



ANNUAL REPORT 2020

LafargeHolcim Bangladesh Limited

A company of  LafargeHolcim and  CEMENTOS
MOLINS

LafargeHolcim Bangladesh Limited

A company of  LafargeHolcim and 



ANNUAL REPORT
2020

LafargeHolcim Bangladesh Limited

A company of  LafargeHolcim and 

Registered Office: NinaKabbo, Level-7, 227/A Bir Uttam Mir Shawkat Sarak (Tejgaon Gulshan Link Road) Tejgaon, Dhaka 1208, Bangladesh
Phone:+88 02 222281002, 222286393, Fax:+88 02 222286394, Email: info.cs@lafargeholcim.com, Web: www.lafargeholcim.com.bd

NOTICE OF THE 23rd ANNUAL GENERAL MEETING

Notice is hereby given that the 23rd Annual General Meeting of the Shareholders of LafargeHolcim Bangladesh Limited (the "Company") will be held on **Thursday, April 22, 2021**, at **03:00 P.M.** (the "AGM"). The AGM will be held virtually by using digital platform through the following link <https://lhbl.virtualagmbd.com> to transact the following businesses:

AGENDA

Ordinary Business:

1. To receive, consider and adopt the Directors' and Auditors' Reports together with the Audited Financial Statements of the Company for the year ended on December 31, 2020.
2. To declare dividend for the year ended on December 31, 2020.
3. To elect/re-elect Directors.
4. To appoint Statutory Auditors for the year 2021 and fix their remuneration.
5. To appoint Corporate Governance Compliance Auditors for the year 2021 and fix their remuneration.

By order of the Board



Kazi Mizanur Rahman
Company Secretary

Dated: March 30, 2021

NOTES

- ▶ Pursuant to the Bangladesh Securities and Exchange Commission's (BSEC) Directive No. BSEC/CMRRCD/2009-193/12 dated March 23, 2021, the AGM will be held through digital platform.
- ▶ Detailed procedures for joining and participation will be communicated to the Shareholder's email ID in due course and it would also be available at the Company's website: www.lafargeholcim.com.bd.
- ▶ Member's name appearing in the Member/ Depository Register as on Record Date **i.e. March 24, 2021** will be eligible to attend the AGM and receive dividend.
- ▶ Pursuant to BSEC Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated June 20, 2018, soft copy of the Annual Report 2020 will be sent to Members respective email addresses as available with the Company. The Annual Report 2020 shall also be available at the Company website: www.lafargeholcim.com.bd.
- ▶ A Member entitled to attend and vote at the AGM may appoint a Proxy to attend and vote instead. Duly filled Proxy Form must be sent through email to the Company's Share Office at least 72 hours before commencement of the AGM at info.cs@lafargeholcim.com.
- ▶ Members may submit their questions in advance to info.cs@lafargeholcim.com or to the Company Secretary at mizanur.rahman@lafargeholcim.com
- ▶ We encourage Members to log into the system fifteen (15) minutes before the AGM.
- ▶ Please contact 01708139433 for any technical difficulties in accessing the virtual AGM.

CORPORATE PROFILE

Company Name : LafargeHolcim Bangladesh Limited
Company Registration No. : C-34266(1012)/97
Country of Incorporation : Bangladesh
Legal Form : Public Limited Company

BOARD OF DIRECTORS

Mr. Christof Hässig	Chairman
Mr. Rajesh K Surana	Director & Chief Executive Officer
Mr. Jorge Bonnin Bioslada	Director
Mr. Julio Rodriguez Izquierdo	Director
Mr. Manzurul Islam	Director
Mr. Marcos Cela Rey	Director
Mr. Martin Kriegner	Director
Ms. Naheed Akhter	Director
Mr. Rajiv Prasad Shaha	Independent Director
Dr. Rubana Huq	Independent Director
Ms. Sonal Shrivastava	Director
Mr. Syed Mahmudul Huq	Independent Director

CHIEF EXECUTIVE OFFICER

Mr. Rajesh K Surana

COMPANY SECRETARY

Mr. Kazi Mizanur Rahman

CHIEF FINANCIAL OFFICER

Mr. Mohammad Iqbal Chowdhury

HEAD OF INTERNAL AUDIT & COMPLIANCE

Mr. Mohammad Nurul Alam

EXECUTIVE COMMITTEE

Mr. Rajesh K Surana	Chief Executive Officer
Mr. Gazi Mahfuzur Rahman	Sales & Marketing Director
Mr. Kazi Mizanur Rahman	Legal Director & Company Secretary
Mr. K Vamsidhar Reddy	Industrial Director
Mr. Kaushik Kundu	Human Resources Director
Mr. Mohammad Asif Bhuiyan	Chief Corporate Affairs Officer
Mr. Mohammad Iqbal Chowdhury	Chief Financial Officer
Mr. Narayan Prasad Sharma	Operations Director, LUMPL
Mr. Wedage Lakmal Suranjan Fonseka	Director Logistics & Procurement

AUDIT COMMITTEE

Mr. Rajiv Prasad Shaha	Chairman
Mr. Jorge Bonnin Bioslada	Member
Ms. Sonal Shrivastava	Member
Mr. Kazi Mizanur Rahman	Secretary

NOMINATION AND REMUNERATION COMMITTEE

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

STATUTORY AUDITORS

Hoda Vasi Chowdhury & Co.

COMPLIANCE AUDITORS

Al-Muqtadir Associates

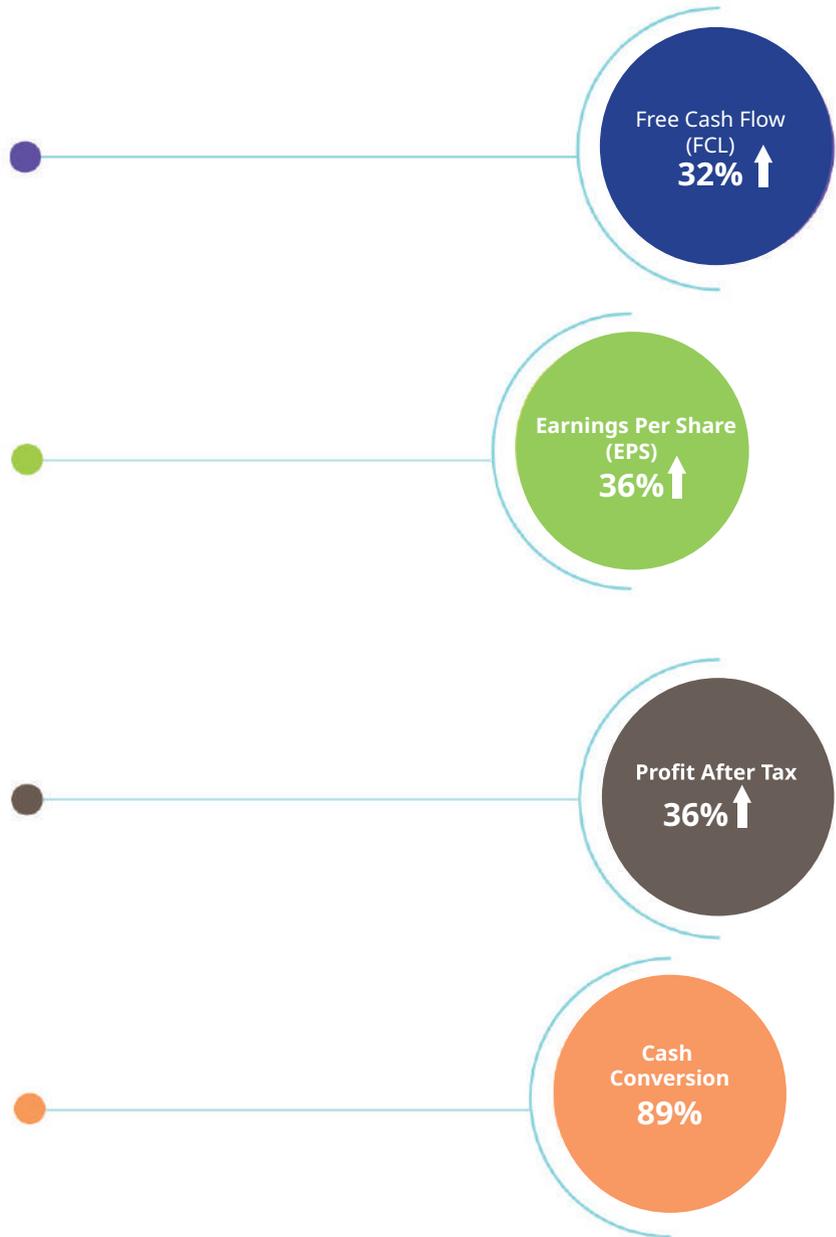
REGISTERED OFFICE

LafargeHolcim Bangladesh Limited
NinaKabbo, Level-7, 227/A Bir Uttam Mir Shawkat Sarak
(Tejgaon Gulshan Link Road) Tejgaon, Dhaka 1208, Bangladesh
Phone:+88 02 222281002, 222286393, Fax:+88 02 222286394
Email: info.cs@lafargeholcim.com, Web: www.lafargeholcim.com.bd

Salient Features 2020

"The Company has demonstrated resilient result with its focus on HEALTH, COST and CASH. Our initiatives to focus on digital and innovation, provided further impetus to outstanding results. We are very proud of the agility and great team work of our employees and strong support of our customers and suppliers"

**Rajesh K Surana, CEO
LafargeHolcim Bangladesh
Limited**



New Products & Segments Launched

The Holcim water protect - a specialized brand of Cement

The Aggregates (20mm & 10mm) High performance crushed rock.

PAN BANGLADESH PRESENCE

LafargeHolcim Bangladesh Limited

A company of  LafargeHolcim and  CEMENTOS MOLINS



Quarry in Meghalaya, India



Chhatak Cement Plant



Meghna Ghat I Grinding Unit



Meghna Ghat II Grinding Unit



Mongla Cement Plant

For the last two decades, we are the proud partner of Bangladesh in its journey to become a Developing Nation

OUR SPONSORS



LafargeHolcim

THE
FUTURE
ISN'T
WRITTEN
IT'S
BUILT

LafargeHolcim is one of the leading global building materials & solutions companies in the world. LafargeHolcim employs around 70,000 employees in more than 80 countries

Resources



Segments



4 Value Drivers



Build Greener

On the way to becoming a net zero company, we are accelerating green construction by joining the net zero pledge with ambitious 2030 climate targets validated by the Science-Based Targets (SBTi) initiative



Build for All

From access to affordable housing and schools, Clean water and education, to securing livelihoods for local entrepreneurs. We are empowering communities and connecting society to transform the lives of million worldwide as we built a world that works for all

Build Smarter

From solutions and materials to plants, logistics, sales and construction, we are driving digitalization and new technologies to build more with less for greener constructions around the world. Helping to build a world that is smarter



OUR SPONSORS



Cementos Molins manufactures, distributes and sells cement, concrete, mortars, aggregates and concrete prefabricates. Integrity, efficiency, passion and respect for the environment are the values in which the Group places its trust in order to create innovative for sustainable solutions.



Industrial Presence in
9
Countries

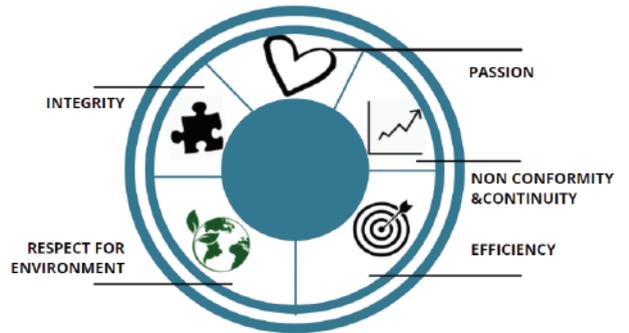


111
Number of Total Plants



34
numbers of Active
quarries

CORE VALUES



Mission

Our mission is to be a respected and attractive family company in the world cement sector, creating value for all our stakeholders and aiming primarily for the satisfaction of our clients.



History

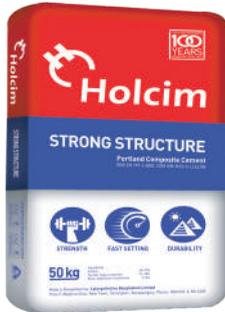
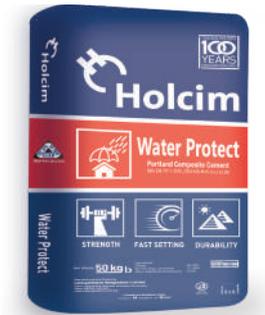
Cementos Molins, founded in 1928 by Mr. Juan Molins Parera, aimed to continue exploiting the quarries and producing limestone and natural cement in Pallejà, Vallirana and Sant Vicenç dels Horts, near Barcelona.



Vision

At Cementos Molins we want to promote the development of society and people's quality of life by creating innovative and sustainable solutions in the construction sector.

Our Products



AGGREGATES SEGMENT

High performance **20mm** and **10mm** crushed rock to meet wide range of applications in:

- Ready mix concrete
- Asphalt
- Industrial and
- Concrete construction





CHAIRMAN'S STATEMENT

Dear Shareholders,

It is my pleasure to welcome you to the 23rd Annual General Meeting of LafargeHolcim Bangladesh Limited (the "Company").

When we enter a new decade it's usually with a promise of new beginnings and new hopes. As we entered 2020, we experienced the world come to a near standstill and were confronted by a public health and economic crisis. No one could have predicted this turn of events that evolved into a pandemic.

I am proud of how our ecosystem of customers, distributors, retail partners and employees stepped up over the past year to the challenges brought in by the pandemic. We not only became resilient but also evolved and transformed during the most trying of circumstances to keep each other and our operations safe. Our employees took extra efforts to stand by our communities. Together we touched the lives of thousands of people in Bangladesh and Meghalaya, India!

It was easy to fall prey to pessimism. But courage, energy and optimism were required in 2020. Through agile and effective crisis management, your Company was prompt to set its priorities and we are happy that the Company successfully executed a "HEALTH, COST & CASH" action plan, which was launched as early as March 2020. The Company has been successful in safeguarding the Health and Safety of its employees, partners and communities, while mitigating the financial impact of the COVID 19 pandemic. In the end, while the volume and revenue de-grew by 8% and 9% respectively, the Company registered 36% growth in Net Profit After Tax. This has been possible by proper planning, right strategy and relentless efforts by the management, employees and business partners of the Company.

The Health & Safety culture incised in the DNA of the Company through years of practices has paid its dividend during the pandemic. Our praiseworthy performance in Health & Safety continued in 2020. We were not only able to maintain the zero Lost Time Injury Frequency Rate set since 2018, we performed much better during the year compared to the previous years on all Health & Safety parameters. In the face of the COVID 19 pandemic, we have continued to live up to this core value, by acting quickly and with great solidarity to protect employees, contractors and all our stakeholders.

Staying focused on our growth agenda, your Company continued with its transformational journey from being a clinker and cement manufacturing company to becoming the most trusted building material solutions and service provider in the country. We introduced "Holcim Water Protect", the first and one-of-it's-kind water resistant cement in Bangladesh. In January 2021, we commenced the production of "Clear Size Aggregates", especially to cater to the ever growing demand from large infrastructure projects which require constant and assured supply of premium quality graded aggregates.

We are also progressing well on our sustainability targets with the launch of the "net zero pledge", as our sponsor group - LafargeHolcim is signatory of the "Business Ambition for 1.5°C." The Company has set for itself the most ambitious targets of sustainable development with Geocycle, to find a solution for managing industrial, agricultural and municipal wastes in Bangladesh. Using the proven

technology of 'co-processing', our Surma Plant has managed more than 8,000 tons of wastes - a new record for Bangladesh.

The unprecedented situation in the year 2020 has made it clear that we have a once-in-a-generation opportunity to harness digital technology to define the world we want to live in. Your Company implemented seventeen (17) digital tools to connect our valued partners. Our marketing activities shifted successfully to digital platforms, which increased our brand image reaching to more customers in a cost efficient manner.

According to the World Economic League Table 2020, Bangladesh is primed to become the 25th largest economy in 2034. Before the COVID 19 pandemic affected global growth, Bangladesh had been growing steadily at over 6% since 2008. Even during the pandemic, Bangladesh is now poised to cross its neighbouring country's per capita GDP. Currently, Bangladesh's total investment is 31.56% of its GDP, and the private sector contributes 23.40% of it. These coupled with a growing annual remittance north of \$18 billion have helped Bangladesh to develop the foundation for sustainable growth.

The long-term vision of the Company and that of the cement industry remains intact, strong and positive. There are ample growth opportunities in Bangladesh to grow our business to new heights. The continuous expansion of our geographic footprint post the amalgamation with Holcim Cement (Bangladesh) Limited in November 2019, has created a platform to build scale. The Company remains committed to be customer centric and engaged in extending every possible support to the customers to earn their satisfaction and loyalty. We would like to introduce you to the new era of business in building materials. We are in the process of transforming ourselves into the building material solutions provider in Bangladesh.

Your Company enshrines the highest standards to corporate governance. Our goal is to assure the long-term value and success of the Company in the interests of various stakeholder groups; customers, shareholders, employees, creditors, suppliers, and the communities where we operate in Bangladesh and Meghalaya, India. Our Code of Business Conduct ensures our commitment to corporate governance, ensures integrity, ethics and values. All the Board members and employees share the commitment of conducting business with integrity, and are in the forefront to provide guidance to put this commitment into practice.

Bangladesh is celebrating the Golden Jubilee of independence in 2021. In the last 50 years, Bangladesh has made remarkable statements to the entire world and becoming a bright example of developments and economic growth!! LafargeHolcim Bangladesh Limited is proud to be a development partner of this amazing nation for the last two decades.

I am sure you all share with me the great appreciation for our entire management team. They have performed an excellent job in very difficult circumstances and deserve our greatest respect.

I would like to take this opportunity to also thank you for your continued trust, confidence, and support in your company, which was invaluable in 2020 and we look forward to continue our mutual journey.



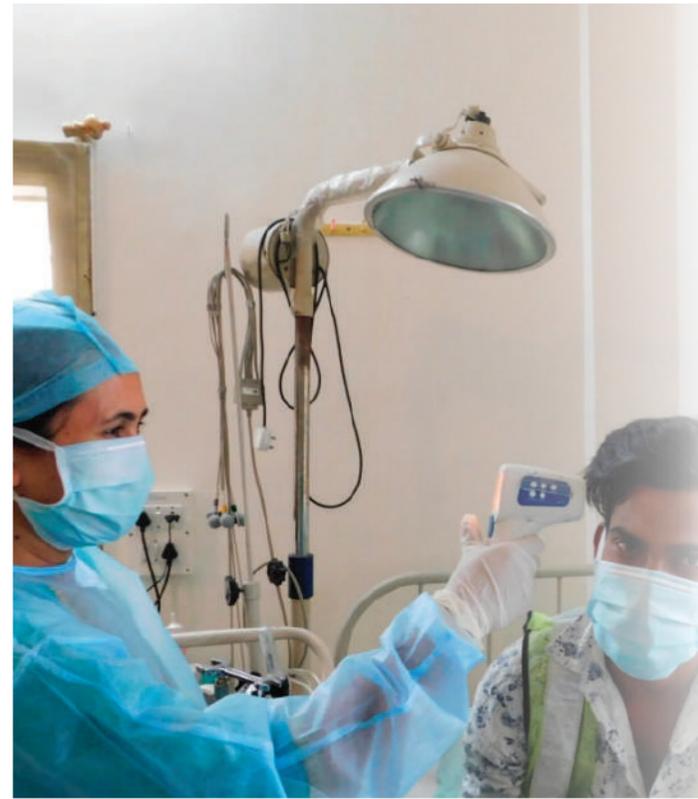
Christof Hässig
Chairman

Dated: March 14, 2021



BUILDING FUTURES

We believe that business is a priority and that Social Welfare is a responsibility. The Company undertakes a wide range of CSR activities in Bangladesh and in Meghalaya.



Fight against COVID -19



30,000 Community members supported



10,000+ PPEs distributed to community members

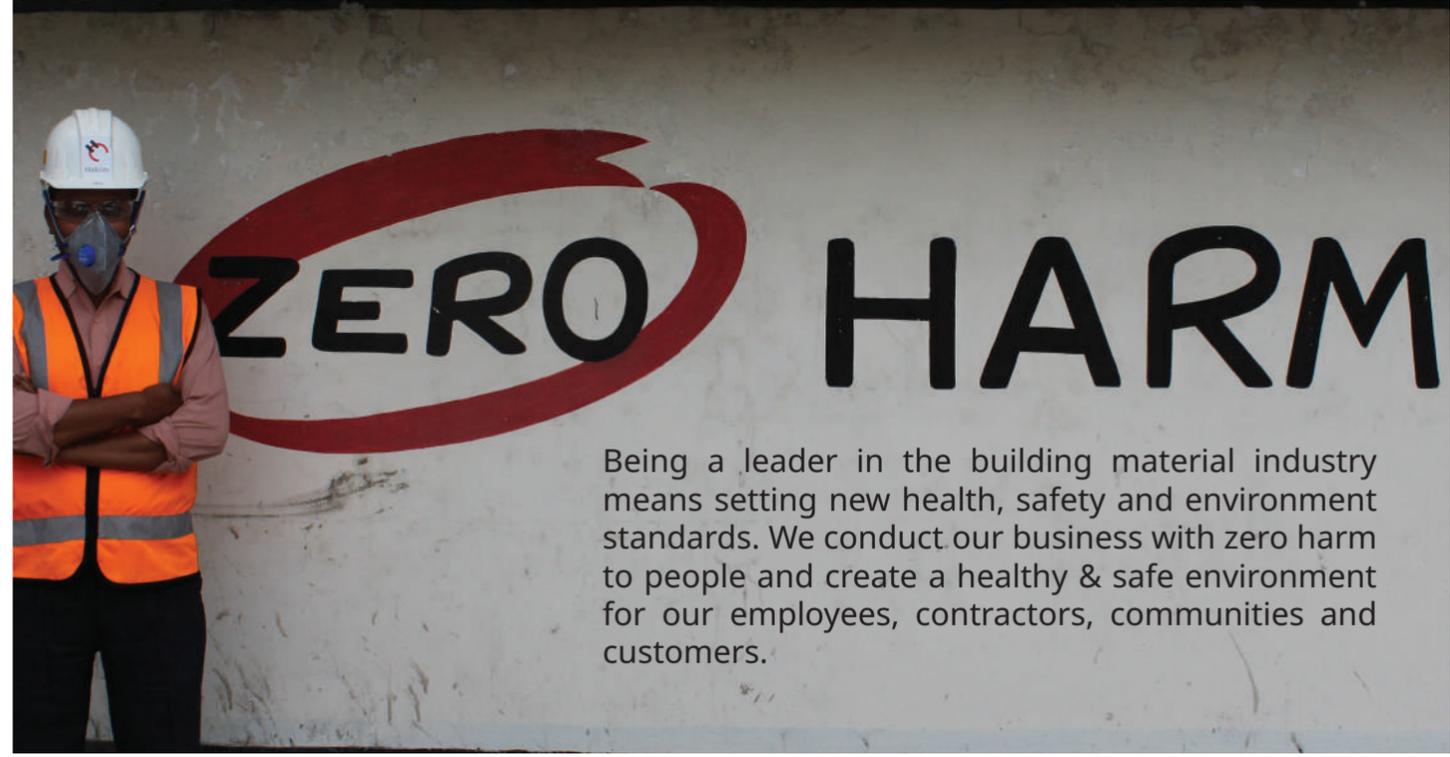
~5.5 mBDT Contributed by the Company towards relief aid for the affected communities in Bangladesh & Meghalaya, India



HEALTH, EDUCATION and SKILLS DEVELOPMENT are the key focus areas of our Company's Corporate Social Responsibility initiatives for the development and empowerment of the communities in Bangladesh and Meghalaya.



Building a Safe Working Environment



Being a leader in the building material industry means setting new health, safety and environment standards. We conduct our business with zero harm to people and create a healthy & safe environment for our employees, contractors, communities and customers.



BOARD OF DIRECTORS



CHRISTOF HÄSSIG
Chairman

Nationality	Swiss
Age	63
Date of appointment	March 13, 2018
Shareholding	Nil (Nominee of Surma Holding BV)
Interest/ Membership – Other entities	Ambuja Cements Limited, India

Mr. Christof Hässig is one of the most respected strategy leaders in LafargeHolcim Group. With his considerable wealth of experience, Mr. Hässig brings immense value to the Board of Directors’ of LafargeHolcim Bangladesh Limited (the “Company”). Under his leadership, the Company achieved significant improvements and overall cost-competitiveness. The impact of his leadership is tangible from the high growth trajectory of the Company.

Mr. Hässig is a professional banker with masters in banking and advanced management from Harvard Business School. He was the Head of Corporate Strategy, Mergers and Acquisitions at LafargeHolcim Group. Mr. Hässig worked for over 25 years at UBS, Switzerland in different functions including Global Relationship Manager and Investment Banker. At LafargeHolcim Group, he supervised corporate finance and treasury functions for over 15 years. In 2013, he took over the additional responsibility as Head, Mergers and Acquisitions.

Mr. Hässig is a member of the Nomination and Remuneration Committee of the Company.

Mr. Hässig shall retire at the 23rd Annual General Meeting of the Company and being eligible offers himself for re-election as per the provisions of the Companies Act, 1994.

Area of Expertise



Finance



Diversity



Global Business



Mergers & Acquisitions



Leadership



Technology



Board Service & Governance



Sales & Marketing



RAJESH KUMAR SURANA
Director & Chief Executive Officer

Nationality	Indian
Age	43
Date of appointment	February 1, 2017
Shareholding	Nil (Nominee of Surma Holding BV)
Interest/ Membership – Other entities	<ul style="list-style-type: none"> •Lafarge Umiam Mining Private Limited. •Lum Mawshun Minerals Private Limited •American International School, Dhaka

As the Chief Executive Officer and member of the Board of Directors', Mr. Rajesh Kumar Surana sets and evolves the strategic direction for the Company while nurturing a strong leadership team to drive its execution.

Mr. Surana has nearly two decades of global experience and extensive cross industrial experiences in audit, consulting, IT, shared services and manufacturing. Prior to joining the Company, Mr. Surana held several management positions for LafargeHolcim Group in Bangladesh, Sri Lanka and India. He was responsible for overseeing many successful Mergers & Acquisitions and start-ups throughout his career. Amalgamation of the Company with Holcim Cement (Bangladesh) Ltd. has been successfully completed under his leadership.

Mr. Surana is a Fellow Member of the Institute of Chartered Accountants of India, and the Institute of Company Secretaries of India.

An avid reader and expert critical problems solver, Mr. Surana believes in the power of discipline in all aspects of life.

Area of Expertise



Finance



Diversity



Global Business



Mergers & Acquisitions



Leadership



Technology



Board Service & Governance



Sales & Marketing



Start-Ups



JULIO RODRIGUEZ IZQUIERDO
Director

Nationality	Spanish
Age	59
Date of appointment	March 1, 2016
Shareholding	Nil (Nominee of Surma Holding BV)
Interest/ Membership – Other entities	CEO of Cementos Molins, Spain

Area of Expertise



Finance



Diversity



Global Business



Mergers & Acquisitions



Leadership



Technology



Board Service & Governance



Sales & Marketing

Mr. Julio Rodríguez Izquierdo is the Chief Executive Officer of Cementos Molins Group since 2015.

Mr. Rodríguez is active in several institutions of Spanish civil society and in 2012 received the “Executive Director of the Year” award from the Spanish Association of Directors.

Mr. Rodríguez’s career has been linked to Schneider Electric between 1984 and 2015. Throughout this period, he held several senior management responsibilities, the last of them being the Vice-President of Global Operations. He has been a member of the Executive Committee of Schneider Electric worldwide from 2003 to 2015.

Mr. Rodríguez is also a member of the Board of Directors’ of Schneider Electric, Spain and Laboratorios del Dr Esteve, a reputed Spanish company in the Pharma sector.

Mr. Rodríguez is a graduate in Industrial Engineering from the University of Barcelona. He holds a degree in Marketing from EADA Business School and a General Management Programme (PDG) from IESE Business School, University of Navarra.

Mr. Rodriguez is a member of the Nomination and Remuneration Committee of the Company.



JORGE BONNIN
Director

Nationality	Spanish
Age	50
Date of appointment	December 7, 2019
Shareholding	Nil (Nominee of Surma Holding BV)
Interest/ Membership – Other entities	CFO of Cementos Molins, Spain

Area of Expertise



Finance



Diversity



Global Business



Mergers & Acquisitions



Leadership



Technology



Board Service & Governance



Sales & Marketing

Mr. Jorge Bonnin is the Chief Financial Officer of Cementos Molins Group. Mr. Bonnin has over 25 years of experience in executive and senior leadership positions in controlling, finance, IT, legal and procurement at leading global technology industrial groups. Mr. Bonnin is experienced in managing multifunctional and multicultural teams whose focus is to accelerate the performance and to increase the shareholder's value.

Before joining Cementos Molins Group in June 2019, Mr. Bonnin held executive leadership positions at industrial conglomerates like Bosch, ThyssenKrupp, and DS Smith. He has sound experience on growth processes, turnaround, change management, operational performance, M&A and financing restructuring. Mr. Bonnin managed the transformation and boosted the performance of the stock listed group Europac, leading its sale to DS Smith. Mr. Bonnin has held the position of CFO of DS Smith in South Europe with 65 manufacturing centres. He has been Board Member of companies in Asia, Europe, Africa and South America.

Mr. Bonnin has a bachelor degree from Complutense University (Madrid-Spain), in Business Administration. He also attended executive programs at Harvard Business School and Ashridge Business School. Mr. Bonnin is a member of the Audit Committee of LafargeHolcim Bangladesh Limited.



MARTIN KRIEGER
Director

Nationality	Austrian
Age	59
Date of appointment	August 22, 2019
Shareholding	Nil (Nominee of Surma Holding BV)

**Interest/
Membership –
Other entities**

- Executive Committee of LH Group
- ACC Limited, India
- Ambuja Cements Limited, India
- One India BSC Private Limited
- Holcim Philippines Inc
- Cement Australia PTY Limited
- Holcim Asean Business Service Center B.V.
- Holderfin B.V.
- Holchin B.V.

Area of Expertise

Finance	Diversity	Global Business	Mergers & Acquisitions
Leadership	Technology	Board Service & Governance	Sales & Marketing

Mr. Kriegner is a Member of the LafargeHolcim Group Executive Committee since August 2016, with overall responsibility for Asia Pacific, including the Company. He is also globally in charge for Cement Manufacturing, Logistics, Commercial and Geocycle. He is a graduate from the Vienna University with a Doctorate in Law and has obtained an MBA at the University of Economics in Vienna.

Mr. Martin Kriegner joined LafargeHolcim in 1990 and became the CEO of Lafarge Perlmooser AG, Austria in 1998. He moved to India as the CEO of Lafarge’s cement operations in 2002 and later served as Regional President Cement for Asia, based in Kuala Lumpur. In 2012, he was appointed CEO of Lafarge India for the Cement, RMX and Aggregates business. In July 2015, he became Area Manager Central Europe for LafargeHolcim operations and was appointed Head of India effective March 1, 2016.

Mr. Kriegner has a long association with the Company. In 2002, he was appointed first time as a Director of the Company. From April 2007 to August 2013, he was the Chairman of the Board of Directors of the Company. He led our unique cross border project during the financing, construction and commissioning.



MANZURUL ISLAM
Director

Nationality	Bangladeshi
Age	60
Date of appointment	November 11, 1997 (since incorporation)
Shareholding	<ul style="list-style-type: none"> •500,200 shares held in person. •31,914,200 shares held by Islam Cement Limited

Interest/ Membership – Other entities	<ul style="list-style-type: none"> •Eastern Housing Ltd. •Bengal Dev. Corp. Ltd. •Islam Cement Ltd. •IG Food Ltd. •Aftab Bahumukhi Firms Ltd. •Aftab Feed Products Ltd. •Aftab Hatchery Ltd. •The Milnars Tubewells Ltd. •Navana Pharmaceutical Ltd. •Jahurul Islam Medical College & Hospital
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Area of Expertise



Finance



Diversity



Global
Business



Mergers &
Acquisitions



Leadership



Technology



Board Service &
Governance



Sales &
Marketing

Mr. Manzurul Islam is one of the most respected business personalities in Bangladesh. He has over 34 years of experience and knowledge in managing various businesses in Bangladesh. Mr. Islam is the Chairman of Islam Group - the Group that played an instrumental role in bringing LafargeHolcim Group as a foreign partner in Bangladesh. As a promoter, he is the longest serving member on the Board of Directors' of the Company and plays a key role in the strategic developments of the Company.

Islam Group has diverged into multidimensional sectors under his leadership including engineering, construction, trading, manufacturing-pharmaceuticals, jute, media, real estate, finance, construction and agricultural sector. Mr. Islam is the Executive Committee Member of Bangladesh Association of Publicly Listed Companies. He is the former President of France-Bangladesh Chamber of Commerce & Industry, former Chairman of IFIC Bank Ltd. and former Vice Chairman of Bangladesh Association of Banks.

Mr. Islam attended Copthorne School, Sussex, UK and Westminster School, London, UK. He completed his graduation in Economics from the University of London, UK.

Mr. Islam shall retire at the 23rd Annual General Meeting of the Company and being eligible offers himself for re-election as per the provisions of the Companies Act, 1994.



MARCOS CELA REY
Director

Nationality	Spanish
Age	48
Date of appointment	June 11, 2014
Shareholding	Nil (Nominee of Surma Holding BV)

Interest/ Membership – Other entities

- Director at Lafarge Umiam Mining Private Limited.
- Director at Ecocementos and Iacol in Colombia.
- Vice President of the Board of Directors of the Tunisian Subsidiaries of Cementos Molins.

Area of Expertise



Finance



Diversity



Global Business



Mergers & Acquisitions



Leadership



Technology



Board Service & Governance



Sales & Marketing

Mr. Marcos Cela Rey is the Country & Business Director of Cementos Molins Group, and a member of its Executive Committee.

Mr. Rey has more than 21 years' experience in finance management, control and risk management with major global organizations.

Since 2016, Mr. Rey has been involved in managing the businesses of various international operations of Cementos Molins Group. His professional experiences include running diversified businesses and complex organizations in a wide range of industries which include, cement, mechanical and retail. Mr. Rey is also a visiting professor at the UNIR University of Spain.

Prior to joining Cementos Molins in January 2004, Mr. Rey held several positions at European Division of BIC and at the Spanish subsidiary of Decathlon; one of the biggest manufacturers and retailers of sports apparels and equipment.

Mr. Rey, is a graduate in Business Administration from University of Barcelona and has an MBA from ESADE Business School in Spain. He also obtained a Senior Business Management Program (PADE) from IESE Business School, University of Navarra, Spain.



NAHEED AKHTER
Director

Nationality	Bangladeshi
Age	48
Date of appointment	September 26, 2018
Shareholding	Nominee of Sinha Fashions Limited

Board Membership – Other entities	<ul style="list-style-type: none"> Enterprise Cluster Pte. Ltd. and Cluster World Pte. Ltd. (both the companies are incorporated in Singapore) Bank Asia Limited, Bangladesh Sinha Fashions Limited
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Ms. Naheed Akhter has been involved with different business enterprises and organizations from her early career.

Ms. Akhter is a Sponsor Shareholder of Bank Asia and presently a director of the Board of Directors of the Bank. She is also one of the promoters and a Shareholder Director of Enterprise Cluster Pte. Ltd. and Cluster World Pte. Ltd., Singapore.

Ms. Akhter completed her MBA with a major in Finance from North South University, Dhaka. She also holds an International Diploma in Fashion Designing and Marketing from Management Development Institute of Singapore and Diplomas in Precious Metal Arts and Fashion Jewellery Arts from Jewellery Design and Management International School, Singapore.

Area of Expertise



Finance



Diversity



Global Business



Leadership



Technology



Board Service & Governance



Dr. RUBANA HUQ
Independent Director

Nationality	Bangladeshi
Age	57
Date of appointment	December 7, 2019
Term ending Date	1 st term ending on 6.12.22
Shareholding	Nil

**Interest/
Membership –
Other entities**

- Mohammadi Gourp Ltd.
- MG Shirtex Ltd.
- MG Nich Stitch Ltd.
- MG Niche Flair Ltd.
- Mohammadi Fashion Sweater Ltd.
- MG Knit Flair Ltd.
- Mohammadi Knit Star Ltd.
- Digi Jadoo Broadband Ltd.
- Jadoo Media Ltd.
- MG Properties Ltd.
- Mohammadi Fancy Yarn Dyeing Ltd.
- Desh Energy Ltd.
- Desh Cambridge Kumargaon Power Company Ltd.
- Desh Energy Chandpur Power Company Ltd.
- Jadoo Vision Limited
- Jadoo Digital and Broadband Ltd.
- Jadoo Cable & Boardband Ltd.
- Mati Naturals Ltd.
- Techno Vista Ltd.

Area of Expertise



Finance



Diversity



Global Business



Leadership



Technology



**Board Service &
Governance**

Dr. Rubana Huq is a foremost female business leader of Bangladesh.

Currently she is the president of Bangladesh Garment Manufacturers and Exporters Association (BGMEA). For the last 22 years she has been the Managing Director of Mohammadi Group, one of the largest business conglomerates in Bangladesh. Mohammadi Group started its journey in the readymade garments sector, and has since diversified into software, digital distribution, real estate, power generation and Nagorik television channel.

Besides her corporate identity, Dr. Huq is also a poet, having won the SAARC Literary Award in 2006. In 2013 and 2014 she has been featured by the BBC as one of the 100 most inspiring and influential women. Dr. Huq sits on the Board of Trustees for the Asian University for Women and heads Annisul Huq Foundation, named after her late husband, former Mayor of Dhaka City Corporation North.

Dr. Huq holds Ph.D. in English Literature from Jadavpur University, Kolkata; and M.A. in English from East West University, Dhaka.

Dr. Huq is the Chairman of the Nomination and Remuneration Committee of the Company.



RAJIV PRASAD SHAHA
Independent Director

Nationality	Bangladeshi
Age	53
Date of appointment	January 21, 2021
Term ending Date	1 st term ending on 24.01.24
Shareholding	Nil

Interest/ Membership – Other entities	<ul style="list-style-type: none"> • Kumudini Welfare Trust of Bengal (BD) Ltd. • Kumudini Pharma Ltd. • Ranada Prasad Shaha University • Reliance Insurance Ltd.
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Area of Expertise

 Finance	 Diversity	 Global Business
 Leadership	 Technology	 Board Service & Governance

Mr. Rajiv Prasad Shaha is a Bangladeshi business entrepreneur and the Chairman and Managing Director of Kumudini Welfare Trust Welfare Trust of Bengal (BD) Ltd for the last 21 years. The Trust was established in 1947 by his grandfather, Late Rai Bahadur Ranada Prasad Shaha; the great philanthropist of Bangladesh. All funds generated by the Income Generating Units of the Trust are spent for the welfare of the poor and needy. Amongst others, the Trust runs a 1050 bed free hospital since 1944.

In 2020, the Government of Bangladesh awarded Swadhinata Padak (Independence Day Award) to Bharateswari Homes, the boarding school for girls, run by the Trust, for its immense contributions in the field of education. In February 2021, the Trust laid the foundation stone for the Kumudini International Institute of Medical Sciences, in Narayanganj.

Mr. Shaha is also a member of the Board of Directors of Reliance Insurance Ltd.

Mr. Shaha is a commerce graduate from the University of Dhaka.

Mr. Shaha is a member and Chairman of the Audit Committee of the Company.



SYED MAHMUDUL HUQ
Independent Director

Nationality	Bangladeshi
Age	69
Date of appointment	September 17, 2018
Term ending Date	1 st term ending on 16.09.21
Shareholding	Nil

Interest/
Membership –
Other entities

- France-Bangladesh Chamber of Commerce & Industry.
- Premier LP Gas Ltd.
- Bangladesh Shrimp and Fish Foundation
- Independent University of Bangladesh
- Chittagong Independent University
- Japan Solartech Bd. Ltd.,
- M&H Telecom Ltd
- Venus Telecom Ltd.
- BAHON Limited

Mr. Syed Mahmudul Huq is a reputed businessman with significant contributions in the development of exports, regional trade and investment in Bangladesh including capital market development of the country.

Mr. Huq is the President of France-Bangladesh Chamber of Commerce & Industry, Vice Chairman of the Board of Directors’ of Premier LP Gas Limited, Chairman of Bangladesh Shrimp and Fish Foundation, Member of the Board of Trustees of Independent University of Bangladesh & Chittagong Independent University and the Honorary Consul of Malta in Chittagong, Bangladesh.

Mr. Huq was the President of Bangladesh Frozen Foods Exporters’ Association from 1991 through 1994 and member of the Management Board of Export Promotion Bureau from 2002 through 2006. He was also the founder Director of Chittagong Stock Exchange and played an important role in the formation of South Asian Federation of Exchanges. He pioneered a transit route for Nepal via Chittagong port in 1979.

Mr. Huq also has stakes in renewable energy (Japan Solartech Bangladesh Limited), Information and Communications Technology including Internet Services (Broad Band Telecom Services), Inter Connection Exchange (M&H Telecom), International Gateway (VENUS Telecom Ltd) and Nationwide Telecommunication Transmission Network (BAHON Limited).

Mr. Huq completed his B. A. (Hons.) and M. A. (Economics) from University of Dhaka.

Area of Expertise



Finance



Diversity



Global Business



Mergers & Acquisitions



Leadership



Technology



Board Service & Governance



Sales & Marketing



SONAL SHRIVASTAVA
Director

Nationality	Indian
Age	51
Date of appointment	October 9, 2020
Shareholding	Nil (Nominee of Surma Holding BV)

Interest/ Membership – Other entities	<ul style="list-style-type: none"> • LafargeHolcim Group. • Lafarge Umiyam Mining Private Limited. • Lum Mawshun Minerals Private Limited. • OneIndia BSC Private Limited, India • Carefewerk Private Limited, India
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Area of Expertise



Finance



Diversity



Global
Business



Mergers &
Acquisitions



Leadership



Technology



Board Service &
Governance

Ms. Sonal Shrivastava is the Chief Financial Officer, APAC Region of LafargeHolcim Group.

Prior to her current role, Ms. Shrivastava was the CFO, Ambuja Cements Limited, India. She joined the LafargeHolcim Group in 2002 as Senior Manager M&A, Strategy & Business Development.

Ms. Shrivastava’s experiences include roles mergers and acquisitions, audit, strategy and business development, supply chain and finance. Besides LafargeHolcim, Ms. Shrivastava also worked for leading companies in the energy and mining sectors.

Ms. Shrivastava holds a Bachelor degree in Chemical Engineering from Vinoba Bhave University, and a Master’s degree in Finance from the Jamnalal Bajaj Institute of Management Studies.

Ms. Shrivastava is a member of the Audit Committee of the company and the Chairperson of Lafarge Umiyam Mining Private Limited, the Indian subsidiary of the Company.

Ms. Sonal shall retire at the 23rd Annual General Meeting of the Company and being eligible offers herself for re-election as per the provisions of the Companies Act, 1994.



**EXECUTIVE
COMMITTEE
MEMBERS**

NARAYAN PRASAD SHARMA
Operations Director, LUMPL

MOHAMMAD IQBAL CHOWDHURY
Chief Financial Officer

VAMSIDHAR REDDY
Industrial Director

LAKMAL SURANJAN FONSEKA
Procurement & Logistics Director

KAUSHIK KUNDU
Human Resources Director



THE MANAGEMENT TEAM

M. ASIF BHUIYAN
Chief Corporate Affairs Officer

RAJESH K SURANA
Chief Executive Officer

GAZI MAHFUZUR RAHMAN
Sales & Marketing Director

KAZI MIZANUR RAHMAN
Legal Director & Company Secretary

THE MANAGEMENT TEAM

RAJESH K SURANA Chief Executive Officer

Rajesh Surana is a versatile global business executive with a unique balance of strategic and operational experience. As the CEO and member of the Company's Board of Directors, he drives the Company's strong multicultural and diverse leadership team to execute the strategic goals set by the Board of Directors of the Company. He sets the tone from the top to ensure that Health and Safety remains at the center of the Company activities, the Company's Code of Conduct is adhered to all the times and all safeguards are in place for the Company to operate with integrity and with sustainable business practices. Under his leadership, the Company is now moving forward to achieve its goal of becoming the most trusted building material solutions and service provider in the country. His detailed profile is included along with the profiles of the Board of Directors.

GAZI MAHFUZUR RAHMAN Sales & Marketing Director

Gazi Mahfuzur joined the Company in December 2017, he has over 23 years experience in Sales and Marketing in both Multinational and Bangladeshi organizations like Procter & Gamble, ACI Consumers, Square Toiletries, Unilever, Dhaka Tobacco, etc. He completed his post-graduation from Institute of Business Administration, University of Dhaka, one of the finest educational Institutions of our country. Besides his core selling expertise, he also worked in different layers of both Brand and trade marketing functions.

KAZI MIZANUR RAHMAN Legal Director & Company Secretary

Kazi Mizanur Rahman joined the Company in 2004. He strives to drive the Company to achieve its strategic goals in full compliance with applicable laws and company policies. His role includes devising the legal strategy, and implementing the world class corporate governance standards in a dynamic regulatory environment. He is a firm believer that success is not measured by the numerical numbers of litigations won by the Company, rather success lies in developing and implementing efficient business policies and procedures to avoid disputes and to avoid disagreements reaching up to the litigation levels! He has over 25 years experience as in-house corporate lawyer including 17 years with the Company. He joined the Company during the construction phase through the production and growth phases of the Company. At times he held additional positions as Human Resource Director and Corporate Affairs Director of the Company. Earlier, he worked in the Legal Departments of various Oil & Gas companies and SMCG companies, including Head of Legal of Shell Bangladesh Exploration & Development B.V. An Advocate registered with Bangladesh Bar Council, he obtained his LL.B. (Honours) and LL.M, from the University of Dhaka. He is a Chevening Scholar who completed the Commonwealth Young Lawyers Course organized from the School of Oriental and African Studies (SOAS), University of London and also completed professional courses on contract negotiation and dispute resolution in University of Dundee, Scotland, UK.

KAUSHIK KUNDU Human Resources Director

Kaushik joined the Company in September 2020. He has over 25 years of experiences in Cement & Power sector. He has expertise in the field of Employee Engagement, Talent management and Development. He is a certified Trainer and a Job evaluator. Before joining the Company he was the Vice President -- HR & HRBP North at Ambuja Cements, India, a member of LafargeHolcim Group. He completed his Post Graduate Diploma in Personnel Management (HRD) from Xavier Institute of Social Service (XISS), Ranchi in 1995, HRMP - Global HR certification from SHRM and B.Com. (H) from Banaras Hindu University Varanasi in 1992

LAKMAL SURANJAN FONSEKA Procurement & Logistics Director

Lakmal Fonseka, joined the Company in 2019, and took over his current role as Logistics & Procurement Director of the Company in early 2020. He has 15 years of experience in the cement industry as a sourcing and Logistics expert. He has been instrumental in driving the cost saving initiatives and reorganising the logistic operations for improved efficiency. A young dynamic leader he is setting the tone for value creation through implementation of digital solutions and alternate sourcing. He has worked as Head of Supply Chain, Hayleys Fentons Limited, Head of Procurement at Siam City Cement (Lanka) Limited (Ex Holcim (Lanka) Limited). He is a hodophile. He holds an MBA from the University of Colombo, Sri Lanka and B.Sc. Engineering (Hons) from the University of Moratuwa, Sri Lanka.

M. ASIF BHUIYAN Chief Corporate Affairs Officer

Asif Bhuiyan joined the Company as Marketing and Commercial Transformation Director in January 2018, he took over his current role as the Chief Corporate Affairs Officer in January 2019. He is presently leading the Corporate Affairs, Stakeholder management, Communications, Media relations, CSR & Sustainability, and Security functions of the Company. He has a wide experience in the fields of general management, marketing, sales and distribution, corporate audit, route to market excellence and capability building both in Bangladesh and overseas. In his career which span over two decades has worked for several Multinational companies like British American Tobacco and Unilever. He had three international assignments in Unilever as Senior Audit Manager based at Singapore, Country Manager Lebanon and Syria based at Beirut, Head of Customer marketing and Capability building based at Casablanca, he also served as the Customer Marketing Director for Unilever Bangladesh. Prior to joining the Company, he was the Chief Operating Officer (COO) at Beximco Petroleum Limited. He has a Bachelors degree in Economics and Master of Business Administration (MBA), from Aligarh University, India.

MOHAMMAD IQBAL CHOWDHURY Chief Financial Officer

Iqbal Chowdhury joined the Company in July 2017. He has over 21 years of substantial and rich experience in the fields of Finance & Corporate Affairs, Marketing Management, Negotiation, Budgeting, Business Planning, and Operations Management. He has worked for several Multinational companies. Prior to joining the Company he was with Marico Bangladesh, a FMCG listed company, for 11 years, where he headed different portfolios including being the CFO, Director- Finance & Corporate Affairs, and Company Secretary. Prior to that, he worked for Avery Dennison and Berger Paints Bangladesh. He was instrumental to the two of the country's highest value creation IPO of Berger Paints and Marico Bangladesh. A young and dynamic leader he has been working to transform the Company by driving digitalization. He did his MBA in Finance from Chittagong University. He is also a Fellow member of Institute of Chartered Secretaries (ICSB) and Leading Trade, Tariff, Taxation & Company Affairs Sub-committee of The Foreign Investors' Chamber of Commerce & Industry (FICCI). He is also Executive Committee Member of The Switzerland - Bangladesh Chamber of Commerce and Industry (SBCCI) and a founder member of Intellectual Property Association of Bangladesh (IPAB).

NARAYAN PRASAD SHARMA Operations Director, LUMPL

Narayan Sharma joined the legacy Lafarge Group in 1998 and is in his present position as Operations Director of Lafarge Umiam Mining Pvt. Ltd, the subsidiary company of the Company in India, since 2016. He joined the Company in 1999 during the initial setting up phase and has been involved in the stabilizing and then led the expansion of the Quarry operations. He has more than 28 years of extensive work experience in cement plants and mining industries in Nepal, India, Indonesia and Philippines. Before joining Lafarge Group, he worked in Udayapur Cement Industries, Nepal as Head of Maintenance. He has a MBA with a major in Management of Technology (MT) from Asian Institute of Technology (AIT), Bangkok, Thailand and is Bachelor of Engineering (BE), Mechanical from Motilal Nehru Regional Engineering College (MNREC), presently Motilal Nehru National Institute of Technology (MNNIT), Allahabad, India.

VAMSIDHAR REDDY Industrial Director

Vamsidhar Reddy joined the Company in September 2020. He has over 28 years of varied experience of which 17 years of experience is in Cement Plant operations including mining, maintenance, and production, CAPEX and Quality, Captive Power Plant. He also has 11 years of experience with Saint Gobain Glass in the Construction, Commissioning and Operation of Float glass plants. Including 8 years in Leadership positions of managing complete plant operations. Before joining the Company, he was Plant Director, at ACC Limited, India, a member of LafargeHolcim Group. He is an avid sports enthusiast with interests in Cricket and Badminton. As the Industrial Director he is responsible to oversee the operations of the Surma Plant, the Quarry, the newly launched aggregate operations, the Mongla and Meghna grinding units. He is also responsible for implementation of all key future ready strategic capex projects for the growth of the Company. He is a Mechanical Engineering graduate from the University of Bangalore, and has completed certificate course for Management Development Program from Indian Institute of Management, Ahmedabad and Senior Management Strategy Program at Indian School of Business (IBS) Hyderabad and Mohali.

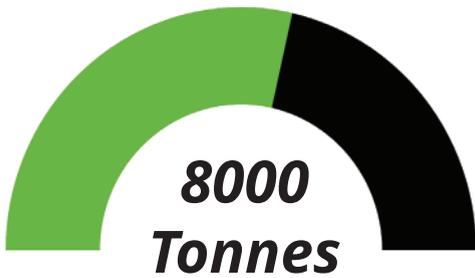


Taking a step
forward for a
#ZeroWasteFuture



Emerging countries like Bangladesh are in need of infrastructure for waste management. Large amounts of industrial waste is either land-filled or dumped.

By providing sustainable solutions, Geocycle Bangladesh contributes to a cleaner environment and better living spaces. We work with our stakeholders and communities for a zero-waste future to ensure a brighter tomorrow.



*of Waste processed by Geocycle
Bangladesh*



LafargeHolcim

Building a world that works for People and the Planet



Our Net Zero Pledge

475 KgCO₂/t

Cementitious material by 2030

40%

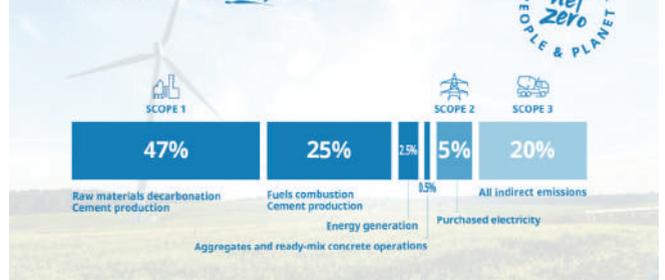
Reduced CO₂ intensity since 1990*

Our First

Net zero cement plant by 2030



LafargeHolcim CO₂ footprint



BOARD OF DIRECTORS' REPORT

Dear Shareholders,

The Directors of LafargeHolcim Bangladesh Limited (the "Company") are pleased to present the 23rd Annual Report of the Company.

The Directors' Report, along with the audited financial statements (Consolidated and Standalone) for the year ended on December 31, 2020, and the Auditors Report thereon have been prepared in compliance with the provisions of Section 184 of the Companies Act, 1994, the Corporate Governance Code issued by Bangladesh Securities and Exchange Commission's (BSEC) notification dated June 3, 2018 (the "Corporate Governance Code"), and the Listing Rules of the Dhaka Stock Exchange Limited and the Chittagong Stock Exchange Limited.

Your Company achieved a commendable performance in 2020. The accomplishments of your Company are laudable considering the challenges imposed by the pandemic. In response to the COVID 19 situation, your Company focused on the execution of the action plan engrossed on HEALTH, COST & CASH. Successful execution of this strategy with priority on the health of all our stakeholders has yielded encouraging financial results for the year with a 36% growth in Net Profit After Tax despite volume and revenue de-growth by 8% and 9% respectively.

1. OVERVIEW OF THE FINANCIAL PERFORMANCE:

The Company's consolidated operating and financial results as compared to previous year are as follows:

Particulars	2020 (Taka'000)	2019 (Taka'000)	Growth
Revenue	16,222,483	17,839,756	-9%
Cost of goods sold	11,616,410	13,307,859	
Gross Profit	4,606,073	4,531,897	2%
Net profit before tax	2,848,778	2,680,761	6%
Net profit after tax	2,361,385	1,737,454	36%
Total assets	26,218,984	26,924,292	
Net asset value	17,289,075	16,199,227	
Net operating cash flow	4,540,495	4,085,418	
Earnings per share	2.03	1.50	36%
NAV per share	14.89	13.95	
Net operating cash flow per share	3.91	3.52	
Return on equity	13.66%	10.73%	
Gross margin	28.39%	25.40%	
Net margin before tax	17.56%	15.03%	
Net margin after Tax	14.56%	9.74%	

The year has been unprecedented. While the impact was spread over the year, your Company's operations in the second quarter of 2020 was severely impacted, which resulted in a de-growth of sales volumes by 8%. Your Company's strength and resilience were demonstrated in the execution of the action plan focused on HEALTH, COST & CASH. The Company ensured protection of the health of its employees, customers, suppliers and other stakeholders by maintaining the lowest infection rates at its operating sites and delivering a strong performance during an exigent year. Priority on introduction of digital tools contributed to efficient sales and improved productivity during the pandemic.

Your Company followed the principle of price over volume leading to price de-growth of only 1%. A strong focus on collections resulted in a reduction of overdue amounts, adding 2,080 million Taka cash into the business. Third party account receivables have been reduced to Taka 847 million in December 2020 versus Taka 1,148 million in December 2019. Procurement savings of Taka 1,524 million through contract re-negotiations, scope reduction and alternate sourcing is one of the major and commendable achievements, resulting in reduction of both variable and fixed cost. These actions will continue to yield great benefits in 2021 and longer.

Fixed costs reduced by 15% (excluding Royalty and Technical Know How) while variable cost reduced by 5% respectively. While revenue de-grew by 9%, Profit before Tax (PBT) grew by 6% and EBITDA grew by 0.2%. Thanks to all the cost reduction and efficiency improvement initiatives which, profitability developed positively; PBT margin improved by 3% and EBITDA margin improved by 2%.

After amalgamation of your Company with Holcim Cement (Bangladesh) Limited, the year 2020 was the first full year of operations as a combined entity. The leverages and synergies planned during the integration process have been delivered and maximized value for the shareholders. For example, the effective tax rate stood at 17% versus 35% the prior year due to the realization of amalgamation benefits.

2. DIVIDEND AND RETAINED EARNINGS:

On March 2, 2021, the Board of Directors' of your Company recommended a final dividend of ten percent (10%), in cash, on the paid-up capital of the Company out of the profits of 2020. The total dividend of 10% of the paid-up capital amounting to BDT 1,161,373,500 which is BDT 1.00 per share of BDT 10.00 each for the year ended on December 31, 2020.

The above dividend recommendation of the Board of Directors' shall be forwarded to the Shareholders for their consideration and approval at the 23rd Annual General Meeting of the Company scheduled on April 22, 2021.

Pursuant to the Dividend Directive issued by BSEC on January 14, 2021, the Company has adopted the Dividend Distribution Policy (DPP). The DPP is annexed to the Annual Report 2020 as **Annex IX** and is also uploaded on the Company's website.

Retained Earnings

The total Retained Earnings of your Company as of December 31, 2020, stood at BDT 5,442,469,000 details of which are given in the Statement of Changes in Equity of the Consolidated Financial Statement.

3. BUSINESS TRANSFORMATION:

In 2020, your Company continued its focus on being the best in class and on maintaining its transformational journey from being a clinker and cement manufacturing company to becoming the most trusted building material solutions and service provider in the country. Against the backdrop of the pandemic, we continued with our Growth Plans to provide exclusive solutions for our Customers. Here are a few of our most recent and successful actions:

Holcim Water Protect:

Keeping our commitment to excel customer satisfaction we launched innovative and one-of-it's-kind water resistant cement in Bangladesh. 'Holcim Water Protect' is undoubtedly the most innovative and premium cement in Bangladesh. It has been developed through continuous consumer engagement, research and thorough understanding of the damaging impact of water on structure. Given the heavy rainfall in Bangladesh, your Company believes that 'Holcim Water Protect' shall help our customers build their dream homes that are free from dampness and seepages.

Clear Size Aggregates:

In line with our ambition, we continued to work to find business opportunities in the ever growing demand for aggregates in Bangladesh. Bangladesh does not have a commercially extractable sustainable aggregate quarry, and the demand of around 70 million tonnes of aggregates is to a large degree met by imports. To import every ton of aggregate, the country spends around twenty (20) US Dollars resulting high outflow of foreign exchanges. Your Company has set up a state-of-the-art cone shaped crushing unit with a capacity to produce 1.2 million tons of clear size aggregates (graded limestone chips having uniform size and shape conforming to international standards) per annum at the Company's Surma plant. The commercial production of clear size aggregates commenced in January 2021. Our primary customers for the clear size aggregates are large infrastructure projects which require constant and assured supply of premium quality graded aggregates. The aggregates business shall provide your Company with a competitive advantage, shall contribute to enhance our cement sales and shall pave our ways to enter into the businesses of other building materials, like ready mix etc. in the coming future. This is also in line with our ambition to transform the Company into a building materials solutions and service provider entity from a pure cement manufacturing entity.

Digital First:

As the world focused on resilience to survive, one trend that accelerated in 2020 was the rapid adoption of technology. Your Company is the pioneer in the building material sector to adopt digitalization, even before the outbreak of the pandemic. The COVID 19 crisis provided an opportunity to accelerate the transformation. We have been driving the digital initiatives in order to create new and renewed automation of our existing business processes, old technologies, culture, and customer experiences to meet changing business and market requirements. Technology has enabled us to operate with flexibility and agility, and work with our partners and customers who too have responded and adjusted quickly to the changing circumstances.

In 2020, as COVID 19 developed, our focus immediately shifted to ensuring the health and well-being of all employees and stakeholders, and on minimizing disruption to all facets of its operations. Implementing a "Digital First" approach has been one of the key attributes that distinguishes us from others. The Sponsors LafargeHolcim (LH) and Cementos Molins have been the driving force with access to industry best practice and solutions. →Your Company also has strong IT and digital teams who are capable of developing necessary digital solutions in cost effective manner.

Our teams have settled into the new ways of working with the implementation of seventeen (17) different digital initiatives. From tools that enable and manage logistics and supply chain planning, facilitate collaboration with our commitments, creating a digital customer experience, to holding efficient virtual Board of Directors' meetings and the Annual General Meeting with Shareholders - your Company has set the benchmark for other companies in Bangladesh.

Your Company continues to focus on opportunities where it can further develop and drive hyper efficiencies across its technology infrastructure, applications and core operations, in order to further leverage its intellectual capital.

Net Zero climate pledge:

Your Company believes that sustainability creates value for its business, shareholders and society. As part of the LafargeHolcim (LH) Group, we are determined to maximize this value, and are committed to living up to the responsibilities that come with it. We are therefore reinventing how we operate to make the world greener, smarter and healthier for all.

On our way to becoming a net zero company, we have set ambitious targets and are accelerating our efforts to bring in green construction by joining the net zero pledge with science-based targets to accelerate our efforts to substantially lower our carbon footprint.

Given the scale of today's climate challenge, no single organization can tackle it alone. A net zero world requires collaboration across the entire value chain from architects to policy makers. At LafargeHolcim Bangladesh Limited, we are playing our part to support the transition to low-carbon business in line with LH Group's 2030 climate targets.

4. PRODUCTION PERFORMANCE - YEAR 2020

Health & Safety:

Health and Safety is the core value of your Company. Health and Safety gets the highest priority in any business decision we undertake. Our goal is “ZERO Harm” to people, communities and environment. We continuously work to improve our safety culture and performance across our operations in Bangladesh and in Meghalaya, India. 2020 was another year without Lost Time Injury (LTI). Your Company achieved the “ZERO LTI” target for the last three consecutive years. We are making efforts to reduce Medical and First Aid injuries. We are working together on continual improvement through engaging all of our employees, contractors and stakeholders.

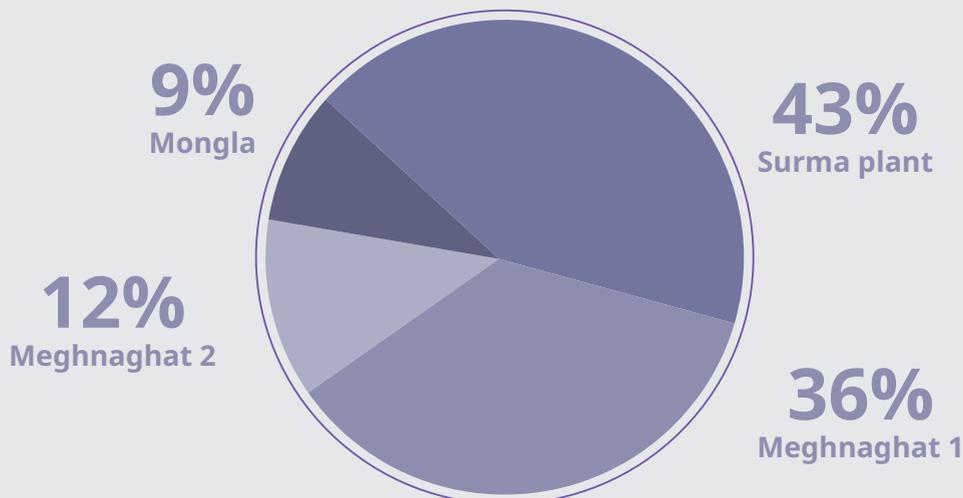
We continue on our Health & Safety transformational path which is designed to reduce incidents and move us toward the ambition of ZERO Harm.

Your Company faced tremendous challenges during its operation under this COVID 19. Our philosophy has always been to identify the risk proactively and take measures accordingly to minimize the risks in acceptable condition. COVID 19 has been a risk as long as business operations are concerned but it is not the only risk in our organisation. We have a good track record to manage operational risks and applied the same rule while managing the COVID 19 risk. The Country and Site Business Resilience Team managed the complete COVID 19 management. “Operating During COVID 19 – Health & Safety Minimum Requirement” were put in place for all the employees and Contractors covering a whole range of personal behaviours from employees (hand wash, use of mask, social distancing etc.), emergency response plan and process of physical monitoring to provide personal level support during COVID 19. We are continuing the same processes and procedures to manage COVID cases in 2021 as well.

