



# INTERIM **FINANCIAL** STATEMENTS

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as at and for the  
period ended 30 September 2019  
**(Un-audited)**

**LAFARGEHOLCIM BANGLADESH LIMITED**  
**Consolidated Statement of Financial Position (Un-audited)**  
**at 30 September 2019**


	NOTES	30 Sep 2019 Taka'000	31 Dec 2018 Taka'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	16,574,716	16,665,097
Goodwill	8	317,776	317,776
Intangible assets	9	2,553,444	2,613,994
Other assets	12	141,088	142,176
<b>Total non-current assets</b>		<b>19,587,024</b>	<b>19,739,043</b>
<b>Current assets</b>			
Inventories	10	2,666,413	2,378,070
Trade receivables	11	1,939,998	1,887,838
Other assets	12	434,325	566,487
Advance income tax	13	1,721,292	1,854,576
Derivative instruments		-	16,022
Cash and cash equivalents	14	113,495	446,194
<b>Total current assets</b>		<b>6,875,523</b>	<b>7,149,187</b>
<b>Total assets</b>		<b>26,462,547</b>	<b>26,888,230</b>
<b>Equity &amp; liabilities</b>			
Share capital	31.3	11,613,735	11,613,735
Retained earnings		3,680,465	3,666,293
Other components of equity		(103,290)	(116,930)
Foreign currency translation		388,384	415,288
<b>Equity attributable to owners of the Company</b>		<b>15,579,294</b>	<b>15,578,386</b>
Non-controlling interests		(69)	(66)
<b>Total equity</b>		<b>15,579,225</b>	<b>15,578,320</b>
<b>Non-current liabilities</b>			
Borrowings	15A	371,656	984,478
Deferred tax liabilities	16	3,045,117	3,104,680
Employee benefits		248,087	205,623
Provision	17	39,430	37,428
<b>Total non-current liabilities</b>		<b>3,704,290</b>	<b>4,332,209</b>
<b>Current liabilities</b>			
Trade payables	18	4,554,345	4,316,413
Other current liabilities	19	711,364	668,642
Borrowings	15B	1,913,323	1,992,646
<b>Total current liabilities</b>		<b>7,179,032</b>	<b>6,977,701</b>
<b>Total equity and liabilities</b>		<b>26,462,547</b>	<b>26,888,230</b>

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

  
 Company Secretary

  
 Chief Financial Officer

  
 Director

  
 Director

  
 Chief Executive Officer



**LAFARGEHOLCIM BANGLADESH LIMITED**  
**Consolidated Statement of Profit or Loss (Un-audited)**  
**for the period ended 30 September 2019**

	NOTES	Jan-Sep 2019 Taka '000	Jan-Sep 2018 Taka '000	Jul-Sep 2019 Taka '000	Jul-Sep 2018 Taka '000
Revenue	20	13,262,781	12,324,329	3,558,380	3,846,509
Cost of sales	21	(10,122,131)	(9,373,039)	(2,517,565)	(2,867,186)
<b>Gross profit</b>		<b>3,140,650</b>	<b>2,951,290</b>	<b>1,040,815</b>	<b>979,323</b>
Other operating income	24A	17,227	27,877	7,437	6,663
General and administrative expenses	22	(810,459)	(894,775)	(276,474)	(271,846)
Sales and marketing expenses	23	(377,146)	(441,586)	(128,379)	(154,602)
Other operating expenses	24B	(1,562)	(172,167)	(1,562)	(126,112)
<b>Operating profit</b>		<b>1,968,710</b>	<b>1,470,639</b>	<b>641,837</b>	<b>433,426</b>
Finance cost	25	(196,307)	(402,623)	(66,792)	(161,113)
Finance income	25	35,602	5,910	14,448	1,200
<b>Profit before tax</b>		<b>1,808,005</b>	<b>1,073,926</b>	<b>589,493</b>	<b>273,513</b>
Income tax	26	(632,459)	(582,663)	(208,031)	(308,736)
<b>Profit for the period</b>		<b>1,175,546</b>	<b>491,263</b>	<b>381,462</b>	<b>(35,223)</b>
<b>Earning Per Share</b>					
Basic (Taka)		1.01	0.42	0.33	(0.03)
Diluted (Taka)		1.01	0.42	0.33	(0.03)

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







Company Secretary      Chief Financial Officer      Director      Director      Chief Executive Officer



**LAFARGEHOLCIM BANGLADESH LIMITED**  
**Consolidated Statement of Comprehensive Income (Un-audited)**  
**for the period ended 30 September 2019**

	Jan-Sep 2019 <u>Taka'000</u>	Jan-Sep 2018 <u>Taka'000</u>	Jul-Sep 2019 <u>Taka'000</u>	Jul-Sep 2018 <u>Taka'000</u>
<b>Profit for the period</b>	<b>1,175,546</b>	<b>491,263</b>	<b>381,462</b>	<b>(35,223)</b>
<b>Items that may be reclassified subsequently to profit or loss</b>				
Cash flow hedge instruments	13,640	(60,865)	(762)	(119,628)
Exchange differences on translating foreign operation	(26,904)	(262,914)	(60,559)	(115,628)
Non controlling interests- currency translation adjustment	(3)	(59)	(11)	(25)
<b>Other comprehensive income for the period</b>	<b>(13,267)</b>	<b>(323,838)</b>	<b>(61,332)</b>	<b>(235,281)</b>
<b>Total comprehensive income for the period</b>	<b>1,162,279</b>	<b>167,425</b>	<b>320,130</b>	<b>(270,504)</b>
<b>Profit attributable to:</b>				
Owners of the parent Company	1,162,282	167,484	320,141	(270,479)
Non-controlling interests	(3)	(59)	(11)	(25)
	<b>1,162,279</b>	<b>167,425</b>	<b>320,130</b>	<b>(270,504)</b>

