee in both Audit Committee and Board of Directors meetings reinforce transparency and accountability.

3. Financial Transparency Assurance:

The Audit Committee's scrupulous evaluation of Subsidiary Companies' Financial Statements underscores our commitment to financial transparency and accountability. This thorough review, conducted in both Audit Committee and Board of Directors meetings, ensures the establishment of a resilient financial framework.

4. Exemplary Controls and Compliance:

Demonstrating an impeccable record, the Company remains untarnished by strictures or penalties from Stock Exchanges, the Bangladesh Securities and Exchange Commission, or any statutory authority over the past three years. This affirms our dedication to ethical practices and compliance in the dynamic landscape of capital markets.

Ethics, Integrity, and Compliance: A Commitment to Excellence

In the pursuit of ethical business practices, the Company upholds commitment to the Code of Business Conduct (COBC). The COBC, mandatory for all employees and Directors, emphasizes workplace integrity, ethical conduct, diversity, fairness, and respect. To reinforce adherence, the COBC is communicated through regular workshops, face-to-face training, and annual e-learning courses. An annual declaration of compliance from both employees and Board Members further underscores their dedication. The COBC is readily accessible on the Company's website: <https://www.lafargeholcim.com.bd/code-conduct>.

Promoting Fair Competition Practices

In 2023, the Company conducted extensive training sessions targeting sales, procurement, and relevant functions, concentrating on fair competition practices. Both physical and virtual sessions delved into aspects of competition law, risk management, and behavioral considerations. To supplement this, an innovative General Pricing approval tool was introduced, ensuring alignment with The Competition Act 2012 and Fair Competition Directive.

Comprehensive Compliance Initiatives: Upholding Ethical Excellence

Embracing Best Practices in Corporate Governance: The Company's Corporate Governance philosophy surpasses mere legal obligations, emphasizing the adoption of best practices. This holistic approach is meticulously crafted to nurture high business ethics, effective supervision, and increased value for stakeholders. The Company has a compliance monitoring tool "The 6 Packs" for assessment of overall compliance effectiveness emphasizing on training, communication, due diligence of the third parties, risk assessment, internal audit and internal control across the organization.

Trainings: Awareness sessions on compliance requirements

Adherence to the compliance with laws, regulations and internal policies are the key to operate within the Company. Regular trainings are arranged on the compliance requirements of the country regulations and internal policies which help the employees to remain vigilant to the compliance requirements.

Communications to promote Compliance

Periodic communication to the employees for adherence to the compliance requirements is another instrument of the Company to promote compliance with utmost priority across the organization.

Strategic Initiatives for Ethical Business Conduct: Mitigating Risks through Third Party Due Diligence (TPDD)-

Demonstrating a robust commitment to compliance, strategic initiatives such as TPDD aim to mitigate potential risks before any transaction with the associated external parties.

Compliance Risk Assessment: Proactive approach to mitigate compliance risks

The annual Compliance Risk Assessment (CRA) as part of the Enterprise Risk Management is conducted with the objective to assess and mitigate the potential compliance risks to the Company. The compliance risk mitigation actions are quarterly monitored to ensure effective implementation of the action on due course.

Effective Internal Control System: MCS Implementation

The established internal controls (Minimum Control Standards of Holcim Group) are tested on periodic basis to give an assurance on effectiveness of the Company's Internal Control System (ICS) and if any deficiency found in ICS are remediated with immediate effect. This serves a testament to the Company's dedication to ensure robust internal controls on its business processes, operations, and safeguarding of the properties.

Internal Audit: Ensuring Ongoing Compliance

The Company has full-fledged Internal Audit team as the third line of defense to address the potential risks that might exist in the Company's operations, business policies and procedures and internal controls. Internal Audit ensures alignment with local laws and internal Company policies. Implementation of the internal audit recommendations is monitored as part of the 6 Packs compliance reporting. This holistic and ongoing approach solidifies the Company's commitment to ethical conduct and excellence in compliance.

Compliance with Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standard (BFRS), and Laws:

The Directors confirm meticulous preparation of financial statements in accordance with Bangladesh Accounting Standards and relevant regulations. A detailed account of diverse accounting standards implementation is available in the Directors' Report and accompanying financial statement notes.

Bangladesh Secretarial Standards (BSS) Compliance:

The Board and General Meetings of the Company, along with the subsequent preparation of minutes and other essential pre-meeting tasks such as serving notices, creating agendas, and passing resolutions, adhere meticulously to the Bangladesh Secretarial Standards (BSS) set by the Institute of Chartered Secretaries of Bangladesh (ICSB). These compliance measures are explicitly detailed and referenced in the Certificate of Compliance appended to this report.

Vigil Mechanism / Integrity Line Whistle-Blowing

Upholding Corporate Governance Standards: In 2021, the Company introduced the Integrity Line, a comprehensive ethics advice and reporting system. The 'Integrity Kiosk,' a virtual and physical one-stop service, ensures streamlined access to compliance-related documents nationwide. Addressing reported violations of COBC, policies, directives, or other breaches, the Integrity Line prioritizes strict confidentiality, providing a discrimination-free platform for genuine concerns.

Preventing Insider Trading: The Company's proactive approach is evident in the Insider Dealing and Share Transaction Restrictions Policy. Governing Price-Sensitive Information, disclosure of Insider Information,

and trading of Company Securities, this policy prohibits the purchase or sale of Company shares by Directors and related individuals during closed Trading Windows. A robust prevention mechanism is thus ensured for insider trading.

Navigating Transparency: An Overview of Communication Practices

A. i. Financial Reporting: Upholding Accountability Adherence to Standards: The financial reporting system is the cornerstone of a robust information structure, meticulously following procedures to comply with International/Bangladesh Financial Reporting Standards (IFRS/BFRS), the Companies Act 1994, the Securities and Exchange Rules 1987, and other relevant financial legislations.

Strategic Oversight: The Audit Committee regularly scrutinizes financial statements. Statutory auditors conduct a comprehensive review, aligning with local financial reporting policies and Company procedures, culminating in a final review and approval by the Board.

ii. Stakeholder Communication: Bridging Connections

Diverse Engagement Channels: Effective communication with stakeholders and investors utilizes various channels, including dissemination on Stock Exchanges' online portals, Press Releases, Annual Reports, and curated information on the Company's website.

Timely Announcements: Unaudited quarterly results (both standalone and consolidated) are promptly announced within specific timelines, meeting Listing Regulations. Rapid dissemination to Stock Exchanges within two hours of the Board Meeting is followed by publication in prominent national dailies and online platforms.

iii. Annual Report and Accessibility: Empowering Shareholders

Holistic Information Access: Audited financial statements seamlessly integrate into the Annual Report, distributed to Members well within the statutory period preceding the Annual General Meeting.

Digital Facilitation: The Company's website (<https://www.lafargeholcim.com.bd/>) serves as a central hub for the Annual Report, quarterly/half-yearly results, audited financial statements, and press releases, facilitating effortless downloads for stakeholders.

iv. Stock Exchange Disclosures: Transparent Engagement

Regulatory Compliance: The Company diligently discloses necessary information for Stock

Exchanges, including material details affecting performance/operations or price sensitivity. All disclosures are electronically filed on Dhaka and Chittagong exchanges' online portals.

Board Determination: Materiality for disclosure to Stock Exchanges is a strategic decision made by the Board of Directors.

Centralized Repository: All Stock Exchange disclosures are consolidated and accessible on the Company's website through the dedicated link: (<https://www.lafargeholcim.com.bd/financial-reports>). This centralized repository enhances transparency and accessibility for stakeholders.

B. Prioritizing Employee Well-being: Comprehensive Health, Safety and Environment (HSE)

Dedicated to corporate best practices, our Company maintains meticulous HSE measures in line with local regulations, ensuring a secure work environment. Employee well-being is paramount, driving continuous improvement and strict adherence to HSE standards through active collaboration. The Company reaffirms this commitment by providing comprehensive life and hospitalization insurance coverage to all permanent employees, emphasizing their welfare and security.

C. Upholding Transparency and Security in Asset and Records Management

In its commitment to safeguarding investors' funds, the Board meticulously oversees the protection of Company records, documents, and assets. Prioritizing transparency and accountability throughout the asset life cycle, from acquisition to disposal, the Board ensures alignment with investors' interests. Rigorous safety and security measures, coupled with periodic checks and physical verification, guarantee the integrity of Company assets. A thorough verification process ensures the accuracy of the asset inventory against the physical situation. All assets receive proper insurance coverage from reputable Companies, safeguarding against fire and industrial risks. The systematic preservation of Company records ensures efficient and timely retrieval when needed.

D. Fostering Shareholder Returns through Strategic Dividend Practices

Amid strategic dividend practices, LafargeHolcim Bangladesh Limited prioritizes shareholder returns with a comprehensive approach.

Annual Dividend Exercises: A Board Commitment
The Board consistently reviews and evaluates the divisibility and payout of dividends on an annual basis. This commitment underscores the importance of prioritizing shareholders' entitlements.

Allocation Strategy: Guiding Fund Provisioning and Distribution

A well-defined allocation strategy serves as a guiding force, directing fund provisioning, appropriation, and distribution. This strategic approach takes into account business performance, long-term obligations, and various factors influencing effective fund management.

Long-Term Dividend Policy: A Commitment to Shareholder Benefit

The Board is dedicated to framing a long-term, predictable, and sustainable dividend policy. This commitment is aimed at ensuring the utmost benefit for shareholders, fostering stability and predictability.

Regulatory Adherence: Secure Handling of Declared and Unclaimed Dividends

Stringent adherence to regulatory guidelines ensures the secure handling of declared dividends, with a separate account for their storage. Additionally, unclaimed dividends receive meticulous treatment to maintain compliance.

Transparent Investment Environment for Shareholders

LafargeHolcim Bangladesh Limited, as a listed entity, upholds complete transparency. This status provides shareholders with a transparent investment environment, empowering them with well-informed choices.

Summary of Unclaimed Dividends: Insightful Disclosures

The Directors' Report and 'notes to the annual accounts' include a detailed summary of unclaimed dividends, offering valuable insights and information for stakeholders.

E. Efficient Cash Dividend Disbursement

- 1. Direct Payments for Timely Crediting:** Cash dividends efficiently credited directly to bank accounts within 15 days.
- 2. AGM Approval: 30-Day Disbursement Period:** Dividends disbursed within 30 days from shareholder approval at the AGM.
- 3. Interim Dividends: Board-Approved Flexibility:** Disbursement linked to Board approval for interim dividends, maintaining regulatory compliance.
- 4. Regulatory Adherence:** BSEC, Bangladesh Bank Guidelines: Strict adherence to BSEC, Bangladesh Bank, and other regulatory directives ensures process compliance.

F. Streamlining Unsettled Dividend Disbursement

- 1. Timely Disbursement for Recent Dividends:** Dividends unclaimed or unpaid for less than three years disbursed upon shareholder application within a set timeframe.
- 2. Adherence to Regulatory Guidance for Aged Dividends:** Settlement of dividends, exceeding three years, follows instructions from BSEC or relevant regulatory authorities, ensuring compliance and transparency.

Advocating Transparency and Accountability in Auditor Appointments

- i. Empowering Shareholders for Strategic Auditor Appointments: The Audit Committee recommends, and the Board approves, the Statutory Auditor's appointment shaped by shareholders at the Annual General Meeting, enhancing transparency through active shareholder involvement in determining remuneration.
- ii. Adhering to Compliance and Governance Standards: Adherence to regulatory guidelines, including the BSEC Notification on financial reporting and disclosure (dated June 20, 2018), and Dhaka Stock Exchange (Listing) Regulations, 2015 (dated June 30, 2015), limits statutory auditors to three consecutive years, reinforcing governance and compliance.
- iii. Ensuring Independence and Accuracy through Rigorous Oversight: Regular meetings between the Audit Committee and Statutory Auditors foster independent actions, nurturing a commitment to accountability. Financial statement reviews precede Board submission, emphasizing accuracy and reliability.
- iv. Meticulous Adherence to Stringent Auditing Standards: Financial Statements undergo meticulous scrutiny by M/s Nurul Faruk Hasan & Co., Chartered Accountants, maintaining unwavering adherence to stringent standards, ensuring a comprehensive and reliable financial overview, upholding transparency and accountability.

Executive Statement on Corporate Governance Compliance

Our commitment to robust corporate governance is demonstrated through our annual compliance. Certified by experienced professionals, including Chartered Accountants, Cost and Management Accountants, and Chartered Secretaries, the adherence to the Corporate Governance Code is shared with shareholders in our Annual Report. The esteemed M/s. Mohammad Sanullah & Associates, Chartered Secretaries & Management Consultants, issues this certification, a testament to our dedication to best practices (Annexed IX). The status of our compliance is transparently outlined in the attached checklist appended ensuring accountability and transparency in our corporate operations (Annexed X).

Commitment to the Excellence: Pioneering Effective Governance for Corporate Triumph

In the dynamic landscape of business, our Company stands as a beacon of effective governance, seamlessly unifying all functions and employees in the pursuit of corporate excellence. With a resolute commitment to transparency and accountability, we've crafted an unparalleled governance regime that ensures professional, effective, and responsible business management. Recognizing sound governance practices as a cornerstone, we guarantee transparency, ethical conduct, and legal compliance while upholding accountability. Our dedication to maintaining good corporate governance underscores our promise to consistently work in the best interests of shareholders and all stakeholder groups. Join us on the journey to triumph through commitment and pioneering governance.

Credit Rating Report

CRISL

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@crisibd.com, Web : www.crisibd.com

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

Setting global standard at national level

March 19, 2024

CRISL/Com/ 1197 /24

Managing Director
LafargeHolcim Bangladesh Limited
NinaKabbo, Level-7, 227/A, Bir Uttam Mir Shawkat Sarak,
Tejgaon, Dhaka -1208, Bangladesh
Fax: +880(2)222286394
Email: akalam.azad@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 19.03.2024 in consideration of its audited financials up to 31st December, 2023 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
AAA	ST-1	Stable	19.03.2024	18.03.2025

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

Summary of Key Operating and Financial Consolidated Data of Preceding Five (5) Years:

Taka in Million

Particulars	2023	2022	2021	2020	2019
Revenue	28,388	23,594	20,534	16,222	17,840
Gross Profit	10,269	8,334	6,640	4,606	4,532
Operating profit	7,758	5,970	4,840	2,954	2,921
Profit before tax	7,716	5,744	4,828	2,849	2,681
Profit for the year	5,942	4,445	3,882	2,361	1,737
Property, plant and equipment	17,073	17,600	16,384	16,675	16,531
Goodwill	318	318	318	318	318
Intangible assets	589	603	2,210	2,293	2,520
Current assets	18,216	10,450	10,710	6,933	7,414
Share capital	11,614	11,614	11,614	11,614	11,614
Retained earnings	10,072	5,872	8,163	5,442	4,242
Shareholders' equity-Parent company	22,227	17,711	19,794	17,289	16,199
Non-controlling interests	(0.53)	(0.18)	(0.21)	(0.17)	(0.13)
Equity	22,226	17,710	19,794	17,289	16,199
Current liabilities	11,847	8,917	7,153	5,941	7,243

Taka in BDT

Particulars	2023	2022	2021	2020	2019
Net asset value per share	19.14	15.25	17.04	14.89	13.95
Net operating cash flow per share	6.83	5.76	5.23	3.91	3.52
Earnings per share	5.12	3.83	3.34	2.03	1.50

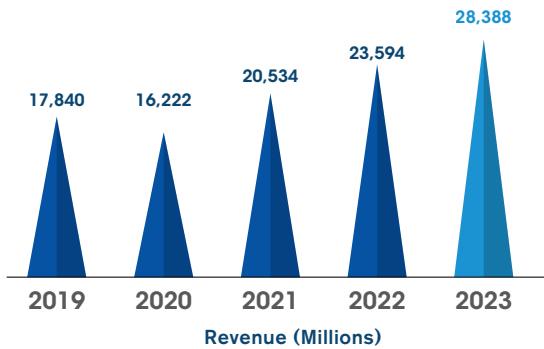
Discussion on Cost of Goods Sold, Gross Profit Margin and Net Profit Margin:

The year 2023 was plagued by global uncertainty. War in Europe, economic downturn in western countries and dollar crisis in many developing countries made people wary and slowed down the global economy. The situation in Bangladesh was further worsened by flooding and political uncertainty as the parliamentary election drew near.

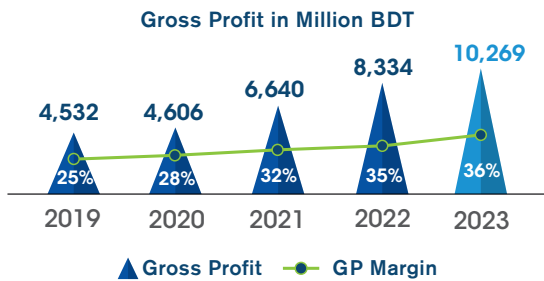
Significant devaluation of the local currency made imported raw materials on which the cement industry is dependent far more expensive, while dollar scarcity in the economy also made it difficult to pay for imports and secure raw materials on time. To add to this increases in the price of fuel and power further increased the costs of production and distribution.

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, and increasing its TSR up to 9.45%. 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.

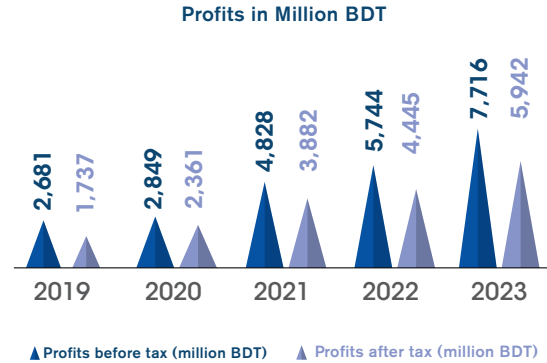
Total Revenue of 2023 were BDT 28,388 million; out of these, Cement Business was BDT 24,348 million (2022: BDT 21,299 million) and Aggregate Business BDT 4,039 million (2022: BDT 2,295 million), with total 20% growth over 2022. However, profit before tax grew by 34% with hard work and dedication by its employees and management.



The Gross Profit Margin was improved to 36.2%. The Earnings Per Share (EPS) of the Company increased by 34% and stood at Tk. 5.12 in 2023 whereas it was Tk. 3.83 in 2022.



Explanation on significant deviation from the last year's operating results:



Thanks to new business of Aggregates, increasing TSR percentage of 9.45%, aggressive cost challenges for production and logistic operations, lower finance cost helped to achieve 34% Earnings Per Share (EPS) growth in 2023 over 2022. 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:

Taka in mBDT

SI	Items	2023	2022	2021
A	Revenue			
i	Amount (in Million BDT)	28,388	23,594	20,534
ii	Change in Percentage	20%	15%	27%
B	Gross Profit			
i	Amount (in Million BDT)	10,269	8,334	6,640
ii	Change in Percentage	23%	26%	44%
C	Operating profit			
i	Amount (in Million BDT)	7,758	5,970	4,840
ii	Change in Percentage	30%	23%	64%
D	Earnings per Share			
i	Amount (in Million BDT)	5.12	3.83	3.34
ii	Change in Percentage	34%	14%	64%

Annexure II

[As per condition No. 1(5)(xxii)]

Summary of Board Meetings Conducted and Attendance Throughout The Year:

The scheduled dates for the Board Meetings	Total Strength of the Board	No of Directors Present
February 14, 2023	12	10
March 2, 2023	12	10
May 8, 2023	11	09
July 19, 2023	11	09
October 30, 2023	11	09

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 May 9, 2023
	February 14, 2023	March 2, 2023	May 8, 2023	July 19, 2023	October 30, 2023	
Mr. Christof Hässig	✓	✓	✓	✓	✓	✓
Mr. Rajesh Kumar Surana	✓	Resigned				
Mr. Mohammad Iqbal Chowdhury	-	✓	✓	✓	✓	✓
Mr. Martin Kriegner	✓	✓	✓	✓	✓	Not present
Mr. Julio Rodriguez Izquierdo	✓	Leave of absence	Leave of absence	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	✓
Ms. Naheed Akhter	Leave of absence	Leave of absence	Resigned			
Mr. Syed Mahmudul Huq	✓	✓	✓	✓	✓	✓
Mr. Jorge Bonnin Bioslada	✓	✓	✓	✓	✓	✓
Ms. Sonal Shrivastava	✓	✓	✓	Resigned		Not present
Ms. Claudia Iris Albertini	-	-	-	✓	✓	Not applicable
Dr. Rubana Huq	✓	✓	Leave of absence	✓	Leave of absence	✓

As of December 31, 2023, The Audit Committee's Composition and The Participation Details of its Members in Committee Meetings Are Outlined Below:

Name of Member	Category	Attendance at the Audit Committee Meeting Held on			
		March 1, 2023	April 27, 2023	July 17, 2023	October 26, 2023
Mr. Rajiv Prasad Shaha	Independent Director & Chairman	✓	✓	✓	✓
Mr. Jorge Bonnin Bioslada	Non Executive Director, Member	✓	✓	✓	✓
Ms. Sonal Shrivatava	Non Executive Director, Member	✓	✓	Resigned	
Ms. Claudia Iris Albertini	Non Executive Director, Member	-	-	✓	✓

As of December 31, 2023, The Nomination and Remuneration Committee (NRC)'S Composition and The Participation Details of its Members in Committee Meetings are Outlined Below:

Name of Member	Category	Attendance at the NRC Meeting
		March 1, 2023
Dr. Rubana Huq	Independent Director & Chairperson	✓
Mr. Christof Hässig	Non Executive Director, Member	✓
Mr. Julio Rodriguez Izquierdo	Non Executive Director, Member	✓

Audit Committee Report

To the Board for the Year Ended December 31, 2023

To The Board of Directors,
LafargeHolcim Bangladesh Limited

In the spirit of elegance, the Audit Committee joyfully presents its report to the esteemed Board of Directors at LafargeHolcim Bangladesh Limited (the "Company"). This submission aligns gracefully with Condition No. 5(6)(a) of the Corporate Governance Code, a testament to the Committee's commitment, as outlined by the Bangladesh Securities & Exchange Commission in its Notification dated June 3, 2018.

Elegant Audit Committee Composition

The Audit Committee, harmonizing expertise, features three distinguished Non-Executive Directors, guided by an Independent Chairman. The Company Secretary adeptly assumes the Committee's Secretary role, ensuring administrative harmony with finesse.

Chairman
Mr. Rajiv Prasad Shaha
Independent Director

Member
Ms. Claudia Iris Albertini
Non Executive Director

Member
Mr. Jorge Bonnin Boislada
Non Executive Director

Secretary
Mr. Kazi Mizanur Rahman
Company Secretary

All Audit Committee members possess the requisite qualifications as defined in the Corporate Governance Code.

Scope and Authority of the Audit Committee

The main purpose of the Audit Committee is to support the Board of Directors in addressing four issues, outlined in the following 4-step chart:



Graceful Audit Committee Terms

In its refined Terms of Reference, the Audit Committee holds the Board's endorsement for unrestricted access to business intricacies. Directors, the management team, and employees are expected to collaborate seamlessly with the esteemed Committee. These distinguished terms may be artfully adjusted to meet business needs, aligning with the Corporate Governance Code, and garnering discerning approval from the Board of Directors.

Harmonious Duties of the Audit Committee

In accordance with the Corporate Governance Code and the Company's Audit Charter, the Audit Committee's authority, composition, duties, and responsibilities are meticulously outlined. Delve into the graceful presentation of its key responsibilities showcased within the following elegantly crafted textboxes.

01

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.

02

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.

04

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.

03

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 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.

05

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.

06

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;
 - 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.

08

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.

07

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.

2023 Audit Committee: Virtual Sessions and Collaboration

In the refined year of 2023, the Audit Committee gracefully convened four virtual sessions, adhering to the esteemed Bangladesh Securities and Exchange Commission's (BSEC) Order No. SEC/SRMIC/04-231/932 dated March 24, 2020. Esteemed invitees included the Chief Executive Officer (CEO), Chief Financial Officer (CFO), and Head of Internal Audit & Compliance (HIAC). As an annual tradition, the Audit Committee seamlessly collaborated with statutory auditors, delving into discussions on financial reporting and the management letter delicately addressing internal control weaknesses. Explore intricate attendance details for each Committee member in the 2023 Annual Report.

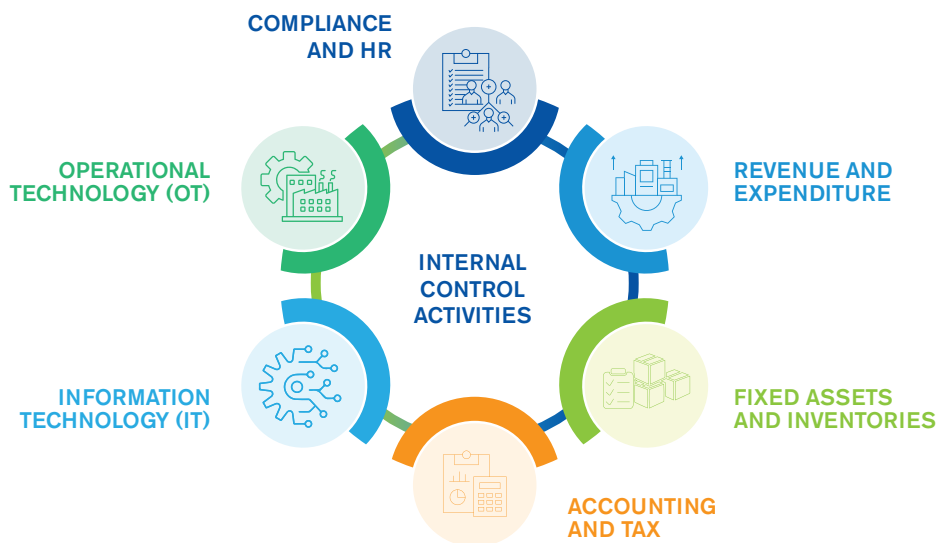
Major Activities in 2023

The Audit Committee diligently executed its responsibilities and duties, aligning with the Terms of Reference. The following activities transpired during the financial year concluding on December 31, 2023:

Financial Reporting	<ul style="list-style-type: none"> i. Evaluated 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. ii. Concluded that the financial statements portrayed 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"> i. Monitored the Business Risk Management Framework closely. ii. Reviewed the progress of implementing minimum control standards, annual financial certifications, governance, compliance within the organization, and communication to promote a speak-up culture for ethics, integrity, and the Code of Business Conduct. iii. Reviewed the report on compliance with conditions of the Corporate Governance Code. iv. Ensured internal Policies, Directives, and Standards were in place, and compliance related to laws and regulations was well-monitored. v. 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"> i. Assessed the adequacy of Internal Audit activities conducted during the year. ii. Reviewed Internal Audit Reports and monitored the implementation of Audit recommendations to enhance the Internal Control Environment. iii. Approved the annual internal audit plan 2023 and resource allocation for Internal Audit Services. iv. Ensured thorough review and follow-up on all audit recommendations for effective internal control and compliance.
External Audit	<ul style="list-style-type: none"> i. Appraised the external auditor's audit plan, nature, and scope, audit report, and overall performance for the year 2023. ii. Reviewed comments and responses in Management Letters issued by the statutory auditors for 2023.
Related Party Transactions	<ul style="list-style-type: none"> i. Examined reports on related party transactions, detailing amounts, nature, and bases, and addressing conflict of interest situations to ensure arm's length transactions consistent with the Company's normal course of action.
Subsidiary of the Company	<ul style="list-style-type: none"> i. Reviewed financial statements of subsidiary companies. ii. Examined capital investments made by subsidiary companies

Internal Control Activities in 2023:

The Internal Control function carried out the design, implementation, and testing of internal control systems (ICS) in accordance with the Minimum Control Standards (MCS) framework of the Group. It conducted a risk analysis for the controls and prioritized necessary measures related to activities. Special attention was dedicated to the MCS, covering the following areas and processes outlined below:



Navigating 2023: Unveiling Strategic Risks with Dynamic Enterprise Risk Management (ERM)

The Risk Management process in 2023 employs various coordinated approaches, encompassing both bottom-up and top-down risk assessments. It addresses all strategic pillars, financial and non-financial targets, and remains subject to continuous improvement. Consistent with previous years, the Company conducted the Enterprise Risk Management (ERM) exercise in 2023. A thorough update and analysis of the Country Risk map were performed during the year, and the findings were submitted to and reviewed by the Audit Committee.

The comprehensive risk spectrum spans market, operations, finance, legal, environmental, and sustainability aspects, along with external risk factors in the business environment. This evaluation includes compliance, information technology, and reputational risks. Key risks undergo in-depth analysis concerning their causes, and management defines risk-mitigating actions. The process also incorporates risk transfer through insurance solutions, and the Internal Control system plays an integral role in the overall risk management process.

Recommendations

The Audit Committee regularly presents its recommendations to the Executive Committee and Board of Directors for required action.

Reporting to Esteemed Shareholders and Investors

Following a thorough review of the year's activities and a meticulous assessment of the internal control system's effectiveness, the Audit Committee is pleased to affirm the presence of robust controls, procedures, and risk management systems. These measures are thoughtfully implemented to provide reasonable safeguards. Furthermore, the Committee holds the belief that the financial position of the Company is adeptly managed.

Key matters deliberated upon during Committee meetings are diligently communicated to the Board after each scheduled session. This commitment to transparent communication will endure, ensuring that any noteworthy issues receive due consideration and are appropriately addressed.

With utmost regards,

Rajiv Prasad Shaha
Independent Director
Chairman, Audit Committee

Date: February 29, 2024

Elegant Report of The Nomination & Remuneration Committee - 2023

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

Functioning as a distinguished sub-committee of the esteemed Board of Directors, the NRC holds itself accountable to the highest standards. It assumes a key role in supporting the Board of Directors by crafting nomination criteria and policies that delineate qualifications, positive attributes, experiences, and independence for directors and top-level executives (TLE). Furthermore, the NRC actively participates in the establishment of a comprehensive policy governing the formal process of deliberating remuneration for directors and TLEs, ensuring a harmonious and well-considered approach.

Composition of the NRC

In compliance with the BSEC Notification requirements, the Board of Directors appoints all members of the NRC. The NRC consists of three (3) non-executive directors, with the Chairman being an Independent Director. The Company Secretary serves as the Secretary of the NRC.

Chairperson
Dr. Rubana Huq
Independent Director

Member
Mr. Christof Hässig
Non Executive Director

Member
Mr. Julio Rodriguez Izquierdo
Non Executive Director

Secretary
Mr. Kazi Mizanur Rahman
Company Secretary

During 2023, the Nomination and Remuneration Committee recommended, and subsequently, the Board of Directors of LafargeHolcim Bangladesh Limited approved the reappointment of Mr. Rajiv Prasad Shaha as an Independent Director. This reappointment is effective from January 26, 2024, for a term of three (3) years, concluding on January 25, 2027, as per the Resolution dated October 19, 2023.

The Bangladesh Securities and Exchange Commission (BSEC) has also granted approval for Mr. Rajiv Prasad Shaha's reappointment, in accordance with condition No. 1(2)(c) of the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 3, 2018.

During the year under review, the NRC conducted the following functions

- Evaluated the mix and composition of the Board and Committees of the Company and its Subsidiaries.
- Assessed the background qualifications, positive attributes and level of independence of the directors on the Board of the Company and its Subsidiaries.
- Examined the report related to Independent Directors submitted to the regulatory authority.
- Scrutinized the frequency of Committee meetings throughout the year.

