



LafargeHolcim

INTERIM **FINANCIAL** STATEMENTS

as at and for the
period ended 31 March 2020
(Un-audited)

LafargeHolcim Bangladesh Limited

A company of  LafargeHolcim and 

LAFARGEHOLCIM BANGLADESH LIMITED
Consolidated Statement of Financial Position (Un-audited)
at 31 March 2020

	NOTES	31 Mar 2020 Taka'000	31 Dec 2019 Taka'000
Assets			
Non-current assets			
Property, plant and equipment	7	16,392,521	16,531,389
Goodwill	8	317,776	317,776
Intangible assets	9	2,468,039	2,519,733
Other assets	12	-	140,993
Total non-current assets		19,178,336	19,509,891
Current assets			
Inventories	10	2,448,387	2,678,147
Trade receivables	11	2,412,107	2,188,054
Other assets	12	858,064	694,530
Advance income tax	13	1,401,599	1,547,108
Derivative instruments		14,012	4,903
Cash and cash equivalents	14	676,906	301,659
Total current assets		7,811,075	7,414,401
Total assets		26,989,411	26,924,292
Equity & liabilities			
Share capital	31.3	11,613,735	11,613,735
Retained earnings		4,764,888	4,242,436
Other components of equity		(68,197)	(43,172)
Foreign currency translation		216,030	386,362
Equity attributable to owners of the Company		16,526,456	16,199,361
Non-controlling interests		(142)	(134)
Total equity		16,526,314	16,199,227
Non-current liabilities			
Borrowings	15A	82,667	194,160
Deferred tax liabilities	16	2,939,465	3,066,862
Employee benefits		193,451	180,974
Provision	17	38,687	40,146
Total non-current liabilities		3,254,270	3,482,142
Current liabilities			
Trade payables	18	5,738,094	5,107,790
Other current liabilities	19	869,193	972,340
Borrowings	15B	601,540	1,162,793
Total current liabilities		7,208,827	7,242,923
Total equity and liabilities		26,989,411	26,924,292

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 31 March 2020

	NOTES	Jan-Mar 2020 <u>Taka '000</u>	Jan-Mar 2019 <u>Taka '000</u>
Revenue	20	5,128,269	5,206,544
Cost of sales	21	(3,978,992)	(4,204,262)
Gross profit		<u>1,149,277</u>	<u>1,002,282</u>
Other operating income	24	1,672	2,418
General and administrative expenses	22	(338,145)	(277,405)
Sales and marketing expenses	23	(149,243)	(132,429)
Operating profit		<u>663,561</u>	<u>594,866</u>
Finance cost	25	(33,344)	(70,844)
Finance income	25	1,298	5,036
Profit before tax		<u>631,515</u>	<u>529,058</u>
Income tax	26	(109,063)	(171,243)
Profit for the period		<u><u>522,452</u></u>	<u><u>357,815</u></u>
Earning Per Share			
Basic (Taka)	27A	0.45	0.31
Diluted (Taka)	27A	0.45	0.31

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 31 March 2020

	Jan-Mar 2020	Jan-Mar 2019
	<u>Taka'000</u>	<u>Taka'000</u>
Profit for the period	<u>522,452</u>	<u>357,815</u>
Items that may be reclassified subsequently to profit or loss		
Cash flow hedge instruments	(25,025)	13,159
Exchange differences on translating foreign operation	(170,332)	24,755
Non controlling interests- currency translation adjustment	(8)	7
Other comprehensive income for the period	<u>(195,365)</u>	<u>37,921</u>
Total comprehensive income for the period	<u><u>327,087</u></u>	<u><u>395,736</u></u>
Profit attributable to:		
Owners of the parent Company	327,095	395,729
Non-controlling interests	(8)	7
	<u><u>327,087</u></u>	<u><u>395,736</u></u>





Company Secretary



Chief Financial Officer



Director



Director



Chief Executive Officer

LAFARGEHOLCIM BANGLADESH LIMITED
Consolidated Statement of Changes in Equity (Un-audited)
for the period ended 31 March 2020

(All figures are in Tk. '000)

