## Lafarge Surma Cement Ltd. A company of LAFARGE and Company of LAFAR

3rd Quarter Consolidated Financial Statements-2015 (Un-audited)

Complying with Notification No.SEC/CMRRCD/2008-183/Admin/03-34 dated September 27, 2009 and Letter No. SEC/ CFD/Misc./233/2004/615 dated February 02, 2010 of Bangladesh Securities and Exchange Commission and clause 17(3) of the Listing Eegulations 2015 of Dhaka and Chittagong Stock Exchange Limited.

The Details of the published quarterly financial statements are available in the web-site of the Company. The address of the web-site is: www.lafarge-bd.com

LAFARGE SURMA CEMENT LIMITED  Consolidated Statement of Financial Position (Un-audited) at 30 September 2015	LAFARGE SURMA CEMENT LIMITED Consolidated Income Statement (Un-audited)	LAFARGE SURMA CEMENT LIMITED  Notes to the Condensed Consolidated Financial Statements (Un-audited) for the period and 20 September 2015	30 Sep 2015 31 Dec 2014 <u>Taka'000 Taka'000</u> 3 Trade Payables
30 Sep 2015 31 Dec 2014	for the period ended 30 September 2015  NOTES Jan-Sep 2015 Jan-Sep 2014 Jul-Sep 2015 Jul-Sep 2014	for the period ended 30 September 2015  Background and Introduction	Payable for expenses         1,713,230         1,578,545           General assistance fee (Note- 14.1)         181,245         216,633
30 Sep 2015 31 Dec 2014 NOTES <u>Taka*000</u> <u>Taka*000</u> ASSETS	Taka 1000   Taka	Formation and Introduction Formation and legal status Lafarge Surma Cement Limited (LSCL) - (hereinafter referred to as "Lafarge Surma or the Company") was	Trademark license fee (Note- 14.2)         181,245         216,633           Advances paid by customers         233,385         275,501
NON-CURRENT ASSETS Property, plant and equipment 5 11,944,192 12,409,080	Cost of sales 19 (5,051,818) (5,110,917) (1,677,598) (1,648,136)	incorporated on 11 November 1997 as a private limited company in Bangladesh under the Companies Act 1994	Others         8,506         5,050           2,317,611         2,292,362
Intangible assets 6 868,282 935,564	GROSS PROFIT 2,663,774 3,228,218 754,522 1,064,275	on 20 January 2003 and went for Initial Public Offering of shares in November 2003 which was fully subscribed	4.1 General assistance fee The amount is payable to Lafarge S.A. and Cementos Molins for general assistance fee (1 percent of
Other receivables         9         144,589         145,571           12,957,063         13,490,215	General and administrative expenses 20 (540,907) (545,527) (175,024) (179,245) Sales and marketing expenses 21 (139,331) (112,977) (51,724) (30,037)	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	annual net turnover of the company in accordance with the General Assistance Agreement).  1.2 Trademark license fee
CURRENT ASSETS           Inventories         7         1,700,148         1,564,285	Other operating income         11,998         186,433         1,301         112,143           OPERATING INCOME         1,995,534         2,756,147         529,075         967,136	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	The amount is equally payable to Lafarge S.A. and Cementos Molins for trademark license fee (1 percent of annual net turnover of the company in accordance with the Trademark License Agreement).