Terms of Reference

The Board of Directors has defined the terms of reference for the NRC in alignment with the BSEC Notification. The NRC is tasked with overseeing various responsibilities and presenting a comprehensive report with recommendations to the Board of Directors:

- Formulating criteria to assess the qualifications, positive attributes and independence of directors, along with recommending a policy to the Board pertaining to the remuneration of directors and top-level executives.
- Crafting a policy on Board diversity, considering factors such as age, gender, experience, ethnicity, educational background, and nationality.
- Identifying individuals with the qualifications to become directors and those suitable for top-level executive positions, following established criteria, and proposing their appointment or removal to the Board.
- Establishing criteria to evaluate the performance of independent directors and the overall Board.
- Identifying the Company's staffing needs at various levels and determining criteria for selection, transfer, replacement, and promotion.
- Developing, recommending, and annually reviewing the Company's human resources and training policies.

NRC Meeting

As stipulated by the BSEC Notification requirements, the NRC is obligated to hold a minimum of one (1) meeting annually. In 2023, the NRC convened on March 1, 2023. However, the NRC passed five (5) resolutions through correspondence, which were subsequently ratified in the ensuing NRC meeting in 2024.

Throughout the reviewed year, the NRC engaged in the following activities:

- a. Provided recommendations for directors liable to retire by rotation at the 25th Annual General Meeting of the Company.
- b. Identified and recommended potential individuals to the Board to fill one (1) casual vacancy resulting from resignations/end of term of directors, adhering to the criteria formulated by the NRC pursuant to Condition No. 6(5)(b)(iii) of the BSEC Notification.
- c. Identified and recommended potential individuals to the Company to fill six (6) vacancies resulting from changes to Top Level Executives, following the criteria formulated by the NRC pursuant to Condition No. 6(5)(b)(iii) of the BSEC Notification.
- d. Formulated and approved a plan for 2023 to meet the requirements and evaluations specified in Clause 6(5) (b) of the BSEC Notification.

Nomination And Remuneration Policy

Enclosure A of this report contains the NRC's policy.

The NRC extends sincere gratitude to the members of the Board of Directors and the Company's management for their exceptional support and cooperation.



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

Date: February 29, 2024

■ Enclosure A

Nomination and Remuneration Committee Policy

1. Purpose

- a. The Nomination and Remuneration Committee (NRC) serves as a subcommittee of the Board of Directors ("the Board") of LafargeHolcim Bangladesh Limited (the "Company").
- b. This policy is designed to precisely outline the authority delegated to the NRC by the Company's Board. It further delineates the role, responsibilities, membership and operations of the NRC in alignment with the Corporate Governance Code, as notified by the Bangladesh Securities & Exchange Commission through a notification dated June 3, 2018 (the "CG code").
- c. The NRC is committed to maintaining independence and being accountable to both the Board and the Shareholders of the Company.

2. Responsibility to The Board of Directors

- a. The Company will establish the NRC as a subcommittee of the Board.
- b. The NRC will assist the Board in formulating nomination criteria or policies to determine the

- c. qualifications, positive attributes, experiences and independence of directors and top-level executives. Additionally, it will contribute to developing a policy for the formal process of considering remuneration for directors and top-level executives.
- c. The Terms of Reference (ToR) of the NRC align with condition No. 6(5)(b) of the CG code.

3. Constitution of The NRC

- a. The NRC, a body of at least three (3) members, including an independent director, exudes a commitment to excellence.
- b. Its members, all non-executive directors, are carefully selected and appointed by the Board.
- c. The Board wields the authority to both remove and appoint any NRC member.
- d. In times of transition, be it through death, resignation, disqualification, or removal, the Board promptly fills any vacancy within 180 (one hundred eighty) days, ensuring a seamless and robust NRC.
- e. The Chairperson of the NRC, recognizing the value of external expertise, is empowered to appoint or co-opt advisors from among external experts and/

- or staff members. These advisors, although non-voting, contribute valuable insights that elevate the NRC's effectiveness.
- f. Guiding the proceedings, the Company Secretary serves as the meticulous secretary of the NRC, ensuring the seamless flow of information.
 - g. The quorum of the NRC meeting is thoughtfully crafted, requiring the presence of at least one independent director to enrich the discussions.
 - h. As a testament to dedication and ethics, no member of the NRC receives, either directly or indirectly, any remuneration for advisory or consultancy roles. Instead, their service is honored through Director's fees or honorarium from the Company.

4. Chairperson of The NRC

- a. The Board will meticulously select a distinguished member from the NRC to assume the role of Chairperson, a position reserved for an independent director of notable standing.
- b. In the rare instance of the Chairperson's unavailability, the remaining esteemed members possess the authority to elect a temporary Chairperson for the specific meeting. The details surrounding the absence of the regular Chairperson shall be gracefully documented in the minutes.
- c. Mandated by responsibility, the Chairperson of the NRC is obligated to grace the Annual General Meeting (AGM) with their presence, addressing queries from valued shareholders.
- d. Should the Chairperson be unable to attend the AGM, the NRC will delicately appoint another esteemed member to represent and respond to shareholder queries. The rationale behind the Chairperson's absence shall be elegantly inscribed in the AGM minutes, preserving the transparency of proceedings.

5. Meeting of The NRC

- a. It is incumbent upon the NRC to host a minimum of one meeting per financial year.
- b. The Chairperson of the NRC holds the authority to convene an emergency meeting upon the request of any esteemed NRC member.
- c. The quorum for an NRC meeting shall be established in the presence of either two members or two-thirds of the NRC members, whichever is higher.
- d. The attendance of an independent director is deemed obligatory, in accordance with condition 6(2)(h) of the CG code. The proceedings of each NRC meeting shall be meticulously documented in the minutes, and these minutes will be confirmed during the subsequent NRC meeting, ensuring a harmonious and informed continuity.

6. Terms of Reference

- a. The NRC embraces its role as an independent body, held accountable not only to the Board but also to the esteemed Shareholders.
- b. In its oversight capacity, the NRC diligently handles various matters, delivering comprehensive reports with insightful recommendations to the Board:
 1. Meticulously formulating criteria for determining qualifications, positive attributes, and the independence of a director. Additionally, the NRC recommends a nuanced policy to the Board concerning the remuneration of directors and top-level executives. This involves:
 - Ensuring the level and composition of remuneration are not only reasonable but also sufficient to attract, retain, and motivate directors for the successful management of the Company.
 - Clarifying the relationship between remuneration and performance, meeting appropriate benchmarks.
 - Striking a delicate balance in remuneration to directors and top-level executives, encompassing both fixed and incentive pay. This approach reflects short and long-term performance objectives intricately aligned with the Company's overarching goals.
 2. Artfully devising a policy on Board diversity, taking into account age, gender, experience, ethnicity, educational background and nationality.
 3. Astutely identifying qualified individuals for director positions and top-level executive roles based on well-established criteria. The NRC conscientiously recommends their appointment and removal to the Board.
 4. Thoughtfully formulating criteria for the evaluation of the performance of independent directors and the Board.
 5. Discerningly identifying the Company's employment needs at various levels, determining selection, transfer, replacement, and promotion criteria. The NRC actively engages in developing, recommending, and annually reviewing the Company's human resources and training policies.
- c. The Company, in a spirit of transparency and openness, commits to disclosing the nomination and remuneration policy. Additionally, it pledges to provide insights into the evaluation criteria and activities of the NRC throughout the year, elegantly summarized in its annual report.



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

The Pattern of Shareholding

A. Details of parent/subsidiary/associated companies and other related parties (listed by name)

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

B. Details of Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit, as well as their spouses and minor children (listed by name)

Name	Position	No. of shares		
		Self	Spouse	Minor Children
Mr. Christof Hässig	Director/Chairman as nominee of Surma Holding BV	Nil	Nil	Nil
Mr. Mohammad Iqbal Chowdhury	Director as nominee of Surma Holding BV and CEO	Nil	Nil	Nil
Mr. Jorge Bonnin Bioslada	Director as nominee of Surma Holding BV	Nil	Nil	Nil
Mr. Julio Rodriguez Izquierdo	Director as nominee of Surma Holding BV	Nil	Nil	Nil
Mr. Manzurul Islam	Director as nominee of Islam Cement Ltd	500,200	Nil	Nil
Mr. Marcos Cela Rey	Director as nominee of Surma Holding BV	Nil	Nil	Nil
Mr. Martin Kriegner	Director as nominee of Surma Holding BV	Nil	Nil	Nil
Mr. Rajiv Prasad Shaha	Independent Director	Nil	Nil	Nil
Dr. Rubana Huq	Independent Director	Nil	Nil	Nil
Ms. Claudia Iris Albertini	Director as nominee of Surma Holding BV	Nil	Nil	Nil
Mr. Syed Mahmudul Huq	Independent Director	Nil	Nil	Nil
Mr. Md. Anisuzzaman	Chief Financial Officer	9,080	Nil	Nil
Mr. Kazi Mizanur Rahman	Company Secretary	Nil	Nil	Nil
Mr. Mohammad Nurul Alam	Head of Internal Audit and Compliance	Nil	Nil	Nil

Note: The shareholdings of the Directors presented above reflect their personal holdings. However, the shareholdings of the companies 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 excluding the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit, and Compliance Officer) are listed as follows:

Name	Position	No. of shares
Mr. Mohammad Asif Bhuiyan	Chief Corporate Affairs Officer	Nil
Mr. Amit Agarwal	Commercial Director (Sales & Marketing)	Nil
Mr. Amitav Singh	Industrial Director	Nil
Mr. Mohammad Mahfuzul Hoque	Logistics & Procurement Director	Nil
Mr. Kazi Md. Kamrul Hasan	Head of Legal and Compliance	Nil

D. Details of shareholders with a ten percent (10%) or more voting interest in the Company (listed by name)

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

E. Composition of Shareholders up to December 31, 2023

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, 2023

Slabs by number of Shares	Number of Shareholders	Number of Shares	Total Holding (%)
Less than 500 Shares	13,736	3,113,504	0.27
501 to 5,000 Shares	12,870	23,132,601	1.99
5,001 to 10,000 Shares	2,045	15,408,246	1.33
10,001 to 20,000 Shares	1,225	18,207,694	1.57
20,001 to 30,000 Shares	460	11,520,602	0.99
30,001 to 40,000 Shares	237	8,407,916	0.72
40,001 to 50,000 Shares	218	10,156,851	0.87
50,001 to 100,000 Shares	366	27,462,700	2.36
100,001 to 1,000,000 Shares	374	93,537,897	8.05
Over 1,000,000 Shares	42	950,425,489	81.84
Total	31,573	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

February 29, 2024

Subject: Declaration on Financial Statements for the year ended on December 31, 2023.

Dear Sirs:

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRC/2006-158/207 Admin/80 dated 03 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

1. The Financial Statements of LafargeHolcim Bangladesh Limited (the "Company") for the year ended on December 31, 2023 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, 2023 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 of Company's Operational and Financial Performance for the year ending December 31, 2023

In compliance with Condition No. 1(5)(xxv) of the Corporate Governance Code issued by the BSEC through its notification dated June 3, 2018, we provide a brief Management Discussion and Analysis regarding the Company's operational and financial position for the year ended December 31, 2023, focusing on the following key areas:


- 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.
- 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.
- Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as casa1h flow for current year with immediate preceding five years:** Enclosed in Annexure I to the Directors Report.
- 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.

		(Taka in Million)			
		31-Dec-23	31-Dec-22	30-Jun-23	30-Jun-23
SN	Items	LHBL	HCBL	CCPLC	MCML
1	Revenue	28,388	16,767	24,183	3,524
2	Gross Profit	10,269	1,075	3,765	664
3	Net Profit after Tax	5,989	(233)	610	16
4	Dividend	50% Cash	10% Cash	20% Cash	5% Cash & 5% Stock
5	No. of Shares outstanding (in Mio)	1,161	57	149	28
6	EPS (Taka)	5.16	-4.13	4.11	0.57
7	NAVPS (Taka)	19.17	60.07	52.22	50.58
8	NOCFPS (Taka)	6.83	3.80	11.43	54.43

Abbreviations: 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.

- 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.
- 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.
- 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
February 29, 2024


Mohammad Iqbal Chowdhury
Chief Executive Officer

[As per clause (3)(vii) of BSEC Directive dated January 14, 2021]

Statement of unpaid/unclaimed cash dividend as on December 31, 2023.

SN	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-yearwise
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
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		4,645,494,000.00	4,603,562,745.57	41,931,254.43	7.29	
Note: As per BSEC Directive & Rules LHLB transferred the unpaid / unclaimed cash dividend from 2014 to 2017 to CMSF on August 29, 2021											
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
	Transferred Total		10,452,361,500		104,523,615,000		5,806,867,500.00	5,759,135,582.52	47,731,917.48	7.80	
Note: As per BSEC Directive & Rules LHLB transferred the unpaid / unclaimed cash dividend for the year 2018 (as of June 30, 2022) to CMSF on July 3, 2022											
10	Final 2019	4-Mar-20	1,161,373,500	10.00	11,613,735,000	10%	1,161,373,500.00	1,156,396,716.60	4,976,783.40	0.43	52,708,700.88
	Total Transferred		11,613,735,000		116,137,350,000		6,968,241,000.00	6,915,532,299.12	52,708,700.88	8.23	
Note: As per BSEC Directive & Rules, LHLB transferred the unpaid / unclaimed cash dividend for the year 2019 (as of August 3, 2023) to CMSF on August 10, 2023											
11	Final 2020	2-Mar-21	1,161,373,500	10.00	11,613,735,000	10%	1,161,373,500.00	1,158,159,233.10	3,214,266.90	0.28	55,922,967.78
12	Final 2021	31-Jan-22	1,161,373,500	10.00	11,613,735,000	25%	2,903,433,750.00	2,895,751,979.59	7,681,770.41	0.27	63,604,738.19
13	ID 2022	20-Jul-22	1,161,373,500	10.00	11,613,735,000	15%	1,742,060,250.00	1,736,180,562.42	5,879,687.58	0.34	69,484,425.77
14	2nd ID 2022	15-Nov-22	1,161,373,500	10.00	11,613,735,000	18%	2,090,472,300.00	2,085,744,443.46	4,727,856.54	0.23	74,212,282.31
15	FD 2022	2-Mar-23	1,161,373,500	10.00	11,613,735,000	15%	1,742,060,250.00	1,738,248,555.04	3,811,694.96	0.22	78,023,977.27
	Total		5,806,867,500		58,068,675,000		9,639,400,050	9,614,084,774	25,315,276	0.45	
Note: Unpaid / unclaimed cash dividend for the year from 2020 to 2022											
	Grand Total		17,420,602,500		174,206,025,000	143%	16,607,641,050	16,529,617,073	78,023,977		



Mohammad Sanullah & Associates
Chartered Secretaries & Management Consultants

Report to the Shareholders of
LafargeHolcim Bangladesh Limited
on
Compliance of Corporate Governance Code.

As required under code 1(5) (xxvii) of the BSEC Code of Corporate Governance

We have examined the compliance status to the Corporate Governance Code by LafargeHolcim Bangladesh Limited for the year ended December 31, 2023. This code relates to the Notification No: BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 of the 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 the Corporate Governance Code as well as the provisions of 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 Corporate Governance Code.

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

- (a) The Company has complied with the conditions of Corporate Governance Code as Stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- (b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this 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 governance of the company is satisfactory.

For: **Mohammad Sanullah & Associates**

February 29, 2024

Mohammad Sanullah FCS
CEO & Lead 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 11 (Eleven) 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

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
1(2)(b)(viii)	who is not independent director in more than 5 (five) listed companies.	✓		DO
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		

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
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
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

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
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
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;	✓		Declared 50% cash dividend for the year ended December 31, 2023 As stated in the Directors' Report
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;	✓		No bonus share declared
1(5) (xxii)	The total number of Board meetings held during the year and attendance by each director;	✓		As stated in the Directors' Report
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

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
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
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 2023
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 2023
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			

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
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;			Not applicable
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
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

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
3 (2)	<p>Requirement to attend Board of Directors' Meetings</p> <p>The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board:</p> <p>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.</p>	✓		In practice
3 (3)	<p>Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)</p>			
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 2023
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	<p>Board of Directors' Committee:-</p> <p>For ensuring good governance in the company, the Board shall have at least following subcommittees:</p>			
4 (i)	Audit Committee; and	✓		Already in place
4 (ii)	Nomination and Remuneration Committee.	✓		DO
5	<p>Audit Committee:-</p>			
5 (1)	<p>Responsibility to the Board of Directors:</p>			
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)	<p>Constitution of the Audit Committee:</p>			
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

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
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
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

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
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:-			
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			

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
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;	✓		In practice
6 (2) (c)	Members of the Committee shall be nominated and appointed by the Board;	✓		In practice
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
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;			In practice
6 (4)	Meeting of the NRC			
6 (4) (a)	The NRC shall conduct at least one meeting in a financial year;	✓		In practice

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
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
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.	√		Nomination and Remuneration policy disclosed in the Annual Report 2023
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

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
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 25 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 Mohammad Sanaullah & Associates is duly presented in the Annual Report 2023
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.	✓		Mohammad Sanaullah & 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, 2023**



Independent Auditor's Report

To The Shareholders of
LafargeHolcim Bangladesh Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of LafargeHolcim Bangladesh Limited (the "Group") which comprise the consolidated statement of financial position as at 31 December 2023, and the 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 notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the group as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We 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 Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to Note 9.1 to the consolidated financial statements, which describes significant details regarding the Gas Sales Agreement.

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.

1) Impairment testing of goodwill

See Note 6 to the consolidated financial statements for relevant disclosures regarding goodwill.

Underlying rationale for considering impairment testing of goodwill as KAM:

The Group reported goodwill of Tk317 million as at 31 December 2023 which is material to the consolidated financial statements. Under International Accounting Standard (IAS) 36: Impairment of Assets, the Group is required to annually test goodwill for impairment. The recoverable amount is based on the higher of the value in use or fair value less costs to sell. The impairment testing of goodwill is considered to be a key audit matter due to the complexity of the accounting requirements and the significant judgement required in determining several key assumptions, including estimates of future sales volumes and prices, operating costs, terminal value growth rates and discount rate.

How the matter was addressed in our audit:

Principal audit procedures included the following:

- Performed risk assessment procedures by obtaining an understanding of the Group's nature of business and also evaluated and tested the design and implementation of identified internal controls related to impairment testing process.

- Performed an independent assessment of the goodwill impairment process based on information accessible in the public domain, historical data pertaining to the Group, current year financial and non-financial information and business knowledge.
- Assessed appropriateness of inputs and assumption by evaluating management's historical forecasting accuracy, consistency in estimates, and by comparing the key inputs to externally derived data.
- Evaluated and assessed the reasonableness of discount rate using both Group specific information and information accessible in the public domain.
- Performed sensitivity analysis by using different assumptions and assessed headroom for goodwill impairment.
- Verified that the long-term growth rate employed for extrapolating cash flow projections beyond the period covered by the most recent budgets/forecasts are based on a steady or declining growth rate for subsequent years

2) Revenue recognition

See Note 21A to the consolidated financial statements for relevant disclosures regarding revenue.

Underlying rationale for considering revenue as KAM:

Revenue recognition has significant impact on consolidated financial statements and revenue metric is frequently considered an important measure of a Group's performance and accordingly, it constitutes a significant matter for users of consolidated financial statements and for the audit process. The Group reported revenue totaling Tk28 billion for the year. Revenue from the sale of goods is recognized upon the transfer of control of the goods to the customer. Revenue recognition has been identified as a key audit matter as there exists a risk of revenue being recognized prematurely, leading to an overstatement of revenue before the customer gains control of the good. .

How the matter was addressed in our audit:

Principal audit procedures included the following:

- Evaluated the design and implementation and tested the operating effectiveness of identified internal controls related to revenue recognition.
- Verified reconciliation of sales revenue between general ledger, consolidated financial statements and Value Added Tax return.
- Conducted trend analysis on disaggregated sales revenue, examining both the sales value and sales volume throughout the year.
- Performed substantive testing of revenue transactions recorded during the year on a sample basis by verifying the underlying documents. Tested a selection of revenue recorded closer to the year end and assessed whether revenue is recorded in the appropriate period by checking relevant underlying documents.
- Performed confirmation procedures on selected invoices outstanding as at the year end.
- Performed audit procedure to respond to the risk that manual adjustment could override standard procedures to misstate revenue by critically assessing manual journal entries recorded to identify large debits to revenue and obtained relevant documents.
- Performed audit procedures to check the elimination of intercompany transactions.

3) Management override of control – Journal entries

Underlying rationale for considering management override of control – journal entries as KAM:

Journal entries are posted in the system as per access given to the personnel authorized for it. Management is in a unique position to make improper entries in accounting records through journal entries. There is an underlying risk that management can record improper journal entries and prepare materially misstated consolidated financial statements.

Due to the pervasive impact of the journal entries, we have ascertained journal entries posted in financial reporting process as a key audit matter.

How the matter was addressed in our audit:

Principal audit procedures included the following:

- Obtained an understanding of the Group's business, financial reporting process and authorization and approval procedures.
- Evaluated the design and implementation and tested the operating effectiveness of identified internal controls related to the recording of journal entries and the underlying purpose.
- Assessed the overall control environment of the Group, including the arrangements to whistle-blow inappropriate actions, interviewed senior management and the internal audit function and reviewed the board meeting minutes.

- Utilized data analytics to assess the completeness of the annual journal entry population by generating a trial balance derived from the journal entry dump itself. Subsequently, compared this derived trial balance with the actual trial balance to ensure completeness of the journal entry population.
- Conducted testing on the journal entries identified by us through application of professional judgment and utilization of data analytics procedure. We scrutinized the journal listing for the year and employed data analytics and professional judgement to establish criteria for identifying journals. The criteria so established involved various parameters such as entries directed towards unusual accounts, large debits to revenue, users with minimal postings, or those deemed noteworthy, along with closing entries, all within the context of our understanding of the business. Subsequently, selected samples from non-standard journal entries based on these parameters.
- Assessed the business rationale, or lack thereof, for the selected journal entries.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

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.

When we read the annual report, if we conclude that there is a material misstatement therein, we will communicate the matter to those charged with governance of the Group.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 1987 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group'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 ISAs, we exercise professional judgment and maintain 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 omission, 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 Group'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 Group'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 Group to cease to continue as 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

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 consolidated financial statements of the current period and are therefore the key audit matters. We described these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matter

The consolidated financial statements for the year ended 31 December 2022, were audited by another auditor who expressed an unmodified opinion on those statements on 2 March 2023.

Report on other Legal and Regulatory Requirements

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

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

For Nurul Faruk Hasan & Co.

Chartered Accountants, FRC Enlistment
Number: CAF-001-139



Sk. Ashik Iqbal FCA

Partner
Enrollment Number: 1310
DVC: 2402291310AS258280

Dhaka, Bangladesh
Date: February 29, 2024

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

	Note	31 December 2023	31 December 2022
		Taka'000	Taka'000
Assets			
Non-current assets			
Property, plant and equipment	5A	17,073,033	17,600,239
Intangible assets	6A	906,938	921,263
Total non-current assets		17,979,971	18,521,502
Current assets			
Inventories	7	3,435,272	2,930,286
Trade receivables	8	504,241	525,707
Other current assets	9	4,931,397	2,150,258
Cash and cash equivalents	10	9,345,525	4,843,726
Total current assets		18,216,435	10,449,977
Total assets		36,196,406	28,971,479
Equity & liabilities			
Equity			
Share capital	11.3	11,613,735	11,613,735
Retained earnings		10,071,574	5,871,541
Other components of equity	11.6	(171,405)	(214,283)
Foreign currency translation		712,912	439,517
Equity attributable to owners of the Company		22,226,816	17,710,510
Non-controlling interests	12	(527)	(180)
Total equity		22,226,289	17,710,330
Non-current liabilities			
Lease liabilities	13A	112,365	3,844
Deferred tax liabilities	14	1,826,315	2,056,545
Employee benefits	15	103,337	216,786
Provisions	16	80,614	67,201
Total non-current liabilities		2,122,631	2,344,376
Current liabilities			
Trade payables	17	10,047,135	7,218,254
Other current liabilities	18	1,191,014	1,051,807
Lease liabilities	13B	27,402	27,582
Current income tax liabilities	19	555,586	332,307
Unclaimed dividend		26,349	286,823
Total current liabilities		11,847,486	8,916,773
Total liabilities		13,970,117	11,261,149
Total equity and liabilities		36,196,406	28,971,479
Net Asset Value (NAV) Per Share	28B	19.14	15.25

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.

For Nurul Faruk Hasan & Co.
Chartered Accountants, FRC Enlistment
Number: CAF-001-139



Sk. Ashik Iqbal FCA

Partner

Enrollment Number: 1310

DVC: 2402291310AS258280

Dhaka, Bangladesh
Dated: February 29, 2024

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

		31 December 2023	31 December 2022
	Note	Taka'000	Taka'000
Revenue	21A	28,388,093	23,594,038
Cost of sales	22	(18,118,730)	(15,259,770)
Gross profit		10,269,363	8,334,268
Other operating income	25A	102,678	44,616
General and administrative expenses	23	(2,047,003)	(1,777,613)
Sales and marketing expenses	24	(567,239)	(618,781)
Other operating expense	25B	-	(12,017)
Operating profit		7,757,799	5,970,473
Finance cost	26	(209,071)	(275,935)
Finance income	26	167,735	49,174
Profit before tax		7,716,463	5,743,712
Income tax	27	(1,774,737)	(1,299,201)
Profit for the year		5,941,726	4,444,511
Profit attributable to:			
Owners of the parent Company		5,942,093	4,444,540
Non-controlling interests		(367)	(29)
		5,941,726	4,444,511
Earnings Per Share (EPS)			
Basic EPS (Taka)	28A	5.12	3.83
Diluted EPS (Taka)	28A	5.12	3.83

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



Chief Financial Officer



Company Secretary



Director



Chief Executive Officer

Dhaka, Bangladesh
Dated: February 29, 2024

As per our annexed report of same date.

For Nurul Faruk Hasan & Co.
Chartered Accountants, FRC Enlistment
Number: CAF-001-139



Sk. Ashik Iqbal FCA
Partner
Enrollment Number: 1310
DVC: 2402291310AS258280

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

	31 December 2023	31 December 2022
	Taka'000	Taka'000
Profit for the year	5,941,726	4,444,511
Items that will not be reclassified to profit or loss		
Actuarial gain-net off tax	52,218	25,747
Total items that will not be reclassified to profit or loss	52,218	25,747
Items that are or may be reclassified subsequently to profit or loss		
Cash flow hedge-net off tax	(9,340)	(8,318)
Foreign operation-foreign currency translation differences	273,395	190,472
Non controlling interests-currency translation adjustment	20	59
Total items that may be reclassified to profit or loss	264,075	182,213
Other comprehensive income for the year	316,293	207,960
Total comprehensive income for the year	6,258,019	4,652,471
Profit attributable to:		
Owners of the parent Company	6,258,366	4,652,441
Non-controlling interests	(347)	30
	6,258,019	4,652,471


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



Chief Financial Officer



Company Secretary



Director



Chief Executive Officer

Dhaka, Bangladesh
Dated: February 29, 2024

As per our annexed report of same date.

For Nurul Faruk Hasan & Co.

Chartered Accountants, FRC Enlistment
Number: CAF-001-139



Sk. Ashik Iqbal FCA

Partner

Enrollment Number: 1310

DVC: 2402291310AS258280

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

	Share capital	Retained earnings	Other components of equity	Foreign currency translation	Equity for parent company	Non controlling interests	Total equity
	Taka'000	Taka'000	Taka'000	Taka'000	Taka'000	Taka'000	Taka'000
Balance at 01 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)
Interim dividend	-	(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
Balance at 01 January 2023	11,613,735	5,871,541	(214,283)	439,517	17,710,510	(180)	17,710,330
Total comprehensive income for the year	-	5,942,093	42,878	273,395	6,258,366	(347)	6,258,019
Dividend for 2022	-	(1,742,060)	-	-	(1,742,060)	-	(1,742,060)
Balance at 31 December 2023	11,613,735	10,071,574	(171,405)	712,912	22,226,816	(527)	22,226,289

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

		31 December 2023	31 December 2022
	Note	Taka'000	Taka'000
Cash flows from operating activities			
Cash receipts from customers		29,060,964	23,700,457
Cash paid to suppliers and employees		(19,365,233)	(16,056,593)
Cash generated from operations		9,695,731	7,643,864
Income taxes paid		(1,793,249)	(994,570)
Other receipts		24,863	44,398
Net cash generated from operating activities*	34	7,927,345	6,693,692
Cash flows from investing activities			
Payments for property, plant and equipment		(376,977)	(701,444)
Proceeds from sale of property, plant and equipment		2,147	23,394
Interest income		152,853	45,000
Net cash used in investing activities		(221,977)	(633,050)
Cash flows from financing activities			
Repayments of the lease liabilities		(42,930)	(26,965)
Interest paid on lease liabilities		(7,558)	(6,741)
Payment of interest and other finance costs		(83,691)	(15,025)
Margin accounts balances with banks		(1,078,784)	-
Dividend paid		(2,002,534)	(6,467,806)
Net cash used in financing activities		(3,215,497)	(6,516,537)
Net increase/(decrease) in cash and cash equivalents		4,489,871	(455,895)
Net effect of foreign currency translation on cash and cash equivalents		11,928	22,898
Cash and cash equivalents at beginning of the year	10	4,843,726	5,276,723
Cash and cash equivalents at end of the year	10	9,345,525	4,843,726
Net Operating Cash Flow Per Share (NOCFPS)	28C	6.83	5.76

*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.

For the purpose of the consolidated financial statements, Group represents the Company, LUMPL and LMMPL.

1.1 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 Nongtra 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.

2. Adoption of new and revised Standards

2.1 New and revised IFRSs in issue but not yet effective

The following are the amendments that are mandatorily effective for an accounting period that begins on or after 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IFRS 17	<i>Insurance Contracts</i>
Amendments to IAS 1	<i>Presentation of Financial Statements</i>
Amendments to IFRS Practice Statement 2	<i>Making Materiality Judgements - Disclosure of Accounting Policies</i>
Amendments to IAS 12	<i>Income Taxes</i>
Amendments to IAS 8	<i>Accounting Policies, Changes in Accounting Estimates and Errors</i>

2.2 New and revised IFRSs in issue but not yet effective

At the date of authorization of these financial statements, the Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective and in some cases had not yet been adopted by the Company.

Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current</i>
Amendments to IAS 1	<i>Non-current Liabilities with Covenants</i>
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements</i>
Amendments to IFRS 16	<i>Lease Liability in a Sale and Leaseback</i>

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in future periods.

LafargeHolcim Bangladesh Limited

Notes to the consolidated financial statements

For the year ended 31 December

3. Significant accounting policies

The Group has consistently applied the following accounting policies to all periods presented in the consolidated financial statements.

3.1 Basis of preparation

The consolidated 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. They were authorized for issue by the Company's Board of Directors on 29 February 2024.

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 goodwill, 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.

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.

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For the year ended 31 December

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: 31).

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.

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	2023	2022
Average rate	1.3127	1.1937
Closing rate	1.3210	1.2738

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)".

