Lafarge Surma Cement Ltd.

A company of LAFARGE and MOLINS

1st Quarter Consolidated Financial Statements-2016 (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.

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

AFARGE SURMA CEMENT L Consolidated Statement of Financial Po	IMITED osition (Un-audited))	 	LAFARGE SUR Consolidated Stater	ment of Profit or Los	IMITED ss (Un-audited	1)	
it 31 March 2016 ASSETS	NOTE	31 Mar 2016 3 ⁻ Taka'000	1 Dec 2015 Taka'000	for the period ended	d 31 March 2016	NOTES	Jan-Mar 2016	Jan-Mar 2015
NON-CURRENT ASSETS Property, plant and equipment	5	11.700.566	11,837,497	REVENUE		17	Taka '000 2,576,922	Taka '000 2.651.514
tangible assets	6	849,154	862,086	Cost of sales		18	(1,699,388)	(1,720,890
ther receivables	9	135,080 12,684,800	140,745 12,840,328	GROSS PROFIT General and administr	rativa avnancac	19	877,534 (176,307)	930,624 (177,174
UDDENT ACCETS			12,010,020	Sales and marketing e		20	(31,288)	(38,400
URRENT ASSETS ventories	7	1,374,800	1,429,587	Other operating (expe			265	710
ade receivables ther receivables	8 9	777,087 2,464,938	908,260 2,265,908	: OPERATING PRO : Finance cost	DFIT	21	(35,628)	715,760 (37,085
erivative instruments		4,234	1,109	Finance income		21	33,582	67,350
ash and cash equivalents	10	3,634,169 8,255,228	3,249,844 7,854,708	PROFIT BEFORE	TAX	00	668,158 (174,295)	746,025 (162,066
OTAL ASSETS		20,940,028	20,695,036	Income tax PROFIT FOR THE	E PERIOD	22	493,863	583,959
QUITY & LIABILITIES hare capital		11,613,735	11,613,735					
tetained earnings		2,917,053	2.423.190 !	Basic earnings per sha	are (Taka)	23	0.43	0.50
ther components of equity oreign currency translation		(46,576) 379,051	(52,995) 377,530	The accompanyi	ing Notes 1 to 25 form	n an integral pa	rt of these financia	statements.
HAREHOLDERS' EQUITY- PARI	ENT COMPANY	14,863,263	14,361,460	s. onto	mae		1 Any and we	John , www
lon-controlling interests		38	39	Company Secretary	Chief Financial Offic	er Director	Chief Excutive Office	cer Chairman
QUITY		14,863,301	14,361,499	I VEVDCE STIP	MA CEMENT!	IMITED		
ON-CURRENT LIABILITIES			-	Consolidated Staten for the period ended	nent of Cash Flows	(Un-audited)		
eferred tax liability	11	2,339,701 53,525	2,318,292	for the period ended	1 31 March 2016			
mployee benefits rovisions	12	28,478	48,915 27,787				Jan-Mar 2016	Jan-Mar 201: Taka'00
		2,421,704	2,394,994	Cash Flows From Op	perating Activities		Taka'000	iaka 00
CURRENT LIABILITIES		2.359.646	-	Cash receipts from o	customers		2,580,592	2,736,89
ade payables ther payables	13 14	2,359,646	2,473,604 376,640	! Cash generated in o	perations		(1,999,057) 581,535	(2,032,524 704,36
erivative instruments hort-term debt	15	1,048,979	2,493 1,085,806	Income tax paid Other receipts			(131,065) 265	(137,597 70
		3,655,023	3,938,543	Net cash generated I	hy operating activiti	es	450.735	567,47
OTAL EQUITY AND LIABILITIES		20,940,028	20,695,036	Cash Flows From In		C 3	430,733	
The accompanying Notes 1 to 25 for	rm an integral part of		atements.	Payments for proper Payments for intang	rty, plant and equipr	ment	(40,110)	(66,506
Company Secretary Chief Financial Office	er Director Chi	ef Excutive Officer	Chairman	Proceeds from sale	of property, plant ar	nd equipment	-	(742
				Interest income on b	oank deposits		34,140	9,87
AFARGE SURMA CEMENT L				Net cash used in inv	esting activities		(5,970)	(57,339
consolidated Statement of Comprehensive or the period ended 31 March 2016	e Income (Un-audited) Jan-Mar 2016 Taka'000	Jan-Mar 2015 Taka'000	Cash Flows From Fig	nancing Activities			
ROFIT FOR THE PERIOD		493,863	583,959	Repayment of long t Increase (Decrease)) in short term debt		(38,527)	(91,306 25,04
PROFIT FOR THE PERIOD Items that may be reclassified subsequently to profit or loss			- 300,000	Payment of interest Dividend payment	and other finance c	osts	(19,931) (504)	(37,757 (3,257
ash flow hedge instruments	lentity to profit or los		40 500	Net cash used in fina	ancing activities		(58,962)	(107,273
xchange differences on translating foreign op	eration	6,419 1,521	10,523 113,920	Net effect of foreign	currency translation	n on cash and		
on controlling interests- currency translation	adjustment	(1)	5	cash equivalents Net increase in cash	and cash equivaler	nts	(1,478) 384,325	1,06 403.92
OTHER COMPREHENSIVE INCOME	FOR THE PERIOR	7,939	124,448	Cash and Cash Equi	· ivalente at Beginnin	a of the Perio		1.881.90
OTAL COMPREHENSIVE INCOME ttributable to:	FOR THE PERIOD	501,802	708,407	Cash and Cash Equi			3,634,169	2,285,83
Owners of the parent Company Ion-controlling interests		501,803	708,402					
on-conduling interests		501,802	708,407					
s. orb	1	Any and un	Manne	J. 01/2	M	ra	1 Amaram	Munyum
Company Secretary Chief Financial Office	er Director Chie	ef Excutive Officer	Chairman	Company Secretary	Chief Financial Offic	er Director	Chief Excutive Offi	cer Chairman
AFARGE SURMA CEMENT L							(All figure	s are in Tk. '000)
Consolidated Statement of Changes in or the period ended 31 March 2016	⊏quity (Un-audited	Share	Retained	Other components	Foreign currency	Equity for parent	Non controlling	Tota
	_	capital 11,613,735	earnings 1,295,008	of equity	translation 408,334	company 13,255,558	interests 81	equity 13,255,639
Balance at 1 January 2015		11,013,733		(61,519)				
otal comprehensive income for the period		11 610 705	1 878 967	10,523	113,920	708,402	5	
Salance at 1 January 2016	_	11,613,735	1,878,967	(50,996)	522,254	13,963,960	86	
Balance at 1 January 2016	4	11,613,735	2,423,190	(52,995)	377,530	14,361,460	39	
otal comprehensive income for the period		11 610 705	493,863	6,419	1,521	501,803	(1	
		11,613,735	2,917,053	(46,576)	379,051	14,863,263	38	14,863,301
Balance at 31 March 2016		S. OM					adum	Chairman