Production Performance

Your Company has 4.2 million tons cement production capacity per annum, with a fully integrated cement and clinker plant in Chhatak, and three (3) grinding plants near Dhaka and Khulna. The limestone quarry in Meghalaya, India has permits to produce up to 5 million tonnes per annum.

Cement Production in 2020

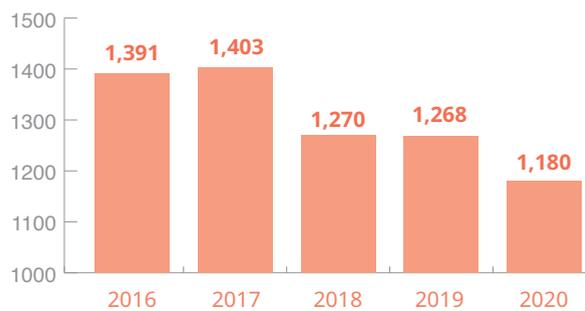


PERFORMANCE OF SURMA PLANT:

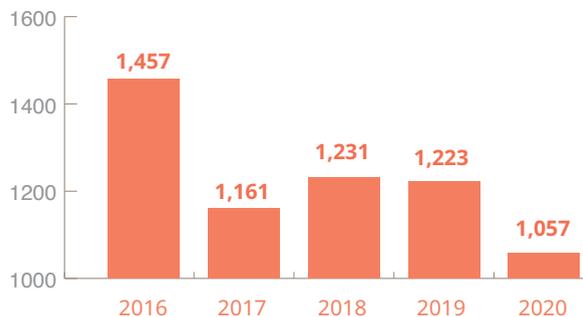
In 2020, despite the loss of forty (40) production days and restricted production hours due to the pandemic, your Company produced 1,180 kt of clinker and 1,057 kt of cement. The plant team worked consistently and several initiatives were implemented to improve the availability of the equipment, reduce energy consumption etc. The plant team undertook several initiatives to reduce fixed cost such as in house refurbishing instead of third party services, fabrication of spare parts, administrative cost optimization etc. Surma Plant achieved 100% laboratory accuracy index (LAI) in the LafargeHolcim Group in the "Round Robin Test" for the fifth consecutive years, conducted over 153 laboratories across the world and your Company's laboratory become one of the top six.

The plant team will continue to give more efforts in the coming years to achieve its targeted production performance while maintaining the superior product quality in the market.

Surma Plant Clinker Production (kt) (2016-2020)



Surma Plant Cement Production (kt) (2016-2020)



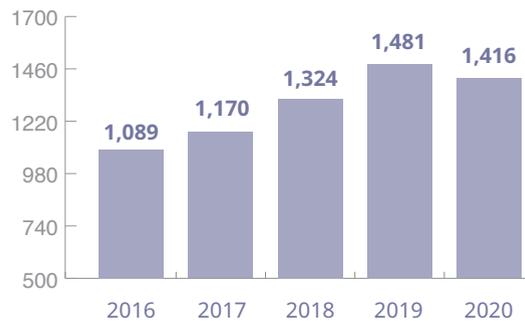
Reasons for declining trend of production of clinker and cement are attributed to: (i) no Excess Gas supplied by Jalalabad Gas Transmission and Distributions System Ltd. under the Gas Sales Agreement, and (ii) production of Supercrete cement in the Grinding units for more optimized and cost effective production, & (iii) pandemic situation in 2020.

MEGHNAGHAT 1, MEGHNAGHAT 2 AND MONGLA PLANTS PRODUCTION

While surmounting the production hours lost due to the restrictions of the pandemic, in 2020 Meghnaghat & Mongla Plants achieved the second highest cement production (1,416 kt) and dispatch volume (1,411 kt) in the history of your company. The plants accomplished improved performances in other areas such as Specific Electrical Energy Consumption, Clinker Factor and Net Availability Index.

Holcim Water Protect, the new smart blended cement was developed and is being produced in Meghnaghat.

Meghnaghat and Mongla Cement Production (kt) (2016-2020)

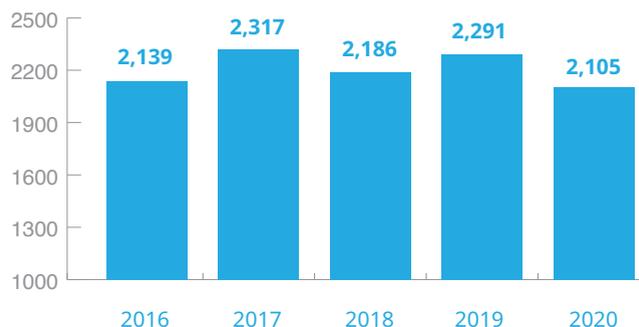


LIMESTONE QUARRY AT MEGHALAYA, INDIA

In 2020, Lafarge Umiam Mining Pvt. Ltd., the subsidiary of your Company, exported 2.10 million tonnes of limestone, marginally lower compared to the 2.29 million tonnes in 2019. The Quarry operations stopped from March 25, 2020 for 45 days due to COVID 19 lockdown imposed by Government of India and State Government of Meghalaya. In spite of the stoppages, the Quarry team demonstrated an exemplary performance in optimization of mining & crushing costs, thereby ensuring a reduction in operational costs.

In 2020, a 33 Kilovolt (kV) grid power line has been installed for operations of the Quarry. Availability of the grid power at Quarry shall eliminate the dependency on diesel and help to reduce the carbon footprint. We are expecting the grid power to be charged in April/May 2021, which shall reduce power consumption cost by Indian Rupees (INR) 28 per ton i.e. from INR 44/ton to INR 16/ton.

Quarry Production (kt) (2016-2020)



Geocycle:

Geocycle is your Company's contribution towards sustainable development and commitment for protection of environment and efficient waste disposals.

Your Company expanded its services to find a solution for managing industrial, agricultural and municipal wastes. Using the proven technology of 'co-processing' and our state-of-the-art integrated cement plant at Chhatak, Sunamganj, Geocycle has managed more than 8,000 tons of wastes which include sludge, bulky solids, plastic & packaging and various different types of liquids and chemicals. We are also working closely with the Government of Bangladesh. Projects of Ministry of Industries, Department of Environment, Shahjalal International Airport Customs House, Chattogram Customs House and ICD Kamalapur Customs House are getting the benefits of Geocycle project of your Company and disposing of its long laying and unclaimed liquids and chemicals.

All of the above projects were carried in house. Trucks managed by the Geocycle team were sent to each site to pick-up materials to ease the burden of the customers where previously the clients were managing the same.

Sales and Marketing:

We focused on cementing our relationship with key partners - our distributors, retailers and customers. We took initiatives to enhance our reach and assure our partners that we shall always be there to serve them. Launching the new product 'Holcim Water Protect' was one of the initiatives to drive customer satisfaction. Now we have four (4) distinguished products - Supercrete, Holcim Strong Structure, Holcim Red (OPC), and Holcim Water Protect available for the varied range of customers.

With a goal to upholding customer confidence, we adopted multiple digital and automation tools to connect our valued partners. Automation tools like RMS (Retail Management Software) and Customer Portal have been put in place to collect orders and payments over digital platform. "Telesales" has been initiated to reach out and serve the Retailers at distant locations and connect them through easy and simple means like SMS and WhatsApp. In 2020, our marketing activities shifted successfully to digital platforms, which increased our brand image reaching to more customers in a cost efficient manner. We enhanced our presence in the Social Media, Facebook and Online News Portal by introducing a range of new digital campaigns and posters. We also continued our engagements and programs over the digital platform with our influencers like engineers, architects, masons, individual home builders and industry experts.

The brand value that your Company has successfully created over tireless efforts through last two decades, are now paying its premiums! While the market scenario created huge pressure on price, our brands, Supercrete and Holcim, were successful in maintaining its price premium, which is yet again a testimony of the confidence our customers put in our brands as well as the outstanding product quality. While the demand of the product de-grew due to the unique market conditions, we shifted our focus on the mantra of the Company for 2020 - Health, Cash & Cost. Multiple initiatives were taken to improve the cash conversion and for collection of the overdue amounts from our distributors. With the outstanding efforts of our Sales team we ensured that outstanding dues were collected and there was a 25% reduction in the Days Sales Outstanding (DSO). We also focused to reduce our sales operating cost by bringing in efficiency and reducing the overhead cost.

2020 has moved us closer to the customers, moved towards cash business models and adopted new

ways of working. We tapped all the opportunities to expand in the given situation for smooth continuity and sustainability of the business. During the year we focused on consolidating our position with more than 7000 retailers, 500 dealers and 400 Business-to-Business customers.

Logistics & Procurement:

Procurement and Logistics Function steered the Company from the front to implement the mantra of the Company for 2020 - Health, Cost and Cash. The cost base was reset and the traditional ways of working changed. All the Purchase Orders and Contracts of the Company were reevaluated and renegotiated, either with reduced scope of work or with alternative sourcing. These measures resulted in commendable and praiseworthy cost reduction of Taka 1,525 million against the spent in 2019, which is 17% of total negotiable spend. Strong control over Cost has led to an overall 26% spend reduction over 2019. Business process simplifications were introduced for improved operational efficiency, transparency, and helped in prompt deliveries.

Your Company reduced the imported raw materials inventory significantly. This helped to reduce the exposure to Net Working Capital without disruptions in operations. As a result of continuous improvement of efficiency on inbound logistics, your Company recorded no demurrage for mother vessels, but gained financial credits by ensuring early discharge of mother vessels. Efficiency improvement projects for both inbound and outbound logistics and innovation delivered better discipline in logistic costs and reduced variable and fixed costs year on year basis while enhancing the margin. The Logistics Department underwent digitalization with the introduction of new digital tools and systems such as Network Optimization (NetOps) and Transport Analytic Centre (TAC). Many simplified initiatives have been taken to reduce distribution cost, such as changing the distribution model, shifting away from depots and opening up new Ghats (cross docking points) and reaching closer to market. With these well planned, innovative and bold initiatives, the Logistics fixed cost has been reduced by 34% compared to 2019 and overall distribution cost reduced by 19% compared to 2019. Your Company aims to increase network optimization and introduce further digital platforms in the coming years.

Human Resources:

Your Company envisages and proactively responds to the trends shaping the future of work and enables to create the best possible environment for the workforce. Diversity and inclusion are priorities forming an integral part in its people practices and culture.

Human Resource (HR) function has provided key support and catalyzed changes during the pandemic by delivering services and making "Work From Home" an engaging experience. Ensuring the effectiveness of the sales force during pandemic times through continual support has made the difference in the performance.

The Company ensures all its employees maintain a healthy work-life balance. The Company provides opportunities for flexible working hours which ensure a compelling working environment and experiences. As we embrace digitalization and new ways of working, HR also ensures that employees are equipped with right skills and obtain seamless learning via our e learning platform and work towards creating a learning organization.

Your Company peruses a holistic approach of performance management involving meaningful feedback and recognition, while holding people accountable and providing continuous development. HR incorporates touch points for regular dialogue between managers and team members and develops an engaging culture by aligning the ambitions and aspirations of the employees with the organization goals.

Governance, Ethics and Compliance:

Your Company is a law abiding corporate citizen committed to operate in strict adherence with the applicable laws. Compliance with the Code of Business Conduct, Anti-Bribery & Corruption Policy and Fair Trade Practices Directive are part and parcel of our daily business activities and mandatory to be followed by each and every employee of the Company.

For your Company, compliance is not an obligation, it is an inherent part of our way-of-doing-business. Adherence to applicable laws, policies and procedures are deeply embedded in our business culture and in the hearts & minds of every employee of the Company. We maintain a comprehensive risk-based compliance program which aligns with the legal requirements of Bangladesh and international standards. Our compliance program is structured to ensure adequate risk assessment of risk, implementation of controls, training and communication, monitoring and governance. It covers several risk areas including, Business Integrity and Compliance, Pricing Integrity and Anti-Trust Compliance, Sanctions & Trade Restrictions, Data Protection and Privacy.

The compliance program enables your Company to prevent, detect and deter fraud, and includes an Integrity Line, which enables employees to anonymously report any concerns regarding breach of rules laid down in the Code of Business Conduct.

The Audit Committee, a sub-committee of the Board of Directors', in every meeting, evaluates and scrutinizes the status of compliance and suggests the management of the Company as it deems necessary.

In terms of the Corporate Governance Code, the Company has formed a Nomination and Remuneration Committee (NRC), a sub-committee of the Board of Directors'. The NRC has formulated the policies for criterion for the Members of the Board of Directors' and Top Level Executives, criterion for evaluation of the performance of Independent Directors and the Board of Directors' and for remuneration of Top Level Executives.

Annual Evaluation of Board of Directors:

In 2020 the Company carried out the Evaluation of the Board of Directors' in which all the members of the Board participated. The NRC framed the necessary criterion for the Evaluation as per the guidelines provided by the Corporate Governance Code. The details of the Evaluation including the parameters and process have been provided in the Corporate Governance Statement of the Annual Report 2020. The Evaluation Report has identified improvement areas for the Board of Directors' to become more effective and coherent. The recommendations shall be implemented diligently.

5. CORPORATE SOCIAL RESPONSIBILITY (CSR) & SUSTAINABLE DEVELOPMENT:

In the year of 2020, your Company's Corporate Social Responsibility (CSR) activities were focused to support the communities to create awareness and mitigate the challenges faced by them by the pandemic. Regular CSR activities continued in the field of education, health care and women empowerment bringing in positive impacts and sustainable development for the communities around which the Company operates.

During the pandemic, a large number of people around the communities became vulnerable due to the loss of employment opportunities. As a socially responsible corporate citizen, we stood beside them and supported and implemented the mitigation measures. Employees of your Company contributed one day's salary to lend a hand and support the communities. The Company matched the amount to ensure an extended reach. The amount was used for the community people and the health professionals who were in the forefront during the pandemic.

One of our focus activities was distribution of food and milk to over ~4,000 families in Chhatak, Sonargaoan and Mongla in Bangladesh, and Shella and Nongtraï in Meghalaya. At the very beginning of the pandemic, there were shortages of Personal Protective Equipment (PPE), especially masks. Your Company distributed ~8000 masks amongst the local communities. ~60 hand washing units were also established in collaboration with the local municipalities in Bangladesh and NGO's in Meghalaya. We also ensured adequate hand washing materials while creating awareness on hand washing to fight the pandemic. The distribution program was conducted in coordination and collaboration with the local administration.

In collaboration with Foreign Investors' Chamber of Commerce & Industry your Company also distributed ~550 high quality PPE's amongst the health professionals of COVID 19 designated hospitals. Generous donations were made to various NGO's, including 'Friendship' – an international NGO who made praiseworthy contributions during the pandemic.

6. RISKS AND CONCERNS INCLUDING INTERNAL AND EXTERNAL RISK FACTORS, THREAT TO SUSTAINABILITY AND NEGATIVE IMPACT ON ENVIRONMENT:

The Auditors of the Company in their Report to the Shareholders have given "emphasis" relating to excess gas tariff invoiced by Jalalabad Gas Transmission and Distribution Systems Ltd. ("Jalalabad").

In this regard, the Board of Directors' would like to mention that the Gas Sales Agreement (GSA) between the Company and Jalalabad is valid until January 16, 2026. There have been disagreements between the Company and Jalalabad on the interpretation of the terms of GSA relating to price. Despite sincere efforts by the Company, the disagreement could not be resolved by mutual discussions. Accordingly, the Company issued a Notice of Arbitration to Jalalabad in terms of the GSA, to resolve the dispute.

The Company filed an Arbitration Application seeking interim relief in aid of the arbitration. On February 7, 2021, the Hon'ble High Court Division of the Supreme Court of Bangladesh passed an order issuing a Rule as prayed for, and pending hearing of the Rule, the Honourable Court directed Jalalabad to maintain status quo in respect of supply of gas at the Company's Surma plant and further restrained Jalalabad from terminating the GSA or stopping supply of gas to the Company's Surma plant. As directed by the Hon'ble Court the Company has furnished a Bank Guarantee for the differential amount accrued till February 07, 2021 from a scheduled bank in the name of the Registrar of the High Court Division of the Supreme Court of Bangladesh.

As per internal assessments, your Company has a strong case and is expecting the Arbitration Award in favour of the Company.

Another major risk lies in the Company's cross border operation. Any interruption of limestone supply from its Indian subsidiary company causes a business continuity issue. Strict compliance with applicable laws coupled with strong community development programs are key to minimize this risk.

Bangladesh is a cement capacity surplus market. Despite this fact, new capacity is being added at a higher rate than demand growth. This may further intensify competition in the market resulting in pressure on price. The availability of clinker in Asia impacts the price of clinker imports, which has a significant impact on the level of cement prices in the market and hence on your Company's profitability.

7. RISK MANAGEMENT:

The management of the Company has the overall responsibility for the establishment and oversight of the Company's risk management framework. Risk management policies require establishing standard procedures to identify and analyze the main risks to which the Company is exposed and continually deploying and managing risk management systems designed to eliminate or reduce the probability that risks will arise and to limit their impact. The Company is exposed to credit risk, liquidity risk and market risk.

A. Credit Risk

Credit risk is the risk of financial loss to the Company, if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and other current assets. The management has established a credit policy under which each new customer is analysed individually for creditworthiness. Credit limits are established for each customer and reviewed on a regular basis. Any sales exceeding those limits require approval from the Credit Committee. The Company obtains bank guarantee from all trade customers. A large part of non-trade customers are also under the coverage of bank guarantee and security cheques.

B. Liquidity Risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

C. Market Risk:

Market risk is the risk that changes in market prices, e.g. foreign exchange rates and interest rates that may impact the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company uses derivatives to manage market risks. Market risk comprises three types of risks: foreign currency risk, interest rate risk and commodity risk.

- i. **Foreign Currency Risk** - The Company is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which purchases and borrowings are denominated. The currencies in which these transactions are primarily denominated are Euro, US Dollars, Swiss Franc and Indian Rupee.
- ii. **Interest Rate Risk** - The risk is that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its debts and short term deposits.
- iii. **Commodity Risk** - Commodity risk arises from fluctuation of value of commodity in terms of price, quantity, and cost of the market from or to which the Company procure or sell product respectively. The Company does not have any significant exposure to commodity price risk.

8. RELATED PARTIES TRANSACTIONS:

All the transactions/contracts/arrangements of the nature as specified under the provisions of IAS 24 entered by the Company during the year under review with related party (ies) are in ordinary course of business. The details of the names of the related parties, nature of the transactions / contracts / arrangements and their total value are contained in Note No. 29 of the Financial Statements.

9. DIRECTORS' DECLARATION TO FINANCIAL STATEMENTS:

The Directors are of the opinion that the Company is a going concern. Accordingly, Financial Statements are prepared on a going concern basis.

The Directors are responsible for the governance of the Company, as part of preparation and presentation of the Financial Statements, the Directors confirm, to the best of their knowledge that:

- ▶ The financial statements prepared by the Management of the Company presents fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- ▶ Proper Books of Account of the Company have been maintained.
- ▶ Appropriate Accounting policies have been consistently applied in preparation of the Financial Statements and that the accounting estimates are based on reasonable and prudent judgment. The International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed. The Company has initially applied IFRS 15 and IFRS 9 from 1 January 2018.
- ▶ A number of other new standards are also effective from 1 January 2018 but they do not have a material effect on the Company's financial statements.
- ▶ The system of internal control is sound in design and has been effectively implemented and monitored.
- ▶ The minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress.

- ▶ The Board of Directors' have made appropriate examinations and analyzed the significant financial, operating as well as other indicators for enabling them to understand the ability of the Company to continue its operations for a foreseeable period.
- ▶ The Board of Directors' is satisfied and has a reasonable expectation that the Company has adequate resources to continue its operation consistently for the foreseeable future. Hence, the Company adopted the going concern basis in preparing of the Company's financial statements.
- ▶ No interim dividend has been declared by the Company.
- ▶ The key operating and financial data for the last five (5) years, discussion on cost of goods sold, gross profit margin and net profit margin and explanation on significant deviation from the last year's operating results are disclosed in **Annex I**.
- ▶ Details of the Board Meetings held and attendance, details of appointment and reappointment of Directors with a brief resume are disclosed in **Annex II**.
- ▶ The pattern of shareholding is disclosed in **Annex VI**.
- ▶ A declaration signed by the CEO and CFO to the Board as required under the Corporate Governance Code is disclosed in **Annex VII**.
- ▶ A Management's Discussion and Analysis signed by CEO presenting detailed analysis of the Company's position and operations along with a brief discussion of changes in the financial statements is disclosed in **Annex VIII**.

10. RESEARCH, DEVELOPMENT AND INNOVATION

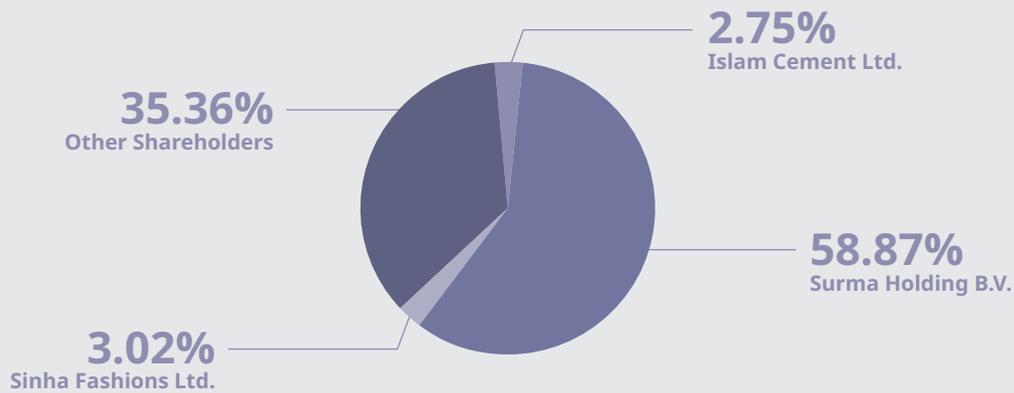
As part of the LafargeHolcim and Cementos Molins Research & Development (R&D) of your Company is driven by customer's needs, who face today's major challenges: achieving energy efficiency, lowering cost of construction, reducing our environmental footprint, and meeting high standards of aesthetics, health, comfort, and well-being. Together with our partners and customers, our best-in-class R&D teams develop the most innovative products, solutions, and services, as well as advanced manufacturing processes.

11. INTERNAL CONTROL SYSTEM:

The Company has well-documented Policies, Directives and Work Instructions which are periodically reviewed. Implementation and compliance with the Policies, Directives and Work Instructions are monitored and reported to the Audit Committee.

12. SHARE HOLDING PATTERN:

Your Company is listed at the Dhaka Stock Exchange and Chittagong Stock Exchange. The total Shareholdings of the Company are distributed as follows:



Further information on Shareholding pattern is annexed to this report as **Annexure VI**.

Surma Holding B.V.

Surma Holding B.V., incorporated in The Netherlands, owns 58.87% shares of your Company. Lafarge S.A. (a subsidiary of LafargeHolcim) owns 50% shares of Surma Holding B.V., and the other 50% are owned by Cemolins Internacional S.L.U. of Spain.

About the Sponsors

LafargeHolcim Switzerland operates four businesses segments: Cement, Aggregates, Ready-Mix Concrete and Solutions & Products, which includes precast concrete, asphalt, mortar and building solutions. As the world's global leader in building solutions, LafargeHolcim is reinventing how the world builds to make it greener, smarter and healthier for all. On its way to becoming a net zero company, LafargeHolcim offers global solutions enabling carbon-neutral construction. With its circular business model, the Company is a global leader in recycling waste as a source of energy and raw materials. Innovation and digitalization are at the core of the Company's strategy, with more than half of its R&D projects dedicated to greener solutions. More information is available on <https://www.lafargeholcim.com>.

Cementos Molins is one of the most important companies in the sector in Spain. Born as a family business, over the years, it has developed products of recognized prestige in the construction materials industry, keeping intact its traditional values of integrity, continuous improvement, efficiency, passion, sustainability and environmental protection. Cementos Molins operates in Spain, Argentina, Uruguay, Mexico, Bolivia, Colombia, Tunisia and Bangladesh. In addition to cement, it participates in the business of concrete, aggregates, prefabricated concrete, special mortars, adhesive cements and ecomaterials. More information is available on <https://www.cemolins.es>.

Besides Surma Holding B.V., other sponsors of this venture are Islam Cement Limited and Sinha Fashions Limited from Bangladesh.

13. BOARD OF DIRECTORS:

(a) Board composition

The Board of Directors' of the Company is having twelve (12) members. Three (3) of them are Independent Directors.

(b) Independent Directors

Mr. Monzurur Rahman, Independent Director, retired during the year after completing two (2) terms in office. The Board acknowledges the valuable contributions made by Mr. Rahman during his tenure in office and expresses their gratitude for his support given to the Company with great passion and insight.

Pursuant to the provisions of the Corporate Governance Code, the Board of Directors' appointed Mr. Rajiv Prasad Shaha, as Independent Director for one term of three (3) years, effective from January 26, 2021.

It is proposed that the Shareholders approve the appointment of Mr. Rajiv Prasad Shaha as an Independent Director of the Company, not liable to retire by rotation at the 23rd Annual General Meeting of the Company. The bio-data of Mr. Rajiv Prasad Shaha forms a part of this Annual Report.

(c) Resignation of Directors

Mr. Shivesh Kumar Sinha, Director of the Company, submitted his resignation as Director of the Company and member of the Audit Committee of the Company, effective from October 9, 2020. Mr. Sinha served as a member of the Company board for over 14 (fourteen) years.

The Board accepted the resignation tendered by Mr. Sinha, and acknowledged the valuable contributions made by him during his association with the Company, both in Bangladesh and India, and expresses their gratitude for his services, wise counsel, advice and strategic guidance.

(d) Appointment of Directors

In accordance with article 15.1.2 of Article of Association of the Company, Surma Holding B.V., the holding company of the Company, nominated Ms. Sonal Shrivastava, on October 7, 2020 as its nominee in the Board of Directors' of the Company.

Pursuant to Article 15.1.3 of the Article of Association of the Company, Ms. Sonal Shrivastava has been appointed as Director of the Company, effective from October 9, 2020.

(e) Recommendation for re-elections

Pursuant to Regulation 79 of Schedule I of the Companies Act, 1994, the following Directors of the Board shall retire at the 23rd Annual General Meeting. Being eligible they offer themselves for re-election:

- I. Mr. Christof Hässig
- II. Mr. Manzurul Islam
- III. Ms. Sonal Shrivastava

A brief profile of the above mentioned three Directors is disclosed in **Annex III** as a part of the Board of Directors' Report.

(f) Sub Committee of the Board

For ensuring good governance in the Company, the Board of Directors' formed two sub-committees of the Board.

(i) The Audit Committee of the Board:

The Audit Committee consists of three Directors including one Independent Director as Chairman of the Audit Committee. The Audit Committee ensures that adequate internal checks & balances supported by adequate Minimum Control Standards as defined by the Sponsor Groups are in place for detection of errors, frauds and other deficiencies. The Audit Committee also ensures compliance of requirements of BSEC. The Audit Committee reviews the Quarterly and Annual Financial Statements. The Audit Committee also reviews adequacy and effectiveness of financial reporting process, accounting policies, internal control and risk management process. The Audit Committee also oversee the compliance and provides necessary advices to the management and Board of Directors' to ensure running the business in 100% compliance of the applicable laws, policies and directives.

(ii) Nomination and Remuneration Committee:

The Nomination and Remuneration Committee (NRC) consists of three Directors including one Independent Director as Chairman of the NRC to set the principles, parameters and governance framework for the nomination and remuneration of the Directors, Key Managerial Personnel, Top-Level Executives and other employees comprising the senior management.

(g) Board and Sub Committee Meetings and Attendance

In 2020, the Board of Directors' of the Company and Audit Committee of the Company met on four (4) occasions respectively. The NRC of the Company met on one (1) occasion.

Due to the COVID 19 pandemic and the ensuing travel restrictions and social distancing requirements, three (3) of the four (4) Board of Directors', Audit Committee meetings and NRC meeting were held virtually in terms of the Bangladesh Securities and Exchange Commission's (BSEC) Order No. SEC/SRMIC/94-231/25 dated July 08, 2020.

The details including dates of the meetings and attendance records of the Directors are annexed to this Annual Report as **Annex II**. The Directors who could not attend the meetings were granted leave of absence.

14. CORPORATE GOVERNANCE COMPLIANCE STATEMENT:

The Company has complied with all the necessary guidelines under BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 3, 2018. A separate section on Corporate Governance and the Compliance Report along with the necessary remarks and disclosures is appended in this Annual Report for the year 2020. A Certificate of Compliance required under the said Guidelines, as provided by M/s Al-Muqtadir Associates, Chartered Secretaries and Consultants, is annexed to this Annual Report as **Annex XI**.

15. AUDITORS:

(a) Auditors Report:

The Statutory Auditors of the Company in their Report to the Shareholders on the Standalone Financial Statements have drawn attention to the excess gas tariff raised by Jalalabad Gas Transmission and Distribution System Limited. The explanations or comments by the Board on "Emphasis of Matters" made by the Statutory Auditors in their Report are dealt in detail in point no. 6 of this Report.

(b) Statutory Auditors:

Pursuant to Section 210 of the Companies Act, 1994, the Company's Statutory Auditors; M/s. Hoda Vasi Chowdhury & Co., Chartered Accountants, retire at the 23rd Annual General Meeting. Being eligible, they express their willingness to be re-appointed.

(c) Corporate Governance Compliance Auditors:

Every year, the Company obtains a certificate of compliance from a Practicing Professional Accountant/Secretary (Chartered Accountant/Cost and Management Accountant/Chartered Secretary) regarding compliance of conditions of the Corporate Governance Code.

M/s. Al-Muqtadir Associates, Chartered Secretaries & Consultants, have expressed their interest to be re-appointed as Corporate Governance Compliance Auditors of the Company for the year 2021, which is being placed in the 23rd Annual General Meeting for approval.

16. INDUSTRY: OUTLOOK & POSSIBLE FUTURE DEVELOPMENTS:

For the last one decade Bangladesh's economy has consistently grown in excess of ~6% a year (~7.9% in 2019) irrespective of natural calamities and political uncertainties. Economy is projected to grow at CAGR ~9% to become a USD 700bn economy by 2030 from present ~USD 300bn.

In April 2020, IMF forecasted the GDP to fall to 2% for CY2020 due to the outbreak of COVID 19 and recover to 9.5% in 2021. Readymade garments (~13% of GDP) and remittances (~7% of GDP) - key contributors to economic growth were severely hit in April and May 2020 due to lockdown restrictions across Bangladesh and the Middle East (major source of remittance). Lockdown was eased in the first week of June and the economy bounced back strongly. Remittances have increased to pre-Covid levels (~USD 2.0bn every month since June 2020) due to additional 2% cash incentive offered on every remittance. Readymade garments exports have re-bounced, however it is yet to reach pre-Covid levels due to lockdown (second wave) and slowing retail sales in Europe and North America, the major markets for Bangladesh. Growth is expected to regain momentum this fiscal year (July 2020-June 2021) as the external sector strengthens, while supportive fiscal and monetary stimulus measures are expected to bolster domestic demand. Healthy foreign exchange (~USD 37bn) and regulated foreign exchange market ensures a relatively stable currency outlook. Fiscal deficit is a concern in the medium term, however low levels of government debt (~40% of GDP) protects it from distress.

Activity, Evolution of the market and the Company: Construction activity is normal across the country with most projects and individual house builders (IHB) segment picking up pace. Consumption of cement de-grew by ~1% in spite of the pandemic underpinned by rising demand in the rural sector. Annual consumption of cement stood at about 33.4 million tonnes in 2020 and is forecasted to increase in a higher single digit in 2021. Despite the growth of the industry, Bangladesh is still one of the lowest consumers of cement products in the world with per capita cement consumption ~200 kgs.

17. ACKNOWLEDGEMENTS:

Your Directors are thankful to the various departments and offices of the Government of Bangladesh, the Government of India and the State Government of Meghalaya for their continued guidance and co-operation. The Directors are grateful to all valuable stakeholders of the Company viz. customers, dealers, vendors, banks, suppliers, business partners for their support and services rendered during the year. The Directors are also grateful for the support received from the local communities around the Surma plant in Chhatak, Mongla Plant and the Quarry in Meghalaya. The Directors would like to recognize the management and all employees of the Company for their dedication and commitment. The results achieved are outstanding and were only possible thanks to their strong and continued believe in building a better company every day. Finally, the Directors are grateful to the Shareholders for their continued and valuable support to the Company.

For and on behalf of the Board of Directors



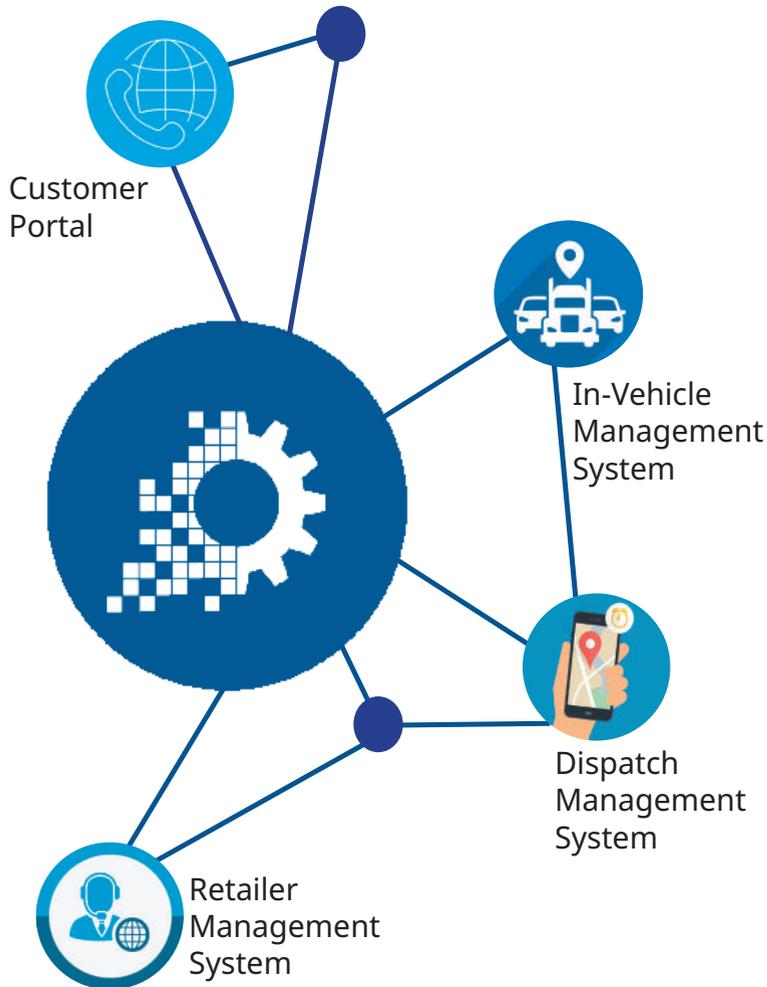
Christof Hässig
Chairman

Date: March 14, 2021

Digital Initiatives launched in 2020



Productivity



Digital Applications developed & used by LHBL:





ENVIRONMENT

Respecting the environment is fundamental to our operations. We continued our endeavour to increase our green cover.

~3,000

saplings and trees were planted in 2020.

পরিচালনা পর্ষদের প্রতিবেদন

প্রিয় শেয়ারহোল্ডারগণ,

লাফার্জহোলসিম বাংলাদেশ লিমিটেড এর পরিচালনা পর্ষদের ২৩তম বার্ষিক প্রতিবেদন উপস্থাপন করতে পেরে আমরা অত্যন্ত আনন্দিত। কোম্পানি আইন ১৯৯৪ এর ১৮৪ ধারা, বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন (বিএসইসি) এর জুন ৩, ২০১৮ তারিখের কর্পোরেট গভর্নেন্স কোড এবং ঢাকা স্টক এক্সচেঞ্জ লিমিটেড ও চট্টগ্রাম স্টক এক্সচেঞ্জ লিমিটেড এর তালিকাভুক্তির নিয়ম অনুযায়ী ৩১ ডিসেম্বর ২০২০ পর্যন্ত কোম্পানির আর্থিক প্রতিবেদন (সমন্বিত ও স্বতন্ত্র) প্রস্তুত করা হয়েছে।

২০২০ সালে করোনা ভাইরাস অতিমারী স্বত্বেও আপনার কোম্পানি প্রশংসনীয় সাফল্য অর্জন করতে সক্ষম হয়েছে। কোভিড-১৯ চ্যালেঞ্জ মোকাবেলায় আপনার কোম্পানি “স্বাস্থ্য ও সুরক্ষা”, “ব্যায় সংকোচন” ও “নগদ”- এই তিনটি সর্বোচ্চ অগ্রাধিকার নির্ধারণ করে বাৎসরিক কর্মপরিকল্পনা প্রণয়ন করে। পূর্ববর্তী বছরের চাইতে ২০২০ সালে কোম্পানির বিক্রি ও আয় যথাক্রমে ৮% ও ৯% কম হলেও নিট মুনাফা ৩৬% বৃদ্ধি পেয়েছে। প্রণীত কর্মপরিকল্পনার সফল প্রয়োগের মাধ্যমে এই সাফল্য সম্ভব হয়েছে।

১. আর্থিক পারফরম্যান্সের পর্যালোচনা:

কোম্পানির সমন্বিত পরিচালন এবং আর্থিক ফলাফলের তুলনামূলক চিত্রঃ

বিবরণ	২০২০ (টাকায় '০০০)	২০১৯ (টাকায় '০০০)	প্রবৃদ্ধি
রাজস্ব	১৬,২২২,৪৮৩	১৭,৮৩৯,৭৫৬	-৯%
কস্ট অব গুডস সোল্ড	১১,৬১৬,৪১০	১৩,৩০৭,৮৫৯	
মোট লাভ	৪,৬০৬,০৭৩	৪,৫৩১,৮৯৭	২%
কর পূর্ববর্তী নিট মুনাফা	২,৮৪৮,৭৭৮	২,৬৮০,৭৬১	৬%
কর পরবর্তী নিট মুনাফা	২,৩৬১,৩৮৫	১,৭৩৭,৪৫৪	৩৬%
মোট সম্পদ	২৬,২১৮,৯৮৪	২৬,৯২৪,২৯২	
নিট সম্পদ মূল্য	১৭,২৮৯,০৭৫	১৬,১৯৯,২২৭	
নিট অপারেটিং ক্যাশ ফ্লো	৪,৫৪০,৪৯৫	৪,০৮৫,৪১৮	
শেয়ার প্রতি আয়	২.০৩	১.৫০	৩৬%
শেয়ার প্রতি নিট সম্পদ মূল্য	১৪.৮৯	১৩.৯৫	
শেয়ার প্রতি নিট অপারেটিং ক্যাশ ফ্লো	৩.৯১	৩.৫২	
রিটার্ন অন ইকুইটি	১৩.৬৬%	১০.৭৩%	
গ্রস মার্জিন	২৮.৩৯%	২৫.৪০%	
নিট মার্জিন বিফোর ট্যাক্স	১৭.৫৬%	১৫.০৩%	
নিট মার্জিন আফটার ট্যাক্স	১৪.৫৬%	৯.৭৪%	

২০২০ সাল ছিল ব্যতিক্রম ও অভূতপূর্ব। সারা বছর জুড়ে করোনার নেতিবাচক প্রভাব বিদ্যমান ছিল, তবে কোম্পানির জন্য সবচেয়ে কঠিন সময় ছিল দ্বিতীয় প্রান্তিক, যে কারণে বিক্রির পরিমাণ কমেছে ৮%। “স্বাস্থ্য ও সুরক্ষা”, “ব্যয় সংকোচন” ও “নগদ” এই তিন বিষয়ে যথাসময়ে, অগ্রাধিকারভিত্তিতে, সঠিক আলোকপাতের মাধ্যমে আপনার কোম্পানি সামর্থের প্রমাণ দিয়েছে। করোনাকালীন জরুরী পরিস্থিতিতে নানা অনিশ্চয়তা প্রতিবন্ধকতার মাঝেও কর্মী, ক্রেতা, সরবরাহকারী এবং অন্যান্য স্টেকহোল্ডারদের স্বাস্থ্য ও সুরক্ষা নিশ্চিত করতে পেরেছে আপনার কোম্পানি। বিভিন্ন সাইটগুলিতে সর্বনিম্ন সংক্রমণের হার বজায় রেখে ব্যতিক্রমী দৃষ্টান্ত স্থাপন করেছে। অতিমারীর সময় ডিজিটাল পদ্ধতি প্রয়োগে প্রধান্য প্রদানের মাধ্যমে উৎপাদনশীলতা ও বিক্রি দক্ষতা বৃদ্ধি করেছে।

২০২০ সালে মূল্য হ্রাস করে পণ্য বিক্রির পরিমাণ বাড়ানোর চেষ্টা না করে, আপনার কোম্পানি মূল্য ধরে রাখার উপর গুরুত্ব আরোপ করেছে। ফলে কোম্পানির সিমেন্টের মূল্য আনুমানিক মাত্র ১% কমেছে। বকেয়া সংগ্রহের উপর জোর দেয়ায় ২,০৮০ মিলিয়ন নগদ টাকা সংগৃহীত হয়েছে। ২০১৯ সালে ক্রেতার কাছে পাওনা ছিল ১,১৪৮ মিলিয়ন টাকা, যা ২০২০ সালে ৮৪৭ মিলিয়ন টাকায় নেমে এসেছে। এসময় তৃতীয় পক্ষের সাথে প্রতিটা চুক্তি পুনঃ দরকষাকষির মাধ্যমে এবং অনেক ক্ষেত্রে বিকল্প উৎস থেকে ক্রয়ের মাধ্যমে ১,৫২৪ মিলিয়ন টাকার সাশ্রয় করা হয়েছে, যা ২০২১ এবং পরবর্তী অর্থ বছরগুলোতেও ইতিবাচক প্রভাব ফেলবে।

নির্দিষ্ট ব্যয় (ফিক্সড কস্ট) (রয়্যালিটি ও টেকনিক্যাল নো-হাও বাদে) ১৫% এবং পরিবর্তনশীল ব্যয় ৫% হ্রাস পেয়েছে। আয় ৯% কমেছে, তবে কর পূর্ববর্তী আয় ৬% বেড়েছে এবং ইবিটডা (উইওএইউআ) ০.২% বৃদ্ধি পেয়েছে। ব্যয় হ্রাস এবং দক্ষতা উন্নয়নে গৃহীত সকল উদ্যোগের মাধ্যমেই এই অর্জন সম্ভব হয়েছে।

হোলসিম সিমেন্ট (বাংলাদেশ) লিমিটেডের সাথে আপনার কোম্পানি একীভূত হওয়ার পর ২০২০ সালে প্রথম পূর্ণ এক বছর একক কোম্পানি হিসেবে পরিচালিত হয়েছে। একীভূত প্রক্রিয়া চলাকালীন যে পরিকল্পনা এবং সম্ভবনার কথা শেয়ারহোল্ডারগণকে জানানো হয়েছিল তা বাস্তবায়িত হয়েছে এবং শেয়ারহোল্ডারগণ ইতিমধ্যে সুবিধাসমূহ ভোগ করছেন। উদাহরণস্বরূপ, একীভূতকরণের কারণে করের হার পূর্ববর্তী বছরের ৩৫% থেকে হ্রাস পেয়ে ২০২০ সালে ১৭% এ এসে দাড়িয়েছে।

২. ডিভিডেন্ড এবং রিটেইন্ড আর্নিংসঃ

মার্চ ২, ২০২১ তারিখের সভায় কোম্পানির পরিচালনা পর্ষদ ৩১শে ডিসেম্বর ২০২০ তারিখে সমাপ্ত অর্থ বছরের জন্য উক্ত বছরে অর্জিত মুনাফা থেকে পরিশোধিত মূলধনের উপর দশ শতাংশ (১০%) নগদ চূড়ান্ত লভ্যাংশ সুপারিশ করেছে। সুপারিশকৃত মোট নগদ লভ্যাংশের পরিমাণ ১১৬,১৩,৭৩,৫০০ টাকা, অর্থাৎ প্রতি দশ (১০) টাকা অভিহিত শেয়ারের বিপরীতে এক (১) টাকা লভ্যাংশ।

আগামি ২২ শে এপ্রিল ২০২১ তারিখ অনুষ্ঠিতব্য কোম্পানির ২৩তম বার্ষিক সাধারণ সভায় পরিচালনা পর্ষদের উপরি উক্ত লভ্যাংশের সুপারিশটি শেয়ারহোল্ডারদের সদয় বিবেচনা ও অনুমোদনের জন্য পেশ করা হবে।

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন গত ১৪ জানুয়ারী ২০২১ তারিখ একটি লভ্যাংশ নির্দেশিকা প্রদান করে। সে অনুসারে কোম্পানি “লভ্যাংশ বন্টন নীতি” গ্রহণ করেছে, যা ২০২০ সালের বার্ষিক রিপোর্টের পরিশিষ্টে যুক্ত করা হয়েছে এবং কোম্পানির ওয়েবসাইটেও আপলোড করা হয়েছে।

সম্মিত উপার্জন

ডিসেম্বর ৩১, ২০২০ তারিখে সমাপ্ত বছরে আপনার কোম্পানির মোট সম্মিত উপার্জন বা রিটেইন্ড আর্নিংস ছিলো ৫৪৪,২৪,৬৯,০০০ টাকা যা সম্মিত আর্থিক প্রতিবেদনের চেঞ্জেস ইন ইকুইটি প্রতিবেদনে বিশদভাবে বর্ণিত রয়েছে।

৩. ব্যবসা রূপান্তর বা ট্রান্সফরমেশন:

২০২০ সালে অতিমারী সত্ত্বেও আপনার কোম্পানি মূল লক্ষ্য থেকে বিচ্যুত হয়নি। সর্বোচ্চ মান নিশ্চিত করা এবং বর্তমান সিমেন্ট ও ক্লিনার উৎপাদনকারী কোম্পানি থেকে একটি পরিপূর্ণ ও বিশ্বস্ত নির্মাণ সামগ্রী উৎপাদনকারী ও সেবাদানকারী প্রতিষ্ঠান হিসেবে রূপান্তরিত করার ক্ষেত্রে কোম্পানির যাত্রা সুদৃঢ়ভাবে অব্যাহত রেখেছে। অতিমারী সত্ত্বেও প্রবৃদ্ধি অর্জনে ও গ্রাহকদের সেবা প্রদানে আমরা ছিলাম দৃঢ় প্রত্যয়ী।

কোম্পানির সাম্প্রতিক সফলতার কিছু উদাহরণ নিচে দেয়া হলোঃ

হোলসিম ওয়াটার প্রটেক্টঃ

গ্রাহকদের সন্তুষ্টির কথা বিবেচনা করে আপনার কোম্পানি “হোলসিম ওয়াটার প্রটেক্ট” নামে বিশেষ পানি প্রতিরোধী সিমেন্ট বাজারে এনেছে, যা বাংলাদেশে এই প্রথম। নিঃসন্দেহে “হোলসিম ওয়াটার প্রটেক্ট” বাংলাদেশের সবচেয়ে প্রিমিয়াম সিমেন্ট। “হোলসিম ওয়াটার প্রটেক্ট” উদ্ভাবনে গ্রাহকদের চাহিদা, গবেষণা এবং অবকাঠামোতে পানির কারণে সৃষ্ট ক্ষতির সমাধানের প্রয়োজনীয়তা গুরুত্বপূর্ণ ভূমিকা রেখেছে। বাংলাদেশ একটি বৃষ্টিবহুল দেশ এবং আপনার কোম্পানি বিশ্বাস করে “হোলসিম ওয়াটার প্রটেক্ট” গ্রাহকদের স্বপ্নের বাড়িগুলোকে ড্যাম্পমুক্ত রাখতে সহায়তা করবে।

ক্লিনার সাইজ অ্যাগ্রিগেটসঃ

বাংলাদেশে অ্যাগ্রিগেটসের ক্রমবর্ধমান চাহিদার বিষয়টি বিবেচনা করে এই খাতে ব্যবসা করার জন্য আমরা কাজ করে যাচ্ছি। বাংলাদেশে পাথরের বাণিজ্যিক কোন খনি নেই। তাই অ্যাগ্রিগেটসের বাজার পুরোটাই আমদানি নির্ভর। বাংলাদেশে বর্তমানে প্রায় ৭০ মিলিয়ন টন অ্যাগ্রিগেটসের চাহিদা রয়েছে। আপনার কোম্পানির সুরমা প্ল্যান্টে প্রতি বছর ১.২ মিলিয়ন টন ক্লিনার সাইজ অ্যাগ্রিগেটস উৎপাদন ক্ষমতাসম্পন্ন একটি অত্যাধুনিক ক্রাশিং ইউনিট স্থাপন করা হয়েছে। ২০২১ সালের জানুয়ারী মাসে আমরা ক্লিনার সাইজ অ্যাগ্রিগেটসের বাণিজ্যিক উৎপাদন শুরু করেছি। বৃহৎ অবকাঠামো প্রকল্পগুলো প্রিমিয়াম কোয়ালিটির অ্যাগ্রিগেটস ব্যবহার করে এবং মূলত তারাই আমাদের গ্রাহক। এই ব্যবসার মাধ্যমে আপনার কোম্পানি অন্য প্রতিযোগীদের থেকে এগিয়ে থাকবে এবং আমরা বিশ্বাস করি সিমেন্ট বিক্রিতেও এর প্রভাব পড়বে। এই ব্যবসা শুরুর মাধ্যমে অন্যান্য নির্মাণ সামগ্রী যেমন রেডিমিক্স ব্যবসার দ্বারও উন্মোচিত হবে এবং আপনার কোম্পানি একটি পরিপূর্ণ নির্মাণ সামগ্রী উৎপাদনকারী প্রতিষ্ঠান হিসেবে রূপান্তরিত হবে।

গ্রাহকদের ভিত্তিতে ডিজিটালঃ

২০২০ সালে করোনা অতিমারীতে সমগ্র বিশ্বই টিকে থাকার জন্য ডিজিটলাইজেশনের উপর জোর দিয়েছে। আমরা করোনা অতিমারী শুরুর আগেই সিমেন্ট খাতের প্রথম কোম্পানি হিসেবে ডিজিটলাইজেশনের জন্য কাজ করছিলাম। করোনা অতিমারীর কারণে এই ক্ষেত্রে গতি আসে। পরিবর্তিত ব্যবসা ও বাজারের চাহিদা মেটাতে ডিজিটলাইজেশনের মাধ্যমে আমাদের প্রথাগত ব্যবসায়িক পদ্ধতি, পুরোনো প্রযুক্তি, সংস্কৃতি এবং গ্রাহক অভিজ্ঞতাগুলো নবায়ন করেছি। প্রযুক্তির কারণে আমাদের ব্যবসা পরিচালনায় গতি এসেছে এবং আমাদের গ্রাহকেরাও খুব দ্রুত এর সাথে খাপ খাইয়ে নিয়েছেন।

২০২০ সালে কোভিড-১৯ অতিমারীর সময় আমাদের সর্বোচ্চ মনোযোগ ছিলো আমাদের কর্মী ও স্টেকহোল্ডারদের স্বাস্থ্য ও সুরক্ষা। এর পাশাপাশি আমাদের উৎপাদন কার্যক্রম চালু রাখার সর্বোচ্চ প্রচেষ্টা করেছি। এ বিষয়ে ডিজিটলাইজেশন অন্যদের থেকে আমাদের আলাদা করেছে। আমাদের উদ্যোক্তা লাফার্জহোলসিম গ্রুপ ও সিমেন্টোস মলিন্স গ্রুপ সব সময়ই সেবা নিশ্চিতকরণে জোর দিয়ে থাকে। আপনার কোম্পানির নিজস্ব শক্তিশালী তথ্য-প্রযুক্তি ও ডিজিটাল টিম রয়েছে যারা স্বল্প খরচে প্রয়োজনীয় ডিজিটাল সমাধান উদ্ভাবনে সক্ষম।

২০২০ সালে আমরা সতেরোটি ডিজিটাল সমাধান বাস্তবায়নের উদ্যোগ নিয়েছি। লজিস্টিক সেবা, সাপ্লাই চেইন প্ল্যানিং, ডিজিটাল কাস্টমার এক্সপেরিয়েন্স, পরিচালনা পর্ষদের সভা ও বার্ষিক সাধারণ সভা ডিজিটালি করার মাধ্যমে আমরা অন্যদের জন্য উদাহরণ তৈরী করেছি।

আপনার কোম্পানি ডিজিটলাইজেশন প্রক্রিয়াকে আরও উন্নত করার মাধ্যমে গ্রাহকদের সেবা প্রদানে অঙ্গিকারবদ্ধ।

নেট জিরো জলবায়ু অঙ্গীকারঃ

আপনার কোম্পানি বিশ্বাস করে ব্যবসা, শেয়ারহোল্ডার এবং সমাজে মূল্যবোধ তৈরীতে টেকসই হওয়ার কোন বিকল্প নাই। লাফার্জহোলসিম গ্রুপের অংশ হিসাবে আমরা এই মূল্যবোধ তৈরীতে অঙ্গীকারবদ্ধ এবং এর জন্য প্রয়োজনীয় পদক্ষেপ নিতে প্রতিশ্রুতিবদ্ধ। তাই আমরা বিশ্বকে অধিকতর সবুজ, পরিবেশ বান্ধব এবং অধিকতর বসবাস উপযোগী করার লক্ষ্যে কাজ করছি।

নেট জিরো অঙ্গীকার পূরণে আমরা বিজ্ঞানভিত্তিক লক্ষ্য নির্ধারণ করেছি এবং সবুজ নির্মাণের মতো কঠিন লক্ষ্য অর্জনে আমরা সচেষ্ট। সবুজ নির্মাণের প্রচেষ্টায় বিজ্ঞান ভিত্তিকভাবে নেট জিরো জলবায়ু প্রতিশ্রুতিতে আমাদের কার্বন নিঃসরণকে কমিয়ে আনতে প্রচেষ্টা চালিয়ে যাচ্ছি।

জলবায়ু পরিবর্তনের চ্যালেঞ্জ মোকাবেলায় যে লক্ষ্য নির্ধারণ করা হয়েছে তা কোন একটি কোম্পানির একা পক্ষে অর্জন করা সম্ভব নয়। জলবায়ু রক্ষায় বিশ্বের স্থাপত্যবিদ ও নীতি নির্ধারক সকলেরই সমন্বিত সহযোগিতা প্রয়োজন। লাফার্জহোলসিম গ্রুপ ২০৩০ সালের মধ্যে জলবায়ু পরিবর্তন ও প্রভাব মোকাবেলার লক্ষ্যমাত্রার সঙ্গে সঙ্গতি রেখে কম কার্বন নিঃসরণের মাধ্যমে ব্যবসার রূপান্তর করার লক্ষ্য নির্ধারণ

৪. উৎপাদন কার্যক্রম ২০২০ঃ

স্বাস্থ্য ও সুরক্ষাঃ

স্বাস্থ্য ও সুরক্ষা নিশ্চিত করা আপনার কোম্পানির প্রধান মূল্যবোধ। আমরা তা সর্বোচ্চ গুরুত্ব সহকারে বিবেচনা করি। আমাদের কর্পোরেট সংস্কৃতিতে যে কোন ব্যবসায়িক সিদ্ধান্ত গ্রহণের সময় স্বাস্থ্য ও সুরক্ষা অগ্রাধিকার পায়। আমরা জিরো হার্ম নীতিতে বিশ্বাসী এবং ব্যক্তি, লোকালয় ও পরিবেশের কোনরূপ ক্ষতি না করে কাজ করাই আমাদের মূল লক্ষ্য। কর্মক্ষেত্রে স্বাস্থ্য ও সুরক্ষা সংস্কৃতি অব্যাহতভাবে উন্নত করার মানসিকতা নিয়ে আমরা বাংলাদেশ এবং ভারতের মেঘালয়ে আমাদের সকল কার্যক্রম পরিচালনা করি। ২০২০ সাল সহ পর পর তিন বছর আপনার কোম্পানি লস্ট টাইম ইনজুরি (কোন ধরনের ক্ষয়ক্ষতি) ছাড়া কার্যক্রম পরিচালনা করলো। কর্মীদের প্রাথমিক চিকিৎসা প্রয়োজন হয় এমন সামান্য শারীরিক আঘাতও হ্রাস করতে সব সময় চেষ্টা করে আসছি। কোম্পানির সকল কর্মী ও ঠিকাদার কর্মীরা যাতে নিরাপদে কাজ করতে পারেন সে জন্য কোম্পানি সর্বদা প্রতিশ্রুতিবদ্ধ। দুর্ঘটনা কমিয়ে জিরো হার্ম বাস্তবায়ন করতে আমরা স্বাস্থ্য সুরক্ষা বিষয়ে প্রতিনিয়ত কাজ করে চলেছি।

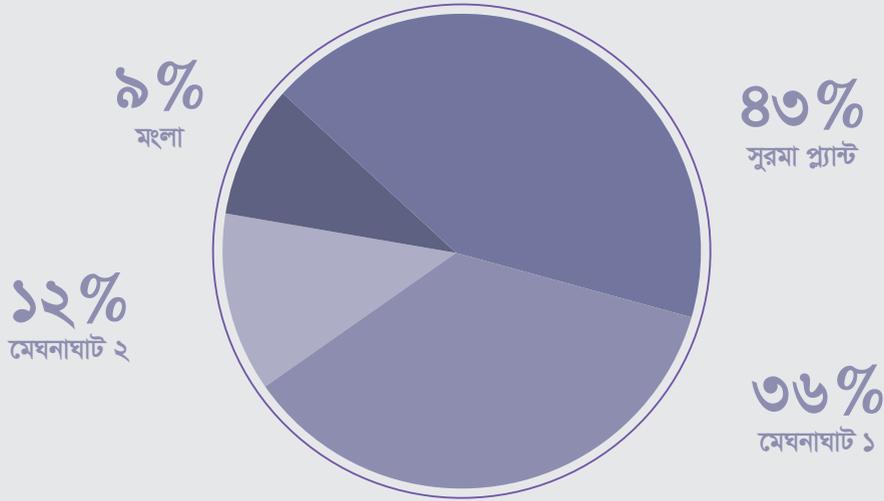
আপনার কোম্পানি কোভিড-১৯ অতিমারীর সময়ে কার্যক্রম পরিচালনা অব্যাহত রাখতে প্রচুর চ্যালেঞ্জের সম্মুখীন হয়েছে। আমরা সক্রিয়ভাবে সকল ঝুঁকি শনাক্ত করেছি এবং সে অনুযায়ী প্রয়োজনীয় সুরক্ষা ব্যবস্থা নেওয়া হয়েছে। কোভিড-১৯ পরিস্থিতিতে ব্যবসায়িক কার্যাবলী পরিচালনা করা ঝুঁকিপূর্ণ ছিল, কিন্তু এটিই একমাত্র ঝুঁকি ছিলো না। বিভিন্ন ঝুঁকি সফলভাবে মোকাবেলার জন্য আমাদের সুনাম রয়েছে। আমাদের সকল ব্যবসাস্থল ও উৎপাদনস্থলগুলোতে বিশেষ দল কোভিড-১৯ পরিস্থিতিতে যথাযথ ও দ্রুত ব্যবস্থা নেবার জন্য নিয়োজিত আছে। কোভিড-১৯ অতিমারী মোকাবেলায় প্রয়োজনীয় সকল স্বাস্থ্য ও সুরক্ষা নির্দেশনা সকল কর্মী এবং ঠিকাদারদের পরিপূর্ণভাবে অবহিত করা হয় এবং প্রয়োজনীয় ব্যবস্থা বাস্তবায়ন করা হয়।

কোভিড-১৯ অতিমারী মোকাবেলায় সময় আমরা জরুরী সহযোগিতা পরিকল্পনা, শারীরিক পরীক্ষা এবং ব্যক্তিগত সহযোগিতা নিশ্চিত করেছি যা ২০২১ সালেও চলমান রয়েছে।

উৎপাদনঃ

ছাতকের স্বয়ংসম্পূর্ণ প্ল্যান্ট এবং ঢাকা ও খুলনায় তিনটি গ্রাইন্ডিং স্টেশন থেকে বছরে ৪.২ মিলিয়ন টন সিমেন্ট ও ক্লিন্কার উৎপাদন করতে সক্ষম আপনার কোম্পানি। এছাড়া ভারতের মেঘালয়ে চুনাপাথরের খনি থেকে বছরে ৫ মিলিয়ন টন চুনাপাথর উৎপাদন ও আমদানি করার অনুমতি রয়েছে।

সিমেন্ট উৎপাদন ২০২০

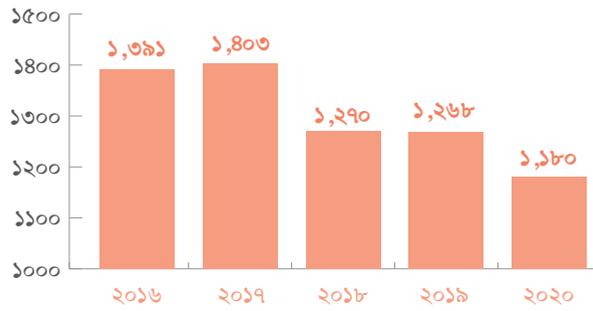


সুরমা প্ল্যান্টের কার্যক্রমঃ

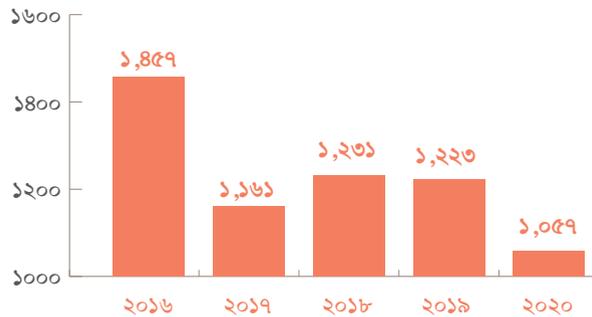
২০২০ সালে অতিমারীজনিত কারণে সুরমা প্ল্যান্ট চল্লিশ কার্যদিবস বন্ধ ছিল এবং অনেকদিন উৎপাদন সীমাবদ্ধ ছিল। তা সত্ত্বেও সুরমা প্ল্যান্ট ১,১৮০ কিলোটন ক্লিন্কার এবং ১,০৫৭ কিলোটন সিমেন্ট উৎপাদন করেছে। সরঞ্জামের প্রাপ্যতা বৃদ্ধি, জ্বালানি ব্যয় হ্রাস ইত্যাদির জন্য প্ল্যান্ট কর্মীগণ ধারাবাহিকভাবে কাজ করেছে এবং এই বিশেষ অবস্থা মোকাবেলায় একাধিক উদ্যোগ গ্রহণ করেছে। পূর্বে যে সকল কাজ করার জন্য বিশেষজ্ঞ ঠিকাদার নিয়োগ করা হতো সে সকল কাজ কোম্পানির কর্মীরা নিজেরাই সুনিপুণভাবে সম্পাদন করে স্থায়ী ব্যয় (ফিক্সড কস্ট) হ্রাস করতে সক্ষম হয়েছে।

সুরমা প্ল্যান্ট টানা পঞ্চম বারের মতো লাফার্জহোলসিম গ্রুপের “রাউন্ড রবিন টেস্ট” প্রতিযোগিতায় ১০০% ল্যাবরেটরি অ্যাকুরেসি ইনডেক্স অর্জন করেছে। বিশ্বব্যাপী লাফার্জহোলসিম গ্রুপের ১৫৩টি প্ল্যান্টের মধ্যে সেরা হয়ে অবস্থান করেছে সুরমা প্ল্যান্ট। বাজারে উন্নতমানের পণ্য সরবরাহ বজায় রেখে উৎপাদন লক্ষ্যমাত্রা অর্জনে সুরমা প্ল্যান্টের কর্মীদল বদ্ধপরিকর।

সুরমা প্ল্যান্ট ক্লিন্কার উৎপাদন (কিলোটন) (২০১৬-২০২০)



সুরমা প্ল্যান্ট সিমেন্ট উৎপাদন (কিলোটন) (২০১৬-২০২০)



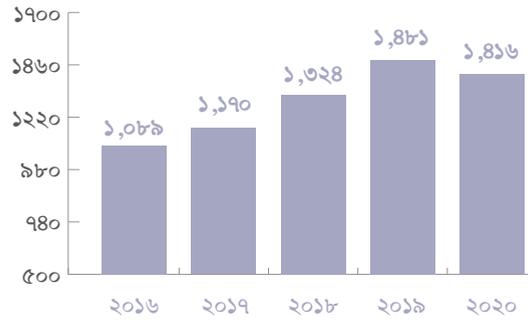
২০২০ সালে ক্লিন্কার এবং সিমেন্টের উৎপাদন তুলনামূলক হ্রাসের কারণঃ (১) গ্যাস বিক্রয় চুক্তির আওতায় জালালাবাদ গ্যাস ট্রান্সমিশন এবং ডিস্ট্রিবিউশন সিস্টেম লিমিটেড কর্তৃক অতিরিক্ত গ্যাস সরবরাহ না করা; (২) অন্যান্য গ্রাইন্ডিং ইউনিটগুলোতে সুপারক্রিট সিমেন্টের ফলপ্রসূ উৎপাদন; এবং (৩) ২০২০ সালে অতিমারী পরিস্থিতি।