  
 Company Secretary

  
 Chief Financial Officer

  
 Director

  
 Director

  
 Chief Executive Officer



**LAFARGEHOLCIM BANGLADESH LIMITED**  
**Consolidated Statement of Changes in Equity (Un-audited)**  
**for the period ended 30 September 2019**


(All figures are in Tk. '000)

	Share capital	Retained earnings	Other components of equity	Foreign currency translation	Equity for parent company	Non controlling interests	Total equity
<b>Balance at 1 January 2018</b>	11,613,735	3,132,305	(46,737)	574,404	15,273,707	(4)	15,273,703
Total comprehensive income for the period	-	491,263	(60,865)	(262,914)	167,484	(59)	167,425
Final dividend for 2017	-	(580,687)	-	-	(580,687)	-	(580,687)
<b>Balance at 30 September 2018</b>	<b>11,613,735</b>	<b>3,042,881</b>	<b>(107,602)</b>	<b>311,490</b>	<b>14,860,504</b>	<b>(63)</b>	<b>14,860,441</b>
<b>Balance at 1 January 2019</b>	11,613,735	3,666,293	(116,930)	415,288	15,578,386	(66)	15,578,320
Total comprehensive income for the period	-	1,175,546	13,640	(26,904)	1,162,282	(3)	1,162,279
Final dividend for 2018	-	(1,161,374)	-	-	(1,161,374)	-	(1,161,374)
<b>Balance at 30 September 2019</b>	<b>11,613,735</b>	<b>3,680,465</b>	<b>(103,290)</b>	<b>388,384</b>	<b>15,579,294</b>	<b>(69)</b>	<b>15,579,225</b>

  
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 Director

  
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**LAFARGEHOLCIM BANGLADESH LIMITED**  
**Consolidated Statement of Cash Flows (Un-audited)**  
**for the period ended 30 September 2019**


	Jan-Sep 2019 Taka'000	Jan-Sep 2018 Taka'000
<b>Cash flows from operating activities</b>		
Cash receipts from customers	12,902,316	12,150,277
Cash paid to suppliers and employees	(9,911,730)	(10,030,605)
<b>Cash generated from operations</b>	<b>2,990,586</b>	<b>2,119,672</b>
Income tax paid	(627,086)	(595,534)
Other receipts	17,227	27,877
<b>Net cash generated from operating activities</b>	<b>2,380,727</b>	<b>1,552,015</b>
 <b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(350,234)	(308,118)
Acquisition of subsidiary company	-	(5,123,537)
Proceeds from sale of property, plant and equipment	2,699	-
Interest income on bank deposits	8,129	8,310
<b>Net cash used in investing activities</b>	<b>(339,406)</b>	<b>(5,423,345)</b>
 <b>Cash flows from financing activities</b>		
Proceeds from long-term debt	(777,255)	1,825,000
Decrease in short term debt	(227,620)	(758,567)
Payment of interest and other finance costs	(155,818)	(447,749)
Dividend payment	(1,154,345)	(232,824)
<b>Net cash (used)/generated from financing activities</b>	<b>(2,315,038)</b>	<b>385,860</b>
 Net effect of foreign currency translation on cash and cash equivalents	(121)	(17,406)
<b>Net decrease in cash and cash equivalents</b>	<b>(273,838)</b>	<b>(3,502,876)</b>
 Cash and cash equivalents at beginning of the period	246,889	3,632,059
<b>Cash and cash equivalents at end of the period</b>	<b>(26,949)</b>	<b>129,183</b>

  
Company Secretary

  
Chief Financial Officer

  
Director

   
Director Chief Executive Officer



## LAFARGEHOLCIM BANGLADESH LIMITED

Notes to the Condensed Consolidated Financial Statements (Un-audited)  
for the period ended 30 September 2019

## 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 and one subsidiary in Bangladesh. A brief description of each of the subsidiary is given below:

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

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

**Holcim Cement (Bangladesh) Limited** - Holcim Bangladesh Limited ("HBL"), formerly known as Hyundai Cement (Bangladesh) Company Limited, was incorporated in Bangladesh as a private company limited by shares under the Companies Act, 1994. Holcim Bangladesh Limited, United Cement Industries Limited ("UICL") and Saiham Cement Industries Limited ("Saiham") were merged together following an order of the Hon'ble High Court Division of the Supreme Court of Bangladesh in December 2011 and were allowed to carry out its business in the name of United Cement Industries Limited. Subsequently, United Cement Industries Limited was renamed as Holcim Cement (Bangladesh) Limited.

The address of the Company's registered office is NinaKabbo, Tejgaon, Dhaka. The Company is primarily involved in manufacture and sale of portland and composite cement.

## 2 Nature of business

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

The company is engaged in manufacturing and marketing of cement and clinker.