	Share capital	Retained earnings	Other components of equity	Foreign currency translation	Equity for parent company	Non controlling interests	Total equity
Balance at 1 January 2019	11,613,735	3,666,293	(116,930)	415,288	15,578,386	(66)	15,578,320
Total comprehensive income for the period	-	357,815	13,159	24,755	395,729	7	395,736
Balance at 31 March 2019	11,613,735	4,024,108	(103,771)	440,043	15,974,115	(59)	15,974,056
Balance at 1 January 2020	11,613,735	4,242,436	(43,172)	386,362	16,199,361	(134)	16,199,227
Total comprehensive income for the period	-	522,452	(25,025)	(170,332)	327,095	(8)	327,087
Balance at 31 March 2020	11,613,735	4,764,888	(68,197)	216,030	16,526,456	(142)	16,526,314





Company Secretary



Chief Financial Officer



Director



Director



Chief Executive Officer

LAFARGEHOLCIM BANGLADESH LIMITED
Consolidated Statement of Cash Flows (Un-audited)
for the period ended 31 March 2020

	Jan-Mar 2020 <u>Taka'000</u>	Jan-Mar 2019 <u>Taka'000</u>
Cash flows from operating activities		
Cash receipts from customers	5,119,576	4,520,332
Cash paid to suppliers and employees	<u>(3,674,904)</u>	<u>(3,672,014)</u>
Cash generated from operations	1,444,672	848,318
Income tax paid	(94,639)	(237,535)
Other receipts	1,672	2,100
Net cash generated by operating activities	<u>1,351,705</u>	<u>612,883</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(141,405)	(116,189)
Interest income on bank deposits	1,752	17
Net cash used in investing activities	<u>(139,653)</u>	<u>(116,172)</u>
Cash flows from financing activities		
Repayment of long-term debt	(500,001)	(330,375)
Repayments of the lease liabilities	(11,897)	-
Decrease in short term debt	(100,000)	(473,370)
Payment of interest and other finance costs	(32,753)	(71,897)
Interest paid on lease liability	(5,250)	-
Dividend payment	(611)	(4,115)
Net cash used in financing activities	<u>(650,512)</u>	<u>(879,757)</u>
Net effect of foreign currency translation on cash and cash equivalents	(9,177)	1,436
Net increase/(decrease) in cash and cash equivalents	<u>552,363</u>	<u>(381,610)</u>
Cash and cash equivalents at beginning of the period	94,340	246,889
Cash and cash equivalents at end of the period	<u>646,703</u>	<u>(134,721)</u>




 Company Secretary


 Chief Financial Officer


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 Director


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LAFARGEHOLCIM BANGLADESH LIMITED
Notes to the Condensed Consolidated Financial Statements (Un-audited)
for the period ended 31 March 2020

1 General information

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

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

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

2 Nature of business

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

The company is engaged in manufacturing and marketing of building materials in the local market and international market.

3 Basis of preparation

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

4 Principles of consolidation

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

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

Name of subsidiary	31 Mar 2020 Taka'000	31 Dec 2019 Taka'000
Lafarge Umiam Mining Private Limited, India	519,356	519,356
Lum Mawshun Minerals Private Limited, India	537	537
	<u>519,893</u>	<u>519,893</u>

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

5 Scope of consolidation

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

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

6 Significant accounting policies

The same accounting policies, presentation and methods of computation have been followed in these interim financial statements as were applied in the preparation of the Company's financial statements for the year ended 31 December 2019.

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.