মেঘনাঘাট ১, মেঘনাঘাট ২ এবং মংলা প্ল্যান্টের উৎপাদন:

অতিমারীর কারণে প্ল্যান্টের কার্যক্রমের সময় কমানো হয়েছিল। এই সীমাবদ্ধতা সত্ত্বেও মেঘনাঘাট ও মংলা প্ল্যান্ট যথাক্রমে ১,৪১৬ কিলো টন ও ১,৪১১ কিলো টন সিমেন্ট উৎপাদন করেছে, যা প্রতিষ্ঠার পর এখন পর্যন্ত দ্বিতীয় সর্বোচ্চ।

বিদ্যুৎ ব্যবহার, ক্লিংকার এবং নেট উপলভ্যতা সূচক ইত্যাদি ক্ষেত্রে প্ল্যান্টগুলো দক্ষতার পরিচয় দিয়েছে। হোলসিম ওয়াটার প্রোটেক্ট উদ্ভাবন ও প্রস্তুত করা হয় মেঘনা প্ল্যান্টে।

মেঘনাঘাট ও মংলা সিমেন্ট উৎপাদন (কিলোটন) (২০১৬-২০২০)

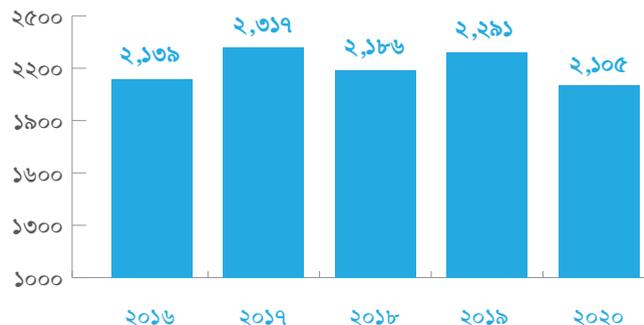


ভারতের মেঘালয়ে চূনাপাথর খনি:

২০২০ সালে, লাফার্জ উমিয়াম মাইনিং প্রাইভেট লিমিটেড (আপনার কোম্পানির সহযোগী সংস্থা) ২.১০ মিলিয়ন টন চূনাপাথর রপ্তানি করেছে, যা ২০১৯ সালের ২.২৯ মিলিয়ন টনের তুলনায় সামান্য কম। ভারত সরকার এবং মেঘালয় রাজ্য সরকার কর্তৃক কোভিড-১৯ অতিমারীর জন্য আরোপিত লকডাউনের কারণে ২৫ শে মার্চ ২০২০ থেকে ৪৫ দিনের জন্য খনির কার্যক্রম বন্ধ থাকে। এই প্রতিবন্ধিকতা সত্ত্বেও খনি কর্মীরা একটি অনুকরণীয় দৃষ্টান্ত স্থাপন করেছে যাতে করে খনন এবং ক্রাশিং ব্যয় কমানো যায়।

২০২০ সালে খনি কার্যক্রম পরিচালনার জন্য একটি ৩৩ কিলোভোল্ট (কেভি) গ্রিড পাওয়ার লাইন স্থাপন করা হয়েছে। কোয়ারিটে গ্রিড পাওয়ারের সহজলভ্যতা ডিজেলের উপর নির্ভরতা দূর করবে এবং কার্বন নিঃসরণ হ্রাস করতে সহায়তা করবে। আমরা আশা করছি ২০২১ সালের এপ্রিল/মে মাস থেকে এটি চালু হবে, যা প্রতি টনে চূনাপাথর উৎপাদনে ২৮ ভারতীয় রুপি ব্যয় হ্রাস করবে। বর্তমানে টন প্রতি বিদ্যুৎ ব্যয় ৪৪ রুপি যা কমে ১৬ রুপি হবে।

ক্যোয়েরি উৎপাদন (কিলোটন) (২০১৬-২০২০)



জিওসাইকেলঃ

আপনার কোম্পানির একটি টেকসই বর্জ্য ব্যবস্থাপনা পদ্ধতির নাম জিওসাইকেল, যা টেকসই পদ্ধতিতে বর্জ্য ব্যবস্থাপনার মাধ্যমে দেশকে সুন্দর ও বাসযোগ্য করার প্রতিশ্রুতি দিচ্ছে।

শিল্প, কৃষি এবং পৌর বর্জ্য ব্যবস্থাপনায় জিওসাইকেল কাজ করে যাচ্ছে। 'কো-প্রসেসিং' এর মাধ্যমে সুরমা প্ল্যান্টে জিওসাইকেল এর আওতায় ৮,০০০ টনেরও বেশি বর্জ্য ব্যবস্থাপনা করা হয়েছে। এসব বর্জ্যের মধ্যে স্লাজ, বাল্কি সলিডস, প্লাস্টিক ও প্যাকেজিং এবং বিভিন্ন ধরণের তরল ও রাসায়নিক দ্রব্য রয়েছে। এছাড়াও বাংলাদেশের বর্জ্য ব্যবস্থাপনার জন্য সরকারের সাথেও নিবিড়ভাবে কাজ করছে আপনার কোম্পানি। শিল্প ও পরিবেশ মন্ত্রণালয়, শাহজালাল আন্তর্জাতিক বিমানবন্দর কাস্টমস হাউস, চট্টগ্রাম কাস্টমস হাউস এবং আইসিডি কমলাপুর কাস্টমস হাউস আপনার কোম্পানির জিওসাইকেল প্রকল্পের সুবিধা নিচ্ছে এবং ইতিমধ্যে প্রচুর পরিমাণ জটিল তরল এবং রাসায়নিক বর্জ্য ব্যবস্থাপনা সম্পন্ন করেছে।

২০২০ সালের ডিসেম্বরে জিওসাইকেল কো-প্রসেসিং সেবাকে আরও বিস্তৃত করা হয়েছে। এ সকল প্রকল্পগুলো নিজস্ব উদ্যোগে সম্পন্ন করা হয়েছে। গ্রাহকদের কষ্ট লাঘব করতে জিওসাইকেল টিম নিজেরাই বর্জ্য সংগ্রহ ও পরিবহনের ব্যবস্থা করছে যা আগে গ্রাহক নিজে করতো।

বিক্রয় ও বিপণনঃ

ক্রেতা, ডিস্ট্রিবিউটর বা বিতরণকারী ও খুচরা বিক্রেতা - আমাদের ব্যবসার সবচেয়ে গুরুত্বপূর্ণ অংশীদার। তাঁদের সাথে আমাদের দৃঢ় সম্পর্ক উন্নয়নে আপনার কোম্পানি সর্বদা সচেষ্ট। আমরা সর্বদা তাদের পাশে আছি এ বিষয়ে তাদের বিশ্বাস অর্জনে আমরা আমাদের পরিসেবাকে আরও উন্নত করার জন্য কাজ করছি। ক্রেতার সন্তুষ্টি অর্জনে অন্যতম উদ্যোগ আমাদের নতুন পণ্য “হোলসিম ওয়াটার প্রোটেক্ট”। এখন আমাদের চারটি (৪) পণ্য রয়েছে - সুপারক্রিট, হোলসিম স্ট্রং স্ট্রাকচার, হোলসিম রেড (ওপিসি) এবং হোলসিম ওয়াটার প্রোটেক্ট, যা ভিন্ন ভিন্ন পরিসরের ক্রেতাদের বিশেষ চাহিদা মেটাতে সক্ষম।

গ্রাহকের আস্থা ধরে রাখার লক্ষ্যে আমরা আমাদের সম্মানিত অংশীদারদের সাথে সংযুক্ত হওয়ার লক্ষ্যে ডিজিটাল এবং অটোমেশন কার্যক্রম গ্রহণ করেছি। আর.এম.এস. (খুচরা বিক্রেতাদের জন্য সফটওয়্যার) এবং ক্রেতা পোর্টালের মতো অটোমেশন বা ডিজিটাল প্ল্যাটফর্মের মাধ্যমে অর্ডার নেওয়া এবং অর্থ সংগ্রহ করা সম্ভব হয়েছে। দূরদূরান্তের খুচরা বিক্রেতাদের কাছে পৌঁছানোর জন্য এসএমএস এবং হোয়াটসঅ্যাপের মতো সহজ ও সরল প্রযুক্তি ব্যবহারের মাধ্যমে ‘টেলিসেলস’ চালু করা হয়েছে। ২০২০ সালে আমাদের বিপণনের কার্যক্রমগুলো সাফল্যের সাথে ডিজিটাল প্ল্যাটফর্মে স্থানান্তরিত করা হয়েছে, যা আমাদের ব্র্যান্ডের মান বৃদ্ধি করেছে এবং সুলভ মূল্যে ক্রেতাদের কাছে পৌঁছেছে। আমরা সামাজিক মিডিয়া এবং অনলাইন নিউজ পোর্টালে নতুন নতুন ডিজিটাল প্রচারণা ও পোস্টার পরিবেশন করার মাধ্যমে আমাদের বিজ্ঞাপন বাড়িয়েছি। ডিজিটাল প্ল্যাটফর্মের সাহায্যে আমাদের কার্যাবলী ও প্রোগ্রামগুলো নিয়ে আমরা স্থপতি, রাজমিস্ত্রি, গৃহ নির্মাণকারী ও নির্মাণ বিশেষজ্ঞদের সাথে সংযুক্ত হতে পেরেছি।

আপনার কোম্পানি গত দুই দশক ধরে অক্লান্ত পরিশ্রমের মাধ্যমে সাফল্যের সাথে যে ব্র্যান্ড ভ্যালু তৈরি করেছে, তার ইতিবাচক ফলাফল এখন পেতে শুরু করেছে। বাংলাদেশের মতো প্রতিযোগিতামূলক এবং সীমাবদ্ধ সিমেন্টের বাজারে ধারাবাহিকভাবে ক্রেতার আস্থা, প্রিমিয়াম মূল্য ও ব্র্যান্ড ভ্যালু ধরে রাখা প্রকৃত অর্থেই প্রশংসার দাবীদার। ২০২০ সালে বাজার পরিস্থিতি যখন সিমেন্টের মূল্যের উপরে প্রচণ্ড চাপ সৃষ্টি করেছে, কোম্পানির ব্র্যান্ড সুপারক্রিট এবং হোলসিম উচ্চ মূল্য বজায় রাখতে সফল হয়েছে, যা ব্র্যান্ডগুলোর গুণগতমান ও ক্রেতার আস্থার প্রমাণ। ২০২০ সালে যখন বাজারে প্রতিকূল পরিস্থিতি তৈরী হয় তখন আমরা “স্বাস্থ্য ও সুরক্ষা”, “ব্যয় সংকোচন” ও “নগদ”, এই তিন বিষয়ে আলোকপাত করি। নগদ বিক্রয় ও বকেয়া আদায়ের উদ্যোগ নেয়া হয়। আমাদের বিক্রয় কর্মীদের প্রশংসনীয় প্রচেষ্টার ফলে অপরিশোধিত বকেয়া আদায় নিশ্চিত হয়েছে এবং ২৫% ডে সেলস আউটস্ট্যাণ্ডিং (ডিএসও) হ্রাস পেয়েছে। দক্ষতার সাথে আমরা বিক্রয় খরচ কমিয়ে আনতে সক্ষম হই।

২০২০ সালের আরেকটি অর্জন, ক্রেতাদের সাথে দূরত্ব কমিয়ে আনা। আপনার কোম্পানি এসময়ে ৭,০০০ খুচরা বিক্রেতা, ৫০০ ডিলার এবং ৪০০ ব্যবসায়িক ক্রেতাকে সাথে নিয়ে নিজ অবস্থান দৃঢ় করেছে।

লজিস্টিক ও প্রকিউরমেন্টঃ

২০২০ সালে “স্বাস্থ্য ও সুরক্ষা”, “ব্যয় সংকোচন” ও “নগদ” এই তিন অগ্রাধিকার বাস্তবায়নে প্রকিউরমেন্ট ও লজিস্টিকস টিম কোম্পানিকে সামনে থেকে নেতৃত্ব দিয়েছে। ব্যয়ের ভিত্তি পুনরায় নির্ধারণ করা হয়েছে এবং কাজের গতানুগতিক পদ্ধতিগুলো পরিবর্তন করা হয়েছে। কোম্পানির সমস্ত ক্রয় পত্র (পারচেজ অর্ডার) এবং ক্রয় চুক্তি পুনরায় মূল্যায়ন করা হয়েছে। এই পদক্ষেপের ফলে ২০১৯ সালের তুলনায় ২০২০ সালে ১,৫২৫ মিলিয়ন টাকা ব্যয় হ্রাস পেয়েছে যা মোট ব্যয়ের ১৭%। ব্যয়ের উপর নিয়ন্ত্রণের ফলে ২০১৯ সালের তুলনায় সামগ্রিকভাবে ২৬% ব্যয় হ্রাস পেয়েছে। ব্যবসা প্রক্রিয়া সরলীকরণ, পরিচালন দক্ষতা, স্বচ্ছতা নিশ্চিতকরণের মাধ্যমে দ্রুত ফলাফল পাওয়া গেছে।

আপনার কোম্পানি আমদানি করা কাঁচামাল সামগ্রীর ইনভেন্টরি উল্লেখযোগ্যভাবে হ্রাস করেছে। এর মাধ্যমে কোম্পানির উৎপাদন অব্যাহত রেখেই নেট ওয়ার্কিং ক্যাপিটাল কমানো সম্ভব হয়েছে। ইনবাউন্ড লজিস্টিকসে প্রতিনিয়ত দক্ষতা বেড়েছে। ফলস্বরূপ আপনার কোম্পানির মাদার ভেসেল কার্যক্রমে কোনো জরিমানা দিতে হয়নি বরং দ্রুততার সাথে মাদার ভেসেলগুলো ডিসচার্জের কারণে আর্থিক লাভ হয়েছে। ইনবাউন্ড এবং আউটবাউন্ড লজিস্টিকসে নতুন পদ্ধতি উদ্ভাবন এবং দক্ষতা বৃদ্ধির মাধ্যমে সরবরাহ কার্যক্রমে শৃঙ্খলা এসেছে এবং ব্যয় হ্রাস পেয়েছে। নেটওয়ার্ক অপটিমাইজেশন এবং ট্রান্সপোর্ট অ্যানালিটিক সেন্টার এর মতো নতুন ডিজিটাল সিস্টেম প্রবর্তনের মাধ্যমে লজিস্টিক বিভাগের ডিজিটাইজেশন উন্নত হয়েছে। বিতরণ ব্যয় হ্রাস করার জন্য অনেক সহজ উদ্যোগ নেওয়া হয়েছে যেমন ডিস্ট্রিবিউশন মডেলে পরিবর্তন করা, ডিপো বা গুদাম ব্যবহার না করে নতুন ঘাট (ক্রস ডকিং পয়েন্ট) খোলা এবং ক্রেতা বাজারের কাছাকাছি পৌঁছানো। এই সুপারিকল্লিত, উদ্ভাবনী এবং সাহসী উদ্যোগের সাহায্যে লজিস্টিক খাতে কোম্পানির নির্দিষ্ট ব্যয় (ফিক্সড কস্ট) ২০১৯ সালের এর তুলনায় ৩৪% এবং সামগ্রিক বিতরণ ব্যয় ১৯% হ্রাস পেয়েছে। আগামী বছরগুলোতে কোম্পানির অন্যতম লক্ষ্য হলো নেটওয়ার্ক অপটিমাইজেশন বৃদ্ধি ও আরও নতুন নতুন ডিজিটাল প্ল্যাটফর্ম চালু করা।

মানব সম্পদঃ

কর্মীদের জন্য সর্বোত্তম কর্মপরিবেশ নিশ্চিত করাই মানব সম্পদ বিভাগের লক্ষ্য। এ জন্য বিভাগটি সক্রিয়ভাবে উন্নত ও গ্রহণযোগ্য পদ্ধতিগুলো প্রণয়ন করে। সকলকে নিয়ে একটি মৌলিক কর্পোরেট সংস্কৃতি তৈরীর মাধ্যমে কোম্পানির সামগ্রিক উন্নয়নে ভূমিকা রাখতে বিভাগটি প্রতিশ্রুতিবদ্ধ।

কোম্পানি করোনা অতিমারীর সময় সকল কর্মীদের জন্য সহযোগিতার হাত বাড়িয়েছে এবং “বাসস্থান থেকে কাজ” বা “ওয়ার্ক ফ্রম হোম” ব্যবস্থা চালুর মাধ্যমে নতুন অভিজ্ঞতা অর্জন করেছে। অতিমারীর সময়ে বিক্রয় ও বিপণন বিভাগের জন্য অবিচ্ছিন্ন সহায়তা এবং ক্রমাগত সমর্থন বিক্রয় কার্যক্রমে পার্থক্য তৈরি করেছে।

কোম্পানির সকল কর্মীর সুস্বাস্থ্য ও কাজের ভারসাম্য বজায় রাখার বিষয়টি নিশ্চিত করে। কাজের সময় নির্ধারণে একাধিক সুযোগ থাকায় কর্ম দক্ষতা বৃদ্ধি পাচ্ছে। যখন আমরা ডিজিটাইজেশন এবং নতুন কাজের উপায় গ্রহণ করি, মানব সম্পদ বিভাগ এটা নিশ্চিত করে যে কর্মীদের সঠিক দক্ষতা রয়েছে। ই-লার্নিং প্ল্যাটফর্মের মাধ্যমে নির্বিঘ্নে প্রশিক্ষণ নেয়ার উত্তম সুযোগ সৃষ্টি করা হয়েছে।

আপনার কোম্পানি কর্মীদের প্রতিনিয়ত উন্নতিতে বিশ্বাস করে। কর্মীদের ভালো কাজের স্বীকৃতি এবং মতামত প্রদানের সুযোগ তৈরীর মাধ্যমে একটি সুন্দর কর্ম পরিবেশ তৈরীতে সফল হয়েছে আপনার কোম্পানি। প্রতিষ্ঠানের লক্ষ্য অর্জনে সকল স্তরের কর্মীদের মধ্যে খোলামেলা ও নিয়মিত আলোচনা আয়োজনের মাধ্যমে মানব সম্পদ বিভাগ ভূমিকা রেখে চলেছে।

ব্যবসায়িক নীতিমালা ও নৈতিকতাঃ

আপনার কোম্পানি বাংলাদেশের একটি প্রাতিষ্ঠানিক বা কর্পোরেট নাগরিক এবং আইনের প্রতি পূর্ণ শ্রদ্ধাশীল থেকে কঠোরভাবে আইন মেনে চলতে প্রতিশ্রুতিবদ্ধ। সুষ্ঠু ব্যবসায়িক নীতিমালা (কোড অব বিজনেস কন্ডাক্ট) ঘুষ ও দুর্নীতি বিরোধী নীতিমালা (এন্টি ব্রাইবারি এন্ড করাপশন পলিসি) ও প্রতিযোগিতা আইন অনুসরণ করে ব্যবসা পরিচালনা করা আমাদের দৈনন্দিন কর্মদিবসের অবিচ্ছেদ্য অংশ এবং কোম্পানির প্রতিটি কর্মীর জন্য এই নীতিমালা মেনে চলা বাধ্যতামূলক।

আইন ও নীতিমালা মান্য করা (কমপ্ল্যায়েন্স) আপনার কোম্পানির জন্য শুধুমাত্র বাধ্যতামূলকই নয়, বরং এটি আমাদের ব্যবসা পরিচালনার অবিচ্ছেদ্য অংশ। প্রয়োজ্য আইন, নীতি ও পদ্ধতিগুলো মেনে চলা আমাদের ব্যবসায়িক সংস্কৃতি এবং প্রত্যেক কর্মীর মধ্যে গভীরভাবে প্রথিত। আমরা স্থানীয় ও আন্তর্জাতিক সকল প্রয়োজ্য আইনানুসারে ব্যবসা পরিচালনা করি। আমাদের কমপ্ল্যায়েন্স প্রোগ্রাম এমনভাবে তৈরি করা হয়েছে যাতে ঝুঁকি মূল্যায়ন, পর্যাপ্ত ঝুঁকি চিহ্নিতকরণ, নিয়ন্ত্রণ বাস্তবায়ন, যোগাযোগ ও প্রশিক্ষণ, পর্যবেক্ষণ ও পরিচালনা নিশ্চিত করে।

এর ফলে ব্যবসায়িক স্বচ্ছতা নিশ্চিত করা, প্রতিযোগিতা আইন মেনে চলা ও একচেটিয়া মূল্য নির্ধারণ না করা, নিষেধাজ্ঞা ও বাণিজ্য বিধিনিষেধ, তথ্য-উপাত্ত সুরক্ষা এবং গোপনীয়তাসহ সকল ঝুঁকি বিষয়ে সচেতনতা সৃষ্টি করা হয়। কমপ্ল্যায়েন্স প্রোগ্রামটি আমাদেরকে জালিয়াতি সনাক্ত ও প্রতিরোধ করতে সক্ষম করে। কর্মক্ষেত্রে কোনো অনিয়মের শিকার হলে কর্মীরা নিজেদের পরিচয় গোপন রেখে অভিযোগ দাখিল করতে পারেন।

অডিট কমিটির প্রতিটি সভায় কমপ্ল্যায়েন্স বিষয়ে মূল্যায়ন ও যাচাই-বাছাই করা হয় এবং প্রয়োজন মনে করলে অডিট কমিটি কোম্পানির নির্বাহীদের পরামর্শ দেয়। কর্পোরেট গভর্নেন্স কোডের শর্ত অনুসারে মনোনয়ন এবং রেমুনেরেশন কমিটি (এনআরসি) কাজ করেছে। এনআরসি পরিচালনা পর্ষদ ও শীর্ষস্তরের নির্বাহী সদস্যদের জন্য মানদণ্ড, স্বতন্ত্র পরিচালক ও পরিচালনা পর্ষদের কার্যকারিতা মূল্যায়নের জন্য এবং শীর্ষ স্তরের নির্বাহীদের পারিশ্রমিকের জন্য নীতিমালা প্রণয়ন করেছে।

পরিচালনা পর্ষদের বার্ষিক মূল্যায়নঃ

পরিচালনা পর্ষদের সকল সদস্যবৃন্দের অংশগ্রহণে ২০২০ সালে পরিচালনা পর্ষদের মূল্যায়ন করা হয়। কর্পোরেট গভর্নেন্স কোডে প্রদত্ত রূপরেখা অনুযায়ী এনআরসি উক্ত মূল্যায়নের জন্য প্রয়োজনীয় মানদণ্ড তৈরি করা করে। বার্ষিক প্রতিবেদন ২০২০ এর কর্পোরেট গভর্নেন্স বিষয়ক বিবৃতিতে উক্ত মূল্যায়ন প্রতিবেদন সংযুক্ত রয়েছে। মূল্যায়ন প্রতিবেদনটি পরিচালনা পর্ষদকে আরও কার্যকর ও সুসংহত করার জন্য উন্নতির ক্ষেত্রগুলি চিহ্নিত করেছে। সুপারিশগুলি যত্ন সহকারে বাস্তবায়ন করা হবে।

৫. প্রাতিষ্ঠানিক সামাজিক দায়বদ্ধতা (সিএসআর) এবং টেকসই উন্নয়নঃ

২০২০ সালে আপনার কোম্পানির প্রাতিষ্ঠানিক সামাজিক দায়বদ্ধতা (সিএসআর) কার্যক্রমগুলোর মধ্যে অতিমারীর জন্য যে চ্যালেঞ্জ সৃষ্টি হয়েছিলো তা মোকাবেলা করার জন্য সচেতনতা বৃদ্ধি করতে জোর দিয়েছিলো। স্থানীয় জনসাধারণের জীবন মানের টেকসই উন্নয়নের লক্ষ্যে শিক্ষা, স্বাস্থ্যসেবা এবং নারীর ক্ষমতায়ন নিশ্চিত করে কোম্পানির নিয়মিত সিএসআর কার্যক্রম অব্যাহত ছিলো।

অতিমারী চলাকালীন কর্মসংস্থানের সুযোগ নষ্ট হওয়ার কারণে কমিউনিটির বিপুল সংখ্যক মানুষ ঝুঁকির মুখোমুখি হয়েছিলেন। একটি সামাজিক দায়বদ্ধ প্রতিষ্ঠান হিসেবে আপনার কোম্পানি তাঁদের পাশে দাড়িয়েছিলো। কোম্পানির সকল কর্মী তাঁদের একদিনের বেতন ত্যাগের মাধ্যমে একটি তহবিল তৈরী করে। কোম্পানিও সম পরিমাণ অর্থ প্রদানের মাধ্যমে অধিকতর জনগোষ্ঠীর নিকট পৌঁছানোর সুযোগ করে দেয়। এই তহবিলের অর্থ করোনা অতিমারীর সম্মুখ যোদ্ধা, স্বাস্থ্য কর্মী এবং স্থানীয় জনগণের সুরক্ষা নিশ্চিত করে ব্যবহার করা হয়।

করোনা অতিমারীর সময় আপনার কোম্পানির পক্ষ থেকে বাংলাদেশের ছাতক, সোনারগাঁও ও মংলা এবং ভারতের মেঘালয়ের শেলা এবং নংটাইয়ের ৪,০০০ এর অধিক পরিবারকে খাদ্য ও প্যাকেট দুধ বিতরণ করা হয়েছে। অতিমারীর একেবারে শুরু দিকে ব্যক্তিগত সুরক্ষা সরঞ্জামের (পিপিই) ঘাটতি ছিল, বিশেষ করে মাস্কের। আপনার কোম্পানি স্থানীয়দের মধ্যে প্রায় ৮,০০০ মাস্ক বিতরণ করেছে। স্থানীয় পৌরসভা এবং এনজিওর সহযোগিতায় ৬০টি হাত ধোয়ার ইউনিটও স্থাপন করা হয়েছে। স্থানীয় প্রশাসনের সমন্বয় ও সহযোগিতায় এ সকল কার্যক্রম পরিচালিত হয়েছে।

“ফরেন ইনভেস্টরস চেম্বার অফ কমার্স অ্যান্ড ইন্ডাস্ট্রি” মাধ্যমে আপনার কোম্পানি কোভিড-১৯ মনোনীত হাসপাতালের স্বাস্থ্যকর্মীদের মধ্যে ৫৫০টি উচ্চ মানের পিপিই বিতরণ করেছে। ‘ফ্রেন্ডশিপ’ নামের একটি এনজিওর মাধ্যমেও সাধারণ জনগণের পাশে দাড়ায় আপনার

৬. অভ্যন্তরীণ ও বহিরাগত ঝুঁকি, টেকসই উন্নয়নে হুমকি এবং পরিবেশের উপর নেতিবাচক প্রভাবঃ

কোম্পানির নিরীক্ষকবৃন্দ শেয়ারহোল্ডারদের নিকট পেশকৃত প্রতিবেদনে জালালাবাদ গ্যাস ট্রান্সমিশন অ্যান্ড ডিস্ট্রিবিউশন সিস্টেমস লিমিটেড কর্তৃক এর গ্যাসের অতিরিক্ত মূল্য দাবীর বিষয়ে মনোযোগ আকর্ষণ করেছেন।

এই বিষয়ে উল্লেখ করতে চাই যে, আপনাদের কোম্পানির সাথে জালালাবাদ গ্যাস ট্রান্সমিশন ও ডিস্ট্রিবিউশন সিস্টেমসের একটি গ্যাস বিক্রয় চুক্তি রয়েছে যা ১৬ জানুয়ারি ২০২৬ অবধি বলবৎ। গ্যাসের দাম নিয়ে আপনার কোম্পানি ও জালালাবাদের মধ্যে মতবিরোধ রয়েছে। কোম্পানির আন্তরিক প্রচেষ্টা সত্ত্বেও, পারস্পরিক আলোচনার মাধ্যমে মতবিরোধটি সমাধান করা যায়নি। ফলশ্রুতিতে, বিরোধটি সমাধানের জন্য কোম্পানি গ্যাস বিক্রয় চুক্তির শর্ত মোতাবেক জালালাবাদ কোম্পানিকে সালিশী নোটিশ জারি করেছে।

এর পাশাপাশি সুরমা প্ল্যান্টে গ্যাস সরবারহ অব্যাহত রাখতে স্থিতাবস্থা চেয়ে মহামান্য আদালতে আবেদন করে আপনার কোম্পানি। ২০২১ সালের ৭ ফেব্রুয়ারি, বাংলাদেশের সুপ্রিম কোর্টের মাননীয় হাইকোর্ট বিভাগ এই মর্মে একটি আদেশ দেয় যে, কোম্পানির সুরমা প্ল্যান্টে গ্যাস সরবারহ অব্যাহত রাখতে হবে। আদেশ অনুসারে, আপনার কোম্পানি বাংলাদেশ সুপ্রিম কোর্টের হাইকোর্ট বিভাগের রেজিস্ট্রারের নামে ফেব্রুয়ারি ৭, ২০২১ তারিখ পর্যন্ত সমস্ত অমিমাংসিত বিলের সমপরিমাণ অর্থের ব্যাংক গ্যারান্টি আদালতে জমা দিয়েছে। অভ্যন্তরীণ মূল্যায়ন অনুসারে এই বিরোধ মামলায় কোম্পানির পক্ষে দৃঢ় আইনগত ভিত্তি রয়েছে এবং আরবিট্রেশন অ্যাওয়ার্ড কোম্পানির পক্ষে আসবে বলে আমরা প্রত্যাশা করছি।

ক্রস বর্ডার প্রজেক্ট হওয়ায় সব সময়ই আপনার কোম্পানি কিছু বিশেষ ঝুঁকির মধ্যে রয়েছে। ভারতীয় সাবসিডিয়ারি কোম্পানি থেকে চূনাপাথর সরবরাহে যে কোনো বাধা ব্যবসার ধারাবাহিকতায় সমস্যা সৃষ্টি করবে। সকল প্রযোজ্য আইন মেনে চলা এবং স্থানীয় কমিউনিটির উন্নয়ন এ ঝুঁকি কমাতে গুরুত্বপূর্ণ ভূমিকা পালন করবে।

বাংলাদেশে চাহিদার তুলনায় সিমেন্টের উৎপাদন বেশি। তারপরও কোম্পানিগুলো উৎপাদন ক্ষমতা বৃদ্ধি করছে। ফলে বাজারে প্রতিযোগিতা বাড়বে এবং দামের উপর চাপ পড়বে। বাংলাদেশে ক্লিন্কারের মূল্য অনেকাংশে নির্ভর করে এশিয়ায় ক্লিন্কারের প্রাপ্যতার উপর। আপনার কোম্পানির উপর যার প্রভাব রয়েছে।

৭. ঝুঁকি ব্যবস্থাপনা:

কোম্পানির ব্যবস্থাপনা কমিটির দায়িত্ব হলো সকল প্রকার ঝুঁকি সঠিকভাবে নিরূপন করা এবং তা ব্যবস্থাপনায় তদারকি করা। সম্ভাব্য ঝুঁকি সনাক্ত ও বিশ্লেষণের জন্য সর্বাধুনিক ঝুঁকি ব্যবস্থাপনা নীতির প্রয়োজন এবং কোন প্রকার ঝুঁকির আশঙ্কা থাকলে সেটা হ্রাস করার সকল পদক্ষেপ নিতে হবে। কোম্পানি ব্যবসা পরিচালনার জন্য ক্রেডিট, লিকুইডিটি ও মার্কেট ঝুঁকির মুখোমুখি হয়।

ক. ক্রেডিট রিস্ক / বকেয়া ঝুঁকি:

চুক্তি অনুযায়ী কোন ক্রেতা বা আর্থিক অংশীদার শর্তপূরণে ব্যর্থ হতে পারে। এ ধরনের আর্থিক ক্ষতির ঝুঁকিকে বকেয়া ঝুঁকি হিসেবে গণ্য করা হয়। নতুন ক্রেতাদের জন্য তাই বকেয়া নীতি তৈরী করা হয়েছে। যেখানে নতুন ক্রেতাদের আলাদাভাবে বিশ্লেষণ করা হয়। ক্রেতাদের বকেয়ার পরিমাণ নিয়মিত তদারকি করা হয়। বকেয়া কমিটির অনুমতি ছাড়া কোনো ভাবে বকেয়ার সর্বোচ্চ সীমা অতিক্রম করার সুযোগ নেই। সকল ব্যবসায়ী ও অন্যান্য ক্রেতাদের জন্য কোম্পানি ব্যাংক গ্যারান্টি ও সিকিউরিটি চেক নিয়ে থাকে।

খ. লিকুইডিটি রিস্ক / আর্থিক ঝুঁকি:

কোম্পানির সঙ্গে সম্পর্কিত কোন চুক্তি বা দায়িত্বপালনে যদি কোম্পানি ব্যর্থ হয় সে সংক্রান্ত কোন সমস্যা সমাধানের জন্য কোম্পানিকে নগদ কিংবা সম্পদের মাধ্যমে পরিশোধ করতে হতে পারে। এটাই লিকুইডিটি রিস্ক। কোম্পানির সুনাম যাতে ক্ষুণ্ণ না হয় সেটার জন্য লিকুইডিটি রিস্ক যত দ্রুত সমাধান যায় সে লক্ষ্যে কোম্পানি কাজ করে।

গ. বাজার ঝুঁকি:

বাজার মূল্যের পরিবর্তনের কারণেই বাজার ঝুঁকি তৈরি হয়। বৈদেশিক মুদ্রার হার ও সুদের হার কোম্পানির আয় ও আর্থিক কার্যাবলীর ওপর প্রভাব ফেলে। বাজার ঝুঁকি ব্যবস্থাপনার উদ্দেশ্য হলো সম্ভাব্য ও গ্রহণযোগ্য পরিমাপগুলোর মাধ্যমে বাজার ঝুঁকি প্রভাব নিয়ন্ত্রণ করা। এর মধ্যে তিন ধরনের ঝুঁকি বিদ্যমানঃ বৈদেশিক মুদ্রার ঝুঁকি, সুদের হারের ঝুঁকি ও পণ্যসামগ্রীর ঝুঁকি।

বৈদেশিক মুদ্রার ঝুঁকি - বৈদেশিক মুদ্রা বিনিময় মূল্য সম্পর্কিত ঝুঁকি আপনার কোম্পানির জন্য প্রযোজ্য। কোম্পানির ব্যবসা সাধারণত ইউরো, মার্কিন ডলার, সুইস ফ্র্যাঙ্ক ও ভারতীয় মুদ্রার লেনদেনের সাথে সম্পর্কিত।

সুদের হার সম্পর্কিত ঝুঁকি - বাজারে সুদের হার পরিবর্তনের কারণে আর্থিক উপকরণের ন্যায় মূল্য ও নগদ অর্থমূল্যের মান ওঠানামা করলে এই ঝুঁকি তৈরি হয়। এর ফলে কোম্পানি স্বল্প মেয়াদের আমানত ঝুঁকির মুখোমুখি হয়।

পণ্যসামগ্রীর ঝুঁকি - পণ্যের মূল্য, পরিমাপ ও বাজার দামের ওঠানামার ক্ষেত্রে কোম্পানি পণ্য ঝুঁকিতে পড়তে পারে। এসবের উপর নির্ভর করে কোম্পানির পণ্য ক্রয় ও বিক্রয় হয়ে থাকে।

৮. অংশীদারদের সাথে লেনদেন (রিলেটেড পার্টি ট্রানজেকশন):

আইএএস ২৪ এর বিধান অনুসারে যে সকল চুক্তি রিলেটেড পার্টি ট্রানজেকশন হিসাবে গণ্য, তা কোম্পানির স্বাভাবিক ব্যবসা পরিচালনার অংশ। এ সম্পর্কিত সমস্ত অংশীদারের নাম, লেনদেনের ধরণ, চুক্তি ও কার্যাবলীর বিবরণী ২৯ এ অন্তর্ভুক্ত রয়েছে।

৯. আর্থিক প্রতিবেদন সম্পর্কে পরিচালকদের ঘোষণা:

পরিচালকগণের মতে কোম্পানি একটি “গোয়িং কনসার্ন”। সেই মোতাবেক আর্থিক প্রতিবেদন গোইং কনসার্ন ভিত্তিতে প্রস্তুত করা হয়েছে।

সর্বোচ্চ গুরুত্বসহকারে পরিচালকগণ আর্থিক এই প্রতিবেদন প্রস্তুত করেছেন। আর্থিক বিবরণী প্রস্তুত ও উপস্থাপনার অংশ হিসাবে

- ▶ আর্থিক প্রতিবেদন কোম্পানির বর্তমান অবস্থা, পরিচালনা তথা সকল কাজকর্ম, লেনদেন ও পরিবর্তনের ফলাফল উপস্থাপন করে।
- ▶ অ্যাকাউন্টের সকল নিয়মাবলি মান্য করা হয়েছে।
- ▶ আর্থিক প্রতিবেদন প্রস্তুতের ক্ষেত্রে আন্তর্জাতিক অ্যাকাউন্টিং স্ট্যান্ডার্ডস (আইএএস) বা আন্তর্জাতিক ফিন্যান্সিয়াল রিপোর্টিং স্ট্যান্ডার্ডস (আইএফআরএস) অনুসরণ করা হয়েছে। সমস্ত নিয়ম মেনেই আর্থিক বিবরণী প্রস্তুত করা হয়েছে এবং সেখান থেকে যথাযথভাবে প্রকাশ করা হয়েছে। আর্থিক বিবরণী তৈরীতে কোম্পানি ১ জানুয়ারি ২০১৮ থেকে প্রাথমিকভাবে আইএফআরএস ১৫ এবং আইএফআরএস ৯ প্রয়োগ করে আসছে।
- ▶ ১ জানুয়ারি ২০১৮ থেকে আরও কিছু নতুন নীতি কার্যকর হয় তবে সেগুলি কোম্পানির আর্থিক বিবৃতিতে সরাসরি কোন প্রভাব ফেলছে না।
- ▶ অভ্যন্তরীণ নিয়ন্ত্রণের ব্যবস্থা কার্যকরভাবে প্রয়োগ ও পর্যবেক্ষণ করা হয়েছে।
- ▶ সংখ্যালঘু শেয়ারহোল্ডারগণ প্রত্যক্ষ বা পরোক্ষভাবে সব ধরনের অনিশ্চয়তা থেকে সুরক্ষিত।
- ▶ কোম্পানির কার্যক্রম যথাযথ ও দক্ষতার সাথে পরিচালিত করার জন্য উল্লেখযোগ্য আর্থিক বিষয়ের সাথে অন্যান্য সূচকের পরীক্ষা-নিরীক্ষা ও পরিচালনা করেছে।
- ▶ পরিচালনা পর্ষদ সন্তোষজনক মনোভাব ব্যক্ত করেছে এবং ভবিষ্যতে ধারাবাহিকভাবে কার্যক্রম চালিয়ে যাওয়া পর্যাপ্ত সক্ষমতা রয়েছে বলে যুক্তিসঙ্গত প্রত্যাশা করে। এবং আর্থিক বিবরণী সর্বোচ্চ গুরুত্বের ভিত্তিতে প্রস্তুত করেছে।
- ▶ কোম্পানি অন্তর্বর্তীকালীন কোন লভ্যাংশ ঘোষণা করেনি।
- ▶ গত পাঁচ (৫) বছরের মূল কার্যাবলী এবং আর্থিক তথ্যাদি, বিক্রয়কৃত সামগ্রীর মূল্য, মোট লাভের পরিমাণ, নিট লাভের পরিমাণ পরিশিষ্ট -১ এ প্রকাশ করা হয়েছে।
- ▶ পরিশিষ্ট- ২ এ পরিচালনা পর্ষদের সভার বিবরণ এবং উপস্থিতি, সংক্ষিপ্ত জীবন বৃত্তান্তসহ পরিচালকদের নিয়োগ ও পুনরায় নিয়োগের বিবরণ সংযুক্ত করা হয়েছে।
- ▶ শেয়ারহোল্ডারদের ধরণ পরিশিষ্ট-৬ এ সংযুক্ত করা হয়েছে।

- ▶ কর্পোরেট গভর্নেন্স কোডের আওতায় প্রধান নির্বাহী কর্মকর্তা এবং প্রধান আর্থিক কর্মকর্তা স্বাক্ষরিত একটি বিবরণী পরিশিষ্ট-৭ এ প্রকাশিত হয়েছে।
- ▶ প্রধান নির্বাহী কর্মকর্তা স্বাক্ষরিত ম্যানেজমেন্টের আলোচনা ও বিশ্লেষণ কোম্পানির অবস্থান ও কার্যক্রম উপস্থাপনের সাথে আর্থিক বিবৃতিতে পরিবর্তনের সংক্ষিপ্ত বিষয় পরিশিষ্ট- ৮ এ প্রকাশ করা হয়েছে।

১০. গবেষণা, উন্নয়ন ও উদ্ভাবনঃ

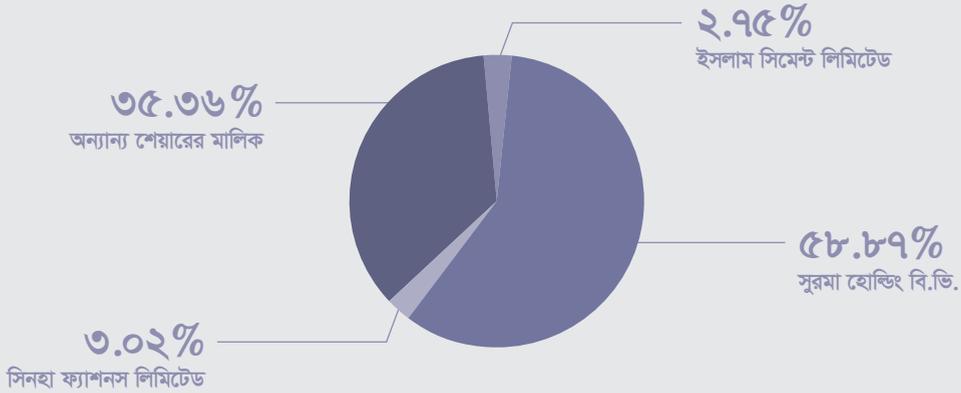
লাফার্জহোলসিম এবং সিমেন্টোস মলিস গ্রুপের অংশ হিসেবে ক্রেতার প্রয়োজনেই আমাদের গবেষণা ও উন্নয়ন (আরএন্ডি) কার্যক্রম পরিচালিত হয়। নির্মাণের ব্যয় হ্রাস করে পরিবেশের কোন ক্ষতি না করে উচ্চমান রক্ষা করা কোম্পানির জন্য বড় চ্যালেঞ্জ। আমাদের গবেষণা কর্মীরা সর্বাধিক উদ্ভাবনী পণ্য, সমস্যা সমাধান ও পরিসেবার পাশাপাশি উন্নত উৎপাদন প্রক্রিয়া নিশ্চিত করে কাজ করে থাকে।

১১. অভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থাঃ

কোম্পানির নীতিমালা ও কার্যক্রমের দিক নির্দেশনাবলী কোম্পানিতে নথিভুক্ত রয়েছে, যা নির্দিষ্ট সময়ে পর্যালোচনা করা হয়। এসব নীতিমালা ও দিকনির্দেশনাবলী মনিটর করে অডিট কমিটির কাছে প্রতিবেদন পাঠায়।

১২. শেয়ারের ধরণঃ

আপনার কোম্পানি ঢাকা স্টক এক্সচেঞ্জে এবং চট্টগ্রাম স্টক এক্সচেঞ্জে তালিকাভুক্ত রয়েছে। নিম্নে কোম্পানির মোট শেয়ারহোল্ডিং অবস্থান তুলে ধরা হলোঃ



শেয়ারহোল্ডিংয়ের ধরণ সম্পর্কে আরও তথ্য এই প্রতিবেদনের পরিশিষ্ট- ৬ যুক্ত করা হয়েছে।

সুরমা হোল্ডিং বি.ভিঃ

আপনার কোম্পানির ৫৮.৮৯% শেয়ারের মালিক নেদারল্যান্ডস ভিত্তিক কোম্পানি সুরমা হোল্ডিং বি.ভি.। সুরমা হোল্ডিং বি.ভি.'র ৫০% শেয়ারের মালিক সুইজারল্যান্ড ভিত্তিক লাফার্জহোলসিমের সহযোগী প্রতিষ্ঠান লাফার্জ এস.এ., আর বাকী ৫০% শেয়ারের মালিক স্পেনের সিমোলিন্স ইন্টারনাসিয়োনাল।

উদ্যোক্তাদের সম্পর্কেঃ

সুইজারল্যান্ডভিত্তিক লাফার্জহোলসিম গ্রুপ চারটি বিভাগে ব্যবসা পরিচালনা করে: সিমেন্ট, অ্যাগ্রিগেটস, রেডি-মিক্স কংক্রিট এবং সল্যুশনস অ্যান্ড প্রোডাক্টস (যার মধ্যে প্রিকাস্ট কংক্রিট, শিলা, মর্টার এবং বিল্ডিং সল্যুশনস পরিসেবা অন্তর্ভুক্ত)। লাফার্জহোলসিম নির্মাণ সামগ্রী তৈরীর ক্ষেত্রে বিশ্বে শীর্ষস্থানীয়। বিশ্বকে কীভাবে আরও সবুজ, স্মার্ট ও অধিকতর বসবাসযোগ্য করা যায় সেই লক্ষ্যে কোম্পানিটি কাজ করছে। নেট জিরো কোম্পানি হওয়ার পথে লাফার্জহোলসিম কার্বন-নিরপেক্ষ নির্মাণ উদ্বুদ্ধ করছে।

কোম্পানিটি বর্জ্য সমস্যা সমাধানের জন্য বর্জ্য শক্তি এবং কাঁচামাল হিসাবে পুনঃব্যবহারের মাধ্যমে বিশ্বব্যাপী শীর্ষস্থান দখল করেছে। উদ্ভাবন এবং ডিজিটাইজেশন হলো কোম্পানির গুরুত্বপূর্ণ কৌশল। গবেষণা ও উন্নয়ন ব্যয়ের অর্ধেকেরও বেশি ব্যবহৃত হয় পরিবেশবান্ধব নির্মাণসামগ্রী উদ্ভাবনে। বিস্তারিত জানতে এই ঠিকানায় ভিজিট করুন <https://www.lafargeholcim.com>

স্পেনের নির্মাণ খাতের অন্যতম গুরুত্বপূর্ণ কোম্পানি হলো সিমেন্টোস মলিন্স। দক্ষতা ও একাত্মতার মাধ্যমে তাঁদের মূল্যবোধ ও ঐতিহ্য বছরের পর বছর ধরে রেখেছে। সিমেন্টোস মলিন্স গ্রুপ স্পেন, আর্জেন্টিনা, উরুগুয়ে, মেক্সিকো, বলিভিয়া, কলম্বিয়া, তিউনিসিয়া এবং বাংলাদেশে কাজ করে। সিমেন্ট ছাড়াও এটি কংক্রিট, অ্যাগ্রিগেটস, প্রিফ্যাব্রিকেটেড কংক্রিট ও ইকোম্যাটেরিয়ালস ব্যবসা পরিচালনা করে। বিস্তারিত জানতে এই ঠিকানায় ভিজিট করুন <https://www.cemolins.es>

সুরমা হোল্ডিং বি.ভি. ছাড়াও আপনার কোম্পানির অন্যান্য উদ্যোক্তা হলেন বাংলাদেশের ইসলাম সিমেন্ট লিমিটেড এবং সিনহা ফ্যাশনস লিমিটেড।

১৩. পরিচালনা পর্ষদঃ

(ক) পরিচালনা পর্ষদের গঠন

বার (১২) জন সদস্য নিয়ে কোম্পানির পরিচালনা পর্ষদ গঠিত। তার মধ্যে তিন (৩) জন সদস্য স্বতন্ত্র পরিচালক।

(খ) স্বতন্ত্র পরিচালক/ ইনডিপেন্ডেন্ট ডিরেক্টর

স্বতন্ত্র পরিচালক জনাব মনজুরুর রহমান দুই মেয়াদ দায়িত্ব পালন করার পর এ বছর অবসর গ্রহণ করেন। পরিচালনা পর্ষদে জনাব মনজুরুর রহমানের অবদান অপরিসীম। তার মূল্যবান অবদানের জন্য কোম্পানি তার প্রতি কৃতজ্ঞতা প্রকাশ করেছে।

কর্পোরেট গভর্নেন্স কোডের বিধানাবলী অনুসারে পরিচালনা পর্ষদ জনাব রাজীব প্রসাদ সাহাকে তিন বছরের জন্য স্বতন্ত্র পরিচালক হিসাবে নিয়োগ করে যা ২৬ জানুয়ারী ২০২১ থেকে কার্যকর হয়।

জনাব রাজীব প্রসাদ সাহাকে স্বতন্ত্র পরিচালক নিয়োগ শেয়ারহোল্ডারগণের অনুমোদনের জন্য ২৩তম বার্ষিক সাধারণ সভায় উপস্থাপন করা হবে। আইনানুসারে স্বতন্ত্র পরিচালকগণ বার্ষিক সাধারণ সভায় অবসরে যেতে বাধ্য নন। জনাব রাজীব প্রসাদ সাহার জীবন বৃত্তান্ত এই বার্ষিক প্রতিবেদনের একটি অংশ।

(গ) পরিচালনা পর্ষদের সদস্যদের পদত্যাগ

কোম্পানির পরিচালক জনাব শিবেশ কুমার সিনহা কোম্পানির পরিচালক এবং কোম্পানির নিরীক্ষা কমিটির সদস্য হিসাবে পদত্যাগপত্র জমা দেন যা ৯ অক্টোবর ২০২০ থেকে কার্যকর হয়েছে। জনাব শিবেশ কুমার সিনহা ১৪ বছরেরও বেশি সময় ধরে কোম্পানির পরিচালনা পর্ষদের সদস্য হিসাবে দায়িত্ব পালন করেছেন। পরিচালনা পর্ষদ তার পদত্যাগপত্র গ্রহণ করেছে এবং কোম্পানির প্রতি তাঁর সহযোগিতা, বিজ্ঞ পরামর্শ ও কৌশলগত দিকনির্দেশনাসহ মূল্যবান অবদানের জন্য কৃতজ্ঞতা প্রকাশ করেছে।

(ঘ) পরিচালক নিয়োগ

কোম্পানির আর্টিকেলস অব অ্যাসোসিয়েশনের ১৫.১.২ অনুচ্ছেদ অনুসারে গত ৭ অক্টোবর ২০২০ তারিখ সুরমা হোল্ডিং বি.ভি. মিসেস সোনালা শ্রীবাস্তবকে কোম্পানির পরিচালনা পর্ষদে মনোনয়ন দেন।

কোম্পানির আর্টিকেলস অব অ্যাসোসিয়েশনের ১৫.১.৩ অনুচ্ছেদ অনুসারে মিসেস সোনালা শ্রীবাস্তবকে ২০২০ সালের ৯ই অক্টোবর থেকে এই কোম্পানির পরিচালক পদে নিযুক্ত করা হয়েছে।

(ঙ) পুনরায় নির্বাচনের জন্য সুপারিশ:

১৯৯৪ সালের কোম্পানির আইনের তফসিল ৭৯ এর বিধি অনুসারে বোর্ডের নিম্নলিখিত পরিচালকগণ ২৩তম বার্ষিক সাধারণ সভায় অবসর গ্রহণ করবেন এবং পুনরায় নির্বাচনের জন্য আসবেন।

- ▶ জনাব ক্রিস্টোফ হ্যাসিগ
- ▶ জনাব মনজুরুল ইসলাম
- ▶ মিসেস সোনালা শ্রীবাস্তব

পরিচালনা পর্ষদের প্রতিবেদনের অংশ হিসাবে উল্লিখিত তিন পরিচালকের একটি সংক্ষিপ্ত প্রোফাইল পরিশিষ্ট-৩ এ সংযোজন করা হয়েছে।

(চ) পরিচালনা পর্ষদের সাব কমিটি:

কোম্পানিতে সুশাসন নিশ্চিত করতে পরিচালনা পর্ষদ আইনানুসারে দুটি সাব-কমিটি গঠন করেছে।

- ▶ অডিট কমিটি: পরিচালনা পর্ষদ চেয়ারম্যান পদে একজন স্বতন্ত্র পরিচালক সহ তিনজন পরিচালকের সমন্বয়ে অডিট কমিটি গঠন করেছে। অডিট কমিটি কোম্পানির যে কোনো ত্রুটি এবং ঘাটতিগুলো সনাক্ত করে অভ্যন্তরীণ সামঞ্জস্য নিশ্চিত করে।
পাশাপাশি অডিট কমিটি নিয়ন্ত্রক সংস্থার বিধি বিধান মেনে চলার বিষয়টিও নিশ্চিত করে। এছাড়াও অডিট কমিটি ত্রৈমাসিক এবং বার্ষিক আর্থিক বিবরণীসহ অ্যাকাউন্টিং নীতি, ঝুঁকি ব্যবস্থাপনা প্রক্রিয়া, অভ্যন্তরীণ নিয়ন্ত্রণ ও আর্থিক প্রতিবেদন প্রক্রিয়া পর্যালোচনা করে।
- ▶ মনোনয়ন এবং পারিশ্রমিক কমিটি (এনআরসি): পরিচালনা পর্ষদ চেয়ারম্যান পদে একজন স্বতন্ত্র পরিচালক সহ তিনজন পরিচালকের সমন্বয়ে মনোনয়ন এবং পারিশ্রমিক কমিটি গঠন করেছে। যেখানে নীতি নির্ধারণ ও পারিশ্রমিক নীতিমালা, গুরুত্বপূর্ণ পদে নিয়োগ, কর্মীদের সুযোগ সুবিধা ইত্যাদি সুপারিশ করা হয়।

(ছ) পরিচালনা পর্ষদ ও সাব কমিটির সভা এবং উপস্থিতি:

২০২০ সালে কোম্পানির পরিচালনা পর্ষদ এবং কোম্পানির অডিট কমিটির চারটি করে সভা অনুষ্ঠিত হয়েছে। কোম্পানির এনআরসি কমিটির একটি সভা অনুষ্ঠিত হয়। কোভিড-১৯ অতিমারীর কারণে ভ্রমণে বিধিনিষেধ মান্য করা ও সামাজিক দূরত্ব নিশ্চিত করার জন্য পরিচালনা পর্ষদ, অডিট কমিটি, এনআরসি সভা ভার্চুয়াল মাধ্যমে অনুষ্ঠিত হয়, যা বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের (বিএসইসি) আদেশ নং এসইসি/এসআরএমআইসি/৯৪-২৩১/২৫ তারিখ ৮ জুলাই ২০২০ এর সাথে সঙ্গতিপূর্ণ। পরিচালকদের সভার তারিখ এবং উপস্থিতি রেকর্ড সহ বিশদ বিবরণ এই বার্ষিক প্রতিবেদনে সংযুক্ত করা হয়েছে। যেসব পরিচালক সভায় অংশ নিতে পারেননি তাদের অনুপস্থিতি মঞ্জুর করা হয়।

১৪. কর্পোরেট গভর্নেন্স কমপ্ল্যায়েন্স স্টেটমেন্ট:

কোম্পানি ২০১৮ সালের ৩ জুন তারিখে প্রকাশিত বিএসইসি বিজ্ঞপ্তি নং বিএসইসি/সিএমআরআরসিডি/২০০৬-১৫৮/২০৭/ অ্যাডমিন/৮০ এর প্রয়োজনীয় সকল নির্দেশিকাগুলি মেনে চলেছে। ২০২০ সালের বার্ষিক এই প্রতিবেদনে সঙ্গে কর্পোরেট গভর্নেন্স কমপ্ল্যায়েন্স রিপোর্ট সম্পর্কিত প্রয়োজনীয় মন্তব্য যুক্ত করা হয়েছে। চার্টার্ড সেক্রেটারি অ্যান্ড কনসালটেন্ট আল-মুকতাদির এ বিষয়ে প্রয়োজনীয় সনদ প্রদান করেছেন, যা এই বার্ষিক প্রতিবেদনে পরিশিষ্ট ১১ তে সংযুক্ত করা হয়েছে।

১৫. অডিটর:

(ক) অডিটর রিপোর্ট:

কোম্পানির স্টেটুটোরি অডিটর শেয়ারহোল্ডারদের নিকট পেশকৃত প্রতিবেদনে জালালাবাদ গ্যাস ট্রান্সমিশন অ্যান্ড ডিস্ট্রিবিউশন সিস্টেম লিমিটেড কর্তৃক দাবীকৃত গ্যাসের অতিরিক্ত মূল্যের বিষয়ে মনোযোগ আকর্ষণ করেছেন। স্টেটুটোরি অডিটর যে সকল বিষয়ে শেয়ারহোল্ডারদের মনোযোগ আকর্ষণ করেছেন সে বিষয়ে পরিচালনা পর্ষদের ব্যাখ্যা বা মন্তব্যগুলি এই রিপোর্টের ছয় নং নোটে বিস্তারিতভাবে দেওয়া হয়েছে।

(খ) স্টেটুটোরি অডিটর:

কোম্পানি আইন, ১৯৯৪ এর ২১০ ধারা অনুসারে বর্তমান অডিটরস মেসার্স হোদাভাসি চৌধুরী অ্যান্ড কোং, চার্টার্ড অ্যাকাউন্ট্যান্টস, ২৩তম বার্ষিক সাধারণ সভায় অবসর গ্রহণ করবেন এবং পুনরায় নিযুক্ত হওয়ার ব্যাপারে তাদের আগ্রহ প্রকাশ করেছেন।

(গ)

কর্পোরেট গভর্নেন্স কমপ্লিয়েন্স অডিটর:

বিএসইসির কর্পোরেট গভর্নেন্স কোডের শর্তাবলী মেনে চলার বিষয়ে প্রতিবছর কোম্পানি পেশাদার অ্যাকাউন্টেন্ট / সচিব (চার্টার্ড অ্যাকাউন্ট্যান্ট/কস্ট এবং ম্যানেজমেন্ট অ্যাকাউন্ট্যান্ট/চার্টার্ড সেক্রেটারি) এর কাছ থেকে কমপ্লিয়েন্সের সনদ গ্রহণ করে।

মেসার্স আল-মুকতাদির অ্যাসোসিয়েটস ও চার্টার্ড সেক্রেটারি এন্ড কনসালটেন্ট, ২৩তম বার্ষিক সাধারণ সভায় অবসর গ্রহণ

১৬. শিল্প আউটলুক এবং সম্ভাব্য ভবিষ্যত বিকাশঃ

নানাদরনের প্রাকৃতিক দুর্যোগ ও চ্যালেঞ্জ থাকা সত্ত্বেও বিগত এক দশকে বাংলাদেশের অর্থনীতি ধারাবাহিকভাবে কমবেশী ৬% (২০১৯ সালে ৭.৯%) প্রবৃদ্ধি অর্জন করেছে। আন্তর্জাতিক মুদ্রা তহবিল (আইএমএফ) এর সূচক অনুসারে ২০৩০ সাল নাগাদ বাংলাদেশের ৩০০ বিলিয়ন থেকে ৭০০ বিলিয়ন ডলারের অর্থনৈতিক দেশ হিসেবে পরিণত হবে।

২০২০ সালের এপ্রিলে আইএমএফ পূর্বাভাস প্রকাশ করে যে কোভিড-১৯ এর প্রাদুর্ভাবের কারণে ২০২০ সালে বাংলাদেশের জিডিপি ২% হ্রাস পাবে এবং ২০২১ সালে আবারও ৯.৫% এ ফিরে আসবে। ২০২০ সালের এপ্রিল এবং মে মাসে বাংলাদেশ এবং মধ্যপ্রাচ্যে লকডাউন বিধিনিষেধের কারণে বাংলাদেশের বৈদেশিক মুদ্রার প্রধান উৎস তৈরি পোশাক (জিডিপি'র ১৩ শতাংশ) এবং রেমিটেন্স (জিডিপি'র ৭ শতাংশ) মারাত্মকভাবে ক্ষতিগ্রস্ত হয়েছিল।

জুনের প্রথম সপ্তাহে লকডাউন সহজ করে দেওয়া হয়েছিল এবং অর্থনীতিতে গতির সঞ্চারণ হয়। অতিরিক্ত ২% নগদ প্রণোদনা প্রদানের কারণে রেমিটেন্স (২০২০ সালের পর থেকে প্রতি মাসে ২ বিলিয়ন ডলার) বৃদ্ধি পায়। তৈরি পোশাক রপ্তানি পুনরায় বৃদ্ধি পেয়েছে, তবে বিশ্বব্যাপী লকডাউন (দ্বিতীয় স্তর) এবং বাংলাদেশের প্রধান বাজার ইউরোপ এবং উত্তর আমেরিকাতে খুচরা বিক্রয় কম হবার কারণে বর্তমান অবস্থান কোভিডের পূর্বের পর্যায়ে পৌঁছায়নি। বাহ্যিক খাত সমূহের শক্তিশালী হওয়ার সাথে সাথে চলতি অর্থবছরে (জুলাই ২০২০-জুন ২০২১) প্রবৃদ্ধির গতি আবারও বৃদ্ধি পাবে বলে আশা করা হচ্ছে।

অন্যদিকে আর্থিক উদ্দীপনা ব্যবস্থাগুলো দেশীয় চাহিদা জোরদার করবে বলে আশা করা হচ্ছে। স্বাস্থ্যকর বৈদেশিক মুদ্রা (৩৭ বিলিয়ন ডলার) এবং নিয়ন্ত্রিত বৈদেশিক মুদ্রার বাজার তুলনামূলকভাবে স্থিতিশীল মুদ্রার দৃষ্টিভঙ্গি নিশ্চিত করে। আর্থিক ঘাটতি মাঝারি মেয়াদে উদ্বেগজনক, যদিও সরকারী ঋণের নিম্ন স্তরের (জিডিপি ৪০ শতাংশ) এটিকে সঙ্কট থেকে রক্ষা করে।

সারাদেশে সাধারণ প্রকল্প এবং স্বতন্ত্র হাউজ বিল্ডার (আইএইচবি) বিভাগে নির্মাণ কার্যক্রম বৃদ্ধি পেয়েছে। গ্রামীণ খাতে ক্রমবর্ধমান চাহিদা থাকা সত্ত্বেও অতিমারীর কারণে সিমেন্টের ব্যবহার আনুমানিক ১ শতাংশ হ্রাস পেয়েছে। ২০২০ সালে সিমেন্টের বার্ষিক চাহিদা দাঁড়িয়েছে প্রায় ৩৩.৪ মিলিয়ন টন এবং ২০২১ সালে এই চাহিদা বাড়ার পূর্বাভাস দেওয়া হয়েছে। বাজার চাহিদা বিকাশ সত্ত্বেও বাংলাদেশ এখনো বিশ্বের অন্যতম নিম্নতম চাহিদার দেশ যেখানে মাথাপিছু সিমেন্টের খরচ মাত্র ২০০ কেজি।

১৭. স্বীকৃতিঃ

অব্যাহত দিকনির্দেশনা ও সহযোগিতার জন্য বাংলাদেশ সরকারের বিভিন্ন বিভাগ ও অফিসসহ, ভারত সরকার ও মেঘালয়ের রাজ্য সরকারকে আন্তরিকভাবে ধন্যবাদ। কোম্পানির সকল সন্মানিত শেয়ারহোল্ডারগণ ও ক্রেতা, ব্যবসায়ী, বিক্রেতা, ব্যাংক, সরবরাহকারী, ব্যবসায়িক অংশীদারদের সহায়তা এবং পরিসেবার জন্য সাধুবাদ জানাই। এছাড়াও মেঘনা, মোংলা ও সুরমা প্ল্যান্ট এবং মেঘালয়ের খনির আশেপাশের স্থানীয় লোকালয়ের সহযোগিতার জন্য আমরা সব সময় ঋণী। কোম্পানির সাথে নিবেদিত ভাবে কাজ করা সমস্ত কর্মীদের অবদানকে আমরা স্বীকৃতি দিতে চাই। পরিশেষে কোম্পানীকে ক্রমাগত এবং মূল্যবান সহায়তার প্রদানের জন্য উদ্যোক্তা ও পরিচালকবৃন্দের প্রতি আমরা কৃতজ্ঞ।

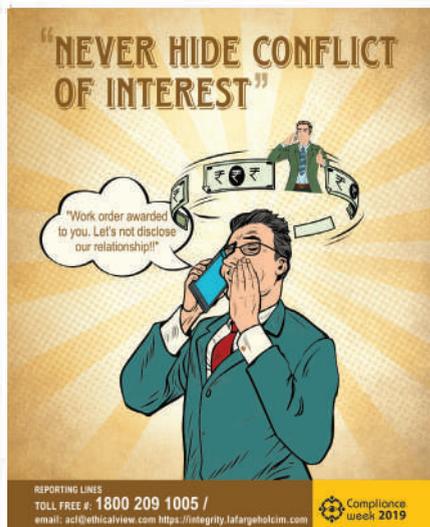
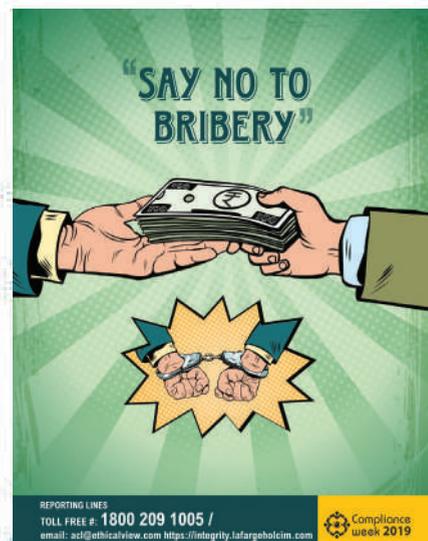
পরিচালনা পর্ষদের পক্ষে



ক্রিস্টোফ হ্যাসিগ
চেয়ারম্যান

তারিখঃ মার্চ ১৪, ২০২১

Compliance starts with me



The Company believes that everyone should feel comfortable to speak and ask questions or report concerns. Reports are managed in a fair and consistent manner. We strongly encourage reporting of violations of the Code of Business Conduct, policies or directives or any other breaches of law directly to your supervisor, Human Resources, Legal or Compliance personnel.