## 3 Basis of preparation

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

## 4 Principles of consolidation

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

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

Name of subsidiary	30 Sep 2019 Taka'000	31 Dec 2018 Taka'000
Lafarge Umiam Mining Private Limited, India	519,356	519,356
Lum Mawshun Minerals Private Limited, India	537	537
Holcim Cement (Bangladesh) Limited, Bangladesh	5,047,820	5,047,820
	<u>5,567,713</u>	<u>5,567,713</u>

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

## 5 Scope of consolidation

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

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

## 6 Significant accounting policies

The same accounting policies, presentation and methods of computation have been followed in these interim financial statements as were applied in the preparation of the Company's financial statements for the year ended 31 December 2018 except lease accounting. The company applied IFRS 16 from 1 January 2019. IFRS 16 requires leases to adopt a uniform approach to the presentation of leases. Correspondingly, assets must be recognised for payment obligations entered into for all leases. The right-of-use asset is generally be measured at the amount of lease liability.

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

	<b>30 Sep 2019</b>	<b>31 Dec 2018</b>
	<b>Taka'000</b>	<b>Taka'000</b>
<b>7 Property, plant and equipment</b>		
<b>Cost</b>		
At January 1	23,525,947	17,682,594
Acquisition of HBL	-	5,591,059
Additions	432,890	733,478
Right-of-use assets (RoUA)	281,891	-
Disposals	(17,720)	(325,794)
Translation adjustment	(16,617)	(155,390)
At June 30/December 31	<u>24,206,391</u>	<u>23,525,947</u>
<b>Depreciation</b>		
At January	6,860,850	6,182,847
Disposals	(13,536)	(150,149)
Charge for the period	700,892	879,236
Charge for right-of-use assets (RoUA)	77,255	-
Translation adjustment	6,214	(51,084)
At June 30/December 31	<u>7,631,675</u>	<u>6,860,850</u>
<b>Carrying amount</b>	<u><u>16,574,716</u></u>	<u><u>16,665,097</u></u>
<b>8 Goodwill*</b>		
Acquisition of HBL	317,776	317,776
	<u><u>317,776</u></u>	<u><u>317,776</u></u>

\*As explained in note 7, in the annual report 2018, the excess of the consideration transferred over the fair value of the HBL's identifiable net assets is recorded as goodwill.

## 9 Intangible assets

<b>Cost</b>		
At January 1	3,046,776	1,323,998
Acquisition of HBL	-	1,804,379
Translation adjustment	9,888	(81,601)
At September 30/December 31	<u>3,056,664</u>	<u>3,046,776</u>
<b>Amortization</b>		
At January	432,782	349,391
Charge for the period	67,506	107,166
Translation adjustment	2,932	(23,775)
At September 30/December 31	<u>503,220</u>	<u>432,782</u>
<b>Carrying amount</b>	<u><u>2,553,444</u></u>	<u><u>2,613,994</u></u>



	30 Sep 2019 Taka'000	31 Dec 2018 Taka'000
<b>10 Inventories</b>		
Raw materials	766,561	582,972
Semi-finished and finished products	770,893	735,729
Parts and supplies	1,128,959	1,059,369
	<u>2,666,413</u>	<u>2,378,070</u>
<b>11 Trade receivables</b>		
Trade receivables	1,329,473	1,331,888
Valuation allowance	(151,575)	(166,231)
Advance payment to trade suppliers	762,100	722,181
	<u>1,939,998</u>	<u>1,887,838</u>
<b>12 Other assets</b>		
Prepaid expenses	117,245	86,339
VAT current account	-	319,175
Security and other deposits	237,361	235,123
Other receivables	209,631	62,013
Accrued interest on bank deposits	11,176	6,013
	<u>575,413</u>	<u>708,663</u>
Current portion	434,325	566,487
Non-current portion	<u>141,088</u>	<u>142,176</u>
<b>13 Advance income tax- net of tax provision</b>		
Advance income tax	6,751,279	6,413,267
Current tax liabilities	(5,029,987)	(4,558,691)
	<u>1,721,292</u>	<u>1,854,576</u>
<b>14 Cash and cash equivalents</b>		
Cash in hand	2,870	2,295
Cash at banks	110,625	443,899
<b>Cash and cash equivalents in statement of financial position</b>	<u>113,495</u>	<u>446,194</u>
Bank overdrafts*	(140,444)	(199,305)
<b>Cash and cash equivalents for the purpose of the statement of cash flows</b>	<u>(26,949)</u>	<u>246,889</u>
*Bank overdrafts are repayable on demand and form an integral part of cash management. Bank overdrafts are included in short-term borrowings.		
<b>15 Borrowings</b>		
<b>A. Borrowings-long term</b>		
Non-current portion- Unsecured	284,479	984,478
Non-current portion- leases liabilities	87,177	-
	<u>371,656</u>	<u>984,478</u>
<b>B. Borrowings-short term</b>		
Current portion of long-term borrowing- Unsecured	800,000	800,000
Current portion of long-term leases liabilities	117,459	-
Short-term credit facilities	995,621	1,167,438
Derivative liabilities*	243	25,208
	<u>1,913,323</u>	<u>1,992,646</u>

\*The Company entered into forward contracts with the commercial bank in order to manage its foreign exchange exposure due to change in exchange rates. The amount is the difference between market prices and prices the Company would pay to settle the foreign exchange liabilities at the end of the period.