	31 Mar 2020	31 Dec 2019
	Taka'000	Taka'000
7 Property, plant and equipment*		
Cost		
At January 1	24,378,898	23,525,947
Additions	178,229	959,421
Disposals	-	(88,137)
Translation adjustment	(120,106)	(18,333)
At March 31/December 31	<u>24,437,021</u>	<u>24,378,898</u>
Depreciation		
At January 1	7,847,509	6,860,850
Disposals	-	(44,949)
Charge for the period	241,653	1,025,882
Translation adjustment	(44,662)	5,726
At March 31/December 31	<u>8,044,500</u>	<u>7,847,509</u>
Carrying amount	<u>16,392,521</u>	<u>16,531,389</u>
7.1 *Right-of-use assets (RoUA)		
Cost		
At January 1	238,954	-
Additions	-	238,954
At March 31/December 31	<u>238,954</u>	<u>238,954</u>
Depreciation		
At January 1	98,731	-
Charge for the period	11,995	98,731
At March 31/December 31	<u>110,726</u>	<u>98,731</u>
Carrying amount	<u>128,228</u>	<u>140,223</u>
8 Goodwill*		
Acquisition of subsidiary (Holcim Cement Bangladesh Limited)**	317,776	317,776
**Now Holcim Cement Bangladesh Limited is amalgamated with the LHBL	<u>317,776</u>	<u>317,776</u>
*Goodwill arising on acquisition of subsidiary is measured at cost less accumulated impairment losses.		
9 Intangible assets		
Cost		
At January 1	3,055,951	3,046,776
Translation adjustment	(57,548)	9,175
At March 31/December 31	<u>2,998,403</u>	<u>3,055,951</u>
Amortization		
At January 1	536,218	432,782
Charge for the period	15,443	100,735
Translation adjustment	(21,297)	2,701
At March 31/December 31	<u>530,364</u>	<u>536,218</u>
Carrying amount	<u>2,468,039</u>	<u>2,519,733</u>
10 Inventories		
Raw materials	602,728	740,944
Semi-finished and finished products	761,558	865,192
Parts and supplies	1,084,101	1,072,011
	<u>2,448,387</u>	<u>2,678,147</u>

	31 Mar 2020	31 Dec 2019
	Taka'000	Taka'000
11 Trade receivables		
Trade receivables	1,187,785	1,198,378
Advance payment to trade suppliers	1,224,322	989,676
	<u>2,412,107</u>	<u>2,188,054</u>
12 Other assets		
Prepaid expenses	127,531	79,578
Security and other deposits	228,572	236,530
Other receivables	96,022	94,150
Advance payment to suppliers of fixed assets	398,542	418,763
Accrued interest on bank deposits	7,397	6,502
	<u>858,064</u>	<u>835,523</u>
Current portion	858,064	694,530
Non-current portion	-	140,993
13 Advance income tax- net of tax provision		
Advance income tax	7,176,697	7,099,041
Current tax liabilities	(5,775,098)	(5,551,933)
	<u>1,401,599</u>	<u>1,547,108</u>
14 Cash and cash equivalents		
Cash in hand	2,497	2,341
Cash at banks	674,409	299,318
Cash and cash equivalents in statement of financial position	<u>676,906</u>	<u>301,659</u>
Bank overdrafts*	(30,203)	(207,319)
Cash and cash equivalents for the purpose of the statement of cash flows	<u>646,703</u>	<u>94,340</u>
*Bank overdrafts are repayable on demand and form an integral part of cash management. Bank overdrafts are included in short-term borrowings.		
15 Borrowings		
A. Borrowings-long term		
Non-current portion- Unsecured	-	94,248
Non-current portion- leases liabilities	82,667	99,912
	<u>82,667</u>	<u>194,160</u>
B. Borrowings-short term		
Current portion of long-term borrowing- Unsecured	394,247	800,000
Current portion of long-term leases liabilities	55,474	55,474
Short-term credit facilities	132,482	307,319
Derivative liabilities*	19,337	-
	<u>601,540</u>	<u>1,162,793</u>
16 Deferred tax liabilities		
The tax effects of temporary differences that resulted in deferred tax liabilities and assets.		
Deferred tax liabilities	2,978,553	3,246,449
Deferred tax assets	39,088	179,587
Net deferred tax liabilities	<u>2,939,465</u>	<u>3,066,862</u>