Integrity line is accessible to all to ask questions or make a report



Your safe way to speak up

Integrity Line

Doing business with integrity is the LafargeHolcim way. If you have a question, or need to raise a concern regarding LafargeHolcim business practices, speak to your supervisor, HR, Legal, or Compliance colleagues. And if you don't feel comfortable doing that, use the LafargeHolcim Integrity Line.

Integrity Line
https://integrity.lafargeholcim.com
Bangladesh: 09612746291
India: 0208000410033 (only via mobile)



CORPORATE GOVERNANCE STATEMENT

The Report on the Corporate Governance pursuant to the Bangladesh Securities and Exchange Commission Notification on Corporate Governance dated June 3, 2018 is given below:

Company's philosophy on corporate governance

Corporate Governance at LafargeHolcim Bangladesh Limited (the "Company") is a reflection of our value system encompassing our culture, policies, and relationships with our stakeholders. The key to our Corporate Governance practices is – Integrity, Transparency and Business ethics, which ensures that we gain and retain the trust of our stakeholders at all times. The pillars of our Governance include (i) following all legal compliances to satisfy both the spirit and the letter of the law in all our actions and disclosures (ii) ensuring a high level of integrity & transparency at all times (iii) ensuring an effective Corporate Governance Structure and communicating frequently with stakeholders, including customers, communities around our operations, shareholders, and regulators.

Throughout its existence spanning over 24 years, the Company has effectively sustained and nurtured itself since its inception with highest levels of professionalism. The Company emphasises on values such as Health & Safety (H&S) of employees, sustainable initiatives aimed at empowering communities, pollution free clean environment and last but not the least, accountability to all the stakeholders. The Company also believes that its operations ensure conservation and development of economic, social and environmental capital and responsible utilization of precious natural resources.

The Governance Structure:

A. Board composition: Size and composition of the Board.

The Company is a professionally managed company functioning under the overall supervision of the Board of Directors. The Board of Directors is made up of eminent and qualified persons who ensure that the tradition of demonstrating high standards of Corporate Governance is maintained. The Board of Directors sets out the overall corporate objectives and provides direction and independence to the Management to achieve these objectives for value creation through sustainable profitable growth. The Board of Directors seeks accountability of the Management in creating long term sustainable growth leading to the fulfilment of stakeholders' aspirations. It also sets out standards of corporate behaviour and ensures compliance with laws and regulations.

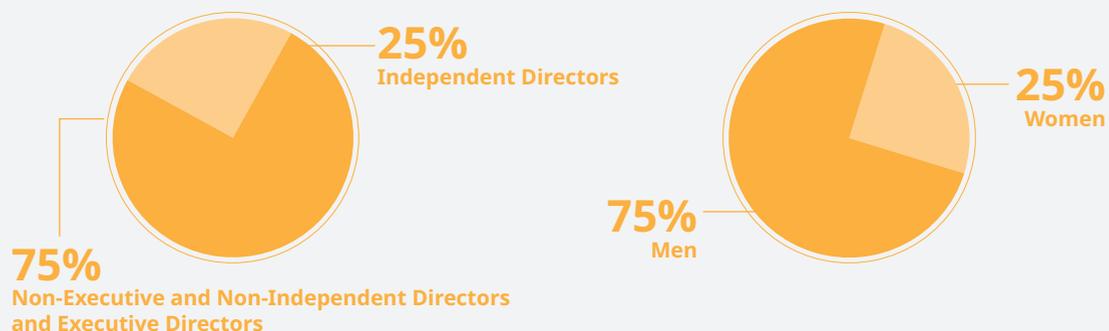
The Corporate Governance Code has mandated that:

- I. All companies shall have effective representation of Independent Directors on their Boards, so that the Board, as a group, includes core competencies considered relevant in the context of each company;
- II. At least one-fifth (1/5) of the total number of directors in the company's Board shall consist of Independent Directors;

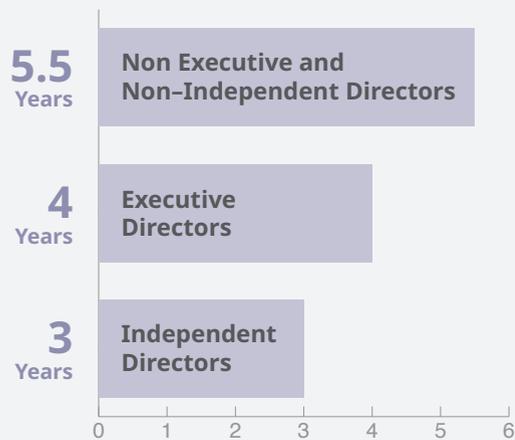
As on March 15, 2021, the Board comprised (12) Directors, consisting of one (1) Non-Executive and Non-Independent Chairman, three (3) Independent Directors, seven (7) Non-Executive Directors and one (1) Executive Director. The Chief Executive Officer (CEO) of the Company is the only Executive Director. An Independent Director is the Chairperson of each of the Board committees – namely Audit Committee, and Nomination and Remuneration Committee.

The Board of Directors' play a fundamental role in upholding and nurturing the principles of good governance. The Board of Directors' is the highest body of the governance of the Company, who works within the framework of the Memorandum & Articles of Association of the Company, as approved by the Shareholders.

Size and Composition of the Board



Average Tenure (in years)



Tenure of Directors



B. Role of the Board of Directors.

- The primary role of the Board of Directors is that of a trustee – to set and protect the culture and values for the Management, by ensuring high ethical standards. It provides strategic guidance and direction, monitors operational performance and ensures that robust policies and procedures are in place.
- The Board has a fiduciary responsibility to ensure that the Company has clear goals aligned to shareholder value and its growth.
- The Board of Directors, through its various Committees, reviews the identified risks and the mitigation measures undertaken/to be undertaken in respect thereof, ensures integrity in the Company's accounting and financial reporting systems, adequacy of internal controls and compliance with all relevant laws.
- In particular, the Board of Directors reviews and approves quarterly/half yearly unaudited financial results and the audited annual financial statements, corporate strategies, business plans, annual budgets, sets corporate objectives and monitors its implementation and oversees the major capital expenditure.
- The Board monitors overall operating performance, H&S performance and reviews such other items which require the Board of Directors attention. It directs and guides the activities of the Management towards achieving set goals and seeks accountability.
- It also sets standards of corporate behaviour and ensures transparency in corporate dealings. The Agenda for the Board Meetings are supported by relevant information, documents and presentations to enable the Board of Directors to take informed decisions. The Agenda is sent out to the Directors within the prescribed time period.

- In compliance with clause 1(5) of the Corporate Governance Code and section 184 of the Companies Act, 1994, the Board of Directors has placed its Report before the Shareholders, which forms part of the Annual Report 2020.

C. Responsibilities of the Board leadership.

CHAIRPERSON OF THE BOARD OF DIRECTORS.

The Chairman leads the Board of Directors. The Chairman is responsible for fostering and promoting the integrity of the Board of Directors while nurturing a culture where the Board of Directors works harmoniously for the long-term benefit of the Company and all its stakeholders. The Chairman is primarily responsible for ensuring that the Board of Directors provides effective governance to the Company. In doing so, the Chairman presides over meetings of the Board of Directors and of the Shareholders of the Company.

The Chairman is responsible for the providing leadership and governance of the Board of Directors and ensures that all key and appropriate issues are discussed by the Board of Directors in a timely manner. He promotes effective relationships and open communication, and creates an environment that allows constructive debates and challenges, both inside and outside the Boardroom, between Independent & Non-Executive Directors and the Management. He ensures that the strategies and policies agreed by the Board of Directors are effectively implemented by the Chief Executive Officer. He sets, in consultation with the Chief Executive and Company Secretary, the Board meeting schedule and agenda to take full account of the important issues facing the Company and the concerns of all Directors, and ensures that adequate time is available for thorough discussions on critical and strategic issues.

The Chairman establishes good corporate governance practices and procedures and promotes the highest standards of integrity, probity and corporate governance throughout the Company and particularly at Board level. The Chairman works actively with the Nomination and Remuneration Committee to plan the composition of the Board, induction of Directors to the Board, plans for Director Succession, leads the Board evaluation process and engages with individual directors to provide constructive feedback and advice.

INDEPENDENT DIRECTORS.

The role of the Independent Directors is to ensure Board effectiveness to maintain high-quality governance of the organization and the effective functioning of the Board. In compliance to the Notification, there are three (3) Independent Directors, on the Board of Directors of the Company. The Independent Directors are appointed by the Board of Directors and approved by the Shareholders in the Annual General Meeting (AGM). Independent Directors are appointed for a period of 3 (three) years, which may be extended for 1 (one) term only. The Independent Directors shall (i) not subject to retire by rotation, (ii) not serve as "Independent Directors" in more than 5 (five) listed companies and (iii) meet the criteria requirements of clause 1(2)(b) and clause 1(3) of the Corporate Governance Code.

CHIEF EXECUTIVE OFFICER (CEO).

The CEO is an Executive Director of the Company. CEO is in overall operational control and responsible for the day-to-day working of the Company in terms of the Articles of Association of the Company. He provides strategic directions, lays down policy guidelines and ensures implementation of the decisions of the Board of Directors and its various Committees and functions under the superintendence, direction and control of the Board of Directors.

CHIEF FINANCIAL OFFICER, HEAD OF INTERNAL AUDIT & COMPLIANCE AND COMPANY SECRETARY.

In compliance of clause 3 of the Corporate Governance Code, the Board of Directors has appointed a Chief Financial Officer, Company Secretary and a Head of Internal Audit & Compliance. The CEO, Chief Financial Officer, Head of Internal Audit and Compliance and Company Secretary of the Company do not hold any executive position in any other company at the same time. The Board of Directors has clearly defined their respective roles, responsibilities and duties. They attend the meetings of the Board of Directors.

DIRECTORS' PROFILE.

The Board of Directors comprises of highly renowned professionals drawn from diverse fields. They collectively bring with them a wide range of skills and rich experiences, which enhances the quality of the Board's decision making process. The profile of the Directors' is enclosed to this Annual Report.

REMUNERATION OF DIRECTORS.

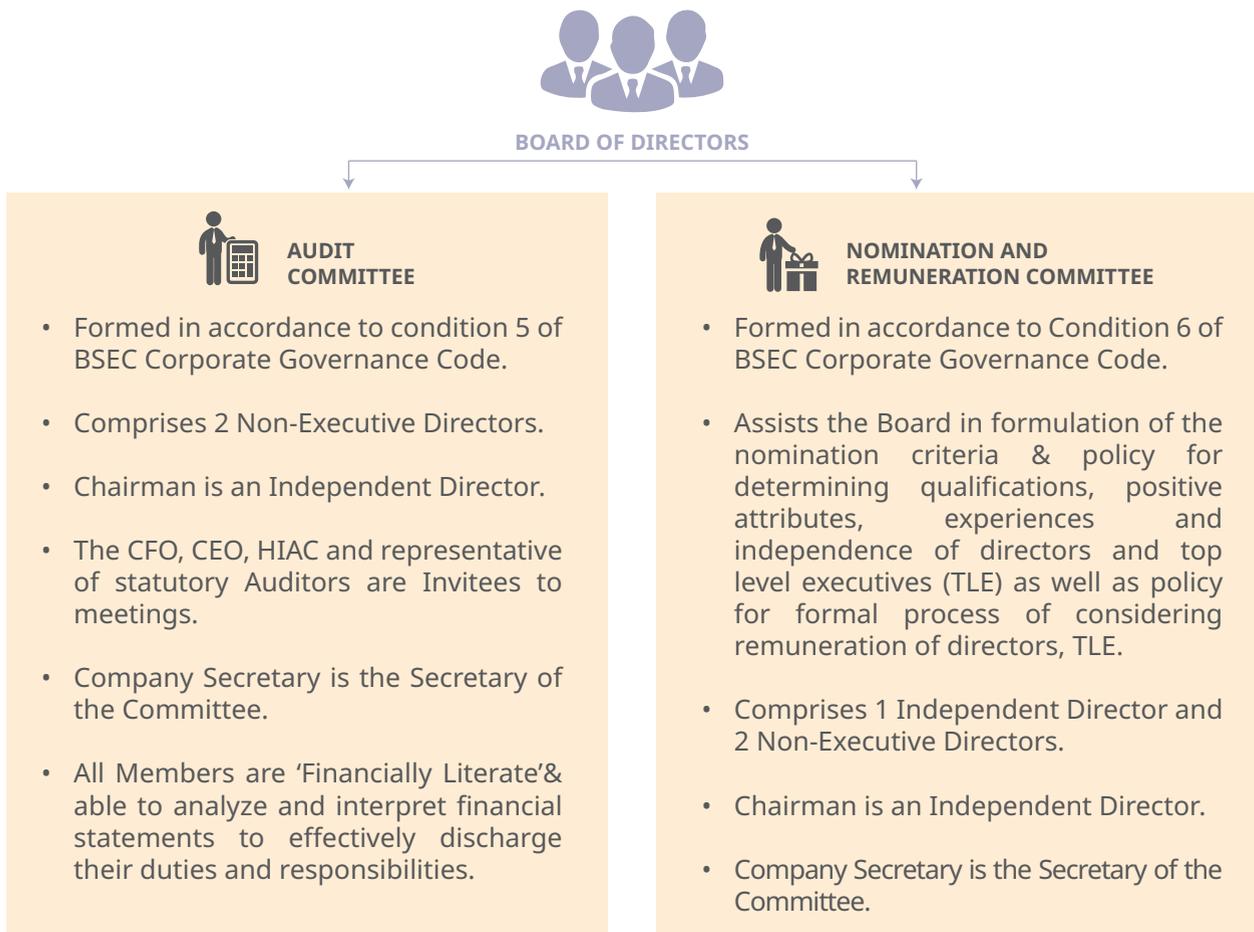
In terms of the present Articles of Association of the Company (the "Articles"), none of the Independent Director or the Non Executive receive any sitting fees or remuneration from the Company. The CEO, who is an Executive Director, is paid as per the terms and conditions of his employment contract with the Company. The Company provides for the travel arrangements for the Directors attending the Board meetings of the Company. However, in the year 2020, three (3) out of the four (4) Board meetings were held virtually on account of travel restrictions and social distancing requirements.

MEETINGS OF THE BOARD OF DIRECTORS.

The Company conducts its Board meetings and records the Minutes of the meetings as well as keeps required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.

BOARD COMMITTEES:

For better, quicker and informed flow of information and thereby exercising effective governance, the Board has also constituted two (2) sub-committees, viz: Audit Committee and Nomination and Remuneration Committee. These Committees assist the Board in the efficient discharge of its responsibilities. The role of the Board Committees is to review and assess respective areas and to advise and make recommendations to the Board. Each Committee operates in accordance with the respective terms of reference (ToR), as approved by the Board. The Board also appoints the members and Chairman of each Committee. Minutes of the Committee meetings are placed for review at the following Board meeting of the Company.



The Composition of the Audit Committee and details of the Members participation at the meetings of the Committee, and a report on the activities carried out by the Audit Committee are enclosed to this Annual Report as Annexure IV. As required by clause 6(5)(c) of the Notification, the Nomination and Remuneration Policy and the evaluation criteria and activities of the NRC during the year are enclosed to this Annual Report as Annexure V.

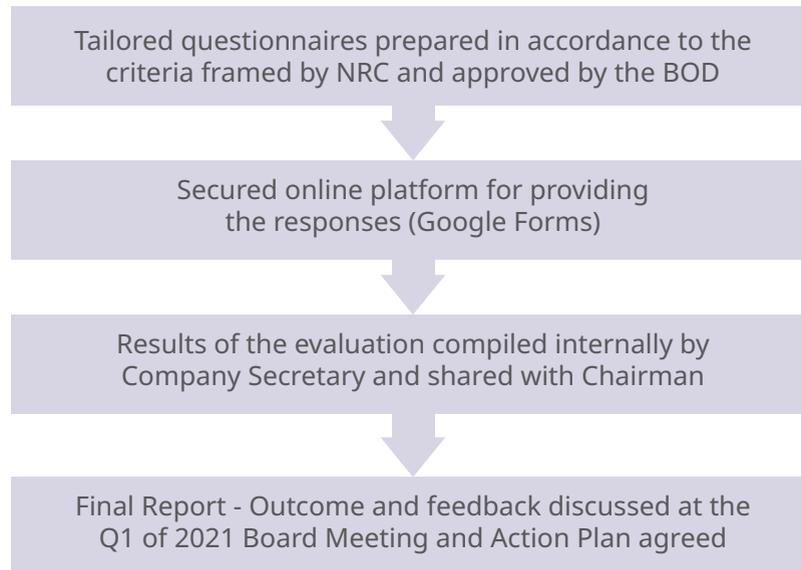
PERFORMANCE EVALUATION OF THE BOARD:

The effectiveness of the Board, Independent Directors and Chairman is crucial to the overall success of the Company. In terms of the requirements of the Corporate Governance Code, the Company undertakes a formal assessment of the operation of the Board of Directors annually. The evaluation is an important part of the Board's corporate governance framework.

The year 2020 was the first year the Company conducted the evaluation. The evaluation was facilitated internally by the Chairman of the Board of Directors supported by the Company Secretary through a secure online survey using Google Forms. The evaluation process involved the participation and feedback from members of the Board of Directors of the Company. The evaluation was based on the criteria and framework adopted by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors.

The evaluation was carried out through tailored questionnaires which were pragmatically structured to draw out significant issues that were relevant to the Board, each of the three (3) Independent Directors and the Chairman of the Board of Directors. These various questionnaires were aimed at identifying any areas for improvement as given below:-

BOARD AS A WHOLE	INDEPENDENT DIRECTORS	CHAIRMAN OF BOARD
<ul style="list-style-type: none"> • Board Composition and Quality • Board Meetings and Procedures • Execution and performance of specific duties from the point of view of the members of the Board • Assessment of the Secretarial Department 	<ul style="list-style-type: none"> • Integrity • Implementing best CG practices • Unbiased & ethical judgment • Independent Judgment - Board Deliberations • Updated with business of the Company • Acting in the interest of the Company, Shareholders & Employees • Confidentiality • Adherence to Code of Conduct • Negative press. 	<ul style="list-style-type: none"> • Overall Management of Meetings. • Approachableness. • Ability in handling critical situations. • Openness to discuss difficult issues. • Encouragement of critical interventions of Board Members.

Evaluation process:**Outcome of Performance Evaluation**

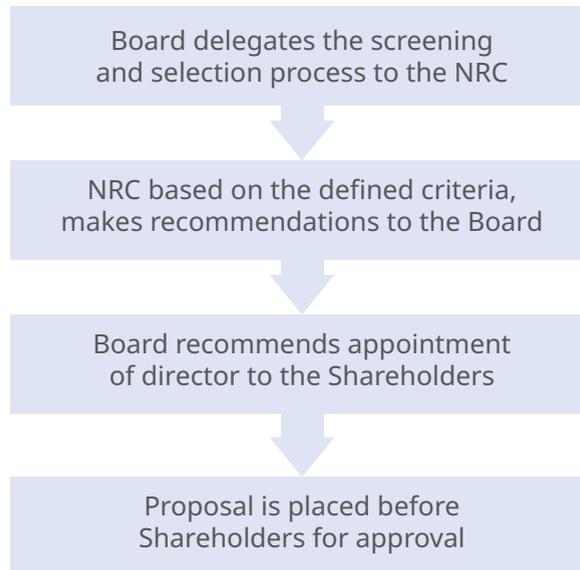
A report in respect of the feedback from the Directors in the evaluation questionnaires and suggested recommendations for areas to focus on in the coming year was presented to the Board for consideration, following which an action plan was agreed. Overall, the review determined that the Board as a whole has been functioning as a cohesive body which is well engaged with different perspectives. There is a good balance of skills and experience on the Board to ensure the delivery of stakeholder goals. Independent Directors are hard-working and demonstrate a strong commitment to the principles guiding the Company. Behaviour in the boardroom is mostly seen to be constructive. There is very strong confidence in the leadership of the Board; and the Company Secretariat Department is functioning effectively.

SUCCESSION PLANNING

The Nomination and Remuneration Committee works with the Board of Directors on the leadership succession plan to ensure orderly succession in appointments to the Board. The Company strives to maintain an appropriate balance of skills and experience within the organization and the Board in an endeavour to introduce new perspectives while maintaining experience and continuity.

The Board members bring to the table their broad and diverse skills and viewpoints to aid the Company in advancing its strategy.

Selection and appointment of new directors



LEADERSHIP TEAM - EXECUTIVE COMMITTEE

The Executive Committee operates within the framework of the strategic policies laid down by the Board of Directors and is responsible and accountable for overall business deliverables. The Executive Committee meets on a regular basis to review and monitor the performance vis-a-vis the annual plans and budgets, discusses cross functional operational issues and addresses business challenges and issues.

SUBSIDIARY COMPANIES

The Company has 2 (two) subsidiary companies i.e. Lafarge Umiam Mining Private Limited and Lum Mawshun Minerals Private Limited (collectively the "Subsidiary Companies"). In compliance with Clause 2 of the Notification:

- I. The Company reviews the affairs of the Subsidiary Companies and the minutes of the Board Meeting of the Company records the same.
- II. Minutes of the Board Meetings of the Subsidiary Companies are placed for review at the following Board meeting of the Company. The Audit Committee of the Company also reviews the Financial Statements of the Subsidiary Companies at the Meetings of the Audit Committee and Board of Directors of the Company.
- III. The financial results of the Subsidiary Companies are also provided to the Audit Committee for overview prior to their consolidation with the Parent Company

STRICTURES AND PENALTIES

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Bangladesh Securities and Exchange Commission or by any statutory authority on any matters related to capital markets during the last three years.

ETHICS AND INTERGITY

i. Code of Business Conduct

The Company emphasises on high standards of business integrity through its Code on Business Conduct Policy (COBC), which must be followed by all employees and Directors of the Company. The Board of the Company had also laid down a code of conduct, based on the recommendation of the NRC for the Chairperson of the Board, other Board Members, CEO. The scope of COBC includes policies regarding Speak Up (whistle-blowing process), declaration of conflict of interest, bribery and corruption in the workplace, human rights and our operations. The scope also comprises guidelines for entertainment and gifts, charitable contributions and donations, accurate record-keeping, protection of corporate assets, confidentiality and information security, insider dealing and market abuse, competition and anti-trust laws, money laundering and anti-terrorism, illicit trade and trade in the Company's products and sanctions.

The conduct of all employees, including Directors and all other employees, must be in accordance with the COBC. Apart from adhering to the tenets articulated in the COBC, all employees and Board Members have confirmed their commitment and compliance by executing a declaration of compliance annually.

The COBC has been posted on the Company's website <https://www.lafargeholcim.com.bd/>

ii. Fair Competition

The Company has been carrying out extensive training sessions for creating awareness among relevant employees on fair competitive practices. In 2020, due to the COVID 19 pandemic, all trainings were organized over video conference. The training sessions audience was primarily those in sales and procurement functions, on various aspects of competition law and on behaviour aspects for ensuring fair competition in the market place. E-Learning training is imparted to all such employees in addition to face-to-face training.

In addition to the above, the processes of the Company are subject to periodic reviews and, where required, have been further strengthened.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has an ethics advice and reporting system called the Integrity Line to deal with instances of report violations of the COBC, policies, or directives or any other breaches of law fraud and mismanagement, if any. The Integrity Line ensures that strict confidentiality is maintained whilst dealing with concerns and also ensures that no discrimination is meted out against any person for a genuinely raised concern.

MEANS OF COMMUNICATION

The Company follows a robust process of communicating with its stakeholders and investors. For this purpose, it provides multiple channels of communications viz. through dissemination of information on the online portal of the Stock Exchanges, Press Releases, the Annual Reports and uploading relevant information on its website.

The unaudited quarterly results (both standalone and consolidated) are announced within 45 days of the close of the first quarter and within 30 days of the Second Quarter & Third Quarter. The audited annual results are announced within 120 days from the close of the financial year, as required under Listing Regulations. The aforesaid financial results are disseminated to the Stock Exchanges within thirty minutes from the close of the Board Meeting at which these are considered and approved. The results are published in leading daily newspapers having national circulation and online newspapers.

The audited financial statements form a part of the Annual Report which is sent to the Members within the statutory period and well in advance of the Annual General Meeting.

The Annual Report of the Company, the quarterly/half yearly results and the annual audited financial statements and the press releases of the Company are also placed on the Company's website: <https://www.lafargeholcim.com.bd/> and can be downloaded.

The Company discloses to the Stock Exchanges, information required to be disclosed including material information which have a bearing on the performance/operations of the Company or which is price sensitive in nature. All information is filed electronically on Dhaka and Chittagong exchanges online portal.

The Board of Directors decides on the materiality of information for the purpose of making disclosure to the Stock Exchanges.

All disclosures made to the Stock Exchanges are also made available on the Company's website and can be accessed through web link: <https://www.lafargeholcim.com.bd/>.

STATUTORY AUDITORS:

The Audit Committee recommends and the Board endorses the appointment of the Statutory Auditor which is approved by the Shareholders at the Annual General Meeting. Along with the appointment, the Shareholders also fix the remuneration of the Statutory Auditors.

In compliance with the BSEC Notification on financial reporting and disclosure dated June 20, 2018, and Dhaka Stock Exchange (Listing) Regulations, 2015 dated June 30, 2015, the statutory auditors are not appointed for a consecutive period exceeding three (3) years.

The Audit Committee meets with the Statutory Auditors to ensure that the auditors are acting independently and reviews the financial statements before submission to the Board for approval.

The Financial Statements included in this Annual Report have been audited by M/s. Hoda Vasi Chowdhury & Co., Chartered Accountants.

CORPORATE GOVERNANCE COMPLIANCE STATEMENT

Every year, the Company obtains a certificate from a Practicing Professional Accountant/ Secretary (Chartered Accountant/ Cost and Management Accountant/ Chartered Secretary) regarding compliance of conditions of the Corporate Governance Code and send the same to the Shareholders along with the Annual Report.

The compliance certificate issued by M/s. Al-Muqtadir Associates, Chartered Secretaries & Consultants., is appended as **Annexure XI** to this Report.

The status of compliance with the Corporate Governance Code is captured in the checklist appended as **Annexure - XII** to this Report.

SUMMARY

Effective governance is a continuous process that must weave all functions and employees of the Company into a unified whole to attain the ultimate corporate goals. Being a fully compliant entity, the Company upholds the spirit of transparency and accountability to the society through the establishment of an effective governance regime. Hence, the Company drives good governance procedures across all functions, as it is a key input in managing the business professionally, effectively and responsibly, which makes it transparent, ethical and law abiding, while ensuring accountability.

Overall, the Company upholds its commitment to good corporate governance and pledge to continue to work in meeting the best interests of our shareholders and all other stakeholder groups.

SUMMARY OF KEY OPERATING AND FINANCIAL CONSOLIDATED DATA OF PRECEDING FIVE (5) YEARS:

Tk. 000s

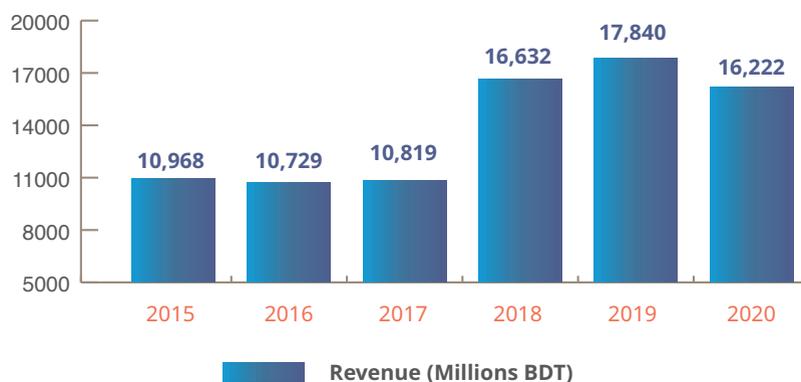
Particulars	2020	2019	2018	2017	2016
Revenue	16,222,483	17,839,756	16,631,529	10,819,131	10,728,855
Gross Profit	4,606,073	4,531,897	4,099,946	2,598,875	3,814,233
Operating profit	2,954,060	2,920,857	2,310,485	1,270,595	2,884,125
Profit before tax	2,848,778	2,680,761	1,882,736	1,355,822	2,947,462
Profit for the year	2,361,385	1,737,454	1,114,652	805,291	2,226,483
Property, plant and equipment	16,675,338	16,531,389	16,665,097	11,499,747	11,776,095
Goodwill	317,776	317,776	317,776	-	-
Intangible assets	2,293,293	2,519,733	2,613,994	974,607	828,230
Current assets	6,932,577	7,414,401	7,149,187	8,923,293	8,238,217
Share capital	11,613,735	11,613,735	11,613,735	11,613,735	11,613,735
Retained earnings	5,442,469	4,242,436	3,666,293	3,132,305	3,488,351
Shareholders' equity-Parent company	17,289,245	16,199,361	15,578,386	15,273,707	15,372,461
Non-controlling interests	(170)	(134)	(66)	(4)	(23)
Equity	17,289,075	16,199,227	15,578,320	15,273,703	15,372,438
Current liabilities	5,940,501	7,242,923	6,977,701	3,981,531	3,236,475

Particulars	2020	2019	2018	2017	2016
Net asset value per share	14.89	13.95	13.41	13.15	13.24
Net operating cash flow per share	3.91	3.52	2.68	1.17	2.26
Earnings per share (Taka)	2.03	1.50	0.96	0.69	1.92

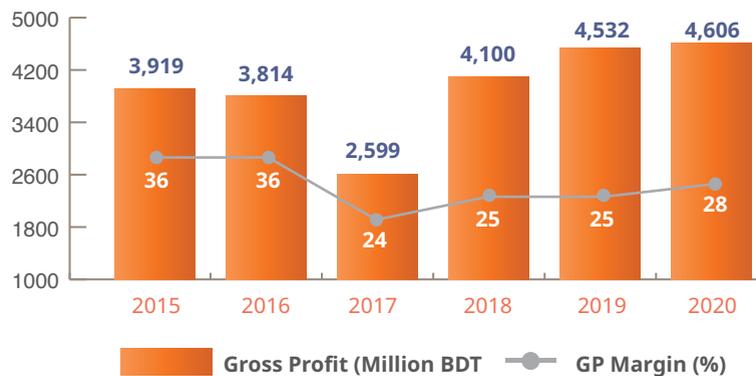
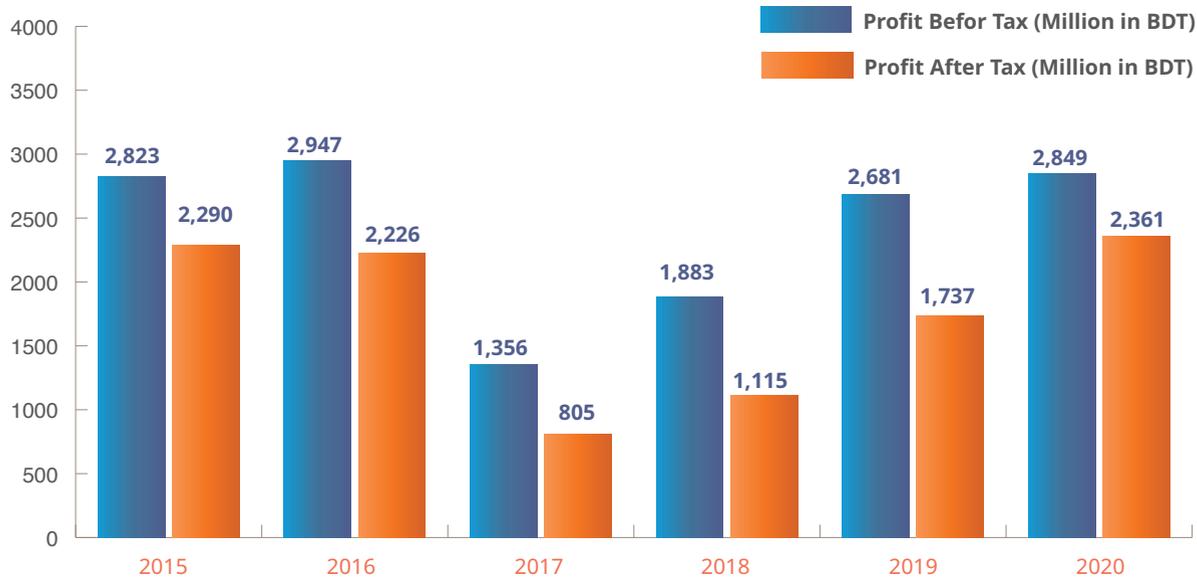
DISCUSSION ON COST OF GOODS SOLD, GROSS PROFIT MARGIN AND NET PROFIT MARGIN:

Your Company achieved a commendable performance in 2020. The accomplishments of your Company are laudable considering the challenges imposed by the pandemic. In response to the COVID 19 situation, your Company focused on the execution of the action plan engrossed on HEALTH, COST & CASH. Successful execution of this strategy with priority on the health of all our stakeholders has yielded encouraging financial results for the year. The efforts resulted in good savings of the costs and increased the profit despite sharp decline of sales revenue.

Total Revenue of 2020 was BDT 16,222 million (2019: BDT 17,840 million), with 9% de-growth over 2019. However, profit before tax grew by 6%.



The Sales Volume degrew by 8% as compared to 2019. The Gross Profit Margin was stable though the variable costs were soft. The Earnings Per Share (EPS) of the Company increased and stood at Tk. 2.03 in 2020 whereas it was Tk. 1.50 in 2019.



EXPLANATION ON SIGNIFICANT DEVIATION FROM THE LAST YEAR'S OPERATING RESULTS

Lower Long Term & Short term loan yielded 67% reduction of finance cost. Efficient tax planning resulted in a reduction of Effective Tax Rate (ETR) by 48% which helped to achieve 36% Earning Per Share (EPS) growth in 2020 over 2019. The Company's accounts reflect the performance of the Company after consolidation. Statements regarding the consolidated performance are as under:

Sl.	Item	LHB 2020	LHB 2019
A	Revenue		
i	Amount (in Million BDT)	16,222	17,840
ii	Percentage	-9%	7%
B	Gross profit - increase/ decrease		
i	Amount (in Million BDT)	4,606	4,532
ii	Percentage	2%	11%
C	Operating Profit		
i	Amount (in Million BDT)	2,954	2,921
D	Earnings per share	2.03	1.50

Details of the Board Meetings held and attendance during the Year:

Dates on which the Board Meetings were held	Total Strength of the Board	No. of Directors Present
March 4, 2020	12	11
May 7, 2020	12	11
July 21, 2020	12	10
October 15, 2020	12	09

Attendance of Directors at Board Meetings and Annual General Meeting:

Name of Director	Attendance at the Board Meeting held on				Attendance at AGM held on June 23, 2020
	March 4, 2020	May 7, 2020	July 21, 2020	October 15, 2020	
Mr. Christof Hässig	✓	✓	✓	✓	✓
Mr. Rajesh Kumar Surana	✓	✓	✓	✓	✓
Mr. Martin Kriegner	✓	✓	✓	✓	✓
Mr. Julio Rodriguez Izquierdo	✓	✓	Leave of absence	✓	Not present
Mr. Manzurul Islam	✓	✓	Leave of absence	Leave of absence	Not present
Mr. Marcos Cela Rey	✓	✓	✓	✓	✓
Mr. Monzurur Rahman	✓	✓	✓	✓	✓
Ms. Naheed Akhter	✓	✓	✓	Leave of absence	Not present
Mr. Shivesh Kumar Sinha	✓	✓	✓	NA	✓
Mr. Syed Mahmudul Huq	✓	✓	✓	✓	✓
Mr. Jorge Bonnin Bioslada	Leave of absence	✓	✓	✓	✓
Ms. Sonal Shrivastava	NA	NA	NA	✓	NA
Dr. Rubana Huq	✓	Leave of absence	✓	Leave of absence	✓

The composition of the Audit Committee as at December 31, 2020 and details of the Members participation at the Meetings of the Committee are as under:

Name of Member	Category	Attendance at the Audit Committee Meeting Held on			
		March 2, 2020	May 7, 2020	July 20, 2020	October 13, 2020
Mr. Monzurur Rahman	Independent Director	✓	✓	✓	✓
Mr. Shivesh Kumar Sinha	Director	✓	✓	✓	NA
Mr. Jorge Bonnin Bioslada	Director	Leave of absence	✓	✓	✓
Ms. Sonal Shrivastava	Director	NA	NA	NA	✓

The Composition of the Nomination and Remuneration Committee (NRC) as of December 31, 2020 and details of the Members participation at the meetings of the Committee are as under:

Name of Member	Category	Attendance at the NRC Meeting March 4, 2020
Mr. Monzurur Rahman	Independent Director	✓
Mr. Christof Hässig	Non Executive Director	✓
Mr. Julio Rodriguez Izquierdo	Non Executive Director	✓

RESUME OF THE APPOINTED / RE-APPOINTED DIRECTORS

Manzurul Islam **Director**

Mr. Manzurul Islam is one of the most respected business personalities in Bangladesh. He has over 34 years of experience and knowledge in managing various businesses in Bangladesh. Mr. Islam is the Chairman of Islam Group - the Group that played an instrumental role in bringing LafargeHolcim Group as a foreign partner in Bangladesh. As a promoter, he is the longest serving member on the Board of Directors' of the Company and plays a key role in the strategic developments of the Company.

Islam Group has diverged into multidimensional sectors under his leadership including engineering, construction, trading, manufacturing- pharmaceuticals, jute, media, real estate, finance, construction and agricultural sector. Mr. Islam is the Executive Committee Member of Bangladesh Association of Publicly Listed Companies. He is the former President of France-Bangladesh Chamber of Commerce & Industry, former Chairman of IFIC Bank Ltd. and former Vice Chairman of Bangladesh Association of Banks.

Mr. Islam attended Cophthorne School, Sussex, UK and Westminster School, London, UK. He completed his graduation in Economics from the University of London, UK.

Christof Hässig **Chairman**

Mr. Christof Hässig is one of the most respected strategy leaders in LafargeHolcim Group. With his considerable wealth of experience, Mr Hässig brings immense value to the Board of Directors' of LafargeHolcim Bangladesh Limited (the "Company"). Under his leadership, the Company achieved significant improvements and overall cost-competitiveness. The impact of his leadership is tangible from the high growth trajectory of the Company.

Mr. Hässig is a professional banker with masters in banking and advanced management from Harvard Business School. He was the Head of Corporate Strategy, Mergers and Acquisitions at LafargeHolcim Group. Mr. Hässig worked for over 25 years at UBS, Switzerland in different functions including Global Relationship Manager and Investment Banker. At LafargeHolcim Group, he supervised corporate finance and treasury functions for over 15 years. In 2013, he took over the additional responsibility as Head, Mergers and Acquisitions.

Sonal Shrivastava **Director**

Ms. Sonal Shrivastava is the Chief Financial Officer, APAC Region of LafargeHolcim Group.

Prior to her current role, Ms. Shrivastava was the CFO, Ambuja Cements Limited, India. She joined the LafargeHolcim Group in 2002 as Senior Manager M&A, Strategy & Business Development.

Ms. Shrivastava's experiences include roles in mergers and acquisitions, audit, strategy and business development, supply chain and finance. Besides LafargeHolcim, Ms. Shrivastava also worked for leading companies in the energy and mining sectors.

Ms. Shrivastava holds a Bachelor degree in Chemical Engineering from Vinoba Bhave University, and a Master's degree in Finance from the Jamnalal Bajaj Institute of Management Studies.

Rajiv Prasad Shaha **Independent Director**

Mr. Rajiv Prasad Shaha is a Bangladeshi business entrepreneur and the Chairman and Managing Director of Kumudini Welfare Trust Welfare Trust of Bengal (BD) Ltd for the last 21 years. The Trust was established in 1947 by his grandfather, Late Rai Bahadur Ranada Prasad Shaha; the great philanthropist of Bangladesh. All funds generated by the Income Generating Units of the Trust are spent for the welfare of the poor and needy. Amongst others, the Trust runs a 1050 bed free hospital since 1944.

In 2020, the Government of Bangladesh awarded Swadhinata Padak (Independence Day Award) to Bharateswari Homes, the boarding school for girls, run by the Trust, for its immense contributions in the field of education. In February 2021, the Trust laid the foundation stone for the Kumudini International Institute of Medical Sciences, in Narayanganj.

Mr. Shaha is also a member of the Board of Directors of Reliance Insurance Ltd.

Mr. Shaha is a commerce graduate from the University of Dhaka.

REPORT OF THE AUDIT COMMITTEE

TO THE BOARD FOR THE YEAR ENDED DECEMBER 31, 2020

To
The Board of Directors
LafargeHolcim Bangladesh Limited

The Audit Committee is pleased to present its report to the Board of Directors of LafargeHolcim Bangladesh Limited (“LHBL” or the “Company”) in accordance with Condition No. 5(6)(a) of the Corporate Governance Code issued by the Bangladesh Securities & Exchange Commission (“BSEC”) vide its Notification dated June 3, 2018 (the “Corporate Governance Code”).

Composition of the Audit Committee

The Audit Committee currently comprises of three (3) members. All members of the Audit Committee are Non-Executive Directors. The Chairman of Audit Committee is an Independent Director. The Company Secretary functions as the Secretary of the Audit Committee.

Name of the members	Position in the Audit Committee
Mr. Rajiv Prasad Shaha	Chairman
Ms. Sonal Shrivastava	Member
Mr. Jorge Bonnin Bioslada	Member

During the year 2020, Mr. Monzurur Rahman, Independent Director and Chairman of Audit Committee, retired after completing his term in office. Mr. Shivesh Sinha, Director of the Company and member of the Audit Committee submitted his resignation, effective from October 2, 2020.

All members of the Audit Committee have the adequate qualifications as defined under the Corporate Governance Code.

Meeting Attendance

In 2020, the Audit Committee met on four (4) occasions. On account of COVID 19 pandemic, and owing to the resultant travel restrictions, social distancing requirements, and other restrictions, three (3) out of the four (4) meetings of the Audit Committee were held virtually in accordance to the Bangladesh Securities and Exchange Commission’s (BSEC) Order No. SEC/SRMIC/04-231/932 dated March 24, 2020.

The Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit & Compliance (HIAC) and Director Internal Audit & Compliance Officer of Cementos Molins attended the meetings as invitees.

The Audit Committee met with the statutory auditors on an annual basis to discuss about the financial reporting and management letter on internal control weakness.

A record of the attendance of each member of the Audit Committee at the meetings held in 2020 forms part of the Annual Report.

The scope and authority of the Audit Committee

The primary scope of the Audit Committee is to assist the Board of Directors of the Company in ensuring that (i) the financial statements reflect a true and fair view of the state of affairs of the Company (ii) there is in place a good monitoring system within the business and (iii) the Company complies with laws and regulations, internal policies and material licenses and permits. The Audit Committee is also responsible for the duties set forth by the Board of Directors in compliance with the corporate governance guidelines promulgated in Condition No. 5(5) of the Corporate Governance Code.

As per its Terms of Reference, the Audit Committee has been authorized by the Board of Directors of the Company to have free fair access to any information and activities within the business. Directors, members of management team and employees are expected to cooperate with any request made by the Audit Committee. The Terms of Reference of the Audit Committee may be amended from time to time as required for the business in line with the Corporate Governance Code, subject to approval by the Board of Directors of the Company.

Responsibilities of the Audit Committee

The authority, composition, duties and responsibilities of the Audit Committee are outlined in Corporate Governance Code and Audit Charter of the Company. The key responsibilities of the Audit Committee are as follows:

<p>Financial Reporting</p>	<p>Review the annual, half-yearly and quarterly financial statements & other financial results focusing on:</p> <ul style="list-style-type: none"> • Compliance with applicable accounting & reporting standards & other legal & regulatory requirements; • Choice of accounting policies & practices & changes thereon; • Explanation on any significant variance that occurs between quarterly and annual financial performance; • Going concern assumption; and • Material adjustment arising from the audit.
<p>Internal Control</p>	<ul style="list-style-type: none"> • Ensure Business Risks Management Framework adopted by the Company is effective in identification, assessing and monitoring of risks & opportunities. Risks treatment plans are in place followed by an implementation timeline; • Ensure system of internal control is sound in design and has been effectively implemented and monitored. Provide recommendations to the Board of Directors to improve the system of internal control derived from the findings of the internal & external auditors, Group auditors; • Review extent of compliance with established internal policies, standards, plans and procedures including, for example, the Company's Standards of Business Conduct; • Ensure internal Policies, Directives and Standards are in place and compliance with laws and regulations are well monitored.
<p>Internal Audit</p>	<ul style="list-style-type: none"> • Ensure Internal Audit has full, free and unrestricted access to all activities, records, property and personnel necessary to perform its duties as defined in Audit Terms of Reference; • To review and approve the Internal Audit and Compliance Plan in line with the Business Risks Management Framework of the Company and review of the Internal Audit and Compliance Report and ensure that appropriate actions have been taken to implement the audit recommendations; • To monitor Internal Audit and Compliance process to ensure that it is adequately resourced and has the competency and qualifications to complete its mandates and approved audit plans.
<p>Related Party Transactions</p>	<ul style="list-style-type: none"> • Review any related party transactions along with a statement showing amount, nature and basis of related party transactions and conflict of interest situations that may compromise management's integrity.
<p>External Audit</p>	<ul style="list-style-type: none"> • Oversee the hiring and performance of external auditors; • Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluation of the performance of external auditors; • Hold meetings with external auditors for review of the annual financial statements before submission to the Board of Directors for approval or adoption; • Review the management letter on Risk Management and Internal Control weakness of the Company as issued by external auditors.

Reporting To The BoD

- Reporting its activities to the Board of Directors. The report details member composition, terms of reference, number of meetings held during the preceding year including the activities of internal audit services.
- The Audit Committee is also required to immediately report to the Board of Directors on the following findings, if any:
 - Report on conflicts of interests;
 - Suspected or presumed fraud or irregularity or material defect in the internal control system;
 - Suspected infringement of laws, including securities related laws, rules and regulations;
 - Any other matter that it deems necessary.
- The Audit Committee is also responsible to review the Board's statements on compliance with the Corporate Governance Code for inclusion in the Annual Report.

Reporting To The Authorities

- In the event that the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the ("BSEC"), upon reporting of such matters to the Board of Directors for three (3) times or completion of a period of six (6) months from the date of first reporting to the Board of Directors, whichever is earlier.

Reporting To Shareholders & General Investors

- Report on activities carried out by the Audit Committee, including the report made to the Board of Directors under Condition No. 5(6)(a)(ii) during the year, is signed by the Chairperson of the Audit Committee and disclosed in the Annual Report of the Company.

Major Activities during the year 2020

The Audit Committee carried out its responsibilities and duties in accordance with the Terms of Reference and carried out the following activities during the financial year ended on December 31, 2020:

<p>Financial Reporting</p>	<ul style="list-style-type: none"> Reviewed the quarterly and annual financial statements of the Company and its subsidiaries focusing on significant changes to accounting policies and practices, compliance with accounting and reporting standards and other legal requirements. Concluded that the financial statements presented a true and fair view of the Company's financial performance before recommending them to the Board of Directors for approval.
<p>Internal Control</p>	<ul style="list-style-type: none"> The Audit Committee closely monitored the Business Risk Management Framework adopted by the Company. The Audit Committee has reviewed the progress of implementation of minimum control standards followed by functional certifications. The Audit Committee reviewed the extent of governance and compliance has been established within the organization and the level of communications to promote the speak-up culture for ethics, integrity and Code of Business Conduct. Reviewed the report on compliance of conditions of the Corporate Governance Code. Ensured internal Policies, Directives and Standards are in place and compliance related to laws and regulations are well monitored. Reviewed the implementation and effectiveness of the Company's systems and processes for ensuring compliance with all applicable laws, regulations, and material licenses and permits.
<p>Internal Audit</p>	<ul style="list-style-type: none"> The Audit Committee reviewed the adequacy of Internal Audit activities carried out during the year. The Internal Audit Reports were reviewed by the Audit Committee and monitored the implementation of Audit recommendations to improve Internal Control Environment. The annual internal audit plan 2020 and resource allocation for the Internal Audit Services was reviewed and approved by the Audit Committee.
<p>External Audit</p>	<ul style="list-style-type: none"> The Audit Committee oversaw the hiring and remuneration of statutory auditors; Hoda Vasi Chowdhry & Co., Chartered, for the year 2020 and made recommendation to the Board of Directors for their appointment. The Audit Committee appraised the external auditor's audit plan, nature and scope of the audit plan, audit report and the overall performance of the external auditor for the year 2020. The Audit Committee also reviewed the comments and responses in Management Letters issued by the statutory auditors for the year 2020.
<p>Related Party Transactions</p>	<ul style="list-style-type: none"> Reviewed reports of related party transactions showing amount, nature and basis of related party transactions and conflict of interest situations that may raise questions of management integrity to ensure that all related party transactions are undertaken on an arm's length basis and consistent with the Company's normal course of action.
<p>Subsidiaries of the Company</p>	<ul style="list-style-type: none"> Reviewed the financial statements of the Subsidiary companies. Reviewed the capital investments made by the Subsidiary companies.

Activities of Internal Control in 2020

As the spread of COVID 19 continued to accelerate across the globe and the relevance of risks had shifted, Internal Control activities were monitored carefully. In that process, Internal Control function performed various design of controls for Minimum Control Standards (MCS) 2020 framework, performed a risk analysis for the controls and took the necessary measures especially on cash and cost related activities as a priority. Special attention was given on the following MCS and processes detailed below during the continuity of the pandemic:

Governance and Compliance	MCS09 Mitigation of business risks - Business Resilience System MCS13 Delegation of authorities
Revenue	MCS22 Control of customer credit limits MCS24 Accounts receivable valuation
Expenditure	MCS32 Supplier payment processing
IT	MCS36 Management of access to IT systems
Accounting & Consolidation	MCS43 Reconciliation of bank accounts
Treasury	MCS58 Secure payment means MCS59 Financial instruments, borrowings, commitments and working capital schemes

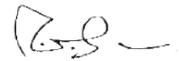
Recommendations

The recommendations of the Audit Committee are regularly placed before the Executive Committee and Board of Directors for necessary action.

Reporting to the Shareholders and General Investors

Based on the activities throughout the year and after reviewing the effectiveness of the internal controls system, the Audit Committee is of the opinion that adequate controls, procedures and risk management systems are in place to provide reasonable safeguard and that the financial position of the Company is adequately managed. Key issues discussed by the Committee are reported to the Board after each scheduled meeting and this practice will continue, thus ensuring any significant matters are considered and addressed appropriately.

On behalf of the Audit Committee,



Rajiv Prasad Shaha
Chairman, Audit Committee

Date: March 2, 2021

REPORT OF THE NOMINATION & REMUNERATION COMMITTEE

In compliance with the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 and dated June 3, 2018 issued by the Bangladesh Securities & Exchange Commission on Corporate Governance Code (the “BSEC Notification”), LafargeHolcim Bangladesh Limited (the “Company”) established a Nomination and Remuneration Committee (NRC) on September 6, 2018.

The NRC is a sub-committee of the Board of Directors. The NRC is responsible to the Board of Directors and they assist the Board of Directors in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive (TLE) as well as a policy for formal process of considering remuneration of directors and TLE's.

COMPOSITION OF THE NRC:

In accordance with the requirements of the BSEC Notification, all members of the NRC are appointed by the Board of Directors. The NRC comprises of three (3) non-executive directors. The Chairman of the NRC is an Independent Director. The Company Secretary functions as the Secretary of the NRC.

Name of the members	Position in the NRC
Dr. Rubana Huq	Chairperson
Mr. Christof Hässig	Member
Mr. Julio Rodriguez	Member
Mr. Kazi Mizanur Rahman	Secretary

During the year 2020, Mr. Monzurur Rahman, Independent Director and Chairman of NRC, retired after completing his term in office.

TERMS OF REFERENCE:

The terms of reference of the NRC have been determined by the Board of Directors as per the BSEC Notification. The NRC shall oversee, amongst others, the following matters and make report with recommendation to the Board of Directors.

- formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive;
- devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;
- identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;
- formulating the criteria for evaluation of performance of independent directors and the Board;
- identifying the Company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;
- developing, recommending and reviewing annually the Company's human resources and training policies.

MEETING OF NRC:

According to the requirement of BSEC Notification, the NRC is required to sit for at least one (1) meeting in a year. In 2020, the NRC met on March 4, 2020. However, the NRC passed five (5) resolutions by correspondence. Minutes of the NRC meetings and the resolutions passed by correspondence are confirmed at the next meeting of the NRC.

During the year under review, the NRC carried out the following activities:

- Identified and recommended to the Board, potential individuals for filling two (2) casual vacancies created by the resignations/ end of term of Directors in terms of the Criteria formulated by the NRC pursuant to Condition No 6(5)(b)(iii) of the BSEC Notification.
- Identified and recommended to the Company, potential individuals for filling three (3) vacancies created by the changes to Top Level Executives in terms of the Criteria formulated by the NRC pursuant to Condition No 6(5)(b)(iii) of the BSEC Notification.
- Formulating and approving a plan for 2020 for fulfilling the requirements and evaluations specified in Clause 6(5)(b) of the BSEC Notification.

NOMINATION AND REMUNERATION POLICY:

The policy of the NRC is enclosed to this Report as **Enclosure A**.

The NRC expresses their sincere thanks to the members of the Board of Directors and the management of the Company for their outstanding support and co-operation.



Dr. Rubana Huq
Chairman of the Nomination and Remuneration Committee
Dated, March 2, 2021

NOMINATION AND REMUNERATION COMMITTEE POLICY

1. PURPOSE:

- Nomination and Remuneration Committee (NRC) is a subcommittee of the Board of Directors (the "Board") of LafargeHolcim Bangladesh Limited (the "Company").
- The purpose of this policy is to specify the authority delegated to the NRC by the Board of the Company and to set out the role, responsibilities, membership and operation of the NRC in terms of the Corporate Governance Code notified by the Bangladesh Securities & Exchange Commission vide notification dated June 3, 2018 (the "CG code").
- The NRC shall be independent and responsible or accountable to the Board and to the Shareholders of the Company.

2. RESPONSIBILITY TO THE BOARD OF DIRECTORS:

- a) The Company shall have NRC as a subcommittee of the Board;
- b) The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;
- c) The Terms of Reference (ToR) of the NRC are in terms of the condition No. 6(5)(b) of the CG code.

3. CONSTITUTION OF THE NRC:

- a) The NRC shall comprise of at least three (3) members including an independent director;
- b) All members of the NRC shall be non-executive directors;
- c) Members of the NRC shall be nominated and appointed by the Board;
- d) The Board shall have authority to remove and appoint any member of the NRC;
- e) In case of death, resignation, disqualification, or removal of any member of the NRC or in any other cases of vacancies, the Board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the NRC;
- f) The Chairperson of the NRC may appoint or co-opt any external expert and/or member(s) of staff to the NRC as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the NRC;
- g) The Company Secretary shall act as the secretary of the NRC;
- h) The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;
- i) No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the Company.

4. CHAIRPERSON OF THE NRC :

- a) The Board shall select one (1) member of the NRC to be Chairperson of the NRC, who shall be an independent director;
- b) In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;
- c) The Chairperson of the NRC shall attend the Annual General Meeting (AGM) to answer the queries of the shareholders;
- d) Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the AGM for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.

5. MEETING OF THE NRC:

- a) The NRC shall conduct at least one meeting in a financial year;
- b) The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;
- c) The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the NRC, whichever is higher, where presence of an independent director is must as required under condition 6(2)(h) of the CG code;
- d) The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.

6. TERMS OF REFERENCE :

- a) NRC shall be independent and responsible or accountable to the Board and to the Shareholders;
- b) NRC shall oversee, among others, the following matters and make report with recommendation to the Board:
- formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:
 - a. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the Company successfully;
 - b. the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - c. remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
 - devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;
 - identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;
 - formulating the criteria for evaluation of performance of independent directors and the Board;
 - identifying the Company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and developing, recommending and reviewing annually the Company's human resources and training policies;
- c) The Company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.



Dr. Rubana Huq
Chairman of the NRC

THE PATTERN OF SHAREHOLDING

(A) Parent/Subsidiary/Associated companies and other related parties (name wise details):

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

(B) Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details):

Sl. No.	Name	Position	No. of shares		
			Self	Spouse	Minor Children
1.	Mr. Christof Hässig	Director/Chairman as nominee of Surma Holding BV	Nil	Nil	Nil
2.	Mr. Rajesh K Surana	Director as nominee of Surma Holding BV and CEO	Nil	Nil	Nil
3.	Mr. Jorge Bonnin Bioslada	Director as nominee of Surma Holding BV	Nil	Nil	Nil
4.	Mr. Julio Rodriguez Izquierdo	Director as nominee of Surma Holding BV	Nil	Nil	Nil
5.	Mr. Manzurul Islam	Director as nominee of Islam Cement Ltd	500,200	Nil	Nil
6.	Mr. Marcos Cela Rey	Director as nominee of Surma Holding BV	Nil	Nil	Nil
7.	Mr. Martin Kriegner	Director as nominee of Surma Holding BV	Nil	Nil	Nil
8.	Ms. Naheed Akhter	Director as nominee of Sinha Fashions Ltd	Nil	Nil	Nil
9.	Mr. Rajiv Prasad Shaha	Independent Director	Nil	Nil	Nil
10.	Dr. Rubana Huq	Independent Director	Nil	Nil	Nil
11.	Ms. Sonal Shrivastava	Director as nominee of Surma Holding BV	Nil	Nil	Nil
12.	Mr. Syed Mahmudul Huq	Independent Director	Nil	Nil	Nil
13.	Mr. Mohammad Iqbal Chowdhury	Chief Financial Officer	Nil	Nil	Nil
14.	Mr. Kazi Mizanur Rahman	Company Secretary	Nil	Nil	Nil
15.	Mr. Mohammad Nurul Alam	Head of Internal Audit and Compliance	Nil	Nil	Nil

Note: The Directors' shares shown above are as per the holdings in their personal names; but the shareholdings of the companies that they represent are as follows:

- Surma Holding BV: 683,698,700 shares
- Islam Cement Ltd: 31,914,200 shares
- Sinha Fashions Ltd: 35,100,000 shares

(C) Executives (top five salaried employees other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance):

Name	Position	No. of shares
Mr. Mohammad Asif Bhuiyan	Chief Corporate Affairs Officer	Nil
Mr. Kotam Vamsidhar Reddy	Industrial Director	Nil
Mr. Harpal Singh	Plant Manager – Surma Plant	Nil
Mr. Kaushik Kundu	Human Resources Director	Nil
Mr. Gazi Mahfuzur Rahman	Sales & Marketing Director	Nil

(D) Shareholders holding ten percent (10%) or more voting interest in the Company (name wise details):

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

(E) Composition of Shareholders up to December 31, 2020:

Name of the Shareholders	Nationality or incorporated in	Number of Shares	Holding %
Surma Holding B.V.	The Netherlands	683,698,700	58.87
Sinha Fashions Limited	Bangladesh	35,100,000	3.02
Islam Cement Limited	Bangladesh	31,914,200	2.75
Others Shareholders	Bangladesh & NRB	410,660,600	35.36
Total		1,161,373,500	100.00

(F) Classification of Shares by holding up to December 31, 2020:

Slabs by number of Shares	Number of Shareholders	Number of Shares	Total Holding (%)
Less than 500 Shares	7,767	1,944,946	0.17
501 to 5,000 Shares	12,123	24,837,953	2.14
5,001 to 10,000 Shares	2,503	19,003,874	1.64
10,001 to 20,000 Shares	1,614	23,985,668	2.07
20,001 to 30,000 Shares	573	14,341,235	1.23
30,001 to 40,000 Shares	284	10,000,753	0.86
40,001 to 50,000 Shares	241	11,131,593	0.96
50,001 to 100,000 Shares	404	29,632,394	2.55
100,001 to 1,000,000 Shares	359	92,162,720	7.94
Over 1,000,000 Shares	49	934,332,364	80.45
Total	25,917	1,161,373,500	100.00

LafargeHolcim Bangladesh Limited
Declaration by Chief Executive Officer and Chief Financial Officer

The Board of Directors
LafargeHolcim Bangladesh Limited

March 2, 2021

Subject: Declaration on Financial Statements for the year ended on December 31, 2020.

Dear Sir's:

In compliance with the Condition No. 1(5)(xxvi) of the Corporate Governance Code as issued by the BSEC vide its notification dated June 3, 2018, we do hereby declare that:

1. The Financial Statements of LafargeHolcim Bangladesh Limited (the "Company") for the year ended on December 31, 2020, have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
2. The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
6. The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:

- i. We have reviewed the financial statements for the year ended on December 31, 2020, and that to the best of our knowledge and belief:
 - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- ii. There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Code of Conduct for the Company's Board of Directors or its members.

Sincerely Yours,



Rajesh Kumar Surana
Chief Executive Officer



Mohammad Iqbal Chowdhury
Chief Financial Officer

Management Discussion and Analysis on the Company's position on the operation and financial statements for the year ended December 31, 2020.

In compliance with the Condition No. 1(5)(xxv) of the Corporate Governance Code as issued by the BSEC vide its notification dated June 3, 2018; a brief Management analysis is given on the Company's position on the operations and financial statements focusing, in particular, on the following issues:

- 1. Accounting Policies and estimation for preparation of financial statements:** Accounting Policies and estimation for preparation of financial statements have been detailed under Note No 3 of the Consolidated Financial Statements.
- 2. Changes in accounting policies and estimation:** The details of changes accounting policies and estimation are detailed under Note No 3 of the Consolidated Financial Statements.
- 3. Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flow for current year with immediate preceding five years:** Enclosed in **Annexure I** to the Directors Report.
- 4. Compare such financial performance or results and financial position as well as cash flows with peer industry scenario:** The Company maintains its financial year from January to December. Peer companies of the Industry are maintaining financial year from July to June. A comparison with peer listed companies based on their previous years published data is given below. The financial results & Balance Sheet as on June 30, 2020 or December 31, 2020 have been considered.

(Taka in Million)

Sl. No.	Items	31-Dec-20	31-Dec-19	30-Jun-20	30-Jun-20	30-Jun-20	30-Jun-20	30-Jun-20
		LHBL	HCBL	ACL	CCL	MICFL	MCML	PCML
1	Revenue	16222	11,986	1932	4877	17876	7736	10461
2	Gross Profit	4606	1,228	401	643	1422	761	1503
3	Net Profit After Tax	2361	(187)	(232)	619	(132)	54	271
4	Dividend	10% Cash	-	-	15% Cash 5% Stock	10% Cash	5% Cash 5% Stock	10% Cash
5	No. of shares outstanding (In Mio)	1161	57	34	75	149	26	106
6	EPS (Taka)	2.03	(3.30)	(6.86)	8.30	(0.89)	2.08	2.55
7	NAVPS (Taka)	14.89	71.88	25.63	66.73	46.38	32.73	49.00
8	NOCFPS (Taka)	3.91	4.65	-12.06	10.87	3.69	(4.71)	6.99

LHBL= LafargeHolcim Bangladesh Ltd., HCBL= Heidelberg Cement Bangladesh Ltd., ACL= Aramit Cement Ltd., CCL= Confidence Cement Limited, MICFL= M. I. Cement Factory Ltd., MCML= Meghna Cement Mills Ltd., PCML= Premier Cement Mills Ltd., EPS = Earnings Per Share, NAVPS = Net Asset Value Per Share, NOCFPS = Net Operating Cash Flows Per Share.