	30 Sep 2019 Taka'000	31 Dec 2018 Taka'000
<b>16 Deferred tax liabilities</b>		
The tax effects of temporary differences that resulted in deferred tax liabilities and assets.		
Deferred tax liabilities	3,099,888	3,294,328
Deferred tax assets	54,771	189,648
<b>Net deferred tax liabilities</b>	<u><u>3,045,117</u></u>	<u><u>3,104,680</u></u>
<b>17 Provisions</b>		
<b>Site restoration provisions</b>		
Balance at 1 January	37,428	36,992
Provision for the period	2,307	3,108
Translation adjustment	(305)	(2,672)
At September 30/December 31	<u><u>39,430</u></u>	<u><u>37,428</u></u>
The Company is legally required to restore a quarry site, the estimated costs of site restoration are accrued and recognized to the cost of sales, on the basis of mines closure plan submitted to Indian Bureau of Mines (IBM).		
<b>18 Trade payables</b>		
Payable for goods and services	4,461,130	3,860,318
Contract liabilities	93,215	456,095
	<u><u>4,554,345</u></u>	<u><u>4,316,413</u></u>
<b>19 Other current liabilities</b>		
Income tax & VAT deducted at source	198,104	154,604
Other payable	414,995	430,508
Accrued interest payable	39,628	31,922
Dividend payable	58,637	51,608
	<u><u>711,364</u></u>	<u><u>668,642</u></u>
	<b>Jan-Sep 2019</b>	<b>Jan-Sep 2018</b>
	<b>Taka'000</b>	<b>Taka'000</b>
<b>20 Revenue</b>		
Sale of gray cement	12,959,403	12,324,329
Sale of cement clinker	303,378	-
	<u><u>13,262,781</u></u>	<u><u>12,324,329</u></u>
<b>21 Cost of sales</b>		
Manufacturing variable cost	6,895,922	6,546,149
Manufacturing fixed cost	1,262,419	1,091,392
Freight cost to customers	416,712	544,537
Depot operating and transportation costs	788,909	610,349
Inventory movement	22,684	(113,856)
Depreciation and amortization	735,485	694,468
	<u><u>10,122,131</u></u>	<u><u>9,373,039</u></u>
<b>22 General and administrative expenses</b>		
Salary, allowances and benefits	237,087	240,226
IT maintenance expenses	71,515	132,067
Other office expenses	326,652	418,895
Administrative depreciation and amortization	110,165	58,856
Contribution to Workers' Profit Participation and welfare Fund	65,040	44,731
	<u><u>810,459</u></u>	<u><u>894,775</u></u>
<b>23 Sales and marketing expenses</b>		
Salary, allowances and benefits	140,736	238,288

	Advertisement	129,871	107,708
	Other office expenses	106,539	95,590
		<u>377,146</u>	<u>441,586</u>
		Jan-Sep 2019 Taka'000	Jan-Sep 2018 Taka'000
<b>24</b>	<b>A. Other operating income</b>		
	Gain on sale of miscellaneous scrap items	17,227	27,877
	Gain/ (loss) on sale of property, plant and equipment	-	-
		<u>17,227</u>	<u>27,877</u>
	<b>B. Other operating expenses</b>		
	Loss on sale of property, plant and equipment	(1,562)	(96,450)
	Acquisition cost of subsidiary company	-	(75,717)
		<u>(1,562)</u>	<u>(172,167)</u>
<b>25</b>	<b>Finance costs and income</b>		
	Interest expenses	177,144	246,716
	Exchange loss	-	140,559
	Other finance costs	8,094	2,232
	Bank charges and commission	11,069	13,116
	<b>Finance costs</b>	<u>196,307</u>	<u>402,623</u>
	Interest income on Bank Deposits	13,407	5,891
	Other finance income	-	19
	Exchange gain	22,195	-
	<b>Finance income</b>	<u>35,602</u>	<u>5,910</u>
	<b>Net finance (income)/costs</b>	<u>160,705</u>	<u>396,713</u>
<b>26</b>	<b>Income tax</b>		
	Current income tax expenses	690,154	620,508
	Deferred income tax income	(57,695)	(37,845)
		<u>632,459</u>	<u>582,663</u>
<b>27</b>	<b>Earnings per share</b>		
	The computation of basic earnings per share for the periods ended 2019 and 2018 are as follows:		
	<b>Numerator</b>	<i>(Thousand Taka)</i>	
	Income for the period- attributable to the owners of the company	1,175,546	491,263
	<b>Denominator</b>	<i>(Thousands of Shares)</i>	
	Weighted average number of shares outstanding	1,161,374	1,161,374
	<b>Basic Earnings Per Share</b>	<i>Taka</i> 1.01	0.42
	<b>Diluted Earnings Per Share</b>	<i>Taka</i> 1.01	0.42
<b>28</b>	<b>Related Party Transactions</b>		
	Except for the regular transactions, there were no significant related party transactions during the period.		
<b>29</b>	<b>Comparative Information of the Shareholders*</b>		
		30 Sep 2019 Taka	31 Dec 2018 Taka
	Net Asset Value (NAV) Per Share	13.41	13.41
		Jan-Sep 2019 Taka	Jan-Sep 2018 Taka
	Earning Per Share (EPS)	1.01	0.42
	Net Operating Cash Flow Per Share (NOCFPS)	2.05	1.34
	Profit for the period	1,175,546,000	491,263,000

\*For the period January to September 2019, EPS is higher than same period of the last year, mainly due to higher revenue, higher gross profit and improved effective tax rate. NOCFPS also increased compared to same period of last year, due to higher EPS, higher collection from customers and less payment to suppliers.