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Notes to the consolidated financial statements

For the year ended 31 December

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 'non current and current liabilities' 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.

3.7 Goodwill

This goodwill originally arose on the acquisition of Holcim Bangladesh Limited (HBL) as on 07 January 2018.

Goodwill is measured at cost less accumulated impairment losses. At acquisition of HBL, goodwill was measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree (if any), and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Goodwill is not amortized but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to cash-generating unit expected to benefit from the synergies of the initial combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in a subsequent period.

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.

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Notes to the consolidated financial statements

For the year ended 31 December

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.

- 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 Group'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.

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Notes to the consolidated financial statements

For the year ended 31 December

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.

3.11 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.

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

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

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

3.13 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 Group 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.

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Notes to the consolidated financial statements

For the year ended 31 December

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.

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.

3.14 Revenue recognition

Revenue from the sale of the Group's core products is recognized when delivery has taken place and control of the goods has been transferred to the customer. The customer obtains control of the goods when the significant risks and rewards of products sold are transferred according to the specific delivery terms that have been formally agreed with the customer, generally upon delivery when the bill of lading is signed by the customer as evidence that they have obtained physical possession and accepted the products delivered to them.

The core products are often sold with volume discounts. Revenue from these sales is recognized based on the price specified on the invoice, net of variable considerations. No element of financing is deemed present as the sales are made with credit terms largely ranging between 30 days and 45 days depending on the specific terms agreed with the group concerned, which is consistent with market practice. Generally, cement, aggregates and clinker are not returned as a customer will only accept these products once they have passed a stringent quality check at delivery point.

Contract liabilities, which is the Group's obligation to transfer goods or services to a customer for which the entity has already received consideration, relate mainly to advance payments from customers.

A trade receivable is recognized when the products are delivered to a customer as this is the point in time that the consideration becomes unconditional because only a passage of time is required before the payment is due.

3.15 Provision

The Group 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 Group.

3.16 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.

3.17 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.

3.18 Dividend distribution

Final dividend distributions to the Group's shareholders are recognized as a liability in the financial statements in the period in which the dividends are approved by the shareholders at the Annual General Meeting, while interim dividend distributions are recognized in the period in which the dividends are declared and paid.

3.19 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, who is the Chief Executive Officer of the Group, to make decisions about resources to be allocated to segments and assess its performance and for which discrete financial information is available.

4. Comparatives and rearrangement

Comparative information has been disclosed for all numerical, narrative and descriptive information where it is relevant for understanding of the current year's consolidated financial statements. Comparative figures and account titles in the consolidated financial statements have been rearranged/reclassified where necessary, to ensure better comparability with the current year's financial statements and to comply with relevant IFRSs.

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Notes to the consolidated financial statements

For the year ended 31 December

5. Property, plant and equipment

A. Reconciliation of carrying amount

	Freehold land	Leasehold land	Building	Right of use assets	Plant & machinery	Vehicles	Office equipment	Furniture & fixtures	Construction in progress	Total
	Taka'000	Taka'000	Taka'000	Taka'000	Taka'000	Taka'000	Taka'000	Taka'000	Taka'000	Taka'000
Cost										
At 1 January 2022	1,530,593	1,695,160	2,804,953	179,597	20,280,637	264,702	525,797	71,832	641,654	27,994,925
Additions	-	9,060	77,788	-	545,448	-	18,059	-	212,809	863,164
Disposals	-	-	-	-	(61,210)	(25,290)	-	-	-	(86,500)
Transfers	-	-	179,290	-	443,004	-	442	-	(622,736)	-
Translation adjustments	2,844	2,535	24,941	-	186,290	9,714	4,475	1,428	8,446	240,673
At 31 December 2022	1,533,437	1,706,755	3,086,972	179,597	21,394,169	249,126	548,773	73,260	240,173	29,012,282
At 1 January 2023	1,533,437	1,706,755	3,086,972	179,597	21,394,169	249,126	548,773	73,260	240,173	29,012,282
Additions	22,214	-	-	151,271	370,826	-	10,964	4,498	97,166	656,939
Disposals	-	-	-	-	(350)	(5,850)	(2,024)	(522)	-	(8,746)
Transfers	91,830	-	6,564	-	48,400	-	1,193	-	(147,987)	-
Translation adjustments	967	1,014	10,818	-	98,823	2,402	1,117	464	1,381	116,986
At 31 December 2023	1,648,448	1,707,769	3,104,354	330,868	21,911,868	245,678	558,830	78,893	190,733	29,777,441
Accumulated depreciation										
At 1 January 2022	-	66,425	595,529	121,206	8,580,577	178,583	370,813	68,730	-	9,981,863
Disposals	-	-	-	-	(26,213)	(24,876)	-	-	-	(51,089)
Charge for the year	-	72,601	104,054	26,965	1,064,652	18,439	26,589	3,030	-	1,316,330
Translation adjustments	-	975	4,185	-	150,677	4,243	4,226	613	-	164,919
At 31 December 2022	-	140,001	703,768	148,171	9,769,693	176,389	401,628	72,373	-	11,412,023
At 1 January 2023	-	140,001	703,768	148,171	9,769,693	176,389	401,628	72,373	-	11,412,023
Disposals	-	-	-	-	(184)	(5,850)	(2,024)	(522)	-	(8,580)
Charge for the year	-	35,217	114,318	42,930	998,203	14,777	37,346	6,230	-	1,249,021
Translation adjustments	-	332	1,549	-	47,504	1,347	1,018	194	-	51,944
At 31 December 2023	-	175,550	819,635	191,101	10,815,216	186,663	437,968	78,275	-	12,704,408
Carrying amount										
At 31 December 2022	1,648,448	1,532,219	2,284,719	139,767	11,096,652	59,015	120,862	618	190,733	17,073,033
At 31 December 2022	1,533,437	1,566,754	2,383,204	31,426	11,624,476	72,737	147,145	887	240,173	17,600,239
At 1 January 2022	1,530,593	1,628,735	2,209,424	58,391	11,700,060	86,119	154,984	3,102	641,654	18,013,062

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Notes to the consolidated financial statements
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	31 December 2023	31 December 2022
	Taka'000	Taka'000
5.1 Depreciation charge for the year allocated to		
Production and maintenance costs (note 22.2)	1,141,327	1,222,316
Depot operating and transportation costs (note 22.4)	58,458	49,997
General and administrative expenses (note 23)	47,086	42,484
Sales and marketing (note 24)	2,150	1,533
	1,249,021	1,316,330

B. Details of disposal of property, plant and equipment

	Plant & machinery Taka'000	Vehicles Taka'000	Office equipment Taka'000	Furniture & fixtures Taka'000	Construction in progress Taka'000	Total Taka'000
2023						
Cost	350	5,850	2,024	522	8,746	
Accumulated depreciation	(184)	(5,850)	(2,024)	(522)	-	(8,580)
Carrying amount at 31 December 2023	166	-	-	-	-	166

Sale proceeds

Mode of disposal						
Particulars of purchaser/type of disposal	Company policy	Company policy/tender	Company policy/tender			
	Written off	Third party & employees	Third party & employees			
			612			

	Plant & machinery Taka'000	Vehicles Taka'000	Office equipment Taka'000	Furniture & fixtures Taka'000	Construction in progress Taka'000	Total Taka'000
2022						
Cost	61,210	25,290	-	-	86,500	
Accumulated depreciation	(26,213)	(24,876)	-	-	(51,089)	
Carrying amount at December 31, 2022	34,997	414	-	-	35,411	
Sale proceeds	14,036	9,358	-	-	-	23,394

Mode of disposal

Particulars of purchaser/type of disposal	Company policy/ tender	Company policy/tender				
	Third party & written off	Third party & employees				

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6. Intangible assets

A. Reconciliation of carrying amount

	Goodwill		Quarry land		Software		Construction in progress		Total excluding goodwill		Total including goodwill	
	Taka'000	Taka'000	Taka'000	Taka'000	Taka'000	Taka'000	Taka'000	Taka'000	Taka'000	Taka'000	Taka'000	Taka'000
Cost												
At 1 January 2022	317,776	1,008,841	-	163,146	-	12,677	-	1,184,664	-	1,502,440	-	-
Additions	-	-	-	-	-	-	-	-	-	-	-	-
Translation adjustments	-	121,204	-	516	-	-	-	121,720	-	121,720	-	-
At 31 December 2022	317,776	1,130,045	-	163,662	-	12,677	-	1,306,384	-	1,624,160	-	-
At 1 January 2023	317,776	1,130,045	-	163,662	-	12,677	-	1,306,384	-	1,624,160	-	-
Additions	-	2,338	-	12,915	-	-	-	15,253	-	15,253	-	-
Transfers	-	13,486	-	-	-	(13,486)	-	-	-	-	-	-
Translation adjustments	-	40,177	-	176	-	809	-	41,162	-	41,162	-	-
At 31 December 2023	317,776	1,186,046	-	176,753	-	-	-	1,362,799	-	1,680,575	-	-

Accumulated depreciation

At 1 January 2022	-	440,775	-	163,084	-	-	-	773,637	-	773,637	-	-
Charge for the year	-	42,398	-	-	-	-	-	42,398	-	42,398	-	-
Translation adjustments	-	56,189	-	451	-	-	-	56,640	-	56,640	-	-
At 31 December 2022	-	539,362	-	163,535	-	-	-	702,897	-	702,897	-	-
At 1 January 2023	-	539,362	-	163,535	-	-	-	702,897	-	702,897	-	-
Charge for the year	-	49,778	-	658	-	-	-	50,436	-	50,436	-	-
Translation adjustments	-	20,131	-	173	-	-	-	20,304	-	20,304	-	-
At 31 December 2023	-	609,271	-	164,366	-	-	-	773,637	-	773,637	-	-

Carrying amount

At 31 December 2023	317,776	576,775	-	12,387	-	-	-	589,162	-	906,938	-	-
At 31 December 2022	317,776	590,683	-	127	-	12,677	-	603,487	-	921,263	-	-
At 1 January 2022	317,776	568,066	-	62	-	12,677	-	580,805	-	898,581	-	-

Amortization charge for the year allocated to

At 31 December 2023	50,436	-	-	-	-	-	-	50,436	-	42,398	-	-
At 31 December 2022	50,436	-	-	-	-	-	-	50,436	-	42,398	-	-

Production and maintenance costs (note 22.2)

LafargeHolcim Bangladesh Limited
Notes to the consolidated financial statements
For the year ended 31 December

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.

	31 December 2023	31 December 2022
7. Inventories	Taka'000	Taka'000
Raw materials	722,271	770,339
Semi-finished and finished products	1,262,300	1,013,424
Parts and supplies	1,450,701	1,146,523
	3,435,272	2,930,286

8. Trade receivables

Trade receivables	504,241	525,707
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See Note 31B(i) for disclosures regarding credit risk, allowance for doubtful debts and ageing analysis of trade receivables.

9. Other current assets

Advance payment to trade suppliers	86,788	185,850
Prepaid expenses	21,308	33,999
Security and other deposits	93,573	85,815
Other receivables (note 9.1)	3,589,314	1,712,212
Advance payment to suppliers of fixed assets	32,449	116,551
Derivative assets	-	1,532
Accrued interest on bank deposits	29,181	14,299
Margin accounts balances with banks	1,078,784	-
	4,931,397	2,150,258

9.1 Gas Sales Agreement (GSA) with JGTDSL

The amount of Other Receivables stated above includes an advance amount paid to Jalalabad Gas Transmission and Distribution Systems Limited (JGTDS) of Taka 2,969,755 (in thousands) as of the year ended in december 31, 2023.

The Company had an Arbitration with Jalalabad Gas Transmission and Distribution Systems Limited (JGTDS). On September 15, 2023, the Arbitration Tribunal issued the Final Award in favor of the Company. As per the Award, the Ceiling Price is a valid and enforceable provision of the Gas Sales Agreement (GSA).

The Primary Term of the GSA is for 20 years from the Gas Delivery Commencement Date which is due on 17 January 2026. As per the GSA, the Primary Term shall automatically be extended for a further period of five (5) years unless terminated by either party. Subsequent to the reporting date, JGTDS communicated their intention not to extend beyond the Primary Term. The Company has taken the communication by JGTDS with due importance and is presently working on it.

10. Cash and cash equivalents

Cash in hand	1,149	1,821
	1,149	1,821
Cash at banks		
Current accounts*	2,342,130	2,341,568
Short term deposit accounts	7,002,246	2,500,337
	9,344,376	4,841,905
Cash and cash equivalents in statement of financial position	9,345,525	4,843,726
Cash and cash equivalents for the purpose of the statement of cash flows	9,345,525	4,843,726

*The current accounts balances are included amounting to Taka 26,349 (in thousands) of dividend accounts (Year 2022 : TK 286,823 (in thousands))

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	31 December 2023	31 December 2022
	Taka'000	Taka'000
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 08 September 2011. Moreover, face value of each ordinary share has been denominated from Taka 100 to Taka 10 at 04 December 2011.

11.2 Issued and subscribed capital

1,161,373,500 ordinary shares of Taka 10 each	11,613,735	11,613,735
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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 %	
		2023	2022	2023	2022
Surma Holding B.V.	The Netherlands	683,698,700	683,698,700	58.87%	58.87%
Sinha Fashions Limited	Bangladesh	28,950,000	28,950,000	2.49%	2.49%
Islam Cement Limited	Bangladesh	31,914,200	31,914,200	2.75%	2.75%
Other Shareholders	Bangladesh and NRB	416,810,600	416,810,600	35.89%	35.89%
Total		1,161,373,500	1,161,373,500	100%	100%

11.5 Classification of shares by holding at 31 December

Slabs by number of shares	Number of shareholders		Holding %	
	2023	2022	2023	2022
Less than 500 Shares	13,736	13,547	0.27	0.27
501 to 5,000 Shares	12,870	13,802	1.99	2.26
5,001 to 10,000 Shares	2,045	2,255	1.33	1.48
10,001 to 20,000 Shares	1,225	1,387	1.57	1.77
20,001 to 30,000 Shares	460	547	0.99	1.18
30,001 to 40,000 Shares	237	248	0.72	0.76
40,001 to 50,000 Shares	218	239	0.87	0.96
50,001 to 100,000 Shares	366	396	2.36	2.55
100,001 to 1,000,000 Shares	374	400	8.05	8.99
Over 1,000,000 Shares	42	39	81.84	79.78
Total	31,573	32,860	100.00	100.00

	31 December 2023	31 December 2022
	Taka'000	Taka'000
11.6 Other components of equity		
Actuarial loss-net of tax	(158,641)	(210,859)
Cash flow hedge-net of tax	(12,764)	(3,424)
	(171,405)	(214,283)

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11.7 Dividends

The Board of Directors of the Company in its meeting held on 29 February 2024 has proposed a final cash dividend amounts to Taka 5,806,867,500 which is 50% at Taka 5 per equity share with a face value of Tk.10 each for the year 2023 for approval at the Annual General Meeting of the Shareholders. As this dividend is subject to approval by the Shareholders at the Annual General Meeting, it has not been included as a liability in these financial statements as of 31 December 2023.

	31 December 2023	31 December 2022
	Taka'000	Taka'000
12. Non-controlling interests		
Retained earnings	(1,086)	(719)
Share capital	188	181
Share money deposits	371	358
	(527)	(180)
13. Lease liabilities		
A. Long term		
Non-current portion	112,365	3,844
Non-current portion	112,365	3,844
B. Short term		
Current portion	27,402	27,582
Current portion	27,402	27,582
14. Deferred tax liabilities		
Deferred tax by type of temporary differences that resulted in deferred tax assets and liabilities:		
Property, plant and equipment	1,895,447	2,199,220
Cash flow Hedging	4,965	-
Deferred tax liabilities	1,900,412	2,199,220
Provision for gratuity	25,809	35,198
Actuarial loss	16,257	30,161
Provision for doubtful debts	18,911	48,845
Provision for obsolescence of spare parts	13,120	28,471
Deferred tax assets	74,097	142,675
Net deferred tax liabilities	1,826,315	2,056,545
14.1 Change in deferred tax assets and liabilities		
Balance at 01 January- deferred tax liabilities	2,056,545	2,278,353
Deferred tax income for the year	(246,857)	(199,067)
Other components of equity	8,939	(44,907)
Translation adjustments	7,688	22,166
Balance at 31 December-deferred tax liabilities	1,826,315	2,056,545
15. Employee benefits		
A. Net position of gratuity plan		
Present value of defined benefit obligation	697,281	715,255
Fair value of plan assets	(593,944)	(498,469)
Net funded status	103,337	216,786
B. Actuarial valuation		

The actuarial valuations of the plan and the present value of the defined benefit obligation were carried out at 31 December 2023 by a professional actuary using Projected Unit Credit Method. Present value of obligation includes both the funded and unfunded gratuity plans.

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C. Assumptions employed for the valuations are as follows:	%	%
Salary increase rate	9.00	8.00
Discount rate	8.50	8.50

D. Movement in the present value of the defined benefit obligation are as follows:	31 December 2023	31 December 2022
	Taka'000	Taka'000
Balance at 01 January	715,255	690,714
Current service cost	61,682	63,297
Interest cost	58,559	48,842
Actuarial gain (note - D.1)	(89,338)	(52,289)
Benefits paid during the year	(50,273)	(39,834)
Translation adjustment	1,396	4,525
Balance at 31 December	697,281	715,255

D.1 Actuarial gain

Financial	(61,558)	(100,024)
Experience	(27,780)	47,735
	(89,338)	(52,289)

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

Balance at 01 January	498,469	373,564
Expected return on plan assets	49,015	31,336
Employer contribution	101,786	150,000
Actuarial loss	(18,883)	(24,155)
Benefits paid during the year	(36,443)	(32,276)
Balance at 31 December	593,944	498,469

The above has been invested in treasury 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 2023	
	Increase	Decrease
Discount rate	665,895	731,135
Salary increase rate	730,311	666,196

16. Provisions

	31 December 2023	31 December 2022
	Taka'000	Taka'000
Site restoration provisions		
Balance at 01 January	67,201	50,493
Addition for the year	10,854	9,870
Translation adjustment	2,559	6,838
Balance at 31 December	80,614	67,201

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	9,086,645	6,909,169
Contract liabilities	960,490	309,085
	10,047,135	7,218,254

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18. Other current liabilities

Payables to suppliers of fixed assets	92,031	47,442
Income tax and VAT deducted at source	352,548	325,753
Derivative liabilities*	23,642	6,678
Others	722,793	671,934
	1,191,014	1,051,807

*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.

	31 December 2023	31 December 2022
	Taka'000	Taka'000
19. Current tax liabilities		
Balance at 01 January	332,307	(160,942)
Provision for the year (Note-27)	2,021,594	1,498,268
Advance payment of income tax	(1,793,249)	(994,570)
Translation adjustment	(5,066)	(10,449)
Balance at 31 December	555,586	332,307

20. Commitments and contingencies

20.1 Commitments

Commitments related to operating activities

Purchase commitments	4,192,746	2,508,642
Commitments against Jalalabad Gas T&D System	957,409	997,608
Capital expenditure commitments	332,263	18,881
Guarantees given	773,969	1,106,942
	6,256,387	4,632,073

20.2 Contingencies

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Tax related cases with the tax authorities and Hon'ble High Court	1,210,773	1,869,132
VAT related cases with the VAT authorities and Hon'ble High Court	418,887	444,250
Custom related case with the Hon'ble High Court	5,000	5,000
	1,634,660	2,318,382

Lafarge Umiam Mining Private Limited (LUMPL)

i. On December 21, 2023 the Ministry of Environment, Forest & Climate Change (MOEF&CC) issued order to the Govt. of Meghalaya stating that the Condition no. 2 of the Stage – II approval dated February 29, 2012 has been modified for diversion of 116.589 hector of non-forest land. LUMPL has to provide the said 116.589 hector non-forest land and mutate the same in the name of Forest Department of Government of Meghalaya. LUMPL also has to pay the cost of raising Compensatory Afforestation over the same.

LUMPL is presently in the process of evaluating the total cost of the land and afforestation and in procuring the land and mutate the same in the name of Forest Department, Government of Meghalaya. Till the process is completed, a reliable estimate of the total cost can not be made at this point. Hence, no provision has been made.

ii. LUMPL 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 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, LUMPL 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 LUMPL 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.

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LUMPL 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. LUMPL 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. LUMPL issued notices of Material Breach to the Contractor in terms of the Agreement. On 28 February 2015 the Agreement was terminated.

LUMPL 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 September 2015, the Arbitration Tribunal rejected the counterclaim of the Contractor on procedural ground. On 11 December 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 September 2015 (the "Application"). On 18 January 2016, the Contractor filed an application for stay of the Order dated 11 September 2015 before the Arbitration Tribunal on the ground that the matter is pending before the High Court.

On 1 February 2016, the Arbitral Tribunal passed an order adjourning hearing before the Tribunal until final disposal of the Application by the Calcutta High Court. Upon the matter being transferred, we mentioned the matter before the Hon'ble Court and the matter is likely to be listed in near future.

On 5 December 2023 when the matter came up for hearing, it was directed to be transferred to the Commercial Division of the Hon'ble High Court.

21A. Revenue

The Group 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	31 December 2023	31 December 2022
	Taka'000	Taka'000
Sale of grey cement*	24,296,691	21,111,262
Sale of cement clinker	51,940	187,364
Sale of aggregates	4,039,462	2,295,412
	28,388,093	23,594,038
Products transferred at a point in time	28,388,093	23,594,038
	28,388,093	23,594,038
*Sale of cement		
Local sales	24,226,889	21,014,193
Export in Export Processing Zones and India	69,802	97,069
	24,296,691	21,111,262

B. Segment information 2023

	Reportable segments		
	Clinker and cement Taka'000	Aggregates Taka'000	Total Taka'000
Statement of profit and loss			
Segment revenue	24,348,631	4,039,462	28,388,093
Operating profit	5,742,106	2,015,693	7,757,799
Statement of financial position			
Assets			
Segment assets	26,438,956	411,925	26,850,881
Unallocated assets*	-	-	9,345,525
Total assets	26,438,956	411,925	36,196,406
Equity and liabilities			
Segment liabilities	11,705,223	272,463	11,977,686
Unallocated equity and liabilities**	-	-	24,218,720
Total equity and liabilities	11,705,223	272,463	36,196,406

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2022	Reportable segments		
	Clinker and cement	Aggregates	Total
	Taka'000	Taka'000	Taka'000
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

*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.

	31 December 2023	31 December 2022
	Taka'000	Taka'000
22. Cost of sales		
Opening finished goods and semi finished goods (Note-7)	1,013,424	920,122
Raw materials costs (Note-22.1)	7,223,325	5,537,122
Consumption of purchased clinker	3,029,008	3,036,814
Power and fuel costs	2,465,248	1,859,805
Production and maintenance costs (Note-22.2)	3,187,979	3,051,360
Plant-general and administrative costs (Note-22.3)	441,535	407,359
Freight cost to customers	777,625	341,712
Depot operating and transportation costs (Note-22.4)	1,232,032	1,109,030
Site restoration costs	10,854	9,870
Closing finished goods and semi finished goods (Note-7)	(1,262,300)	(1,013,424)
	18,118,730	15,259,770

22.1 Raw materials costs

Fly ash	796,617	707,388
Slag	784,569	723,832
Gypsum	591,125	604,269
Iron ore	51,109	94,039
Sand	42,784	30,367
Clay	140,932	139,024
Limestone	3,558,949	2,111,681
Packing materials	1,257,240	1,126,522
	7,223,325	5,537,122

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	31 December 2023	31 December 2022
	Taka'000	Taka'000
22.2 Production and maintenance costs		
Salary, allowances and benefits	478,605	443,694
Contributions to employees' benefit schemes	50,112	42,422
Maintenance	248,166	243,449
Other supplies and spares	512,814	456,272
Material handling	223,053	191,543
Other expenses	481,282	406,347
Technical studies	2,184	2,919
Depreciation	1,141,327	1,222,316
Amortization of intangible assets	50,436	42,398
	3,187,979	3,051,360
22.3 Plant-general and administrative costs		
Salary, allowances and benefits	114,129	105,819
Contributions to employees' benefit schemes	7,733	7,386
Staff welfare expenses	51,615	56,982
Training, seminars and meetings	59	5
Travelling	8,349	7,310
Gas, electricity and water	106	806
Telephone, fax and postage	1,740	1,896
Office maintenance	35,996	32,860
Security services	91,308	80,177
Printing and stationery	118	907
Other supplies and spares	12,903	14,321
Other office expenses	40,292	27,810
Legal expenses	2,153	2,061
Consultancy	8,127	7,332
Vehicles running expenses	3,083	3,834
Corporate social activities	22,855	22,696
Insurance	40,969	35,157
	441,535	407,359
22.4 Depot operating and transportation costs		
Salary, allowances and benefits	110,765	107,784
Contributions to employees' benefit schemes	10,903	11,280
Staff welfare expenses	1,542	1,798
Training, seminars and meeting	1,168	634
Depreciation	58,458	49,997
Depot other operating costs	205,684	192,532
Transportation costs	843,512	745,005
	1,232,032	1,109,030
	31 December 2023	31 December 2022
	Taka'000	Taka'000
23. General and administrative expenses		
Salary, allowances and benefits	256,033	288,323
Contributions to employees' benefit schemes	26,783	25,493
Staff welfare expenses	60,726	2,861
Training, seminars and meeting	4,048	9,264
Travelling	14,486	9,720
Gas, electricity and water	1,027	1,052
Telephone, fax and postage	1,150	1,897

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	31 December 2023	31 December 2022
	Taka'000	Taka'000
Entertainment	2,302	3,032
Office maintenance	3,271	2,359
Office security services	392	288
Printing and stationery	1,239	1,758
IT maintenance expenses	133,293	103,182
Other office expenses	24,171	47,492
Registration and other fees	4,643	4,575
Audit and tax advisory fees	3,543	3,503
Legal expenses	94,294	108,949
Vehicles running expenses	23,249	19,418
Publicity and public relation	5,871	4,261
General assistance fee	491,629	404,190
Royalty- trademark license fee	491,629	404,190
Consulting, survey and studies	10,004	4,371
Depreciation	47,086	42,484
Contribution to Workers' Profit Participation and Welfare Fund	346,134	284,951
	2,047,003	1,777,613
24. Sales and marketing expenses		
Salary, allowances and benefits	180,871	171,913
Contributions to employees' benefit schemes	15,764	16,166
Staff welfare expenses	636	164
Training, seminars and meeting	30,224	535
Travelling	28,209	18,652
Gas, electricity and water	878	1,060
Telephone, fax and postage	2,468	2,040
Entertainment	785	260
Office maintenance	3,549	3,762
Printing and stationery	93	142
Other office expenses	8,153	17,452
Registration and other fees	9,192	7,162
Vehicles running expenses	30,108	30,103
Advertisement expenses	228,542	313,658
Promotional expenses	15,368	23,371
Bad debts and provision for trade receivables	9,525	8,096
General survey and studies	724	2,712
Depreciation	2,150	1,533
	567,239	618,781
25A. Other operating income		
Sale of miscellaneous scrap items	24,863	44,398
Gain on sale of property, plant and equipment	1,981	-
Others	75,834	218
	102,678	44,616
25B. Other operating expense		
Loss on sale of property, plant and equipment	-	12,017
	-	12,017

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	31 December 2023	31 December 2022
	Taka'000	Taka'000
26. Finance costs and income		
Other finance costs	73,592	20,668
Bank charges and commission	10,099	9,887
Interest expenses on lease liabilities	7,558	6,741
Exchange loss	117,822	238,639
Finance costs	209,071	275,935
Interest income on bank deposits	167,735	49,174
Finance income	167,735	49,174
Net finance cost	41,336	226,761
27. Income tax		
Current income tax expenses	2,021,594	1,498,268
Deferred income tax	(246,857)	(199,067)
	1,774,737	1,299,201
27.1 Reconciliation of effective tax rate (%)		
Average statutory tax rate	24.56	24.56
Permanent differences	0.13	2.65
Effect of change in tax rate	-	(3.44)
Effect of foreign tax differentials	(1.69)	(1.15)
Effective tax rate	23.00	22.62
28A Earnings Per Share (EPS)		
The computation of basic and diluted earnings per share for the years ended 31 December 2023 and 31 December 2022 are as follows:		
Numerator	<i>(Thousands of Taka)</i>	
Profit for the year - attributable to owners of the company	5,942,093	4,444,540
Denominator	<i>(Thousands of Shares)</i>	
Weighted average number of shares outstanding	1,161,374	1,161,374
Basic Earnings Per Share	Taka 5.12	3.83
Diluted Earnings Per Share	Taka 5.12	3.83
28B Net Asset Value (NAV) Per Share		
The computation of net asset value per share for the years ended 31 December 2023 and 31 December 2022 are as follows:		
Numerator	<i>(Thousands of Taka)</i>	
Net asset value for the year - attributable to owners of the company	22,226,816	17,710,510
Denominator	<i>(Thousands of Shares)</i>	
Weighted average number of shares outstanding	1,161,374	1,161,374
Net Asset Value (NAV) Per Share	Taka 19.14	15.25

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28C Net Operating Cash Flow Per Share (NOCFPS)

The computation of net operating cash flow per share for the years ended 31 December 2023 and 31 December 2022 are as follows:

		31 December 2023	31 December 2022
		Taka'000	Taka'000
Numerator	<i>(Thousands of Taka)</i>		
Net operating cash flow for the year		7,927,345	6,693,692
Denominator	<i>(Thousands of Shares)</i>		
Weighted average number of shares outstanding		1,161,374	1,161,374
Net Operating Cash Flow Per Share	Taka	6.83	5.76

29. Related party transactions

During the period, the Group carried out a number of transactions with related parties in the normal course of business. Nature of those related parties, nature of those transactions and their total value have been set out in accordance with the provisions of IAS 24: Related Party Disclosure.

In thousands of Taka

	Transaction values for the year ended 31 December		Balance outstanding as at 31 December	
	2023	2022	2023	2022
Sale of goods				
Shareholder's associated entity	8,745	21,253	314	867
Other				
Shareholder				
• Dividend payment	1,025,548	3,965,455	-	-
• Intercompany purchase	221,887	1,028,431	-	(67,740)
• Intercompany service	75,110	73,312	(174,012)	(172,212)
• Trademark license and others	983,258	808,381	(2,796,395)	(2,083,900)

30. Directors', managers' and officers' remuneration

	31 December 2023	31 December 2022
	Taka'000	Taka'000
Salary, allowances and benefits	480,312	511,065
Contributions to employees' benefit scheme	47,041	41,761
Reimbursable expenses	22,266	19,350
	549,619	572,176

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

31. Financial instruments

A. Accounting classifications

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

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31 December 2023

In thousands of Taka

	Carrying amount			Total	Fair value		
	Fair value - Hedging instruments	Financial assets at amortized cost	Other financial liabilities		Level 1	Level 2	Level 3
Financial assets measured at fair value							
Forward exchange contracts used for hedging	-	-	-	-	-	-	-
Financial assets not measured at fair value							
Trade and other current assets	-	5,381,881	-	5,381,881	-	-	-
Cash and cash equivalents	-	9,345,525	-	9,345,525	-	-	-
	-	14,727,406	-	14,727,406	-	-	-
Financial liabilities measured at fair value							
Forward exchange contracts used for hedging	23,642	-	-	23,642	-	23,642	-
	23,642	-	-	23,642	-	23,642	-
Financial liabilities not measured at fair value							
Lease liabilities	-	-	139,767	139,767	-	-	-
Trade payables	-	-	10,047,135	10,047,135	-	-	-
Other current liabilities	-	-	1,191,014	1,191,014	-	-	-
	-	-	11,377,916	11,377,916	-	-	-

31 December 2022

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	-	-	-

LafargeHolcim Bangladesh Limited
Notes to the consolidated financial statements
For the year ended 31 December

B. Financial risk management

i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and other current assets.