- 5. Briefly explain the financial and economic scenario of the country and the globe:** The Directors' Report and the Chairman's Statement have explained the financial and economic scenario of the country and the global impact.
- 6. Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the Company:** This issue has been elaborated in the Directors' Report as well as in Note No. 33 of the Consolidated Financial Statements.
- 7. Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e. actual position shall be explained to the shareholders in the next AGM:** The shareholders shall be updated of the future plans at the Annual General Meeting and also by communications time to time.

Dated Dhaka, March 2, 2021


Rajesh Kumar Surana
Chief Executive Officer

LafargeHolcim Bangladesh Limited

A company of  LafargeHolcim and  CEMENTOS MOLINS

Annexure IX

[As per clause (1) of BSEC Directive, January 14, 2021]

DIVIDEND DISTRIBUTION POLICY

[Pursuant to Bangladesh Securities Exchange Commission Directive No. BSEC/CMRRCD/2021-386/03 dated January 14, 2021]

Disclaimer

- The Policy does not constitute a commitment by the Company or the Board regarding the future dividends of the Company, but only represents a general guidance to Shareholders regarding dividend policy. The statement of the Policy does not in any way restrict the right of the Board to use its discretion in the recommendation of the dividend to be distributed in the year and the Board reserves the right to depart from the Policy as and when circumstances so warrant.
- Given the aforementioned uncertainties, prospective or present investors are cautioned not to place any reliance on any of the forward-looking statements in the Policy or the principles and guidelines outlined in this Policy.

1. Introduction:

- This Policy is called “LafargeHolcim Bangladesh Limited - Dividend Distribution Policy” (hereinafter referred to as the “Policy”) and has been framed by LafargeHolcim Bangladesh Limited (the “Company”) pursuant to Bangladesh Securities Exchange Commission (BSEC) Directive No. BSEC/CMRRCD/2021-386/03 dated January 14, 2021.
- The objective of the Policy is to provide guidance to stakeholders on the dividend distribution framework adopted by the Company. The Board of Directors of the Company (the “Board”) shall consider this Policy when resolving on dividends, always in compliance with the provisions of the Companies Act, 1994, notifications issued by the BSEC and other applicable legal provisions.
- In the event of a conflict between the Policy and the existing statutory regulations, the statutory regulations will prevail.
- The Policy lays down the broad criteria which the Company would take into consideration for the purpose of ascertaining the amount of dividend to be declared. Whilst doing so, the Company shall keep in mind, the need to maintain a balance between the payout ratio and retained earnings, in order to address future needs of the Company.
- The Policy serves as a guideline only for the Board. The decision of the Board with respect to the amount of dividend recommended by it for any given period will be final and shall not be open to challenge on the basis of the Policy.
- The Policy has been adopted by the Board at its meeting held on March 2, 2021 (the “Effective Date”).

2. Quantum and declaration of dividend payable:

- Dividend other than interim dividend shall be declared at the Annual General Meeting of the Shareholders based on the recommendation of the Board. The Board has the authority to declare interim dividend.
- Subject to the provisions of the applicable law, the Company’s dividend payout will be determined based on available financial resources, growth/investment requirements and fair shareholder return.
- The Board will broadly take into consideration the financial parameters and/or internal and external factors mentioned in clause 3 below while determining whether or not to declare dividend or to determine the quantum of dividend to be declared.

3. Parameters to be considered while recommending/declaring dividend:

The Board while declaring or recommending dividend to the Shareholders, will consider following internal and external factors whereas all these factors are of equal materiality and no single or group of factors supersedes any other factor or group of factors:

Internal Factors:

- Profits earned during the financial year and the retained profits of the previous years or losses suffered in the past years;
- Cash flow position of the Company and Net Debt-to-EBITDA ratio;
- Current and projected cash balance;
- Projections with regard to the performance of the Company;
- Future capital expenditure requirement of the Company;
- Dividend payout history.

External Factors:

- Economic environment;
- Market conditions and market outlook for the Company;
- Changes in Government policies and regulatory provisions;
- Quantum of dividend payout by other comparable businesses.

4. Circumstances under which Shareholders of the Company may or may not expect dividend:

- The decision regarding dividend payout is a crucial decision as it determines the amount of profit to be distributed among Shareholders and the amount of profit to be retained in business.
- The Board shall consider the parameters mentioned in Clause 3 above before determination of any dividend payout.
- The Shareholders of the Company **may not expect** dividend in many other circumstances, some of which are the following, always subject to the discretion of the Board:
 - Company has inadequacy of profits or incurs losses for the financial year;
 - Company undertakes /proposes to undertake a significant expansion project requiring higher allocation of capital;
 - Company undertakes /proposes to undertake any acquisitions or joint arrangements requiring significant allocation of capital;
 - Company has significantly higher working capital requirement affecting free cash flow;
 - Company proposes to utilize surplus cash for buy- back of securities;
 - Company is prohibited to recommend/declare dividend by any regulatory body.

5. Utilization of retained earnings:

- The Board may retain its earnings in order to make better use of the funds available and increase the value of the stakeholders in the long run after having due regard to the parameters laid down in the Policy.
- The Company may declare dividend out of the profits of the Company for the current year or out of the profits for any previous year or years or out of the free reserves available for distribution of dividend, in accordance with the provisions of the Companies Act, 1994, notifications issued by the BSEC and other applicable legal provisions as amended from time to time, after having due regard to the parameters laid down in the Policy.
- The retained earnings of the Company may be used in any of the following ways:
 - Capital expenditure, and for the purpose of any organic and/ or inorganic growth;
 - Declaration of dividend;
 - Issue of bonus shares;
 - Other permissible usage as per the Companies Act, 1994.

6. Multiple class of Shares:

- Currently, the Company has only one class of equity shares, namely Equity Shares. In the future, if the Company issues multiple classes of shares, the parameters of the Policy will be appropriately addressed.

7. Disclosures:

- In case it is proposed not to declare dividend during any financial year, the grounds thereof and the information on the manner in which the retained profits of the Company, if any, are being utilized shall be disclosed to the Shareholders in the Board's Report forming part of the Annual Report of the Company for the given financial year.
- The Policy will be available on the Company's website: <https://www.lafargeholcim.com.bd/> and will also be disclosed in the Company's Annual Report.

8. Policy Review:

The Policy may be modified as may, in the opinion of the Board, be deemed necessary.

LafargeHolcim Bangladesh Limited
Status of undistributed/unclaimed dividends
As of December 31, 2020

Sl. No.	Type of Dividend	Total Shares	Face Value (BDT)	Gross Amount (BDT)	Declared % of Dividend	Total Dividend amount (BDT)	Paid amount (BDT)	Undistributed/Unclaimed cash dividend (BDT)	Total % of unclaimed dividend
1	Interim 2014	1,161,373,500	10.00	11,613,735,000	5%	580,686,750.00	579,411,943.00	1,274,807.00	0.22
2	Final 2014	1,161,373,500	10.00	11,613,735,000	5%	580,686,750.00	574,175,893.85	6,510,856.15	1.13
3	Interim 2015	1,161,373,500	10.00	11,613,735,000	5%	580,686,750.00	573,378,820.82	7,307,929.18	1.27
4	Final 2015	1,161,373,500	10.00	11,613,735,000	5%	580,686,750.00	574,412,815.42	6,273,934.58	1.09
5	Interim 2016	1,161,373,500	10.00	11,613,735,000	5%	580,686,750.00	575,528,481.41	5,158,268.59	0.90
6	Final 2016	1,161,373,500	10.00	11,613,735,000	5%	580,686,750.00	574,422,529.34	6,264,220.66	1.09
7	Interim 2017	1,161,373,500	10.00	11,613,735,000	5%	580,686,750.00	575,269,485.74	5,417,264.26	0.94
8	Final 2017	1,161,373,500	10.00	11,613,735,000	5%	580,686,750.00	576,057,571.86	4,629,178.14	0.80
9	Final 2018	1,161,373,500	10.00	11,613,735,000	10%	1,161,373,500.00	1,152,799,480.00	8,574,020.00	0.74
10	Final 2019	1,161,373,500	10.00	11,613,735,000	10%	1,161,373,500.00	1,153,561,308.25	7,812,191.75	0.68
	Total			116,137,350,000		6,968,241,000.00	6,909,018,329.69	59,222,670.31	8.87
Bank Balance as of December 31, 2020:									
Additional amount paid by the Company for bank charges, excise duty and other charges up to December 31, 2020:								59,746,761.93	
								524,091.62	

Report to the Shareholders of LafargeHolcim Bangladesh Limited on compliance with the Corporate Governance Code

[As required under code 1(5) (xxvii) of the BSEC Codes of Corporate Governance]

We have examined the compliance status to the Corporate Governance Code by **LafargeHolcim Bangladesh Limited** for the year ended on 31st December 2020. This code relates to the gazette notification no: BSEC/CMRRCD/2006-158/207/Admin/80 dated the 3rd June 2018 of Bangladesh Securities and Exchange Commission (BSEC).

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of Corporate Governance Code. This is a scrutiny and verification and an independent audit on compliance of the conditions of Corporate Governance Code as well as provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of the Corporate Governance Code.

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

- The Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Corporate Governance Code issued by the Commission.
- The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code.
- Proper books and records have been kept by the Company as required under the Companies Act 1994, the securities laws and other relevant laws, and
- The standard of governance in the Company is satisfactory.

This report, however, is no endorsement about quality of contents in the Annual Report of the Company for the year 2020.



Dhaka, March 8, 2021

Al-Muqtadir Associates
Chartered Secretaries & Consultants

A.K.A. Muqtadir FCS
CEO & Chief Consultant

Status of compliance with the conditions set out by BSEC on Corporate Governance:
(Report under Condition No. 9.3)

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
1	Board of Directors			
1(1)	Size of the Board of Directors The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	✓		The Board is comprised of 12 (twelve) Directors
1(2)	Independent Directors			
1(2) (a)	At least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	✓		There are 3 (Three) Independent Directors (IDs) in the Board
1(2)(b)(i)	For the purpose of this clause "independent director" means a director- who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company.	✓		The IDs have declared their compliances
1(2)(b)(ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members;	✓		DO
1(2)(b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	✓		DO
1(2)(b)(iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓		DO
1(2)(b)(v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange.	✓		DO
1(2)(b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market.	✓		DO
1(2)(b)(vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code.	✓		DO
1(2)(b)(viii)	who is not independent director in more than 5 (five) listed companies.	✓		DO

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
1(2)(b)(ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); and	✓		DO
1(2)(b)(x)	who has not been convicted for a criminal offence involving moral turpitude;	✓		DO
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM).	✓		The appointments are duly approved at AGM
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	✓		No vacancy occurred
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only:	✓		The IDs are in their regular term of office
1(3)	Qualification of Independent Director:-			
1(3) (a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	✓		The qualification and backgrounds of IDs justify their abilities as such
1(3)(b)	Independent director shall have following qualifications:			
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association;	✓		The IDs are Business Leaders with long standing backgrounds
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company;	N/A		
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law; or	N/A		
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	N/A		
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	N/A		
1(3) (c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	✓		The IDs have more than 10 years of experience in respective fields
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.	N/A		
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:-			
1(4) (a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	✓		Chairperson of the Board and CEO are different individuals and Chairperson is elected from amongst the Directors

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
1(4) (b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	✓		
1(4) (c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓		
1(4) (d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	✓		The respective roles and responsibilities are clearly defined
1(4) (e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			No such case in the reporting year
1(5)	The Directors' Report to Shareholders			
1(5) (i)	An industry outlook and possible future developments in the industry	✓		As stated in the Directors' Report
1(5) (ii)	The segment-wise or product-wise performance;	✓		DO
1(5) (iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓		DO
1(5) (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	✓		DO
1(5) (v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	N/A		DO
1(5) (vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓		DO
1(5) (vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;	✓		DO
1(5) (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;	N/A		DO
1(5) (ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	N/A		DO
1(5) (x)	A statement of remuneration paid to the directors including independent directors;	N/A		No remuneration paid to any director
1(5) (xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		As stated in the Directors' Report
1(5) (xii)	A statement that proper books of account of the issuer company have been maintained;	✓		DO
1(5) (xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓		DO
1(5) (xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	✓		DO

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
1(5) (xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		DO
1(5) (xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓		DO
1(5) (xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	✓		DO
1(5) (xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	✓		DO
1(5) (xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		DO
1(5) (xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	N/A		Declared 10% cash dividend for the year ended December 31, 2020
1(5) (xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	✓		As stated in the Directors' Report
1(5) (xxii)	The total number of Board meetings held during the year and attendance by each director;	✓		DO
1(5) (xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-	✓		DO
1(5) (xxiii) (a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	✓		DO
1(5) (xxiii) (b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details);	✓		DO
1(5) (xxiii) (c)	Executives; and	✓		DO
1(5) (xxiii) (d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	✓		DO
1(5) (xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:-			
1(5) (xxiv) (a)	a brief resume of the director;	✓		DO
1(5) (xxiv) (b)	nature of his or her expertise in specific functional areas; and	✓		DO
1(5) (xxiv) (c)	names of companies in which the person also holds the directorship and the membership of committees of the Board;	✓		DO
1(5) (xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:	✓		DO
1(5) (xxv) (a)	accounting policies and estimation for preparation of financial statements;	✓		DO
1(5) (xxv) (b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	✓		DO
1(5) (xxv) (c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓		DO

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
1(5) (xxv) (d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		DO
1(5) (xxv) (e)	briefly explain the financial and economic scenario of the country and the globe;	✓		DO
1(5) (xxv) (f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	✓		DO
1(5) (xxv) (g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	✓		DO
1(5) (xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; and	✓		Declaration included in the Annual Report
1(5) (xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	✓		Certificate included in the Annual Report
1 (6)	Meetings of the Board of Directors The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓		Conducting of meetings and keeping of records are done as per provisions of the Bangladesh Secretarial Standards (BSS) of ICSB
1 (7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer	✓		
1 (7) (a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	✓		The code of conduct as recommended by NRC and approved by the Board is in place
1 (7) (b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	✓		The code of conduct is duly posted in the Company Website
2	Governance of Board of Directors of Subsidiary Company.	✓		
2 (a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	✓		The CG Codes of BSEC are also complied in cases of the Subsidiaries
2 (b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;	✓		
2 (c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;	✓		DO
2 (d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	✓		DO

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
2 (e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	✓		DO
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)			
3 (1) (a)	Appointment The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓		The Board has duly appointed the CEO, CS, CFO and HIAC in the Company
3 (1) (b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓		They are different individuals
3 (1) (c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	✓		In practice
3 (i) (d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		The roles and duties are separately defined
3 (1) (e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	N/A		No such case in the reporting year
3 (2)	Requirement to attend Board of Directors' Meetings The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	✓		In practice
3 (3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3 (3) (a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:	✓		Given in the Annual Report
3 (3) (a) (i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	✓		DO
3 (3) (a) (ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	✓		DO
3 (3) (b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	✓		DO
3 (3) (c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		DO
4	Board of Directors' Committee:- For ensuring good governance in the company, the Board shall have at least following subcommittees:			
4 (i)	Audit Committee; and	✓		Already in place
4 (ii)	Nomination and Remuneration Committee.	✓		DO

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
5	Audit Committee:-			
5 (1)	Responsibility to the Board of Directors:			
5 (1) (a)	The company shall have an Audit Committee as a sub-committee of the Board;	✓		DO
5 (1) (b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	✓		The Committee duly discharged its responsibilities
5 (1) (c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		In practice. The duties of AC are set forth as per BSEC CG Codes
5 (2)	Constitution of the Audit Committee:			
5 (2) (a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		The Audit Committee is comprised of 3 (Three) members
5 (2) (b)	The Board shall appoint members of the Audit Committee who shall be nonexecutive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	✓		The members of the Audit Committee are appointed by the Board who are non-executive Directors and which includes 1 (One) Independent Director
5 (2) (c)	All members of the audit committee should be “financially literate” and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	✓		The backgrounds of AC members conform to the CG Codes of BSEC
5 (2) (d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	N/A		No such case in the reporting year
5 (2) (e)	The company secretary shall act as the secretary of the Committee;	✓		In practice
5 (2) (f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		In practice
5 (3)	Chairperson of the Audit Committee:	✓		
5 (3) (a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	✓		The Chairman selected by the Board is an Independent Director
5 (3) (b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	N/A		No such case in the reporting year

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
5 (3) (c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM).	✓		In practice
5 (4)	Meeting of the Audit Committee:-			
5 (4) (a)	The Audit Committee shall conduct at least its four meetings in a financial year.	✓		
5 (4) (b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		
5 (5)	Role of Audit Committee The Audit Committee shall:-			
5 (5) (a)	Oversee the financial reporting process;	✓		The Committee performed as per norms
5 (5) (b)	monitor choice of accounting policies and principles;	✓		DO
5 (5) (c)	monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓		DO
5 (5) (d)	oversee hiring and performance of external auditors;	✓		DO
5 (5) (e)	hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		DO
5 (5) (f)	review along with the management, the annual financial statements before submission to the Board for approval;	✓		DO
5 (5) (g)	review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	✓		DO
5 (5) (h)	review the adequacy of internal audit function;	✓		DO
5 (5) (i)	review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		DO
5 (5) (j)	review statement of all related party transactions submitted by the management;	✓		DO
5 (5) (k)	review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	✓		DO
5 (5) (l)	oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	✓		DO
5 (5) (m)	oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:	N/A		
5 (6)	Reporting of the Audit Committee			
5 (6) (a)	Reporting to the Board of Directors			
5 (6) (a) (i)	The Audit Committee shall report on its activities to the Board.	✓		The Committee performed as per norms
5 (6) (a) (ii)	The Audit Committee shall immediately report to the Board on the following findings, if any:-	✓		

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
5 (6) (a) (ii) (a)	report on conflicts of interests;			None
5 (6) (a) (ii) (b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;			None
5 (6) (a) (ii) (c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and			None
5 (6) (a) (ii) (d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	✓		
5 (6) (b)	Reporting to the Authorities If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.	N/A		
5 (7)	Reporting to the Shareholders and General Investors Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	✓		The activities of the Audit Committee are duly disclosed in the Annual Report of the Company
6	Nomination and Remuneration Committee (NRC):-			
6 (1)	Responsibility to the Board of Directors			
6 (1) (a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	✓		Already in place
6 (1) (b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	✓		The NRC duly discharged its responsibilities as per the BSEC CG Codes
6 (1) (c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	✓		The ToR is in place
6 (2)	Constitution of the NRC			
6 (2) (a)	The Committee shall comprise of at least three members including an independent director;	✓		The NRC is constituted as per the CG Codes
6 (2) (b)	All members of the Committee shall be non-executive directors;	✓		DO
6 (2) (c)	Members of the Committee shall be nominated and appointed by the Board;	✓		DO
6 (2) (d)	The Board shall have authority to remove and appoint any member of the Committee;	✓		In practice
6 (2) (e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	None		No such case in the reporting year
6 (2) (f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	None		DO

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
6 (2) (g)	The company secretary shall act as the secretary of the Committee;	✓		In practice
6 (2) (h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	✓		DO
6 (2) (i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	✓		DO
6 (3)	Chairperson of the NRC			
6 (3) (a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	✓		The NRC Chairman selected by the Board is an Independent Director
6 (3) (b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	None		No such case in the reporting year
6 (3) (c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders:			Chairperson shall attend the 23rd AGM on April 22, 2021
6 (4)	Meeting of the NRC			
6 (4) (a)	The NRC shall conduct at least one meeting in a financial year;	✓		
6 (4) (b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	✓		
6 (4) (c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	✓		
6 (4) (d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	✓		
6 (5)	Role of the NRC			
6 (5) (a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	✓		The NRC performs as per the CG Codes
6 (5) (b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board;			
6 (5) (b) (i)	formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following;	✓		DO
6 (5) (b) (i) (a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	✓		DO
6 (5) (b) (i) (b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	✓		DO
6 (5) (b) (i) (c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	✓		
6 (5) (b) (ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	✓		DO
6 (5) (b) (iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	✓		The NRC maintained the list of probable candidates

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
6 (5) (b) (iv)	formulating the criteria for evaluation of performance of independent directors and the Board;	✓		DO
6 (5) (b) (v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	✓		DO
6 (5) (b) (vi)	developing, recommending and reviewing annually the company's human resources and training policies;	✓		DO
6 (5) (c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	✓		The NRC report at a glance is disclosed in the Annual Report
7	External or Statutory Auditors:-			
7 (1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			As declared by the Auditor
7 (1) (i)	appraisal or valuation services or fairness opinions;	✓		DO
7 (1) (ii)	financial information systems design and implementation;	✓		DO
7 (1) (iii)	book-keeping or other services related to the accounting records or financial statements;	✓		DO
7 (1) (iv)	broker-dealer services;	✓		DO
7 (1) (v)	actuarial services;	✓		DO
7 (1) (vi)	internal audit services or special audit services;	✓		DO
7 (1) (vii)	any service that the Audit Committee determines;	✓		DO
7 (1) (viii)	audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	✓		DO
7 (1) (ix)	any other service that creates conflict of interest.	✓		DO
7 (2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company:	✓		DO
7 (3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	✓		The Auditor duly attended the 22nd AGM of the Company
8	Maintaining a website by the Company:-			
8 (1)	The company shall have an official website linked with the website of the stock exchange.	✓		Company Website is duly linked with those of the stock exchanges
8 (2)	The company shall keep the website functional from the date of listing.	✓		In place
8 (3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	✓		In place
9	Reporting and Compliance of Corporate Governance:-			
9 (1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓		The Certificate of Compliance obtained from Al-Muqtadir Associates is duly presented in the Annual Report

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
9 (2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	✓		M/s. Al-Muqtadir Associates is duly appointed at AGM
9 (3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	✓		The status of compliance is duly published in the Directors' Report.

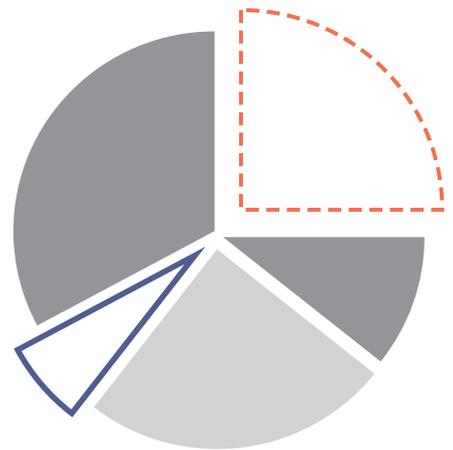


FINANCIAL STATEMENTS



Logistics Operations





Report and Consolidated Financial Statements of
LafargeHolcim Bangladesh Limited

for the year ended December 31, 2020

Hoda Vasi Chowdhury & Co

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
LafargeHolcim Bangladesh Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of LafargeHolcim Bangladesh Limited (hereinafter referred to as "the Group"), which comprise the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements give true and fair view of the financial position of the Group as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and other applicable laws and regulations.

Basis for Opinion

We have conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 20.4 of the accompanying financial statements stating that the Group has legal issue in relation to the excess gas tariff raised by Jalalabad Gas Transmission and Distribution System Limited. A dispute has arisen between the parties as on 03 January 2021 and the demand made by Jalalabad Gas Transmission and Distribution System Limited for payment of gas price as per the tariff fixed by Bangladesh Energy Regulatory Commission (BERC). In response to Jalalabad Gas's demand for additional payment, LafargeHolcim Bangladesh Limited has been maintaining the position as opined by the Group's legal advisor that the gas price is governed by the Gas Sales Agreement (GSA) dated 19 January 2003, which provides for a Ceiling Price (USD 2.8 per thousand Standard Cubic Foot). Jalalabad Gas issued a notice to LafargeHolcim Bangladesh Limited threatening to terminate the GSA and discontinue supply of gas to the Plant of LafargeHolcim Bangladesh Limited. The Group has filed an Arbitration Application and the Hon'ble High Court Division Bangladesh passed an order on 07 February 2021 issuing a Rule as prayed for, and pending hearing of the Rule, the Hon'ble Court directed Jalalabad Gas to maintain status quo in respect of supply of gas at the Plant and further restrained Jalalabad Gas from terminating the GSA or stopping supply of gas to the Plant, for a period of three (3) months from date.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the auditors' responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatements of the consolidated financial statements. These results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

1) Revenue

Revenue recognition has significant and wide influence on consolidated financial statements. The Group reported revenue for the amount of Taka 16,223 million. Revenue is recognized when the amounts and the related costs are reliably measured and the performance obligation is completed through passing of control to the customers. While the risk and rewards are being transferred for the performance obligations at the delivery point and control has passed, there is a risk that the Group might misstate or manipulate sales quantity or price in the consolidated financial statements. There is also a risk that revenue may be overstated or understated through various discounts and incentives.

How our audit addressed the key audit matter

- We assessed the reporting environment of the Group as well as other relevant systems supporting the accounting or revenue;
- We examined customer invoice (Mushak 6.3), VAT submission form (Mushak 9.1) and receipts of payment on a test basis;
- We examined ERP system (SAP) generate sales report (48 report) with dispatch report (701 report);
- We summarized of Mushak 9.1, Mushak 6.7, month wise sales and cross checked with consolidated financial statements;
- We performed detailed walk through tests for the discounts and trade incentives;
- We obtaining supporting documents for sales transactions recorded;
- We assessed whether the sufficient disclosure has been given; and
- We tested the timing of revenue recognition as well as cut off checked.

2) Impairment testing of goodwill

Refer to Note 6(B) to the consolidated financial statements.

Included on the consolidated financial statements is a goodwill balance of Taka 318 million as at 31 December 2020.

The Group is required to, at least annually, perform impairment assessments of intangible assets including goodwill that have an indefinite useful life. For intangible assets with useful lives, the Group is required to review these for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable, and at least annually, review whether there is any change in their expected useful lives.

For the purpose of performing impairment assessments, intangible assets including goodwill have been allocated to the Group of cash generating units ("CGUs"). The recoverable amount of the underlying CGUs is supported by value-in-use calculations which are based on future discounted cash flows. Management concluded that the intangible assets including goodwill were not impaired for the year ended 31 December 2020.

We focused on this area as the assessments made by management involved significant estimates and judgments, including sales growth rates, gross profit margin, net profit margin and perpetual growth rates used to estimate future cash flows and discount rates applied to these forecasted future cash flows of the underlying CGUs. These estimates and judgments may be affected by unexpected changes in future market or economic conditions or discount rates applied.

How our audit addressed the key audit matter

- We understood, evaluated and validated management's key controls over the impairment assessment process;
- We compared the methodology used (value-in-use calculations based on future discounted cash flows) by the Group with market practice;
- We obtained management's future cash flow forecasts, tested the mathematical accuracy of the underlying value-in-use calculations and agreed them to the approved one-year financial budget and future forecasts. We also compared historical actual results to those budgeted to assess the quality of management's forecasts;
- We also assessed the reasonableness of key assumptions used in the calculations, comprising sales growth rates, operating profit margin, EBITDA margin, perpetual growth rate and discount rates. When assessing these key assumptions, we discussed them with management to understand and evaluate management's basis for determining the assumptions, and compared them to external industry outlook reports and economic growth forecasts from a number of sources. We also engaged our valuation experts to assist us in assessing the reasonableness of the discount rates used by management by comparing the discount rates used to entities with similar risk profiles and market information;
- We obtained and tested management's sensitivity analysis around the key assumptions, to ascertain that selected adverse changes to key assumptions, both individually and in aggregate, would not cause the carrying amount of intangible assets including goodwill to exceed the recoverable amount;
- We evaluated management's assessment on whether any events or change in circumstances indicate there may be a change in the expected useful lives of intangible assets; and
- We found the Group estimates and judgments used in the impairment assessment and review of useful lives of intangible assets to be supported by the available evidence.

3) Deferred tax liabilities

The Group reported net deferred tax liabilities amounting to Taka 2,588 million as at 31 December 2020. Significant judgment is required in relation to deferred tax liabilities as their recoverability is dependent on forecasts of future profitability over a number of years.

Refer to Note 15 to the consolidated financial statements for relevant disclosures regarding deferred tax liabilities.

How our audit addressed the key audit matter

- We obtained an understanding, evaluated the design and tested the operational effectiveness of the Group key controls over the recognition and measurement of deferred tax assets (DTAs) and the assumptions used in estimating the Group future taxable income;
- We also assessed the completeness and accuracy of the data used for the estimations of future taxable income;
- We involved tax specialists to assess key assumptions, controls, recognition and measurement of deferred tax (DTs); and
- Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax.

Other matter

The Group comprises the parent LafargeHolcim Bangladesh Limited and its two subsidiaries namely Lafarge Umiam Mining Private Limited (LUMPL) and Lum Mawshun Minerals Private Limited (LMMPL) located in India. The financial statements of two subsidiaries have been audited locally by RKP Associates, Chartered Accountants, India. The auditors of subsidiaries have expressed an unmodified opinion on those financial statements as of 31 December 2020. The consolidated financial statements for the prior period were audited by Nurul Faruk Hasan & Co, Chartered Accountants, the opinion was unmodified, and the date of their audit report was 04 March 2020.

Reporting on other information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the consolidated financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, on the other information obtained prior to the date of this audit report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs), the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Groups financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISAs), we exercised professional judgment and maintained professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on other legal and regulatory requirements

In accordance with the Companies Act, 1994 and International Standards on Auditing (ISAs), we also report the following:

- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b. in our opinion, proper books of account as required by law have been kept by the Group so far as it appeared from our examination of those books;
- c. the Group's statement of consolidated financial position and the consolidated statement of profit or loss and other comprehensive income along with the annexed notes 1 to 35 dealt with by the report are in agreement with the books of account; and
- d. the expenditures incurred and payments made were for the purposes of the Group's affairs.



A F Nesaruddin, FCA
Senior Partner
Enrolment # 469
Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka, Bangladesh
Date: 02 March 2021

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

	Notes	2020 Taka'000	2019 Taka'000
Assets			
Non-current assets			
Property, plant and equipment	5	16,675,338	16,531,389
Goodwill	6	317,776	317,776
Intangible assets	6	2,293,293	2,519,733
Other current assets	9	-	140,993
Total non-current assets		19,286,407	19,509,891
Current assets			
Inventories	7	2,183,534	2,678,147
Trade receivables	8	1,747,990	2,188,054
Other current assets	9	615,819	694,530
Advance income tax	10	998,139	1,547,108
Derivative instruments		14,435	4,903
Cash and cash equivalents	11	1,372,660	301,659
Total current assets		6,932,577	7,414,401
Total assets		26,218,984	26,924,292
Equity & liabilities			
Equity			
Share capital	12.3	11,613,735	11,613,735
Retained earnings		5,442,469	4,242,436
Other components of equity	12.6	(89,671)	(43,172)
Foreign currency translation	3.5	322,712	386,362
Equity attributable to owners of the Company		17,289,245	16,199,361
Non-controlling interests	13	(170)	(134)
Total equity		17,289,075	16,199,227
Non-current liabilities			
Borrowings	14A	65,876	194,160
Deferred tax liability	15	2,587,978	3,066,862
Employee benefits	16	293,689	180,974
Provisions	17	41,865	40,146
Total non-current liabilities		2,989,408	3,482,142
Current liabilities			
Trade payables	18	5,074,955	5,266,170
Other current liabilities	19	768,700	759,437
Borrowings	14B	37,099	1,162,793
Unclaimed dividend		59,747	54,523
Total current liabilities		5,940,501	7,242,923
Total liabilities		8,929,909	10,725,065
Total equity and liabilities		26,218,984	26,924,292
Net Asset Value (NAV) Per Share	33	14.89	13.95

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


Chief Financial Officer


Company Secretary


Director


Chief Executive Officer

As per our annexed report of same date


A F Nesaruddin, FCA
Senior Partner
Enrolment # 469
Hoda Vasi Chowdhury & Co
Chartered Accountants

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

	Notes	2020 Taka '000	2019 Taka '000
Revenue	21	16,222,483	17,839,756
Cost of sales	22	(11,616,410)	(13,307,859)
Gross profit		4,606,073	4,531,897
Other operating income	25A	21,071	65,590
General and administrative expenses	23	(1,264,181)	(1,132,132)
Sales and marketing expenses	24	(408,903)	(504,893)
Other operating expenses	25B	-	(39,605)
Operating profit		2,954,060	2,920,857
Finance cost	26	(123,966)	(261,459)
Finance income	26	18,684	21,363
Profit before tax		2,848,778	2,680,761
Income tax	27	(487,393)	(943,307)
Profit for the year		2,361,385	1,737,454
Profit attributable to:			
Owners of the parent Company		2,361,407	1,737,517
Non-controlling interests		(22)	(63)
		2,361,385	1,737,454
Earnings per share			
Basic (Taka)	28A	2.03	1.50
Diluted (Taka)	28A	2.03	1.50

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


Chief Financial Officer


Company Secretary


Director


Chief Executive Officer

As per our annexed report of same date


A F Nesaruddin, FCA
Senior Partner
Enrolment # 469
Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka, Bangladesh
Date: March 2, 2021

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

	2020 Taka'000	2019 Taka'000
Profit for the year	2,361,385	1,737,454
Items that will not be reclassified to profit or loss		
Actuarial (loss)/gain-net off tax	(38,667)	54,991
Total items that will not be reclassified to profit or loss	(38,667)	54,991
Items that are or may be reclassified subsequently to profit or loss		
Cash flow hedge instruments-net off tax	(7,832)	18,767
Foreign operation-foreign currency translation differences	(63,650)	(28,926)
Non controlling interests-currency translation adjustment	(14)	(5)
Total items that may be reclassified to profit or loss	(71,496)	(10,164)
Other comprehensive (loss)/income for the year	(110,163)	44,827
Total comprehensive income for the year	2,251,222	1,782,281
Profit attributable to:		
Owners of the parent Company	2,251,258	1,782,349
Non-controlling interests	(36)	(68)
	2,251,222	1,782,281

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


Chief Financial Officer


Company Secretary


Director


Chief Executive Officer

As per our annexed report of same date

Dhaka, Bangladesh
Date: March 2, 2021


A F Nesaruddin, FCA
Senior Partner
Enrolment # 469
Hoda Vasi Chowdhury & Co
Chartered Accountants

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

	In thousands of taka						
	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/(loss) for the year	-	1,737,517	73,758	(28,926)	1,782,349	(68)	1,782,281
Final dividend for 2018	-	(1,161,374)	-	-	(1,161,374)	-	(1,161,374)
Balance at 31 December 2019	11,613,735	4,242,436	(43,172)	386,362	16,199,361	(134)	16,199,227
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/(loss) for the year	-	2,361,407	(46,499)	(63,650)	2,251,258	(36)	2,251,222
Final dividend for 2019	-	(1,161,374)	-	-	(1,161,374)	-	(1,161,374)
Balance at 31 December 2020	11,613,735	5,442,469	(89,671)	322,712	17,289,245	(170)	17,289,075

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



Chief Financial Officer



Company Secretary



Director



Chief Executive Officer

LafargeHolcim Bangladesh Limited
Consolidated statement of cash flows
For the year ended 31 December

	Notes	2020 Taka'000	2019 Taka'000
Cash flows from operating activities			
Cash receipts from customers		16,673,625	17,948,941
Cash paid to suppliers and employees		(11,655,013)	(13,195,394)
Cash generated from operations		5,018,612	4,753,547
Income taxes paid		(486,251)	(695,544)
Other receipts		8,134	27,415
Net cash generated from operating activities*	34	4,540,495	4,085,418
Cash flows from investing activities			
Payments for property, plant and equipment		(774,714)	(971,814)
Proceeds from sale of property, plant and equipment		6,630	3,649
Interest income		17,517	13,497
Net cash used in investing activities		(750,567)	(954,668)
Cash flows from financing activities			
Repayment of long term borrowings		(918,562)	(890,230)
Repayments of the lease liabilities		(43,486)	(83,568)
Interest paid on lease liabilities		(15,068)	(15,163)
Decrease in short term debt		(300,689)	(868,133)
Payment of interest and other finance costs		(75,148)	(271,005)
Dividend paid		(1,156,150)	(1,154,661)
Net cash used in financing activities		(2,509,103)	(3,282,760)
Net increase/(decrease) in cash and cash equivalents		1,280,825	(152,010)
Net effect of foreign currency translation on cash and cash equivalents		(2,505)	(539)
Cash and cash equivalents at beginning of the year	11	94,340	246,889
Cash and cash equivalents at end of the year	11	1,372,660	94,340
Net Operating Cash Flow Per Share (NOCFPS)	33	3.91	3.52

*Refer to Note 34 for a reconciliation between net profit with cash flows from operating activities.
The accompanying Notes 1 to 35 form an integral part of these financial statements.


Chief Financial Officer


Company Secretary


Director


Chief Executive Officer

LAFARGEHOLCIM BANGLADESH LIMITED
Notes to the consolidated financial statements
For the year ended 31 December

1. General information

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

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

Lum Mawshun Minerals Private Limited (LMMPL) - LMMPL is a 74% owned subsidiary of the Company. LMMPL was incorporated under the Indian Companies Act 1956 on 17 November 1994 as a private limited company with its registered office at Shillong in the State of Meghalaya, India.

2. Nature of business

LafargeHolcim Bangladesh Limited (LHBL) - The Company operates a cement manufacturing plant at Chhatak under Sunamganj district. The Company extracts and processes the basic raw materials of limestone from the quarry in Meghalaya owned by the Company's fully owned subsidiary Lafarge Umiam Mining Private Limited. A 17 kilometres cross-border belt conveyor links the quarry with the cement plant for transportation of raw materials. The Company is engaged in manufacturing and marketing of building materials in the local and international market.

Lafarge Umiam Mining Private Limited (LUMPL) - LUMPL owns and operates the limestone and shale mine located at Nongtraï and Shella area of East Khasi Hills District, Meghalaya. The project involves supply of crushed limestone and shale from the mines located in the State of Meghalaya through continuous cross border elevated belt conveyor to the plant at Chhatak in Bangladesh promoted by Lafarge SA France and Cementos Molins of Spain for the manufacture building materials by LHBL.

Lum Mawshun Minerals Private Limited (LMMPL) - LMMPL was formed for acquisition of mining and land rights to facilitate the mining operation of limestone and shale. During the earlier years LMMPL transferred the mining and land rights as well as freehold and leasehold lands as was acquired to LUMPL along with the preoperative expenses and related account balances pertaining to such lands transferred, after obtaining necessary approval from the Government of India. Consequently, there has been no business during the year as well as in the previous years. However, LMMPL is exploring new opportunities.

3. Summary of significant accounting policies

3.1 Basis of preparation

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), the Companies Act 1994 and the Securities and Exchange Rules 1987. They were authorized for issue by the Company's board of directors on March 02, 2021.

Pursuant to recent amendment to the Companies Act, 1994 incorporating certain amendments, among others, is to change of the word 'Limited' by the word 'PLC' in case of Public Limited Companies including listed ones. Necessary formalities are in progress in implementing these changes.

LAFARGEHOLCIM BANGLADESH LIMITED
Notes to the consolidated financial statements
For the year ended 31 December

3.2 Basis of consolidation

The accounts of all the subsidiaries of the Company have been fully consolidated as the Company controls these entities. The Company holds majority of voting right in all of the subsidiaries.

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

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

i) Subsidiaries

Subsidiaries are entities controlled by the Company. The Company ‘controls’ an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

ii) Non-controlling interests (NCI)

NCI are measured initially at their proportionate share of the acquiree’s identifiable net assets at the date of acquisition.

Changes in the Company’s interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iii) Loss of control

When the Company loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

3.3 Use of estimates and judgements

i) Estimates

The preparation of the consolidated financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and of revenues and expenses. Such estimates are prepared on the assumption of going concern and are established based on currently available information. Changes in facts and circumstances may result in revised estimates, and actual results could differ from the estimates.

Significant estimates made by management in the preparation of these consolidated financial statements include assumptions used for depreciation, deferred taxes, impairment of investment in subsidiary and provisions for employees benefits.

ii) Judgements

The accounting for certain provisions and the disclosure of contingent liabilities and claims at the date of the consolidated financial statements is judgmental.

3.4 Functional and presentation currency

These consolidated financial statements are presented in Bangladesh Taka (Taka/Tk/BDT) which is the functional and presentation currency of the Company. Figures have been rounded off to the nearest thousand Taka, unless stated otherwise.

LAFARGEHOLCIM BANGLADESH LIMITED
Notes to the consolidated financial statements
For the year ended 31 December

3.5 Translation of financial statements denominated in foreign currencies

The accounts of the Indian subsidiaries have been translated into Bangladesh Taka using the year end closing rate of exchange for all financial position items and the average rate of exchange for revenues, expenses and amounts presented in the statement of cash flows. The resulting translation adjustments are included as a separate component of shareholders' equity. The exchange rates used for consolidating the Indian entities are as follows:

Taka equivalent of Rs. 1	2020	2019
Average rate	1.1456	1.1993
Closing rate	1.1559	1.1921

3.6 Property, plant and equipment

i) Recognition of property, plant and equipment

These are capitalised at cost of acquisition and subsequently stated at cost less accumulated depreciation and accumulated impairment losses. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its operating condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

ii) Subsequent costs

Subsequent maintenance and normal repairs are expensed as incurred while major renewals and improvements are capitalised.

iii) Construction in progress

These expenditures are capitalised and recognised as operating assets upon completion of the acquisition process or construction, where applicable and physical possession thereof.

iv) Depreciation of property, plant and equipment

Straight line depreciation method is followed and depreciation has been charged on all assets acquired that are put to use except land. Depreciation is charged from the date of acquisition and no depreciation is charged at the date of disposal. The rates of depreciation and category of property, plant and equipment are as follows:

Category	Rate %
Building	2-2.5
Plant & machinery	3.33
Vehicles	20
Computer equipment	33.33
Office equipment	10, 20 & 33.33
Furniture & fixtures	10

v) Impairment of property, plant and equipment

The carrying amounts of property, plant and equipment are reviewed at each reporting date to determine whether there is any indication that the assets might be impaired. Any provision of impairment is charged to the statement of profit or loss in the year concerned.

vi) Retirement and disposals

An asset is derecognised on disposal or when no further economic benefits are expected from its use. Gains and losses on disposals are determined by comparing proceeds with carrying amounts, and are recognized in the statement of profit or loss in "Gain/(Loss) on disposals and other non-operating income (expenses)".

vii) Leases

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The Company presents right-of-use assets in 'property, plant and equipment' and lease liabilities in 'borrowings' in the statement of financial position.

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

LAFARGEHOLCIM BANGLADESH LIMITED
Notes to the consolidated financial statements
For the year ended 31 December

3.7 Goodwill

Goodwill arising on acquisition of subsidiary is measured at cost less accumulated impairment losses.

3.8 Intangible assets

i) Software

Software costs are capitalized where it is expected to provide future economic benefits. Capitalization costs include license fees and cost of implementation/ system integration services which are capitalized in the year in which the relevant software is installed for use. Costs of maintenance, up gradation and enhancements are charged off as revenue expenditure unless they bring similar significant additional long term benefits.

ii) Others

Capitalisation costs of leasedhold land and quarry land include statutory fees, lump sum payment to lessor and subsequent development cost. These are shown as "intangible assets" in line with the Company policy.

iii) Construction in progress

These expenditures are capitalised and recognised as operating assets upon completion of the development process.

iv) Amortization of intangible assets

a) Software

Software costs are amortised using the straight-line method over their useful lives (three years).

b) Others

The leased land and quarry land are amortised using the straight-line method over their amortisation year calculated on the basis of different leased years. However, the quarry lands are amortised over a maximum of thirty years. The rate of amortization for lease hold land is 1%- 5%.

3.9 Inventories

Inventories are stated at the lower of cost and net realisable value while packing materials and spare parts are valued at cost. The cost of inventories is based on the weighted average cost method.

3.10 Financial instruments

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent measurement

Financial assets

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

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

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

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

Financial assets - Business model assessment

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

LAFARGEHOLCIM BANGLADESH LIMITED
Notes to the consolidated financial statements
For the year ended 31 December

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

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

Financial assets-Subsequent measurement and gains and losses:

Financial assets at amortised cost:

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

iii) Derivative instruments

The Company enters into financial derivative contracts only in order to reduce its exposure to changes in interest rates and foreign currency exchange rates.

Forward exchange contracts are used to hedge foreign currency exchange rate exposures.

Pursuant to the guidance in IFRS 9, the Company records in the consolidated statement of financial position derivative instruments at their fair values. The accounting of changes in fair value of a derivative depends on the intended use of the derivative and the resulting designation. The Company designates its derivatives based on the criteria established under IFRS 9.

In case of fair value hedge relationship, changes in fair value on the hedging items are recognised in the consolidated statement of profit or loss of the year of change.

In case of cash flow hedge relationship, changes in fair value on the hedging items are recognised directly in other comprehensive income for the effective portion and in the consolidated statement of profit or loss under the "Finance cost/income" caption for the ineffective portion. The gain and loss recognised in equity is subsequently reclassified to the consolidated statement of profit or loss when hedge exposure affects earnings.

iv. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

LAFARGEHOLCIM BANGLADESH LIMITED
Notes to the consolidated financial statements
For the year ended 31 December

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

v. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3.11 Employees' benefit schemes

i) Gratuity plan- funded

The Company operated an unfunded gratuity plan till 15 January 2014 and thereafter, the scheme has been converted to a funded one. However, the provision has been made in respect of all eligible employees and reflected in these accompanying financial statements. At the time of separation, the liability to each employee is settled in cash. Actuary valuation of the gratuity plan is carried out by a professional actuary.

ii) Gratuity plan- unfunded (Holcim Cement Bangladesh Limited- amalgamation)

The Company operates an unfunded gratuity scheme, provision for which has been made in respect of all eligible employees and reflected in these accompanying financial statements. In the time of separation, the liability to each employee is settled in cash. Actuary valuation of the gratuity fund is carried out by a professional actuary.

iii) Gratuity plan- LUMPL

LUMPL operates an unfunded gratuity scheme, provision for which has been made in respect of all eligible employees and reflected in these accompanying financial statements. In the time of separation, the liability to each employee is settled in cash. Actuary valuation of the gratuity fund is carried out by a professional actuary.

iv) Provident fund

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

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

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

3.12 Taxation

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in OCI.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount or current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

ii) Deferred tax

Deferred income tax is provided in full, using the balance sheet method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements in accordance with the provisions of IAS 12. Currently enacted tax rates are used in the determination of deferred income tax.

Deferred tax liabilities are recognised for all temporary taxable differences.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

LAFARGEHOLCIM BANGLADESH LIMITED
Notes to the consolidated financial statements
For the year ended 31 December

3.13 Revenue recognition

Sale of the products, net of value added tax and discounts/commissions, is recognised upon raising invoices to customers.

Contract liabilities primarily relate to the advance consideration received from customers for goods for which delivery will occur at a future point in time.

3.14 Provision

The Company recognises provisions when it has a legal or constructive obligation resulting from past events, the resolution of which would result in outflow of resources embodying economic benefits from the Company.

3.15 Materiality and aggregation

Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial.

3.16 Comparatives

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

3.17 Dividend distribution

Final dividend distributions to the Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders at the Annual General Meeting, while interim dividend distributions are recognised in the period in which the dividends are declared and paid. During the year under review, the Company has not paid any interim dividend.

3.18 Operating segment

In the year 2020, LafargeHolcim Bangladesh Limited did not have any operating segment whose results are regularly reviewed by the entity's Chief Operating Decision Maker to make decision about resource to be allocated to segments and assess its performance and for which discreet financial information is available.

Subsequently, the Company commenced commercial production of clear size graded aggregate from 09 January 2021.

3.19 Preparation and presentation of the separate financial statements

The management of the Company is responsible for the preparation and fair presentation of the separate financial statements of LafargeHolcim Bangladesh Limited. Information about subsidiaries of LafargeHolcim Bangladesh Limited has been detailed in Note-1.

3.20 Impact from COVID-19

The company has considered the possible impacts that may result from COVID-19 in the preparation of these financial results including the recoverability of carrying amount of financial and non- financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of COVID-19, the company has, at the date of approval of these financial results, used internal and external sources of information and expects that the carrying amount of the assets will be recovered.

4. Adoption of new and amended International Financial Reporting Standards

The following new and amended standards are not expected to have a material impact on the Company's financial statements:

- i) COVID-19-Related Rent Concessions (Amendments to IFRS 16)
- ii) Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- iii) Reference to Conceptual Framework (Amendments to IFRS 3)
- iv) Classification of Liabilities as Current or Non-current (Amendments to IAS 1).

LAFARGEHOLCIM BANGLADESH LIMITED
Notes to the consolidated financial statements
For the year ended 31 December

5. Property, plant and equipment
A. Reconciliation of carrying amount

Particulars	<i>In thousands of taka</i>									
	Freehold land	Building	Right of use assets- Building*	Plant and machinery	Right of use assets- Machinery*	Vehicles	Office equipment	Furniture and fixture	Construction in progress	Total
2020										
Cost										
Balance at 1 January 2020	1,531,763	2,511,436	179,597	19,076,136	59,357	252,066	509,854	65,848	318,101	24,504,158
Additions	-	3,650	-	234,615	-	-	982	-	850,974	1,090,221
Disposals	-	-	-	(2,163)	-	(16,661)	(1,289)	(826)	-	(20,939)
Transfers	-	6,475	-	142,241	-	-	9,441	-	(158,157)	-
Translation adjustments	(742)	(3,929)	-	(58,376)	-	(1,957)	(1,167)	(284)	1,817	(64,638)
Balance at 31 December 2020	1,531,021	2,517,632	179,597	19,392,453	59,357	233,448	517,821	64,738	1,012,735	25,508,802
Accumulated depreciation										
Balance at 1 January 2020	-	397,829	45,998	6,776,265	52,733	198,685	317,075	58,924	-	7,847,509
Disposals	-	-	-	(1,986)	-	(16,661)	(1,289)	(826)	-	(20,762)
Charge for the year	-	94,528	46,024	836,908	6,624	13,883	27,809	5,262	-	1,031,038
Translation adjustments	-	(799)	-	(20,527)	-	(1,132)	(1,102)	(761)	-	(24,321)
Balance at 31 December 2020	-	491,558	92,022	7,590,660	59,357	194,775	342,493	62,599	-	8,833,464
Carrying amount										
At December 31, 2020	1,531,021	2,026,074	87,575	11,801,793	-	38,673	175,328	2,139	1,012,735	16,675,338

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In thousands of taka

Particulars	Freehold land	Building	Right of use assets- Building*	Plant and machinery	Right of use assets- Machinery*	Vehicles	Office equipment	Furniture and fixture	Construction in progress	Total
Cost										
Balance at 1 January 2019	1,406,708	2,382,256	-	18,593,959	-	263,176	440,395	48,377	391,076	23,525,947
Additions	-	35,731	179,597	283,682	59,357	2,578	47,665	-	350,811	959,421
Disposals	-	-	-	(69,990)	-	(13,153)	(1,996)	(223)	(2,775)	(88,137)
Transfers	-	94,482	-	284,475	-	-	24,118	17,768	(420,843)	-
Translation adjustments	(205)	(1,033)	-	(15,990)	-	(535)	(328)	(74)	(168)	(18,333)
Balance at 31 December 2019	1,406,503	2,511,436	179,597	19,076,136	59,357	252,066	509,854	65,848	318,101	24,378,898
Accumulated depreciation										
Balance at 1 January 2019	-	287,210	-	6,034,855	-	195,561	296,025	47,199	-	6,860,850
Disposals	-	-	-	(31,625)	-	(11,747)	(1,365)	(212)	-	(44,949)
Charge for the year	-	110,426	45,998	768,185	52,733	14,549	22,099	11,892	-	1,025,882
Translation adjustments	-	193	-	4,850	-	322	316	45	-	5,726
Balance at 31 December 2019	-	397,829	45,998	6,776,265	52,733	198,685	317,075	58,924	-	7,847,509
Carrying amount										
At December 31, 2019	1,406,503	2,113,607	133,599	12,299,871	6,624	53,381	192,779	6,924	318,101	16,531,389

* The opening balance of right of use- building and machinery as at the initial application date of 1 January 2019 was Tk 179,597 (thousand) and Tk 59,357 (thousand).

5.1 Depreciation charge for the year allocated to

	2020	2019
	Taka'000	Taka'000
Production and maintenance costs (Note 22.2)	939,700	940,098
Depot operating and transportation costs (Note 22.4)	33,112	25,512
General and administrative expenses (Note 23)	56,346	53,973
Sales and marketing (Note 24)	1,880	6,299
	1,031,038	1,025,882

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B. Details of disposal of property, plant and equipment

<i>In thousands of taka</i>						
Disposal details 2020	Plant and machinery	Vehicles	Office equipment	Furniture and fixture	Construction in progress	Total
Cost	2,163	16,661	1,289	826	-	20,939
Accumulated depreciation	(1,986)	(16,661)	(1,289)	(826)	-	(20,762)
Carrying amount at December 31, 2020	177	-	-	-	-	177
Sale proceeds	923	5,443	57	207	-	6,630
Mode of disposal	Company policy	Tender	Tender	Tender		
Particulars of purchaser/Type of disposal	Third party & Written off	Third party & employees	Third party & Written off	Third party		

<i>In thousands of taka</i>						
Disposal details 2019	Plant and machinery	Vehicles	Office equipment	Furniture and fixture	Construction in progress	Total
Cost	69,990	13,153	1,996	223	2,775	88,137
Accumulated depreciation	(31,625)	(11,747)	(1,365)	(212)	-	(44,949)
Carrying amount at December 31, 2019	38,365	1,406	631	11	2,775	43,188
Sale proceeds	-	3,572	59	18	-	3,649
Mode of disposal	Company policy	Tender	Tender	Tender	Company policy	
Particulars of purchaser/ type of disposal	Written off	Third party	Third party	Third party	Written off	

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6. A. Goodwill and intangible assets

2020	<i>In thousands of taka</i>						
	Goodwill	Leasehold land	Quarry land	Software	Construction in progress	Total excluding goodwill	Total including goodwill
Cost							
Balance at 1 January 2020	317,776	1,695,953	1,058,702	163,359	12,677	2,930,691	3,248,467
Translation adjustments	-	(503)	(31,611)	(135)	-	(32,249)	(32,249)
Balance at 31 December 2020	317,776	1,695,450	1,027,091	163,224	12,677	2,898,442	3,216,218
Accumulated depreciation							
Balance at 1 January 2020	-	34,328	377,732	124,158	-	536,218	536,218
Charge for the year	-	601	40,525	39,136	-	80,262	80,262
Translation adjustments	-	(254)	(10,944)	(133)	-	(11,331)	(11,331)
Balance at 31 December 2020	-	34,675	407,313	163,161	-	605,149	605,149
Carrying amount							
Balance at 31 December 2020	317,776	1,660,775	619,778	63	12,677	2,293,293	2,611,069

2019	<i>In thousands of taka</i>						
	Goodwill	Leasehold land	Quarry land	Software	Construction in progress	Total excluding goodwill	Total including goodwill
Cost							
Balance at 1 January 2019	317,776	1,821,070	1,049,708	163,321	12,677	3,046,776	3,364,552
Translation adjustments	-	143	8,994	38	-	9,175	9,175
Balance at 31 December 2019	317,776	1,821,213	1,058,702	163,359	12,677	3,055,951	3,373,727
Accumulated depreciation							
Balance at 1 January 2019	-	21,577	332,087	79,118	-	432,782	432,782
Charge for the year	-	12,679	43,054	45,002	-	100,735	100,735
Translation adjustments	-	72	2,591	38	-	2,701	2,701
Balance at 31 December 2019	-	34,328	377,732	124,158	-	536,218	536,218
Carrying amount							
Balance at 31 December 2019	317,776	1,786,885	680,970	39,201	12,677	2,519,733	2,837,509

Amortization charge for the year allocated to

	2020	2019
	Taka '000	Taka '000
Production and maintenance costs (Note 22.2)	41,126	60,978
General and administrative expenses (Note 23)	39,136	39,757
	80,262	100,735

B. Impairment testing for goodwill

The recoverable amount was based on the value in use, determined by discounting the future cash flows to be generated from continuing use. Five years of cash flows were included in the discounted cash flow model. A long-term growth rate into perpetuity has been determined based on the inflation rate. Budgeted EBITDA was based on expectations of future outcomes taking into account past experience, adjusted for anticipated revenue growth. Revenue growth was projected taking into account the average growth levels experienced over past years and the estimated sales volume and price growth for the next five years.

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	2020 Taka'000	2019 Taka'000
7. Inventories		
Raw materials	584,723	740,944
Semi-finished and finished products	611,756	865,192
Parts and supplies	987,055	1,072,011
	<u>2,183,534</u>	<u>2,678,147</u>
8. Trade receivables		
Trade receivables	846,803	1,147,611
Advance payment to trade suppliers	901,187	1,040,443
	<u>1,747,990</u>	<u>2,188,054</u>
See Note 31B(i) for disclosures regarding credit risk, allowance for doubtful debts and ageing analysis of trade receivables.		
9. Other current assets		
Prepaid expenses	73,537	79,578
Advance to employees	9,172	14,252
Security and other deposits	92,651	236,530
Other receivables	79,937	79,898
Advance payment to suppliers of fixed assets	350,148	418,763
Accrued interest on bank deposits	10,374	6,502
	<u>615,819</u>	<u>835,523</u>
Current portion	615,819	694,530
Non-current portion	-	140,993
	<u>615,819</u>	<u>835,523</u>
Receivables mentioned above are unsecured and considered good. Advances made to employees include advance related to employee matters and for running the day to day operation cost of different departments.		
10. Advance income tax- net of tax provision		
Advance income tax-deducted at source	7,476,229	7,099,041
Current tax liabilities (Note 10.1)	(6,478,090)	(5,551,933)
	<u>998,139</u>	<u>1,547,108</u>
10.1 Current tax liabilities		
Balance at 1 January	5,551,933	4,558,691
Provision for the year	935,923	1,000,133
Translation adjustment	(9,766)	(6891)
Balance at 31 December	<u>6,478,090</u>	<u>5,551,933</u>
11. Cash and cash equivalents		
Cash in hand	2,516	2,341
	<u>2,516</u>	<u>2,341</u>
Cash at banks		
Current accounts	1,133,054	214,849
Short term deposit accounts	237,090	84,469
	<u>1,370,144</u>	<u>299,318</u>
Cash and cash equivalents in statement of financial position	<u>1,372,660</u>	<u>301,659</u>
Bank overdrafts repayable on demand and used for cash management purposes*	-	(207,319)
Cash and cash equivalents for the purpose of the statement of cash flows	<u>1,372,660</u>	<u>94,340</u>

* Bank overdrafts are included in short-term borrowings.

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	2020 Taka'000	2019 Taka'000
12. Share capital		
12.1 Authorized capital		
1,400,000,000 ordinary shares of Taka 10 each	<u>14,000,000</u>	<u>14,000,000</u>
<p>In the year 2011, authorized capital was increased from Taka 7,000,000,000 to Taka 14,000,000,000. Further 58,068,675 ordinary shares of Taka 100 per share were issued as right shares at par amounting to Taka 5,806,867,500 offered on the basis of 1:1, for which approval of Bangladesh Securities and Exchange Commission (BSEC) was obtained on 08 September 2011. Moreover, face value of each ordinary share has been denominated from Taka 100 to Taka 10 at 04 December 2011.</p>		
12.2 Issued and subscribed capital		
1,161,373,500 ordinary shares of Taka 10 each	<u>11,613,735</u>	<u>11,613,735</u>
12.3 Paid up capital		
Fully paid up in cash	5,759,888	5,759,888
Fully paid up in other than cash	46,980	46,980
Fully paid up in cash as rights issue	5,806,867	5,806,867
	<u>11,613,735</u>	<u>11,613,735</u>

12.4 Composition of shareholders at 31 December

Name of the shareholders	Nationality/ Incorporated In	Number of shares		Holding %	
		2020	2019	2020	2019
Surma Holding B.V.	The Netherlands	683,698,700	683,698,700	58.87	58.87
Sinha Fashions Limited	Bangladesh	35,100,000	35,100,000	3.02	3.02
Islam Cement Limited	Bangladesh	31,914,200	31,914,200	2.75	2.75
Other Shareholders	Bangladesh and NRB	410,660,600	410,660,600	35.36	35.36
		1,161,373,500	1,161,373,500	100.00	100.00

12.5 Classification of shares by holding at 31 December

Slabs by number of shares	Number of shareholders		Holding %	
	2020	2019	2020	2019
Less than 500 Shares	7,767	8,500	0.17	0.19
501 to 5,000 Shares	12,123	13,422	2.14	2.33
5,001 to 10,000 Shares	2,503	2,628	1.64	1.70
10,001 to 20,000 Shares	1,614	1,709	2.06	2.17
20,001 to 30,000 Shares	573	589	1.23	1.27
30,001 to 40,000 Shares	284	278	0.86	0.84
40,001 to 50,000 Shares	241	216	0.96	0.86
50,001 to 100,000 Shares	404	395	2.55	2.49
100,001 to 1,000,000 Shares	359	353	7.94	7.73
Over 1,000,000 Shares	49	43	80.45	80.42
	25,917	28,133	100.00	100.00

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	2020 Taka'000	2019 Taka'000
12.6 Other components of equity		
Cash flow hedge *	14,289	22,121
Actuarial loss-net of tax	(103,960)	(65,293)
	<u>(89,671)</u>	<u>(43,172)</u>
<p>*The effective portion of changes in the fair value of derivative instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the head. The loss relating to the ineffective portion is recognised immediately in the statement of profit or loss, and is included in the finance costs line item.</p>		
12.7 Dividends		
<p>The final dividend amounts to Taka 1.16 billion which is Taka 1.00 per share of Taka 10 each for the year 2020 proposed by the Board of Directors of the Company for approval at the Annual General Meeting of Shareholders. As this dividend is subject to approval by shareholders at the Annual General Meeting, it has not been included as a liability in these financial statements as of 31 December 2020.</p>		
13. Non-controlling interests		
Retained earnings	(659)	(638)
Share capital	164	169
Share money deposits	325	335
	<u>(170)</u>	<u>(134)</u>
14. Borrowings		
A. Borrowings- long term		
Non-current portion -unsecured	-	94,248
Non-current portion-lease liabilities*	65,876	99,912
	<u>65,876</u>	<u>194,160</u>
B. Borrowings- short term		
Current portion of long term -unsecured	-	800,000
Bank overdraft facilities (Note- 14B (i))	-	207,319
Short term credit facilities (Note-14B (ii))	-	100,000
Current portion of lease liabilities	36,862	55,474
Derivative liabilities*	237	-
	<u>37,099</u>	<u>1,162,793</u>
i) Used bank overdrafts facilities		
Used bank overdrafts facilities in Bangladesh Taka	-	37,346
Used bank overdrafts facilities in foreign currency	-	169,973
	<u>-</u>	<u>207,319</u>
ii) Used short term credit facilities		
Used short term credit facilities in Bangladesh Taka	-	100,000
Used short term credit facilities in foreign currency	-	-
	<u>-</u>	<u>100,000</u>

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

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	2020 Taka'000	2019 Taka'000
15. Deferred tax liability		
Deferred tax by type of temporary differences that resulted in deferred tax assets and liability		
Property, plant and equipment	2,695,818	3,239,266
Actuarial gain	-	7,183
Deferred tax liabilities	2,695,818	3,246,449
Provision for gratuity	45,394	81,795
Actuarial loss	9,583	-
Provision for doubtful debts	36,463	48,091
Business loss carry forward	-	26,741
Provision for obsolescence of spare parts	16,400	22,960
Deferred tax assets	107,840	179,587
Net deferred tax liability	2,587,978	3,066,862
15.1 Change in deferred tax assets and liability		
Balance at 1 January- deferred tax liability	3,066,862	3,104,680
Deferred tax income for the year	(448,530)	(56,826)
Other components of equity	(14,882)	(6,201)
Translation adjustments	(15,472)	(25,209)
Balance at 31 December- deferred tax liability	2,587,978	3,066,862
16. Employee benefits		
Funded plan (Note 16.1)	161,137	72,692
Unfunded plan (Note 16.2)	132,552	108,282
	293,689	180,974
16.1 Funded Plan		
A. Net position of gratuity plan		
Present value of defined benefit obligation	372,688	308,961
Fair value of plan assets	(211,551)	(236,269)
Net funded status	161,137	72,692
B. Actuarial valuation		
The actuarial valuations of the plan and the present value of the defined benefit obligation were carried out at 31 December 2019 by a professional actuary using Projected Unit Credit Method.		
C. Assumptions employed for the valuations are as follows:		
	%	%
Salary increase rate	8	8
Discount rate	7	9
D. Movement in the present value of the defined benefit obligation are as follows:		
Balance at 1 January	308,961	315,812
Current service cost	32,427	35,215
Interest cost	26,809	21,830
Actuarial loss/(gain) [Note D.1]	41,347	(45,915)
Benefits paid during the year	(36,856)	(17,981)
Balance at 31 December	372,688	308,961

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	2020 Taka'000	2019 Taka'000
D.1 Actuarial loss/(gain)		
Demographic assumptions	-	86
Financial	65,214	(56,462)
Experience	(23,867)	10,461
	<u>41,347</u>	<u>(45,915)</u>

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

Balance at 1 January	236,269	220,254
Expected return on plan assets	21,737	15,968
Actuarial loss/(gain)	(14,210)	9,622
Benefits paid during the year	(32,245)	(9,575)
Balance at 31 December	<u>211,551</u>	<u>236,269</u>

The above has been invested in bond.