	Jan-Sep 2019 Taka'000	Jan-Sep 2018 Taka'000
<b>30 Reconciliation of net profit with cash flows from operating activities</b>		
Net profit for the period	1,175,546	491,263
Depreciation and amortization	845,650	753,324
Other non-cash items	(14,655)	(39,380)
Non-operating items	160,705	396,713
Changes in net working capital	213,481	(49,905)
<b>Cash flows from operating activities</b>	<b>2,380,727</b>	<b>1,552,015</b>

### 31 Share Capital

<b>31.1 Authorized capital</b>		
1,400,000,000 ordinary shares of Taka 10 each	<u>14,000,000</u>	<u>14,000,000</u>

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

<b>31.2 Issued and subscribed capital</b>		
1,161,373,500 ordinary shares of Taka 10 each	<u>11,613,735</u>	<u>11,613,735</u>

<b>31.3 Paid up capital</b>		
Fully paid up in cash	5,759,888	5,759,888
Fully paid up in other than cash	46,980	46,980
Fully paid up in cash as rights issue	5,806,867	5,806,867
	<u>11,613,735</u>	<u>11,613,735</u>

### 31.4 Composition of shareholders at 30 September/31 December

Name of the shareholders	Nationality/Incorporated in	Number of shares	
		30 Sep 2019	31 Dec 2018
Surma Holding B.V.	The Netherlands	683,698,700	683,698,700
Sinha Fashions Limited	Bangladesh	35,100,000	35,100,000
Islam Cement Limited	Bangladesh	31,914,200	31,914,200
Other Shareholders	Bangladesh and NRB	410,660,600	410,660,600
		<u>1,161,373,500</u>	<u>1,161,373,500</u>


### 31.5 Composition of shareholders at 30 September/31 December

Name of the shareholders	Nationality/Incorporated in	Holding (%)	
		30 Sep 2019	31 Dec 2018
Surma Holding B.V.	The Netherlands	58.87	58.87
Sinha Fashions Limited	Bangladesh	3.02	3.02
Islam Cement Limited	Bangladesh	2.75	2.75
Other Shareholders	Bangladesh and NRB	35.36	35.36
		<u>100.00</u>	<u>100.00</u>

  
Company Secretary

  
Chief Financial Officer

  
Director

  
Director

  
Chief Executive Officer



**LAFARGEHOLCIM BANGLADESH LIMITED**  
**Statement of financial position (Un-audited)**  
**at 30 September 2019**

	NOTES	30 Sep 2019 Taka'000	31 Dec 2018 Taka'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	9,693,871	9,830,244
Intangible assets	6	48,922	84,139
Investment in subsidiaries		5,567,713	5,567,713
<b>Total non-current assets</b>		<b>15,310,506</b>	<b>15,482,096</b>
<b>Current assets</b>			
Inventories	7	1,802,060	1,501,367
Trade receivables	8	3,679,796	2,907,068
Other current assets	9	135,605	380,641
Advance income tax	10	658,598	849,947
Cash and cash equivalents	11	66,178	201,900
<b>Total current assets</b>		<b>6,342,237</b>	<b>5,840,923</b>
<b>Total assets</b>		<b>21,652,743</b>	<b>21,323,019</b>
<b>Equity &amp; liabilities</b>			
<b>Equity</b>			
Share capital	27.3	11,613,735	11,613,735
Retained earnings		2,048,738	2,298,905
Other component of equity		(89,782)	(98,942)
<b>Total equity</b>		<b>13,572,691</b>	<b>13,813,698</b>
<b>Non-current liabilities</b>			
Borrowings	12A	284,479	984,478
Deferred tax liabilities	13	1,826,632	1,897,124
Employee benefits		126,260	95,558
<b>Total non-current liabilities</b>		<b>2,237,371</b>	<b>2,977,160</b>
<b>Current liabilities</b>			
Trade payables	14	3,810,945	2,528,987
Other current liabilities	15	575,968	594,008
Borrowings	12B	1,455,768	1,409,166
<b>Total current liabilities</b>		<b>5,842,681</b>	<b>4,532,161</b>
<b>Total equity and liabilities</b>		<b>21,652,743</b>	<b>21,323,019</b>

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



Company Secretary



Chief Financial Officer



Director



Director



Chief Executive Officer



**LAFARGEHOLCIM BANGLADESH LIMITED**  
**Statement of profit or loss (Un-audited)**  
**for the period ended 30 September 2019**