The carrying amounts of financial assets represents the maximum credit exposure.

Provision for trade receivables recognized in profit or loss up to 2023 were as follows:

<i>In thousands of Taka</i>	2023	2022
Provision for trade receivables from contracts with customers	(94,556)	(143,992)
	(94,556)	(143,992)

Trade receivables and other current assets

The Group'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 Group'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 Group's limits its exposure to credit risk from trade receivables by establishing a maximum payment period of 30 to 45 days 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 Group and existence of previous financial difficulties. The Group obtains bank guarantees from selected customers based on their credit characteristics.

An analysis of the ageing of gross trade receivables is as follows:

<i>In thousands of Taka</i>	2023	2022
Neither past due	329,292	369,731
Past due		
Past due 1-30 days	129,380	72,477
Past due 31-90 days	33,376	35,360
Past due 91-180 days	7,072	14,935
Over 180 days	99,677	177,196
	598,797	669,699

For trade receivables, the Group determined provision for trade receivables by using a provision policy. The Group also considered whether the receivables was secured by bank guarantee in determining the amount of provision for trade receivables.

The change in the valuation allowance for doubtful receivables is as follows:

<i>In thousands of Taka</i>	2023	2022
Balance at 01 January	(143,992)	(145,175)
Decrease in current year	49,436	1,183
	(94,556)	(143,992)

Maximum exposure to credit risk of the Group at reporting date are as follows:

Trade receivables net of impairment loss	504,241	525,707
Other current assets excluding prepaid expenses	4,910,089	2,116,259
	5,414,330	2,641,966

LafargeHolcim Bangladesh Limited
Notes to the consolidated financial statements
For the year ended 31 December

Cash and cash equivalents

Cash and cash equivalents are held with bank and financial institution counterparties with satisfactory credit ratings. The Group 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 Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group'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 Group's reputation.

The Group aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities. The Group 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 2023

	Carrying amount	Contractual cash flows		
		6 months or less	From 6 to 12 months	From 1 to 5 years
	Taka'000	Taka'000	Taka'000	Taka'000
Non-derivative financial liabilities				
Trade payables	10,047,135	7,020,736	3,026,399	-
Other current liabilities	1,191,014	1,083,707	107,307	-
Lease liabilities	139,767	-	27,402	112,365
	11,377,916	8,104,443	3,161,108	112,365
Derivative financial liabilities				
Forward exchange contracts used for hedging	23,642	23,642	-	-
	23,642	23,642	-	-
31 December 2022				
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
	8,301,487	5,909,318	2,388,325	3,844
Derivative financial liabilities				
Forward exchange contracts used for hedging	6,678	6,678	-	-
	6,678	6,678	-	-

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

a) Currency risk

The Group 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.

LafargeHolcim Bangladesh Limited
Notes to the consolidated financial statements
For the year ended 31 December

Exposure to currency risk

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

At 31 December 2023	Taka'000	INR'000	USD'000	EUR'000	CHF'000
Foreign currency denominated assets					
Trade and other receivables	2,909,801	2,202,726	-	-	-
Cash and cash equivalents	358,812	70,024	2,421	-	-
Total	3,268,613	2,272,750	2,421	-	-
Foreign currency denominated liabilities					
Trade payables	1,394,132	838,419	1,750	158	569
Other current liabilities	2,434,089	1,761,379	544	266	114
Total	3,828,221	2,599,798	2,294	424	684
At 31 December 2022					
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

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. The following exchange rates have been applied:

Currencies	31 December 2023		31 December 2022	
	Closing rate	Average rate	Closing rate	Average rate
BDT/INR	1.3210	1.3127	1.2738	1.1937
BDT/USD	110.00	108.43	105.63	93.78
BDT/EUR	122.16	116.99	112.51	98.88
BDT/CHF	131.23	120.75	113.81	98.19

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 Group by the amounts shown below:

A reasonably possible strengthening (weakening) of INR/USD/EUR/CHF against Taka at 31 December would have effected the measurement of financial instruments denominated in foreign currencies and affected equity and profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant and ignore any impact of forecast sales and purchases.

LafargeHolcim Bangladesh Limited
Notes to the consolidated financial statements
For the year ended 31 December

	Profit or (loss)		Equity	
	Strengthening	Weakening	Strengthening	Weakening
31 December 2023				
Assets denominated in foreign currency				
INR (.5% movement)	15,012	(15,012)	15,012	(15,012)
USD (.5% movement)	1,332	(1,332)	1,332	(1,332)
Liabilities denominated in foreign currency				
INR (.5% movement)	(17,172)	17,172	(17,172)	17,172
USD (.5% movement)	(1,262)	1,262	(1,262)	1,262
EUR (.5% movement)	(259)	259	(259)	259
CHF (.5% movement)	(449)	449	(449)	449
31 December 2022				
Assets denominated in foreign currency				
INR (.5% movement)	11,518	(11,518)	11,518	(11,518)
USD (.5% movement)	1,209	(1,209)	1,209	(1,209)
Liabilities denominated in foreign currency				
INR (1% movement)	(12,074)	12,074	(12,074)	12,074
USD (1% movement)	(1,190)	1,190	(1,190)	1,190
EUR (1% movement)	(239)	239	(239)	239
CHF (1% movement)	(241)	241	(241)	241

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 Group 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 Group's 2023 profit before tax of +/- Taka 70,022 (Taka 25,003 for 2022) in thousands and Taka 1,353 (Taka 314 for 2022) in thousands respectively.

	31 December 2023	31 December 2022
	Taka'000	Taka'000
Interest bearing financial instruments of the Group at reporting date are as follows:		
Financial assets		
Short term deposits	7,002,246	2,500,337
	7,002,246	2,500,337
Financial liabilities		
Lease liabilities	139,767	31,426
	139,767	31,426

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 Group is not exposed to any equity risk, as the Group does not have any investment in equity shares. The Group 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

32. Average number of employees	2023	2022
LafargeHolcim Bangladesh Limited		
Nationality:		
Bangladeshi	548	562
Non-Bangladeshi	4	6
Lafarge Umiam Mining Private limited		
Nationality:		
Indian	124	132
	676	700
Salary range:		
Monthly Taka 3,000 or above	676	700
Monthly below Taka 3,000	Nil	Nil

33. Comparative information of the shareholders (Note- 28)

Net Asset Value (NAV) Per Share	19.14	15.25
Earning Per Share (EPS)	5.12	3.83
Net Operating Cash Flow Per Share (NOCFPS)	6.83	5.76
Profit for the year (in thousand) - attributable to owners of the company	5,942,093	4,444,540

34. Reconciliation of net profit with cash flows from operating activities

Net profit for the period	5,941,726	4,444,511
Income tax expenses	1,774,737	1,299,201
Net profit before tax	7,716,463	5,743,712
Depreciation and amortization	1,299,457	1,358,728
Other non-cash items	72,536	73,167
Non-operating items	41,336	226,761
Contribution to gratuity plan	(101,786)	(157,558)
Income tax paid	(1,793,249)	(994,570)
Changes in net working capital	692,588	443,452
Cash flows from operating activities	7,927,345	6,693,692

35. Lease disclosures

Short-term lease expenses	(3,435)	(3,150)
Payment for short-term leases	(3,435)	(3,150)
Average lease terms (in years)	3	2



Chief Financial Officer



Company Secretary



Director



Chief Executive Officer



Report and Standalone Financial Statements of
LafargeHolcim Bangladesh Limited
for the year ended **December 31, 2023**

Independent Auditor's Report

To
The Shareholders of
LafargeHolcim Bangladesh Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of LafargeHolcim Bangladesh Limited (the "Company") which comprise the statement of financial position as at 31 December 2023, and the 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.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We 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 International Code of Ethics for Professional Accountants (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to Note 10.1 to the financial statements, which describes significant details regarding the Gas Sales Agreement.

Our opinion is not modified in respect of this matter.

Key Audit Matters (KAM)

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.

1) Impairment testing of goodwill

See Note 6 to the financial statements for relevant disclosures regarding goodwill.

Underlying rationale for considering impairment testing of goodwill as KAM:

The Company reported goodwill of Tk317 million as at 31 December 2023 which is material to the financial statements. Under International Accounting Standard (IAS) 36: Impairment of Assets, the Company is required to annually test goodwill for impairment. The recoverable amount is based on the higher of the value in use or fair value less costs to sell. The impairment testing of goodwill is considered to be a key audit matter due to the complexity of the accounting requirements and the significant judgement required in determining several key assumptions, including estimates of future sales volumes and prices, operating costs, terminal value growth rates and discount rate.

How the matter was addressed in our audit:

Principal audit procedures included the following:

- Performed risk assessment procedures by obtaining an understanding of the Company's nature of business and also evaluated and tested the design and implementation of identified internal controls related to impairment testing process.

- Performed an independent assessment of the goodwill impairment process based on information accessible in the public domain, historical data pertaining to the Company, current year financial and non-financial information and business knowledge.
- Assessed appropriateness of inputs and assumption by evaluating management's historical forecasting accuracy, consistency in estimates, and by comparing the key inputs to externally derived data.
- Evaluated and assessed the reasonableness of discount rate using both Company specific information and information accessible in the public domain.
- Performed sensitivity analysis by using different assumptions and assessed headroom for goodwill impairment.
- Verified that the long-term growth rate employed for extrapolating cash flow projections beyond the period covered by the most recent budgets/forecasts are based on a steady or declining growth rate for subsequent years.

2) Revenue recognition

See Note 20 to the financial statements for relevant disclosures regarding revenue.

Underlying rationale for considering revenue as KAM:

Revenue recognition has significant impact on financial statements and revenue metric is frequently considered an important measure of a company's performance and accordingly, it constitutes a significant matter for users of financial statements and for the audit process. The Company reported revenue totaling Tk28 billion for the year. Revenue from the sale of goods is recognized upon the transfer of control of the goods to the customer. Revenue recognition has been identified as a key audit matter as there exists a risk of revenue being recognized prematurely, leading to an overstatement of revenue before the customer gains control of the good.

How the matter was addressed in our audit:

Principal audit procedures included the following:

- Evaluated the design and implementation and tested the operating effectiveness of identified internal controls related to revenue recognition.
- Verified reconciliation of sales revenue between general ledger, financial statements and Value Added Tax return.
- Conducted trend analysis on disaggregated sales revenue, examining both the sales value and sales volume throughout the year.
- Performed substantive testing of revenue transactions recorded during the year on a sample basis by verifying the underlying documents. Tested a selection of revenue recorded closer to the year end and assessed whether revenue is recorded in the appropriate period by checking relevant underlying documents.
- Performed confirmation procedures on selected invoices outstanding as at the year end.
- Performed audit procedure to respond to the risk that manual adjustments could override standard procedures to misstate revenue by critically assessing manual journal entries recorded to identify large debits to revenue and obtained relevant documents.

3) Management override of control – Journal entries

Underlying rationale for considering management override of control – journal entries as KAM:

Journal entries are posted in the system as per access given to the personnel authorized for it. Management is in a unique position to make improper entries in accounting records through journal entries. There is an underlying risk that management can record improper journal entries and prepare materially misstated financial statements.

Due to the pervasive impact of the journal entries, we have ascertained journal entries posted in financial reporting process as a key audit matter.

How the matter was addressed in our audit:

Principal audit procedures included the following:

- Obtained an understanding of the Company's business, financial reporting process and authorization and approval procedures.

- Evaluated the design and implementation and tested the operating effectiveness of identified internal controls related to the recording of journal entries and the underlying purpose.
- Assessed the overall control environment of the Company, including the arrangements to whistle-blow inappropriate actions, interviewed senior management and the internal audit function and reviewed the board meeting minutes.
- Utilized data analytics to assess the completeness of the annual journal entry population by generating a trial balance derived from the journal entry dump itself. Subsequently, compared this derived trial balance with the actual trial balance to ensure completeness of the journal entry population.
- Conducted testing on the journal entries identified by us through application of professional judgment and utilization of data analytics procedure. We scrutinized the journal listing for the year and employed data analytics and professional judgement to establish criteria for identifying journals. The criteria so established involved various parameters such as entries directed towards unusual accounts, large debits to revenue, users with minimal postings, or those deemed noteworthy, along with closing entries, all within the context of our understanding of the business. Subsequently, selected samples from non-standard journal entries based on these parameters.
- Assessed the business rationale, or lack thereof, for the selected journal entries

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included 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 of the financial statements that give a true and fair view in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 1987 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 ISAs, we exercise professional judgment and maintain 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 omission, 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 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 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 financial statements of the current period and are therefore the key audit matters. We described these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matter

The financial statements of the Company for the year ended 31 December 2022, were audited by another auditor who expressed an unmodified opinion on those statements on 2 March 2023.

Report on other Legal and Regulatory Requirements

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

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

The engagement partner on the audit resulting in this independent auditor's report is Sk Ashik Iqbal FCA.

For Nurul Faruk Hasan & Co.

Chartered Accountants, FRC Enlistment
Number: CAF-001-139

Sk. Ashik Iqbal FCA

Partner
Enrollment Number: 1310
DVC: 2402291310AS258280

Dhaka, Bangladesh
Date: February 29, 2024

LafargeHolcim Bangladesh Limited

Statement of financial position

As at 31 December

	Note	31 December 2023	31 December 2022
		Taka'000	Taka'000
Assets			
Non-current assets			
Property, plant and equipment	5	15,264,486	15,882,733
Intangible assets	6	330,033	317,776
Investment in subsidiaries	7	519,893	519,893
Total non-current assets		16,114,412	16,720,402
Current assets			
Inventories	8	3,337,325	2,983,040
Trade receivables	9	504,241	525,707
Other current assets	10	4,420,394	1,759,274
Cash and cash equivalents	11	9,011,682	4,633,586
Total current assets		17,273,642	9,901,607
Total assets		33,388,054	26,622,009
Equity and liabilities			
Equity			
Share capital	12.3	11,613,735	11,613,735
Retained earnings		6,533,418	3,026,793
Other components of equity	12.6	(171,175)	(206,821)
Total equity		17,975,978	14,433,707
Non-current liabilities			
Lease liabilities	13A	112,365	2,844
Deferred tax liabilities	14	1,609,977	1,838,780
Employee benefits	15A	71,917	177,521
Total non-current liabilities		1,794,259	2,019,145
Current liabilities			
Trade payables	16	11,870,372	8,458,243
Other current liabilities	17	1,132,303	1,037,043
Lease liabilities	13B	27,144	27,408
Current income tax liabilities	18	561,649	359,640
Unclaimed dividend		26,349	286,823
Total current liabilities		13,617,817	10,169,157
Total liabilities		15,412,076	12,188,302
Total equity and liabilities		33,388,054	26,622,009
Net Asset Value (NAV) per share	27B	15.48	12.43

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.

For Nurul Faruk Hasan & Co.
Chartered Accountants, FRC Enlistment
Number: CAF-001-139



Sk. Ashik Iqbal FCA
Partner
Enrollment Number: 1310
DVC: 2402291310AS258280

Dhaka, Bangladesh
Dated: February 29, 2024

LafargeHolcim Bangladesh Limited

Statement of profit or loss For the year ended 31 December

	Note	31 December 2023	31 December 2022
		Taka'000	Taka'000
Revenue	20	28,388,093	23,594,038
Cost of sales	21	(19,816,513)	(16,231,824)
Gross profit		8,571,580	7,362,214
Other operating income	24A	620,075	758,962
General and administrative expenses	22	(1,653,367)	(1,483,885)
Sales and marketing expenses	23	(567,239)	(618,781)
Other operating expense	24B	-	(2,390)
Operating profit		6,971,049	6,016,120
Finance cost	25	(212,017)	(359,867)
Finance income	25	163,653	42,766
Net finance cost		(48,364)	(317,101)
Profit before WPPF & tax		6,922,685	5,699,019
Workers' profit participation and welfare fund (WPPF)		(346,134)	(284,951)
Profit before tax		6,576,551	5,414,068
Income tax expense	26	(1,327,866)	(953,348)
Profit for the year		5,248,685	4,460,720
Earnings Per Share (EPS)			
Basic EPS (Taka)	27A	4.52	3.84
Diluted EPS (Taka)	27A	4.52	3.84

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.

For Nurul Faruk Hasan & Co.
Chartered Accountants, FRC Enlistment
Number: CAF-001-139



Sk. Ashik Iqbal FCA
Partner
Enrollment Number: 1310
DVC: 2402291310AS258280

Dhaka, Bangladesh
Dated: February 29, 2024

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

	31 December 2023	31 December 2022
	Taka'000	Taka'000
Profit for the year	5,248,685	4,460,720
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Actuarial gain-net off tax	55,505	29,609
	55,505	29,609
Items that may be reclassified to profit or loss		
Cash flow hedge- net off tax	(19,859)	297
	(19,859)	297
Other comprehensive income for the year, net of tax	35,646	29,906
Total comprehensive income for the year	5,284,331	4,490,626

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



Chief Financial Officer



Company Secretary



Director



Chief Executive Officer

Dhaka, Bangladesh
Dated: February 29, 2024

As per our annexed report of same date.

For Nurul Faruk Hasan & Co.
Chartered Accountants, FRC Enlistment
Number: CAF-001-139



Sk. Ashik Iqbal FCA
Partner
Enrollment Number: 1310
DVC: 2402291310AS258280

LafargeHolcim Bangladesh Limited

Statement of changes in equity For the year ended 31 December

	Share capital	Retained earnings	Other components of equity	Total equity
	Taka'000	Taka'000	Taka'000	Taka'000
Balance at 1 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 at 31 December 2022	11,613,735	3,026,793	(206,821)	14,433,707
Balance at 1 January 2023	11,613,735	3,026,793	(206,821)	14,433,707
Total comprehensive income for the year	-	5,248,685	35,646	5,284,331
Dividend for 2022	-	(1,742,060)	-	(1,742,060)
Balance at 31 December 2023	11,613,735	6,533,418	(171,175)	17,975,978

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

	Note	31 December 2023	31 December 2022
		Taka'000	Taka'000
Cash flows from operating activities			
Cash receipts from customers		29,060,964	23,700,457
Cash paid to suppliers and employees		(20,506,366)	(16,336,801)
Cash generated from operations		8,554,598	7,363,656
Income taxes paid		(1,363,599)	(868,414)
Other receipts		19,532	44,344
Net cash generated from operating activities*	36	7,210,531	6,539,586
Cash flows from investing activities			
Payments for property, plant and equipment		(294,620)	(587,895)
Payment for intangible assets		(12,915)	-
Proceeds from sale of property, plant and equipment		2,147	12,358
Interest income on bank deposits		150,079	34,877
Dividend income from subsidiary company		524,109	714,400
		368,800	173,740
Cash flows from financing activities			
Repayments of the lease liabilities		(41,393)	(25,910)
Interest paid on lease liabilities		(7,434)	(6,241)
Payment of interest and other finance costs		(71,090)	(9,059)
Margin accounts balances with banks		(1,078,784)	-
Dividend paid		(2,002,534)	(6,467,806)
Net cash used in financing activities		(3,201,235)	(6,509,016)
Net increase in cash and cash equivalents		4,378,096	204,310
Cash and cash equivalents at beginning of the year		4,633,586	4,429,276
Cash and cash equivalents at end of the year	11	9,011,682	4,633,586
Net Operating Cash Flow Per Share (NOCFPS)	27C	6.21	5.63

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

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



Chief Financial Officer



Company Secretary



Director



Chief Executive Officer

LafargeHolcim Bangladesh Limited

Notes to the financial statements

For the year ended 31 December

1. General information

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

The Company operates cement and aggregates manufacturing plants at Chhatak under Sunamganj district, and three (3) grinding plants near Dhaka and Khulna. The Company extracts and processes the basic raw materials of limestone from the quarry in Meghalaya owned by the Company's fully owned subsidiary Lafarge Umiam Mining Private Limited. A 17 kilometers 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. Adoption of new and revised Standards

2.1 New and amended IFRSs that are effective for the current year

The following are the amendments that are mandatorily effective for an accounting period that begins on or after 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IFRS 17	<i>Insurance Contracts</i>
Amendments to IAS 1	<i>Presentation of Financial Statements</i>
Amendments to IFRS Practice Statement 2	<i>Making Materiality Judgements - Disclosure of Accounting Policies</i>
Amendments to IAS 12	<i>Income Taxes</i>
Amendments to IAS 8	<i>Accounting Policies, Changes in Accounting Estimates and Errors</i>

2.2 New and revised IFRSs in issue but not yet effective

At the date of authorization of these financial statements, the Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective and in some cases had not yet been adopted by the Company.

Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>
Amendments to IAS 1	<i>Classification of Liabilities as Current or Non-current</i>
Amendments to IAS 1	<i>Non-current Liabilities with Covenants</i>
Amendments to IAS 7 and IFRS 7	<i>Supplier Finance Arrangements</i>
Amendments to IFRS 16	<i>Lease Liability in a Sale and Leaseback</i>

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in future periods.

3. Significant accounting policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

3.1 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 29 February 2024.

3.2 Use of estimates and judgements

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.

LafargeHolcim Bangladesh Limited

Notes to the financial statements

For the year ended 31 December

ii) Judgements

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 3.8 and 30).

3.3 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.

3.4 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	3,33-20
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 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)".

LafargeHolcim Bangladesh Limited

Notes to the financial statements

For the year ended 31 December

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 'non current and current liabilities' 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.

3.5 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 was recognized into the financial statements of the Company. This goodwill originally arose on the acquisition of HBL as on 07 January 2018.

Goodwill is measured at cost less accumulated impairment losses. At acquisition of HBL, goodwill was measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree (if any), and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Goodwill is not amortized but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to cash-generating unit expected to benefit from the synergies of the initial combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in a subsequent period.

3.6 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.

3.7 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.

3.8 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.

LafargeHolcim Bangladesh Limited

Notes to the financial statements

For the year ended 31 December

ii) Classification and subsequent measurement

Financial assets

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

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

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

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

Financial assets - Business model assessment

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

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

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

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.

LafargeHolcim Bangladesh Limited

Notes to the financial statements For the year ended 31 December

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.

3.9 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.

3.10 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).

LafargeHolcim Bangladesh Limited

Notes to the financial statements

For the year ended 31 December

3.11 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.

3.12 Revenue recognition

Revenue from the sale of the Company's core products is recognized when delivery has taken place and control of the goods has been transferred to the customer. The customer obtains control of the goods when the significant risks and rewards of products sold are transferred according to the specific delivery terms that have been formally agreed with the customer, generally upon delivery when the bill of lading is signed by the customer as evidence that they have obtained physical possession and accepted the products delivered to them.

The core products are often sold with volume discounts. Revenue from these sales is recognized based on the price specified on the invoice, net of variable considerations. No element of financing is deemed present as the sales are made with credit terms largely ranging between 30 days and 45 days depending on the specific terms agreed to with the company concerned, which is consistent with market practice. Generally, cement, aggregates and clinker are not returned as a customer will only accept these products once they have passed a stringent quality check at delivery point.

Contract liabilities, which is the Company's obligation to transfer goods or services to a customer for which the entity has already received consideration, relate mainly to advance payments from customers which are disclosed in note 16.

A trade receivable is recognized when the products are delivered to a customer as this is the point in time that the consideration becomes unconditional because only a passage of time is required before the payment is due.

3.13 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.

3.14 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.

3.15 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.

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.

4.1 Comparatives and rearrangement

Comparative information has been disclosed for all numerical, narrative and descriptive information where it is relevant for understanding of the current year's financial statements. Comparative figures and account titles in the financial statements have been rearranged/reclassified where necessary, to ensure better comparability with the current year's financial statements and to comply with relevant IFRSs.

LafargeHolcim Bangladesh Limited

Notes to the financial statements
For the year ended 31 December

5. Property, plant and equipment

A. Reconciliation of carrying amount

	Freehold land	Leasehold land	Building	Right of use of assets	Plant & machinery	Vehicles	Office equipment	Furniture & fixtures	Construction in progress	Total
	Taka'000	Taka'000	Taka'000	Taka'000	Taka'000	Taka'000	Taka'000	Taka'000	Taka'000	Taka'000
Cost										
At 1 January 2022	1,507,337	1,653,763	2,504,082	130,348	1,771,279	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)	-
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
At 1 January 2023	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
Additions	22,214	-	-	150,650	235,025	-	10,964	2,276	60,994	482,123
Disposals	-	-	-	-	(350)	(5,850)	(2,024)	(522)	-	(8,746)
Transfers	91,830	-	-	-	48,400	-	-	-	(140,230)	-
At 31 December 2023	1,621,381	1,653,763	2,616,370	280,998	18,866,518	176,222	458,234	81,293	101,718	25,856,497
Accumulated depreciation										
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
At 31 December 2022	-	105,098	483,507	100,096	8,223,551	153,469	373,480	61,186	-	9,500,387
At 1 January 2023	-	105,098	483,507	100,096	8,223,551	153,469	373,480	61,186	-	9,500,387
Disposals	-	-	-	-	(184)	(5,850)	(2,024)	(522)	-	(8,580)
Charge for the year	-	35,218	104,916	41,393	868,641	14,777	30,346	4,913	-	1,100,204
At 31 December 2023	-	140,316	588,423	141,489	9,092,008	162,396	401,802	65,577	-	10,592,011
Carrying amount										
At 31 December 2023	1,621,381	1,513,447	2,027,947	139,509	9,774,510	13,826	56,432	15,716	101,718	15,264,486
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
At 1 January 2022	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

LafargeHolcim Bangladesh Limited

Notes to the financial statements

For the year ended 31 December

	2023	2022
	Taka'000	Taka'000
Depreciation charge for the year allocated to		
Production and maintenance costs (Note 21.2)	992,876	1,086,648
Depot operating and transportation costs (Note 21.4)	58,458	49,997
General and administrative expenses (Note 22)	46,720	42,484
Sales and marketing expenses (Note 23)	2,150	1,533
	1,100,204	1,180,662

B. Details of disposal of property plant and equipment

2023	Plant & machinery	Vehicles	Office equipment	Furniture & fixtures	Total
	Taka'000	Taka'000	Taka'000	Taka'000	Taka'000
Cost	350	5,850	2,024	522	8,746
Accumulated depreciation	(184)	(5,850)	(2,024)	(522)	(8,580)
Carrying amount as at 31 December 2023	166	-	-	-	166
Sale proceeds	-	1,535	612	-	2,147
Mode of disposal	Company policy	Company policy/ tender	Company policy/ tender	-	-
Particulars of purchaser/type of disposal	Written off	Third party & employees	Third party & employees	-	-
2022					
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	Company policy/ tender	-	-	-
Particulars of purchaser/type of disposal	Written off	Third party & employees	Third party & employees	-	-

6. Intangible assets

Reconciliation of carrying amount

Cost	Goodwill	Software	Total
	Taka'000	Taka'000	Taka'000
At 1 January 2022	317,776	158,847	4,76,623
At 31 December 2022	317,776	158,847	4,76,623
At 1 January 2023	317,776	158,847	4,76,623
Additions	-	12,915	12,915
At 31 December 2023	317,776	171,762	4,89,538
Accumulated depreciation			
At 1 January 2022	-	158,847	1,58,847
At 31 December 2022	-	158,847	1,58,847
At 1 January 2023	-	158,847	1,58,847
Charge for the year	-	658	658
At 31 December 2023	-	159,505	1,59,505
Carrying amount			
At 31 December 2023	317,776	12,257	3,30,033
At 31 December 2022	317,776	-	3,17,776
At 1 January 2022	317,776	-	3,17,776

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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.

7. Investment in subsidiaries

Cost	31 December 2023	31 December 2022
	Taka'000	Taka'000
Details of investment in subsidiaries		
Lafarge Umiam Mining Private Limited (LUMPL) <i>a fully owned subsidiary incorporated in India</i>	519,356	519,356
Lum Mawshun Minerals Private Limited (LMMPL) <i>a 74% owned subsidiary incorporated in India</i>	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 Lafarge-Holcim 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	
		2023	2022
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

	31 December 2023	31 December 2022
	Taka'000	Taka'000
8. Inventories		
Raw materials	756,714	935,499
Semi finished and finished products	1,309,281	1,055,296
Parts and supplies	1,271,330	992,245
	3,337,325	2,983,040

9. Trade receivables

Trade receivables	504,241	525,707
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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	8,508	132,584
Prepaid expenses	15,133	30,891
Security and other deposits	92,526	84,746
Other receivables (note 10.1)	3,189,949	1,448,083
Advance payment to suppliers of fixed assets	12,169	51,880
Derivative assets	-	1,339
Accrued interest on bank deposits	23,325	9,751
Margin accounts balances with banks	1,078,784	-
	4,420,394	1,759,274

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10.1 Gas Sales Agreement (GSA) with JGTDSL

The amount of Other Receivables stated above includes an advance amount paid to Jalalabad Gas Transmission and Distribution Systems Limited (JGTDS) of Taka 2,969,755 (in thousands) as of the year ended in December 31, 2023.

The Company had an Arbitration with Jalalabad Gas Transmission and Distribution Systems Limited (JGTDS). On 15 September 2023, the Arbitration Tribunal issued the Final Award in favor of the Company. As per the Award, the Ceiling Price is a valid and enforceable provision of the Gas Sales Agreement (GSA).

The Primary Term of the GSA is for 20 years from the Gas Delivery Commencement Date which is due on 17 January 2026. As per the GSA, the Primary Term shall automatically be extended for a further period of five (5) years unless terminated by either party. Subsequent to the reporting date, JGTDS communicated their intention not to extend beyond the Primary Term. The Company has taken the communication by JGTDS with due importance and is presently working on it.

11. Cash and cash equivalents

	31 December 2023	31 December 2022
	Taka'000	Taka'000
Cash in hand	1,030	1,717
	1,030	1,717
Cash at banks		
Current accounts*	2,010,337	2,131,554
Short term deposit accounts	7,000,315	2,500,315
Cash and cash equivalents in statement of financial position	9,011,682	4,633,586
Cash and cash equivalents for the purpose of the statement of cash flows	9,011,682	4,633,586

*The current accounts balances are included amounting to Taka 26,349 (in thousands) of dividend accounts (Year 2022: Tk 286,823 in thousands).

12 Share capital

12.1 Authorized capital

1,400,000,000 ordinary shares of Taka 10 each	14,000,000	14,000,000
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In the year 2011, authorized capital 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.