F. Sensitivity

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Effect in thousands of taka	31 December 2020	
	Increase	Decrease
Discount rate	356,036	390,601
Salary increase rate	390,344	356,111

16.2 Unfunded Plan

A. Actuarial valuation

The actuarial valuations of the plan and the present value of the defined benefit obligation were carried out at 31 December 2020 by a professional actuary using Projected Unit Credit Method.

B. Assumptions employed for the valuations are as follows:

	2020 %	2019 %
Salary increase rate	8.00	8.00
Discount rate	7.00	7.82

C. Movement in the present value of the defined benefit obligation are as follows:

Balance at 1 January	108,282	110,065
Adjustment with valuation report	-	(91)
Current service cost	10,863	16,957
Interest cost	8,939	7,727
Actuarial loss/(gain)	12,345	(20,522)
Benefits paid during the year	(7,119)	(5,764)
Translation adjustment	(758)	(90)
Balance at 31 December	<u>132,552</u>	<u>108,282</u>

D. Sensitivity

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Effect in thousands of taka	31 December 2020	
	Increase	Decrease
Discount rate	100,595	111,827
Salary increase rate	111,743	100,619

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	2020 Taka'000	2019 Taka'000
17. Provisions		
Site restoration provisions		
Balance at 1 January	40,146	37,428
Addition for the year	2,912	3,225
Translation adjustment	(1,193)	(507)
Balance at 31 December	<u>41,865</u>	<u>40,146</u>
<p>The Group is required to restore a quarry site, the estimated costs of site restoration are accrued and recognised to the cost of sales, on the basis of mines closure plan submitted to Indian Bureau of Mines (IBM).</p>		
18. Trade payables		
Payable for goods and services	4,786,474	5,128,023
Contract liabilities	288,481	138,147
	<u>5,074,955</u>	<u>5,266,170</u>
19. Other current liabilities		
Payables to suppliers of fixed assets	118,894	69,338
Income tax and VAT deducted at source	206,971	242,810
Others	442,835	415,145
Accrued interest payable	-	32,144
	<u>768,700</u>	<u>759,437</u>
20. Commitments and Contingencies		
20.1 Commitments		
Commitments related to operating activities		
Purchase commitments	3,524,656	3,223,848
Capital expenditure commitments	248,953	594,633
Guarantees given	521,192	518,268
	<u>4,294,801</u>	<u>4,336,749</u>
20.2 Contingent Liabilities		
Tax related cases with the tax authorities and Hon'ble High Court	1,869,132	1,869,132
VAT related cases with the VAT authorities and Hon'ble High Court	418,183	413,183
Custom related case with the Hon'ble High Court	5,000	5,000
Compulsory afforestation (CA) land	160,867	443,367
	<u>2,453,182</u>	<u>2,730,682</u>
20.3 Claims		
a. Claims against the Company not acknowledged as debt	<u>Nil</u>	<u>Nil</u>
b. Claims by the Company not acknowledged as receivable	<u>Nil</u>	<u>Nil</u>

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20.4 Gas Sales Agreement

Jalalabad Gas Transmission & Distribution Systems Ltd. ("Jalalabad Gas") and LafargeHolcim Bangladesh Ltd ("LHBL") executed a Gas Sales Agreement (GSA) on 19 January 2003, under which Jalalabad Gas supplies gas to the plant of LHBL located at Chhatak, Sunamganj (the "Plant"). A dispute has arisen between the parties as on 03 January 2021 when Jalalabad Gas issued a notice to LHBL threatening to terminate the GSA and discontinue supply of gas to the Plant of LHBL.

LHBL issued a Notice of Arbitration in accordance with the terms of the GSA. LHBL further filed an Arbitration Application No. 5 of 2021 before the Hon'ble High Court Division of the Supreme Court of Bangladesh seeking interim relief in aid of the arbitration. The Hon'ble High Court Division Bangladesh passed an order on 07 February 2021 (a certified copy of which was issued on 10 February 2021) issuing a Rule as prayed for, and pending hearing of the Rule, the Hon'ble Court directed Jalalabad Gas to maintain status quo in respect of supply of gas at the Plant and further restrained Jalalabad Gas from terminating the GSA or stopping supply of gas to the Plant, for a period of three (3) months from date. The Hon'ble Court directed LHBL to furnish a Bank Guarantee for the differential amount accrued Taka 860 million till 07 February 2021 only from a scheduled bank in the name of the Registrar of the High Court Division of the Supreme Court of Bangladesh, within fifteen (15) days from the date of receipt of the Order.

20.5 Lafarge Umiyam Mining Private Limited (LUMPL)

The Company entered into a Limestone Mining Agreement with a mining contractor (the "Contractor"). The Contractor failed to engage the right mining equipment, many mining equipment were more than 5 years old and in violation of the provisions of the Agreement. The Contractor failed to produce right sizes of Limestone as specified in the Agreement. Company issued notices of Breach, Material Breach to the Contractor in terms of the Agreement. On 28.02.2017 the Agreement was terminated. The Company submitted its 'Request for Arbitration' to the Secretariat of the International Court of Arbitration (ICC), Paris as per the provisions of the Agreement, with a claim of Taka 264.86 million. The Contractor made counter-claim of Taka 733.25 million. By order dated 11.09.2017, the ICC appointed Arbitration Tribunal rejected the counterclaim of the Contractor on procedural ground. On 11.12.2017, the Contractor filed an application before the Calcutta High Court under Section 34 of the Arbitration and Conciliation Act, 1996 seeking to set aside the Order of the Arbitration Tribunal dated 11.09.2017 (the "Application"). The Hearing on the Application is awaited. Arbitration proceedings however continue to proceed on the claim filed by LUMPL. The Contractor has filed an application for stay of the Order dated 11.09.2017 before the Tribunal on the ground that the matter is pending before the High Court. The application is yet to be heard by the Tribunal. The Company is of the opinion that the counter-claim of the Contractor, even if taken on record by the Tribunal at a subsequent stage or under order of the High Court, is not likely to succeed in full on merits of the matter and accordingly counterclaim of the Contractor has not been acknowledged as debt and no provision for the same has been made. The lawyers are of the view that the case of Company is strong on merits.

	2020 Taka'000	2019 Taka'000
21. Revenue		
Sale of gray cement*	15,926,030	17,529,660
Sale of cement clinker	296,453	310,096
	16,222,483	17,839,756
Products transferred at a point in time	16,222,483	17,839,756
	16,222,483	17,839,756
*Sale of gray cement		
Local sales	15,753,150	17,343,859
Export in Export Processing Zones and India	172,880	185,801
	15,926,030	17,529,660

LAFARGEHOLCIM BANGLADESH LIMITED
Notes to the consolidated financial statements
For the year ended 31 December

	2020	2019
	Taka'000	Taka'000
22 Cost of Sales		
Opening finished goods and work in process (Note-7)	865,192	735,729
Raw materials costs (Note-22.1)	2,845,516	3,817,487
Consumption of purchased clinker	3,099,650	3,343,806
Power and fuel costs	1,800,627	1,905,267
Production and maintenance costs (Note-22.2)	2,148,138	2,377,449
Plant-general and administrative costs (Note-22.3)	439,818	412,207
Freight cost to customers	259,358	548,019
Depot operating and transportation costs (Note-22.4)	766,955	1,029,862
Site restoration costs	2,912	3,225
Closing finished goods and work in process (Note-7)	(611,756)	(865,192)
	11,616,410	13,307,859
22.1 Raw materials costs		
Fly ash	496,718	568,962
Slag	474,616	515,825
Gypsum	431,365	537,377
Iron ore	62,018	23,799
Sand	16,162	15,834
Clay	99,118	103,696
Limestone	501,042	1,161,060
Packing materials	757,281	870,826
Others	7,196	20,108
	2,845,516	3,817,487
22.2 Production and maintenance costs		
Salary, allowances and benefits	315,462	393,460
Contributions to employees' benefit schemes	22,147	27,655
Maintenance	220,875	298,431
Other supplies and spares	324,352	386,138
Material handling	89,515	64,090
Other expenses	194,383	205,696
Technical studies	578	903
Depreciation	939,700	940,098
Amortization of intangible assets	41,126	60,978
	2,148,138	2,377,449
22.3 Plant general and administrative costs		
Salary, allowances and benefits	166,057	106,413
Contributions to employees' benefit schemes	12,602	6,794
Staff welfare expenses	38,376	37,435
Training, seminars and meetings	174	644
Travelling	5,230	9,055
Rent	-	1,733
Gas, electricity and water	789	836
Telephone, fax and postage	3,067	2,107
Office maintenance	23,716	64,227
Security services	77,232	71,642
Printing and stationery	850	1,232
Other supplies and spares	2,202	3,075
Other office expenses	21,031	24,912
Legal expenses	836	4,273
Consultancy	15,642	8,909
Vehicles running expenses	10,043	8,239
Corporate social activities	19,019	36,123
Insurance	42,952	24,558
	439,818	412,207

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	2020 Taka'000	2019 Taka'000
22.4 Depot operating and transportation costs		
Salary, allowances and benefits	101,463	125,823
Contributions to employees' benefit schemes	8,599	12,077
Staff welfare expenses	1,100	1,209
Training, seminars and meeting	361	751
Depreciation	33,112	25,512
Depot other operating costs	100,551	194,772
Transportation costs	521,769	669,718
	766,955	1,029,862
23. General and administrative expenses		
Salary, allowances and benefits	289,390	287,940
Contributions to employees' benefit schemes	15,612	21,790
Staff welfare expenses	102	1,852
Training, seminars and meeting	8,445	13,852
Travelling	1,738	8,014
Gas, electricity and water	1,001	1,242
Telephone, fax and postage	2,202	7,129
Entertainment	1,866	4,624
Office maintenance	1,799	4,646
Office security services	250	314
Printing and stationery	1,219	2,480
IT maintenance expenses	89,029	105,635
Other office expenses	52,459	79,951
Registration and other fees	6,074	4,488
Audit and tax advisory fees	3,280	4,702
Legal expenses	2,674	17,389
Vehicles running expenses	15,704	15,160
Publicity and public relation	5,153	7,263
General assistance fee	269,837	239,656
Trademark license fee	269,837	108,023
Consulting, survey and studies	7,407	2,678
Depreciation	56,346	53,973
Amortization of intangible assets	39,136	39,757
Contribution to Workers' Profit Participation and Welfare Fund	123,621	99,574
	1,264,181	1,132,132

23.1 General assistance fee

The amount is payable to Lafarge S.A. and LafargeHolcim Limited, for general assistance fee (2 percent of annual net turnover of the Company in accordance with the General Assistance Agreement) for the year 2020. (2019: 1 percent of annual net turnover of the Company, payable to Lafarge S.A. and Cementos Molins).

23.2 Trademark license fee

The amount is payable to Lafarge S.A., LafargeHolcim Limited and Cementos Molins for trademark license fee (2 percent of annual net turnover of the Company in accordance with the Trademark License Fee Agreement) for the year 2020. (2019: 1 percent of annual net turnover of the Company, payable to Lafarge S.A. and Cementos Molins).

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	2020 Taka'000	2019 Taka'000
24. Sales and marketing expenses		
Salary, allowances and benefits	168,733	172,497
Contributions to employees' benefit schemes	12,648	14,385
Staff welfare expenses	918	10
Travelling	17,215	27,791
Gas, electricity and water	789	887
Telephone, fax and postage	3,549	3,791
Entertainment	401	1,336
Office maintenance	1,635	6,755
Printing and stationery	146	168
Other office expenses	7,541	12,337
Registration and other fees	7,798	8,026
Vehicles running expenses	13,734	15,750
Advertisement expenses	157,766	187,628
Promotional expenses	12,972	13,650
Provision for trade receivables	303	1,469
Bad debt	-	27,465
General survey and studies	875	4,649
Depreciation	1,880	6,299
	408,903	504,893
25. Other operating income and expenses		
A. Other operating income		
Sale of miscellaneous scrap items	8,134	27,415
Provision written back for trade receivables	-	22,151
Provident fund forfeited amount*	4,092	-
Gain on sale of property, plant and equipment	6,453	-
Others	2,392	16,024
	21,071	65,590
* The amount represents from 2015 to 2020.		
B. Other operating expenses		
Loss on sale of property, plant and equipment	-	39,605
	-	39,605
26. Finance costs and income		
Interest on short & long term borrowings	38,298	216,917
Other finance costs	15,513	13,779
Bank charges and commission	18,103	15,600
Interest expenses on lease liabilities	15,068	15,163
Exchange loss	36,984	-
Finance costs	123,966	261,459
Interest income on bank deposits	18,684	13,986
Exchange gain	-	7,377
Finance income	18,684	21,363
Net finance (cost)/income	(105,282)	(240,096)
27. Income tax		
Current income tax expenses	935,923	932,179
Current income tax expenses for prior years	-	67,954
Deferred income tax	(448,530)	(56,826)
	487,393	943,307

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	2020 Taka'000	2019 Taka'000
27.1 Reconciliation of effective tax rate (%)		
Average statutory tax rate	27.06	32.87
Prior years adjustment	-	2.53
Permanent differences	4.91	1.61
Change in structure (HBL amalgamation)	(9.47)	-
Effect of foreign tax differentials	(5.39)	(1.83)
Effective tax rate	17.11	35.18

28. A. Earnings per share

The computation of basic and diluted earnings per share for the years ended 31 December 2020 and 31 December 2019 are as follows:

Numerator	<i>(Thousands of Taka)</i>		
Profit for the year- attributable to owners of the company		2,361,407	1,737,517
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>	2.03	1.50
Diluted earnings per share	<i>Taka</i>	2.03	1.50

B. Net asset value (NAV) per share

The computation of net asset value per share for the years ended 31 December 2020 and 31 December 2019 are as follows:

Numerator	<i>(Thousands of Taka)</i>		
Net asset value for the year		17,289,075	16,199,227
Denominator	<i>(Thousands of Shares)</i>		
Weighted average number of shares outstanding		1,161,374	1,161,374
Net asset value per share	<i>Taka</i>	14.89	13.95

C. Net operating cash flow per share (NOCFPS)

The computation of net operating cash flow per share for the years ended 31 December 2020 and 31 December 2019 are as follows:

Numerator	<i>(Thousands of Taka)</i>		
Net operating cash flow for the year		4,540,495	4,085,418
Denominator	<i>(Thousands of Shares)</i>		
Weighted average number of shares outstanding		1,161,374	1,161,374
Net operating cash flow per share	<i>Taka</i>	3.91	3.52

29. Related Party Transactions

During the year, the Group carried out a number of transactions with related parties in the normal course of business and on arms' length basis. The name of these related parties, nature of these transactions and their total value have been set out in accordance with the provisions of IAS 24.

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2020

in thousands of Taka

Name of the Party	Relationship	Nature of transaction	Transaction value during the year Taka '000	Receivable/ (Payable) at 31 Dec 2020 Taka '000
Surma Holding B.V.	Shareholder	Dividend Payment	683,699	-
Holcim Asean Business Service Centre	Group Company	Intercompany services/Technical assistance	-	(40,500)
Lafarge S.A.	Group Company	Technical assistance/Trademark license	236,107	(402,293)
Cementos Molins	Group Company	Trademark license/Travel expenses	67,459	(158,198)
LafargeHolcim Limited	Group Company	Trademark license	236,107	(236,107)
LH Trading Ltd	Group Company	Intercompany services	1,112	784
LH Trading Pte Ltd	Group Company	Intercompany purchase	624,102	(167,747)
Holcim Group Services Ltd.	Group Company	Intercompany services	13,494	(36,784)
Holcim Technology Holderbank	Group Company	Intercompany services	-	(5,810)
Lafarge International Services Singapore Pte Ltd.	Group Company	Intercompany services	16,923	(5,438)
Holcim Services (South Asia) India	Group Company	Intercompany services	40,561	(40,527)
Holcim Technology Ltd.	Group Company	Trademark license	-	(263,541)
Eastern Housing Ltd.	Shareholder's associated entity	Cement sales	5,577	618
Aftab Bahumukhi Firm Ltd.	Shareholder's associated entity	Cement sales	-	(15)
Bengal Development Corporation	Shareholder's associated entity	Cement sales	3,805	(77)
Jahurul Islam Medical College	Shareholder's associated entity	Cement sales	3,234	555
Bank Asia Limited	Shareholder's associated entity	Cement sales	204	(1)
Opex Group	Shareholder's associated entity	Cement sales	246	(84)
Sinha Peoples Energy Ltd.	Shareholder's associated entity	Cement sales	82	(11)

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				in thousands of Taka	
2019	Name of the Party	Relationship	Nature of transaction	Transaction value during the year Taka '000	Receivable/ (Payable) at 31 Dec 2019 Taka '000
	LH Trading Pte Ltd	Group Company	Intercompany purchase	1,605,289	(11,343)
	Surma Holding B.V.	Shareholder	Dividend Payment	687,728	-
	Holcim Technology Ltd.	Group Company	Technical assistance/Trademark license	146,127	(374,063)
	Lafarge S.A.	Group Company	Technical assistance/Trademark license	125,307	(498,880)
	Holcim Asean Business Service Centre	Group Company	Intercompany services/Technical assistance	104,006	(137,342)
	Cementos Molins	Group Company	Trademark license/Travel expenses	90,739	(345,693)
	Holcim Group Services Ltd.	Group Company	Intercompany services	20,163	(128,851)
	Bengal Development Corporation	Shareholder's associated entity	Cement sales	17,469	2,469
	LH Trading Ltd	Group Company	Intercompany services	7,017	18,823
	Lafarge International Services Singapore Pte Ltd.	Group Company	Intercompany services	6,080	(1,759)
	Sinha Peoples Energy Ltd.	Shareholder's associated entity	Cement sales	738	147
	Eastern Housing Ltd.	Shareholder's associated entity	Cement sales	5,181	426
	Lafarge Industries South Africa (PTY) Ltd.	Shareholder's associated entity	Intercompany services	2,699	7,418
	Opex Group	Shareholder's associated entity	Cement sales	1,084	256
	Jahurul Islam Medical College	Shareholder's associated entity	Cement sales	1,280	481
	Bank Asia Limited	Shareholder's associated entity	Cement sales	1,582	(204)
	Holcim Philippines, Inc	Group Company	Intercompany services	-	(128)
	Holcim Services (South Asia) India	Group Company	Intercompany services	-	(16,980)
	Aftab Bahumukhi Firm Ltd.	Shareholder's associated entity	Cement sales	-	(15)
	Holcim Technology Holderbank	Group Company	Intercompany services	-	(5,810)
				2020 Taka '000	2019 Taka '000
30. Directors', Managers' and Officers' Remuneration				456,196	485,285
	Salary, allowances and benefits			31,812	35,768
	Contributions to employees' benefit scheme			11,088	17,305
	Reimbursable expenses			499,096	538,358

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

31.

Financial instruments**A. Accounting classifications**

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

31 December 2020 <i>In thousands of taka</i>	Carrying amount			Fair value			
	Fair value - Hedging instruments	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
Financial assets measured at fair value							
Forward exchange contracts used for hedging	14,435	-	-	14,435	-	14,435	-
	14,435	-	-	14,435	-	14,435	-
Financial assets not measured at fair value							
Trade and other current assets	-	1,940,124	-	1,940,124	-	-	-
Cash and cash equivalents	-	1,372,660	-	1,372,660	-	-	-
	-	3,312,784	-	3,312,784	-	-	-
Financial liabilities measured at fair value							
Forward exchange contracts used for hedging	237	-	-	237	-	237	-
	237	-	-	237	-	237	-
Financial liabilities not measured at fair value							
Borrowings	-	-	102,738	102,738	-	-	-
Trade payables	-	-	5,074,955	5,074,955	-	-	-
Other current liabilities	-	-	768,700	768,700	-	-	-
	-	-	5,946,393	5,946,393	-	-	-
31 December 2019							
Financial assets measured at fair value							
Forward exchange contracts used for hedging	4,903	-	-	4,903	-	4,903	-
	4,903	-	-	4,903	-	4,903	-
Financial assets not measured at fair value							
Trade and other current assets	-	2,525,236	-	2,525,236	-	-	-
Cash and cash equivalents	-	301,659	-	301,659	-	-	-
	-	2,826,895	-	2,826,895	-	-	-
Financial liabilities measured at fair value							
Forward exchange contracts used for hedging	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Financial liabilities not measured at fair value							
Borrowings	-	-	1,356,953	1,356,953	-	-	-
Trade payables	-	-	5,266,170	5,266,170	-	-	-
Other current liabilities	-	-	759,437	759,437	-	-	-
	-	-	7,382,560	7,382,560	-	-	-

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	2020	2019
	Taka'000	Taka'000
B. Financial risk management		
i) Credit risk		
Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and other current assets.		
The carrying amounts of financial assets represents the maximum credit exposure.		
Impairment losses on financial assets recognised in profit or loss were as follows.		
Impairment loss on trade receivables from contracts with customers	(145,852)	(145,549)
	<u>(145,852)</u>	<u>(145,549)</u>

Trade receivables and other current assets

The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry in which the customers operate.

The management has established a credit policy under which each new customer is analysed individually for creditworthiness. The Company's review includes financial statements, industry information. Credit limits are established for each customer and reviewed on a regular basis. Any sales exceeding those limits require approval from the credit committee.

The Company's limits its exposure to credit risk from trade receivables by establishing a maximum payment period of one to three months for distributions and corporate customers respectively. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a distributors, corporate customer, industry, trading history with the Company and existence of previous financial difficulties. The Company obtains bank guarantee and cheques from customers.

An analysis of the credit quality of trade receivables is as follows.

Neither past due	652,681	855,204
Past due		
Past due 1-30 days	144,388	103,525
Past due 31-90 days	30,540	44,480
Past due 91-180 days	24,900	5,184
Over 180 days	140,146	284,767
	<u>992,655</u>	<u>1,293,160</u>

For trade receivables the Company determined impairment losses on trade receivables by using a provision policy, estimated based on historical credit loss based on past due status of the debtors. The Company also considered whether the receivables were secured by bank guarantee or security cheques or both in determining the amount of impairment loss.

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	2020 Taka'000	2019 Taka'000
The change in the valuation allowance for doubtful receivables is as follows:		
Balance at 1 January	(145,549)	(166,231)
Provision written back	-	22,151
Current year addition	(303)	(1,469)
	<u>(145,852)</u>	<u>(145,549)</u>
Maximum exposure to credit risk of the Group at reporting date are as follows:		
Trade receivables (Note 8)	846,803	1,147,611
Other current assets excluding prepaid expenses (Note 9)	542,282	755,945
	<u>1,389,085</u>	<u>1,903,556</u>

Cash and cash equivalents

The Company held cash and cash equivalents of 1,373 million at 31 December 2020 (2019: 302 million). The cash and cash equivalents are held with bank and financial institution counterparties with satisfactory credit ratings. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities. The Company also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

31 December 2020

<i>In thousands of taka</i>	Carrying amount Taka'000	6 months or less Taka'000	From 6 to 12 months Taka'000	From 1 to 5 years Taka'000
Non-derivative financial liabilities				
Trade payables	5,074,955	4,111,693	963,262	-
Other current liabilities	768,700	675,011	93,689	-
Lease liabilities	102,738	-	36,862	65,876
	<u>5,946,393</u>	<u>4,786,704</u>	<u>1,093,813</u>	<u>65,876</u>
Derivative financial liabilities				
Forward exchange contracts used for hedging	237	237	-	-
	<u>237</u>	<u>237</u>	<u>-</u>	<u>-</u>

31 December 2019

Trade payables	5,266,170	3,814,895	1,451,275	-
Other current liabilities	759,437	626,384	133,053	-
Borrowings	1,201,567	707,319	400,000	94,248
Lease liabilities	155,386	-	8,852	146,534
	<u>7,382,560</u>	<u>5,148,598</u>	<u>1,993,180</u>	<u>240,782</u>
Derivative financial liabilities				
Forward exchange contracts used for hedging	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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iii) Market risk

Market risk is the risk that changes in market prices- e.g. foreign exchange rates, interest rates and equity prices-will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

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

a) Currency risk

The Company is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which purchases and borrowings are denominated. The currencies in which these transactions are primarily denominated are euro, US dollars, Swiss franc and Indian rupee.

Exposure to currency risk

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

Balance at 31 December 2020	BDT'000	INR'000	USD'000	EUR'000	CHF'000
Foreign currency denominated assets					
Other current assets	2,338,713	2,015,433	107	-	-
Cash and cash equivalents	80,379	69,212	2	2	-
Total	2,419,092	2,084,645	109	2	-
Foreign currency denominated liabilities					
Trade payables	1,076,059	498,143	5,130	291	364
Other current liabilities	147,324	63,704	586	231	69
Total	1,223,383	561,847	5,716	522	433
Balance at 31 December 2019					
Foreign currency denominated assets					
Other current assets	1,408,269	1,166,592	207	-	-
Cash and cash equivalents	66,257	53,925	21	2	-
Total	1,474,525	1,220,517	228	2	-
Foreign currency denominated liabilities					
Trade payables	820,363	275,272	4,610	271	856
Other current liabilities	202,500	58,256	550	899	12
Total	1,022,863	333,528	5,160	1,170	868

Foreign currency translation/ transaction

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rate between the functional currency and foreign currency at the date of the transaction.

At each financial position date, monetary assets and liabilities denominated in foreign currencies recorded at historical cost are retranslated at the functional currency closing rate provided by Bangladesh Bank (Central Bank). The resultant gain and loss has been reflected in the financial statements. These rates are as follows:

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Currencies	31 December 2020		31 December 2019	
	Closing rate	Average rate	Closing rate	Average rate
BDT/INR	1.1559	1.1456	1.1921	1.1993
BDT/USD	84.8020	84.8724	84.9000	84.4486
BDT/EUR	103.8740	96.6986	94.8885	94.5461
BDT/CHF	96.1365	90.4896	87.7429	84.9766

Exchange rate sensitivity

If the BDT increases in value against a currency, the value in BDT of assets, liabilities, income and expenses originally recorded in the other currencies will decrease. Conversely, if the BDT decreases in value against a currency, the value in BDT of assets, liabilities, income and expenses originally recorded in the other currency will increase. Consequently, increases and decreases in the value of the BDT may affect the value in BDT of non-BDT assets, liabilities, income and expenses, even though the value of these items have not changed in their original currency.

A change of 50 basis points (bp) in foreign currencies would have increased or decreased equity and profit or loss of the Company by the amounts shown below.

Particulars	Estimated impact on profit/loss and equity (+/-) 2020	Estimated impact on profit/loss and equity (+/-) 2019
	Taka'000	Taka'000
Assets denominated in USD	46	96
Assets denominated in EUR	1	1
Assets denominated in INR	12,048	7,336
Other liabilities denominated in USD	2,424	2,165
Other liabilities denominated in EUR	271	557
Other liabilities denominated in INR	3,247	2,005
Other liabilities denominated in CHF	208	367

b) Interest rate risk

The risk is that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk on its debts and short term deposits.

Interest rate sensitivity

A +/- 1% change in short-term interest rates calculated on the financial assets and financial liabilities, would have a maximum impact on the Company's 2020 profit before tax of +/- Taka 2,371 (Taka 845 for 2019) in thousands and Taka 1,030 (Taka 13,570 for 2019) in thousands respectively.

	2020	2019
	Taka'000	Taka'000
Interest bearing financial instruments of the Company at reporting date are as follows:		
Financial assets		
Short term deposits	237,090	84,469
	237,090	84,469
Financial liabilities		
Borrowings	102,975	1,356,953
	102,975	1,356,953

c) Other price risk

The risk is that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices other than those arising from interest rate risk and currency risk. The Company is not exposed to any equity risk, as the Company does not have any investment in equity shares. The Company also does not have any significant exposure to commodity price risk.

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	2020	2019
32. Number of Employees		
LafargeHolcim Bangladesh Limited		
Nationality:		
Bangladeshi	551	356
Non-Bangladeshi	6	7
Holcim Cement (Bangladesh) Limited		
Nationality:		
Bangladeshi	-	251
Non-Bangladeshi	-	1
Lafarge Umiam Mining Private limited		
Nationality:		
Indian	115	118
Non-Indian	1	1
	673	734
Salary range:		
Monthly Taka 3,000 or above	673	734
Monthly below Taka 3,000	Nil	Nil
	2020	2019
	Taka'000	Taka'000
33. Comparative information of the shareholders (Note- 28)		
Net Asset Value (NAV) Per Share	14.89	13.95
Earning Per Share (EPS)	2.03	1.50
Net Operating Cash Flow Per Share (NOCFPS)	3.91	3.52
Profit for the year (in thousand)	2,361,385	1,737,454
34. Reconciliation of net profit with cash flows from operating activities		
Net profit for the year	2,361,385	1,737,454
Depreciation and amortization	1,111,300	1,126,617
Other non-cash items	303	1,469
Non-operating items	592,675	1,183,403
Changes in net working capital	474,832	36,475
Cash flows from operating activities	4,540,495	4,085,418
35. Lease disclosures		
Expenses for leases of low value assets	-	-
Payments for leases of low value assets	-	-
Short-term lease expenses	(7,410)	(2,392)
Payment for short-term leases	(7,410)	(2,392)
Average lease terms (in years)	2	2



Chief Financial Officer



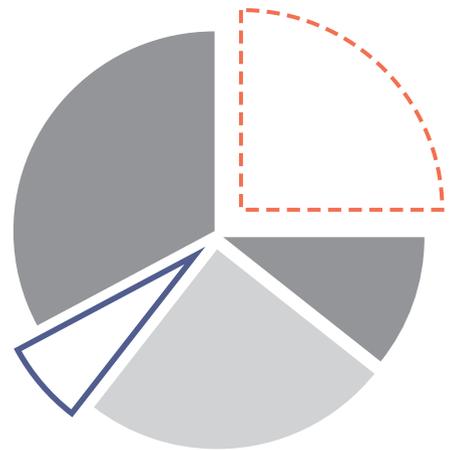
Company Secretary



Director



Chief Executive Officer



Report and Financial Statements of
LafargeHolcim Bangladesh Limited
for the year ended December 31, 2020

Hoda Vasi Chowdhury & Co

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
LafargeHolcim Bangladesh Limited

Report of the audit of the financial statements

Opinion

We have audited the financial statements of **LafargeHolcim Bangladesh Limited** (hereinafter referred to as "the Company"), which comprise the statement of financial position as at 31 December 2020, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2020, and of its financial performance and its cash flows for the year ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and other applicable laws and regulations.

Basis for opinion

We have conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to note 19.4 of the accompanying financial statements stating that the Group has legal issue in relation to the excess gas tariff raised by Jalalabad Gas Transmission and Distribution System Limited. A dispute has arisen between the parties as on 03 January 2021 and the demand made by Jalalabad Gas Transmission and Distribution System Limited for payment of gas price as per the tariff fixed by Bangladesh Energy Regulatory Commission (BERC). In response to Jalalabad Gas's demand for additional payment, LafargeHolcim Bangladesh Limited has been maintaining the position as opined by the Group's legal advisor that the gas price is governed by the Gas Sales Agreement (GSA) dated 19 January 2003, which provides for a Ceiling Price (USD 2.8 per thousand Standard Cubic Foot). Jalalabad Gas issued a notice to LafargeHolcim Bangladesh Limited threatening to terminate the GSA and discontinue supply of gas to the Plant of LafargeHolcim Bangladesh Limited. The Group has filed an Arbitration Application and the Hon'ble High Court Division Bangladesh passed an order on 07 February 2021 issuing a Rule as prayed for, and pending hearing of the Rule, the Hon'ble Court directed Jalalabad Gas to maintain status quo in respect of supply of gas at the Plant and further restrained Jalalabad Gas from terminating the GSA or stopping supply of gas to the Plant, for a period of three (3) months from date.

Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatements of the financial statements. These results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

1) Revenue

Revenue recognition has significant and wide influence on financial statements. The Company reported revenue for the

amount of Taka 16,223 million. Revenue is recognized when the amounts and the related costs are reliably measured and the performance obligation is completed through passing of control to the customers. While the risk and rewards are being transferred for the performance obligations at the delivery point and control has passed, there is a risk that the Company might misstate or manipulate sales quantity or price in the financial statements. There is also a risk that revenue may be overstated or understated through various discounts and incentives.

How our audit addressed the key audit matter

- We assessed the reporting environment of the Company as well as other relevant systems supporting the accounting or revenue;
- We examined customer invoice (Mushak 6.3), VAT submission form (Mushak 9.1) and receipts of payment on a test basis;
- We examined ERP system (SAP) generate sales report (48 report) with dispatch report (701 report);
- We summarized of Mushak 9.1, Mushak 6.7, month wise and cross checked with financial statements booked as revenue;
- We performed detailed walk through tests for the discounts and trade incentives;
- We obtaining supporting documents for sales transactions recorded;
- We assessed whether the sufficient disclosure has been given; and
- We tested the timing of revenue recognition as well as cut off checked.

2) Impairment testing of goodwill

Refer to Note 6(B) to the financial statements.

Included on the financial statements is an intangible assets balance of Taka 318 million as at 31 December 2020.

The Company is required to, at least annually, perform impairment assessments of intangible assets including goodwill that have an indefinite useful life. For intangible assets with useful lives, the Company is required to review these for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable, and at least annually, review whether there is any change in their expected useful lives.

For the purpose of performing impairment assessments, intangible assets including goodwill have been allocated to the Company of cash generating units ("CGUs"). The recoverable amount of the underlying CGUs is supported by value-in-use calculations which are based on future discounted cash flows.

Management concluded that the intangible assets including goodwill were not impaired for the year ended 31 December 2020.

We focused on this area as the assessments made by management involved significant estimates and judgments, including sales growth rates, gross profit margin, net profit margin and perpetual growth rates used to estimate future cash flows and discount rates applied to these forecasted future cash flows of the underlying CGUs. These estimates and judgments may be affected by unexpected changes in future market or economic conditions or discount rates applied.

How our audit addressed the key audit matter

- We understood, evaluated and validated management's key controls over the impairment assessment process;
- We compared the methodology used (value-in-use calculations based on future discounted cash flows) by the Company with market practice;
- We obtained management's future cash flow forecasts, tested the mathematical accuracy of the underlying value-in-use calculations and agreed them to the approved one-year financial budget and future forecasts. We also compared historical actual results to those budgeted to assess the quality of management's forecasts;
- We also assessed the reasonableness of key assumptions used in the calculations, comprising sales growth rates, operating profit margin, EBITDA margin, perpetual growth rate and discount rates. When assessing these key assumptions, we discussed them with management to understand and evaluate management's basis for determining the assumptions, and compared them to external industry outlook reports and economic growth forecasts from a number of sources. We also engaged our valuation experts to assist us in assessing the reasonableness of the discount rates used by management by comparing the discount rates used to entities with similar risk profiles and market information;
- We obtained and tested management's sensitivity analysis around the key assumptions, to ascertain that selected adverse changes to key assumptions, both individually and in aggregate, would not cause the carrying amount of intangible assets including goodwill to exceed the recoverable amount;
- We evaluated management's assessment on whether any events or change in circumstances indicate there may be a change in the expected useful lives of intangible assets; and
- We found the Company estimates and judgments used in the impairment assessment and review of useful lives of intangible assets to be supported by the available evidence.

3) Deferred tax liabilities

The Company reported net deferred tax liabilities amounting to Taka 2,380 million as at 31 December 2020. Significant judgment is required in relation to deferred tax liabilities as their recoverability is dependent on forecasts of future profitability over a number of years.

Refer to Note 15 to the financial statements for relevant disclosures regarding deferred tax liabilities.

How our audit addressed the key audit matter

- We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company key controls over the recognition and measurement of deferred tax assets (DTAs) and the assumptions used in estimating the Company future taxable income;
- We also assessed the completeness and accuracy of the data used for the estimations of future taxable income;
- We involved tax specialists to assess key assumptions, controls, recognition and measurement of deferred tax (DTs); and
- Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax.

Other matter

The financial statements for the prior period were audited by Nurul Faruk Hasan & Co, Chartered Accountants, the opinion was unmodified, and the date of their audit report was 04 March 2020.

Reporting on other information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, on the other information obtained prior to the date of this audit report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs), the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISAs), we exercised professional judgment and maintained professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company's audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on other legal and regulatory requirements

In accordance with the Companies Act, 1994 and International Standards on Auditing (ISAs), we also report the following:

- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c. the Company's statement of financial position and the statement of profit or loss and other comprehensive income along with the annexed notes 1 to 40 dealt with by the report are in agreement with the books of account; and
- d. the expenditures incurred and payments made were for the purposes of the Company's affairs.



A F Nesaruddin, FCA

Senior Partner

Enrolment # 469

Hoda Vasi Chowdhury & Co

Chartered Accountants

Dhaka, March 2, 2021
DVC: 2103180469AS137211

LafargeHolcim Bangladesh Limited
Statement of financial position
As at 31 December

	Notes	2020 Taka'000	2019 Taka'000
Assets			
Non-current assets			
Property, plant and equipment	5	16,696,730	16,854,211
Intangible assets	6	317,776	356,913
Investment in subsidiaries	7	519,893	519,893
Total non-current assets		17,534,399	17,731,017
Current assets			
Inventories	8	2,187,723	2,722,492
Trade receivables	9	1,083,760	1,567,210
Other current assets	10	380,377	455,360
Advance income tax	11	649,343	1,158,412
Cash and cash equivalents	12	1,292,660	237,374
Total current assets		5,593,863	6,140,848
Total assets		23,128,262	23,871,865
Equity & liabilities			
Capital and reserves			
Share capital	13.4	11,613,735	11,613,735
Retained earnings		2,955,783	2,133,175
Other components of equity	13.7	(102,614)	(48,129)
Total equity		14,466,904	13,698,781
Non-current liabilities			
Borrowing	14A	53,227	178,997
Deferred tax liability	15	2,379,700	2,819,140
Employee benefits	16	267,128	157,547
Total non-current liabilities		2,700,055	3,155,684
Current liabilities			
Trade payables	17	5,130,044	5,247,898
Other current liabilities	18	741,422	740,005
Borrowings	14B	30,090	974,974
Unclaimed dividend		59,747	54,523
Total current liabilities		5,961,303	7,017,400
Total liabilities		8,661,358	10,173,084
Total equity and liabilities		23,128,262	23,871,865
Net Asset Value (NAV) Per Share	35	12.46	11.80

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


Chief Financial Officer


Company Secretary


Director


Chief Executive Officer

As per our annexed report of same date


A F Nesaruddin, FCA
Senior Partner
Enrolment # 469
Hoda Vasi Chowdhury & Co
Chartered Accountants

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

	Notes	2020 Taka '000	2019* Taka '000
Revenue	20	16,222,483	11,974,133
Cost of sales	21	(12,187,486)	(8,684,631)
Gross Profit		4,034,997	3,289,502
Other operating income	24A	21,071	41,608
General and administrative expenses	22	(1,088,570)	(817,662)
Sales and marketing expenses	23	(408,903)	(330,634)
Other operating expense	24B	-	(39,769)
Operating Profit		2,558,595	2,143,045
Finance cost	25	(99,786)	(238,940)
Finance income	25	13,616	8,739
Net finance cost		(86,170)	(230,201)
Profit before WPPF & tax		2,472,425	1,912,844
Workers' profit participation and welfare fund (WPPF)		(123,621)	(95,642)
Profit before tax		2,348,804	1,817,202
Income tax expense	26	(364,822)	(563,853)
Profit for the year		1,983,982	1,253,349
Earnings per share			
Basic	27A	1.71	1.08
Diluted	27A	1.71	1.08

*See note number 2.15

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


Chief Financial Officer


Company Secretary


Director


Chief Executive Officer

As per our annexed report of same date


A F Nesaruddin, FCA
Senior Partner
Enrolment # 469
Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka, Bangladesh
Dated: March 2, 2021
DVC: 2103180469AS137211

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

	2020 Taka'000	2019* Taka'000
Profit for the year	1,983,982	1,253,349
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Actuarial (loss)/gain-net off tax	(60,146)	41,652
	(60,146)	41,652
Items that may be reclassified to profit or loss		
Cash flow hedge- net off tax	5,661	9,161
	5,661	9,161
Other comprehensive income for the year, net of tax	(54,485)	50,813
Total comprehensive income for the year	1,929,497	1,304,162

*See note number 2.15

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


Chief Financial Officer


Company Secretary


Director


Chief Executive Officer

As per our annexed report of same date


A F Nesaruddin, FCA
Senior Partner
Enrolment # 469
Hoda Vasi Chowdhury & Co
Chartered Accountants

Dhaka, Bangladesh
Dated: March 2, 2021
DVC: 2103180469AS137211

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

In thousands of taka

	Share capital	Retained earnings	Other components of equity	Total equity
Balance as at 1 January 2019	11,613,735	2,298,905	(98,942)	13,813,698
Total comprehensive income for the year	-	1,253,349	50,813	1,304,162
HBL amalgamation	-	(257,705)	-	(257,705)
Final dividend for 2018	-	(1,161,374)	-	(1,161,374)
Balance as at 31 December 2019	11,613,735	2,133,175	(48,129)	13,698,781
Balance as at 1 January 2020	11,613,735	2,133,175	(48,129)	13,698,781
Total comprehensive income for the year	-	1,983,982	(54,485)	1,929,497
Final dividend for 2019	-	(1,161,374)	-	(1,161,374)
Balance as at 31 December 2020	11,613,735	2,955,783	(102,614)	14,466,904

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


Chief Financial Officer


Company Secretary


Director


Chief Executive Officer

LafargeHolcim Bangladesh Limited
Statement of cash flows
For the year ended 31 December

	Notes	2020 Taka'000	2019* Taka'000
Cash flows from operating activities			
Cash receipts from customers		16,673,625	14,895,360
Cash paid to suppliers and employees		(12,419,671)	(11,306,775)
Cash generated from operations		4,253,954	3,588,585
Income taxes paid		(280,311)	(312,489)
Other receipts		8,134	41,608
Net cash generated from operating activities**	36	3,981,777	3,317,704
Cash flows from investing activities			
Payments for property, plant and equipment		(642,303)	(582,183)
Proceeds from sale of property, plant and equipment		6,630	2,002
Interest income		13,616	8,739
Amalgamation and acquisition of a subsidiary		-	102,265
Net cash used in investing activities		(622,057)	(469,177)
Cash flows from financing activities			
Repayment of long-term borrowings		(94,248)	(890,230)
Repayments of the lease liabilities		(30,135)	(7,971)
Interest paid on lease liabilities		(7,782)	(945)
Repayment of short term debt		(951,820)	(561,933)
Payment of interest and other finance costs		(64,299)	(235,380)
Dividend paid		(1,156,150)	(1,154,661)
Net cash used in financing activities		(2,304,434)	(2,851,120)
Net Increase/ (decrease) in cash and cash equivalents		1,055,286	(2,593)
Cash and cash equivalents at beginning of the year		237,374	201,900
Cash and cash equivalents at end of the year	12	1,292,660	199,307
Net Operating Cash Flow Per Share (NOCFPS)	35	3.43	2.86

*See note number 2.15

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

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


Chief Financial Officer


Company Secretary


Director


Chief Executive Officer

LAFARGEHOLCIM BANGLADESH LIMITED
Notes to the financial statements
For the year ended 31 December

1. General information

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

The Company operates a cement manufacturing plant at Chhatak under Sunamganj district. The Company extracts and processes the basic raw materials of limestone from the quarry in Meghalaya owned by the Company's fully owned subsidiary Lafarge Umiam Mining Private Limited. A 17 kilometres cross-border belt conveyor links the quarry with the cement plant for transportation of raw materials. The Company is engaged in manufacturing and marketing of building materials in the local and international market.

2. Summary of significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in line with the International Financial Reporting Standards (IFRS), the Companies Act 1994 and the Securities and Exchange Rules 1987. More specifically, the financial statements of the Company have been prepared in accordance with the provisions of International Accounting Standard 27 "Separate Financial Statements". They were authorized for issue by the Company's board of directors on 02 March, 2021.

Pursuant to recent amendment to the Companies Act, 1994 incorporating certain amendments, among others, is to change of the word 'Limited' by the word 'PLC' in case of Public Limited Companies including listed ones. Necessary formalities are in progress in implementing these changes.

2.2 Use of estimates and judgments

i) Estimates

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and of revenues and expenses. Such estimates are prepared on the assumption of going concern and are established based on currently available information. Changes in facts and circumstances may result in revised estimates, and actual results could differ from the estimates.

Significant estimates made by management in the preparation of these financial statements include assumptions used for depreciation, deferred taxes, impairment of investment in subsidiary and provisions for employees benefits.

ii) Judgments

The accounting for certain provisions and the disclosure of contingent liabilities and claims at the date of the financial statements is judgmental.

iii) Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Further information about the assumptions made in measuring fair values is included in financial instruments (Note 2.8 and 30).

LAFARGEHOLCIM BANGLADESH LIMITED
Notes to the financial statements
For the year ended 31 December

2.3 Functional and presentation currency

These financial statements are presented in Bangladesh Taka (Taka/Tk/BDT), which is the Company's functional and presentation currency. Figures have been rounded off to the nearest thousand Taka, unless stated otherwise.

2.4 Property, plant and equipment

i) Recognition of property, plant and equipment

These are capitalized at cost of acquisition and subsequently stated at cost less accumulated depreciation and accumulated impairment losses. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its operating condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

ii) Subsequent costs

Subsequent maintenance and normal repairs are expensed as incurred while major renewals and improvements are capitalized.

iii) Construction in progress

These expenditures are capitalized and recognized as operating assets upon completion of the acquisition process or construction, where applicable and physical possession thereof.

iv) Depreciation of property, plant and equipment

Straight line depreciation method is followed and depreciation has been charged on all assets acquired that are put to use except land. Depreciation is charged from the date of acquisition and no depreciation is charged at the date of disposal. The rates of depreciation and category of property, plant and equipment are as follows:

Category	Rate %
Building	2-2.5
Plant & machinery	3.33
Vehicles	20
Office equipment	10, 20 & 33.33
Furniture & fixtures	10

v) Impairment of property, plant and equipment

The carrying amounts of property, plant and equipment are reviewed at each reporting date to determine whether there is any indication that the assets might be impaired. Any provision of impairment is charged to the statement of profit or loss in the period concerned.

vi) Retirement and disposals

An asset is derecognized on disposal or when no further economic benefits are expected from its use. Gains and losses on disposals are determined by comparing proceeds with carrying amounts, and are recognized in the statement of profit or loss in "Gain/(Loss) on disposals and other non-operating income (expenses)".

vii) Leases

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease. The Company uses its incremental borrowing rate as the discount rate.

The Company presents right-of-use assets in 'property, plant and equipment' and lease liabilities in 'borrowings' in the statement of financial position.

The Company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

LAFARGEHOLCIM BANGLADESH LIMITED
Notes to the financial statements
For the year ended 31 December

2.5 Goodwill

In the year 2019, Holcim Cement (Bangladesh) Limited (HBL) was amalgamated with the Company pursuant to a court order. Investment in subsidiary - HBL and net equity of HBL have been eliminated and the excess representing goodwill has been booked into the financial statements of the Company. This goodwill originally arose on the acquisition of HBL as on 07 January 2018.

2.6 Intangible assets

i) Software

Software costs are capitalized where it is expected to provide future economic benefits. Capitalization costs include license fees and cost of implementation/ system integration services which are capitalized in the year in which the relevant software is installed for use. Costs of maintenance, up gradation and enhancements are charged off as revenue expenditure unless they bring similar significant additional long term benefits.

ii) Amortization of intangible assets

Software

Software costs are amortized using the straight-line method over their useful lives of three years.

2.7 Inventories

Inventories are stated at the lower of cost and net realizable value while packing materials and spare parts are valued at cost. The cost of inventories is based on the weighted average cost method.

2.8 Financial instruments

i. Recognition and initial measurement

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent measurement

Financial assets:

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

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

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

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

Financial assets – Business model assessment:

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

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

LAFARGEHOLCIM BANGLADESH LIMITED

Notes to the financial statements

For the year ended 31 December

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

Financial assets-Subsequent measurement and gains and losses:

Financial assets at amortized cost:

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Financial liabilities- Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. Financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

iii. Derivative instruments

The Company enters into financial derivative contracts only in order to reduce its exposure to changes in interest rates and foreign currency exchange rates.

Forward exchange contracts are used to hedge foreign currency exchange rate exposures.

Pursuant to the guidance in IFRS 9, the Company records in the statement of financial position derivative instruments at their fair values. The accounting of changes in fair value of a derivative depends on the intended use of the derivative and the resulting designation. The Company designates its derivatives based on the criteria established under IFRS 9.

In case of fair value hedge relationship, changes in fair value on the hedging items are recognized in the statement of profit or loss of the year of change.

In case of cash flow hedge relationship, changes in fair value on the hedging items are recognized directly in other comprehensive income for the effective portion and in the statement of profit or loss under the "Finance cost/income" caption for the ineffective portion. The gain and loss recognized in equity is subsequently reclassified to the statement of profit or loss when hedge exposure affects earnings.

iv. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expired. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

v. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.9 Foreign currency translation/ transaction

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rate between the functional currency and foreign currency at the date of the transaction.

At each financial position date, monetary assets and liabilities denominated in foreign currencies recorded at historical cost are retranslated at the functional currency closing rate provided by Bangladesh Bank (Central bank). The resultant gain and loss has been reflected in the financial statements.

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2.10 Employees' benefit schemes

i) Gratuity plan- funded

The Company had operated an unfunded gratuity plan till 15 January 2014 and thereafter, the scheme has been converted to a funded one. However, the provision has been made in respect of all eligible employees and reflected in these accompanying financial statements. At the time of separation, the liability to each employee is settled in cash. Actuary valuation of the gratuity plan is carried out by a professional actuary.

ii) Gratuity plan- unfunded (Holcim Cement Bangladesh Limited- amalgamation)

The Company operates an unfunded gratuity scheme, provision for which has been made in respect of all eligible employees and reflected in these accompanying financial statements. In the time of separation, the liability to each employee is settled in cash. Actuary valuation of the gratuity fund is carried out by a professional actuary.

iii) Provident fund

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

iv) Workers' profit participation and welfare funds

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

2.11 Taxation

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in OCI.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount or current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

ii) Deferred tax

Deferred income tax is provided in full, using the balance sheet method, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements in accordance with the provisions of IAS 12. Currently enacted tax rates are used in the determination of deferred income tax.

Deferred tax liabilities are recognized for all temporary taxable differences.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

2.12 Revenue recognition

Sale of the products, net of value added tax is recognized upon meeting the performance obligation and raising invoices to customers.

Contract liabilities primarily relate to the advance consideration received from customers for goods for which delivery will occur at a future point in time.

2.13 Provision

The Company recognizes provisions when it has a legal or constructive obligation resulting from past events, the resolution of which would result in outflow of resources embodying economic benefits from the Company.

LAFARGEHOLCIM BANGLADESH LIMITED
Notes to the financial statements
For the year ended 31 December

2.14 Materiality and aggregation

Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial.

2.15 Comparatives

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

Moreover, comparative figures of 2019 consists only LafargeHolcim Bangladesh Limited (LHBL) and one month's figures of Holcim Cement (Bangladesh) Limited (HBL). 2020 figures are included in HBL since HBL amalgamated with LHBL dated on 26 November 2019.

2.16 Dividend distribution

Final dividend distributions to the Company's shareholders are recognized as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholders at the Annual General Meeting, while interim dividend distributions are recognized in the period in which the dividends are declared and paid. During the year under review, the Company has not paid any interim dividend.

2.17 Impact from COVID-19

The company has considered the possible impacts that may result from COVID-19 in the preparation of these financial results including the recoverability of carrying amount of financial and non- financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of COVID-19, the company has, at the date of approval of these financial results, used internal and external sources of information and expects that the carrying amount of the assets will be recovered.

3. Adoption of new and amended International Financial Reporting Standards

The following new and amended standards are not expected to have a material impact on the Company's financial statements:

- i) COVID-19-Related Rent Concessions (Amendments to IFRS 16)
- ii) Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- iii) Reference to Conceptual Framework (Amendments to IFRS 3)
- iv) Classification of Liabilities as Current or Non-current (Amendments to IAS 1).

4. Preparation and presentation of the separate financial statements

The management of the Company is responsible for the preparation and fair presentation of the separate financial statements of LafargeHolcim Bangladesh Limited.

LAFARGEHOLCIM BANGLADESH LIMITED
Notes to the financial statements
For the year ended 31 December

5. Property, plant and equipment
A. Reconciliation of carrying amount

Particulars	<i>In thousands of taka</i>									
	Freehold land	Leasehold land	Building	Right of use assets	Plant & machinery	Vehicles	Office equipment	Furniture and fixture	Construction in progress	Total
Cost										
Balance at 1 January 2020	1,507,337	1,653,763	2,206,594	130,348	16,831,426	209,053	413,009	75,874	306,664	23,334,068
Additions	-	-	3,650	-	207,826	-	982	-	558,776	771,234
Disposals	-	-	-	-	(2,163)	(16,661)	(1,289)	(827)	-	(20,940)
Transfers	-	-	6,475	-	142,241	-	9,441	-	(158,157)	-
Balance at 31 December 2020	1,507,337	1,653,763	2,216,719	130,348	17,179,330	192,392	422,143	75,047	707,283	24,084,362
Accumulated depreciation										
Balance at 1 January 2020	-	-	190,758	8,916	5,779,789	165,355	293,415	41,624	-	6,479,857
Disposals	-	-	-	-	(1,986)	(16,661)	(1,289)	(827)	-	(20,763)
Charge for the year	-	600	91,332	39,297	735,053	25,310	27,810	9,136	-	928,538
Balance at 31 December 2020	-	600	282,090	48,213	6,512,856	174,004	319,936	49,933	-	7,387,632
Carrying amounts										
At 31 December 2020	1,507,337	1,653,163	1,934,629	82,135	10,666,474	18,388	102,207	25,114	707,283	16,696,730

LAFARGEHOLCIM BANGLADESH LIMITED
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B. Details of disposal of property plant and equipment

							<i>In thousands of taka</i>
2020	Plant and machinery	Vehicles	Office equipment	Furniture and fixture	Construction in progress	Total	
Cost	2,163	16,661	1,289	827	-	20,940	
Accumulated depreciation	(1,986)	(16,661)	(1,289)	(827)	-	(20,763)	
Carrying amount at December 31, 2020	177	-	-	-	-	177	
Sale proceeds	923	5,443	57	207	-	6,630	
Mode of disposal	Tender	Tender	Tender	Tender			
Particulars of purchaser/type of disposal	Third party & written off	Third party & employees	Third party	Third party			

In thousands of taka

							<i>In thousands of taka</i>
2019	Plant and machinery	Vehicles	Office equipment	Furniture and fixture	Construction in progress	Total	
Cost	67,174	7,537	1,996	209	2,775	79,691	
Accumulated depreciation	(28,809)	(7,537)	(1,365)	(209)	-	(37,920)	
Carrying amount at December 31, 2019	38,365	-	631	-	2,775	41,771	
Sale proceeds	-	1,925	59	18	-	2,002	
Mode of disposal	Company policy	Company policy/Tender	Company policy/Tender	Company policy/Tender	Company policy		
Particulars of purchaser/type of disposal	Written off	Third party & employees	Third party & Written off	Third party	Written off		

6. A. Intangible assets
Reconciliation of carrying amount

2020	<i>In thousands of taka</i>			
	Goodwill	Software	Construction in progress	Total
Cost				
Balance at 1 January 2020	317,776	158,847	-	476,623
Balance at 31 December 2020	317,776	158,847	-	476,623
Accumulated depreciation				
Balance at 1 January 2020	-	119,711	-	119,711
Charge for the year	-	39,136	-	39,136
Balance at 31 December 2020	-	158,847	-	158,847
Carrying amounts				
At 31 December 2020	317,776	-	-	317,776

2019	<i>In thousands of taka</i>			
	Goodwill	Software	Construction in progress	Total
Cost				
Balance at 1 January 2019	-	158,848	-	158,848
HBL amalgamation	317,776	-	-	317,776
Balance at 31 December 2019	317,776	158,848	-	476,624
Accumulated depreciation				
Balance at 1 January 2019	-	74,709	-	74,709
Charge for the year	-	45,002	-	45,002
Balance at 31 December 2019	-	119,711	-	119,711
Carrying amounts				
At 31 December 2019	317,776	39,137	-	356,913

Amortization charge for the year allocated to

	2020	2019
	Taka '000	Taka '000
Production and maintenance costs (Note 21.2)	-	5,245
General and administrative expenses (Note 22)	39,136	39,757
	39,136	45,002

B. Impairment testing for goodwill

The recoverable amount was based on the value in use, determined by discounting the future cash flows to be generated from continuing use. Five years of cash flows were included in the discounted cash flow model. A long-term growth rate into perpetuity has been determined based on the inflation rate. Budgeted EBITDA was based on expectations of future outcomes taking into account past experience, adjusted for anticipated revenue growth. Revenue growth was projected taking into account the average growth levels experienced over past years and the estimated sales volume and price growth for the next five years.

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For the year ended 31 December

	2020 Taka'000	2019 Taka'000
7. Investment in subsidiaries		
Details of Investment in subsidiaries		
Lafarge Umiam Mining Private Limited (LUMPL) - a fully owned subsidiary incorporated in India	519,356	519,356
Lum Mawshun Minerals Private Limited (LMMPL) - a 74% owned subsidiary incorporated in India	537	537
	<u>519,893</u>	<u>519,893</u>

These represent investments made in the above entities against the shares issued by those companies in the name of LafargeHolcim Bangladesh Limited (formerly known as Lafarge Surma Cement Limited).

Shares held in different entities are as follows:

Name of entities	Face value per share	Number of ordinary shares held by the Company	
		2020	2019
Lafarge Umiam Mining Private Limited	Indian Rupees 10	41,133,099	41,133,099
Lum Mawshun Minerals Private Limited	Indian Rupees 100	4,046	4,046

	2020 Taka'000	2019 Taka'000
8. Inventories		
Raw materials	708,465	846,362
Semi-finished and finished products	601,566	941,597
Parts and supplies	877,692	934,533
	<u>2,187,723</u>	<u>2,722,492</u>
9. Trade receivables		
Trade receivables	846,803	1,147,611
Advance payment to trade suppliers	236,957	419,599
	<u>1,083,760</u>	<u>1,567,210</u>

See note 30B(i) for disclosures regarding credit risk, allowance for doubtful debts and ageing analysis of trade receivables.

	2020 Taka'000	2019 Taka'000
10. Other current assets		
Prepaid expenses	63,480	66,824
Advance to employees	8,295	8,505
Security and other deposits	90,095	89,674
Other receivables	24,609	28,065
Advance payment to suppliers of fixed assets	193,898	262,292
	<u>380,377</u>	<u>455,360</u>

Other current assets mentioned above are unsecured and considered good. Advances made to employees include advance related to employee matters and for running the day to day operating cost of different departments.

	2020 Taka'000	2019 Taka'000
11. Advance income tax		
Advance income tax	6,160,254	5,879,943
Current tax liabilities (Note 11.1)	(5,510,911)	(4,721,531)
	<u>649,343</u>	<u>1,158,412</u>

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	2020 Taka'000	2019 Taka'000
11.1 Current Tax Liabilities		
Balance at 1 January	4,721,531	1,616,467
HBL amalgamation (Note- 2.2)	-	2,459,992
Provision for the year (Note 26)	789,380	645,072
Balance at 31 December	5,510,911	4,721,531
12. Cash and cash equivalents		
Cash in hand	2,422	2,340
	<u>2,422</u>	<u>2,340</u>
Cash at banks		
Current accounts	1,090,238	214,849
Short term deposit accounts	200,000	20,185
	<u>1,290,238</u>	<u>235,034</u>
Cash and cash equivalents in statement of financial position	1,292,660	237,374
Bank overdrafts*	-	(38,067)
Cash and cash equivalents for the purpose of the statement of cash flows	1,292,660	199,307

* Bank overdrafts are included in short term borrowings.

13. Share capital

13.1 Authorized capital

1,400,000,000 ordinary shares of Taka 10 each	14,000,000	14,000,000
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13.2 In the year 2011, authorized capital was increased from Taka 7,000,000,000 to Taka 14,000,000,000. Further 58,068,675 ordinary shares of Taka 100 per share were issued as right shares at par amounting to Taka 5,806,867,500 offered on the basis of 1:1, for which approval of Bangladesh Securities and Exchange Commission (BSEC) was obtained on 08 September 2011. Moreover, face value of each ordinary share has been denominated from Taka 100 to Taka 10 at 04 December 2011.

13.3 Issued and subscribed capital

1,161,373,500 ordinary shares of Taka 10 each	11,613,735	11,613,735
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13.4 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>

13.5 Composition of shareholders at 31 December

Name of the shareholders	Nationality/ Incorporated in	Number of shares		Holding %	
		2020	2019	2020	2019
Surma Holding B.V.	The Netherlands	683,698,700	683,698,700	58.87	58.87
Sinha Fashions Limited	Bangladesh	35,100,000	35,100,000	3.02	3.02
Islam Cement Limited	Bangladesh	31,914,200	31,914,200	2.75	2.75
Other Shareholders	Bangladesh and NRB	410,660,600	410,660,600	35.36	35.36
		1,161,373,500	1,161,373,500	100.00	100.00

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13.6 Classification of shares by holding at 31 December

Slabs by number of shares	Number of shareholders		Holding %	
	2020	2019	2020	2019
Less than 500 Shares	7,767	8,500	0.17	0.19
501 to 5,000 Shares	12,123	13,422	2.14	2.33
5,001 to 10,000 Shares	2,503	2,628	1.64	1.70
10,001 to 20,000 Shares	1,614	1,709	2.06	2.17
20,001 to 30,000 Shares	573	589	1.23	1.27
30,001 to 40,000 Shares	284	278	0.86	0.84
40,001 to 50,000 Shares	241	216	0.96	0.86
50,001 to 100,000 Shares	404	395	2.55	2.49
100,001 to 1,000,000 Shares	359	353	7.94	7.73
Over 1,000,000 Shares	49	43	80.45	80.43
	25,917	28,133	100.00	100.00

2020
Taka'000

2019
Taka'000

13.7 Other components of equity

Actuarial loss-net of tax	(108,118)	(47,972)
Others	5,504	(157)
	(102,614)	(48,129)

13.8 Dividends

The final dividend amounts to Taka 1.16 billion which is Taka 1.00 per share of Taka 10 each for the year 2020 proposed by the Board of Directors of the Company for approval at the Annual General Meeting of Shareholders. As this dividend is subject to approval by shareholders at the Annual General Meeting, it has not been included as a liability in these financial statements as of 31 December 2020.

14. Borrowings

A. Borrowings- long term

Non-current portion -Unsecured	-	94,248
Non-current portion-lease liabilities	53,227	84,749
	53,227	178,997

B. Borrowings- short term

Current portion of long term-Unsecured	-	800,000
Short-term credit facilities	-	138,067
Current portion of lease liabilities	29,853	37,628
Derivative liabilities*	237	(721)
	30,090	974,974

*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 year.

15. Deferred tax liability

Deferred tax by type of temporary differences that resulted in deferred tax assets and liability.

Property, plant and equipment	2,479,806	2,983,389
Actuarial gain	-	7,183
Deferred tax liabilities	2,479,806	2,990,572
Provision for gratuity	37,660	73,640
Actuarial loss	9,583	-
Provision for doubtful debts	36,463	48,091
Business loss carry forward	-	26,741
Provision for obsolescence of spare parts	16,400	22,960
Deferred tax assets	100,106	171,432
Net deferred tax liability	2,379,700	2,819,140

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	2020 Taka'000	2019 Taka'000
15.1 Change in deferred tax assets and liability		
Balance at 1 January- deferred tax liability	2,819,140	1,897,124
HBL amalgamation	-	989,351
Deferred tax income for the year (Note 26)	(424,558)	(81,219)
Other component of equity	(14,882)	13,884
Balance at 31 December- deferred tax liability	2,379,700	2,819,140
16. Employee benefits		
Funded plan (Note 16.1)	161,137	72,692
Unfunded plan (Note 16.2)	105,991	84,855
	267,128	157,547
16.1 Funded Plan		
A. Net position of gratuity plan		
Present value of defined benefit obligation	372,688	308,961
Fair value of plan assets	(211,551)	(236,269)
Net funded status	161,137	72,692
B. Actuarial valuation		
The actuarial valuations of the plan and the present value of the defined benefit obligation were carried out at 31 December 2020 by a professional actuary using Projected Unit Credit Method.		
C. Assumptions employed for the valuations are as follows:		
	2020 %	2019 %
Salary increase rate	8.00	8.00
Discount rate	7.00	9.20
D. Movement in the present value of the defined benefit obligation are as follows:		
Balance at 1 January	308,961	315,812
Current service cost	32,427	35,215
Interest cost	26,809	21,830
Actuarial loss/(gain) [Note D.1]	41,347	(45,915)
Benefits paid during the year	(36,856)	(17,981)
Balance at 31 December	372,688	308,961
D.1 Actuarial loss/(gain)		
Demographic assumptions	-	86
Financial	65,214	(56,462)
Experience	(23,867)	10,461
	41,347	(45,915)
E. Movement in the fair value of the plan assets are as follows:		
Balance at 1 January	236,269	220,254
Expected return on plan assets	21,737	15,968
Actuarial (loss)/gain	(14,210)	9,622
Benefits paid during the year	(32,245)	(9,575)
Balance at 31 December	211,551	236,269

The above has been invested in bond.