	NOTES	Jan-Sep 2019 Taka '000	Jan-Sep 2018 Taka '000	Jul-Sep 2019 Taka '000	Jul-Sep 2018 Taka '000
Revenue	16	9,897,086	8,594,517	3,109,535	2,976,399
Cost of sales	17	(7,672,412)	(6,717,332)	(2,424,128)	(2,369,909)
<b>Gross profit</b>		<b>2,224,674</b>	<b>1,877,185</b>	<b>685,407</b>	<b>606,490</b>
Other operating income	20A	9,586	6,463	605	963
General and administrative expenses	18	(607,059)	(596,808)	(201,124)	(188,066)
Sales and marketing expenses	19	(232,729)	(199,033)	(71,565)	(60,348)
Other operating expenses	20B	(1,727)	(175,117)	(1,727)	(125,999)
<b>Operating profit</b>		<b>1,392,745</b>	<b>912,690</b>	<b>411,596</b>	<b>233,040</b>
Finance cost	21	(165,135)	(170,970)	(53,687)	(51,034)
Finance income	21	8,156	2,406	55	-
<b>Profit before tax</b>		<b>1,235,766</b>	<b>744,126</b>	<b>357,964</b>	<b>182,006</b>
Income tax	22	(324,559)	(224,246)	(100,251)	(60,313)
<b>Profit for the period</b>		<b>911,207</b>	<b>519,880</b>	<b>257,713</b>	<b>121,693</b>
<b>Earnings Per Share</b>					
Basic (Taka)	23	0.78	0.45	0.22	0.10
Diluted (Taka)	23	0.78	0.45	0.22	0.10

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



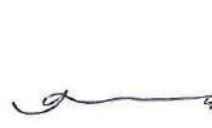
Company Secretary



Chief Financial Officer



Director



Director




Chief Executive Officer



**LAFARGEHOLCIM BANGLADESH LIMITED**  
**Statement of Comprehensive Income (Un-audited)**  
**for the period ended 30 September 2019**

	Jan-Sep 2019 Taka '000	Jan-Sep 2018 Taka '000	Jul-Sep 2019 Taka '000	Jul-Sep 2018 Taka '000
Profit for the period	911,207	519,880	257,713	121,693
Items that may be reclassified subsequently to profit or loss				
Cash flow hedge instruments	9,160	-	(650)	-
Other comprehensive income for the period	9,160	-	(650)	-
Total comprehensive income for the period	920,367	519,880	257,063	121,693

  
 Company Secretary

  
 Chief Financial Officer

  
 Director

  
 Director

  
 Chief Executive Officer



**LAFARGEHOLCIM BANGLADESH LIMITED**  
**Statement of Changes in Equity (Un-audited)**  
**for the period ended 30 September 2019**

*( All figures are in Tk. '000)*

	Share capital	Retained earnings	Other component of equity	Total equity
<b>Balance at 1 January 2018</b>	11,613,735	2,034,173	(62,756)	13,585,152
Total comprehensive income for the period	-	519,880	-	519,880
Final dividend for 2017	-	(580,687)	-	(580,687)
<b>Balance at 30 September 2018</b>	11,613,735	1,973,366	(62,756)	13,524,345
<b>Balance at 1 January 2019</b>	11,613,735	2,298,905	(98,942)	13,813,698
Total comprehensive income for the period	-	911,207	9,160	920,367
Final dividend for 2018	-	(1,161,374)	-	(1,161,374)
<b>Balance at 30 September 2019</b>	11,613,735	2,048,738	(89,782)	13,572,691

  
 Company Secretary

  
 Chief Financial Officer

  
 Director

  
 Director

  
 Chief Executive Officer





**LAFARGEHOLCIM BANGLADESH LIMITED**  
**Statement of Cash Flows (Un-audited)**  
**for the period ended 30 September 2019**

	Jan-Sep 2019 <u>Taka'000</u>	Jan-Sep 2018 <u>Taka'000</u>
<b>Cash flows from operating activities</b>		
Cash receipts from customers	8,758,472	7,755,838
Cash paid to suppliers and employees	<u>(6,610,950)</u>	<u>(7,565,425)</u>
<b>Cash generated/(used) in operations</b>	<b>2,147,522</b>	<b>190,413</b>
Income tax paid	(203,701)	(239,438)
Other receipts	9,586	6,463
<b>Net cash generated/(used) in operating activities</b>	<b><u>1,953,407</u></b>	<b><u>(42,562)</u></b>
 <b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(182,360)	(241,434)
Proceeds from sale of property, plant and equipment	1,051	364
Interest income on bank deposits	8,156	5,733
Acquisition of subsidiary company	-	(5,123,537)
<b>Net cash used by investing activities</b>	<b><u>(173,153)</u></b>	<b><u>(5,358,874)</u></b>
 <b>Cash flows from financing activities</b>		
(Repayment)/proceeds from long-term debt	(700,000)	1,900,000
(Decrease)/increase in short term debt	(58,242)	764,442
Payment of interest and other finance costs	(108,814)	(198,398)
Dividend payment	(1,154,345)	(232,824)
<b>Net cash (used)/generated by financing activities</b>	<b><u>(2,021,401)</u></b>	<b><u>2,233,220</u></b>
 <b>Net decrease in cash and cash equivalents</b>	<b><u>(241,147)</u></b>	<b><u>(3,168,216)</u></b>
 <b>Cash and cash equivalents at beginning of the period</b>	<b>201,900</b>	<b>3,315,578</b>
<b>Cash and cash equivalents at end of the period</b>	<b><u>(39,247)</u></b>	<b><u>147,362</u></b>



Company Secretary



Chief Financial Officer



Director



Director



Chief Executive Officer



**LAFARGEHOLCIM BANGLADESH LIMITED**  
**Notes to the Condensed Financial Statements (Un-audited)**  
**for the period ended 30 September 2019**

**1 General information**

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

**2 Nature of business**

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

The company is engaged in manufacturing and marketing of cement and clinker in the local market.