for the period ended 31 March 2016

Background and Introduction Formation and legal status

Formation and legal status

Lafarge Surma Cement Limited (LSCL) - (hereinafter referred to as "Lafarge Surma or 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. 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.

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

Basis of preparation

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

Significant Accounting Policies

The financial statements have been prepared under the historical cost convention , except for the following: i) derivative financial instruments measured at fair value:

in financial instruments at fair value through profit and loss measured at fair value.

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 2015.

5	Property, Plant and Equipment	31 Mar 2016 Taka'000	31 Dec 2015 Taka'000
,	COST		
	At January 1 Additions Disposals	16,817,164 20,111	16,878,660 149,826 (138,878)
	Translation adjustment	(3,568)	(72,444)
	At March 31/December 31	16,833,707	16,817,164
	DEPRECIATION At January Disposals	4,979,667	4,469,580 (52,542)
	Change for the period Translation adjustment	154,289 (815)	582,830 (20,201)
	At March 31/December 31	5,133,141	4,979,667
	CARRYING AMOUNT	11,700,566	11,837,497
3	Intangible Assets	31 Mar 2016 Taka'000	31 Dec 2015 Taka'000
	COST At January 1 Additions	1,129,622	1,164,077 9,309
	Disposals Translation adjustment	(2,131)	(419) (43,345)
	At March 31/December 31	1,127,491	1,129,622
	AMORTIZATION At January	267,536	228,513
	Change for the period Translation adjustment	11,079 (278)	46,821 (7,798)
	At March 31/December 31	278,337	267,536
	CARRYING AMOUNT	849,154	862,086
7	Inventories Raw materials	211,449	303,011
	Spare parts Packing materials	895,853 6,401	864,146 10,164
	Other materials Finished goods and work in process	49,678 211,419	103,469 148,797
		1,374,800	1,429,587
3	Trade Receivables Trade receivables Valuation allowance	786,041 (8,954)	918,869 (10,609
		777,087	908,260
9	Other Receivables Contractors, consultants, suppliers and others	408,142	328,574
	Employees	35,742 172,539	21,583 91,364 135,582
	Prepaid expenses VAT current account Advance income tax- net of tax provision Other receivables	183,746 1,738,897 40,985 19,967	1,761,214 47,548 20,788
	Accrued interest	2,600,018	2,406,653
	Current portion Non-current portion	2,464,938 135,080	2,265,908 140,745
10	Cash and Cash Equivalents	527	668
	Cash in hand Cash at banks	3,633,642	3,249,176
	Defensed Too Linkilising		
	Deferred Tax Liabilities The tax effects of temporary differences that resulted Deferred tax liabilities	I in deferred tax liabilit 2,348,249	ties and assets. 2,327,920
	Property, plant and equipment	2,348,249	2,327,920
	Deferred tax assets	8,548	6,976
	Provision for gratuity Provision for doubtful debts	0.540	2,652
		2,339,701	2,318,292
	Net deferred tax liabilities		31 Dec 2015 Taka'000
12	Provisions	Tana UUU	iana uul
	Site restoration provisions	27,787	25,808
	Balance at 1 January Current year addition Translation adjustment	738 (47)	3,091 (1,112)
	At March 31/December 31	28,478	27,787
13	The Company is legally required to restore a quarry sestoration are accrued and recognized to the cost of closure plan submitted to Indian Bureau of Mines (IB	f sales, on the basis o	f mines
	Trade Payables	1,695,560	1,552,522
	Payable for expenses General assistance fee (Note- 13.1) Trademark license fee (Note- 13.2)	236,252 236,251	211,865 211,865
		190,103	317,606