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F. Sensitivity

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Effect in thousands of taka	31 December 2020	
	Increase	Decrease
Discount rate	356,036	390,601
Salary increase rate	390,344	356,111

16.2 Unfunded Plan

A. Actuarial valuation

The actuarial valuations of the plan and the present value of the defined benefit obligation were carried out at 31 December 2020 by a professional actuary using Projected Unit Credit Method.

B. Assumptions employed for the valuations are as follows:

	2020 %	2019 %
Salary increase rate	8.00	8.00
Discount rate	7.00	9.20

	2020 Taka'000	2019 Taka'000

C. Movement in the present value of the defined benefit obligation are as follows:

	2020	2019
Balance at 1 January	84,855	92,603
Adjustment with valuation report	-	(91)
Current service cost	8,733	11,625
Interest cost	7,392	6,420
Actuarial loss/(gain) [Note C.1]	11,518	(20,522)
Benefits paid during the year	(6,507)	(5,180)
Balance at 31 December	105,991	84,855

C.1 Actuarial loss/(gain)

	2020	2019
Demographic assumptions	-	13
Financial	20,955	(17,422)
Experience	(9,437)	(3,113)
	11,518	(20,522)

D. Sensitivity

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Effect in thousands of taka	31 December 2020	
	Increase	Decrease
Discount rate	100,595	111,827
Salary increase rate	111,743	100,619

17. Trade payables

Payable for goods and services	4,841,563	5,109,751
Contract liabilities	288,481	138,147
	5,130,044	5,247,898

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	2020 Taka'000	2019 Taka'000
18. Other current liabilities		
Payables to suppliers of fixed assets	102,038	41,501
Income tax and VAT deducted at source	201,760	236,845
Others	437,624	429,515
Accrued interest payable	-	32,144
	741,422	740,005
19. Commitments and Contingencies		
19.1 Commitments		
Commitments related to operating activities		
Purchase commitments	3,551,659	3,059,875
Capital expenditure commitments	139,501	381,259
Guarantees given	521,192	518,269
	4,212,352	3,959,403
19.2 Contingent Liabilities		
Tax related cases with the Hon'ble High Court	1,869,132	1,869,132
VAT related cases with the Hon'ble High Court	413,183	413,183
Custom related cases with the Hon'ble High Court	5,000	5,000
	2,287,315	2,287,315
19.3 Claims		
a. Claims against the Company not acknowledged as debt	Nil	Nil
b. Claims by the Company not acknowledged as receivable	Nil	Nil
19.4 Jalalabad Gas Transmission & Distribution Systems Ltd. ("Jalalabad Gas") and LafargeHolcim Bangladesh Ltd ("LHBL") executed a Gas Sales Agreement (GSA) on 19 January 2003, under which Jalalabad Gas supplies gas to the plant of LHBL located at Chhatak, Sunamganj (the "Plant"). A dispute has arisen between the parties as on 03 January 2021 when Jalalabad Gas issued a notice to LHBL threatening to terminate the GSA and discontinue supply of gas to the Plant of LHBL.		
LHBL issued a Notice of Arbitration in accordance with the terms of the GSA. LHBL further filed an Arbitration Application No. 5 of 2021 before the Hon'ble High Court Division of the Supreme Court of Bangladesh seeking interim relief in aid of the arbitration. The Hon'ble High Court Division Bangladesh passed an order on 07 February 2021 (a certified copy of which was issued on 10 February 2021) issuing a Rule as prayed for, and pending hearing of the Rule, the Hon'ble Court directed Jalalabad Gas to maintain status quo in respect of supply of gas at the Plant and further restrained Jalalabad Gas from terminating the GSA or stopping supply of gas to the Plant, for a period of three (3) months from date. The Hon'ble Court directed LHBL to furnish a Bank Guarantee for the differential amount accrued Taka 860 million till 07 February 2021 only from a scheduled bank in the name of the Registrar of the High Court Division of the Supreme Court of Bangladesh, within fifteen (15) days from the date of receipt of the Order.		
	2020 Taka'000	2019 Taka'000
20. Revenue		
Sale of gray cement*	15,926,030	11,598,536
Sale of cement clinker	296,453	310,095
Other sales (Limestone, slag and gypsum sales to Holcim Cement (Bangladesh) Limited)	-	65,502
	16,222,483	11,974,133
Products transferred at a point in time	16,222,483	11,974,133
*Sale of gray cement		
Local sales	15,753,150	11,593,553
Export in Export Processing Zones and India	172,880	4,983
	15,926,030	11,598,536

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	2020 Taka'000	2019 Taka'000
21. Cost of Sales		
Opening finished goods and work in process (Note-34)	413,524	315,757
Raw materials costs (Note-21.1)	4,499,634	3,563,275
Consumption of purchased clinker	3,078,264	459,902
Toll manufacturing costs	-	527,266
Power and fuel costs	1,692,759	1,252,972
Production and maintenance costs (Note-21.2)	1,785,333	1,321,590
Plant-general and administrative costs (Note-21.3)	301,328	231,884
Freight cost to customers	259,358	494,992
Depot operating and transportation costs (Note-21.4)	758,852	930,517
Closing finished goods and work in process (Note-34)	(601,566)	(413,524)
	12,187,486	8,684,631
21.1 Raw materials costs		
Slag	474,616	292,940
Fly ash	496,718	51,134
Gypsum	431,365	294,861
Iron ore	62,018	23,799
Sand	16,162	15,834
Clay	99,118	103,696
Limestone	2,155,160	2,353,524
Packing materials	757,281	425,046
Others	7,196	2,441
	4,499,634	3,563,275
21.2 Production and maintenance costs		
Salary, allowances and benefits	236,414	197,194
Contributions to employees' benefit schemes	16,507	16,983
Maintenance	60,206	56,850
Other supplies and spares	296,170	296,788
Material handling	89,515	64,090
Other expenses	248,743	119,681
Technical studies	578	903
Depreciation	837,200	563,856
Amortization of intangible assets	-	5,245
	1,785,333	1,321,590
21.3 Plant general and administrative costs		
Salary, allowances and benefits	127,550	69,776
Contributions to employees' benefit schemes	10,141	2,570
Staff welfare expenses	35,439	34,259
Training, seminars and meetings	7	579
Travelling	482	2,687
Rent	-	1,003
Telephone, fax and postage	2,600	1,450
Office maintenance	23,716	27,618
Security services	29,079	22,478
Printing and stationery	407	566
Other supplies and spares	2,202	3,075
Other office expenses	18,741	18,193
Consultancy	-	281
Vehicles running expenses	9,869	7,884
Corporate social activities	3,525	20,394
Insurance	37,570	19,071
	301,328	231,884

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	2020 Taka'000	2019 Taka'000
21.4 Depot operating and transportation costs		
Salary, allowances and benefits	101,463	99,776
Contributions to employees' benefit schemes	8,599	9,705
Staff welfare expenses	1,100	1,209
Training, seminars and meeting	361	710
Depreciation	33,112	25,511
Depot other maintenance costs	92,448	151,225
Transportation costs	521,769	642,381
	758,852	930,517
22. General and administrative expenses		
Salary, allowances and benefits	289,390	253,952
Contributions to employees' benefit schemes	15,612	18,927
Staff welfare expenses	102	1,852
Training, seminars and meeting	8,445	13,812
Travelling	1,738	7,541
Rent	-	47,710
Gas, electricity and water	1,001	97
Telephone, fax and postage	2,202	1,463
Entertainment	1,866	4,573
Office maintenance	1,799	4,646
Office security services	250	364
Printing and stationery	1,219	1,959
IT maintenance expenses	80,702	76,267
Other office expenses	10,917	18,629
Registration and other fees	6,074	4,472
Audit and tax advisory fees	1,775	2,370
Legal expenses	2,674	18,797
Vehicles running expenses	15,704	15,160
Publicity and public relation	4,537	7,263
General assistance fee (Note- 22.1)	269,837	108,023
Trademark license fee (Note- 22.2)	269,837	108,023
Royalty fee	-	13,011
Consulting, survey and studies	7,407	2,719
Depreciation	56,346	46,275
Amortization of intangible assets	39,136	39,757
	1,088,570	817,662

22.1 General assistance fee

The amount is payable to Lafarge S.A. and LafargeHolcim Limited for general assistance fee (2 percent of annual net turnover of the Company in accordance with the General Assistance Agreement) for the year 2020. (2019: 1 percent of annual net turnover of the Company, payable to Lafarge S.A. and Cementos Molins).

22.2 Trademark license fee

The amount is payable to Lafarge S.A., LafargeHolcim Limited and Cementos Molins for trademark licence fee (2 percent of annual net turnover of the Company in accordance with the Trademark License Fee Agreement) for the year 2020. (2019: 1 percent of annual net turnover of the Company, payable to Lafarge S.A. and Cementos Molins).

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	2020 Taka'000	2019 Taka'000
23. Sales and marketing expenses		
Salary, allowances and benefits	168,733	118,772
Contributions to employees' benefit schemes	12,648	9,864
Staff welfare expenses	918	135
Travelling	17,215	14,458
Gas, electricity and water	789	829
Telephone, fax and postage	3,549	1,663
Entertainment	401	1,123
Office maintenance	1,635	6,755
Printing and stationery	146	160
Other office expenses	7,541	7,937
Registration and other fees	7,798	1,947
Vehicles running expenses	13,734	10,150
Advertisement expenses	157,766	112,667
Promotional expenses	12,972	13,650
Provision for trade receivables	303	1,469
Bad debt	-	27,465
General survey and studies	875	423
Depreciation	1,880	1,167
	408,903	330,634
24. Other operating income and expenses		
A. Other operating income		
Sale of miscellaneous scrap items	8,134	41,608
Gain on sale of property, plant and equipment	6,453	-
Provident fund forfeited amount*	4,092	-
Other	2,392	-
	21,071	41,608
B. Other operating expenses		
Loss on sale of property, plant and equipment	-	39,769
	-	39,769
* The amount represents from 2015 to 2020.		
25. Finance costs and income		
Interest on borrowings	37,508	205,251
Other finance costs	13,966	7,331
Bank charges and commission	8,414	7,698
Interest expenses on lease liabilities	7,782	945
Exchange loss	32,116	17,715
	99,786	238,940
Interest income on bank deposits	13,616	8,739
	13,616	8,739
Net finance costs	86,170	230,201
26. Income tax		
Current income tax expenses	789,380	645,072
Deferred tax income	(424,558)	(81,219)
	364,822	563,853
26.1 Reconciliation of tax rate		
Statutory tax rate	25.00%	25.00%
Permanent difference	-1%	1.61%
Prior years adjustment	-	4.42%
Change in structure (HBL amalgamation)	-8.01%	-
Effective tax rate	15.53%	31.03%

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27. A. Earnings per share

The computation of basic and diluted earnings per share for the years ended 31 December 2020 and 31 December 2019 are as follows:

Numerator	<i>(Thousands of Taka)</i>		
Profit for the year		1,983,982	1,253,349
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>	1.71	1.08
Diluted earnings per share	<i>Taka</i>	1.71	1.08

B. Net asset value (NAV) per share

The computation of net asset value per share for the years ended 31 December 2020 and 31 December 2019 are as follows:

Numerator	<i>(Thousands of Taka)</i>		
Net asset value for the year		14,466,904	13,698,781
Denominator	<i>(Thousands of Shares)</i>		
Weighted average number of shares outstanding		1,161,374	1,161,374
Net asset value per share	<i>Taka</i>	12.46	11.80

C. Net operating cash flow per share (NOCFPS)

The computation of net operating cash flow per share for the years ended 31 December 2020 and 31 December 2019 are as follows:

Numerator	<i>(Thousands of Taka)</i>		
Net operating cash flow for the year		3,981,777	3,317,704
Denominator	<i>(Thousands of Shares)</i>		
Weighted average number of shares outstanding		1,161,374	1,161,374
Net operating cash flow per share	<i>Taka</i>	3.43	2.86

28. Related Party Transactions

During the period, the Company carried out a number of transactions with related parties in the normal course of business. The name of these related parties, nature of these transactions and their total value have been set out in accordance with the provisions of IAS 24.

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2020

Name of the Party	Relationship	Nature of transaction	Transaction value during the year Taka '000	Receivable/ (Payable) at 31 Dec 2020 Taka '000
Lafarge Umiam Mining Private Limited	Subsidiary company	Purchase of limestone	2,042,192	(503,874)
Surma Holding B.V.	Shareholder	Dividend Payment	683,699	-
LH Trading Pte Ltd	Group Company	Intercompany purchase	624,102	(167,747)
Lafarge S.A.	Group Company	Technical assistance/Trademark license	236,107	(402,293)
Cementos Molins	Group Company	Trademark license/Travel expenses	67,459	(158,198)
LafargeHolcim Limited	Group Company	Trademark license	236,107	(236,107)
Holcim Asean Business Service Centre	Group Company	Intercompany services/Technical assistance	-	(40,500)
Bengal Development Corporation	Shareholder's associated entity	Cement sales	3,805	(77)
Holcim Group Services Ltd.	Group Company	Intercompany services	13,494	(36,784)
LH Trading Ltd	Group Company	Intercompany services	1,112	784
Lafarge International Services Singapore Pte Ltd.	Group Company	Intercompany services	16,923	(5,438)
Eastern Housing Ltd.	Shareholder's associated entity	Cement sales	5,577	618
Jahurul Islam Medical College	Shareholder's associated entity	Cement sales	3,234	555
Bank Asia Limited	Shareholder's associated entity	Cement sales	204	(1)
Holcim Services (South Asia) India	Group Company	Intercompany services	40,561	(40,527)
Holcim Technology Holderbank	Group Company	Intercompany services	-	(5,810)
Holcim Technology Ltd.	Group Company	Trademark license	-	(263,541)
Aftab Bahumukhi Firm Ltd.	Shareholder's associated entity	Cement sales	-	(15)
Opex Group	Shareholder's associated entity	Cement sales	246	(84)
Sinha Peoples Energy Ltd.	Shareholder's associated entity	Cement sales	82	(11)

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Name of the Party	Relationship	Nature of transaction	Transaction value during the year Taka '000	2019	
				2020 Taka '000	2019 Taka '000
Lafarge Umiam Mining Private Limited	Subsidiary company	Purchase of limestone	2,649,180		(259,278)
Surma Holding B.V.	Shareholder	Dividend Payment	687,728		-
LH Trading Pte Ltd	Group Company	Intercompany purchase	1,605,289		(11,343)
Lafarge S.A.	Group Company	Technical assistance/Trademark license	125,307		(498,880)
Cementos Molins	Group Company	Trademark license/Travel expenses	90,739		(345,693)
Holcim Asean Business Service Centre	Group Company	Intercompany services/Technical assistance	21,524		(70,508)
Holcim East Asia Business Service	Group Company	Intercompany services	82,482		(66,834)
Bengal Development Corporation	Shareholder's associated entity	Cement sales	17,469		2,469
Holcim Group Services Ltd.	Group Company	Intercompany services	20,163		(128,851)
LH Trading Ltd	Group Company	Intercompany services	7,017		18,823
Lafarge International Services Singapore Pte Ltd.	Group Company	Intercompany services	6,080		(1,759)
Sinha Peoples Energy Ltd.	Shareholder's associated entity	Cement sales	738		147
Eastern Housing Ltd.	Shareholder's associated entity	Cement sales	5,181		426
Lafarge Industries South Africa (PTY) Ltd.	Group Company	Intercompany services	2,699		7,418
Opex Group	Shareholder's associated entity	Cement sales	1,084		256
Jahurul Islam Medical College	Shareholder's associated entity	Cement sales	1,280		481
Bank Asia Limited	Shareholder's associated entity	Cement sales	1,582		(204)
Holcim Services (South Asia) India	Group Company	Intercompany services	-		(16,980)
Holcim Philippines, Inc	Group Company	Intercompany services	-		(128)
Aftab Bahumukhi Firm Ltd.	Shareholder's associated entity	Cement sales	-		(15)

29. Directors', Managers' and Officers' Remuneration

Salary, allowances and benefits	413,784	381,443
Contributions to employees' benefit scheme	28,923	28,981
Reimbursable expenses	10,755	15,740
	453,462	426,164

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

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30. Financial instruments

A. Accounting classifications

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

	Carrying amount				Fair value		
	Fair value - Hedging instruments	Financial assets at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3
31 December 2020							
In thousands of taka							
Financial assets measured at fair values							
Forward exchange contracts used for hedging	(237)	-	-	(237)	-	(237)	-
	(237)	-	-	(237)	-	(237)	-
Financial assets not measured at fair value							
Trade and other current assets	-	1,206,759	-	1,206,759	-	-	-
Cash and cash equivalents	-	1,292,660	-	1,292,660	-	-	-
	-	2,499,419	-	2,499,419	-	-	-
Financial liabilities not measured at fair value							
Borrowings	-	-	83,080	83,080	-	-	-
Trade payables	-	-	5,130,044	5,130,044	-	-	-
Other current liabilities	-	-	741,422	741,422	-	-	-
	-	-	5,954,546	5,954,546	-	-	-
31 December 2019							
Financial assets measured at fair values							
Forward exchange contracts used for hedging	721	-	-	721	-	721	-
	721	-	-	721	-	721	-
Financial assets not measured at fair value							
Trade and other current assets	-	1,693,454	-	1,693,454	-	-	-
Cash and cash equivalents	-	237,374	-	237,374	-	-	-
	-	1,930,828	-	1,930,828	-	-	-
Financial liabilities measured at fair values							
Forward exchange contracts used for hedging	-	-	-	-	-	-	-
Financial liabilities not measured at fair value							
Borrowings	-	-	1,154,692	1,154,692	-	-	-
Trade payables	-	-	5,247,898	5,247,898	-	-	-
Other current liabilities	-	-	740,005	740,005	-	-	-
	-	-	7,142,595	7,142,595	-	-	-

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	2020	2019
	Taka'000	Taka'000
B. Financial risk management		
i) Credit risk		
Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and other current assets.		
The carrying amounts of financial assets represents the maximum credit exposure.		
Impairment losses on financial assets recognised in profit or loss were as follows.		
Impairment loss on trade receivables from contracts with customers	(145,852)	(145,549)
	<u>(145,852)</u>	<u>(145,549)</u>

Trade receivables and other current assets

The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry in which the customers operate.

The management has established a credit policy under which each new customer is analysed individually for creditworthiness. The Company's review includes financial statements, industry information. Credit limits are established for each customer and reviewed on a regular basis. Any sales exceeding those limits require approval from the credit committee.

The Company's limits its exposure to credit risk from trade receivables by establishing a maximum payment period of one to two months for distributions and corporate customers respectively. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a distributors, corporate customer, industry, trading history with the Company and existence of previous financial difficulties. The Company obtains bank guarantee and cheques from customers.

An analysis of the credit quality of gross trade receivables is as follows.

Neither past due	652,681	920,100
Past due		
Past due 1-30 days	144,388	150,039
Past due 31-90 days	30,540	38,618
Past due 91-180 days	24,900	45,184
Over 180 days	140,146	139,219
	<u>992,655</u>	<u>1,293,160</u>

For trade receivables the Company determined impairment losses on trade receivables by using a provision policy, estimated based on historical credit loss based on past due status of the debtors. The Company also considered whether the receivables were secured by bank guarantee or security cheques or both in determining the amount of impairment loss.

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The change in the valuation allowance for doubtful receivables is as follows:		
Balance at 1 January	(145,549)	(21,022)
HBL amalgamation	-	(123,058)
Current year addition	(303)	(1,469)
	<u>(145,852)</u>	<u>(145,549)</u>
Maximum exposure to credit risk of the Company at reporting date are as follows:		
Trade receivables net of impairment loss	846,803	1,147,611
Other current assets excluding prepaid expenses	316,897	388,536
	<u>1,163,700</u>	<u>1,536,147</u>

Cash and cash equivalents

The Company held cash and cash equivalents of Taka 1,293 million at 31 December 2020 (2019: Taka 237 million). The cash and cash equivalents are held with bank and financial institution counterparties with satisfactory credit ratings. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities. The Company also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments and exclude the impact of netting agreements.

	Carrying amount Taka'000	6 months or less Taka'000	From 6 to 12 months Taka'000	From 1 to 5 years Taka'000
31 December 2020				
Non-derivative financial liabilities				
Trade payables	5,130,044	4,231,324	898,720	-
Other current liabilities	741,422	667,733	73,689	-
Lease liabilities	83,080	-	29,853	53,227
	<u>5,954,546</u>	<u>4,899,057</u>	<u>1,002,262</u>	<u>53,227</u>
Derivative financial liabilities				
Forward exchange contracts used for hedging	237	237	-	-
	<u>237</u>	<u>237</u>	<u>-</u>	<u>-</u>
31 December 2019				
Non-derivative financial liabilities				
Trade payables	5,247,898	4,359,879	888,019	-
Other current liabilities	707,861	574,808	133,053	-
Borrowings	1,032,315	538,067	400,000	94,248
Lease liabilities	122,377	-	8,852	113,525
	<u>7,110,451</u>	<u>5,472,754</u>	<u>1,429,924</u>	<u>207,773</u>
Derivative financial liabilities				
Forward exchange contracts used for hedging	(721)	(721)	-	-
	<u>(721)</u>	<u>(721)</u>	<u>-</u>	<u>-</u>

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iii) Market risk

Market risk is the risk that changes in market prices- e.g. foreign exchange rates, interest rates and equity prices-will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

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

a) Currency risk

The Company is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which purchases and borrowings are denominated. The currencies in which these transactions are primarily denominated are euro, US dollars and Swiss franc.

Exposure to currency risk

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

Balance at 31 December 2020	BDT'000	USD'000	EUR'000	CHF'000
Foreign currency denominated assets				
Other receivables	9,073	107	-	-
Cash and cash equivalents	377	2	2	-
Total	9,450	109	2	-
Foreign currency denominated liabilities				
Trade payables	1,004,048	11,072	291	364
Other current liabilities	80,322	586	231	69
Total	1,084,370	11,658	522	433
Balance at 31 December 2019				
Foreign currency denominated assets				
Other receivables	19,102	225	-	-
Cash and cash equivalents	444	3	2	-
Total	19,546	228	2	-
Foreign currency denominated liabilities				
Trade payables	492,212	4,610	271	856
Other current liabilities	133,053	550	899	12
Total	625,265	5,160	1,170	868

The following significant exchange rates have been applied.

Currencies	31 December 2020		31 December 2019	
	Closing rate	Average rate	Closing rate	Average rate
BDT/USD	84.8020	84.8724	84.9000	84.4486
BDT/EUR	103.8740	96.6986	94.8885	94.5461
BDT/CHF	96.1365	90.4896	87.7429	84.9766

Exchange rate sensitivity

If the BDT increases in value against a currency, the value in BDT of assets, liabilities, income and expenses originally recorded in the other currencies will decrease. Conversely, if the BDT decreases in value against a currency, the value in BDT of assets, liabilities, income and expenses originally recorded in the other currency will increase. Consequently, increases and decreases in the value of the BDT may affect the value in BDT of non-BDT assets, liabilities, income and expenses, even though the value of these items have not changed in their original currency.

A change of 50 basis points (bp) in foreign currencies would have increased or decreased equity and profit or loss of the Company by the amounts shown below.

LAFARGEHOLCIM BANGLADESH LIMITED
Notes to the financial statements
For the year ended 31 December

	Estimated impact on profit/loss and equity (+/-) 2020 Taka'000	Estimated impact on profit/loss and equity (+/-) 2019 Taka'000
Particulars		
Assets denominated in USD	46	89
Assets denominated in EUR	1	1
Liabilities denominated in USD	4,943	1,792
Liabilities denominated in EUR	271	555
Liabilities denominated in CHF	208	75

b) Interest rate risk

The risk is that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest rate sensitivity

A +/- 1% change in short-term interest rates calculated on the financial assets and financial liabilities, would have a maximum impact on the Company's 2020 profit before tax of +/- Taka 2,000 (Taka 202 for 2019) in thousands and Taka 833 (Taka 11,540 for 2019) in thousands respectively.

	2020 Taka'000	2019 Taka'000
Interest bearing financial instruments of the Company at reporting date are as follows:		
Financial assets		
Short term deposits	200,000	20,185
	200,000	20,185
Financial liabilities		
Long-term borrowings- including current portion of the long term borrowings	53,227	978,997
Short-term borrowings	30,090	174,974
	83,317	1,153,971

c) Other price risk

The risk is that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices other than those arising from interest rate risk and currency risk. The Company is not exposed to any equity risk, as the Company does not have any investment in equity shares. The Company also does not have any significant exposure to commodity price risk.

	2020	2019
31. Number of Employees		
LafargeHolcim Bangladesh Limited		
Nationality:		
Bangladeshi	551	607
Non-Bangladeshi	6	8
	557	615
Salary range:		
Monthly Taka 3,000 or above	557	615
Monthly below Taka 3,000	Nil	Nil
	2020	2019
	Taka'000	Taka'000
32. Expenditure in foreign currencies		
Technical assistance	38,589	30,301
	38,589	30,301

LAFARGEHOLCIM BANGLADESH LIMITED
Notes to the financial statements
For the year ended 31 December

	2020 Taka'000	2019 Taka'000
33. Materials consumption		
<i>In terms of value</i>		
Imported		
Raw materials	3,061,141	2,941,325
Spare parts and other supplies	208,860	200,285
	3,270,001	3,141,610
Indigenous		
Raw materials	934,579	568,375
Spare parts and other supplies	89,512	85,836
	1,024,091	654,211
	4,294,092	3,795,821
<i>In terms of percentage</i>		
Imported		
Raw materials	71	78
Spare parts and other supplies	5	5
	76	83
Indigenous		
Raw materials	22	15
Spare parts and other supplies	2	2
	24	17
	100	100

34. Opening and closing finished goods and work in process

Items	Unit	2020		2019	
		Quantity'000	Taka'000	Quantity'000	Taka'000
Gray cement	MT	46	184,967	36	130,404
Cement clinker	MT	60	225,015	51	178,694
Work in process	MT	3	3,542	5	6,659
Balance at 1 January		109	413,524	92	315,757
Gray cement	MT	31	128,074	46	184,967
Cement clinker	MT	119	467,465	60	225,015
Work in process	MT	5	6,027	3	3,542
Balance at 31 December		155	601,566	109	413,524

	2020 In Taka	2019 In Taka
35. Comparative information of the shareholders (Note- 27)		
Net Asset Value (NAV) Per Share	12.46	11.80
Earning Per Share (EPS)	1.71	1.08
Net Operating Cash Flow Per Share (NOCFPS)	3.43	2.86
Profit for the year (in thousand)	1,983,982	1,253,349
	2020 Taka'000	2019 Taka'000
36. Reconciliation of net profit with cash flows from operating activities		
Net profit for the year	1,983,982	1,253,349
Depreciation and amortization	967,674	681,811
Other non-cash items	303	1,469
Non-operating items	450,992	794,054
Changes in net working capital	578,826	587,021
Cash flows from operating activities	3,981,777	3,317,704

LAFARGEHOLCIM BANGLADESH LIMITED
Notes to the financial statements
For the year ended 31 December

37. Installed capacity and actual production (figures in thousand MT)

Products	Annual installed capacity	Actual Production	
		2020	2019
Gray cement	4,027	2,480	1,223
Cement clinker	1,290	1,180	1,268
		2020	2019
		Taka'000	Taka'000

38. Value of imports

Raw materials and others	5,048,548	3,514,797
	5,048,548	3,514,797

39. Remittances of foreign currency

Interim and final dividend

Name of Shareholder	2020		2019	
	Number of shares	Final for 2019 Taka'000	Number of shares	Final for 2018 Taka'000
Surma Holding B.V. (The Netherlands)*	341,849,350	307,664	341,849,350	307,664
Jean Hidier (France)	11,560	8	11,560	8
Mohammed Abdul Gaffar (UK)	18,010	13	18,010	13

Name of Shareholder	2020		2019	
	Currency	Amount	Currency	Amount
Surma Holding B.V. (The Netherlands)	EUR	3,224,994	EUR	3,208,180
Jean Hidier (France)	EUR	84	EUR	83
Mohammed Abdul Gaffar (UK)	GBP	120	GBP	116

* In addition to the above, an amount of Taka 307,664,415 (EUR 3,206,508) representing 341,849,350 shares has been remitted through NITA account.

40. Lease disclosures

	2020	2019
	Taka'000	Taka'000
Expenses for leases of low value assets	-	-
Payments for leases of low value assets	-	-
Short-term lease expenses	-	(65,730)
Payment for short-term leases excluding short term sub-lease	(7,410)	(2,392)
Short term sub lease payment	-	(63,338)
Average lease terms (in years)	2	2


Chief Financial Officer


Company Secretary


Director


Chief Executive Officer

Employee Engagement



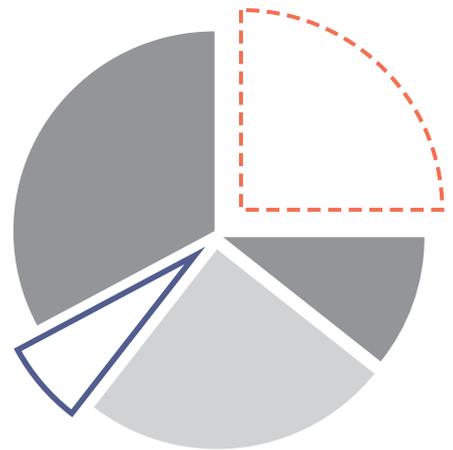
Pitha Utshob -2020
First Town Hall meeting -2020

Womens Day -2020
Goodies for good deeds
-2020



Employee Recognition -2020





Report and Financial Statements of
Lafarge Umiam Mining Private Limited
for the year ended December 31, 2020

BOARD OF DIRECTORS' REPORT

Dear Shareholders,

The Directors of Lafarge Umiam Mining Private Limited (the "Company") take pleasure in presenting their report together with audited financial statements of your Company for the year ended on December 31, 2020.

State of Affairs of the Company:

Your Company's Quarry operations were under temporary discontinuance from March 25, 2020 for 45 days due to COVID 19 lockdown imposed by Government of India and Government of Meghalaya. As the COVID 19 pandemic developed, your Company immediately shifted its focus on executing initiatives on "HEALTH, COST & CASH". Ensuring the health and well-beings of employees were your Company's first and foremost priority. The Company displayed resolute but compassionate responses in the face of the unprecedented socio-economic repercussions of the pandemic and was able to successfully navigate the challenges.

In 2020, your Company exported 2.10 million tonnes of limestone to the plant of the parent Company; LafargeHolcim Bangladesh Limited (LHB), at Chhatak, Bangladesh (the "Plant"). The performances of the MMD & Skid Mounted Crushers were consistent. For better sustainability of the business and running of day to day operations, cost efficiency and reduction of overheads costs were priorities. With quick actions put into place, your Company reduced, amongst others, its overhead cost, renegotiated vendor payment terms and costs, implemented variable payment structures for contractual employees and maximized utilization of in-house resources. In spite of the loss of production due to the lockdown, the Quarry team demonstrated an exemplarily performance in optimization of mining and crushing costs. This ensured a reduction in operational costs. Your Company also installed a 33 Kilovolt (kV) Grid Power line for operation of its Quarry which is expected to be operational soon. Once operational, this project shall eliminate the dependency of the Company on diesel and shall help to reduce the Company's carbon footprint. Power consumption cost has also been reduced by INR 28/ton i.e. from INR 44/ton to INR 16/ton. The implementation of the project was very challenging considering the difficult hilly terrain and the working restrictions due to the pandemic.

As part of its support to the Government of Meghalaya's efforts to contain the virus, your Company donated INR one (1) million to the Chief Minister's Relief Fund. Additionally, employees of your Company willingly contributed one (1) day salary which was used for the community people and the health professionals who fought the pandemic from the front. The total amount collected was matched by your Company to ensure extended reach. Hand washing units and Personal Protective Equipment (PPE's) were also distributed amongst health workers and local hospitals in Meghalaya.

With the health and safety of our employees as the focus areas for the current year, the Company is striving to increase its productivity and is also working on various cost optimization measures in order to achieve appreciable savings and increase profitability in 2021.

Financial results:

In million INR

Particulars	Year ended 31st December 2020	Year ended 31st December 2019
Gross Revenue	1,787.53	2,125.79
Expenditure	1,247.35	1,328.61
EBITDA	540.18	797.18
Interest and finance charges	9.15	7.52
Depreciation	142.23	140.09
Profit / (Loss) before Taxation	388.81	649.57
Provision for tax	106.99	240.62
Profit / (Loss) After Taxation	281.82	408.95
Earnings /(loss) per Share :	6.85	9.94

The State Forest Department has reduced the quantum of non-forest land to be provided by the Company for Compensatory Afforestation (CA). Earlier the demand was for 307 hectares (ha) of land, now the demand has been reduced to 116.589 ha of land. The matter is still under review of the Ministry of Environment, Forests and Climate Change (MoEFCC), as the condition to provide land for CA was not part of the original Forest Clearance approval granted to the Company in 2012. Until the outcome of the said review by MoEFCC, no provision has been made. It has been treated as a contingent liability. However, the likely compensation that could arise for the procurement of land for CA demanded by the State Government could be approximately INR 145 million based on prevailing land rates.

Health and Safety:

Health and Safety (H&S) is the core value of your Company. H&S gets the highest priority in our business decisions. Our goal is "ZERO Harm" to people, communities and environment. We continuously work to improve our safety culture and performance across our operations in Meghalaya, India.

During the year under review, your Company conducted its operations with zero harm. There was no fatality, no Lost Time Injury and no Medical Injury.

With the advent of the COVID 19 pandemic, your Company undertook all necessary measures in promoting the safety and well-being of all its employees and local communities. Your Company formed a Country and Site Business Resilience Team (BRT) to manage the whole range of COVID 19 management. Your Company launched "Operating during COVID 19 - H&S Minimum Requirement" for all the employees. The initiative covered a wide range of activities aimed at ensuring the health and wellness of all concerned. Emergency response plans, good hygiene practices, implementation of Work from Home and processes of physical monitoring to provide personal level support during COVID 19 were implemented. Due to its relentless efforts, no major health injury was recorded in 2020.

Your Company shall continue to monitor the situation and ensure the health and wellbeing of all its employees and local communities in 2021.

Production Performance:

Your Company exported 2.10 million tonnes of limestone which is marginally lower compared to 2.29 million tonnes in 2019. There is continuous improvement to feed both MMD & Skid Mounted Crusher in parallel to run at 750 tph of rated capacity. The performance of the MMD and L&T Skid Mounted Crusher improved to 92.49% reliability as compared to 91.28% in 2019. Strict measures were implemented to reduce overheads costs.

Corporate Social Responsibility (CSR):

The Company has in place a Corporate Social Responsibility (CSR) Committee (the "Committee") which is a sub-committee of the Board of Directors. The Committee currently comprises of four (4) members. The composition of the Committee is mentioned in **Annexure "A"**.

The CSR Policy of the Company has been placed on the Company's website.

In compliance with Section 135 & Schedule VII of the Companies Act, 2013, INR 12.75 million was earmarked for CSR activities in 2020. Against this budget, your Company spent INR 14.06 million on CSR activities, thereby exceeding its entire CSR obligation by INR 1.31 million.

The Company also contributes INR 90/- per tonne of limestone mined to the Special Purpose Vehicle (SPV), a body, set up in compliance with the Order dated April 22, 2010, of the Hon'ble Supreme Court of India. As of December 31, 2020, your Company has deposited INR 2,193.40 million to the SPV.

The Ministry of Corporate Affairs (MCA) has amended the Companies (Corporate Social Responsibility Policy) Rules, 2014 through notification dated January 22, 2021 and notified the major changes through the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 (the "Amended Rules").

The Company shall be complying with the amended Rules and implementing the requirements.

Internal Control Systems and their Adequacy:

The Company has in place necessary internal financial controls and systems with regard to adherence to Company policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information. The system includes policies and procedures, delegation of authority, internal audit and review framework etc.

The internal financial controls within the Company are commensurate with the size, scale and complexity of its operations. The controls were tested during the year and no reportable material weaknesses either in their design or operations were observed. The Company has robust policies and procedures which, inter alia, ensure integrity in conducting its business, safeguarding of its assets, timely preparation of reliable financial information, accuracy and completeness in maintaining accounting records and prevention and detection of frauds and errors.

Directors:

The Company has seven (7) Directors on the Board. The Directors are not liable to retire by rotation.

Appointments & Resignations in 2020:

Appointments:

Ms. Sonal Shrivastava was appointed as an Additional Director on the Board of the Company effective from October 14, 2020 (Nominated by LHB). Ms. Shrivastava is the Chief Financial Officer, APAC, LafargeHolcim Group and a Director of LHB. Her presence on the Board would be beneficial for the Company.

Mr. Kotam Vamsidhar Reddy was appointed as an Additional Director on the Board of the Company effective from November 23, 2020 (Nominated by LHB). Mr. Reddy is the Industrial Director and Member of the Executive Committee of LHB. His presence on the Board would be beneficial for the Company.

Resignations:

Mr. Mohammed Arif Bhuiyan was appointed as a Director on the Board of the Company on February 15, 2012. He has resigned from the Board with effect from February 20, 2020.

Mr. Eung Rae Kim was appointed as a Director on the Board of the Company on June 7, 2016. He has resigned from the Board with effect from July 31, 2020.

Mr. Shivesh Kumar Sinha was appointed as a Director on the Board of the Company on August 27, 2008. He has resigned from the Board with effect from October 14, 2020.

Your Board thanks Mr. Bhuiyan, Mr. Kim and Mr. Sinha for their contributions, leadership and guidance provided during their tenure as Directors of the Company.

Directors' Responsibility Statement:

In accordance with Section 134(3)(c) of the Companies Act, 2013, your Directors, to the best of their knowledge and belief and according to the information and explanation obtained by them, confirm that:

1. in preparation of the annual accounts for the year ending December 31, 2020, the applicable Accounting Standards have been followed along with proper explanations provided for material departures, if any;
2. the accounting policies selected have been applied consistently and judgments and estimates are made, that are reasonable and prudent to give a true and fair view of the state of affairs of the Company as on December 31, 2020 and of the profit of your Company for the year ended on that date;

3. proper and sufficient care has been taken for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
4. the annual accounts for the year ended December 31, 2020 have been prepared on a going concern basis;
5. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and
6. that the directors have devised proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

Auditors Report:

There are no observations made in the Auditor's Report and the notes to the accounts are self explanatory and hence do not call for any further comments. The Auditors Report is enclosed with the financial statements in this Annual Report.

Statutory Auditors:

M/s RKP Associates, Chartered Accountants (having Firm Registration No 322473E) were appointed as the Statutory Auditor of the Company at the 18th Annual General Meeting (AGM) held on May 17, 2018, and were assigned to hold office from the conclusion of the said meeting till the conclusion of the 23rd AGM.

Cost Records:

The Company has maintained cost records in accordance with the provisions of Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014.

Number of Board meetings conducted during the year under review:

Four (4) Board Meetings were held in 2020 viz. on March 4, 2020, July 28, 2020, October 14, 2020, and November 23, 2020. Due to the COVID 19 pandemic and the ensuing travel restrictions/ social distancing requirements, three (3) of the four (4) Board meetings were held virtually as per Section 173(2) of the Companies Act, 2013 read with General Circular No. 28/ 2011 issued by the MCA on May 20, 2011, The intervening gap between the meetings was within the period prescribed by the MCA vide General Circular No. 11/ 2020 and dated March 24, 2020.

Particulars of loans, Guarantees and investments:

The particulars of loans, guarantees, and investments have been disclosed in the financial statements.

Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013:

The Company has zero tolerance towards sexual harassment at the workplace. A policy has been adopted in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. The Company has in place an Internal

Complaints Committee for dealing with complaints of sexual harassment. In 2020, no complaints of sexual harassment were received by the Company.

Extract of Annual Return:

The extract of the annual return in Form MGT - 9 is annexed hereto and forms part of this report as **Annexure "B"**.

Conservation of Energy, Technology Absorption and Foreign Exchange:

Information required to be disclosed pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed hereto and forms part of this report as **Annexure "C"**.

Related Party Transactions:

All the transactions/contracts/arrangements of the nature as specified in Section 188(1) of the Companies Act, 2013 entered by the Company during the year under review with related party(ies) are in ordinary course of business and on arm's length. The details of such transactions/contracts/arrangements which are material (i.e., satisfying the criteria provided in first proviso of section 188(1) of the Companies Act, 2013) in nature are contained in form AOC-2 annexed hereto and forms part of this report as **Annexure "D"**.

Deposits:

During the year under review, the Company has not accepted any deposit from the public.

Acknowledgements:

Your Directors wish to place on record their sincere appreciation of the efforts and dedicated service of all employees, which contributed to the continuous growth and consequent performance of the Company amidst a challenging environment. Your Directors wish to place on record their gratitude for the valuable assistance and co-operation extended to the Company by the Central Government, State Government, Government of Bangladesh, the Durbars of Nongtraï and Shella villages, LHB, banks, and project consultants.

For and on Behalf of the Board



Chairman
DIN: 06497446

Place: Shillong
Date: March 5, 2021

ANNUAL REPORT DETAILS OF THE CSR ACTIVITIES

1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to CSR policy and projects or programs.

The Company's Corporate Social Responsibility Policy has been formulated as per the policies, strategies and goals in compliance with the provisions of the Companies Act, 2013 and the same has been placed on the company's website. The web link of the same is as below:

<http://www.lumpl.com/sustainable-development/corporate-social-responsibility-policy/>

2. The Composition of the CSR Committee.

- (i) Ms. Sonal Shrivastava – Chairman.
- (ii) Mr. Narayan Sharma – Member.
- (iii) Mr. Kazi Mizanur Rahman – Member.
- (iv) Mr. Mohammad Iqbal Chowdhury – Member.

3. Average net profits of the Company for the last three financial years.

The average Net Profit for the last three years is INR 6,901.45 lakhs.

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above)

The Company is required to spend INR 127.55 lakhs towards CSR.

5. Details of CSR spent during the financial year.

- a. Total amount spent for the Financial Year: INR 140.62 lakhs.
- b. Amount unspent, if any: NIL
- c. Manner in which the amount spent during the financial year:

The manner in which the amount is spent is detailed in **Annexure A1**.

ANNEXURE-"A1"

Serial No.	CSR Project or activity identified	Projects or programs (1) Local area or other (2) Specify the state and district where projects or programs was undertaken.	Sector in which project is covered	Amount outlay (budget) project or programs wise (INR '000)	Amount spent on the projects or programs Sub heads: Direct Expenditure on projects and programs and Overhead (INR '000)	Cumulative expenditure upto the reporting period (INR '000)	Amount spent: Direct or through implementing agency
1.	Mobile Clinic with full time Medical Doctor for community, free medicines, annual health camps and eye camps.		Health	24,85,187	34,41,866	34,41,866	Direct
2.	Sponsored Secondary School, books and tuition fees, Scholarship, Enhanced salary to math and science teachers, sponsorship for higher technical studies.	Nongtraí Village, Mawsynram Block, East Khasi Hills, Meghalaya.	Education	60,01,823	50,90,061	50,90,061	Direct
3.	Livelihood Trainings, Enhancing Livelihoods of women (Women Empowerment), Procuring Weaving materials, Awareness Program.	Shella village, Shella Bholaganj Block, East Khasi Hills, Meghalaya	Employment & Skills Development	1,61,418	1,17,024	1,17,024	Direct
4.	Environmental Sustainability -cleaning drives and plantation, Assistance to Community development activities		Environment	19,40,000	25,68,377	25,68,377	Direct
5.	Rural infrastructure development -Footpaths, enhancing water supply, Drains, Toilets, Railings etc		Infrastructure	21,66,659	28,44,922	28,44,922	Direct
Total Direct expense of projects & programs				1,27,55,087	1,40,62,251		
TOTAL							

*Prescribed CSR Expenditure budget for the year INR 127.55 lakhs
The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR Policy of the Company.

**Chairman
CSR Committee**

*Note: The CSR spending of LUMPL for the year 2020, includes INR 1,27,55,087 (Mandatory 2% of Net profit) and INR 9,00,000 (shortfall carried over from 2019), which amounts the total CSR budget of 2020 to INR 1,36,55,087. LUMPLs CSR expenses for the year 2020 was INR 1,40,62,251 resulting in excess spend of INR 4,07,164,

ANNEXURE "B"

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.12.2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:		
1	CIN	U14107ML1999PTC005707
2	Registration Date	22/03/1999
3	Name of the Company	LAFARGE UMIAM MINING PRIVATE LIMITED
4	Category/Sub-category of the Company	Company Limited by shares Indian Non-Government Company
5	Address of the Registered office & contact details	3rd Floor, Goenka Towers, Morello Compound, Keating Road, European Ward, Shillong, East Khasi Hills, Meghalaya 793001
6	Email	manjuree.rai@lafargeholcim.com
7	Whether listed company	No
8	Name, Address & contact details of the Registrar & Transfer Agent, if any.	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Mining and quarrying	5109	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	LAFARGEHOLCIM BANGLADESH LIMITED	NA	Foreign Holding Company	100%	2(6)

IV. SHARE HOLDING PATTERN									
(Equity share capital breakup as percentage of total equity)									
(i) Category-wise Share Holding									
Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-January-2020]			No. of Shares held at the end of the year [As on 31-December-2020]			% Change during the year		
	Demat	Physical	Total	% of Total Shares	Demat	Physical		Total	% of Total Shares
A. Promoters									
(1) Indian				NA				NA	
Sub Total (A) (1)				0.00%				0.00%	0.00%
(2) Foreign									
c) Bodies Corp.		41,133,099	41,133,099	100.00%			41,133,099	100.00%	0.00%
Sub Total (A) (2)		41,133,099	41,133,099	100.00%			41,133,099	100.00%	0.00%
TOTAL (A)		41,133,099	41,133,099	100.00%			41,133,099	100.00%	0.00%
B. Public Shareholding				NA				NA	
1. Institutions				NA				NA	
2. Non-Institutions				NA				NA	
Sub-total (B)(2):-				0.00%				0.00%	0.00%
Total Public (B)				0.00%				0.00%	0.00%
C. Shares held by Custodian for GDRs & ADRs				0.00%				0.00%	0.00%
Grand Total (A+B+C)			41,133,099	100.00%			41,133,099	100.00%	0.00%

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	LAFARGEHOLCIM BANGLADESH LTD	41,133,098	100.00%		41,133,098	100.00%		0.00%
2	Surma Holding BV	1	0.00%		1	0.00%		0.00%
	Total	41,133,099	100.00%		41,133,099	100.00%		0.00%

(iii) Change in Promoters' Shareholding: Nil.

(iv) Shareholding Pattern of top ten Shareholders:

SN	Shareholder's Name	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No of shares	% of total	No of shares	% of total
1	LafargeHolcim Bangladesh Limited	01.01.2020		4,11,33,098	100.00%	4,11,33,098	100.00%
	At the beginning of the year			--	0.00%	--	0.00%
	Changes during the year						
	At the end of the year	31.12.2020		4,11,33,098	100.00%	4,11,33,098	100.00%
2	Surma Holding BV						
	At the beginning of the year	01.01.2020		1	0.00%	1	0.00%
	Changes during the year			--	0.00%	--	0.00%
	At the end of the year	31.12.2020		1	0.00%	1	0.00%

(v) Shareholding of Directors and Key Managerial: NIL

V. INDEBTEDNESS						
Indebtedness of the Company including interest outstanding/accrued but not due for payment.						
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness		
Indebtedness at the beginning of the financial year						
i) Principal Amount	Nil	Nil	Nil	Nil		Nil
ii) Interest due but not paid	Nil	--	Nil	Nil		--
iii) Interest accrued but not due	Nil	Nil	Nil	Nil		Nil
Total (i+ii+iii)	Nil	Nil	Nil	Nil		Nil
Change in Indebtedness during the financial year						
* Addition	Nil	--	Nil	Nil		--
* Reduction	Nil	Nil	Nil	Nil		Nil
Net Change	Nil	Nil	Nil	Nil		Nil
Indebtedness at the end of the financial year						
i) Principal Amount	Nil	Nil	Nil	Nil		Nil
ii) Interest due but not paid	Nil	--	Nil	Nil		--
iii) Interest accrued but not due	Nil	Nil	Nil	Nil		Nil
Total (i+ii+iii)	Nil	Nil	Nil	Nil		Nil

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL: Not applicable as LUMPL is a Private Company

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:					
Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding			No Penalties, Punishments or Compounding of Offences		
B. DIRECTORS					
Penalty					
Punishment					
Compounding			No Penalties, Punishments or Compounding of Offences		
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding			No Penalties, Punishments or Compounding of Offences		

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO UNDER SECTION 134(3)(M) OF THE COMPANIES ACT, 2013, READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014.

A. CONSERVATION OF ENERGY:

(a) The steps taken or impact on conservation of Energy:

- Focused drive on improving energy consumption footprint by continual deployment of state of the art energy equipment.
- Installed Grid Energy - A total of 33 KV power line which will be utilizing fully for running crushing plant and for all the miscellaneous lighting purpose.

(b) The steps taken by the company for utilizing alternate sources of energy:

- As part of our commitment towards Green Energy, your Company has installed 33 KV Grid power line for a sustainable energy- a step to reduce carbon footprint.
- Reduce power cost after Grid line to INR 16/tones from current power cost of INR 44/tone, hence a reduction in power by INR 28/tones.
- Eliminate the dependency on diesel and Captive diesel power plant of 5 MVA (DG sets of 1,250 KVA X4), and;
- Promote green and clean energy.

(c) The capital investment on energy conservation equipments:

- 95 mINR

B. TECHNOLOGY ABSORPTION:

(a) Efforts made towards technology absorption:

- As it is new unit, hence no such action taken.

(b) Benefits derived like product improvement, cost reduction, product development or import substitution:

- NIL

(c) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

- (a) the details of technology imported: NA for reasons stated above
- (b) the year of import: NA for reasons stated above
- (c) whether the technology been fully absorbed: NA for reasons stated above
- (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: NA for reasons stated above

(d) The expenditure incurred on Research and Development:

- NIL

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

- Foreign exchange earnings for the year ended 31.12.2020: INR 17,826.40 lakh
- Foreign exchange outgo for the year ended 31.12.2020: INR 85.84 lakh.

For and on Behalf of the Board



Chairman
DIN: 06497446

Place: Shillong
Date: March 5, 2021

FORM NO. AOC – 2

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 ('the Act') and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/ arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Act including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: Nil
2. Details of materials contracts or arrangements or transactions at arm's length basis:

SI	Particulars	Details
1		
a)	Name (s) of the related party & nature of relationship	LafargeHolcim Bangladesh Limited (Holding Company) registered under the Bangladesh Companies Act 1994
b)	Nature of contracts/arrangements/transaction	Long Term Limestone and Shale purchase Agreement
c)	Duration of the contracts/arrangements/transaction	35 years
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	LUMPL is a company incorporated in India as a 100% subsidiary of LafargeHolcim Bangladesh Limited of Bangladesh, has been operating a limestone & shale mine in Meghalaya, India for the purpose of extraction and export of limestone & shale to a cross-border cement manufacturing plant of LafargeHolcim Bangladesh Limited in Bangladesh. The project was set up under the agreement between the Government of India and the Government of Bangladesh.
e)	Date of approval by the Board	May 2, 2002
f)	Amount paid as advances, if any	NIL
2		
a)	Name (s) of the related party & nature of relationship	Shivesh Kumar Sinha
b)	Nature of contracts/arrangements/transaction	Payment of Remuneration for services to be rendered as a Non-Whole-Time Director
c)	Duration of the contracts/arrangements/transaction	<ul style="list-style-type: none"> • Mr. Shivesh Sinha resigned from the Board of Directors effective 14.10.2020. • Contract with Mr. Sinha stood terminated on the same date.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	INR 26,00,000/- (Rupees Twenty Six Lakh) per annum.
e)	Date of approval by the Board	May 17, 2012
f)	Amount paid as advances, if any	NIL

For and on Behalf of the Board



Chairman
DIN: 06497446

Place: Shillong
Date: March 5, 2021

INDEPENDENT AUDITORS' REPORT

To
The Members of
Lafarge Umiam Mining Private Limited
3rd Floor, Goenka Towers,
Morello Compound,
Keating Road,
Shillong - 793 001
Meghalaya

I. Report on the Audit of the Standalone Financial Statements:

1. Opinion

- A. We have audited the accompanying standalone financial statements of **LAFARGE UMIAM MINING PRIVATE LIMITED** (“the Company”), which comprises the Balance Sheet as at 31st December, 2020, the Statement of Profit and Loss Account and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.
- B. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at December 31, 2020, the profit for the year ended on that date.

2. Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process

4. Auditor’s Responsibility

- A. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Our responsibility is to express an opinion on these financial statements based on our audit.
- B. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 4. Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- C. Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.
- D. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- E. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

5. Other Matter

Due to the continuous spreading of Covid19 across India, the Government of India has issued various advisories across the India to contain the spread of the virus. This has resulted in restriction on physical visit to the client locations and the need for carrying out alternative audit procedures as per the Standards on Auditing prescribed by the Institute of Chartered Accountants of India (ICAI).

In view of the above, the audit was carried out by visiting client's office as well as based on remote access of the data as provided by the Management. This has been carried out based on the advisory on “Specific Considerations while conducting Distance Audit/Remote Audit/ Online Audit under current Covid19 situation” issued by the Auditing and Assurance Standards Board of ICAI. We have been represented by the management that the data provided for our audit purposes is correct, complete, reliable and the exact extract of Books of Accounts, Bills & Vouchers etc. of the Company without any further manual modifications.

We bring to the attention of the users that the audit of the financial statements has been performed in the aforesaid conditions.

However, our opinion is not modified in respect of above matter.

6. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of The Companies Act 2013, we give in the Annexure-A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit ;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books ;
 - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account ;
 - d. In our opinion the aforesaid financial statements comply with Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 ;
 - e. On the basis of written representations received from the directors as on 31st December, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on 31st December, 2020, from being appointed as a director in terms of Section 164(2) of the Act ;
 - f. With respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such control, refer to our separate report in 'Annexure - B' to this report and ;
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. As per the representation made by the management, the Company does not have any pending litigations which would impact its financial position;
 - ii. The Company had not entered into any long-term contracts including derivative contracts for which there would have been any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

FOR RKP ASSOCIATES
CHARTERED ACCOUNTANTS



(CA. DEVAJIT BISWAS)
PARTNER
MRN. 304922
FRN. 322473E

Dated at Silchar
the 5th day of March' 2021

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in para (1) of our Independent Auditor's Report of even date on statements of Account of **LAFARGE UMIAM MINING PRIVATE LIMITED**. for the year ended on 31st December'2020

- I) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) As explained to us, all the Assets of the Company have been physically verified by the management at reasonable intervals during the year and no material discrepancies have been noticed on such verifications.
- c) According to the information and explanations given by the management, title deeds of immovable properties are held in the name of the Company.
- II) a) As explained to us, the inventory has been physically verified by the management at reasonable intervals during the year.
- b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate having regard to the size and the nature of its business.
- III) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnership or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- IV) In our opinion and according to the information and explanations given to us, the Company had neither given any loan or guarantee nor provide any security to director or any person to whom the directors are interested. Further, the Company had not made any loan, investment, guarantee which are in violation of section 186 of the Companies Act, 2013.
- V) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits from public. Therefore, the provisions of Para. 3(v) of the CARO 2016 are not applicable to the Company.
- VI) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been maintained. However, we have not made a detailed examination of the same.
- VII) a) The Company has generally been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Goods & Services Tax, Cess and other statutory dues applicable to it. The unpaid undisputed dues in respect of Income-tax, Duty of Custom, Duty of Excise, Value Added Tax, Goods & Services Tax, Cess and other statutory dues in arrears as at 31st December, 2020 for a period of more than six months from the date they became payable, are:-

Name of the Statute	Nature of Dues	Due Date	Period to which the amount relates	Amount involved ('in lacs)
Meghalaya Stamp Act, 1993	Stamp Duty	January 30, 2002	January 2002	3.39

- b) According to the information and explanations given to us there are no dues of Income-tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Goods & Services Tax which have not been deposited on account of any dispute.

- VIII) According to information and explanations given to us, the Company is regular in repayment of loans or borrowings from any financial institutions, banks, government or debentures holders during the year.
- IX) According to information and explanations given by the management, the Company has not raised any moneys by way of initial public offer or further public offer including debt instruments; however the term loan taken were applied for the purpose for which it was taken during the year. Therefore, the provisions of Para. 3(ix) of the CARO 2016 is not applicable to the Company.
- X) Based upon the audit procedure performed for the purpose of reporting the true and fair view of the standalone financial statements and according to the information and explanations given by the management, we report that no fraud by the Company and no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- XI) The Company is a private company. Accordingly, the provisions of section 197 read with Schedule V to the Act do not apply to the Company. Thus paragraph 3(xi) of the Order is not applicable to the Company and hence not commented upon.
- XII) In our opinion and according to information & explanations given to us, the Company is not a Nidhi Company. Therefore, the provisions of Para.3(xii) of the Order are not applicable to the Company and hence not commented upon.
- XIII) According to information & explanations given by the management, transactions with the related parties are in compliance with section 177 and section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.
- XIV) According to information & explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under Para. 3(xiv) is not applicable to the company and, not commented upon.
- XV) According to information & explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- XVI) In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of Para. 3(xvi) of the Order are not applicable to the Company.

FOR RKP ASSOCIATES
CHARTERED ACCOUNTANTS



(CA. DEVAJIT BISWAS)
PARTNER
MRN. 304922
FRN. 322473E

Dated at Silchar
the 5th day of March' 2021

ANNEXURE-B TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of **LAFARGE UMIAM MINING PRIVATE LIMITED**. ('the Company') as of 31 December' 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on the date.

Management's Responsibility for Internal Financial Controls:

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility:

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial control systems over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting:

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transaction and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting:

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st December' 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Dated at Silchar
the 5th day of March' 2021

FOR RKP ASSOCIATES
CHARTERED ACCOUNTANTS



(CA. DEVAJIT BISWAS)
PARTNER
MRN. 304922
FRN. 322473E

LAFARGE UMIAM MINING PRIVATE LIMITED
Balance Sheet as at 31st December 2020

	Note	As at 31.12.2020 (Rs. in Lakhs)	As at 31.12.2019 (Rs. in Lakhs)
(I) EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	03	4,113.31	4,113.31
(b) Reserves and Surplus	04	20,902.37	18,084.22
		<u>25,015.68</u>	<u>22,197.53</u>
(2) Non-Current Liabilities			
(a) Long-term Provisions	05	585.91	522.83
(b) Deferred Tax Liabilities (Net)	22	1,868.78	2,078.03
		<u>2,454.69</u>	<u>2,600.86</u>
(3) Current Liabilities			
(a) Short-Term Borrowings	06	-	1,425.83
(b) Trade Payables	07	2,673.82	2,217.02
(c) Other Current Liabilities	08	2,320.86	553.79
(d) Short-Term Provisions	05	6.06	9.70
		<u>5,000.74</u>	<u>4,206.34</u>
TOTAL EQUITY AND LIABILITIES		<u>32,471.11</u>	<u>29,004.73</u>
(II) ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment			
(i) Tangible Assets	09 A	8,243.59	9,275.91
(ii) Intangible Assets	09 B	4,025.05	4,401.83
(iii) Capital Work-in-Progress	10	2,801.10	250.49
		<u>15,069.74</u>	<u>13,928.23</u>
(b) Long-Term Loans and Advances	11	3,259.25	3,311.84
		<u>18,328.99</u>	<u>17,240.07</u>
(2) Current Assets			
(a) Inventories	12	1,008.03	1,215.01
(b) Trade Receivables	13	4,340.75	2,176.65
(c) Cash and Cash equivalents	14	371.06	241.56
(d) Short-Term Loans and Advances	11	8,422.28	8,131.44
		<u>14,142.12</u>	<u>11,764.66</u>
TOTAL ASSETS		<u>32,471.11</u>	<u>29,004.73</u>

See accompanying notes forming part of the financial statements

In terms of our report attached

For R K P Associates
Chartered Accountants



CA. DEVAJIT BISWAS
PARTNER
MRN. 304922
FRN. 322473E

Place: Silchar
Date: 5th day of March' 2021

For and on behalf of the Board of Directors



Mohammad Iqbal Chowdhury
Director
DIN 07977063

Manjuree Rai
Company Secretary
ACS 12858



Narayan Sharma
Director
DIN 01579171

Place : Dhaka
Date: February 16, 2021

LAFARGE UMIAM MINING PRIVATE LIMITED
Statement of Profit and Loss for the year ended 31st December 2020

	Note	Year ended 31.12.2020 (Rs. in Lakhs)	Year ended 31.12.2019 (Rs. in Lakhs)
I Revenue from Operations (gross)	15	17,826.40	20,974.56
Less : Goods & Services Tax		-	-
Revenue from Operations (Net)		17,826.40	20,974.56
II Other Income	16	48.89	283.37
III Total Revenue (I + II)		17,875.29	21,257.93
IV EXPENSES			
(a) Cost of Extracted Limestone	17	2,277.91	2,636.07
(b) Employee Benefit Expenses	18	1,141.71	1,077.55
(c) Finance Costs	19	91.46	75.20
(d) Depreciation and Amortisation Expenses	09	1,422.28	1,400.88
(e) Other Expenses	20	9,053.85	9,572.47
Total Expenses		13,987.21	14,762.17
V Profit / (Loss) Before Tax (III-IV)		3,888.08	6,495.76
VI Tax Expense			
(a) Current Tax		1,279.18	2,342.88
(b) Deferred Tax		(209.25)	63.36
Total Tax Expense		1,069.93	2,406.24
VII Profit/ (Loss) for the year (V - VI)		2,818.15	4,089.52
VIII Earning/ (Loss) per equity share (Rupees):			
Basic and Diluted		6.85	9.94

See accompanying notes forming part of the financial statements

The Notes referred to above form an integral part of the Profit and Loss Account

In terms of our report attached

For R K P Associates
Chartered Accountants



CA. DEVAJIT BISWAS
PARTNER
MRN. 304922
FRN. 322473E

Place: Silchar
Date: 5th day of March' 2021

For and on behalf of the Board of Directors



Mohammad Iqbal Chowdhury
Director
DIN 07977063


Manjuree Rai
Company Secretary
ACS 12858



Narayan Sharma
Director
DIN 01579171

Place : Dhaka
Date: February 16, 2021

LAFARGE UMIAM MINING PRIVATE LIMITED
Cash flow statement for the year ended 31st December 2020

	Year ended 31.12.2020 (Rs. in Lakhs)	Year ended 31.12.2019 (Rs. in Lakhs)
A. Cash Flow from Operating Activities:		
Profit / (Loss) before Taxes and Exceptional Item	3,888.08	6,495.76
Adjustments for:		
Depreciation	1,422.28	1,400.88
Unrealised foreign exchange (gain)/ loss	3.99	58.52
Financial charges	91.25	75.20
Property, plant and equipment written off	-	1.58
Interest income	(44.24)	(43.72)
Operating Profit before Working Capital Changes	5,361.35	7,988.22
Changes in Working Capital:		
Adjustments for (increase) / decrease in operating assets:	(2,174.25)	(2,977.95)
Trade receivables	(2,168.08)	(935.18)
Short term and long term loans and advances	(213.14)	(2,045.42)
Inventories	206.97	2.65
Adjustments for increase / (decrease) in operating liabilities:	2,285.63	(1,733.54)
Trade payables and other current and non current liabilities	2,226.19	(1,809.45)
Long and short term provisions	59.44	75.91
Cash from / (used in) Operations	5,472.73	3,276.73
Provision for tax/taxes paid	(1,279.18)	(2,342.88)
Net Cash from/(used in) Operating Activities	4,193.55	933.85
B. Cash Flow from Investing Activities:		
Capital expenditure on property, plant and equipment and capital work in progress	(2,563.79)	(908.50)
Interest received	19.14	39.19
Net Cash used in Investing Activities	(2,544.65)	(869.31)
C. Cash Flow from Financing Activities:		
Proceed from short term borrowings	-	957.84
Repayment of short term borrowings	(1,425.61)	(1,346.38)
Financial charges paid	(93.79)	(82.00)
Net Cash from/ (used in) Financing Activities	(1,519.40)	(470.54)
Net Increase or (Decrease) in Cash or Cash equivalents	129.50	(406.00)
Cash and Cash equivalents as at 1st January	241.56	647.56
Cash and Cash equivalents as at 31st December	371.06	241.56

Notes:

1. Include cash and cheques on hand, balance in current and deposit accounts with banks (refer note - 14) .
2. Figures in brackets represent outflows.
3. Previous year figures have been regrouped/restated wherever necessary.

in terms of our report attached

For R K P Associates
Chartered Accountants



CA. DEVAJIT BISWAS
PARTNER
MRN. 304922
FRN. 322473E

For and on behalf of the Board of Directors



Mohammad Iqbal Chowdhury
Director
DIN 07977063



Narayan Sharma
Director
DIN 01579171



Manjuree Rai
Company Secretary
ACS 12858

Place: Silchar
Date: 5th day of March' 2021

Place : Dhaka
Date: February 16, 2021

LAFARGE UMIAM MINING PRIVATE LIMITED Notes to the Financial Statements

01. Background

"Lafarge Umiam Mining Private Ltd ("LUMPL"), a private limited company incorporated under the laws of India, having its registered office in Shillong, Meghalaya, is a 100% subsidiary company of LafargeHolcim Bangladesh Ltd. ("LHBL"), (former Lafarge Surma Cement Ltd) a public limited company incorporated under the laws of Bangladesh.