**3 Basis of preparation**

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

**4 Significant accounting policies**

The same accounting policies, presentation and methods of computation have been followed in these interim financial statements as were applied in the preparation of the Company's financial statements for the year ended 31 December 2018.

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

	30 Sep 2019 Taka'000	31 Dec 2018 Taka'000
<b>5 Property, plant and equipment</b>		
<b>Cost</b>		
At January 1	15,711,212	15,474,324
Additions	293,066	530,577
Disposals	(9,288)	(293,689)
At September 30/December 31	<u>15,994,990</u>	<u>15,711,212</u>
<b>Depreciation</b>		
At January	5,880,968	5,479,712
Disposals	(6,510)	(132,893)
Charge for the period	426,661	534,149
At September 30/December 31	<u>6,301,119</u>	<u>5,880,968</u>
<b>Carrying amount</b>	<u><u>9,693,871</u></u>	<u><u>9,830,244</u></u>
<b>6 Intangible assets</b>		
<b>Cost</b>		
At January 1	158,848	158,848
At September 30/December 31	<u>158,848</u>	<u>158,848</u>
<b>Amortization</b>		
At January	74,709	24,166
Charge for the period	35,217	50,543
At September 30/December 31	<u>109,926</u>	<u>74,709</u>
<b>Carrying amount</b>	<u><u>48,922</u></u>	<u><u>84,139</u></u>

	30 Sep 2019 <u>Taka'000</u>	31 Dec 2018 <u>Taka'000</u>
<b>7 Inventories</b>		
Raw materials	642,512	419,481
Semi-finished and finished products	350,233	315,757
Parts and supplies	809,315	766,129
	<u>1,802,060</u>	<u>1,501,367</u>
<b>8 Trade receivables</b>		
Trade receivables	3,449,045	2,630,730
Valuation allowance	(25,438)	(21,022)
Advance payment to trade suppliers	256,189	297,360
	<u>3,679,796</u>	<u>2,907,068</u>
<b>9 Other current assets</b>		
Prepaid expenses	74,968	55,970
VAT current account	-	264,748
Security and other deposits	11,872	8,393
Other receivables	48,765	51,530
	<u>135,605</u>	<u>380,641</u>
<b>10 Advance income tax- net of tax provision</b>		
Advance income tax	2,670,042	2,466,414
Current tax liabilities	(2,011,444)	(1,616,467)
	<u>658,598</u>	<u>849,947</u>
<b>11 Cash and cash equivalents</b>		
Cash in hand	2,723	2,066
Cash at banks	63,455	199,834
<b>Cash and cash equivalents in statement of financial position</b>	<u>66,178</u>	<u>201,900</u>
Bank overdrafts*	(105,425)	-
<b>Cash and cash equivalents for the purpose of the statement of cash flows</b>	<u>(39,247)</u>	<u>201,900</u>
*Bank overdrafts are repayable on demand and form an integral part of cash management. Bank overdrafts are included in short-term borrowings.		
<b>12 Borrowings</b>		
<b>A. Borrowings-long term</b>		
Non-current portion- Unsecured	284,479	984,478
	<u>284,479</u>	<u>984,478</u>
<b>B. Borrowings-short term</b>		
Current portion of long-term borrowing- Unsecured	800,000	800,000
Short-term credit facilities	655,425	600,000
Derivative liabilities*	343	9,166
	<u>1,455,768</u>	<u>1,409,166</u>
*The Company entered into forward contracts with the commercial bank in order to manage its foreign exchange exposure due to change in exchange rates. The amount is the difference between market prices and prices the Company would pay to settle the foreign exchange liabilities at the end of the period.		
<b>13 Deferred Tax Liabilities</b>		
The tax effects of temporary differences that resulted in deferred tax liabilities and assets.		
Deferred tax liabilities	1,881,403	1,944,052
Deferred tax assets	54,771	46,928
<b>Net deferred tax liabilities</b>	<u>1,826,632</u>	<u>1,897,124</u>

	30 Sep 2019 <u>Taka'000</u>	31 Dec 2018 <u>Taka'000</u>
<b>14 Trade payables</b>		
Payable for goods and services	3,746,805	2,144,548
Contract liabilities	64,140	384,439
	<u>3,810,945</u>	<u>2,528,987</u>
<b>15 Other current liabilities</b>		
Income tax & VAT deducted at source	112,949	111,433
Other payable	364,754	402,383
Accrued interest payable	39,628	28,584
Dividend payable	58,637	51,608
	<u>575,968</u>	<u>594,008</u>
	Jan-Sep 2019 <u>Taka'000</u>	Jan-Sep 2018 <u>Taka'000</u>
<b>16 Revenue</b>		
Sale of gray cement	8,046,126	7,060,811
Sale of cement clinker	1,850,960	1,533,706
	<u>9,897,086</u>	<u>8,594,517</u>
<b>17 Cost of sales</b>		
Manufacturing variable cost	5,388,331	4,679,917
Manufacturing fixed cost	755,267	745,178
Freight cost to customers	373,284	424,153
Depot operating and transportation costs	698,538	610,350
Inventory movement	37,607	(124,442)
Depreciation and amortization	419,385	382,176
	<u>7,672,412</u>	<u>6,717,332</u>
<b>18 General and administrative expenses</b>		
Salary, allowances and benefits	207,222	185,904
IT maintenance expenses	48,552	79,779
Other office expenses	243,752	243,577
Administrative depreciation and amortization	42,493	48,383
Contribution to Workers' Profit Participation and welfare Fund	65,040	39,165
	<u>607,059</u>	<u>596,808</u>
<b>19 Sales and marketing expenses</b>		
Salary, allowances and benefits	91,668	115,146
Advertisement	104,345	44,937
Other office expenses	36,716	38,950
	<u>232,729</u>	<u>199,033</u>
<b>20 A. Other operating income</b>		
Gain on sale of miscellaneous scrap items	9,586	6,463
	<u>9,586</u>	<u>6,463</u>
<b>B. Other operating expenses</b>		
Loss on sale of property, plant and equipment	(1,727)	(99,400)
Acquisition cost of subsidiary company	-	(75,717)
	<u>(1,727)</u>	<u>(175,117)</u>