12.2 Issued and subscribed capital

1,161,373,500 ordinary shares of Taka 10 each	11,613,735	11,613,735
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12.3 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

12.4 Composition of shareholders at 31 December 2023

Name of the shareholders	Nationality/ Incorporated In	Number of Shares		Holding %	
		2023	2022	2023	2022
Surma Holding B.V.	The Netherlands	683,698,700	683,698,700	58.87%	58.87%
Sinha Fashions Limited	Bangladesh	28,950,000	28,950,000	2.49%	2.49%
Islam Cement Limited	Bangladesh	31,914,200	31,914,200	2.75%	2.75%
Other Shareholders	Bangladesh and NRB	416,810,600	416,810,600	35.89%	35.89%
Total		1,161,373,500	1,161,373,500	100%	100%

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12.5 Classification of shares by holding at 31 December 2023

Slabs by number of shares	Number of Shares		Holding %	
	2023	2022	2023	2022
Less than 500 Shares	13,736	13,547	0.27	0.27
501 to 5,000 Shares	12,870	13,802	1.99	2.26
5,001 to 10,000 Shares	2,045	2,255	1.33	1.48
10,001 to 20,000 Shares	1,225	1,387	1.57	1.77
20,001 to 30,000 Shares	460	547	0.99	1.18
30,001 to 40,000 Shares	237	248	0.72	0.76
40,001 to 50,000 Shares	218	239	0.87	0.96
50,001 to 100,000 Shares	366	396	2.36	2.55
100,001 to 1,000,000 Shares	374	400	8.05	8.99
Over 1,000,000 Shares	42	39	81.84	79.78
Total	31,573	32,860	100	100

12.6 Other components of equity

	31 December 2023	31 December 2022
	Taka'000	Taka'000
Actuarial loss-net of tax	(152,387)	(207,892)
Cash flow hedge-net off tax	(18,788)	1,071
	(171,175)	(206,821)

12.7 Dividends

The Board of Directors of the Company in its meeting held on 29 February 2024 has proposed a final cash dividend amounts to Taka 5,806,867,500 which is 50% at Taka 5 per equity share with a face value of Tk.10 each for the year 2023 for approval at the Annual General Meeting of the shareholders. As this dividend is subject to approval by the shareholders at the Annual General Meeting, it has not been included as a liability in these financial statements as of 31 December 2023.

13. Lease liabilities

A. Long term

Non-current portion	112,365	2,844
Non-current portion	112,365	2,844

B. Short term

Current portion	27,144	27,408
Current portion	27,144	27,408

14. Deferred tax liabilities

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

Property, plant and equipment	1,669,959	1,970,133
Cash flow Hedging	4,965	-
Deferred tax liabilities	1,674,924	1,970,133
Provision for gratuity	16,659	23,876
Actuarial loss	16,257	30,161
Provision for doubtful debts	18,911	48,845
Provision for obsolescence of spare parts	13,120	28,471
Deferred tax assets	64,947	131,353
Net deferred tax liabilities	1,609,977	1,838,780

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	31 December 2023	31 December 2022
	Taka'000	Taka'000
14.1 Change in deferred tax assets and liabilities		
Balance at 01 January- deferred tax liabilities	1,838,780	2,075,324
Deferred tax income for the year (Note 26)	(237,742)	(193,120)
Other component of equity	8,939	(43,424)
At 31 December - Deferred tax liabilities	1,609,977	1,838,780
15. Employee benefits		
A. Net position of gratuity plan		
Present value of defined benefit obligation	665,861	675,990
Fair value of plan assets	(593,944)	(498,469)
Net funded status	71,917	177,521
B. Actuarial valuation		
The actuarial valuations of the plan and the present value of the defined benefit obligation were carried out at 31 December 2023 by a professional actuary using Projected Unit Credit Method. Present value of obligation includes both the funded and unfunded gratuity plans.		
	2023	2022
	%	%
C. Assumptions employed for the valuations are as follows:		
Salary increase rate	9.00	8.00
Discount rate	8.50	8.50
	31 December 2023	31 December 2022
	Taka'000	Taka'000
D. Movement in the present value of the defined benefit obligation are as follows:		
At 1 January	675,990	663,893
Current service cost	59,112	60,882
Interest cost	55,605	46,839
Actuarial gain [Note D.1]	(88,403)	(61,166)
Benefits paid during the year	(36,443)	(34,458)
At 31 December	665,861	675,990
D.1 Actuarial (gain)/loss		
Financial	(61,972)	(99,406)
Experience	(26,431)	38,240
	(88,403)	(61,166)
E. Movement in the fair value of the plan assets are as follows:		
At 1 January	498,469	373,564
Expected return on plan assets	49,015	31,336
Employer contribution	101,786	150,000
Actuarial loss	(18,883)	(24,155)
Benefits paid during the year	(36,443)	(32,276)
At 31 December	593,944	498,469

The above has been invested in bond.

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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 to the amounts shown below:

Effect in thousands of Taka	31 December 2023	
	Increase	Decrease
Discount rate	637,453	696,236
Salary increase rate	695,949	637,453

Assumptions regarding future longevity have been based on published statistics and mortality tables.

	31 December 2023	31 December 2022
	Taka'000	Taka'000
16. Trade payables		
Payable for goods and services	10,909,882	8,149,158
Contract liabilities	960,490	309,085
	11,870,372	8,458,243
17. Other current liabilities		
Payables to suppliers of fixed assets	38,690	41,548
Income tax and VAT deducted at source	347,335	319,565
Derivative liabilities*	23,485	-
Others	722,793	675,930
	1,132,303	1,037,043
18. Current tax liabilities		
At 1 January	359,640	81,586
Provision for the year (Note 26)	1,565,608	1,146,468
Advance payment of income tax	(1,363,599)	(868,414)
At 31 December	561,649	359,640
19. Commitments and contingencies		
19.1 Commitments		
Commitments related to operating activities		
Purchase commitments	3,945,510	2,210,599
Commitments against Jalalabad Gas T&D System	957,409	997,608
Capital expenditure commitments	245,591	9,678
Guarantees given	725,092	1,106,942
	5,873,602	4,324,827
19.2 Contingent liabilities		
Tax related cases with the Hon'ble High Court	1,210,773	1,869,132
VAT related cases with the Hon'ble High Court	418,887	444,250
Custom related cases with the Hon'ble High Court	5,000	5,000
	1,634,660	2,318,382

*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.

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	31 December 2023	31 December 2022
	Taka'000	Taka'000
20. Revenue		
Sale of gray cement*	24,296,691	21,111,262
Sale of cement clinker	51,940	187,364
Sale of aggregates	4,039,462	2,295,412
	28,388,093	23,594,038
Products transferred at a point in time	28,388,093	23,594,038
*Sale of gray cement		
Local sales	24,226,889	21,014,193
Export in Export Processing Zones and India	69,802	97,069
	24,296,691	21,111,262
21. Cost of sales		
Opening finished goods and semi finished (Note 8)	1,055,296	933,043
Raw materials costs (Note 21.1)	9,095,748	6,980,955
Consumption of purchased clinker	3,029,008	3,036,814
Power and fuel costs	2,331,023	1,859,805
Production and maintenance costs (Note 21.2)	2,627,693	2,534,758
Plant-general and administrative costs (Note 21.3)	296,152	274,494
Freight cost to customers	777,625	341,712
Depot operating and transportation costs (Note 21.4)	1,232,032	1,103,548
Inventory movement	681,217	221,991
Closing finished goods and semi finished (Note 8)	(1,309,281)	(1,055,296)
	19,816,513	16,231,824
21.1 Raw materials costs		
Fly ash	796,617	707,388
Slag	784,569	723,832
Gypsum	591,125	604,269
Iron ore	51,109	94,039
Sand	42,784	30,367
Clay	140,932	139,024
Limestone	5,431,372	3,555,514
Packing materials	1,257,240	1,126,522
	9,095,748	6,980,955
21.2 Production and maintenance costs		
Salary, allowances and benefits	368,522	345,532
Contributions to employees' benefit schemes	32,500	33,998
Maintenance	102,583	73,666
Other supplies and spares	424,035	394,105
Material handling	223,053	191,542
Other expenses	481,282	406,348
Technical studies	2,184	2,919
Amortization	658	-
Depreciation	992,876	1,086,648
	2,627,693	2,534,758

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	31 December 2023	31 December 2022
	Taka'000	Taka'000
21.3 Plant-general and administrative costs		
Salary, allowances and benefits	83,723	63,552
Contributions to employees' benefit schemes	4,582	3,993
Staff welfare expenses	48,904	54,557
Travelling	2,837	1,322
Rent	1,366	1,745
Telephone, fax and postage	1,581	1,445
Office maintenance	35,996	35,360
Security services	36,126	31,276
Other supplies and spares	10,752	11,131
Other office expenses	25,838	25,860
Consultancy	62	102
Vehicles running expenses	3,083	3,624
Corporate social activities	6,926	10,118
Insurance	34,376	30,409
	296,152	274,494
21.4 Depot operating and transportation costs		
Salary, allowances and benefits	110,765	107,784
Contributions to employees' benefit schemes	10,903	11,281
Staff welfare expenses	1,542	1,798
Training, seminars and meeting	1,168	635
Depreciation	58,458	49,997
Depot other maintenance costs	205,684	187,048
Transportation costs	843,512	745,005
	1,232,032	1,103,548
22 General and administrative expenses		
Salary, allowances and benefits	256,033	288,323
Contributions to employees' benefit schemes	26,783	25,493
Staff welfare expenses	60,726	2,861
Training, seminars and meeting	4,048	9,264
Travelling	14,486	9,720
Gas, electricity and water	1,027	1,052
Telephone, fax and postage	1,150	1,897
Entertainment	2,302	3,032
Office maintenance	3,271	2,359
Office security services	392	288
Printing and stationery	1,239	1,758
IT maintenance expenses	89,245	96,046
Other office expenses	23,392	47,492
Registration and other fees	4,643	4,575
Audit and tax advisory fees	1,234	1,861
Legal expenses	94,294	108,949
Vehicles running expenses	23,249	19,418
Publicity and public relation	5,871	4,261
General assistance fee	491,629	404,190
Royalty- trademark license fee	491,629	404,190
Consulting, survey and studies	10,004	4,372
Depreciation	46,720	42,484
	1,653,367	1,483,885

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For the year ended 31 December

	31 December 2023	31 December 2022
	Taka'000	Taka'000
23 Sales and marketing expenses		
Salary, allowances and benefits	180,871	171,913
Contributions to employees' benefit schemes	15,764	16,166
Staff welfare expenses	636	164
Training, seminars and meeting	30,224	535
Travelling	28,209	18,652
Gas, electricity and water	878	1,060
Telephone, fax and postage	2,468	2,040
Entertainment	785	260
Office maintenance	3,549	3,762
Printing and stationery	93	142
Other office expenses	8,153	17,452
Registration and other fees	9,192	7,162
Vehicles running expenses	30,108	30,103
Advertisement expenses	228,542	313,658
Promotional expenses	15,368	23,371
Bad debts and provision for trade receivables	9,525	8,096
General survey and studies	724	2,712
Depreciation	2,150	1,533
	567,239	618,781
24 A. Other operating income		
Sale of miscellaneous scrap items	18,151	44,344
Gain on sale of property, plant and equipment	1,981	-
Dividend income from subsidiary company	524,109	714,400
Other	75,834	218
	620,075	758,962
B. Other operating expense		
Loss on sale of property, plant and equipment	-	2,390
	-	2,390
25 Finance costs and income		
Other finance expenses	73,592	20,641
Bank charges and commission	6,435	3,921
Interest expenses on lease liabilities	7,434	6,241
Exchange loss	124,556	329,064
Total finance costs	212,017	359,867
Interest income on bank deposits	163,653	42,766
Total finance income	163,653	42,766
Net finance cost	48,364	317,101
26 Income tax		
Current income tax expenses	1,565,608	1,146,468
Deferred tax income	(237,742)	(193,120)
	1,327,866	953,348
26.1 Reconciliation of effective tax rate (%)		
Statutory tax rate	20.00	20.00
Permanent difference	0.19	1.05
Effect of change in tax rate	-	(3.44)
	20.19	17.61

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		31 December 2023	31 December 2022
		Taka'000	Taka'000
27 A. Earnings Per Share (EPS)			
The computation of basic and diluted earnings per share for the years ended 31 December 2023 and 31 December 2022 are as follows:			
Numerator			
Profit for the year	<i>(Thousands of Taka)</i>	5,248,685	4,460,720
Denominator			
Weighted average number of shares outstanding	<i>(Thousands of Taka)</i>	1,161,374	1,161,374
Basic Earnings Per Share	Taka	4.52	3.84
Diluted Earnings Per Share	Taka	4.52	3.84
B. Net Asset Value (NAV) Per Share			
The computation of net asset value per share for the years ended 31 December 2023 and 31 December 2022 are as follows:			
Numerator			
Net asset value for the year	<i>(Thousands of Taka)</i>	17,975,978	14,433,707
Denominator			
Weighted average number of shares outstanding	<i>(Thousands of Taka)</i>	1,161,374	1,161,374
Net Asset Value Per Share	Taka	15.48	12.43
C. Net Operating Cash Flow Per Share (NOCFPS)			
The computation of net operating cash flow per share for the years ended 31 December 2023 and 31 December 2022 are as follows:			
Numerator			
Net operating cash flow for the year	<i>(Thousands of Taka)</i>	7,210,531	6,539,586
Denominator			
Weighted average number of shares outstanding	<i>(Thousands of Taka)</i>	1,161,374	1,161,374
Net Operating Cash Flow Per Share	Taka	6.21	5.63

28. Related party transactions

During the period, the Company carried out a number of transactions with related parties in the normal course of business. Nature of those related parties, nature of those transactions and their total value have been set out in accordance with the provisions of IAS 24: Related Party Disclosure.

	Transaction values for the year ended 31 December		<i>In thousands of Taka</i>	
			Balance outstanding as at 31 December	
	2023	2022	2023	2022
Purchase of goods				
Subsidiary company	4,224,484	3,197,823	(2,947,351)	(1,967,202)
Sale of goods				
Shareholder's associated entity	8,745	21,253	314	867
Others				
Group company				
Intercompany purchase	221,887	1,028,431	-	(67,740)
Trademark license and others	983,258	808,381	(2,796,395)	(2,083,900)
Intercompany services	67,285	66,827	(167,980)	(170,024)
Subsidiary				
Dividend receipt	524,109	714,400	-	-
Shareholder				
Dividend payment	1,025,548	3,965,455	-	-

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	31 December 2023	31 December 2022
	Taka'000	Taka'000
29 Directors', managers' and officers' remuneration		
Salary, allowances and benefits	434,670	458,882
Contributions to employees' benefit scheme	43,739	38,306
Reimbursable expenses	21,869	18,872
	500,278	516,060

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

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 measure at fair value if the carrying amount is a reasonable approximation of fair value.

31 December 2023

In thousands of Taka	Carrying amount			Total	Fair value		
	Fair value - Hedging instruments	Financial assets at amortized cost	Other financial liabilities		Level 1	Level 2	Level 3
Financial assets measured at fair values							
Forward exchange contracts used for hedging	-	-	-	-	-	-	-
Financial assets not measured at fair value							
Trade and other current assets	-	4,897,333	-	4,897,333	-	-	-
Cash and cash equivalents	-	9,011,682	-	9,011,682	-	-	-
	-	13,909,015	-	13,909,015	-	-	-
Financial liabilities measured at fair values							
Forward exchange contracts used for hedging	23,485	-	-	23,485	-	23,485	-
	23,485	-	-	23,485	-	23,485	-
Financial liabilities measured not at fair values							
Lease liabilities	-	-	139,509	139,509	-	-	-
Trade payables	-	-	11,870,372	11,870,372	-	-	-
Other current liabilities	-	-	1,132,303	1,132,303	-	-	-
	-	-	13,142,184	13,142,184	-	-	-

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31 December 2022

In thousands of Taka	Carrying amount			Total	Fair value		
	Fair value - Hedging instruments	Financial assets at amortized cost	Other financial liabilities		Level 1	Level 2	Level 3
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 measured at fair values							
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	-	-	-

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.

Provision for trade receivables recognized in profit or loss up to 2023 were as follows:

In thousands of Taka	2023	2022
Provision for trade receivables from contracts with customers	(94,556)	(143,992)
	(94,556)	(143,992)

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.

LafargeHolcim Bangladesh Limited

Notes to the financial statements

For the year ended 31 December

The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of 30 to 45 days 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 selected customers based on their credit characteristics.

An analysis of the ageing of gross trade receivables is as follows:

<i>In thousands of Taka</i>	31 December 2023	31 December 2022
Neither past due	329,292	369,731
Past due		
Past due 1-30 days	129,380	72,477
Past due 31-90 days	33,376	35,360
Past due 91-180 days	7,072	14,935
Over 180 days	99,677	177,196
	598,797	669,699

The Company established a provision for trade receivables by employing a policy that relies on historical credit loss data, taking into account the overdue status of debtors. Additionally, the Company assesses whether the receivables were backed by a bank guarantee when determining the provision amount.

The change in the valuation allowance for doubtful receivables is as follows:

<i>In thousands of Taka</i>	2023	2022
At 1 January	(143,992)	(145,175)
Decrease in current year	49,436	1,183
	(94,556)	(143,992)

Maximum exposure to credit risk of the Company at reporting date are as follows:

<i>In thousands of Taka</i>		
Trade receivables net of impairment loss	504,241	525,707
Other current assets excluding prepaid expenses	4,405,261	1,728,383
	4,909,502	2,254,090

Cash and cash equivalents

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.

LafargeHolcim Bangladesh Limited

Notes to the financial statements

For the year ended 31 December

31 December 2023	Contractual cash flows			
	Carrying amount	6 months or less	From 6 to 12 months	From 1 to 5 years
	Taka'000	Taka'000	Taka'000	Taka'000
Non-derivative financial liabilities				
Trade payables	11,870,372	5,961,202	5,909,170	-
Other current liabilities	1,132,303	1,024,996	107,307	-
Lease liabilities	139,509	-	27,144	112,365
	13,142,184	6,986,198	6,043,621	112,365
Derivative financial liabilities				
Forward exchange contracts used for hedging	23,485	23,485	-	-
	23,485	23,485	-	-
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
	9,525,538	5,169,935	4,352,759	2,844
Derivative financial liabilities				
Forward exchange contracts used for hedging	-	-	-	-
	-	-	-	-

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:

At 31 December 2023	Taka'000	USD'000	EUR'000	CHF'000
<i>Foreign currency denominated assets</i>				
Trade receivables	-	-	-	-
Cash and cash equivalents	24,970	227	-	-
Total	24,970	227	-	-
<i>Foreign currency denominated liabilities</i>				
Trade payables	3,169,352	27,994	158	538
Other current liabilities	107,307	544	266	114
Total	3,276,659	28,538	424	652

LafargeHolcim Bangladesh Limited

Notes to the financial statements

For the year ended 31 December

At 31 December 2022	Taka'000	USD'000	EUR'000	CHF'000
<i>Foreign currency denominated assets</i>				
Trade receivables	24,822	235	-	-
Cash and cash equivalents	42,989	407	-	-
Total	67,811	642	-	-
<i>Foreign currency denominated liabilities</i>				
Trade payables	2,194,904	20,294	158	295
Other current liabilities	104,051	580	266	113
Total	2,298,954	20,874	424	408

The following significant exchange rates have been applied.

Currencies	31 December 2023		31 December 2022	
	Closing rate	Average rate	Closing rate	Average rate
BDT/USD	110.00	108.43	105.63	93.78
BDT/EUR	122.16	116.99	112.51	98.88
BDT/CHF	131.23	120.75	113.81	98.19

Exchange rate sensitivity

If the Taka increases in value against a currency, the value in Taka of assets, liabilities, income and expenses originally recorded in the other currencies will decrease. Conversely, if the Taka decreases in value against a currency, the value in Taka of assets, liabilities, income and expenses originally recorded in the other currency will increase. Consequently, increases and decreases in the value of the Taka may affect the value in Taka of non-Taka 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:

A reasonably possible strengthening (weakening) of USD/EUR/CHF against Taka at 31 December would have effected the measurement of financial instruments denominated in foreign currencies and affected equity and profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular interest rates, remain constant and ignore any impact of forecast sales and purchases.

	Profit or (loss)		Equity	
	Strengthening	Weakening	Strengthening	Weakening
31 December 2023				
Assets denominated in foreign currency				
USD (.5% movement)	125	(125)	125	(125)
Liabilities denominated in foreign currency				
USD (.5% movement)	(15,696)	15,696	(15,696)	15,696
EURO (.5% movement)	(259)	259	(259)	259
CHF (.5% movement)	(428)	428	(428)	428
31 December 2022				
Assets denominated in foreign currency				
USD (.5% movement)	339	(339)	339	(339)
Liabilities denominated in foreign currency				
USD (.5% movement)	(11,024)	11,024	(11,024)	11,024
EURO (.5% movement)	(239)	239	(239)	239
CHF (.5% movement)	(232)	232	(232)	232

LafargeHolcim Bangladesh Limited

Notes to the financial statements

For the year ended 31 December

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 2023 profit before tax of +/- Taka 70,003 (Taka 25,003 for 2022) in thousands and Taka 1,353 (Taka 303 for 2022) in thousands respectively.

	31 December 2023	31 December 2022
	Taka'000	Taka'000
Interest bearing financial instruments of the Company at reporting date are as follows:		
Financial assets		
Short-term deposits	7,000,315	2,500,315
	7,000,315	2,500,315
Financial liabilities		
Long-term lease liabilities	112,365	2,844
Short-term lease liabilities	27,144	27,408
	139,509	30,252

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.

31. Average number of employees

LafargeHolcim Bangladesh Limited

Nationality:

Bangladeshi	548	562
Non-Bangladeshi	4	6
	552	568

Salary range:

Monthly Taka 3,000 or above	552	568
Monthly below Taka 3,000	Nil	Nil

32. Expenditure in foreign currency

Technical assistance	60,878	62,775
	60,878	62,775

33. Material consumption

In terms of value

Imported

Raw materials	7,654,792	5,685,042
Spare parts and other supplies	304,351	283,665
	7,959,143	5,968,707

Indigenous

Raw materials	1,440,956	1,295,913
Spare parts and other supplies	130,436	121,571
	1,571,392	1,417,484
	9,530,535	7,386,191

Spare parts and other supplies have been allocated to imported and indigenous at the rate of 70% and 30% respectively based on management assumption.

LafargeHolcim Bangladesh Limited

Notes to the financial statements

For the year ended 31 December

	31 December 2023	31 December 2022
	Taka'000	Taka'000
In terms of percentage		
Imported		
Raw materials	80.32	76.97
Spare parts and other supplies	3.19	3.84
	83.51	80.81
Indigenous		
Raw materials	15.12	17.55
Spare parts and other supplies	1.37	1.65
	16.49	19.19
	100	100

34. Opening and closing finished and semi finished goods

Items	Unit	2023		2022	
		Quantity'000	Taka'000	Quantity'000	Taka'000
Gray cement	MT	60	337,804	47	204,044
Cement clinker	MT	172	684,338	159	696,665
Aggregates	MT	12	15,298	9	9,149
Others	MT	14	17,856	23	23,185
At 1 January		258	1,055,296	238	933,043
Gray cement	MT	67	334,519	60	337,804
Cement clinker	MT	180	852,410	172	684,338
Aggregates	MT	32	41,728	12	15,298
Others	MT	62	80,624	14	17,856
At 31 December		341	1,309,281	258	1,055,296

35. Comparative information for the shareholders (Note 27) In Taka

	2023	2022
Net Asset Value (NAV) Per Share	15.48	12.43
Earning Per Share (EPS)	4.52	3.84
Net Operating Cash Flow Per Share (NOCFPS)	6.21	5.63
Profit for the year (in thousand)	5,248,685	4,460,720

36. Reconciliation of net profit with cash flows from operating activities

	31 December 2023	31 December 2022
	Taka'000	Taka'000
Net profit for the year	5,248,685	4,460,720
Income tax expenses	1,327,866	953,348
Net profit before tax	6,576,551	5,414,068
Depreciation and amortization	1,100,862	1,180,662
Other non-cash items	59,112	60,882
Non-operating items	48,364	317,101
Contribution to gratuity plan	(101,786)	(152,182)
Income tax paid	(1,363,599)	(868,414)
Changes in net working capital	891,027	587,469
Cash flows from operating activities	7,210,531	6,539,586

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	
		2023	2022
Gray cement	4,191	2,840	2,707
Cement clinker	1,289	1,364	1,311
Aggregates	1,100	1,289	693

38. Value of imports

	2023	2022
	Taka'000	Taka'000
Raw materials and others	8,736,106	6,792,978
	8,736,106	6,792,978

39. Remittances of dividend

Name of Shareholder	2023		2022	
	Number of Shares	Final for 2022 Taka'000	Number of Shares	Final for 2021 Taka'000
Surma holding B.V. (The Netharlands)	683,698,700	992,993	683,698,700	-
Jean Hidier (France)	11,560	12	11,560	20
Mohammed Abdul Gaffar (UK)	18,010	19	18,010	32

Name of Shareholder	Currency	2023	Currency	2022
		Amount		Amount
Surma holding B.V. (The Netharlands)	EUR	3,780,702	EUR	-
Jean Hidier (France)	EUR	101	EUR	207
Mohammed Abdul Gaffar (UK)	GBP	-	GBP	274

*Dividend of Mohammed Abdul Gaffar (UK) remitted by the Company got returned during the year.

40. Lease disclosures

	31 December 2023	31 December 2022
	Taka'000	Taka'000
Short-term lease expenses	(3,435)	(3,150)
Payment for short-term leases	(3,435)	(3,150)
Average lease terms (in years)	3	2



Chief Financial Officer



Company Secretary



Director



Chief Executive Officer



Financial Overview & Report of
**Lafarge Umiam
Mining Private
Limited**

December 31, 2023

BOARD OF DIRECTORS' REPORT

Dear Shareholders,

It is with great pleasure that we, the Directors of Lafarge Umiyam Mining Private Limited (the "Company"), extend our warm greetings. We are delighted to present your Company's comprehensive report, accompanied by the audited financial statements for the fiscal year ending December 31, 2023.

Company Spotlight: Record-Breaking Growth and Sustainable Commitment

Leading the Way in Sustainability

Emphasizing 'Sustainability, Decarbonization and Power Reduction' as core principles.

Breaking Records: Company's Limestone Exports Soar, Profits Surge in 2023

- Your Company achieved a record-high export of 3.54 million Tonnes of limestone, marking a significant 16% increase in production compared to the previous year.
- Export sales amounted to INR 3,217.97 million, 21% increase from the previous year.
- The net profit reached INR 813.13 Million, 25% increase from the previous year.

Resilience Amidst Challenges

Driving business continuity through prudent cost efficiencies and optimized Cash Flows.

Fostering Supportive Growth


Upholding a dynamic growth trajectory while nurturing a sustainable environment for stakeholders.

Optimism for the Future

Confident in established processes, poised for sustained value creation and growth opportunities.

1. Financial Results

Figures in Million INR

Revenue from operations 2023 3217.97 2,656.43 in 2022	Expenditure 2023 1900.02 1,575.01 in 2022	EBITDA 2023 1317.95 1,081.42 in 2022	Interest and finance charges 2023 2.93 5.35 in 2022
Interest and other income 2023 18.15 71.80 in 2022	Depreciation 2023 180.22 205.92 in 2022	Profit/(Loss) before Taxation 2023 1152.96 941.95 in 2022	Provision for tax 2023 340.33 291.93 in 2022
Profit/(Loss) After Taxation 2023 812.62 650.02 in 2022	Earnings/(Loss) per Share 2023 19.76 15.80 in 2022		

Financial Metrics Overview: Company's Stellar Performance in 2023

21% increase in sales volume resulted 25% profit growth. The price of limestone remained same compared to last year, however the additional profit growth resulted from the currency exchange, technological efficiency, grid power reducing dependency on Diesel Generator and cost efficiencies. The EBITDA performance reached INR 1,317.95 million, marking a 22% increase compared to 2022.

Dividend Declaration

On November 29, 2023, the Board of Directors declared an Interim Dividend of 97 percent (97%) in cash on the Company's paid-up capital, totaling INR 400 million (Rupees Four Hundred Million). This Interim Dividend was declared and disbursed from profits earned during the first nine (9) months of the financial year 2023 (from January 1, 2023, to September 30, 2023), based on provisional accounts, and from undistributed profits from previous financial years.

Business Nature Update

The Company's nature of business remained unchanged throughout the financial year.

Transfer to Reserves

The Company did not allocate any funds to reserves for the financial year ending on December 31, 2023.

Share Capital

During the reviewed year, the Company did not issue any shares or convertible securities. Furthermore, the Company does not have any schemes for issuing shares, including sweat equity, to its employees or directors.



97%
Interim Dividend in cash

2. Health, Safety and Environment (HSE)

Core Values

At your Company, Health, Safety and Environment (HSE) are fundamental values. They receive topmost priority in our business decisions.

Goal

Our aim is to achieve “ZERO Harm” to people, communities and the environment.

Commitment to Improvement

We are committed to continually improving our safety culture and performance across each and every component of our operations.

Operational Safety

During the period under review, your Company conducted its operations without incident. There were no fatalities, Lost Time Injuries or Medical Injuries.

Policy Implementation

We have implemented a comprehensive Health, Safety and Environment Policy to ensure the safety of our employees and stakeholders.

Continued Monitoring

We recognize that there is no scope for complacency in health and safety. Your Company will continue to focus to uphold the health and well-being of all our employees and local communities.

3. Production Performance

Limestone Export Increase

Nongtrai Limestone Quarry is a captive mine with Surma Plant at Chhatak, Bangladesh as the Company's sole customer. 100% production of the Quarry is exported to the Surma Plant. The increasing demand of limestone of the Surma Plant is creating opportunities to produce and export more resulting increased profitability. To keep pace with this opportunities, your Company is working to enhance its technical capability and efficiency as well as expertise of manpower and strategy. In 2023, your Company exported 3.54 million tonnes of limestone, marking a significant increase of 16% compared to the 3.06 million tonnes exported in 2022.

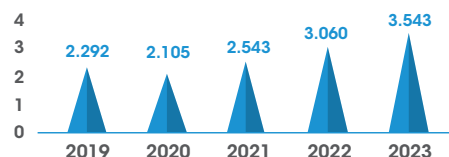
Generator Reliability Improvement

The reliability factor of the 1250 KVA diesel generator increased from 92% in 2022 to 97% in 2023.

Efforts to Control Spillage

Continuous efforts have been made to control soil and dust spillage.

Limestone Export Volume
(Million Tonnes)



Strategic Targets for 2024: Enhancing Production

With business expansion and diversity of product portfolio of Surma Plant, the demand for limestone export from Nongtra Limestone Quarry has increased. Your Company is preparing itself to increase its production and export in 2024. This involves efficiently implementing three-shift operations and adopting key improvement activities.

Key Improvement Areas

- i. **Mining Development Focus**
Enhancing mining operations to ensure and improve sustainability throughout the process.
- ii. **Crusher Circuit Modification**
Modifying the crusher circuit to achieve output increase, prioritizing production optimization.
- iii. **Enhancing Gross Availability**
Improving the Gross Availability of the crusher circuit, enhancing operational reliability and reducing downtime.

Strategic Breakthrough: Full Capacity Utilization by 2025

With a comprehensive approach aligned with Environmental Clearance for 5 Million Tonnes Per Annum (5MTPA), your Company targets complete capacity utilization by 2025. This dynamic strategy ensures sustained success in the competitive limestone industry. Your Company's initiative, roadmap, and dedication position the Quarry for ongoing positive outcomes. Prepared to address challenges, your structured organization contributes significantly to industry development and maintenance.

4. Corporate Social Responsibility (CSR)

Committee Establishment and Composition

The Company has established a Corporate Social Responsibility (CSR) Committee, serving as a sub-committee of the Board of Directors, with three (3) members as detailed in [Annexure "A"](#).