Trade receivables         8         1,134,824         865,268           Other receivables         9         2,692,823         2,194,325		November 1994 as a private limited company with its registered office at Shillong in the State of Meghalaya, India,  Lafarge Umlam Mining Private Limited (LUMPL) - incorporated under the Indian Companies Act 1956 on 22	Payables to supplier of property, plant & equipment 56,489 129,408
Derivative instruments   36     Cash and cash equivalents   10   1,581,126   1,881,906	Finance cost         22         (143,107)         (171,392)         (77,219)         (96,135)           Finance income         22         79,263         41,851         13,950         13,791	March 1999 as a private limited company with its registered office at Shillong in the State of Meghalaya, India.  Nature of Business	Interest and Other finance costs payable 358 26,959 Payable to employees 165,409 222,753
7,108,957 6,505,784 TOTAL ASSETS 20,066,020 19,995,999	INCOME BEFORE TAX 1,931,690 2,626,606 465,806 884,792	The Company has established the country's only modern, integrated and state-of-the art cement manufacturing plant at Chhatak under Sunamgani district. The company extracts and processes the basic raw materials limestone	Income tax & VAT deducted at source         82,938         109,068           Dividend payable         27,988         7,461           333,182         455,649
<b>EQUITY &amp; LIABILITIES</b> Share capital 11,613,735 11,613,735	Income tax   23   (211,074)   (518,075)   (96,594)   (178,535)	from its own quarry in Meghalaya. A 17 kilometre cross-border belt conveyor links the quarry with the cement plant for transportation of raw materials.	Short Term Debt
Retained earnings 1,854,250 1,295,008 Other components of equity (55,938) (61,519)	Basic earnings per share (Taka) 24 1.48 1.82 0.32 0.61	The company is engaged in manufacturing and marketing of cement and clinker in the local market.  3 Basis of Preparation	Bank overdraft facilities         50,042         34,537           Short term credit facilities         1,213,662         1,141,126
Foreign currency translation 375,467 408,334  SHAREHOLDERS' EQUITY- PARENT COMPANY 13,787,514 13,255,558	The accompanying Notes 1 to 26 form an integral part of these interim financial statements.	The consolidated interim financial statements have been prepared in accordance with Bangladesh Accounting Standard 34 Interim Financial Reporting.	
Non-controlling interests 61 81 <b>EQUITY</b> 13,787,575 13,255,639	The decompanying Notes 1 to 20 form diffine grap part of these interim manetal statements.	4 Significant Accounting Policies The financial statements have been prepared under the historical cost convention, except for the following:	Balance at 1 January         185,327         173,282           Cancellation of provision         -         (23,076)
NON-CURRENT LIABILITIES Long-term debt 11 - 132,925	S. OM Duy and un	i) derivative financial instruments measured at fair value; ii) financial instruments at fair value through profit and loss measured at fair value,	Provision for the period/year         23,448         35,121           At September 30/December 31         208,775         185,327
Deferred tax liabilities 12 2,096,643 1,906,543	Company Secretary Finance Director Director Chief Executive Officer Chairman	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	Jan-Sep 2015 Jan-Sep 2014
Employee benefits         24,590         106,922           Provision         13         27,071         25,808	Company Secretary Timance Director Director Chief Executive Officer Chairman	31 December 2014. <b>18</b>	
CURRENT LIABILITIES 2,148,304 2,172,198		30 Sep 2015 31 Dec 2014 <u>Taka*000</u> <u>Taka*000</u>	Sale of gray cement         6,510,184         7,046,528           Sale of cement clinker         1,205,408         1,292,607           7,745,600         2,203,007
Trade payables         14         2,317,611         2,292,362           Other payables         15         333,182         495,649		5 Property, Plant and Equipment COST 15	
Derivative instruments	LAFAROT OUR A CENTRUT LIMITER	At January 1 16,878,660 16,689,914 Additions 20,362 247,637	Manufacturing variable cost         2,920,010         2,942,424           Manufacturing fixed cost         1,074,920         1,019,351
Short-term debt         16         1,263,704         1,175,663           Current tax liabilities         17         208,775         185,327	LAFARGE SURMA CEMENT LIMITED Consolidated Statement of Cash Flows (Un-audited)	Disposals         (18,415)         (21,552)           Translation adjustment         (68,987)         (37,339)	Freight cost to customers 337,072 296,015 Depot operating and transportation costs 549,640 536,716
TOTAL EQUITY AND LIABILITIES 4,130,141 4,568,162 20,066,020 19,995,999	for the period ended 30 September 2015	At September 30/December 31 16,811,620 16,878,660 DEPRECIATION	Inventory movement         (273,333)         (125,381)           Depreciation and amortization         443,509         441,792
The accompanying Notes 1 to 26 form an integral part of these interim financial statements.	Jan-Sep 2015 Jan-Sep 2014	At January 4,469,580 3,926,560 Disposals (17,266) (19,315) 2t	
	Taka¹000 Taka'000	Change for the period         434,593         572,647           Translation adjustment         (19,479)         (10,312)	Salary, allowances and benefits         157,078         141,844           General assistance fee         72,346         78,648