	31 Mar 2020	31 Dec 2019
	Taka'000	Taka'000
17 Provisions		
Site restoration provisions		
Balance at 1 January	40,146	37,428
Provision for the period	746	3,225
Translation adjustment	(2,205)	(507)
At March 31/December 31	38,687	40,146
The Company is legally required to restore a quarry site, the estimated costs of site restoration are accrued and recognized to the cost of sales, on the basis of mines closure plan submitted to Indian Bureau of Mines (IBM).		
18 Trade payables		
Payable for goods and services	5,619,233	4,969,643
Contract liabilities	118,861	138,147
	5,738,094	5,107,790
19 Other current liabilities		
Payables to suppliers of fixed assets	266,773	227,718
Income tax and VAT deducted at source	235,030	242,810
Others	280,925	411,347
Accrued interest payable	28,755	32,144
Dividend payable	57,710	58,321
	869,193	972,340
	Jan-Mar 2020	Jan-Mar 2019
	Taka'000	Taka'000
20 Revenue		
Sale of gray cement	5,128,269	5,175,865
Sale of cement clinker	-	30,679
	5,128,269	5,206,544
21 Cost of sales		
Manufacturing variable cost	2,609,921	2,978,456
Manufacturing fixed cost	475,884	473,573
Freight cost to customers	88,745	137,539
Depot operating and transportation costs	269,485	330,231
Inventory movement	289,159	32,350
Depreciation and amortization	245,798	252,113
	3,978,992	4,204,262
22 General and administrative expenses		
Salary, allowances and benefits	103,817	83,318
IT maintenance expenses	24,870	23,767
Other office expenses	176,114	121,748
Administrative depreciation and amortization	11,298	30,207
Contribution to Workers' Profit Participation and welfare Fund	22,046	18,365
	338,145	277,405
23 Sales and marketing expenses		
Salary, allowances and benefits	55,753	54,108
Advertisement	82,392	43,803
Other office expenses	11,098	34,518
	149,243	132,429
24 Other operating income		
Gain on sale of miscellaneous scrap items	1,672	2,100
Gain on sale of property, plant and equipment	-	318
	1,672	2,418

	Jan-Mar 2020 Taka'000	Jan-Mar 2019 Taka'000
25 Finance costs and income		
Interest expenses	18,166	63,377
Exchange loss	4,765	-
Other finance costs	1,120	2,542
Interest expenses on lease liabilities	5,250	-
Bank charges and commission	4,043	4,925
Finance costs	33,344	70,844
Interest income on Bank Deposits	1,298	1,268
Other finance income	-	17
Exchange gain	-	3,751
Finance income	1,298	5,036
Net finance (income)/costs	32,046	65,808
26 Income tax		
Current income tax expenses	223,165	210,471
Deferred income tax income	(114,102)	(39,228)
	109,063	171,243

27 A. 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>	
Profit for the period	522,452	357,815
Denominator	<i>(Thousands of Shares)</i>	
Weighted average number of shares outstanding	1,161,374	1,161,374
Basic Earnings Per Share	Taka 0.45	0.31
Diluted Earnings Per Share	Taka 0.45	0.31

B. Net operating cash flow per share (NOCFPS)

The computation of net operating cash flow per share for the periods ended 2020 and 2019 are as follows:

Numerator	<i>(Thousand Taka)</i>	
Net operating cash flow for the period	1,351,705	612,883
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 1.16	0.53

	31 Mar 2020	31 Dec 2019
C. Net asset value (NAV) per share		
The computation of net asset value per share for the periods ended 2020 and 2019 are as follows:		
Numerator	<i>(Thousand Taka)</i>	
Net asset value for the period/year	16,526,456	16,199,361
Denominator	<i>(Thousand Taka)</i>	
Weighted average number of shares outstanding	1,161,374	1,161,374
Net asset value per share	Taka 14.23	13.95

28 Related Party Transactions

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

	Jan-Mar 2020 <u>Taka</u>	Jan-Mar 2019 <u>Taka</u>
29 Comparative Information of the Shareholders (Note- 27)*		
Net Asset Value (NAV) Per Share	14.23	13.95
Earning Per Share (EPS)	0.45	0.31
Net Operating Cash Flow Per Share (NOCFPS)	1.16	0.53
Profit for the period	522,452,000	357,815,000

*For the quarter January to March 2019, EPS increased compared to the previous quarter, mainly due to increase of gross profit and effective tax rate. NOCFPS also increased compared to same period of last year, due to higher EPS and higher collection from customers.