LUMPL owns and operates the limestone and shale mine located at Nongtraï and Shella area of East Khasi Hills District, Meghalaya. The project involves supply of crushed limestone and shale from the mines located in the State of Meghalaya through continuous a cross border elevated belt conveyor to the plant at Chattak in Bangladesh promoted by Lafarge SA of France and Cementos Molins of Spain for the manufacture of clinker, cement and building materials by LHBL.

02. Significant Accounting Policies

a). Basis of Accounting and Preparation of Financial Statements

The financial statements have been prepared on an accrual basis and under the historical cost convention in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the Act") read together with Rule 7 of the Companies (Accounts) Rules, 2014.

b). Use of Estimates

The preparation of the financial statements requires the management to make estimates and assumptions that affect the reporting balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reporting amounts of income and expenses during the year. Examples of such estimates include provision for doubtful debts, future obligations under employee retirement benefit plans, income taxes, and useful life of fixed assets and intangible assets. Contingencies are recorded when it is probable that a liability will be incurred, and the amount can be reasonably estimated. Actual results could differ from such estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

c). Revenue Recognition

"Revenue from sale of products is recognized on the basis of dispatch to customer.
Interest on deposits is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

d). Property, Plant and Equipment

Property, plant and equipment are stated at original cost of acquisition less accumulated depreciation. Cost includes inward freight, duties, taxes and incidental expenses related to acquisition and installation of asset.

Software expected to provide future enduring economic benefits is stated at cost less amortization. All up gradation/enhancements are charged off as revenue expenditure unless they bring significant additional benefits.

e). Development of Quarry

Cost as listed below incurred in relation to quarry where the future economic benefits associated with those cost flows are capitalized and amortized over the mining lease rights period.

a) Cost for development of quarry for commercial exploration.

b) Cost for obtaining definite extraction permit which includes amongst others environmental clearance as per statutory rules and regulations in force from time to time and as imposed by regulatory authorities.

c) Cost to expand the capacity of the quarry.

f). Inventory

Extracted Limestone and Shalestone are valued at the lower of cost and net realizable value.
Spare parts, oil & fuel and other supplies are valued at/ under cost.
Cost of inventories is ascertained on the weighted average basis

LAFARGE UMIAM MINING PRIVATE LIMITED Notes to the Financial Statements

g). Depreciation/Amortisation

"Depreciation is provided on straight line basis over the useful lives of assets, which is as stated in Schedule II of Companies, Act 2013 or based on estimate made by the Company. The details of estimated useful life for each category of asset are as under :

Buildings - 30 to 60 years
Plant and Machinery used in Crushing and Long Belt Conveyor - 21 years *
Capital Spares for above Plant & Machinery - 5 years *
Other Plant & Machinery - 15 years
Furniture and Fixtures - 10 years
Office & Household Equipments - 5 years
Electronic Data Processing Equipment - 3 to 6 years
Computer Softwares - 3 years
Vehicles - 8 years

Leasehold Land is amortised over the remaining tenure of the lease.

Development of property - Tangible and In-Tangible pertaining to Limestone and Shalestone quarry is amortised over the remaining tenure of legal rights or useful period of the mine whichever is less."

* For Crusher and Long Belt Conveyor Plant & Machinery and related capital spare for the same , the Company believes that the useful lives as given above best represent the period over which Company expects to use these assets which is based on the Company's Group Company estimate followed. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of the Schedule II of the Companies Act 2013.

h). Foreign Exchange Transaction

a) Foreign currency transactions entered during the year are recorded at the rate of exchange prevailing on the date of transactions.

b) Monetary items denominated in foreign currencies at the year end are restated at year end rates. Non monetary foreign currency items are carried at cost . Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Statement of Profit and Loss

c) In case of forward exchange contracts which are entered into to hedge the foreign exchange risks in respect of existing assets/liabilities, the premium or discount on such contracts is recognized over the life of the contract. In case of forward exchange contracts entered into to hedge the foreign currency risk of a firm commitment or a highly probable future forecast transactions, mark to market loss, if any, arising in respect of such outstanding forward contracts at the balance sheet date is recognized in the Statement of Profit and Loss.

i). Employee Benefits

Defined Contribution Schemes: Company's contribution towards Provident Fund paid / payable during the year to the Provident Fund Authority are charged to Statement of Profit and Loss.

Defined Benefit Schemes: Company's liabilities towards Gratuity are defined benefit scheme. All liability of Defined Benefit Schemes is ascertained by independent actuarial valuations as per the requirements of Accounting Standard- 15 on "Employee Benefits"

j). Borrowing Cost

Borrowing costs to the extent / attributed to the acquisition / construction of qualifying assets are capitalized up to the date when such assets are ready for its intended use and all other borrowing costs are recognized as an expense in the period in which they are incurred.

k). Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year determined in accordance with the provisions of the Income Tax Act 1961.

Deferred tax is recognized subject to the consideration of prudence in respect of deferred tax assets, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and is measured using tax rates and laws that have been enacted or subsequently enacted by the Balance Sheet date. Deferred tax assets are reviewed at each Balance Sheet date to re-assess realization.

LAFARGE UMIAM MINING PRIVATE LIMITED Notes to the Financial Statements

l). Impairment of Property, Plant and Equipment

An impairment loss is recognized wherever the carrying amount of property, plant and equipment of cash generating unit exceeds the recoverable amount i.e. net selling price or value in use, whichever is higher.

m). Leases

As lessee Finance leases, which effectively transfer substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are recognised as an expense in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs are capitalised.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

As lessee, Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

n). Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

o). Classification of Assets and Liabilities into Current/Non-current

All assets and liabilities are presented as Current or Non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realization, the Company has ascertained its operating cycle as 12 months for the purpose of Current / Non-current classification of assets and liabilities.

LAFARGE UMIAM MINING PRIVATE LIMITED
Notes to the Financial Statements

03. Share Capital

	As at 31.12.2020 (Rs. in Lakhs)	As at 31.12.2019 (Rs. in Lakhs)
Authorised:		
42,000,000 (as at 31st December, 2019: 42,000,000) equity shares of Rs. 10 each	4,200.00	4,200.00
	<u>4,200.00</u>	<u>4,200.00</u>
Issued, Subscribed and Fully Paid up:		
41,133,099 (as at 31st December, 2019: 41,133,099) equity shares of Rs. 10 each	4,113.31	4,113.31
	<u>4,113.31</u>	<u>4,113.31</u>

03.1 Share Capital
Reconciliation of Number of Shares

	As at 31.12.2020		As at 31.12.2019	
	No. of Shares	Amount (Rs. in Lakhs)	No. of Shares	Amount (Rs. in Lakhs)
Issued, Subscribed and Fully paid				
At the beginning of the year	41,133,099	4,113.31	41,133,099	4,113.31
At the end of the year	<u>41,133,099</u>	<u>4,113.31</u>	<u>41,133,099</u>	<u>4,113.31</u>

03.2 Details of shareholders holding more than 5% of outstanding shares

Shareholder	As at 31.12.2020		As at 31.12.2019	
	No. of Shares	%	No. of Shares	%
(1) LafargeHolcim Bangladesh Ltd, Bangladesh, the holding company	41,133,098	100%	41,133,098	100%
	<u>41,133,098</u>	<u>100%</u>	<u>41,133,098</u>	<u>100%</u>

03.3 Rights, Preferences and Restrictions attached to the Equity Shareholders

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

04. Reserves and Surplus

	As at 31.12.2020 (Rs. in Lakhs)	As at 31.12.2019 (Rs. in Lakhs)
Surplus / (Deficit) in Statement of Profit and Loss :		
Opening Balance	18,084.22	13,994.70
Add: Profit / (Loss) for the year	2,818.15	4,089.52
Closing Balance	<u>20,902.37</u>	<u>18,084.22</u>

LAFARGE UMIAM MINING PRIVATE LIMITED
Notes to the Financial Statements

05. Provisions

	As at 31.12.2020 (Rs. in Lakhs)		As at 31.12.2019 (Rs. in Lakhs)	
	Long Term	Short Term	Long Term	Short Term
(a) Provision for employee benefits Post-employment Defined Benefits Retiring Gratuity	223.72	6.06	186.06	9.70
(b) Provision for Site Restoration	362.19	-	336.77	-
Total Provisions	585.91	6.06	522.83	9.70

06. Short-Term Borrowings

	As at 31.12.2020 (Rs. in Lakhs)	As at 31.12.2019 (Rs. in Lakhs)
Loans from banks Unsecured		
(1) From Citibank NA, Mumbai : Overdraft	-	467.99
(2) From State Bank of India, Shillong : Overdraft	-	957.84
	<u>-</u>	<u>1,425.83</u>

07. Trade Payables

	As at 31.12.2020 (Rs. in Lakhs)		As at 31.12.2019 (Rs. in Lakhs)	
	Long Term	Short Term	Long Term	Short Term
Creditors for supplies / services Total outstanding dues of micro enterprises and small enterprises	-	1.75	-	-
Total outstanding dues of creditors other than micro and small enterprises	-	2,490.66	-	2,112.97
Creditors for accrued wages and salaries	-	181.41	-	104.05
Total Trade Payables	-	2,673.82	-	2,217.02

08. Other Current Liabilities

	As at 31.12.2020 (Rs. in Lakhs)	As at 31.12.2019 (Rs. in Lakhs)
(a) Creditors for capital liability	15.43	9.94
(b) Creditors for other liabilities		
(1) Interest accrued and due on borrowings	-	2.32
(2) Statutory Dues	2,305.43	541.53
Total Other Current Liabilities	2,320.86	553.79

LAFARGE UMIAM MINING PRIVATE LIMITED
Notes to the Financial Statements

09. Property, Plant and Equipment

Particulars	Gross Block - At Cost			Depreciation / Amortisation			Net Block	
	As at 1st Jan, 2020 Rs. in Lakhs	Additions during the year Rs. in Lakhs	Adjustments during the year Rs. in Lakhs	As at 31st Dec, 2020 Rs. in Lakhs	Additions during the year Rs. in Lakhs	Adjustments during the year Rs. in Lakhs	As at 31st Dec, 2020 Rs. in Lakhs	As at 1st Jan, 2020 Rs. in Lakhs
09 A. Tangible Assets								
Freehold Land	204.90	-	-	204.90	-	-	204.90	204.90
Leasehold Land	138.85	-	-	138.85	6.50	-	47.93	54.43
Building	1,050.69	-	-	1,050.69	31.10	-	765.82	796.92
Plant and Machinery	16,951.68	13.18	-	16,964.86	936.66	-	6,645.44	7,568.92
Development of property	1,073.62	-	-	1,073.62	43.69	-	475.02	518.71
Furniture and Fixtures	69.38	-	-	69.38	3.88	-	17.41	21.29
Office & Household Equipments	117.13	-	-	117.13	5.01	-	15.11	20.12
Electronic Data Processing Equipment	121.42	-	-	121.42	2.60	-	6.25	8.85
Vehicles	354.88	-	-	354.88	16.06	-	65.71	81.77
Total	20,082.55	13.18	-	20,095.73	1,045.50	-	8,243.59	9,275.91
Previous year	19,378.65	709.03	(5.13)	20,082.55	1,025.13	(3.55)	9,275.91	
09 B. Intangible Assets								
Software (acquired)	37.05	-	-	37.05	-	-	-	-
Development of property	7,433.90	-	-	7,433.90	376.78	-	4,025.05	4,401.83
Total	7,470.95	-	-	7,470.95	376.78	-	4,025.05	4,401.83
Previous year	7,470.95	-	-	7,470.95	375.75	-	4,401.83	

LAFARGE UMIAM MINING PRIVATE LIMITED
Notes to the Financial Statements

10. Capital Work-in-Progress

	As at 31.12.2020 (Rs. in Lakhs)	As at 31.12.2019 (Rs. in Lakhs)
(a) Building	320.89	-
(b) Plant & Machinery	2,393.04	250.49
(c) Others	87.17	-
Total Capital Work-in-Progress	2,801.10	250.49

Additional information

(1) Development of property includes expenditure incurred on account of development of quarry

11. Loans and Advances

	As at 31.12.2020		As at 31.12.2019	
	Long Term (Rs. in Lakhs)	Short Term (Rs. in Lakhs)	Long Term (Rs. in Lakhs)	Short Term (Rs. in Lakhs)
Loans and Advances (Unsecured, considered good)				
(a) Capital advances	-	1,351.76	-	1,320.96
(b) Security deposits	21.70	-	19.04	1,212.68
(c) Interest accrued on deposits	71.02	8.64	46.93	7.62
(d) Advance tax (Net of provision for tax)	1,273.52	-	623.80	-
(e) MAT credit entitlement	1,325.71	-	2,096.24	-
(f) Other loans and advances				
(1) Prepayments	18.33	68.67	43.90	63.08
(2) Advances to suppliers	10.55	423.77	9.78	143.93
(3) Deposit account (1) & (2)	538.42	320.87	472.15	297.29
(4) Others	-	6,248.57	-	5,085.88
Total Loans and Advances	3,259.25	7,061.88	3,311.84	5,590.19

Additional information

1. Represents deposit with banks that are restricted from being exchanged or used to settle a liability for more than 12 months.

2. Includes Rs. 53.07 lakhs (as at 31st December, 2019 Rs. 53.07 lakhs) pledged with the Office of Commissioner of Central Goods and Service Tax, Meghalaya; Rs.209.07 lakhs (as at 31st December, 2019 Rs.209.07 lakhs) pledged in respect of Bank Guarantee issued by State Bank of India, Shillong in favour of Indian Bureau of Mines; Rs.315.85 lakhs (as at 31st December 2019 Rs. 297.29 lakhs) pledged in respect of bank overdraft facility availed from State Bank of India, Shillong ; Rs. 210.00 lakhs (as at 31st December, 2019 Rs. 210.00 lakhs) earmarked for Environment Management Plan Fund as per the requirements of environmental clearance conditions granted to the Company by Ministry of Environment, Forest and Climate Change, Government of India and Rs. 71.30 lakhs (as at 31st December 2019 Rs. nil) pledged in respect of load security deposit in favour of MeECL.

12. Inventories

	As at 31.12.2020 (Rs. in Lakhs)	As at 31.12.2019 (Rs. in Lakhs)
(a) Extracted Limestone	61.90	61.75
(b) Oil and Fuel	36.79	48.57
(c) Stores, Spares and Explosive	909.34	1,104.69
Total Inventories	1,008.03	1,215.01

LAFARGE UMIAM MINING PRIVATE LIMITED
Notes to the Financial Statements

13. Trade Receivables

	As at 31.12.2020 (Rs. in Lakhs)	As at 31.12.2019 (Rs. in Lakhs)
Current Trade Receivable		
Unsecured, considered good unless otherwise stated		
Outstanding for a period exceeding six months, from the date they were due for payment.	-	-
Others	4,340.75	2,176.65
Total Current Trade Receivable	<u>4,340.75</u>	<u>2,176.65</u>

14. Cash and Cash equivalents

	As at 31.12.2020 (Rs. in Lakhs)	As at 31.12.2019 (Rs. in Lakhs)
(a) Cash on hand	0.82	0.82
(b) Balances with banks		
In Current Accounts	370.24	240.74
Total Cash and Cash equivalents	371.06	241.56
Out of above, the balances that meet the definition of Cash and Cash equivalents as per Accounting Standard 3 Cash Flow Statements	<u>371.06</u>	<u>241.56</u>

15. Revenue from Operations

	Year ended 31.12.2020 (Rs. in lakhs)	Year ended 31.12.2019 (Rs. in lakhs)
Revenue from operations (gross)	17,826.40	20,974.56
Less : Goods & Services Tax on revenue from operations	-	-
Revenue from Operations (net)	<u>17,826.40</u>	<u>20,974.56</u>

15.1 Revenue from Operations (net)

	Year ended 31.12.2020 (Rs. in lakhs)	Year ended 31.12.2019 (Rs. in lakhs)
Sale of crushed limestone (1)	17,826.40	20,974.56
	<u>17,826.40</u>	<u>20,974.56</u>

Additional information

(1) Sales of crushed limestone represent 100% export sales to holding company, LafargeHolcim Bangladesh Ltd, Bangladesh

16. Other Income

	Year ended 31.12.2020 (Rs. in lakhs)	Year ended 31.12.2019 (Rs. in lakhs)
(a) Interest Income from bank deposits	44.24	43.72
(b) Excess liability written back	-	133.61
(c) Gain on foreign exchange fluctuation (Net)	4.65	106.04
Total Other Income	<u>48.89</u>	<u>283.37</u>

LAFARGE UMIAM MINING PRIVATE LIMITED
Notes to the Financial Statements

17. Cost of Extracted Limestone

	Year ended 31.12.2020 (Rs. in lakhs)	Year ended 31.12.2019 (Rs. in lakhs)
Extracted Limestone		
Opening stock	61.75	64.99
Add:- Cost of extraction	2,278.06	2,632.83
Less : Closing stock	61.90	61.75
Extracted Limestone Consumed	2,277.91	2,636.07

18. Employee Benefits Expenses

	Year ended 31.12.2020 (Rs. in lakhs)	Year ended 31.12.2019 (Rs. in lakhs)
(a) Salaries and wages, including bonus	1,048.58	966.07
(b) Contribution to provident and other funds	93.13	111.48
Total Employee Benefits Expense	1,141.71	1,077.55

19. Finance Cost

	Year ended 31.12.2020 (Rs. in lakhs)	Year ended 31.12.2019 (Rs. in lakhs)
(a) Interest expenses		
Interest on working capital demand loan and overdraft	6.89	59.42
(b) Bank charges	84.57	15.78
Total Finance Cost	91.46	75.20

LAFARGE UMIAM MINING PRIVATE LIMITED
Notes to the Financial Statements

20. Other Expenses	Year ended 31.12.2020 (Rs. in lakhs)	Year ended 31.12.2019 (Rs. in lakhs)
Consumption of stores, spare parts and loose tools	125.56	205.66
Fuel for power generation	788.50	803.53
Cost of operation and maintenance of DG Sets for power generation	153.09	167.03
Rent	25.66	62.18
Repairs to buildings	3.59	6.06
Repairs to machinery	84.15	84.95
Repairs to others	232.44	225.65
Insurance	47.41	45.75
Royalty and Cess for Limestone mining lease	3,486.30	3,795.05
Lease rent for limestone mining surface rights	486.05	523.33
LBC and mining operation support & assistance by local bodies & others	391.26	396.83
Contribution to Special Purpose Vehicle (1)	1,894.73	2,062.47
Corporate Social Responsibility Expenditure (2)	140.62	131.15
Environmental cost	204.73	198.24
Business Promotion & Public Relations	82.28	24.10
Study, reports and consultancy fees	109.28	43.63
IT Cost	72.68	77.65
Security cost	419.43	409.94
Communication charges	4.08	5.48
Gas, Water & Electricity	11.78	7.92
Legal fees and consultation	7.26	18.30
Travelling and conveyance	75.63	95.17
Safety expense	45.14	42.28
Site restoration cost	25.42	25.42
Write off of property, plant and equipment	-	1.58
Written down of stores, spare parts and loose tools	49.43	-
Deputation of custom officials at site	33.67	41.47
Auditors remuneration and out-of-pocket		
(i) Statutory Auditors	7.50	7.50
(ii) Tax Audit related matter	2.80	2.80
(iii) For Other Services	0.45	0.80
(iv) Reimbursement of Expense	0.45	0.41
Miscellaneous expenses	42.48	60.14
Total Other Expenses	9,053.85	9,572.47

(1) Represents the contribution payable to Special Purpose Vehicle (SPV) based on Rs. 90/- per tonne of limestone production from the Company's mines. The SPV was set up in terms of the directions of the Ministry of Environment and Forests (MoEF), Government of India vis-à-vis Orders of the Supreme Court of India dated 12th April 2010 and the Order and Judgement dated 6th July, 2011. The amount so deposited by the Company to SPV is meant for various welfare projects mandated upon the SPV including the development of health, education, irrigation and agriculture in the mining project area (i.e 50 kms) of the Company solely for the local community and welfare of Tribals.

(2) Corporate Social Responsibility Expenditure Rs. 140.62 lakhs (Previous year : Rs. 131.15 lakhs) incurred by the Company represents with the requirement of the provision of Section 135 of the Companies Act, 2013.

LAFARGE UMIAM MINING PRIVATE LIMITED
Notes forming part of Financial Statements

21. Estimated amount of contracts (net of advances) remaining to be executed on capital account and not provided for Rs. 1,806.72 lakhs (as at 31st December, 2019 Rs. 1,865.84 lakhs).

22. Deferred tax:

The breakup of deferred tax is as under	Year ended 31.12.2020 (Rs. in lakhs)	Year ended 31.12.2019 (Rs. in lakhs)
Deferred Tax Liabilities		
Timing difference on account of:-		
-Depreciation	1,935.69	2,146.44
Gross Deferred Tax Liabilities (A)	1,935.69	2,146.44
Deferred Tax Assets		
-Unabsorbed Depreciation	Nil	Nil
-Provision for Gratuity	66.91	68.41
Gross Deferred Tax Assets (B)	66.91	68.41
Deferred Tax Assets/ (Liability) (Net) (A-B)	(1,868.78)	(2,078.03)

23. Details of dues to Micro, Small and Medium Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006*

No.	Particulars	As on 31.12.2020 (Rs. in lakhs)	As on 31.12.2019 (Rs. in lakhs)
1.	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	1.75	--
2.	Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end.	--	--
3.	Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year.	--	--
4.	Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	--	--
5.	Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	--	--
6.	Interest due and payable towards suppliers registered under MSMED Act, for payments already made.	--	--
7.	Further interest remaining due and payable for earlier years.	--	--

*This information has been determined to the extent such parties have been identified on the basis intimation received from the "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006.

LAFARGE UMIAM MINING PRIVATE LIMITED
Notes forming part of Financial Statements

24. Expenditure / Earnings in foreign currency:

a) Value of imports calculated on CIF basis :

	Year ended 31.12.2020 (Rs. in lakhs)	Year ended 31.12.2019 (Rs. in lakhs)
i) Stores and Spare parts	Nil	10.84
ii) Capital goods	233.94	239.85
Total	233.94	250.69

b) Expenditure in foreign currency:

	Year ended 31.12.2020 (Rs. in lakhs)	Year ended 31.12.2019 (Rs. in lakhs)
i) Professional and Consulting fees	85.84	94.48
ii) Interest and other borrowing cost	Nil	Nil
Total	85.84	94.48

c) Earnings in foreign currency:

	Year ended 31.12.2020 (Rs. in lakhs)	Year ended 31.12.2019 (Rs. in lakhs)
i) FOB Value of Exports	17,826.40	20,974.56
Total	17,826.40	20,974.56

d) Details of consumption of imported and indigenous items :

	Year Ended 31st December 2020		Year Ended 31st December 2019	
	Rs. in lakhs	%	Rs. in lakhs	%
i) Imported				
Raw materials	Nil	Nil	Nil	Nil
Stores and Spares	3.88	2%	7.48	4%
ii) Indigenous				
Raw materials	2277.91	100%	2636.07	100%
Stores and Spares	171.11	96%	198.18	96%

25. Contingent Liability not provided for:

i) Bank Guarantee amounting to Rs. 209.07 lakhs (as at 31st December 2019 Rs. 209.07 lakhs) issued by State Bank of India, Main Branch Shillong on behalf of the Company favoring Indian Bureau of Mines as financial assurance for the progressive mines closure plan.

ii) The Ministry of Environment, Forests and Climate Change (MoEFCC), vide Letter No. F.No.8-64/2007-FC dated 22nd April 2010 and Letter No. F.No.8-64/2007-FC dated 29th February 2012, has granted permission for diversion of 116.589 ha forest land for limestone mining and other ancillary activities in favour of M/s Lafarge Umiyam Mining Private Limited (LUMPL) in Sohra -Tehsil, Khasi Hills Division of Meghalaya. In terms of conditions of forest clearance it was mandated that Compensatory Afforestation, shall be raised and maintained over 428.483 ha of degraded forest land from the funds realized from LUMPL. Accordingly, LUMPL deposited an amount of Rs. 239 lakhs as cost of raising and maintaining Compensatory Afforestation with the State Government.

LAFARGE UMIAM MINING PRIVATE LIMITED Notes forming part of Financial Statements

In 2018, the Principal Chief Conservator of Forests (PCCF), Government of Meghalaya communicated to MoEF&CC that Compensatory Afforestation could not be raised due to non-availability of degraded forest land. By a letter dated 9th December 2019, PCCF has directed the Company to provide the details of 307 ha of non-forest land for the purpose of transferring to State Forest Department for Compulsory Afforestation.

In 2020 LUMPL has received another letter from Meghalaya Government (Chief Conservator of Forests & Nodal Officer FC Act, 1980) dated 9th June 2020, to provide/acquire 116.589 ha. of non-forest land for raising compensatory afforestation. Accordingly the quantum of land likely to be reduced from earlier demand of 307 ha to 116.589 ha and also the total cost approximately from Rs. 3,700 lakhs to Rs. 1,400 lakhs based on prevailing land rates.

By letter dated October 14, 2020, the Principal Chief Conservator of Forests (PCCF) has submitted a proposal to the Government of Meghalaya recommending that LUMPL purchase only 116.589 ha for CA in the land bank of 400ha identified by Government of Meghalaya. On October 22, 2020 the Government of Meghalaya has forwarded the proposal to the Regional office of MOEF&CC at Shillong. The proposal is presently being reviewed by the Regional office.

Since the requirement of provision of land by the Company was not part of the conditions based on which approval of "Forest Clearance" was granted to the Company in the year 2012, the direction of the PCCF is subject to review and approval of MOEF&CC. LUMPL has made representations clarifying its position. The matter is still under the review of MoEF&CC. Till the outcome of said review no provision has been made. However, the likely compensation that could arise for the procurement of land by the Company for Compulsory Afforestation demanded by the State Government could be approximately Rs. 1,400 lakhs based on prevailing land rates.

26. Company entered into a Limestone Mining Agreement with a mining contractor (the "Contractor"). The Contractor failed to engage the right mining equipment, many mining equipment were more than 5 years old and in violation of the provisions of the Agreement. The Contractor failed to produce right sizes of Limestone as specified in the Agreement. Company issued notices of Breach, Material Breach to the Contractor in terms of the Agreement. On 28.02.2015 the Agreement was terminated. Company submitted its 'Request for Arbitration' to the Secretariat of the International Court of Arbitration (ICC), Paris as per the provisions of the Agreement, with a claim of Rs. 2,241 lakhs. The Contractor made counter-claim of Rs. 6,204 lakhs. By order dated 11.09.2015, the ICC appointed Arbitration Tribunal rejected the counterclaim of the Contractor on procedural ground. On 11.12.2015, the Contractor filed an application before the Calcutta High Court under Section 34 of the Arbitration and Conciliation Act, 1996 seeking to set aside the Order of the Arbitration Tribunal dated 11.09.2015 (the "Application"). On 18.01.2016, the Contractor filed an application for stay of the Order dated 11.09.2015 before the Arbitration Tribunal on the ground that the matter is pending before the High Court. On 01.02.2016, the Arbitral Tribunal passed an order adjourning hearing before the Tribunal until final disposal of the Application by the Calcutta High Court. The Hearing on the Application is awaited. The Company is of the opinion that the counter-claim of the Contractor, even if taken on record by the Tribunal at a subsequent stage or under order of the High Court, is not likely to succeed in full on merits of the matter and accordingly counterclaim of the Contractor has not been acknowledged as debt and no provision for the same has been made. The lawyers are of the view that the case of Company is strong on merits.
27. The Company is under a legal obligation to restore the mines in terms of final mines closure plan submitted to Indian Bureau of Mines at the end of mining operations. Based on the tenure of the current mining lease, estimated cost of site restoration has been provided during the year.

The details of provisions for site restoration cost are summarized below:

	Year ended 31.12.2020 (Rs. in lakhs)	Year ended 31.12.2019 (Rs. in lakhs)
Opening balance	336.77	311.35
Additions	25.42	25.42
Reversals	Nil	Nil
Closing balance	362.19	336.77

28. The Company is recognizing the provision for the employee retirement benefits as per Accounting Standard 15 "Employee Benefits".

Independent Actuarial Valuation of all employee benefit scheme was made on 31st December 2020 which is in the nature of unfunded gratuity benefit.

The following tables set out the details of amount recognised in the financial statements in respect of defined benefit scheme for unfunded gratuity as per the actuarial valuation under the Projected Unit Credit Method.

LAFARGE UMIAM MINING PRIVATE LIMITED
Notes forming part of Financial Statements

I. Component of Expenses recognized in the Statement of Profit and Loss

Sl. No.		Year ended 31.12.2020 (Rs. in lakhs)	Year ended 31.12.2019 (Rs. in lakhs)
1.	Current Service cost	18.59	14.99
2.	Interest cost	13.51	10.90
3.	Expected return on plan assets	-	-
4.	Curtailment cost/(credit)	-	-
5.	Past Service Cost – (vested benefits)	-	-
6.	Past Service Cost – (non vested benefits)	-	-
7.	Unrecognized Past Service Cost –(non vested benefits)	-	-
8.	Actuarial Losses/(Gains)	7.22	29.47
9.	Total expense recognized in the Statement of Profit & Loss	39.32	55.36

The Gratuity expenses have been recognized under “Contribution to provident and other funds” in Note 18.

II. Net Asset/(Liabilities)

Sl. No.		Current Year Rs. in Lakhs	Previous Year			
			As on 31st Dec 2019 Rs. in Lakhs	As on 31st Dec 2018 Rs. in Lakhs	As on 31st Dec 2017 Rs. in Lakhs	As on 31st Dec 2016 Rs. in Lakhs
1.	Present value of Obligation	229.77	195.76	145.27	117.41	113.05
2.	Fair value of plan assets	-	-	-	-	-
3.	Unrecognized Past Service Costs	-	-	-	-	-
4.	Effect of Asset Ceiling	-	-	-	-	-
5.	Net asset/(liability) recognized in balance sheet	(229.77)	(195.76)	(145.27)	(117.41)	(113.05)

III. Reconciliation of opening and closing balance of the Present Value of the Defined Benefit Obligation (DBO)

Sl. No.		Year ended 31.12.2020 (Rs. in lakhs)	Year ended 31.12.2019 (Rs. in lakhs)
1.	Present Value of DBO at beginning of period	195.76	145.27
2.	Current Service cost	18.59	14.99
3.	Interest cost	13.51	10.90
4.	Curtailment cost/(credit)	-	-
5.	Settlement cost/(credit)	-	-
6.	Past Service Cost – (vested benefit)	-	-
7.	Past Service Cost – (non vested benefit)	-	-
8.	Employee contribution	-	-
9.	Plan amendments	-	-
10.	Acquisitions	-	-
11.	Actuarial (gains)/ losses	7.22	29.47
12.	Benefits paid	(5.31)	(4.87)
13.	Present Value of DBO at the end of period	229.77	195.76

LAFARGE UMIAM MINING PRIVATE LIMITED
Notes forming part of Financial Statements

IV. Actuarial Assumptions

Sl. No.		Year ended 31.12.2020 (Rs. in lakhs)	Year ended 31.12.2019 (Rs. in lakhs)
1.	Discount Rate per annum Compound	6.60%	6.90%
2.	Rate of increase in salaries	8.00%	8.00%
3.	Rate of return on Plan Assets	Not Applicable	Not Applicable
4.	Expected Average remaining working lives of employees (years)	19.95	20.51

Note:

- (i) The estimate of future salary increase takes into account seniority, promotion and other relevant factors.
(ii) Experience (Gain)/Loss adjustment arising on plan liabilities – Rs. (1.28) lakhs [as at 31st December 2019 Rs. (1.97) lakhs].

Contribution to Defined Contribution Plan recognized as expense for the year and disclosed under “Contribution to provident and other funds” in Note 18:

Sl. No.		Year ended 31.12.2020 (Rs. in lakhs)	Year ended 31.12.2019 (Rs. in lakhs)
1.	Employer’s Contribution to recognized Provident Fund	53.82	56.12

29. Related party disclosure as per Accounting Standard -18 :

a) Key Managerial Personnel (KMP):

Name	Nature of relationship	Transactions for the year ended		
		31.12.2020 Rs. in lakhs	31.12.2019 Rs. in lakhs	Nature of transaction
Mr. Shivesh Kumar Sinha (Ceased to be KMP w.e.f 14.10.2020)	Chairman	32.50	26.00	Remuneration
Mr. Narayan Sharma	Director	130.30	122.12	Remuneration
Mr. Mohammed Arif Bhuiyan (Ceased to be KMP w.e.f 20.02.2020)	Director	Nil	Nil	---
Mr. Marcos Cela Rey	Director	Nil	Nil	---
Mr. Kazi Mizanur Rahman	Director	Nil	Nil	---
Mr. Eung Rae Kim (Ceased to be KMP w.e.f 31.07.2020)	Director	67.20	Nil	Remuneration
Mr. Rajesh Surana	Director	Nil	Nil	---
Mr. Mohammed Iqbal Chowdhury	Director	Nil	Nil	---
Ms. Sonal Shrivastava (Appointed as KMP w.e.f 14.10.2020)	Chairman	Nil	Nil	---
Mr. Kotam Vamsidhar Reddy (Appointed as KMP w.e.f 23.11.2020)	Director	Nil	Nil	---

- b) Holding Company : LafargeHolcim Bangladesh Ltd, Bangladesh**
Ultimate Holding Company : Surma Holdings B.V, Netherland

LAFARGE UMIAM MINING PRIVATE LIMITED
Notes forming part of Financial Statements

Export sales transaction:

	31.12.2020 (Rs. in lakhs)	31.12.2019 (Rs. in lakhs)
Closing balance of export sales receivables as at	4,340.75	2,176.65
Total value of export sales transaction during the year ended	17,826.40	20,974.56

c) Fellow Subsidiary Company:

Name of the related party: Lum Mawshun Minerals Pvt Ltd
Transactions:

	31.12.2020 (Rs. in lakhs)	31.12.2019 (Rs. in lakhs)
Closing balance as at	10.59	9.82
Expense paid by the Company on behalf of the fellow subsidiary company during the year ended	0.77	2.01

d) Group Company:

Name of Party	Relationship	Nature of Transactions	Rs. in lakhs		
			Transaction value during the year	Payable at 31st Dec 2020	Payable at 31st Dec 2019
Ambuja Cement Ltd.	Group Company	Intercompany Services	16.60	-	-
Holcim Group Services Ltd.	Group Company	Intercompany Services	11.12	22.48	11.36
Holcim Services (South Asia) India	Group Company	Intercompany Services	38.79	38.79	-
Lafarge Asia SDN BHD	Group Company	Intercompany Services	-	63.47	77.51
Lafarge SA	Group Company	Intercompany Services	-	125.26	111.44

30. Earnings per Share (EPS) – The numerators and denominators used to calculate Basic and Diluted EPS:

	31.12.2020	31.12.2019
a) Net Profit / (Loss) after Tax available for Equity Shareholders (Rs. in lakhs)	2,818.15	4,089.52
b) Weighted average number of equity shares of nominal value of Rs. 10 /- each (Nos.)	41,133,099	41,133,099
c) Basic and diluted Earnings/(Loss) per Share including exceptional item (a ÷ b) (Rupees)	6.85	9.94

31. None of the Company's fixed assets are considered impaired as on the Balance Sheet Date.

32. During the year the Company had entered into certain forward exchange contracts which are not intended for speculation purpose but only for hedging currency related risks. The Company has provided foreign exchange (gain)/loss of Rs. (48.25) lakhs (as at 31st December 2019 Rs. 119.16 lakhs) due to fluctuation in foreign exchange rates in respect of all outstanding forward contracts at the balance sheet date not backed by any underlying existing assets/liabilities by marking them to the market.

Forward contracts outstanding as on 31st December 2020 are as follows:

As at	No. of Contracts	Amount (USD in lakhs)	Amount (Rs. in lakhs)
31st December 2020	11	60.50	4,519.25
31st December 2019	6	39.00	2,818.66

LAFARGE UMIAM MINING PRIVATE LIMITED
Notes forming part of Financial Statements

33. The year end foreign currency exposures that are not hedged by a derivative Instrument or otherwise are given below:

Particulars	Currency	Convertible amount as at			
		31st December 2020		31st December 2019	
		Foreign Currency in lakhs	Rs. in lakhs	Foreign Currency in lakhs	Rs. in lakhs
Working capital loan	USD	Nil	Nil	Nil	Nil
Interest on Working capital loan	USD	Nil	Nil	Nil	Nil
Sundry Creditors	USD	0.87	63.47	1.62	115.36
	Euro	1.48	132.78	1.40	111.44
	CHF	0.27	22.48	0.22	16.02
Sundry Receivables	USD	59.42	4,340.75	30.54	2,176.65

34. The Company has entered into operating leases arrangement for Heavy Earth Moving Machines and other related machines for its mining operations. The leases are for a period of 5 years with a non-cancellable period of 3 years. There are no contingent rents and subleases. At the end of lease term as per the terms and conditions of the operating leases arrangements, the Company has exercised the option to purchase the underlying asset under lease arrangement at fair market value. Future minimum lease payments obligation under the operating lease arrangement area as follow:

	31.12.2020 (Rs. in lakhs)	31.12.2019 (Rs. in lakhs)
Not later than one year	Nil	461.07
Later than one year but not later than five years	Nil	453.76
Later than five years	Nil	453.76

Rental expenses of Rs. 397.73 lakhs excluding taxes (as at 31st December 2019 Rs. 556.82) in respect of obligation under non-cancellable operating leases have been charged to the statement of profit and loss in Note 17.

35. The Company has no reportable segment as the company is primarily engaged in the mining activities and the entire sales are export sales.
36. The company has considered the possible effects that may result from Covid-19 in the preparation of these financial results including the recoverability of carrying amount of financial and non- financial assets. The company has used internal and external sources of information and expects that the carrying amount of these assets will be recovered.
37. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors



Narayan Sharma
Director
DIN 01579171

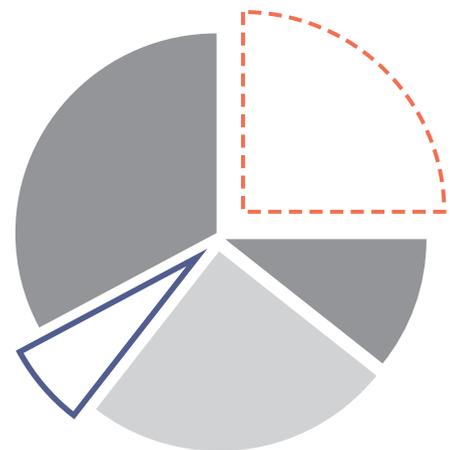


Manjuree Rai
Company Secretary
ACS 12858



Mohammad Iqbal Chowdhury
Director
DIN 07977063

Place : Dhaka
Date: February 16, 2021



Report and Financial Statements of
Lum Mawshun Minerals Private Limited
for the year ended December 31, 2020

BOARD OF DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors of Lum Mawshun Minerals Pvt. Ltd. (the "Company") take pleasure in presenting to the members their report together with audited financial statements of the Company for the year ended on December 31, 2020.

Review of the Activities:

Your Company had been set up as a subsidiary of LafargeHolcim Bangladesh Limited ("LHBL") to obtain the land rights and mining leases for the mining project in Meghalaya, India. With due approval of the Government of Meghalaya, the Company transferred all lands acquired for the project to Lafarge Umiam Mining Private Limited ("LUMPL"). LUMPL is the operating company for the Mining project. Your Company is now exploring new opportunities for development of future business.

Financial Highlights:

The net loss for the year 2020 was INR 73,342/-.

Auditors Report:

The notes to accounts forming part of the financial statements are self explanatory and need no further explanation.

There are no qualifications in the Auditors' Report which requires any clarification/ explanation.

Directors:

The Company has six (6) Directors on the Board. The Directors are not liable to retire by rotation.

Appointments:

Ms. Sonal Shrivastava was appointed as an Additional Director on the Board of the Company effective from October 14, 2020 (Nominated by LHB). Ms. Shrivastava is the Chief Financial Officer, APAC, LafargeHolcim Group and a Director of LHB. Her presence on the Board would be beneficial for the Company.

Resignations:

Mr. Shivesh Kumar Sinha resigned from the Board of the Company with effect from October 14, 2020.

Your Board thanks Mr. Sinha for his contributions, leadership and guidance provided during his tenure as Director of the Company.

Directors' Responsibility Statement:

In accordance with Section 134(3)(c) of the Companies Act, 2013, your Directors, to the best of their knowledge and belief and according to the information and explanation obtained by them, confirm that:

1. in preparation of the annual accounts for the year ending December 31, 2020; the applicable Accounting Standards have been followed along with proper explanations provided for material departures, if any;
2. the accounting policies selected have been applied consistently and judgments and estimates are made, that are reasonable and prudent to give a true and fair view of the state of affairs of the Company as on December 31, 2020 and of the profit of your Company for the year ended on that date;
3. proper and sufficient care has been taken for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
4. the annual accounts for the year ended December 31, 2020 have been prepared on a going concern basis;
5. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and
6. that the directors have devised proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

Auditors:

M/s RKP Associates, Chartered Accountants (having Firm Registration No 322473E) were appointed as the Statutory Auditor of the Company at the 23rd Annual General Meeting held on May 17, 2018 and were assigned to hold office from the conclusion of the said Meeting till the conclusion of the 28th Annual General Meeting.

Number of Board meetings: conducted during the year under review:

During the year ended December 31, 2020, the Board of Directors met four (4) times viz. on March 4, 2020, July 30, 2020, October 14, 2020 and November 23, 2020. Due to the COVID 19 pandemic and the ensuing travel restrictions/ social distancing requirements, three (3) of the four (4) Board meetings were held virtually as per Section 173(2) of the Companies Act, 2013 read with General Circular No. 28/ 2011 issued by the MCA on May 20, 2011, The intervening gap between the meetings was within the period prescribed by the MCA vide General Circular No. 11/ 2020 and dated March 24, 2020.

Particulars of loans, Guarantees and investments:

The Company has not made any investments or given any loans or guarantee or provided any security during the year under scrutiny.

Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013:

The Board has been taking necessary measures for the protection of women rights.

Related party transactions:

There have been no materially significant related party transactions between the Company and the Directors, the management, the subsidiaries or the relatives except for those disclosed in the financial statements.

Accordingly, particulars of contracts or arrangements with related parties referred to in Section 188(1) along with the justification for entering into such contract or arrangement in Form AOC -2 does not form part of the report.

Extract of Annual Return:

The details forming part of the extract of the annual return in Form MGT - 9 are set out in **Annexure "A"** in this Report.

Conservation of Energy, Technology Absorption and Foreign Exchange:

Information on conservation of energy, technology absorption and foreign exchange earnings and outgo, required to be disclosed pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed hereto and forms part of this report as **Annexure "B"**.

Deposits:

During the year under review, the Company has not accepted any deposit from the public.

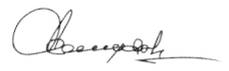
Acknowledgements:

Your Directors wish to express their grateful appreciation for the valuable support and cooperation received from LHBL, LUMPL, project consultants and the Durbars of Nongtraï and Shella for their continued support.

For and on Behalf of the Board



Director
DIN: 01579171



Director
DIN: 01300486

Place: Shillong
Date: March 5, 2021

ANNEXURE A

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.12.2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:		
1	CIN	U14107ML1994PTC004299
2	Registration Date	17/11/1994
3	Name of the Company	LUM MAWSHUN MINERALS PVT LTD
4	Category/Sub-category of the Company	Company Limited by shares Indian Non-Government Company
5	Address of the Registered office & contact details	3rd Floor, Goenka Towers, Morello Compound, Keating Road, European Ward, Shillong, East Khasi Hills, Meghalaya 793001
6	Email	narayan.sharma@lafargeholcim.com
7	Whether listed company	No
8	Name, Address & contact details of the Registrar & Transfer Agent, if any.	NA

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Mining and quarrying	5109	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	LAFARGEHOLCIM BANGLADESH LIMITED	NA	Foreign Holding Company	74.02	2(46)

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1-January-2020]				No. of Shares held at the end of the year [As on 31-December-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF			1,420	25.98%			1,420	25.98%	0.00%
Sub Total (A) (1)			1,420	25.98%			1,420	25.98%	0.00%
(2) Foreign									
c) Bodies Corp.			4,046	74.02%			4,046	74.02%	0.00%
Sub Total (A) (2)			4,046	74.02%			4,046	74.02%	0.00%
TOTAL (A)			5,466	100.00%			5,466	100.00%	0.00%
B. Public Shareholding									
1. Institutions									
2. Non-Institutions									
Sub-total (B)(2):-				0.00%				0.00%	0.00%
Total Public (B)				0.00%				0.00%	0.00%
C. Shares held by Custodian for GDRs & ADRs				0.00%				0.00%	0.00%
Grand Total (A+B+C)			5,466	100.00%			5,466	100.00%	0.00%

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year				Shareholding at the end of the year				% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares			
1	LAFARGEHOLCIM BANGLADESH LIMITED	4,046	74.02%		4,046	74.02%			0.00%	
2	KITTY DORIS ROY	710	12.99%		710	12.99%			0.00%	
3	LYNGDOH GALMENDER SINGH	710	12.99%		710	12.99%			0.00%	
Total		5,466	100.00%		5,466	100.00%			0.00%	

(iii) Change in Promoters' Shareholding: No change

(iv) Shareholding Pattern of top ten Shareholders:

SN	Shareholder's Name	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No of shares	% of total	No of shares	% of total
1	LafargeHolcim Bangladesh Limited At the beginning of the year	01.01.2020		4,046	74.02%	4,046	4,046
	Changes during the year			--	0.00%	--	--
	At the end of the year	31.12.2020		4,046	74.02%	4,046	4,046
2	Kitty Doris Roy At the beginning of the year	01.01.2020		710	12.99%	710	710
	Changes during the year			--	0.00%	--	--
	At the end of the year	31.12.2020		710	12.99%	710	710
3	Lyngdoh Galmender Singh At the beginning of the year	01.01.2020		710	12.99%	710	710
	Changes during the year			--	0.00%	--	--
	At the end of the year	31.12.2020		710	12.99%	710	710

(v) Shareholding of Directors and Key Managerial

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No of shares	% of total	No of shares	% of total
1	LYNGDOH SEDHON GALMENDERSING At the beginning of the year	01.01.2020		710	12.99%	710	12.99%
	Changes during the year				0.00%		0.00%
	At the end of the year	31.12.2020		710	12.99%	710	12.99%
2	KITTY D ROY At the beginning of the year	01.01.2020		710	12.99%	710	12.99%
	Changes during the year				0.00%		0.00%
	At the end of the year	31.12.2020		710	12.99%	710	12.99%

V. INDEBTEDNESS						
Indebtedness of the Company including interest outstanding/accrued but not due for payment.						
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness		
Indebtedness at the beginning of the financial year						
i) Principal Amount	Nil	Nil	Nil	Nil		
ii) Interest due but not paid	Nil	Nil	Nil	Nil		
iii) Interest accrued but not due	Nil	Nil	Nil	Nil		
Total (i+ii+iii)	Nil	Nil	Nil	Nil		
Change in Indebtedness during the financial year						
* Addition	Nil	Nil	Nil	Nil		
* Reduction	Nil	Nil	Nil	Nil		
Net Change	Nil	Nil	Nil	Nil		
Indebtedness at the end of the financial year						
i) Principal Amount	Nil	Nil	Nil	Nil		
ii) Interest due but not paid	Nil	Nil	Nil	Nil		
iii) Interest accrued but not due	Nil	Nil	Nil	Nil		
Total (i+ii+iii)	Nil	Nil	Nil	Nil		

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL: Not applicable as LMMPL is a Private Company

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:						
Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)	
A. COMPANY						
Penalty						
Punishment						
Compounding			No Penalties, Punishments or Compounding of Offences			
B. DIRECTORS						
Penalty						
Punishment						
Compounding			No Penalties, Punishments or Compounding of Offences			
C. OTHER OFFICERS IN DEFAULT						
Penalty						
Punishment						
Compounding			No Penalties, Punishments or Compounding of Offences			

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND
FOREIGN EXCHANGE EARNINGS AND OUTGO
UNDER SECTION 134(3)(M) OF THE COMPANIES ACT, 2013,
READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014**

A. CONSERVATION OF ENERGY:

(a) The steps taken or impact on conservation of Energy:

The Company is not a manufacturing Company and hence the details in respect of Conservation of Energy are not applicable.

(b) The steps taken by the company for utilizing alternate sources of energy

NA

(c) The capital investment on energy conservation equipments;

NA

B. TECHNOLOGY ABSORPTION:

NIL

C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

(a) Total foreign exchange used and earned

a) Expenditure in foreign currency:

NIL

b) Earnings in foreign currency:

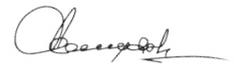
NIL

For and on Behalf of the Board



Director

DIN: 01579171



Director

DIN: 01300486

Place: Shillong
Date: March 5, 2021

INDEPENDENT AUDITORS' REPORT

To
The Members of
Lum Mawshun Minerals Private Limited
3rd Floor, Goenka Towers, Morello Compound
Keating Road, Shillong – 793001, Meghalaya

I. Report on the Audit of the Standalone Financial Statements:

1. Opinion

- a. We have audited the accompanying standalone financial statements of **LUM MAWSHUN MINERALS PRIVATE LIMITED** (“the Company”), which comprises the Balance Sheet as at 31st December, 2020, and the Statement of Profit and Loss Account for the year then ended, and a summary of significant accounting policies and other explanatory information.
- b. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at December 31, 2020, and the Loss for the year ended on that date.

2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

4. Auditor’s Responsibility:

- A. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Our responsibility is to express an opinion on these financial statements based on our audit.
- B. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 4. Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- C. Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.
- D. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- E. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

5. Other Matter :

Due to the continuous spreading of Covid19 across India, the Government of India has issued various advisories across the India to contain the spread of the virus. This has resulted in restriction on physical visit to the client locations and the need for carrying out alternative audit procedures as per the Standards on Auditing prescribed by the Institute of Chartered Accountants of India (ICAI).

In view of the above, the audit was carried out by visiting client's office as well as based on remote access of the data as provided by the Management. This has been carried out based on the advisory on “Specific Considerations while conducting Distance Audit/Remote Audit/ Online Audit under current Covid19 situation” issued by the Auditing and Assurance Standards Board of ICAI. We have been represented by the management that the data provided for our audit purposes is correct, complete, reliable and the exact extract of Books of Accounts, Bills & Vouchers etc. of the Company without any further manual modifications.

We bring to the attention of the users that the audit of the financial statements has been performed in the aforesaid conditions.

However, our opinion is not modified in respect of above matter.

6. Emphasis of Matter :

Without qualifying our report, we invite attention to Note 11 to the financial statements, regarding financial statements being prepared on a going concern basis, in spite of full erosion of net worth of the Company as at the year end, taking into account the continued financial support from its parent company

7. Report on Other Legal and Regulatory Requirements

1. This Report does not include a statement on the matter's specified in Companies (Auditor's Report) Order, 2016 (“the Order”) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, since in our opinion and according to the information and explanation given to us, the said Order is not applicable to the company.
2. As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet and the Statement of Profit and Loss referred to in this report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet and the Statement of Profit & Loss referred to in this report are in compliance with the Accounting Standard specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e. On the basis of the written representation received from the directors as on December, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on December, 2019 from being appointed as a director in terms of Section 164(2) of the Act;
- f. Our opinion on adequacy of the internal financial control over financial reporting of the company and the operating effectiveness of such control is not required for the Company vide notification dated 13.06.17.
- g. With Respect to the other matters to be included in the Auditor’s report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:
- i. The Company does not have any pending litigations which would have impact in its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there would have been any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

FOR RKP ASSOCIATES
CHARTERED ACCOUNTANTS



(CA. DEVAJIT BISWAS)
PARTNER
MRN. 304922
FRN. 322473E

Dated at Silchar
the 5th day of March' 2021

LUM MAWSHUN MINERALS PRIVATE LIMITED
Balance Sheet as at 31st December 2020

	Note	As at 31.12.2020 (Rupees)	As at 31.12.2019 (Rupees)
(I) EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share Capital	03	546,600	546,600
(b) Reserves and surplus	04	(1,900,286)	(1,826,944)
		<u>(1,353,686)</u>	<u>(1,280,344)</u>
(2) Current liabilities			
(a) Trade payables	05	1,414,043	1,338,712
(b) Other current liabilities	06	-	-
		<u>1,414,043</u>	<u>1,338,712</u>
TOTAL EQUITY AND LIABILITIES		<u>60,357</u>	<u>58,368</u>
(II) ASSETS			
(1) Non-current assets			
(a) Long-term loans and advances	07	41,502	38,864
		<u>41,502</u>	<u>38,864</u>
(2) Current assets			
(a) Cash and bank balances	08	18,855	19,504
(b) Short-term loans and advances	07	-	-
		<u>18,855</u>	<u>19,504</u>
TOTAL ASSETS		<u>60,357</u>	<u>58,368</u>

See accompanying notes forming part of the financial statements

In terms of our report attached

For R K P Associates
Chartered Accountants



CA. DEVAJIT BISWAS
PARTNER
MRN. 304922
FRN. 322473E

For and on behalf of the Board of Directors



Mohammad Iqbal Chowdhury
Director
DIN 07977063



Narayan Sharma
Director
DIN 01579171

Place: Silchar
Date: 5th day of March' 2021

Place: Dhaka
Date: February 16, 2021

LUM MAWSHUN MINERALS PRIVATE LIMITED
Statement of Profit and Loss for the year ended 31st December 2020

	Note	As at 31.12.2020 (Rupees)	As at 31.12.2019 (Rupees)
I			
Other Income (interest on bank deposit)		2,638	2,638
II			
Total Revenue		2,638	2,638
III			
EXPENSES			
Other expenses	09	75,980	203,409
Total Expenses		75,980	203,409
IV			
Profit / (Loss) before tax (II-III)		(73,342)	(200,771)
V			
Tax Expense		-	-
VI			
Loss after tax for the year (IV - V)		(73,342)	(200,771)
VII			
Loss per equity share (Rupees):			
Basic and Diluted	12	(13.42)	(36.73)

See accompanying notes forming part of the financial statements

The Notes referred to above form an integral part of the Profit and Loss Account

In terms of our report attached

For R K P Associates
Chartered Accountants



CA. DEVAJIT BISWAS
PARTNER
MRN. 304922
FRN. 322473E

For and on behalf of the Board of Directors



Mohammad Iqbal Chowdhury
Director
DIN 07977063



Narayan Sharma
Director
DIN 01579171

Place: Silchar
Date: 5th day of March' 2021

Place : Dhaka
Date: February 16, 2021

LUM MAWSHUN MINERALS PRIVATE LIMITED Notes to the Financial Statements

01. Background

"Lum Mawshun Minerals Private Limited ("LMMPL"), a private limited company incorporated under the laws of India, having its registered office in Shillong, Meghalaya, is a 100% subsidiary company of LafargeHolcim Bangladesh Ltd ("LHBL") (former Lafarge Surma Cement Ltd), a public limited company incorporated under the laws of Bangladesh.

The Company was formed for acquisition of mining and land rights to facilitate the mining operation of limestone & shale by Lafarge Umiam Mining Pvt Ltd (LUMPL), another subsidiary of the parent Company and supply of the same to the cement plant being set up by the parent Company at Bangladesh. During the earlier years the Company had transferred the Mining & Land rights as well as freehold & leasehold lands as was acquired to LUMPL along with the preoperative expenses and related account balances pertaining to such lands transferred, after obtaining necessary approval from the Government. Consequently there has been no business during the year as well as in the previous years. However, the Company is exploring new opportunities.

02. Significant Accounting Policies

a). Basis of accounting and preparation of financial statements,

The financial statements have been prepared on an accrual basis and under the historical cost convention in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the Act") read together with Rule 7 of the Companies (Accounts) Rules, 2014.

b). Use of Estimates

The preparation of the financial statements requires the management to make estimates and assumptions that affect the reporting balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reporting amounts of income and expenses during the year. Examples of such estimates include provision for doubtful debts, future obligations under employee retirement benefit plans, income taxes, foreseeable estimated contract losses and useful life of fixed assets and intangible assets. Contingencies are recorded when it is probable that a liability will be incurred, and the amount can be reasonably estimated. Actual results could differ from such estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

c). Taxes on Income

"Current tax is the amount of tax payable on the taxable income for the year determined in accordance with the provisions of the Income Tax Act 1961.

Deferred tax is recognized subject to the consideration of prudence in respect of deferred tax assets, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and is measured using tax rates and laws that have been enacted or subsequently enacted by the Balance Sheet date. Deferred tax assets are reviewed at each Balance Sheet date to re-assess realization."

d). Provision, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

LUM MAWSHUN MINERALS PRIVATE LIMITED
Notes forming part of the Financial Statements

03. Share Capital

	As at 31.12.2020 (Rupees)	As at 31.12.2019 (Rupees)
Authorised:		
168,000 (Previous year 168,000) equity shares of Rs 100 each	16,800,000	16,800,000
	<u>16,800,000</u>	<u>16,800,000</u>
Issued, Subscribed and Fully Paid up:		
5,466 (Previous year 5,466) equity shares of Rs. 100 each	546,600	546,600
	<u>546,600</u>	<u>546,600</u>

**03.1 Share Capital
Reconciliation of Number of Shares**

	As at 31.12.2020		As at 31.12.2019	
	No. of Shares	Amount (Rupees)	No. of Shares	Amount (Rupees)
Issued, Subscribed and Fully paid				
At the beginning of the year	5,466	546,600	5,466	546,600
Issued during the year	-	-	-	-
At the end of the year	<u>5,466</u>	<u>546,600</u>	<u>5,466</u>	<u>546,600</u>

03.2 Details of shareholders holding more than 5% of outstanding shares

Shareholder	As at 31.12.2020		As at 31.12.2019	
	No. of Shares	%	No. of Shares	%
(1) LafargeHolcim Bangladesh Ltd, Bangladesh, the holding company	4,046	74%	4,046	74%
(1) SG Lyngdoh	710	13%	710	13%
(1) Kitty Doris	710	13%	710	13%
	<u>5,466</u>	<u>100%</u>	<u>5,466</u>	<u>100%</u>

03.3 Rights, Preferences and Restrictions attached to the Equity Shareholders

The Company has one class of equity shares having a par value of Rs. 100 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

04. Reserves and Surplus

	As at 31.12.2020 (Rupees)	As at 31.12.2019 (Rupees)
Surplus / (Deficit) in Statement of Profit and Loss :		
Opening Balance	(1,826,944)	(1,626,173)
Add: Profit / (Loss) for the year	(73,342)	(200,771)
Closing Balance	<u>(1,900,286)</u>	<u>(1,826,944)</u>

LUM MAWSHUN MINERALS PRIVATE LIMITED
Notes to the Financial Statements

05. Trade Payables

	As at 31.12.2020 (Rupees)	As at 31.12.2019 (Rupees)
Creditors for supplies / services payable to MSME	-	-
payable to Other than MSME	1,414,043	1,338,712
Total Trade Payables	1,414,043	1,338,712

06. Other Current Liabilities

	As at 31.12.2020 (Rupees)	As at 31.12.2019 (Rupees)
Creditors for other liabilities	-	-
Statutory dues	-	-
Total Other Current Liabilities	-	-

07. Loans and Advances

	As at 31.12.2020		As at 31.12.2019	
	Long Term (Rupees)	Short Term (Rupees)	Long Term (Rupees)	Short Term (Rupees)
Loans and Advances				
(a) Interest accrued on deposits	21,502	-	18,864	-
(b) Other loans and advances				
- Deposit account (1)	20,000	-	20,000	-
- TDS	-	-	-	-
Total Loans and Advances	41,502	-	38,864	-
Classification of Loans and Advances				
Secured, considered good	-	-	-	-
Unsecured, considered good	41,502	-	38,864	-
Doubtful	-	-	-	-
Gross Loans and Advances	41,502	-	38,864	-

Additional information

1. Pledged with the Director of Mineral Resources, Meghalaya

08. Cash and Bank Balances

	As at 31.12.2020 (Rupees)	As at 31.12.2019 (Rupees)
(a) Cash on hand	274	274
(b) Balances with banks		
- In Current Accounts	18,581	19,230
Total Cash and Bank Balances	18,855	19,504
Out of above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements	18,855	19,504

LUM MAWSHUN MINERALS PRIVATE LIMITED
Notes forming part of the Financial Statements

09. Other Expenses

	As at 31.12.2020 (Rupees)	As at 31.12.2019 (Rupees)
(a) Auditors Remuneration	74,340	74,340
(b) Professional Fees	990	43,120
(c) Filing Fees	-	85,300
(d) Bank Charges	650	649
	75,980	203,409

10. Micro, Small and Medium Enterprises Development Act, 2006.

The Company has not received any intimation from “suppliers” regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, and hence disclosures if any, relating to amounts unpaid as at the period end together with interest paid/ payable are required under the said act have not been given.

11. The net worth of the Company as on 31.12.2020 has been fully eroded and the Company has been incurring losses over the years including the current year. However, the Company enjoys continued supports from its parent company. In view of this, going concern assumption has not been vitiated.

12. Earnings per Share (EPS) – The numerators and denominators used to calculate Basic and Diluted EPS:

	Particulars	Year ended 31-Dec-2020 (Rs)	Year ended 31-Dec-2019 (Rs)
1.	Net Profit after tax attributable to Equity Shareholders (Rs) {A}	(73,342)	(200,771)
2.	Weighted average number of Equity Shares outstanding during the year (Nos.) {B}	5,466	5,466
3.	Nominal Value of Equity per share (Rs.)	100	100
4.	Basic / Diluted Earnings per share (Rs.) {A÷B}	(13.42)	(36.73)

13. Deferred tax Asset/Liability has not been created during the year, there being no timing difference between the accounting income and taxable income, which is capable of reversing in subsequent periods.

14. Related party disclosure as per Accounting Standard 18.

a. Holding Company:

Name: LafargeHolcim Bangladesh Ltd, Bangladesh
Ultimate Holding Company: Surma Holdings B.V, Netherland

b. Fellow Subsidiary:

Name: Lafarge Umiam Mining Pvt Ltd
Transaction: Expense paid by the fellow subsidiary on behalf of the Company Rs. 76,740/- (Previous Year Rs. 200,360/-); Balance at the year-end: Rs.10,58,409/- (Previous Year Rs.981,669/-)

15. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board



Narayan Sharma
Director
DIN 01579171



Mohammed Iqbal Chowdhury
Director
DIN 07977063

Place : Dhaka
Date: February 16, 2021

CREDITS & ACKNOWLEDGEMENT

CONCEPT & DESIGN

This Annual Report 2020 has been conceptualized in-house.

Design credit -
Maywakit Lyngdoh
Thuhidul Islam

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Md. Fazlul Karim Chowdhury
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Md. Tariqul Islam
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Saadat Hussain
Sameer Zakaria
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Maywakit Kupar Lyngdoh
Rang Rynjah &
P K Singh

LafargeHolcim Bangladesh Limited

A company of  LafargeHolcim and  CEMENTOS MOLINS

NinaKabbo, Level-7, 227/A Bir Uttam Mir Shawkat Sarak
(Tejgaon Gulshan Link Road) Tejgaon, Dhaka 1208, Bangladesh
Phone:+88 02 222281002, 222286393, Fax:+88 02 222286394
Email: info.cs@lafargeholcim.com
Web: www.lafargeholcim.com.bd