S. Offer Mass and My and wer though	Cash Flows From Operating Activities Cash receipts from customers 7,403,920 8,293,065	At September 30/December 31 4,867,428 4,469,580  CARRYING AMOUNT 11,944,192 12,409,080	Trademark license fee         72,346         78,647           Computer expenses         37,345         25,495
Company Secretary Finance Director Director Chief Executive Officer Chairman	Cash paid to suppliers and employees (5,630,076) (5,815,195)	6 Intangible Assets	Other office expenses 104,190 105,681 Administrative depreciation and amortization 26,448 22,361
	Cash generated in operations 1,773,844 2,477,870	COST At January 1 1,164,077 1,172,008	Contribution to Workers' Profit Participation and welfare Fund 71,154 92,851 540,907 545,527
LAFAROR CURINA OFMENT LIMITER	Income tax paid (340,247) (373,369)   Other receipts 4,709 200,432	Additions 2,691 14,891 <b>21</b> Disposals (284) (434)	Salary, allowances and benefits 62,293 43,987
LAFARGE SURMA CEMENT LIMITED  Consolidated Statement of Comprehensive Income (Un-audited)	Net cash generated by operating activities 1,438,306 2,304,933	Translation adjustment         (41,820)         (22,388)           At September 30/December 31         1,124,664         1,164,077	Advertisement 49,737 49,814 Other office expenses 27,301 19,176
for the period ended 30 September 2015	Cash Flows From Investing Activities	AMORTIZATION At January 228,513 184,715 <b>22</b>	139,331 112,977
Jan-Sep 2015 Jan-Sep 2014 Jul-Sep 2015 Jul-Sep 2014 Taka'000 Taka'000 Taka'000 Taka'000	Payments for property, plant and equipment (133,012) (187,503)	Disposals - (4) Change for the period 35,365 47,770	Interest on long term debt         16,811         44,417           Interest on short term debt         37,097         63,436
INCOME FOR THE PERIOD 1,720,616 2,108,531 369,212 706,257	Payments for intangible assets (2,691) (2,134) Proceeds from sale of property, plant and equipment 8,998 1,278	Translation adjustment         (7,496)         (3,968)           At September 30/December 31         256,382         228,513	Other finance costs         23,200         35,891           Bank charges and commission         12,242         15,189
Items that will not be reclassified	Interest income on bank deposits 68,909 31,326	CARRYING AMOUNT 868,282 935,564 7 Inventories	Exchange loss 53,757 12,459 Finance costs 143,107 171,392
subsequently to profit or loss Actuarial gain 2,989 - 2,989 -	Net cash used in investing activities (57,796) (157,033)	Raw materials   359,353   500,815   Spare parts   875,700   825,394	Interest income on Bank Deposits   79,263   41,851   Finance income   79,263   41,851
Income tax on actuarial loss that will not be reclassified to profit or loss (2,473) - (747) -	Cash Flows From Financing Activities	Packing materials 9,773 5,400  Other materials 64,949 88,903	Net finance (income)/costs 63,844 129,541
Total items that will not be reclassified to profit or loss 516 - 2,242 -	Repayment of long term debt (541,853) (273,537) Increase (decrease) in short term debt 100,472 (295,907)	Finished goods and work in process 390,373 143,773 g	3 Income Tax
Items that may be reclassified subsequently to profit or loss	Increase (decrease) in short term debt 100,472 (295,907)  Payment of interest and other finance costs (94,758) (133,055)	8 Trade Receivables Trade receivables 1,700,148 1,564,285 Trade receivables 1,145,759 874,887	Current income tax expenses 23,448 25,205 Cancellation of provision - (23,076)
Cash flow hedge instruments 5,065 38,441 (1,565) 1,089 Exchange differences on translating	Dividend payment	Trade receivables         1,145,759         874,887           Valuation allowance         (10,935)         (9,619)           1,134,824         885,268	Deferred income tax
foreign operation (32,867) (14,990) (23,916) 762 Non controlling interests- currency	Net cash used in initalicing activities (1,070,900) (1,273,000)	9 Other Receivables	211,074 518,075 4 Earnings Per Share
translation adjustment (20) - (15) (15) <b>Total items that may be reclassified</b> (27,822) 23,451 (25,496) 1,836	Net effect of foreign currency translation on cash and cash equivalents (4,304) 4	Employees 38,453 42,059	The computation of basic earnings per share for the periods ended 2015 and 2014 are as follows:
OTHER COMPREHENSIVE (LOSS)/	Net (decrease) increase in cash and cash equivalents (300,780) 874,246	Prepaid expenses         135,311         131,816           VAT current account         213,849         96,659	NUMERATOR (Thousand Taka) Incomefor the Period- Attributable to the
INCOME FOR THE PERIOD   (27,306)   23,451   (23,254)   1,836	Cash and Cash Equivalents at Beginning of the Period 1,881,906 1,204,399	Income tax-deducted at source	OWNERS OF THE PARENT COMPANY 1,720,616 2,108,531 DENOMINATOR (Thousands of Shares)
THE PERIOD 1,693,310 2,131,982 345,958 708,093 Attributable to:	Cash and Cash Equivalents at End of the Period 1,601,900 1,204,399 2,078,645	Accrued interest 18,233 10,598 2,837,412 2,339,896	WEIGHTED AVERAGE NUMBER OF SHARES 1,161,374 1,161,374 OUTSTANDING
Owners of the parent Company 1,693,330 2,131,982 345,973 708,108		Current portion         2,692,823         2,194,325           Non-current portion         144,599         145,571	BASIC EARNINGS PER SHARE Taka 1.48 1.82
Non-controlling interests (20) - (15) (15) (15) (15) (15) (15) (15) (15)	S. Off Mass Whomen	10 Cash and Cash Equivalents	DILUTED EARNINGS PER SHARE Taka 1,48 1,82
1.04	Company Secretary Finance Director Director Chief Executive Officer Chairman	Cash in hand         644         676         2           Cash at banks         1,580,482         1,881,230	Related Party Transactions     Except for the regular transactions, there were no significant related party transactions during the period.