Policy Publication

The Company's CSR Policy is publicly available on its website.

Certification by CFO

The Chief Financial Officer (CFO) of the Holding Company has certified that CSR funds disbursed for the projects align with Board-approved purposes.

Budget Allocation and Expenditure

During the year, the Company allocated INR 12.08 million for CSR activities, with actual expenditure reaching INR 12.13 million, exceeding the CSR obligation by INR 0.05 million.



Contribution to SPV

Additionally, the Company contributes INR 90/- per tonne of limestone mined to the Special Purpose Vehicle (SPV), established per the order dated April 22, 2010, of the Hon'ble Supreme Court of India. As of December 31, 2023, the Company has deposited INR 2,914.93 million to the SPV. The communities around the Quarry are getting benefitted from the contributions of the Company to the SPV.

Company's Generous Contributions to District Mineral Foundation Benefit East Khasi Hills

Furthermore, the Company has contributed INR 477.08 million since 2015 to the District Mineral Foundation, along with INR 76.54 million during 2023. These contributions have been utilized by the Foundation in the host district of East Khasi Hills.

5. Maximizing Financial Integrity: Enhancing Internal Control Systems

Ensuring Compliance and Safeguarding Assets

The Company has implemented robust internal financial controls and systems to uphold Company policies, safeguard assets and prevent fraud and errors. These measures also ensure the accuracy and completeness of accounting records and the timely preparation of reliable financial information.

Continuous Evaluation for Optimal Performance

Periodically, the Company conducts thorough assessments of the design and operational effectiveness of its internal controls across various functions and locations. Through extensive internal audit exercises, areas for improvement are identified and corrective actions are taken by process owners, thereby fortifying the controls.



Confidence in Effectiveness

The Company is confident that these systems provide reasonable assurance and operate effectively as intended, reinforcing financial integrity and organizational trust.

6. Directors

The Company has seven (7) directors on the Board, and they are not required to retire by rotation.

Appointments & Resignations of Directors and Key Managerial Personnel in 2023

Appointments

- On June 5, 2023, **Mr. Md. Anisuzzaman** was appointed as an Additional Director on the Board of the Company, nominated by LafargeHolcim Bangladesh Ltd. (LHBL), the parent company of your Company. His presence on the Board is expected to be beneficial for the Company.
- On June 25, 2023, **Ms. Claudia Iris Albertini** joined as an Additional Director on the Board of the Company, nominated by LHBL. Her presence on the Board is expected to benefit the Company.
- Effective from July 29, 2023, **Mr. Amitav Singh** was appointed as an Additional Director on the Board of the Company, nominated by LHBL. His presence on the Board is expected to be advantageous for the Company.
- **Ms. L Priyatama Devi** assumed the role of Company Secretary, effective from July 14, 2023.

Resignations

- **Mr. Rajesh Kumar Surana** has resigned from the Board of the Company, effective from February 14, 2023. The Board of Directors of the Company expresses gratitude to Mr. Surana for his contributions, excellent leadership, dedication and guidance provided during his tenure as Director of the Company.
- **Ms. Sonal Srivastava** has resigned from the Board, effective from June 15, 2023. The Board of Directors of the Company expresses appreciation to Ms. Srivastava for her contributions, leadership and guidance during her tenure as Director of the Company.
- **Mr. Ankit Surana** ceased to be the Company Secretary, effective from his resignation on February 13, 2023.

7. Directors' Responsibility Statement

In accordance with Section 134(3)(c) of the Companies Act, 2013, the Directors confirm, to the best of their knowledge and belief, and based on the information and explanations obtained by them, the following:

- The annual accounts for the year ending on December 31, 2023, were prepared in compliance with the applicable Accounting Standards, with proper explanations provided for any material departures, if present.
- The selected accounting policies were consistently applied, and the judgments and estimates made were reasonable and prudent to present a true and fair view of the Company's state of affairs as of December 31, 2023, and its profit for the year ended on that date.
- Adequate care has been taken for the maintenance of proper accounting records in accordance with the provisions of the Companies Act, 2013, to safeguard the Company's assets and prevent and detect fraud and other irregularities.
- The annual accounts for the year ended on December 31, 2023 were prepared on a going concern basis.
- Proper internal financial controls were in place, and they were adequate and operating effectively.
- The Directors have established appropriate systems to ensure compliance with all applicable laws, which were adequate and effective in operation.

8. Explanations or Comments on Auditor's Qualifications, Reservations or Adverse Remarks

No observations were noted in the Auditor's Report and the notes to the accounts are self-explanatory, thus requiring no further comments. The Auditor's Report is enclosed with the financial statements in this Annual Report. The Company has not obtained a Secretarial Audit Report as it is not applicable.

9. Reporting of Fraud

The Company's auditors have not reported any instances of fraud as specified under Section 143(12) of the Companies Act, 2013. Furthermore, there have been no reports of fraud to the management from any other sources.

10. Statutory Auditors

M/s P. Gaggar & Associates, with Firm Registration No. 322473E, were appointed as the Statutory Auditor of the Company during the 23rd Annual General Meeting held on March 21, 2023. They were entrusted with the responsibility to serve from the conclusion of the aforementioned meeting until the conclusion of the 28th Annual General Meeting, with ratification required at each subsequent Annual General Meeting.

11. Compliance with Secretarial Standards on Board and Annual General Meetings

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

12. Cost Records

The Company has diligently maintained its cost records in alignment with the provisions stipulated in the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014.

13. Number of Board Meetings Conducted During the Year Under Review

Six (6) meetings of the Board of Directors were held during the year ending on December 31, 2023, specifically on February 27, 2023; April 27, 2023; June 25, 2023; July 13, 2023; October 26, 2023; and November 29, 2023.



14. Details of Loans, Guarantees and Investments under Section 186

The information regarding loans, guarantees and investments has been disclosed in the financial statements.

15. Sexual Harassment Policy Compliance Statement

The Company maintains a zero-tolerance policy towards sexual harassment in the workplace.

Policy Adoption and Alignment

A policy has been adopted in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

Internal Complaints Committee Establishment

The Company has established an Internal Complaints Committee to address complaints of sexual harassment.

Incident Report for 2023

In 2023, no complaints of sexual harassment were received by the Company.

16. The details of any applications made or proceedings pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year, along with their status as at the end of the financial year, are as follows

There are no proceedings pending, either filed by the Company or filed against the Company, under the Insolvency and Bankruptcy Code, 2016 as amended, before the National Company Law Tribunal or other courts during the year 2023.



17. The details of the difference between the amount of the valuation done at the time of one-time settlement and the valuation done while taking a loan from the Banks or Financial Institutions, along with the reasons thereof, are as follows

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

18. The names of companies that have become or ceased to be subsidiaries, joint ventures, or associate companies during the year are as follows

The Company does not have any subsidiaries, joint ventures, or associate companies.

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

During the year under review, no significant or material orders were passed by regulators, courts, or tribunals that would impact the going concern status or the future operations of the Company.

20. Annual Return

In accordance with the provisions of section 92(3) of the Companies Act, 2013, the Company's Annual Return for the financial year ending on December 31, 2023, is accessible on our website: www.lumpl.com

21. Indian Accounting Standards (Ind AS)

The Ministry of Corporate Affairs (MCA), through its notification No. G.S.R. 111(E) dated February 16, 2015, has mandated the adoption of the Companies (Indian Accounting Standards) Rules, 2015, commonly referred to as the "2015 Rules." These

rules are applicable to certain categories of companies for accounting periods commencing on or after April 1, 2016.

The Company's audited Financial Statements for the fiscal year ending December 31, 2023, comply with Clause III of Sub-Rule 1 of Rule 4 of the 2015 Rules. Additionally, figures for the previous year have been adjusted to conform to the requirements outlined in the 2015 Rules.

22. Conservation of Energy, Technology Absorption and Foreign Exchange

The information, as mandated by Section 134(3)(m) of the Companies Act, 2013, in conjunction with Rule 8 of the Companies (Accounts) Rules, 2014, is enclosed herewith and is included as [Annexure "B"](#) in this report.

23. Related Party Transactions

During the review period, all transactions, contracts, or arrangements falling under the purview of Section 188(1) of the Companies Act, 2013, that the Company engaged in with related parties were conducted within the ordinary course of business and on an arm's length basis. Details of such significant transactions, contracts, or arrangements—those meeting the criteria outlined in the initial provision of Section 188(1) of the Companies Act, 2013—are provided in Form AOC-2, which is attached herewith and forms an integral part of this report as [Annexure "C"](#).

24. Risk Management Policy

The Company has developed a risk management policy and implemented a mechanism to keep the Board Members informed about risk assessment and minimization procedures. The Board conducts periodic reviews to ensure that executive management effectively controls risks through a well-designed framework.

25. Public Deposits

For the period under review the Company has not accepted any deposits from the public.

26. Material Changes and Commitments

No significant changes or commitments have affected the financial position of the Company between the end of the financial year covered by the financial statements and the date of this report.



27. Acknowledgements

Your Directors wish to convey their heartfelt appreciation for the dedication and exceptional service of all employees, whose tireless efforts have been instrumental in fostering the continuous growth and success of the Company, even in the face of challenging circumstances. Additionally, they express profound gratitude for the invaluable support and cooperation extended by the Central Government of India, the State Government of Meghalaya, the Government of Bangladesh, the esteemed Durbars of Nongtraï and Shella villages, LHBL, banks and esteemed project consultants.

For and on Behalf of the Board

Place: Switzerland
Date: February 19, 2024

Chairman
DIN: 08510975

[Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended]

1. Brief outline of the CSR Policy of the Company:

Corporate Social Responsibility Policy of the Company has been formulated in accordance with the provisions of the Companies Act, 2013.

2. Composition of CSR Committee:

SN	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
1	Ms. Sonal Srivastava (Resigned on June 15, 2023)	Chairperson of CSR Committee/ Non-Executive Director	2	1
2	Mr. Kazi Mizanur Rahman (Appointed as a Chairman on October 26, 2023)	Chairperson of CSR Committee/ Non-Executive Director	2	2
3	Mr. George Chacko	Member/ Non-Executive Director	2	2
4	Mr. Md Anisuzaman (Appointed as a Member on April 27, 2023)	Member/ Non-Executive Director	2	1
5	Mr. Mohammad Iqbal Chowdhury (Ceased to be a member on April 27, 2023)	Member/ Non-Executive Director	2	1

3. Provide the web links where the Composition of the CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the Company's website:

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

4. Provide details of the 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 the amount required for set-off for the financial year, if any:

SN	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 60,39,26,568

7.

- a. Two percent of average net profit of the Company as per section 135(5) : INR 1.21 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 1.21 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
1.21	-	-	-	-	-

b) Details of CSR amount spent against ongoing projects for the financial year:

1	2	3	4	5		6	7	8	9	10	11	
	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:

1	2	3	4	5		6	7	8	
SN	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	13,96,272	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	54,42,055	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	53,030	Direct	N/A	N/A
4	Environmental Sustainability -cleaning drives and plantation, Assistance to Community development activities	(iv)	Yes	Meghalaya	East Khasi Hills	11,00,025	Direct	N/A	N/A
5	Rural infrastructure development -Footpaths, enhancing water supply, Drains, Toilets, Railings etc.	(x)	Yes	Meghalaya	East Khasi Hills	41,43,066	Direct	N/A	N/A
Total Direct expense of projects & programs						1,21,34,448			
TOTAL						1,21,34,448			

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 1,21,34,448

g) Excess amount for set-off, if any:

SN	Particulars	Amount
1	Two percent of average net profit of the company as per section 135(5)	1,20,78,532
2	Total amount spent for the financial year	1,21,34,448
3	Excess amount spent for the financial year [2-1]	55,916
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 [3-4]	55,916

9. (a) Details of Unspent CSR amount for the preceding three financial years:

SN	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):

1	2	3	4	5	6	7	8	9
SN	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 percent of the average net profit as per section 135(5): Not Applicable.

For and on Behalf of the Board



Kazi Mizanur Rahman
Chairperson, CSR Committee
DIN: 07307065

Place: Dhaka
Date: February 19, 2024

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	N/A

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)				iii. Particulars of Holding, Subsidiary and Associate Companies					
SN	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company	SN	Name and address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Mining and quarrying	5109	100	1	Lafargeholcim Bangladesh Limited	NA	Foreign Holding Company	100%	2(6)

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-2023]				No. of Shares held at the end of the year [As on 31-December-2023]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian				N/A				N/A	
Sub Total (A) (1)				0.00%				0.00%	0.00%
(2) Foreign									
c) Bodies Corp.		41,133,099	41,133,099	100%		41,133,099	41,133,099	100%	0.00%
Sub Total (A) (2)		41,133,099	41,133,099	100%		41,133,099	41,133,099	100%	0.00%
TOTAL (A)		41,133,099	41,133,099	100%		41,133,099	41,133,099	100%	0.00%
B. Public Shareholding				N/A				N/A	
1. Institutions				N/A				N/A	
2. Non-Institutions				N/A				N/A	

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-January-2023]				No. of Shares held at the end of the year [As on 31-December-2023]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Sub-total (B)(2):-				0.00%				0.00%	0.00%
Total Public (B)				0.00%				0.00%	0.00%
C. Shares held by Custodian for GDRs & ADRs				0.00%				0.00%	0.00%
Grand Total (A+B+C)			41,133,099	100%			41,133,099	100%	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%		41,133,098	100%		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	For each of the Top 10 Shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No of shares	% of total shares	No of shares	% of total shares
1	LafargeHolcim Bangladesh Limited						
	At the beginning of the year	01.01.2023	4,11,33,098	100%	4,11,33,098	100%	
	Changes during the year			--	0.00%	--	0.00%
	At the end of the year	31.12.2023		4,11,33,098	100%	4,11,33,098	100%
2	Surma Holding BV						
	At the beginning of the year	01.01.2023	1	0.00%	1	0.00%	
	Changes during the year			--	0.00%	--	0.00%
	At the end of the year	31.12.2023		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
ii) Interest due but not paid	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	--
* 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	--
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 The Company 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		No Penalties, Punishments or Compounding of Offences			
Punishment					
Compounding					
B. Directors					
Penalty		No Penalties, Punishments or Compounding of Offences			
Punishment					
Compounding					
C. Other Officers in Default					
Penalty		No Penalties, Punishments or Compounding of Offences			
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

i. Steps taken or impact on conservation of Energy:

- Focused effort on improving energy consumption footprint by continually deploying state-of-the-art energy equipment.
- Installed and commissioned Grid Energy - a total of 33 KV power line utilized fully for running the crushing plant and for all miscellaneous lighting purposes.

ii. Steps taken by the Company for utilizing alternate sources of energy:

- As part of our commitment to Green Energy, your Company has commissioned a 33 KV Grid power line for sustainable energy - a step to reduce carbon footprint.
- Eliminated the dependency on diesel and a Captive diesel power plant of 5 MVA (DG sets of 1,250 KVA X4), and; promoted green and clean energy.

iii. Capital investment in energy conservation equipment: Nil

B. Technology Absorption

i. Efforts made towards technology absorption:

As it is a new unit, no such actions have been taken.

ii. Benefits derived such as product improvement, cost reduction, product development, or import substitution: Nil

iii. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

- Details of technology imported: N/A for reasons stated above
- Year of import: N/A for reasons stated above
- Whether the technology has been fully absorbed: N/A for reasons stated above
- If not fully absorbed, areas where absorption has not taken place and the reasons thereof: N/A for reasons stated above

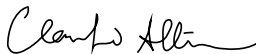
iv. Expenditure incurred on Research and Development: Nil

C. Foreign Exchange Earnings and outgo

The Foreign Exchange earned in terms of actual inflows during the year: INR 3,217.97 million.

The Foreign Exchange outgo in terms of actual outflows during the year: INR 2.35 million.

For and on Behalf of the Board



Chairman

DIN: 08510975

Place: Switzerland
Date: February 19, 2024

FORM NO. AOC – 2

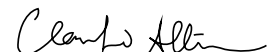
[Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 ('the Act') and Rule 8(2) of the Companies (Accounts) Rules, 2014]

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 the third proviso thereto:

1. **Details of contracts, arrangements, or transactions not at arm's length basis:** Nil
2. **Details of material contracts, arrangements, or transactions at arm's length basis:**

SN	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 45,13,500 (Rupees Forty Five Lacs Thirteen Thousand Five Hundred only) per annum.
e)	Date of approval by the Board	April 27, 2023
f)	Amount paid as advances, if any	Nil

For and on Behalf of the Board


Chairman
DIN: 08510975

Place: Switzerland
Date: February 19, 2024

Independent Auditor's Report

TO
THE MEMBERS OF
LAFARGE UMIAM MINING PRIVATE LIMITED
SHILLONG

Report on the standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of **LAFARGE UMIAM MINING PRIVATE LIMITED (“the Company”)** which comprises the Balance Sheet as at December 31, 2023, the Statement of Profit and Loss (including other Comprehensive Statement), the Statement of Cash Flows and the Statement of Changes in Equity 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 and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by 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 Companies Act 2013 read with the Companies (Indian Accounting Standards) Rule, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at December 31, 2023, total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (“the Act”). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone 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.

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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility 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 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.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain 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. Under section 143(3)(i) of the Act, 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.
- 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.

Other Matter

We draw attention that the standalone financial statements include comparative figures for the year ended December 31, 2022 which has been audited by the predecessor audit firm (RKP Associates, Chartered Accountants) where they had expressed an unmodified opinion vide their Independent Audit Report dated February 28, 2023.

Report on Other Legal and Regulatory Requirements

1. 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 Act, we give in the "Annexure-A", a statement on the matters specified in paragraphs 3 & 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with Ind As specified under section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on 31st December, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st December, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, reporting under Section 197(16) of the Act is not applicable to the 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. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 33 to the financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were 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 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, 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 have been received by the company from any person(s) or entity(ies), including foreign entities ("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; and
 - c) Based on such audit procedures that were 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 (a) and (b) contain any material misstatement;
- v. As stated in Note 45 to the Standalone Ind AS financial statements, the company has declared and paid interim dividend during the financial year 2023 for financial year 2023. The amount of dividend declared and is in accordance with section 123 of the Act, as applicable.
- vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for financial year commencing on or after the w.e.f. April 1, 2023, reporting under rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, is not applicable

For P. GAGGAR & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGN. NO. 318074E



(P. GAGGAR)
PARTNER (M.NO. 040259)

PLACE: GUWAHATI
DATE: February 19, 2024
UDIN: 24040259BKHCAT6624

Annexure A to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of LAFARGE UMIAM MINING PRIVATE LIMITED of even date)

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- 1 (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of its Property, Plant and Equipment.
(B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the record, the Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lease and the lease agreements are duly executed in favour of the Company), as disclosed in note 3 to the financial statements included in property, plant and equipment are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not revalued its Property, Plant and Equipment or Intangible Assets during the year ended December 31, 2023.
- (e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and rules made thereunder.
- 2 (a) According to the information and explanations given to us, the inventory has been physically verified by the management at reasonable intervals. In our opinion the coverage and the procedure of such verification by the management is appropriate. As per records produced before us, there were no discrepancies noticed, of 10% or more, in aggregate for each class of inventory, on such physical verification.
- (b) In our opinion and according to the information and explanations given to us, the company has not been sanctioned working capital limits in excess of Rs. Five Crores in aggregate from Banks and/or Financials Institution during any point of time of the year on the basis of security of current assets. Accordingly, the requirements to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- 3 According to the information and explanation given to us the Company has not provided any guarantee or security or granted any loans or advances in nature of loan, secured or unsecured to companies, firms, Limited Liability partnerships or any other parties **during the year** and accordingly, the provisions of clause 3 (iii) (a) to (f) of the Order are not applicable to the Company
- 4 There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- 5 The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- 6 As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- 7 (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Goods and Service tax, Provident Fund, Mining Royalties, Mineral Cess, Income-Tax and any other statutory dues with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year end for a period of more than six months from the date they became payable except for as mentioned below:


Name of the Statute	Nature of the Dues	Period to which the amount relates	Current Outstanding Amount (INR in Lacs)
Meghalaya Stamp Act, 1993	Stamp Duty	January 2002	3.39
The Income Tax Act, 1961	Order under section 143(3) and 270A	Apr'2019 to Mar'20	41.24 (including interest)

- (b) According to the information and explanations given to us, there are no statutory dues including provident fund, goods & services tax, cess and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute.
- 8 The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- 9 (a) In our opinion and according to the information and explanations given to us the Company has not obtained any loans from financial Institutions, Banks or government and has not issued any debentures.
- (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) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of term loans. Accordingly, the provisions of clause 3 (ix) (c) of the Order are not applicable to the Company.
- (d) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of short term loans. Accordingly, the provisions of clause 3 (ix) (d) of the Order are not applicable to 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 subsidiaries, associates or joint ventures.
- (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, joint ventures or associate companies.
- 10 (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- 11 (a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud/ material fraud by the Company or no fraud / material fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by [cost auditor/ secretarial auditor or by us] in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the company during the year.
- 12 The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) to 3(xii)(c) of the Order is not applicable to the Company.

- 13 Based on the audit procedures performed and information & explanations given by the management, transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- 14 (a) The Company has implemented internal audit system which is commensurate with the size of the Company and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- 15 The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- 16 The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) to 3(xvi)(d) of the Order is not applicable to the Company.
- 17 The Company has not incurred cash losses in the current financial year and the immediately preceding financial year.
- 18 There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- 19 According to the information and explanations given to us and 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, 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 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.
- 20 (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act.
- (b) There are no unspent amounts in respect of ongoing projects that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act.
- 21 The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For P. GAGGAR & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGN. NO. 318074E

PLACE: GUWAHATI
DATE: February 19, 2024
UDIN: 24040259BKHCAT6624


(P. GAGGAR)
PARTNER (M.NO. 040259)

Annexure B to the Independent Auditor's Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of LAFARGE UMIAM MINING PRIVATE LIMITED of even date)

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 31st December 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that 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 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.

Auditors' 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both 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 was 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 controls system 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 transactions 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 2023, 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.

PLACE: GUWAHATI

DATE: February 19, 2024

UDIN: 24040259BKHCCAT6624

For P. GAGGAR & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGN. NO. 318074E


(P. GAGGAR)
PARTNER (M.NO. 040259)

LAFARGE UMIAM MINING PRIVATE LIMITED
Balance Sheet as at 31st December 2023


Particulars	Note No.	As at 31 December 2023 (Rs. In Lakhs)	As at 31 December 2022 (Rs. In Lakhs)
I. Assets			
Non-current assets			
(a) Property, plant and equipment	03	9,966.77	10,496.82
(b) Right of use assets	03B	116.27	140.56
(c) Capital work-in-progress	04	471.08	462.62
(d) Other Intangible assets	03	3,853.91	3,765.41
(e) Financial assets			
(i) Loans & Advance		-	-
(ii) Other financial assets	05	171.48	168.00
(f) Other non-current assets	06	50.82	226.77
Total non-current assets		14,630.33	15,260.18
Current assets			
(a) Inventories	07	1,420.01	1,271.81
(b) Financial assets			
(i) Trade receivable	08	21,813.15	15,418.43
(ii) Cash and cash equivalents	09	2,512.58	1,649.54
(iii) Other bank balances other than (ii) above	10	-	-
(iv) Other financial assets	11 & 05	5.15	-
(c) Current Tax Assets (Net)	06	-	-
(d) Other current assets	06	3,686.50	2,899.48
Total current assets		29,437.39	21,239.26
Total Assets		44,067.72	36,499.44
II. Equity and Liabilities			
<i>Equity</i>			
(a) Equity share capital	12	4,113.31	4,113.31
(b) Other equity	13	29,038.38	24,907.10
Total equity		33,151.69	29,020.41
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	03C	0.31	2.68
(ii) Other financial liabilities	18	30.38	3.38
(b) Provisions	14	825.19	738.77
(c) Deferred tax liabilities (net)	15	1,647.98	1,716.23
Total non-current liabilities		2,503.86	2,461.06

LAFARGE UMIAM MINING PRIVATE LIMITED
Balance Sheet as at 31st December 2023

Particulars	Note No.	As at 31 December 2023 (Rs. In Lakhs)	As at 31 December 2022 (Rs. In Lakhs)
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	-	-
(ii) Lease liabilities	03C	2.37	25.74
(iii) Trade payable			
Due to Micro Enterprises and Small Enterprises	17	91.87	29.66
Other than Micro Enterprises and Small Enterprises	17	5,416.34	3,528.95
(iv) Other financial liabilities	18	444.47	49.84
(b) Other current liabilities	19	2,434.21	1,286.74
(c) Provisions	14	22.91	97.04
(d) Current Tax Liabilities (Net)	14	-	-
Total current liabilities		8,412.17	5,017.97
Total Equity and Liabilities		44,067.72	36,499.44
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 P Gaggar & Associates
Chartered Accountants


P. Gaggar
Partner
Membership No: 040259
FRN 318074E

Place: Guwahati
Date: February 19, 2024
UDIN : 24040259BKHHCAT6624

for and on behalf of the Board of Directors


Mohammad Iqbal Chowdhury
Director
DIN 07977063


Priyatama Devi

Laurembam Priyatama Devi
Company Secretary
ACS 48267


George Chacko
Director
DIN 08696541

Place: Dhaka
Date: February 19, 2024

LAFARGE UMIAM MINING PRIVATE LIMITED
Statement of Profit and Loss for the year ended 31st December 2023

Particulars	Note	Year Ended 31 December 2023 (Rs. In Lakhs)	Year Ended 31 December 2022 (Rs. In Lakhs)
I. Revenue from operations	20	32,179.70	26,564.27
II. Other income	21	181.52	717.99
III. Total income (I +II)		32,361.22	27,282.26
IV. Expenses			
(a) Cost of Extracted Limestone	22	3,197.80	2,747.42
(b) Employee benefits expense	23	1,248.91	1,288.93
(c) Finance cost	24	29.28	53.50
(d) Depreciation and amortisation expenses	03	1,802.19	2,059.18
(e) Other expenses	25	14,553.49	11,713.72
Total expenses		20,831.67	17,862.75
V. Profit before tax (III-IV)		11,529.55	9,419.50
VI. Tax expense:			
(i) Current tax		3,473.65	2,968.80
(ii) Current tax relating to earlier years		-	-
(iii) Deferred tax		(70.33)	(49.51)
VII. Profit for the year (V-VI)		8,126.23	6,500.22
VIII. Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
(i) Remeasurements of net defined benefit liability		(7.12)	74.37
(ii) Income tax relating to net defined benefit liability		2.07	(21.66)
Total other comprehensive income for the year (net of taxes)		(5.05)	52.71
IX. Total Comprehensive Income		8,131.28	6,447.50
Earnings (basic) per share in rupees (face value of Rs 10/- each) .		19.76	15.80
Earnings (diluted) per share in rupees (face value of Rs 10/- each)		19.76	15.80
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 P Gaggar & Associates
Chartered Accountants



P. Gaggar
Partner
Membership No: 040259
FRN 318074E

Place: Guwahati
Date: February 19, 2024
UDIN : 24040259BKHHCAT6624

for and on behalf of the Board of Directors



Mohammad Iqbal Chowdhury
Director
DIN 07977063



Laurembam Priyatama Devi
Company Secretary
ACS 48267



George Chacko
Director
DIN 08696541

Place: Dhaka
Date: February 19, 2024

LAFARGE UMIAM MINING PRIVATE LIMITED

Statement of Changes in Equity for the year ended 31st December 2023

A. Equity Share Capital (Refer Note 12)

A. Equity share capital

Particulars	(Rs. In Lakhs)
Balance as at 1 January, 2022	4,113.31
Changes in share capital during the year	-
Balance as at 31 December, 2022	4,113.31
Changes in share capital during the year	-
Balance as at 31 December, 2023	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 2022	-	24,619.56	9.99	24,629.55
Profit/(Loss) for the year	-	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
Profit/(Loss) for the period	-	8,126.23	-	8,126.23
Dividend	-	(4,000.00)	-	(4,000.00)
Other comprehensive income	-	-	5.05	5.05
Balance as at 31 December 2023	-	29,076.05	(37.67)	29,038.38

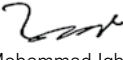
The notes referred to above form an integral part of the Standalone Financial Statements

As per our report of even date
For P Gaggar & Associates
Chartered Accountants


P. Gaggar
Partner
Membership No: 040259
FRN 318074E

Place: Guwahati
Date: February 19, 2024
UDIN : 24040259BKHCAT6624

for and on behalf of the Board of Directors


Mohammad Iqbal Chowdhury
Director
DIN 07977063


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Laurembam Priyatama Devi
Company Secretary
ACS 48267


George Chacko
Director
DIN 08696541

Place: Dhaka
Date: February 19, 2024

LAFARGE UMIAM MINING PRIVATE LIMITED

Cash Flow Statement for the year ended 31st December 2023

	Year ended 31.12.2023 (Rs. in Lakhs)	Year ended 31.12.2022 (Rs. in Lakhs)
A. Cash Flow from Operating Activities:		
Profit / (Loss) before Taxes and Exceptional Item	11,527.27	9,419.51
Adjustments for:		
Depreciation	1,831.89	2,059.18
Unrealised foreign exchange (gain)/ loss	306.47	(297.95)
Financial charges	27.92	50.18
Property, plant and equipment written off	-	106.77
Interest income	(31.06)	(53.65)
Operating Profit before Working Capital Changes	13,662.47	11,284.04
Changes in Working Capital:		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	(7,460.46)	(2,526.97)
Short term and long term loans and advances	(6,701.19)	(11,576.33)
Inventories	(611.07)	9,184.58
Adjustments for increase / (decrease) in operating liabilities:	(148.20)	(135.22)
Trade payables and other current and non current liabilities	3,510.70	695.68
Long and short term provisions	3,546.43	541.04
Cash from / (used in) Operations	(35.73)	154.64
Cash from / (used in) Operations	9,712.73	9,452.75
Provision for tax/taxes paid	(3,473.65)	(2,968.80)
Net Cash from/(used in) Operating Activities	6,239.08	6,483.96
B. Cash Flow from Investing Activities:		
Capital expenditure on property, plant and equipment and capital work in progress	(1,344.81)	(1,621.28)
Interest received	22.43	90.51
Net Cash used in Investing Activities	(1,322.38)	(1,530.77)
C. Cash Flow from Financing Activities:		
Repayment of short term borrowings	-	-
Repayment of lease liabilities	(25.74)	(23.23)
Financial charges paid	(27.92)	(50.18)
Dividend paid	(4,000.00)	(6,169.96)
Net Cash from/ (used in) Financing Activities	(4,053.66)	(6,243.38)
Net Increase or (Decrease) in Cash or Cash equivalents	863.04	(1,290.20)
Cash and Cash equivalents as at 1st January	1,649.54	2,939.74
Cash and Cash equivalents as at 31st December	2,512.58	1,649.54

Notes:

1. Include cash and cheques on hand, balance in current and deposit accounts with banks (refer note - 09) .
2. Figures in brackets represent outflows.
3. Previous year figures have been regrouped/restated wherever necessary.
4. Note 4 in CFS: The above statement of cash flow has been prepared under the indirect method as set out in Ind AS 7 "Statement of Cash Flows".