30 Reconciliation of net profit with cash flows from operating activities

Net profit for the period	522,452	357,815
Depreciation and amortization	257,096	282,320
Other non-cash items	1,409	9,588
Non-operating items	32,046	65,808
Changes in net working capital	538,702	(102,648)
Cash flows from operating activities	1,351,705	612,883

	31 Mar 2020 <u>Taka'000</u>	31 Dec 2019 <u>Taka'000</u>
31 Share Capital		
31.1 Authorized capital		
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.

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

31.4 Composition of shareholders at 31 March/31 December

Name of the shareholders	Nationality/ <u>Incorporated in</u>	Number of shares	
		31 Mar 2020	31 Dec 2019
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 31 March/31 December

Name of the shareholders	Nationality/Incorporated in	Holding (%)	
		31 Mar 2020	31 Dec 2019
Surma Holding B.V.	The Netherlands	58.87	58.87
Sinha Fashions Limited	Bangladesh	3.02	3.02
Islam Cement Limited	Bangladesh	2.75	2.75
Other Shareholders	Bangladesh and NRB	35.36	35.36
		100.00	100.00




Company Secretary


Chief Financial Officer


Director


Director


Chief Executive Officer

LAFARGEHOLCIM BANGLADESH LIMITED
Statement of financial position (Un-audited)
at 31 March 2020

	NOTES	31 Mar 2020 <u>Taka'000</u>	31 Dec 2019 <u>Taka'000</u>
Assets			
Non-current assets			
Property, plant and equipment	5	16,817,282	16,854,211
Goodwill	6A	317,776	317,776
Intangible assets	6B	29,375	39,137
Investment in subsidiaries		519,893	519,893
Total non-current assets		<u>17,684,326</u>	<u>17,731,017</u>
Current assets			
Inventories	7	2,457,742	2,722,492
Trade receivables	8	1,819,345	1,581,595
Other current assets	9	471,946	440,975
Advance income tax	10	1,085,989	1,158,412
Cash and cash equivalents	11	414,472	237,374
Total current assets		<u>6,249,494</u>	<u>6,140,848</u>
Total assets		<u>23,933,820</u>	<u>23,871,865</u>
Equity & liabilities			
Equity			
Share capital	27.3	11,613,735	11,613,735
Retained earnings		2,500,113	2,133,175
Other component of equity		(48,129)	(48,129)
Total equity		<u>14,065,719</u>	<u>13,698,781</u>
Non-current liabilities			
Borrowings	12A	71,392	178,997
Deferred tax liabilities	13	2,708,329	2,819,140
Employee benefits		105,871	157,547
Total non-current liabilities		<u>2,885,592</u>	<u>3,155,684</u>
Current liabilities			
Trade payables	14	5,518,545	5,062,866
Other current liabilities	15	1,032,089	979,560
Borrowings	12B	431,875	974,974
Total current liabilities		<u>6,982,509</u>	<u>7,017,400</u>
Total equity and liabilities		<u>23,933,820</u>	<u>23,871,865</u>

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 31 March 2020

	NOTES	Jan-Mar 2020 Taka '000	Jan-Mar 2019 Taka '000
Revenue	16	5,128,269	3,485,442
Cost of sales	17	(4,171,870)	(2,793,603)
Gross profit		956,399	691,839
Other operating income	20	1,672	2,174
General and administrative expenses	18	(339,682)	(203,002)
Sales and marketing expenses	19	(149,243)	(80,417)
Operating profit		469,146	410,594
Finance cost	21	(50,274)	(71,004)
Profit before tax		418,872	339,590
Income tax	22	(51,934)	(78,470)
Profit for the period		366,938	261,120
Earnings Per Share			
Basic (Taka)	23A	0.32	0.22
Diluted (Taka)	23A	0.32	0.22

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 31 March 2020

	Jan-Mar 2020	Jan-Mar 2019
	<u>Taka '000</u>	<u>Taka '000</u>
Profit for the period	<u>366,938</u>	<u>261,120</u>
Items that may be reclassified subsequently to profit or loss		
Cash flow hedge instruments	-	8,570
Other comprehensive income for the period	<u>-</u>	<u>8,570</u>
Total comprehensive income for the period	<u><u>366,938</u></u>	<u><u>269,690</u></u>