S. Mr. Dunder States States Office Office Office	, , , Only Encoders of the Only Only Only Only	11 Long Term Debt 1,581,126 1,881,906	30 Sep 2015 31 Dec 2014
Company Secretary Finance Director Director Chief Executive Officer Chairman		11.1 Long portion Citibank N.A Mumbai - 46,769 2	<u>Taka'000</u> <u>Taka'000</u>
I AFADOF CUDAMA OFMENT LIMITED		Citioank N.A Numbai	Commitments and Contingencies     There were no changes in the commitments and contingencies made by the Company during the period
LAFARGE SURMA CEMENT LIMITED  Consolidated Statement of Changes in Equity (Un-audited)		11.2 Current portion	except the following.
for the period ended 30 September 2015		Standard Chartered Bank - Mumbai - 172,312	Clinker production of the Company at the plant stopped from April 2010 due to the suspension of supply of limestone from
	( All figures are in Tk. '000)		the quarry and resumed in August 2011, During this period, the gas consumption from Jalalabad Gas Transmission
Share Retain	Other Foreign Equity for Non	12 Deferred Tax Liabilities The tax effects of temporary differences that resulted in deferred tax liabilities and assets.	and Distribution System Limited drastically reduced since there was no clinker production, Under the agreement with
capital earnin	gs of equity translation company interests equity	oeterred tax itabilities Property, plant and equipment 2,167,422 2,414,983	Jalalabad Gas, the Company needs to take a minimum quantity failing which it needs to pay as advance the shortfall
Balance at 1 January 2014         11,613,735         (944,13)           Total comprehensive income/(loss) for the period         -         2,108,5	31 38,441 (14,990) 2,131,982 - 2,131,982	2,107,422   2,414,983	between the minimum quantity and the actual quantity consumed. The Company raised a dispute with Jalalabad Gas
Interim dividend <u>580,68</u> <b>Balance at 30 September 2014 11,613,735 583,7</b>	7) - (580,687) - (580,687)	Provision for gratuity 1,822 29,948 Provision for doubtful debts 2,734 2,644	that this is a force majeure event and hence, the Company is not liable to pay this advance but this was not accepted
Balance at 1 January 2015         11,613,735         1,295,0           Total comprehensive income/(loss) for the period         -         1,720,6	08 (61,519) 408,334 13,255,558 81 13,255,639	Business loss 66,223 475,848 70,779 508,440	by them. Thereafter the matter was referred for arbitration. The Company has received the arbitration Award in its favour
Final dividend - (580,66 Interim dividend - (580,66	7) - (580,687) - (580,687)	Net deferred tax liabilities 2,096,643 1,906,543	on 30 June 2015
Balance at 30 September 2015 11.613.735 1.854.2	50 (55,938) 375,467 13,787,514 61 13,787,575	13 Provisions Site restoration provisions	
		Balance at 1 January 25,808 23,146 Current year addition 2,336 3,232	
S. OMM	Aug and un	Translation adjustment (1,073) (570)	S. OHE Day and we thing
	irector Chief Executive Officer Chairman	The Company is legally required to restore a quarry site, the estimated costs of site restoration are accrued and	Company Secretary Finance Director Director Chief Executive Officer Chairman
		recompany 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).	
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