The notes referred to above form an integral part of the Standalone Financial Statements

As per our report of even date
For P Gaggar & Associates
Chartered Accountants


P. Gaggar
Partner
Membership No: 040259
FRN 318074E

Place: Guwahati
Date: February 19, 2024
UDIN : 24040259BKHCA6624

for and on behalf of the Board of Directors


Mohammad Iqbal Chowdhury
Director
DIN 07977063



Laurembam Priyatama Devi
Company Secretary
ACS 48267


George Chacko
Director
DIN 08696541

Place: Dhaka
Date: February 19, 2024

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 2020 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. 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.

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Notes to the Financial Statements

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.

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.

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- 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.

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.
- c. Cost to expand the capacity of the quarry.

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.

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Notes to the Financial Statements

* For Crusher, Long Belt Conveyor Plant & Machinery and HEMM 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.

j) Employee Benefits

Defined Contribution Schemes: Company's contribution towards Provident Fund paid / payable during the year to the Provident Fund Authority are charged to Statement of Profit and Loss.

Defined Benefit Schemes: Company's liabilities towards Gratuity are defined benefit scheme. All liability of Defined Benefit Schemes is ascertained by independent actuarial valuations as per the requirements of IND AS 19 on "Employee Benefits"

k) Borrowing Cost

Borrowing costs to the extent / attributed to the acquisition / construction of qualifying assets are capitalized up to the date when such assets are ready for its intended use and all other borrowing costs are recognized as an expense in the period in which they are incurred

l) Taxes on Income

Income tax expense for the year comprises of current tax and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent it relates to a business combination or to an item which is recognised directly in equity or in Other Comprehensive Income.

- a. Current tax is the expected tax payable/receivable on the taxable income/loss for the year using applicable tax rates at the Balance Sheet date, and any adjustment to taxes in respect of previous years. Interest income/ expenses and penalties, if any, related to income tax are included in current tax expense
- b. Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.
A deferred tax liability is recognised based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised
- c. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis.
Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

m) Impairment of Property, Plant and Equipment

An impairment loss is recognized wherever the carrying amount of property, plant and equipment of cash generating unit exceeds the recoverable amount i.e. net selling price or value in use, whichever is higher.

n) Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements

o) Classification of Assets and Liabilities into Current/Non-current

All assets and liabilities are presented as Current or Non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realization, the Company has ascertained its operating cycle as 12 months for the purpose of Current / Non-current classification of assets and liabilities.

LAFARGE UMIAM MINING PRIVATE LIMITED

Notes to the Financial Statements

03. Property, Plant and Equipment as at 31st December 2023

Particulars	Gross Block - At Cost			Depreciation / Amortisation			Net Block	
	As at 1st January, 2023 (Rs. In Lakhs)	Additions during the year (Rs. In Lakhs)	Adjustments during the year (Rs. In Lakhs)	As at 31st December, 2023 (Rs. In Lakhs)	As at 1st January, 2023 (Rs. In Lakhs)	Additions during the year (Rs. In Lakhs)	As at 31st December, 2023 (Rs. In Lakhs)	As at 1st January, 2023 (Rs. In Lakhs)
03 A. Tangible Assets								
Freehold Land	204.90	-	-	204.90	-	-	204.90	204.90
Building	2,283.11	50.00	-	2,333.11	548.45	65.16	1,719.50	1,734.66
Plant and Machinery	21,126.45	1,034.52	-	22,160.97	13,150.25	1,532.25	7,478.47	7,976.20
Development of property	1,073.62	-	-	1,073.62	628.98	15.19	429.45	444.64
Furniture and Fixtures	93.74	26.02	-	119.76	62.50	6.06	51.20	31.24
Office & Household Equipments	117.13	-	-	117.13	108.07	2.92	6.14	9.06
Electronic Data Processing Equipment	121.42	-	-	121.42	117.97	-	3.45	3.45
Vehicles	410.96	-	-	410.96	318.29	19.01	73.66	92.67
Total	25,431.33	1,110.54	-	26,541.87	14,934.51	1,640.59	9,966.77	10,496.82
Previous year	23,756.31	1,953.68	(278.66)	25,431.33	13,202.59	1,903.81	10,496.82	14,934.51
						(171.89)		
03 B. Intangible Assets								
Software (acquired)	37.05	-	-	37.05	37.05	-	-	-
Development of property	7,433.90	225.81	-	7,659.71	3,668.49	137.31	3,853.91	3,765.41
Total	7,470.95	225.81	-	7,696.76	3,705.54	137.31	3,853.91	3,765.41
Previous year	7,470.95	-	-	7,470.95	3,575.72	129.82	3,765.41	3,765.41

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Notes to the Financial Statements

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

Particulars	Gross Block - At Cost			Depreciation / Amortisation			Net Block	
	As at 1st January, 2022 (Rs. In Lakhs)	Additions during the year (Rs. In Lakhs)	Adjustments during the year (Rs. In Lakhs)	As at 31st December, 2022 (Rs. In Lakhs)	As at 1st January, 2022 (Rs. In Lakhs)	Additions during the year (Rs. In Lakhs)	As at 31st December, 2022 (Rs. In Lakhs)	As at 1st January, 2022 (Rs. In Lakhs)
03 A. Tangible Assets								
Freehold Land	204.90	-	-	204.90	-	-	204.90	204.90
Leasehold Land	-	-	-	-	-	-	-	-
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	572.22	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	20,082.55	13.18	-	20,095.73	10,806.64	1,045.50	8,243.59	11,852.14
03 B. Intangible Assets								
Software (acquired)	37.05	-	-	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	3,069.12	376.78	4,025.05	3,445.90

LAFARGE UMIAM MINING PRIVATE LIMITED

Notes to the Financial Statements

03B. Right of use (Assets) - As at December 31, 2023

	Gross block			Accumulated amortisation			Net block		
	As at 1st January 2023 (Rs. In Lakhs)	Recognised during the year (Rs. In Lakhs)	Deductions/ adjustment (Rs. In Lakhs)	As at 31st December 2023 (Rs. In Lakhs)	As at 1st January 2023 (Rs. In Lakhs)	Charge for the year (Rs. In Lakhs)	Deductions/ adjustment (Rs. In Lakhs)	As at 31st December 2023 (Rs. In Lakhs)	As at 31st December 2023 (Rs. In Lakhs)
Leases- Land	214.75	-	-	214.75	95.86	3.99	-	99.85	114.90
Leases -Building	137.44	-	-	137.44	115.77	20.30	-	136.07	1.37
Leases -Equipments	-	-	-	-	-	-	-	-	-
Total	352.19	-	-	352.19	211.63	24.29	-	235.92	116.27

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

	Gross block			Accumulated amortisation			Net block		
	As at 1st January 2022 (Rs. In Lakhs)	Recognised during the year (Rs. In Lakhs)	Deductions/ adjustment (Rs. In Lakhs)	As at 31st December 2022 (Rs. In Lakhs)	As at 1st January 2022 (Rs. In Lakhs)	Charge for the year (Rs. In Lakhs)	Deductions/ adjustment (Rs. In Lakhs)	As at 31st December 2022 (Rs. In Lakhs)	As at 31st December 2022 (Rs. In Lakhs)
Leases- Land	138.85	75.90	-	214.75	92.47	3.39	-	95.86	118.89
Leases -Building	137.44	-	-	137.44	93.61	22.16	-	115.77	21.67
Leases -Equipments	-	-	-	-	-	-	-	-	-
Total	276.29	75.90	-	352.19	186.08	25.55	-	211.63	140.56

LAFARGE UMIAM MINING PRIVATE LIMITED

Notes to the Financial Statements

Lease liabilities	As at 31st December 2023 (Rs. In Lakhs)	As at 31st December 2022 (Rs. In Lakhs)
Non-current lease liabilities	0.31	2.68
Current lease liabilities	2.37	25.74
Movement in lease liabilities		
Opening Lease Liability	28.42	51.64
Addition during the year	-	-
Cancellation of lease contracts	-	-
Finance Cost accrued during the year	1.36	3.32
Payment of Lease Liabilities	27.10	26.55
Closing Lease Liability	2.68	28.42
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 31.12.2023 (Rs. in Lakhs)	As at 31.12.2022 (Rs. in Lakhs)
(a) Building	-	50.00
(b) Plant & Machinery	447.34	188.20
(c) Others	23.74	224.42
Total Capital Work-in-Progress	471.08	462.62

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	283.09	178.89		9.10	471.08
Projects temporarily suspended	-	-	-	-	-
	283.09	178.89	-	9.10	471.08
Previous year	424.52	-	-	38.10	462.62

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

LAFARGE UMIAM MINING PRIVATE LIMITED

Notes to the Financial Statements

Financial Assets				
05. Other Financial Assets	As at 31.12.2023 (Rs. in Lakhs)		As at 31.12.2022 (Rs. in Lakhs)	
	Non Current	Current	Non Current	Current
(a) Security deposits	132.30	-	132.30	-
(b) Interest accrued on deposits	39.18	5.15	35.70	-
Total Loans and Advances	171.48	5.15	168.00	-
06. Other Non-Current & Current Assets				
	As at 31.12.2023 (Rs. in Lakhs)		As at 31.12.2022 (Rs. in Lakhs)	
	Non Current	Current	Non Current	Current
Loans and Advances (Unsecured, considered good)				
(a) Capital advances	-	152.95	-	507.70
(b) Advance tax (Net of provision for tax)	13.95	-	214.58	-
(c) Other loans and advances				
Prepayments	19.17	27.58	-	24.40
Advances to suppliers	17.70	477.60	12.19	423.05
Others	-	3,028.37	-	1,944.33
Total Loans and Advances	50.82	3,686.50	226.77	2,899.48
07. Inventories				
	As at 31.12.2023 (Rs. in Lakhs)		As at 31.12.2022 (Rs. in Lakhs)	
(a) Extracted Limestone		62.16		60.64
(b) Oil and Fuel		50.88		72.24
(c) Stores, Spares and Explosive		1,306.97		1,138.93
Total Inventories		1,420.01		1,271.81
Financial Assets				
08. Trade Receivables	As at 31.12.2023 (Rs. in Lakhs)		As at 31.12.2022 (Rs. in Lakhs)	
Current Trade Receivable				
Unsecured, considered good unless otherwise stated				
Others		21,813.15		15,418.43
Total Current Trade Receivable		21,813.15		15,418.43

LAFARGE UMIAM MINING PRIVATE LIMITED

Notes to the Financial Statements

Trade receivable ageing schedule for the year ended as on December 31, 2023 and December 31, 2022:

Particulars	Outstanding for the following periods from due date of payment				
	Not Due (Rs. in Lakhs)	Less than 1 year (Rs. in Lakhs)	1-2 years (Rs. in Lakhs)	2-3 years (Rs. in Lakhs)	Total (Rs. in Lakhs)
(i) Undisputed Trade receivables - considered good	2,487.51	18,868.50	457.14	-	21,813.15
(ii) Undisputed Trade receivables - considered doubtful	-	-	-	-	-
(iii) Disputed Trade receivables considered good	-	-	-	-	-
(iv) Disputed Trade receivables - considered doubtful	-	-	-	-	-
Total Trade Receivable	2,487.51	18,868.50	457.14	-	21,813.15
Previous year	2,580.25	10,106.24	2,731.94	-	15,418.43

09. Cash and Cash equivalents	As at 31.12.2023 (Rs. in Lakhs)	As at 31.12.2022 (Rs. in Lakhs)
(a) Cash on hand	0.90	0.82
(b) Balances with banks In Current Accounts	2,511.68	1,648.72
Total Cash and Cash equivalents	2,512.58	1,649.54
Out of above, the balances that meet the definition of Cash and Cash equivalents as per Indian Accounting Standard 7 Statements of Cash Flows	2,512.58	1,649.54
10. Other bank balances	As at 31.12.2023 (Rs. in Lakhs)	As at 31.12.2022 (Rs. in Lakhs)
(a) Margin money deposit against Bank Guarantee and Letters of credit	-	-
(b) Term deposit	-	-
Total Other bank balances	-	-
11. Other financial assets	As at 31.12.2023 (Rs. in Lakhs)	As at 31.12.2022 (Rs. in Lakhs)
Derivative account (Forward Contract MTM)	-	-
Total Other financial assets	-	-
12. Share Capital	As at 31.12.2023 (Rs. in Lakhs)	As at 31.12.2022 (Rs. in Lakhs)
Authorised:		
42,000,000 (as at 31st December, 2022: 42,000,000) equity shares of Rs. 10 each	4,200.00	4,200.00
	4,200.00	4,200.00
Issued, Subscribed and Fully Paid up:		
41,133,099 (as at 31st December, 2022: 41,133,099) equity shares of Rs. 10 each	4,113.31	4,113.31
	4,113.31	4,113.31

LAFARGE UMIAM MINING PRIVATE LIMITED

Notes to the Financial Statements

12.1 Share Capital

Reconciliation of Number of Shares

	As at 31.12.2023 (Rs. in Lakhs)		As at 31.12.2022 (Rs. in Lakhs)	
	No. of Shares	Amount (Rs. in Lakhs)	No. of Shares	Amount (Rs. in Lakhs)
Issued, Subscribed and Fully paid				
At the beginning of the year	41,133,099	4,113.31	41,133,099	4,113.31
At the end of the year	41,133,099	4,113.31	41,133,099	4,113.31

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

Shareholder	As at 31.12.2023		As at 31.12.2022	
	No. of Shares	%	Nos. 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.

Shares held by Promoters at 31st December 2023

Promoter Name	No. of shares	% of shares	% of change during the year
LafargeHolcim Bangladesh Ltd.	41,133,098	100%	0.00%
Surma Holding BV	1	0%	0.00%

13. Reserves and Surplus

	As at 31.12.2023 (Rs. in Lakhs)	As at 31.12.2022 (Rs. in Lakhs)
Surplus / (Deficit) in Statement of Profit and Loss :		
Opening Balance	24,907.10	24,629.55
Add: Profit / (Loss) for the year	8,131.28	6,447.51
	33,038.38	31,077.06
Less : Appropriations		
Final equity dividend {Amount per share Rs. NIL (Previous Year - Rs. 15)}	-	6,169.96
Interim equity dividend {Amount per share Rs. 9.72 (Previous Year - NIL)}	4,000.00	-
Closing Balance	29,038.38	24,907.10

LAFARGE UMIAM MINING PRIVATE LIMITED

Notes to the Financial Statements

14. Non-Current & Current Provisions	As at 31.12.2023 (Rs. in Lakhs)		As at 31.12.2022 (Rs. in Lakhs)	
	Non Current	Current	Non Current	Current
(a) Provision for employee benefits				
Post-employment Defined Benefits				
Retiring Gratuity	214.94	22.91	211.21	97.04
(b) Provision for Site Restoration	610.25	-	527.56	-
Total Provisions	825.19	22.91	738.77	97.04
15. Deferred Tax Liabilities (Net)	As at 31.12.2023 (Rs. in Lakhs)		As at 31.12.2022 (Rs. in Lakhs)	
Deferred tax assets				
Gratuity		69.26		103.71
Lease obligations		0.78		8.27
Total A		70.04		111.98
Deferred tax liabilities				
Depreciation on property, plant and equipments		1,718.02		1,821.90
Right of Use Assets		-		6.31
Total B		1,718.02		1,828.21
Deferred Tax Liabilities (Net) (B-A)		1,647.98		1,716.23
16. Current Borrowings	As at 31.12.2023 (Rs. in Lakhs)		As at 31.12.2022 (Rs. in Lakhs)	
Loans from banks				
Unsecured		-		-
Total current borrowings		-		-
17. Trade Payables	As at 31.12.2023 (Rs. in Lakhs)		As at 31.12.2022 (Rs. in Lakhs)	
	Non Current	Current	Non Current	Current
Creditors for supplies /services				
Total outstanding dues of micro enterprises and small enterprises	-	91.87	-	29.66
Total outstanding dues of creditors other than micro and small enterprises	-	5,130.72	-	3,297.43
Creditors for accrued wages and salaries	-	285.62	-	231.52
Total Trade Payables	-	5,508.21	-	3,558.61

LAFARGE UMIAM MINING PRIVATE LIMITED

Notes to the Financial Statements

Outstanding for following periods from due date of payment

	Not Due (Rs. in Lakhs)	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	50.60	24.00	17.27	-	-	91.87
(ii) Others	4,852.81	468.18	79.06	4.92	11.37	5,416.34
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total Trade Payables	4,903.41	492.18	96.33	4.92	11.37	5,508.21
Previous year	-	1,610.97	532.72	298.79	1,116.14	3,558.61

18. Other financial Liabilities	As at 31.12.2023 (Rs. in Lakhs)		As at 31.12.2022 (Rs. in Lakhs)	
	Non Current	Current	Non Current	Current
(a) Creditors for capital liability	30.38	443.85	3.38	1.20
(b) Interest accrued and due on borrowings	-	-	-	-
(c) Derivatives	-	0.62	-	48.64
Total financial liabilities	30.38	444.47	3.38	49.84

19. Other Current Liabilities	As at 31.12.2023 (Rs. in Lakhs)		As at 31.12.2022 (Rs. in Lakhs)	
	Statutory Dues		2,434.21	
Total Other Current Liabilities		2,434.21		1,286.74

20. Revenue from Operations	Year ended 31.12.2023 (Rs. in Lakhs)		Year ended 31.12.2022 (Rs. in Lakhs)	
	Revenue from operations (gross)		32,179.70	
Less : Goods & Services Tax on revenue from operations		-		-
Revenue from Operations (net)		32,179.70		26,564.27

20.1 Revenue from Operations (net)	Year ended 31.12.2023 (Rs. in Lakhs)		Year ended 31.12.2022 (Rs. in Lakhs)	
	Sale of crushed limestone (1)		32,179.70	
		32,179.70		26,564.27

Additional information

(1) Sales of crushed limestone represent 100% export sales to holding company, LafargeHolcim Bangladesh Ltd, Bangladesh

21. Other Income	Year ended 31.12.2023 (Rs. in Lakhs)		Year ended 31.12.2022 (Rs. in Lakhs)	
	(a) Interest Income from bank deposits		31.06	
(b) Gain on foreign exchange fluctuation (Net)		99.33		663.89
(c) Others		51.13		0.45
Total Other Income		181.52		717.99

LAFARGE UMIAM MINING PRIVATE LIMITED

Notes to the Financial Statements

22. Cost of Extracted Limestone	Year ended 31.12.2023 (Rs. in Lakhs)	Year ended 31.12.2022 (Rs. in Lakhs)
Extracted Limestone		
Opening stock	60.64	58.29
Add:- Cost of extraction	3,199.32	2,749.77
Less : Closing stock	62.16	60.64
Extracted Limestone Consumed	3,197.80	2,747.42
23. Employee Benefits Expenses	Year ended 31.12.2023 (Rs. in Lakhs)	Year ended 31.12.2022 (Rs. in Lakhs)
(a) Salaries and wages, including bonus	1,149.01	1,187.44
(b) Contribution to provident and other funds	99.90	101.49
Total Employee Benefits Expense	1,248.91	1,288.93
24. Finance Cost	Year ended 31.12.2023 (Rs. in Lakhs)	Year ended 31.12.2022 (Rs. in Lakhs)
(a) Interest expenses		
Interest on working capital demand loan and over-draft	-	0.22
(b) Bank charges	27.92	49.96
(c) Other borrowing costs on lease obligations	1.36	3.32
Total Finance Cost	29.28	53.50
25. Other Expenses	Year ended 31.12.2023 (Rs. in Lakhs)	Year ended 31.12.2022 (Rs. in Lakhs)
Consumption of stores, spare parts and loose tools	213.52	199.73
Fuel for power generation	615.89	456.00
Cost of operation and maintenance of DG Sets for power generation	25.66	5.97
Grid Power	402.26	284.60
Rent	0.00	3.19
Repairs to machinery	137.36	112.78
Repairs to others	295.08	258.45
Insurance	51.35	40.56
Royalty and Cess for Limestone mining lease	5,866.91	5,066.91
Lease rent for limestone mining surface rights	2,035.18	676.90
LBC and mining operation support & assistance by local bodies & others	579.85	666.05
Contribution to Special Purpose Vehicle (1)	3,188.43	2,753.55
Corporate Social Responsibility Expenditure (2)	121.34	105.37
Environmental cost	179.81	169.92
Business Promotion & Public Relations	4.55	12.32
Study, reports and consultancy fees	30.33	31.64
IT Cost	62.82	59.78
Security cost	443.43	444.68
Communication charges	1.21	3.96
Gas, Water & Electricity	0.81	6.91
Legal fees and consultation	16.13	16.93
Travelling and conveyance	59.97	69.49
Safety expense	49.57	52.67
Site restoration cost	82.69	82.69
Write off of property, plant and equipment	-	14.32
Deputation of custom officials at site	43.96	40.98
Auditors remuneration and out-of-pocket expenses (including service tax)		
(i) Statutory Auditors	4.00	7.50
(ii) Tax Audit related matter	2.80	2.80
(iii) Reimbursement of Expense	0.22	0.26
Miscellaneous expenses	38.36	66.81
Total Other Expenses	14,553.49	11,713.72

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Notes to the Financial Statements

(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. 121.34 lakhs (Previous year : Rs. 105.37 lakhs) incurred by the Company represents with the requirement of the provision of Section 135 of the Companies Act, 2013.

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 31.12.2023	As at 31.12.2022
	(Rs. in Lakhs)	(Rs. in Lakhs)
	Carrying amount/Fair Value	Carrying amount/Fair Value
Financial assets measured at amortized cost		
Trade receivables	21,813.15	15,418.43
Cash and cash equivalents	2,512.58	1,649.54
Other bank balance	-	-
Security deposits	132.30	132.30
Other financial assets	(127.15)	(132.30)
Total	24,330.88	17,067.97
Financial liabilities measured at amortized cost		
Borrowings	-	-
Lease liabilities	2.68	28.42
Lease deposits	-	-
Security deposits	-	-
Trade payables	5,508.21	3,558.61
Other financial liabilities	474.85	53.22
Financial Liabilities measured at Fair Value		
Total	5,985.74	3,640.25

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.

LAFARGE UMIAM MINING PRIVATE LIMITED

Notes to the Financial Statements

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.

(b) Credit risk

The revenue from operations, i.e., sale of crushed limestone represents 100% export sales to holding company, LafargeHolcim Bangladesh Limited, Bangladesh. The Company's customer profile consists of only the holding company. Credit risk on trade receivables is limited as the only customer of the Company, LafargeHolcim Bangladesh Limited, has a strong credit worthiness. As such the Company has not identified any credit impairment loss as at December 31, 2023 and December 31, 2022

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 2023 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 2,512.59 lakhs at 31 Dec 2023 (31 December 2022: INR 1,649.54 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.

(Rs. in Lakhs)

As at 31 December 2022	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	3,558.61	3,558.61	3,558.61	-	-	-
Other payables	53.22	53.22	49.84	-	-	3.38
	3,640.25	3,640.25	3,634.19	2.68	-	3.38

LAFARGE UMIAM MINING PRIVATE LIMITED

Notes to the Financial Statements

(Rs. in Lakhs)

As at 31 December 2023	Carrying amount	Total	0-12 months	1-2 years	2-5 years	More than 5 years
Borrowings	-	-	-	-	-	-
Lease deposits	-	-	-	-	-	-
Lease liabilities	2.68	2.68	2.37	0.31	-	-
Security Deposit	-	-	-	-	-	-
Trade payables	5,508.21	5,508.21	5,508.21	-	-	-
Other payables	474.85	474.85	444.47	27.00	-	3.38
	5,985.74	5,985.74	5,955.05	27.31	-	3.38

(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

The company's revenue from operations, ie, sale of crushed limestone represents 100% export sales to holding company and consequently the Company is exposed to foreign exchange risk. The exchange rate between the rupee and foreign currencies has changed substantially in recent years, which has affected the results of the Company, and may fluctuate substantially in the future. The Company evaluates exchange rate exposure arising from foreign currency transactions and enters into forward exchange contracts to mitigate the risks associated with foreign currency fluctuations.

The following table analysis foreign currency risk from material financial instruments:

Particulars	Foreign Currency	As at 31 December 2023		As at 31 December 2022	
		INR in lakhs	Foreign currency in lakhs	INR in lakhs	Foreign currency in lakhs
Financial Assets					
Trade Receivables	USD	21,813.15	262.44	15,418.43	186.24
Cash and Bank Balances	USD	1,826.96	21.98	1365.97	16.50

The following significant exchange rates have been applied during the year

Particulars	As at 31 December 2023	As at 31 December 2022
USD	83.12	82.79

The following table details the Company's sensitivity to a 5% increase and 5% decrease against the relevant foreign currencies. Sensitivity indicates Management's assessment of the reasonable possible change in foreign exchange rates. The sensitivity analysis includes only material outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% change in foreign currency rates.

Particulars	As at 31 December 2023		As at 31 December 2022	
	Increase	Decrease	Increase	Decrease
Financial Liabilities				
USD	1,182.00	(1,182.00)	839.00	(839.00)

LAFARGE UMIAM MINING PRIVATE LIMITED

Notes forming part of financial statements

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-23	0	USD	-
31-Dec-22	0	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-23	2	USD	915.38
31-Dec-22	7	USD	3,145.06

29. Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for Rs. 598.75 lakhs (as at 31st December, 2023 Rs. 825.34 lakhs).

30. Deferred tax:

The breakup of deferred tax is as under	Year Ended	Year Ended
	31.12.2023 (Rs. in lakhs)	31.12.2022 (Rs. in lakhs)
Deferred Tax Liabilities		
Timing difference on account of:-		
-Depreciation	(1718.02)	(1821.90)
-Right of Use Assets	Nil	6.31
Gross Deferred Tax Liabilities (A)	(1718.02)	(1828.21)
Deferred Tax Assets		
-Unabsorbed Depreciation	Nil	Nil
-Provision for Gratuity	69.26	103.71
-Lease obligations	0.78	8.27
Gross Deferred Tax Assets (B)	70.04	111.98
Deferred Tax Assets/ (Liability) (Net) (A-B)	(1647.98)	(1716.23)

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	As on
		31.12.2023 (Rs. in lakhs)	31.12.2022 (Rs. in lakhs)
1	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	91.87	29.66
2	Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	--	--

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Notes forming part of financial statements

No.	Particulars	As on	As on
		31.12.2023 (Rs. in lakhs)	31.12.2022 (Rs. in lakhs)
3	Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.	--	--
4	Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	--	--
5	Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	--	--
6	Interest due and payable towards suppliers registered under MSMED Act, for payments already made.	--	--
7	Further interest remaining due and payable for earlier years.	--	--

*This information has been determined to the extent such parties have been identified on the basis intimation received from the "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

32. Expenditure / Earnings in foreign currency:

a) Value of imports calculated on CIF basis:

	Year Ended	
	31.12.2023 (Rs. in lakhs)	31.12.2022 (Rs. in lakhs)
i) Stores and Spare parts	Nil	Nil
ii) Capital goods	Nil	324.14
Total	Nil	324.14

b) Expenditure in foreign currency:

	Year Ended	
	31.12.2023 (Rs. in lakhs)	31.12.2022 (Rs. in lakhs)
i) Professional and Consulting fees	23.45	25.62
ii) Interest and other borrowing cost	Nil	Nil
Total	23.45	25.62

c) Earnings in foreign currency:

	Year Ended	
	31.12.2023 (Rs. in lakhs)	31.12.2022 (Rs. in lakhs)
i) FOB Value of Exports	32,179.70	26,564.27
Total	32,179.70	26,564.27

LAFARGE UMIAM MINING PRIVATE LIMITED

Notes forming part of financial statements

d) Details of consumption of imported and indigenous items:

	Year Ended			
	31.12.2023		31.12.2022	
	(Rs. in lakhs)	%	(Rs. in lakhs)	%
i) Imported				
Raw materials	Nil	Nil	Nil	Nil
Stores and Spares	0.48	0.22%	3.19	2%
ii) Indigenous				
Raw materials	3,197.80	100.00%	2,747.42	100%
Stores and Spares	212.57	99.78%	196.54	98%

33. Contingent Liability not provided for:

- Bank Guarantee amounting to Rs. 370.00 lakhs (as at 31st December 2022 Rs. 370.00 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.
- On December 21, 2023 the Ministry of Environment, Forest & Climate Change (MOEF&CC) issued order to the Govt. of Meghalaya stating that the Condition no. 2 of the Stage – II approval dated February 29, 2012 has been modified for diversion of 116.589 hectore of non-forest land. LUMPL has to provide the said 116.589 hectore non-forest land and mutate the same in the name of Forest Department of Government of Meghalaya. LUMPL also has to pay the cost of raising Compensatory Afforestation over the same.

LUMPL is presently in the process of evaluating the total cost of the land and afforestation and in procuring the land and mutate the same in the name of Forest Department, Government of Meghalaya. Till the process is completed, a reliable estimate of the total cost cannot be made at this point. Hence, no provision has been made.

- 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.

- 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 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 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 December 5, 2023 when the matter came up for hearing, it was directed to be transferred to the Commercial Division of the Hon'ble 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. Upon the matter being transferred, we mentioned the matter before the Hon'ble Court and the matter is likely to be listed in near future.