General assistance fee
The amount is payable to Lafarge S.A. and Cementos Molins for general assistance fee
(1 percent of annual net turnover of the company in accordance with the General
Assistance Agrogment)

13.2	Trademark license fee	1 Mar 2016 Taka'000	31 Dec 2015 Taka'000			
	The amount is equally payable to Lafarge S.A. and Cementos license fee (1 percent of annual net turnover of the company i Trademark License Agreement).					
14	Other Payables Payables to supplier of property, plant & equipment Other finance costs payable	46,098	66,102			
	Payable to employees Income tax & VAT deducted at source Interim dividend payable	69,101 106,012 25,187	2,416 166,548 115,883 25,691			
	- -	246,398	376,640			
15	Short Term Debt Bank overdraft facilities Short term credit facilities	51,423 997,556	47,129 1,038,677			
	- -	1,048,979	1,085,806			
16	Current Tax Liabilities Balance at 1 January Provision for the period	304,624 153,024	185,327 119,297			
	At March 31/December 31	457,648	304,624			
17	Revenue Sale of gray cement Sale of cement clinker	2,521,298 55,624	2,513,717 137,797			
	_	2,576,922	2,651,514			
	Cost of Sales Manufacturing variable cost	020.469	000.000			
	Manufacturing fixed cost Freight cost to customers	920,468 329,729 95,765	909,066 344,137 92,183			
	Depot operating and transportation costs Inventory movement	215,171 (18,234)	178,987 48,311			
	Depreciation and amortization	156,489	148,206			
19	General and Administrative Expenses	1,699,388	1,720,890			
19	Salary, allowances and benefits General assistance fee	52,534 24,387	50,478 24,863			
	Trademark license fee Computer expenses	24,387 10,203	24,864 9,088			
	Other office expenses Administrative depreciation and amortization	29,326 8,879	30,967 8,898			
	Contribution to Workers' Profit Participation and welfare Fund	26,591	28,016			
20	Salas and Marketing Evpanses	<u>176,307</u>	<u>177,174</u>			
20	Sales and Marketing Expenses Salary, allowances and benefits Advertisement	18,230 5,239	21,548			
	Other office expenses	7,819	9,468 7,384			
		31,288	38,400			
21	Finance Costs and Income Interest on long term debt		9,429			
	Interest on short term debt Other finance costs Bank charges and commission	8,945 4,882	11,544 11,504			
	Exchange loss	3,736 18,065	4,608			
	Finance costs	35,628	37,085			
	Interest income on Bank Deposits Other finance income Exchange gain	30,015 3,567	21,888 - 45,462			
	Finance income	33,582	67,350			
	Net finance (income)/costs	2,046	(30,265)			
22	Income Tax Current income tax expenses Deferred income tax	153,024 21,271	8,031 154,035			
		174,295	162,066			
23	Earnings Per Share The computation of basic earnings per share for the periods e as follows:	nded 2016 and	d 2015 are			
	NUMERATOR (Thousand Taka)	493,863	583,959			
	INCOMEFOR THE PERIOD- ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY					
	DENOMINATOR (Thousands of Shares) WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	1,161,374	1,161,374			
	BASIC EARNINGS PER SHARE Taka	0.43	0.50			
	DILUTED EARNINGS PER SHARE Taka	0.43	0.50			
24	Related Party Transactions Except for the regular transactions, there were no significant related party transactions during the period.					
25	Commitments and Contingencies There were no significant changes in the commitments and co Company during the period.	ontingencies m	ade by the			

Chief Financial Officer Director Chief Excutive Officer Chairman