	Jan-Sep 2019 Taka'000	Jan-Sep 2018 Taka'000
<b>21 Finance costs and income</b>		
Interest expenses	140,304	151,681
Exchange loss	12,255	9,746
Other finance costs	8,066	2,232
Bank charges and commission	4,510	7,311
<b>Finance costs</b>	<b>165,135</b>	<b>170,970</b>
Interest income on Bank Deposits	8,156	2,406
Exchange gain	-	-
<b>Finance income</b>	<b>8,156</b>	<b>2,406</b>
<b>Net finance (income)/costs</b>	<b>156,979</b>	<b>168,564</b>
<b>22 Income tax</b>		
Current income tax expenses	395,050	283,310
Deferred income tax income	(70,491)	(59,064)
	<b>324,559</b>	<b>224,246</b>

**23 Earnings Per Share**

The computation of basic earnings per share for the periods ended 2019 and 2018 are as follows:

Numerator	<i>(Thousand Taka)</i>		
Income for the period		911,207	519,880
Denominator	<i>(Thousands of Shares)</i>		
Weighted average number of shares outstanding		1,161,374	1,161,374
Basic Earnings Per Share	<i>Taka</i>	0.78	0.45
Diluted Earnings Per Share	<i>Taka</i>	0.78	0.45

**24 Related party transactions**

Except for the regular transactions, there were no significant related party transactions during the period.

**25 Comparative information of the shareholders\***

	30 Sep 2019 Taka	31 Dec 2018 Taka
Net Asset Value (NAV) Per Share	11.69	11.89
	Jan-Sep 2019 Taka	Jan-Sep 2018 Taka
Earning Per Share (EPS)	0.78	0.45
Net Operating Cash Flow Per Share (NOCFPS)	1.68	(0.04)
Profit for the period	911,207,000	519,880,000

\*For the period January to September 2019, EPS is higher than same period of the last year, mainly due to higher revenue, higher gross profit and improved of effective tax rate. NOCFPS also increased compared to same period of last year, due to higher EPS, higher collection from customers and less payment to suppliers.

**26 Reconciliation of net profit with cash flows from operating activities**

Net profit for the period	911,207	519,880
Depreciation and amortization	461,878	415,254
Other non-cash items	4,416	6,243
Non-operating items	156,979	168,564
Changes in net working capital	418,927	(1,152,503)
<b>Cash flows from operating activities</b>	<b>1,953,407</b>	<b>(42,562)</b>

	30 Sep 2019 Taka'000	31 Dec 2018 Taka'000
<b>27 Share capital</b>		
<b>27.1 Authorized capital</b>		
1,400,000,000 ordinary shares of Taka 10 each	<u>14,000,000</u>	<u>14,000,000</u>

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

<b>27.2 Issued and subscribed capital</b>		
1,161,373,500 ordinary shares of Taka 10 each	<u>11,613,735</u>	<u>11,613,735</u>
<b>27.3 Paid up capital</b>		
Fully paid up in cash	5,759,888	5,759,888
Fully paid up in other than cash	46,980	46,980
Fully paid up in cash as rights issue	5,806,867	5,806,867
	<u>11,613,735</u>	<u>11,613,735</u>

**27.4 Composition of shareholders at 30 September/31 December**

Name of the shareholders	Nationality/Incorporated in	Number of shares	
		30 Sep 2019	31 Dec 2018
Surma Holding B.V.	The Netherlands	683,698,700	683,698,700
Sinha Fashions Limited	Bangladesh	35,100,000	35,100,000
Islam Cement Limited	Bangladesh	31,914,200	31,914,200
Other Shareholders	Bangladesh and NRB	410,660,600	410,660,600
		<u>1,161,373,500</u>	<u>1,161,373,500</u>

**Composition of shareholders at 30 September/31 December**

Name of the shareholders	Nationality/Incorporated in	Holding (%)	
		30 Sep 2019	31 Dec 2018
Surma Holding B.V.	The Netherlands	58.87	58.87
Sinha Fashions Limited	Bangladesh	3.02	3.02
Islam Cement Limited	Bangladesh	2.75	2.75
Other Shareholders	Bangladesh and NRB	35.36	35.36
		<u>100.00</u>	<u>100.00</u>



Company Secretary



Chief Financial Officer



Director



Director



Chief Executive Officer



## LafargeHolcim Bangladesh Limited

A company of  LafargeHolcim and 

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