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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	
	31.12.2023 (Rs. in lakhs)	31.12.2022 (Rs. in lakhs)
Opening balance	527.56	444.87
Additions	82.69	82.69
Reversals	Nil	Nil
Closing balance	610.25	527.56

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 2023 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 Income Statement

Particulars	Year Ended 31.12.2023	Year Ended 31.12.2022
	(Rs. in lakhs)	(Rs. in lakhs)
Current Service cost	19.58	20.23
Past Service Cost	-	-
Loss/(Gain) on settlement	-	-
Net Interest (Income)/Cost on the Net Defined Benefit Liability (Asset)	22.50	16.77
Expenses Recognized in the Income Statement	42.08	37.00

ii. Other Comprehensive Income(OCI)

Particulars	Year Ended 31.12.2023	Year Ended 31.12.2022
	(Rs. in lakhs)	(Rs. in lakhs)
Actuarial (gains) / losses due to :		
change in demographic assumptions	(0.45)	(0.65)
change in financial assumptions	3.61	(5.17)
experience variance (i.e. Actual experience vs assumptions)	(10.28)	80.19
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	(7.12)	74.37

LAFARGE UMIAM MINING PRIVATE LIMITED

Notes forming part of financial statements

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

SI	Funded Status	As on	
		31.12.2023	31.12.2022
		(Rs. in lakhs)	(Rs. in lakhs)
1	Present value of Defined Benefit Obligation	237.85	308.25
2	Fair value of plan assets	-	-
3	Fund status [Surplus/(Deficit)]	(237.85)	(308.25)
4	Effect of balance sheet asset limit	-	-
5	Unrecognized Past Service Costs	-	-
6	Net asset/(liability) recognized in balance sheet	(237.85)	(308.25)
1	Net asset/(liability) recognized in balance sheet at beginning of period	(308.25)	(236.31)
2	Expense recognized in Income Statement	42.08	37.00
3	Expense recognized in Other Comprehensive Income	(7.12)	74.37
4	Employer contributions		39.43
5	Net Acquisitions / Business Combinations	-	-
6	Net asset/(liability) recognized in balance sheet at end of the period	(237.85)	(308.25)

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

A	Change in Defined Benefit Obligations (DBO)	Year ended 31.12.2023	Year ended 31.12.2022
		(Rs. in lakhs)	(Rs. in lakhs)
1	Present Value of DBO at beginning of period	308.25	236.31
2	Current Service cost	19.58	20.22
3	Interest cost	22.50	16.78
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	(0.45)	(0.65)
	- change in financial assumptions	3.61	(5.17)
	- experience variance (i.e. Actual experience vs assumptions)	(10.28)	80.19
	- others	-	-
10	Benefits Paid	(105.36)	(39.43)
11	Present Value of DBO at the end of period	237.85	308.25

LAFARGE UMIAM MINING PRIVATE LIMITED

Notes forming part of financial statements

B	Change in Fair Value of Assets	Year ended 31.12.2023	Year ended 31.12.2022
		(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	-	-
5	Fund Transferred	-	-
6	Employee Contribution	-	-
7	Benefits paid	-	-
8	Plan assets at the end of period	-	-

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

Particulars	Year ended 31.12.2023	Year ended 31.12.2022
	(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

SI	Particulars	Year ended 31.12.2023 (Rs. in lakhs)	Year ended 31.12.2022 (Rs. in lakhs)
1	Current Defined Benefit Obligation	22.91	97.04
2	Non-Current Defined Benefit Obligation	214.94	211.21
3	Total Defined Benefit Obligation	237.85	308.25
C	Best Estimate of Contribution During Next Year	N.A	N.A

LAFARGE UMIAM MINING PRIVATE LIMITED

Notes forming part of financial statements

A. Sensitivity Analysis

Particulars	Year ended 31.12.2023	Year ended 31.12.2022
	(Rs. in lakhs)	(Rs. in lakhs)
Defined Benefit Obligation (Base)	237.85	308.25

Particulars	Year ended 31.12.2023 (Rs. in lakhs)		Year ended 31.12.2022 (Rs. in lakhs)	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%) % change compared to base due to sensitivity	264.19 11.07%	215.31 -9.48%	335.93 8.98%	284.79 -7.61%
Salary Growth Rate (- / + 1%) % change compared to base due to sensitivity	217.58 -8.52%	260.12 9.36%	286.98 -6.90%	330.71 7.28%
Attrition Rate (- / + 1%) % change compared to base due to sensitivity	239.36 0.63%	236.60 -0.53%	309.29 0.34%	307.37 -0.28%
Mortality Rate (- / + 1%) % change compared to base due to sensitivity	237.86 0.00%	237.84 0.00%	308.24 0.00%	308.26 0.00%

B. Maturity Profile of Defined Benefit Obligation

Weighted average duration (based on discounted cash flow)	11 years	12 years
---	----------	----------

	Year ended 31.12.2023	Year ended 31.12.2022
	(Rs. in lakhs)	(Rs. in lakhs)
Expected cash flows over the next (valued on undiscounted basis)		
1 Year	22.91	97.04
2 to 5 years	48.23	48.15
6 to 10 years	92.59	82.78
More than 10 years	412.09	463.89

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

SI		Year ended 31.12.2023	Year ended 31.12.2022
		(Rs. in lakhs)	(Rs. in lakhs)
1	Employer's Contribution to recognized Provident Fund	57.81	64.49

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

Name of the Related Parties

Holding Company:	LafargeHolcim Bangladesh Ltd.
Ultimate Holding Company:	Surma Holdings B.V, Netherland
Group Company:	Holcim Group Services Ltd. Holcim Services (South Asia) India

LAFARGE UMIAM MINING PRIVATE LIMITED

Notes forming part of financial statements

a. Key Managerial Personnel (KMP):

Name	Nature of relationship	Transactions for the year ended		
		31.12.2023 (Rs. in lakhs)	31.12.2022 (Rs. in lakhs)	Nature of transaction
Ms. Sonal Shrivastava (Ceased to be KMP w.e.f 15.06.2023)	Chairman	Nil	Nil	---
Ms. Claudia Iris Albertini (Appointed as Director w.e.f 25.06.2023)	Chairman	Nil	Nil	---
Mr. Narayan Sharma (Ceased to be KMP w.e.f 01.12.2022)	Director	94.16	149.04	Remuneration
Mr. Marcos Cela Rey	Director	Nil	Nil	---
Mr. Kazi Mizanur Rahman	Director	Nil	Nil	---
Mr. Rajesh Surana (Ceased to be KMP w.e.f 14.02.2023)	Director	Nil	Nil	---
Mr. Mohammed Iqbal Chowdhury	Director	Nil	Nil	---
Mr. George Chacko (Appointed as Director w.e.f 24.11.2022)	Director	65.40	9.93	Remuneration
Muhammad Anisuzzaman (Appointed as Director w.e.f 05.06.2023)	Director	Nil	Nil	---
Mr. Amitav Singh (Appointed as Director w.e.f 29.07.2023)	Director	Nil	Nil	---

b. Holding Company: LafargeHolcim Bangladesh Ltd, Bangladesh

Ultimate Holding Company: Surma Holdings B.V, Netherland

Export sales transaction:

	31.12.2023	31.12.2022
	(Rs. in lakhs)	(Rs. in lakhs)
Closing balance of export sales receivables as at	21,813.15	15,418.43
Total value of export sales transaction during the year ended	32,179.70	26,564.27

c. Fellow Subsidiary Company:

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

Transactions:

	31.12.2023	31.12.2022
	(Rs. in lakhs)	(Rs. in lakhs)
Closing balance as at	17.75	12.23
Expense paid by the Company on behalf of the fellow subsidiary company during the year ended	5.52	0.57

LAFARGE UMIAM MINING PRIVATE LIMITED

Notes forming part of financial statements

d. Group Company:

Name of Party	Relationship	Nature of Transactions	Net Transaction value during the year	Payable at 31 st Dec 23	Payable at 31 st Dec 22
			(Rs. in Lakhs)	(Rs. in Lakhs)	(Rs. in Lakhs)
Holcim Group Services Ltd.	Group Company	Intercompany Services	16.81	29.08	12.27
Holcim Services (South Asia) India	Group Company	Intercompany Services	45.14	7.50	3.32
Lafarge Asia SDN BHD	Group Company	Intercompany Services	-	25.40	25.30
Lafarge SA	Group Company	Intercompany Services	-	128.35	122.97

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

	31 st December 2023	31 st December 2022
Net Profit / (Loss) after Tax available for Equity Shareholders (Rs. in lakhs)	8,490.68	6,500.22
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)	20.63	15.80

Analytical Ratios

Ratio	Numerator	Denominator	As at December 2023	As at December 2022	% Variance	Reason for Variance if more than 25%
Current ratio (in times)	Total current assets	Total current liabilities	3.50	4.23	(17)%	Not Applicable
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%	Not Applicable
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%	Not Applicable
Return on equity ratio (%)	Net profit after tax	Average total equity	27.14%	13.83%	96%	Increase in revenue from operations
Inventory turnover ratio (in times)	Cost of goods sold	Average inventory	2.38	2.09	14%	Not Applicable

LAFARGE UMIAM MINING PRIVATE LIMITED

Notes forming part of financial statements

Ratio	Numerator	Denominator	As at December 2023	As at December 2022	% Variance	Reason for Variance if more than 25%
Trade receivables turnover ratio (in times)	Revenue from sale of goods	Average trade receivables	1.73	5.24	-67%	Increase in trade receivables
Trade payables turnover ratio (in times)	Purchase + Other expenses	Average trade payables	3.92	4.35	-10%	Not Applicable
Net capital turnover ratio (in times)	Total revenue from operations	Working capital (i.e. Total current assets less Total current liabilities)	1.73	1.81	-5%	Not Applicable
Net profit ratio (in %)	Net profit after tax	Total revenue from operations	26%	18%	47%	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)	40.22%	22.62%	78%	Increase in revenue from operations
Return on investment (in %)	Income generated from treasury investments	Average invested funds in treasury investments	NA	NA	0%	Not Applicable

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. 0.62 lakhs [as at 31st December 2022 Rs. 93.63 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 2023 are as follows:

As at	No. of Contracts	Amount (USD in lakhs)	Amount (Rs. in lakhs)
31st December 2023	2	11.00	915.38
31st December 2022	7	38.50	3,145.06

LAFARGE UMIAM MINING PRIVATE LIMITED

Notes forming part of financial statements

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:

Particulars	For the year ended 31-Dec-23 Rs. In lakhs	For the year ended 31-Dec-22 Rs. In lakhs
i) Amount required to be spent by the company during the year	120.79	103.28
ii) Amount of expenditure incurred on:		
(a) Construction/acquisition of any asset	Nil	Nil
(b) On purposes other than (i) above	121.34	105.37
(iii) Shortfall/(excess) at the end of the year	-0.55	-2.09
(iv) Total of previous years shortfall/Excess	Nil	Nil
(v) Reason for shortfall if any	Nil	Nil
(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			
		31 st December 2023		31 st December 2022	
		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	25.40	0.31	25.30
	Euro	1.40	128.35	1.40	122.97
	CHF	0.29	29.08	0.14	12.27
Sundry Receivables	USD	262.44	21,813.15	186.24	15,418.43

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 interim dividend of 97% per share on 41,33,099 issued, subscribed and fully paid up equity shares of Rs. 10 each (i.e. Rs. 4,000.00 lakhs) out of nine (09) months profit of financial year 2023 (January 2023 to September 2023) as per provisional accounts and undistributed profits of the previous financial year at the Board of Directors' Meeting held on 29th November 2023.
46. The company has paid the declared dividend of Rs. 4,000.00 lakhs to its 100% holding Company LafargeHolcim Bangladesh Limited on 06th December 2023.
47. 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.
48. Title deeds of all immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the company.
49. The company has not revalued its Property, Plant and Equipment during the financial year.

LAFARGE UMIAM MINING PRIVATE LIMITED

Notes forming part of financial statements

50. The company has not granted loans and advances to related parties which are repayable on demand or without specifying any terms or period of repayment.
51. The company does not have any Benami Property where any proceeding has been initiated or pending against the company for holding any benami property.
52. The company has not secured working capital loans from banks on the basis of security of current assets.
53. The company has not been declared as a wilful defaulter by any bank or financial Institution or other lender.
54. The company doesn't have any transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
55. The company has no charges that are pending to be satisfied with the Registrar of Companies.
56. The company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.
57. The company not has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
58. The company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
59. 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.
60. 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

George Chacko
Director

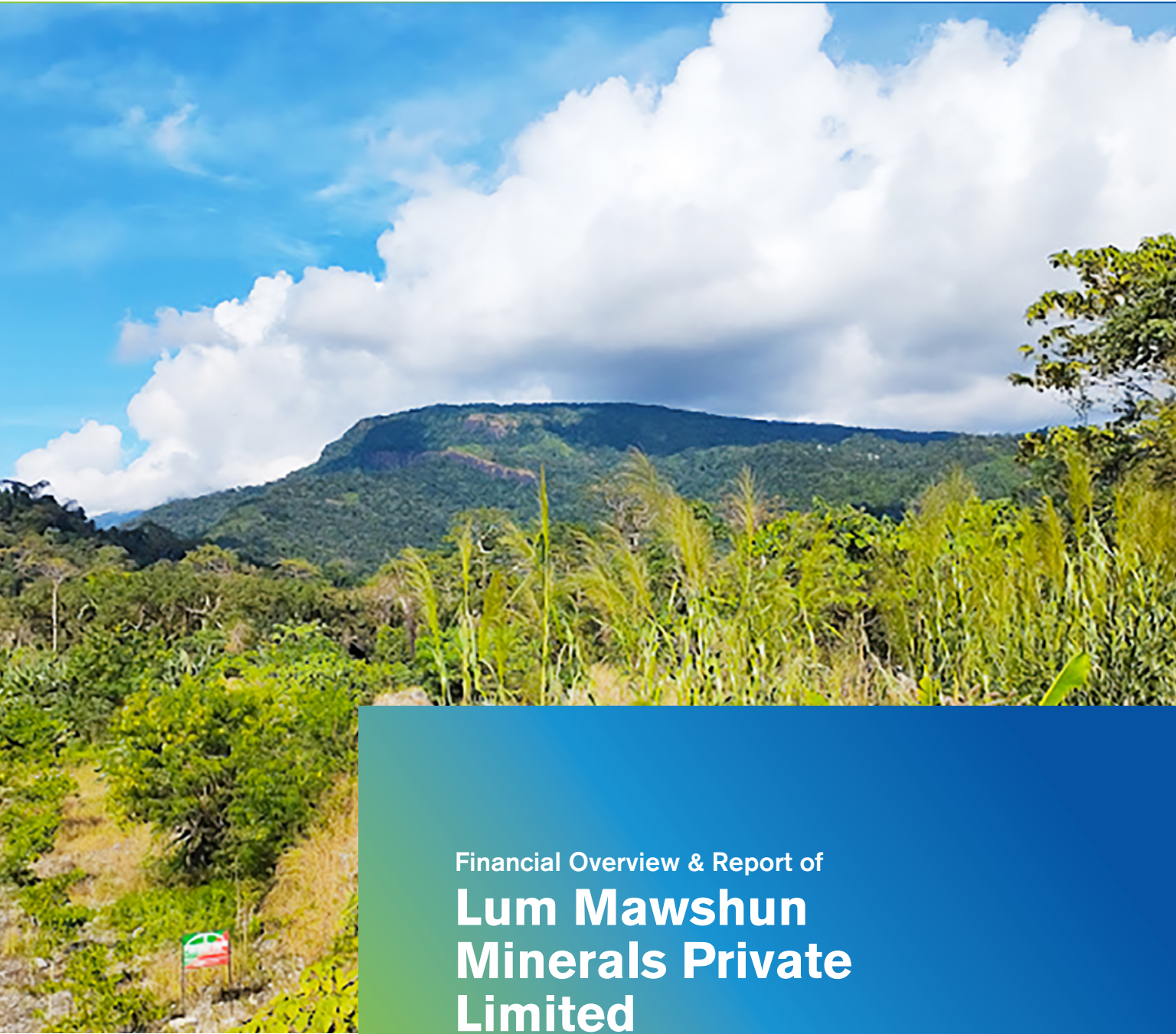
DIN 08696541

Laurembam Priyatama Devi
Company Secretary

ACS 48267

Place: Dhaka

Date: February 19, 2024



Financial Overview & Report of
**Lum Mawshun
Minerals Private
Limited**

December 31, 2023

BOARD OF DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors of Lum Mawshun Minerals Pvt. Ltd. (hereafter referred to as the "Company") is pleased to present its report, along with the audited financial statements for the fiscal year ending December 31, 2023, to our esteemed members.

Review of Company Activities

Your Company was established as a subsidiary of LafargeHolcim Bangladesh Limited (LHBL) to acquire land rights and mining leases for the mining project in Meghalaya, India. With approval from the Meghalaya government, the Company transferred all acquired lands for the project to Lafarge Umiam Mining Private Limited ("LUMPL"), the operating Company for the mining project. Currently, your Company is exploring new opportunities for future business development.

1. Financial Highlights

The net loss for the year 2023 was INR 10,76,086/-

2. Auditor's Report

The notes accompanying the financial statements are self-explanatory and do not need further clarification.

There are no issues in the Auditor's Report that necessitate clarification or explanation.

3. Directors

The Board comprises six (6) Directors. They are not subject to retirement by rotation.

New Additions

Welcoming **Mr. Md. Anisuzzaman** and **Ms. Claudia Iris Albertini** to the Board! Both appointed as Additional Directors, effective from June 5 and June 25, 2023, respectively. Both of them are nominees of LafargeHolcim Bangladesh Ltd. the parent company of the Company.

Farewells

Bid farewell to **Mr. Rajesh Kumar Surana** and **Ms. Sonal Srivastava**, whose remarkable contributions and leadership will be cherished. Mr. Surana's resignation, effective from February 14, 2023, and Ms. Srivastava's, effective from June 15, 2023, mark the end of their impactful tenures on the Board.

4. Directors' Responsibility Statement

Under Section 134(3)(c) of the Companies Act, 2013, we assert

1. The annual accounts for the year ending December 31, 2023, strictly adhere to Accounting Standards, with clear explanations for any deviations.
2. We consistently apply accounting policies, exercising prudent judgment to accurately reflect the Company's financial position and profit for the year.
3. Robust accounting records are maintained, complying with the Companies Act, 2013, to safeguard assets and detect fraud.
4. The 2023 annual accounts reflect the Company's ongoing operational viability.
5. Effective internal financial controls are in place and actively enforced.
6. Comprehensive systems ensure compliance with all applicable laws, ensuring adequacy and effectiveness.

5. Appointment of Statutory Auditor

At the 28th Annual General Meeting convened on April 24, 2023, M/s P. Gaggar & Associates (Firm Registration No. 322473E) was appointed as the Statutory Auditor of the Company. Their tenure extends from the conclusion of this meeting until the conclusion of the subsequent 28th Annual General Meeting, contingent upon ratification at each Annual General Meeting resolution.

6. Number of Board Meetings Held During the Review Period

Throughout the year ending December 31, 2023, the Board of Directors convened on five occasions: February 27, 2023; April 27, 2023; June 25, 2023; July 13, 2023; and October 17, 2023.

7. Particulars of loans, Guarantees & Investments

During the period under review, the Company refrained from participating in any investments, loans, guarantees, or security provisions.

8. Compliance with the Sexual Harassment of Women at Workplace Act, 2013

The Board has been diligently implementing measures to safeguard women's rights in the workplace.

9. Related Party Transactions

The Company has not undertaken any materially significant related party transactions involving its Directors, management, subsidiaries, or relatives, except those disclosed in the financial statements. Consequently, details of contracts or arrangements with related parties as per Section 188(1), along with justifications, are omitted from this report.

10. Comprehensive Annual Return Details: Annexure A

The details included in the extract of the annual return in Form MGT 9 are provided in Annexure A of this report.

11. Energy Conservation, Technology Absorption and Foreign Exchange

Details regarding energy conservation, technology absorption, and foreign exchange earnings and outgo, as mandated under Section 134(3)(m) of the Companies Act, 2013, in conjunction with Rule 8 of the Companies (Accounts) Rules, 2014, are provided herein as Annexure B, forming an integral part of this report.

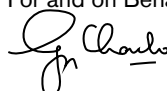
12. Deposits

Throughout the reviewed year, the Company did not accept any deposits from the public.

13. Acknowledgements

The Directors express their heartfelt gratitude to LHBL, Lafarge Umium Mining Pvt. Ltd. project consultants, and the Durbars of Nongtraï and Shella for their invaluable and ongoing support.

For and on Behalf of the Board



Director
DIN: 08696541



Director
DIN: 07977063

Place: Shillong
Date: February 20, 2024

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	U14107ML1994PTC004299
2	Registration Date	17/11/1994
3	Name of the Company	LUM MAWSHUN MINERALS PVT LTD
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.	N/A

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	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	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Lafargeholcim Bangladesh Limited	N/A	Foreign Holding Company	74.02	2(46)

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-2023]				No. of Shares held at the end of the year [As on 31-December-2023]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
Sub Total (A) (1)			1,420	25.98%			1,420	25.98%	0.00%
(2) Foreign			1,420	25.98%			1,420	25.98%	0.00%
c) Bodies Corp.									
Sub Total (A) (2)			4,046	74.02%			4,046	74.02%	0.00%
TOTAL (A)			4,046	74.02%			4,046	74.02%	0.00%

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-January-2023]				No. of Shares held at the end of the year [As on 31-December-2023]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding			5,466	100.00%			5,466	100.00%	0.00%
1. Institutions				N/A				N/A	
2. Non-Institutions				N/A				N/A	
Sub-total (B)(2):-				N/A				N/A	
Total Public (B)				0.00%				0.00%	0.00%
C. Shares held by Custodian for GDRs & ADRs				0.00%				0.00%	0.00%
Grand Total (A+B+C)			5,466	100.00%			5,466	100.00%	0.00%

(ii) Shareholding of Promoter

Sl	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

Sl	For each of the Top 10 Shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No of shares	% of total shares	No of shares	% of total shares
1	LafargeHolcim Bangladesh Limited						
	At the beginning of the year	01.01.2023		4,046	74.02%	4,046	74.02%
	Changes during the year			--	0.00%	--	0.00%
	At the end of the year	31.12.2023		4,046	74.02%	4,046	74.02%
2	Surma Holding BV						
	At the beginning of the year	01.01.2023		710	12.99%	710	12.99%
	Changes during the year			--	0.00%	--	0.00%
	At the end of the year	31.12.2023		710	12.99%	710	12.99%
3	Lyngdoh Galmender Singh						
	At the beginning of the year	01.01.2023		710	12.99%	710	12.99%

SI	For each of the Top 10 Shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No of shares	% of total shares	No of shares	% of total shares
	Changes during the year			--	0.00%	--	0.00%
	At the end of the year	31.12.2023		710	12.99%	710	12.99%

(v) Shareholding of Directors and Key Managerial							
SI	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 shares	No of shares	% of total shares
1	Lyngdoh Sedhon Galmendersing						
	At the beginning of the year	01.01.2023		710	12.99%	710	12.99%
	Changes during the year				0.00%		0.00%
	At the end of the year	31.12.2023		710	12.99%	710	12.99%
2	Kitty D Roy						
	At the beginning of the year	01.01.2023		710	12.99%	710	12.99%
	Changes during the year				0.00%		0.00%
	At the end of the year	31.12.2023		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			No Penalties, Punishments or Compounding of Offences		
Punishment					
Compounding					
B. Directors					
Penalty			No Penalties, Punishments or Compounding of Offences		
Punishment					
Compounding					
C. Other Officers in Default					
Penalty			No Penalties, Punishments or Compounding of Offences		
Punishment					
Compounding					

Conservation of energy, technology absorption and foreign exchange earnings and outgo under Section 134(3)(m) of the Companies Act, 2013, in conjunction with Rule 8 of the Companies (Accounts) Rules, 2014

A. Conservation of Energy

i. Steps taken or impact on conservation of energy

- The Company is not a manufacturing company; therefore, details regarding conservation of energy are not applicable.

ii. Steps taken by the Company for utilizing alternate sources of energy: N/A

iii. Capital investment in energy conservation equipment: N/A

B. Technology Absorption: Nil

C. Foreign Exchange Earnings and outgo

i. Total foreign exchange used and earned

- Expenditure in foreign currency: Nil
- Earnings in foreign currency: Nil

For and on Behalf of the Board



Director
DIN: 08696541



Director
DIN: 07977063

Place: Shillong
Date: February 20, 2024

Independent Auditor's Report

**TO
THE MEMBERS OF
LUM MAWSHUN MINERALS PRIVATE LIMITED
SHILLONG**

Report on the standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of **LUM MAWSHUN MINERALS PRIVATE LIMITED** ("the Company") which comprises the Balance Sheet as at December 31, 2023, the Statement of Profit and Loss 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 and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at December 31, 2023, and loss for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act.

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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility 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

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.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain 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. Under section 143(3)(i) of the Act, 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.
- 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.

Other Matter

We draw attention that the standalone financial statements include comparative figures for the year ended December 31, 2022 which has been audited by the predecessor audit firm (RKP Associates, Chartered Accountants) where they had expressed an unmodified opinion vide their Independent Audit Report dated February 28, 2023.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. 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 Act is not applicable to the Company.
2. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet and the Statement of Profit and Loss, dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Companies (Accounting Standards) Rules, 2021 specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014.

- e. On the basis of the written representations received from the directors as on 31st December, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st December, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. In our opinion and according to the information and explanations given to us, Clause (i) of Section 143(3) on internal financial controls with reference to financial statements is not applicable pursuant to notification G.S.R 583(E) dated 13 June 2017.
- g. The provisions of Section 197 read with Schedule V to the Act are applicable only to public companies. Accordingly, reporting under Section 197(16) of the Act is not applicable to the 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. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were 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 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, 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 have been received by the company from any person(s) or entity(ies), including foreign entities ("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; and
 - c. Based on such audit procedures that were 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 (a) and (b) contain any material misstatement;
 - v. No dividend has been declared or paid during the year by the Company.
 - vi. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for financial year commencing on or after the w.e.f. April 1, 2023, reporting under rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, is not applicable

For P. GAGGAR & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGN. NO. 318074E



(P. GAGGAR)
PARTNER (M.NO. 040259)

PLACE : GUWAHATI
DATE : February 19, 2024
UDIN: 24040259BKHCAU8351

LUM MAWSHUN MINERALS PRIVATE LIMITED


Balance Sheet as at 31st December 2023

	Notes	As at 31.12.2023 (Rupees '00)	As at 31.12.2022 (Rupees '00)
(I) EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	03	5,466.00	5,466.00
(b) Reserves and surplus	04	(31,705.33)	(20,944.47)
(c) Money Received against share warrants	-	-	-
		(26,239.33)	(15,478.47)
(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	26,905.56	16,121.99
(c) Other current liabilities	06	-	-
(d) Short-term provisions	-	-	-
		26,905.56	16,121.99
TOTAL EQUITY AND LIABILITIES		666.23	643.51
(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	497.15	467.94
(e) Other non-current assets	-	-	-
		497.15	467.94
(2) Current assets			
(a) Current investments	-	-	-
(b) Inventories	-	-	-
(c) Trade receivables	-	-	-
(d) Cash and bank balances	08	169.08	175.57
(e) Short-term loans and advances	07	-	-
(f) Other current assets	-	-	-
		169.08	175.57
TOTAL ASSETS		666.23	643.51

See accompanying notes forming part of the financial statements


In terms of our report attached

For P Gaggar & Associates
Chartered Accountants


P. Gaggar
Partner
Membership No: 040259
FRN 318074E

Place: Guwahati
Date: February 19, 2024
UDIN: 24040259BKHCAU8351

for and on behalf of the Board of Directors


Mohammad Iqbal Chowdhury
Director
DIN 07977063


George Chacko
Director
DIN 08696541


Place: Dhaka
Date: February 19, 2024

LUM MAWSHUN MINERALS PRIVATE LIMITED
Statement of Profit and Loss for the year ended 31st December 2023

	Note	Year ended 31.12.2023 (Rupees '00)	Year ended 31.12.2022 (Rupees '00)
I	Revenue from operations	-	-
II	Other Income	808.01	26.55
III	Total Income (I+II)	808.01	26.55
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	11,568.87	962.49
	Total Expenses	11,568.87	962.49
V	Profit before exceptional and extraordinary items and tax (III - IV)	(10,760.86)	(935.94)
VI	Exceptional items	-	-
VII	Profit before extraordinary items and tax (V - VI)	(10,760.86)	(935.94)
VIII	Extraordinary items	-	-
IX	Profit / (Loss) before tax (VII- VIII)	(10,760.86)	(935.94)
X	Tax Expense	-	-
XI	Profit (Loss) for the period (IX - X)	(10,760.86)	(935.94)
XII	Loss per equity share (Rupees):		
	Basic and Diluted	12	(196.87) (17.12)


See accompanying notes forming part of the financial statements
In terms of our report attached

For P Gaggar & Associates
Chartered Accountants


P. Gaggar
Partner
Membership No: 040259
FRN 318074E

Place: Guwahati
Date: February 19, 2024
UDIN: 24040259BKHCAU8351

for and on behalf of the Board of Directors


Mohammad Iqbal Chowdhury
Director
DIN: 07977063


George Chacko
Director
DIN 08696541

Place: Dhaka
Date: February 19, 2024

LUM MAWSHUN MINERALS PRIVATE LIMITED

Notes to the Financial Statements

1. 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 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.

2. 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.

3. Share Capital

	As at 31.12.2023 (Rupees '00)	As at 1.12.2022 (Rupees '00)
Authorised:		
168,000 (Previous year 168,000) equity shares of Rs 100 each	168,000.00	168,000.00
	168,000.00	168,000.00
Issued, Subscribed and Fully Paid up:		
5,466 (Previous year 5,466) equity shares of Rs. 100 each	5,466.00	5,466.00
	5,466.00	5,466.00

LUM MAWSHUN MINERALS PRIVATE LIMITED

Notes to the Financial Statements

3.1 Share Capital

Reconciliation of Number of shares

	As at 31.12.2023		As at 31.12.2022	
	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	5,466	5,466.00	5,466	5,466.00

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

Shareholder	As at 31.12.2023		As at 31.12.2022	
	No. of Shares	%	Nos. 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%
	5,466	100%	5,466	100%

3.3 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.

4. Reserves and Surplus

	As at 31.12.2023 (Rupees '00)	As at 31.12.2022 (Rupees '00)
Surplus / (Deficit) in Statement of Profit and Loss :		
Opening Balance	(20,944.47)	(20,008.53)
Add: Profit / (Loss) for the year	(10,760.86)	(935.94)
Closing Balance	(31,705.33)	(20,944.47)

5. Trade Payables

	As at 31.12.2023 (Rupees '00)	As at 31.12.2022 (Rupees '00)
Creditors for supplies / services payable to MSME	-	-
payable to Other than MSME	26,905.56	16,121.99
Total Trade Payables	26,905.56	16,121.99

LUM MAWSHUN MINERALS PRIVATE LIMITED

Notes to the Financial Statements

6. Other Current Liabilities	As at 31.12.2023 (Rupees '00)	As at 31.12.2022 (Rupees '00)
Creditors for other liabilities		
Statutory dues	-	-
Total Other Current Liabilities	-	-

7. Loans and Advances	As at 31.12.2023		As at 31.12.2022	
	Long Term	Short Term	Long Term	Short Term
	(Rupees '00)		(Rupees '00)	
Loans and Advances				
(a) Interest accrued on deposits	33.37	-	4.16	-
(b) Other loans and advances				
- Deposit account (1)	463.78	-	463.78	-
- TDS	-	-	-	-
Total Loans and Advances	497.15	-	467.94	-
Classification of Loans and Advances				
Secured, considered good	-	-	-	-
Unsecured, considered good	497.15	-	467.94	-
Doubtful	-	-	-	-
Gross Loans and Advances	497.15	-	467.94	-

Additional information

1. Pledged with the Director of Mineral Resources, Meghalaya

8. Cash and Bank Balances	As at 31.12.2023 (Rupees '00)	As at 31.12.2022 (Rupees '00)
(a) Cash on hand	2.74	2.74
(b) Balances with banks		
- In Current Accounts	166.34	172.83
Total Cash and Bank Balances	169.08	175.57
Out of above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements	169.08	175.57

LUM MAWSHUN MINERALS PRIVATE LIMITED

Notes forming part of the financial statements

9. Other Expenses	As at 31.12.2023 (Rupees '00)	As at 31.12.2022 (Rupees '00)
(a) Auditors Remuneration	118.00	743.40
(b) Professional Fees	11,199.38	118.00
(c) Filing Fees	245.00	94.60
(d) Bank Charges	6.49	6.49
	11,568.87	962.49

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 31.12.2023 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:

SN	Particulars	Year ended 31-Dec-2023 (Rs'00)	Year ended 31-Dec-2022 (Rs'00)
1	Net Profit after tax attributable to Equity Shareholders (Rs) {A}	(10,760.86)	(935.94)
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}	(196.87)	(17.12)

- 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

Fellow Subsidiary:
Name: Lafarge Umiam Mining Pvt. Ltd.
Transaction: Expense paid by the fellow subsidiary on behalf of the Company Rs. 5,508.00
Previous Year Rs. 566.60; Balance at the year-end: Rs. 17,745.00 (Previous Year Rs. 12,237.00)

- 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

Place: Dhaka
Date: February 19, 2024


Mohammad Iqbal Chowdhury
Director
DIN 07977063


George Chacko
Director
DIN 08696541

LafargeHolcim Bangladesh Limited

A company of  LafargeHolcim and 

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