 Company Secretary


 Chief Financial Officer


 Director


 Director


 Chief Executive Officer

LAFARGEHOLCIM BANGLADESH LIMITED
Statement of Changes in Equity (Un-audited)
for the period ended 31 March 2020

(All figures are in Tk. '000)

	Share capital	Retained earnings	Other component of equity	Total equity
Balance at 1 January 2019	11,613,735	2,298,905	(98,942)	13,813,698
Total comprehensive income for the period	-	261,120	8,570	269,690
Balance at 31 March 2019	11,613,735	2,560,025	(90,372)	14,083,388
Balance at 1 January 2020	11,613,735	2,133,175	(48,129)	13,698,781
Total comprehensive income for the period	-	366,938	-	366,938
Balance at 31 March 2020	11,613,735	2,500,113	(48,129)	14,065,719




 Company Secretary


 Chief Financial Officer


 Director


 Director


 Chief Executive Officer

LAFARGEHOLCIM BANGLADESH LIMITED
Statement of Cash Flows (Un-audited)
for the period ended 31 March 2020

	Jan-Mar 2020	Jan-Mar 2019
	<u>Taka'000</u>	<u>Taka'000</u>
Cash flows from operating activities		
Cash receipts from customers	5,068,809	2,881,866
Cash paid to suppliers and employees	<u>(3,990,735)</u>	<u>(2,285,265)</u>
Cash generated from operations	1,078,074	596,601
Income tax paid	(90,329)	(60,557)
Other receipts	1,672	2,100
Net cash generated by operating activities	<u>989,417</u>	<u>538,144</u>
 Cash flows from investing activities		
Payments for property, plant and equipment	<u>(121,678)</u>	<u>(89,084)</u>
Net cash used in investing activities	<u>(121,678)</u>	<u>(89,084)</u>
 Cash flows from financing activities		
Repayment of long-term debt	(500,001)	(300,000)
Repayments of the lease liabilities	(9,453)	-
Decrease in short term debt	(100,000)	(250,000)
Payment of interest and other finance costs	(38,796)	(58,649)
Interest paid on lease liability	(3,713)	-
Dividend payment	(611)	(4,115)
Net cash used in financing activities	<u>(652,574)</u>	<u>(612,764)</u>
 Net increase/(decrease) in cash and cash equivalents	<u>215,165</u>	<u>(163,704)</u>
 Cash and cash equivalents at beginning of the period	<u>199,307</u>	<u>201,900</u>
Cash and cash equivalents at end of the period	<u>414,472</u>	<u>38,196</u>




 Company Secretary


 Chief Financial Officer


 Director


 Director


 Chief Executive Officer

LAFARGEHOLCIM BANGLADESH LIMITED
Notes to the Condensed Financial Statements (Un-audited)
for the period ended 31 March 2020

1 General information

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

2 Nature of business

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

The company is engaged in manufacturing and marketing of building materials in the local market and international market.

3 Basis of preparation

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

4 Significant accounting policies

The same accounting policies, presentation and methods of computation have been followed in these interim financial statements as were applied in the preparation of the Company's financial statements for the year ended 31 December 2019.

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.

	31 Mar 2020	31 Dec 2019
	<u>Taka'000</u>	<u>Taka'000</u>
5 Property, plant and equipment*		
Cost		
At January 1	23,334,068	15,711,212
HBL amalgamation	-	7,240,217
Additions	177,174	462,330
Disposals	-	(79,691)
At March 31/December 31	<u>23,511,242</u>	<u>23,334,068</u>
Depreciation		
At January	6,479,857	5,880,968
Disposals	-	(37,920)
Charge for the period	214,103	636,809
At March 31/December 31	<u>6,693,960</u>	<u>6,479,857</u>
Carrying amount	<u>16,817,282</u>	<u>16,854,211</u>
5.1 *Right-of-use assets (RoUA)		
Cost		
At January 1	130,348	-
Additions	-	130,348
At March 31/December 31	<u>130,348</u>	<u>130,348</u>
Depreciation		
At January	8,916	-
Charge for the period	9,644	8,916
At March 31/December 31	<u>18,560</u>	<u>8,916</u>
Carrying amount	<u>111,788</u>	<u>121,432</u>

	31 Mar 2020	31 Dec 2019
	Taka'000	Taka'000
6A Goodwill*		
Acquisition of subsidiary (Holcim Cement Bangladesh Limited)	317,776	317,776
	317,776	317,776
*Goodwill arising on amalgamation of subsidiary is measured at cost less accumulated impairment losses.		
6B Intangible assets		
Cost		
At January 1	158,848	158,848
At March 31/December 31	158,848	158,848
Amortization		
At January	119,711	74,709
Charge for the period	9,762	45,002
At March 31/December 31	129,473	119,711
Carrying amount	29,375	39,137
7 Inventories		
Raw materials	673,840	846,362
Semi-finished and finished products	828,380	941,597
Parts and supplies	955,522	934,533
	2,457,742	2,722,492
8 Trade receivables		
Trade receivables	1,187,785	1,147,611
Advance payment to trade suppliers	631,560	433,984
	1,819,345	1,581,595
9 Other current assets		
Prepaid expenses	110,381	66,824
Advance to employees	15,755	8,505
Security and other deposits	89,675	89,674
Other receivables	25,470	28,065
Advance payment to suppliers of fixed assets	230,665	247,907
	471,946	440,975
10 Advance income tax- net of tax provision		
Advance income tax	5,970,272	5,879,943
Current tax liabilities	(4,884,283)	(4,721,531)
	1,085,989	1,158,412
11 Cash and cash equivalents		
Cash in hand	2,497	2,340
Cash at banks	411,975	235,034
Cash and cash equivalents in statement of financial position	414,472	237,374
Bank overdrafts*	-	(38,067)
Cash and cash equivalents for the purpose of the statement of cash flows	414,472	199,307
*Bank overdrafts are repayable on demand and form an integral part of cash management. Bank overdrafts are included in short-term borrowings.		
12 Borrowings		
A. Borrowings-long term		
Non-current portion- Unsecured	-	94,248
Non-current portion-lease liabilities	71,392	84,749
	71,392	178,997

B. Borrowings-short term

Current portion of long term -Unsecured	394,247	800,000
Short-term credit facilities	-	138,067
Current portion of lease liabilities	37,628	37,628
Derivative liabilities*	-	(721)
	<u>431,875</u>	<u>974,974</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.

	31 Mar 2020	31 Dec 2019
	<u>Taka'000</u>	<u>Taka'000</u>
13 Deferred Tax Liabilities		
The tax effects of temporary differences that resulted in deferred tax liabilities and assets.		
Deferred tax liabilities	2,893,402	2,990,572
Deferred tax assets	185,073	171,432
Net deferred tax liabilities	<u>2,708,329</u>	<u>2,819,140</u>
	31 Mar 2020	31 Dec 2019
	<u>Taka'000</u>	<u>Taka'000</u>
14 Trade payables		
Payable for goods and services	5,399,684	4,924,719
Contract liabilities	118,861	138,147
	<u>5,518,545</u>	<u>5,062,866</u>
15 Other current liabilities		
Payables to suppliers of fixed assets	264,787	226,533
Income tax and VAT deducted at source	227,459	236,845
Others	453,378	425,717
Accrued interest payable	28,755	32,144
Dividend payable	57,710	58,321
	<u>1,032,089</u>	<u>979,560</u>
	Jan-Mar 2020	Jan-Mar 2019
	<u>Taka'000</u>	<u>Taka'000</u>
16 Revenue*		
Sale of gray cement	5,128,269	3,303,988
Sale of cement clinker	-	181,454
	<u>5,128,269</u>	<u>3,485,442</u>
	Jan-Mar 2020	Jan-Mar 2019
	<u>Taka'000</u>	<u>Taka'000</u>
17 Cost of sales		
Manufacturing variable cost	2,904,920	1,944,726
Manufacturing fixed cost	406,994	294,678
Freight cost to customers	88,745	119,277
Depot operating and transportation costs	269,485	296,361
Inventory movement	289,159	154
Depreciation and amortization	212,567	138,407
	<u>4,171,870</u>	<u>2,793,603</u>
18 General and administrative expenses		
Salary, allowances and benefits	103,817	72,214
IT maintenance expenses	24,870	17,148
Other office expenses	177,651	81,372
Administrative depreciation and amortization	11,298	14,395
Contribution to Workers' Profit Participation and welfare Fund	22,046	17,873
	<u>339,682</u>	<u>203,002</u>

*The increase of revenue 47.13% for the period Jan-Mar 2020 compared with the previous period Jan-Mar 2019. This is not like-for-like increase. Main reason of this increase is amalgamation of Holcim Cement (Bangladesh) Limited with LafargeHolcim Bangladesh Limited effective from 26 November 2019.

	Jan-Mar 2020	Jan-Mar 2019
	Taka'000	Taka'000
19 Sales and marketing expenses		
Salary, allowances and benefits	55,753	30,397
Advertisement	82,392	40,855
Other office expenses	11,098	9,165
	149,243	80,417
20 Other operating income		
Gain on sale of miscellaneous scrap items	-	74
Gain on sale of property, plant and equipment	1,672	2,100
	1,672	2,174
21 Finance costs and income		
Interest expenses	17,415	56,710
Exchange loss	24,333	10,032
Other finance costs	1,120	2,542
Interest expenses on lease liabilities	3,713	-
Bank charges and commission	3,693	1,720
Finance costs	50,274	71,004
Net financecosts	50,274	71,004
22 Income tax		
Current income tax expenses	162,752	117,523
Deferred income tax income	(110,818)	(39,053)
	51,934	78,470

	Jan-Mar 2020	Jan-Mar 2019
23 A. 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>		
Profit for the period		366,938	261,120
Denominator	<i>(Thousands of Shares)</i>		
Weighted average number of shares outstanding		1,161,374	1,161,374
Basic Earnings Per Share	Taka	0.32	0.22
Diluted Earnings Per Share	Taka	0.32	0.22

B. Net operating cash flow per share (NOCFPS)

The computation of net operating cash flow per share for the periods ended 2020 and 2019 are as follows:

Numerator	<i>(Thousand Taka)</i>		
Net operating cash flow for the period		989,417	538,144
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	0.85	0.46

	31 Mar 2020	31 Dec 2019
C. Net asset value (NAV) per share		

The computation of net asset value per share for the periods ended 2020 and 2019 are as follows:

Numerator	<i>(Thousand Taka)</i>		
Net asset value for the period/year		14,065,719	13,698,781
Denominator	<i>(Thousand Taka)</i>		
Weighted average number of shares outstanding		1,161,374	1,161,374
Net asset value per share	Taka	12.11	11.80

24 Related party transactions

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

	2020	2019
	<u>Taka</u>	<u>Taka</u>
25 Comparative information of the shareholders (Note- 23)*		
Net Asset Value (NAV) Per Share	12.11	11.80
Earning Per Share (EPS)	0.32	0.22
Net Operating Cash Flow Per Share (NOCFPS)	0.85	0.46
Profit for the period	366,938,000	261,120,000

*For the quarter January to March 2020, EPS is higher than same period of last year, mainly due to higher revenue, improved in gross profit and effective tax rate. NOCFPS also increased compared to same period of last year, due to higher EPS and higher collection from customers.

26 Reconciliation of net profit with cash flows from operating activities

Net profit for the period	366,938	261,120
Depreciation and amortization	223,865	152,802
Other non-cash items	1,409	2,748
Non-operating items	50,274	71,004
Changes in net working capital	346,931	50,470
Cash flows from operating activities	<u>989,417</u>	<u>538,144</u>

31 Mar 2020	31 Dec 2019
<u>Taka'000</u>	<u>Taka'000</u>

27 Share capital

27.1 Authorized capital

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

27.2 Issued and subscribed capital

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

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

27.4 Composition of shareholders at 31 March/31 December

Name of the shareholders	Nationality/Incorporated in	Number of shares	
		31 Mar 2020	31 Dec 2019
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 31 March/31 December

Name of the shareholders	Nationality/Incorporated in	Holding (%)	
		31 Mar 2020	31 Dec 2019
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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