

FINANCE/BSEC/2019/ 4395

Date: 23 October 2019

 Fax: **880-2-55007106**

The Chairman  
 Bangladesh Securities & Exchange Commission (BSEC)  
 Securities Commission Bhaban  
 Plot: E-6/C, Agargaon  
 Sher-e-Bangla Nagar, Dhaka-1207

Sub: **Un-audited consolidated Financial Statements for the third quarter (Q3) ended 30 September 2019.**

Dear Sir,

We are pleased to enclose herewith the Un-audited Financial Statements for the third quarter (Q3) ended 30 September 2019 of HeidelbergCement Bangladesh Limited as per notification no. BSEC/CMRRCD/2006-158/208/Admin/81 dated 20 June 2018 of the Bangladesh Securities and Exchange Commission and per Clause No. 17(3) of DSE Listing Regulations, 2015.

1. Disclosure under Regulation 16(2) of DSE Listing Regulations, 2015 (statement showing comparative figures):

SL	Particulars	Figures	As at 30 September 2019	As at 31 December 2018
a)	Net Asset Value (NAV) Per Share	Taka	75.35	82.68
			<b>Jan to Sept 2019</b>	<b>Jan to Sept 2018</b>
b)	Earnings Per Share (EPS)	Taka	0.17	11.69
c)	Net Operating Cash Flow Per Share (NOCFPS)	Taka	2.01	9.29

Sincerely yours,



**Md. Emdadul Haque, ACA**  
 Company Secretary

Copy to:

- |   |   |
|---|---|
| 1) <b>Managing Director</b><br>Dhaka Stock Exchange Ltd.<br>DSE Building 9/F Motijheel C/A<br>Dhaka –1000<br>Fax Number # 9564727 | 2) <b>Managing Director</b><br>Chittagong Stock Exchange Ltd.<br>CSE Building, 1080 Sk. Mujib Road<br>Agrabad, Chittagong-4100<br>Fax No.# 031-726810 |
|---|---|

**HEIDELBERGCEMENT BANGLADESH LTD.**

**Corporate Office**  
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**SCAN CEMENT**  
HEIDELBERGCEMENT Group



**RUBY CEMENT**  
HEIDELBERGCEMENT Group

**HEIDELBERGCEMENT BANGLADESH LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION ( Unaudited )**  
**AS AT 30 September 2019**

	<b>Figures in Thousand Taka</b>	
	<b>30-Sep-19</b>	<b>31-Dec-18</b>
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, plant & equipment	3,133,512	3,252,315
Lease Assets-Rou	121,220	167,000
Capital work- in-progress	988,808	460,460
Intangible assets	1,339	1,708
Goodwill	272,830	272,830
<b>Total non-current assets</b>	<b>4,517,709</b>	<b>4,154,312</b>
<b>Current Assets</b>		
Inventories	1,679,524	1,834,689
Trade and other receivable	994,206	816,937
Advance, deposits and prepayments	238,156	226,617
Current Tax assets	7,235	37,502
Cash and cash equivalents	840,921	1,751,361
<b>Total current assets</b>	<b>3,760,042</b>	<b>4,667,106</b>
<b>Total Assets</b>	<b>8,277,751</b>	<b>8,821,418</b>
<b>EQUITY &amp; LIABILITIES</b>		
<b>Capital &amp; Reserves</b>		
Share capital	565,036	565,036
Capital reserves	605,657	605,657
General reserve	15,000	15,000
Dividend equalization fund	8,600	8,600
Retained earnings	3,063,206	3,477,574
	<b>4,257,499</b>	<b>4,671,867</b>
<b>Non-Current Liabilities</b>		
Suppliers' credit-blocked	2,565	2,565
Quasi equity loan	122,636	122,636
ADP loan	12,699	12,699
Lease liability-RoU-Long portion	64,677	108,000
Deferred tax liability	519,778	581,164
<b>Total non-current liabilities</b>	<b>722,355</b>	<b>827,064</b>
<b>Current Liabilities</b>		
Trade and other payables	2,879,727	2,925,505
Bank overdrafts	68,511	-
Lease liability-RoU -Current portion	60,394	58,843
Provision for other liabilities and charges	11,236	53,981
Provision for income tax	26,086	32,511
Unclaimed dividend	251,943	251,647
<b>Total current liabilities</b>	<b>3,297,896</b>	<b>3,322,487</b>
<b>Total Liabilities</b>	<b>4,020,251</b>	<b>4,149,551</b>
<b>Total Equity and Liabilities</b>	<b>8,277,751</b>	<b>8,821,418</b>

**Md. Endadul Haque, ACA**  
Company Secretary

**Jashim Uddin Chowdhury, FCA**  
Director & CFO

**Jose Marcelino Ugarte**  
Managing Director

**Kevin Gerard Gluskie**  
Chairman

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## HEIDELBERGCEMENT BANGLADESH LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Unaudited)

For the period 30th September 2019

Figures in Thousand Taka

	Jan to Sept 2019	Jan to Sept 2018	July to Sept 2019	July to Sept 2018
Sales	8,999,390	8,537,863	2,518,317	2,300,974
Cost of goods sold	(8,095,432)	(7,094,976)	(2,333,783)	(1,942,719)
<b>Gross profit</b>	<b>903,958</b>	<b>1,442,886</b>	<b>184,534</b>	<b>358,254</b>
Other operating income	7,344	5,317	2,264	1,474
Warehousing, distribution and selling expenses	(279,588)	(272,902)	(110,361)	(93,882)
Administrative expenses	(368,742)	(349,044)	(108,368)	(97,101)
<b>Operating profit</b>	<b>262,971</b>	<b>826,257</b>	<b>(31,931)</b>	<b>168,745</b>
Non-operating income	1,850	8,547	-	4,991
Net financial income	65,221	160,172	17,965	31,618
Contribution to worker's profit participation fund	(11,236)	(44,112)	1,913	(8,420)
<b>Profit before income tax</b>	<b>318,806</b>	<b>950,864</b>	<b>(12,053)</b>	<b>196,934</b>
Income Tax Expenses	(309,397)	(290,548)	(130,625)	(76,213)
Current year	(332,783)	(316,455)	(143,549)	(79,934)
Prior year	(38,000)	(5,200)	(28,000)	(5,200)
Deferred Tax income	61,386	31,107	40,924	8,921
<b>Profit for the year</b>	<b>9,409</b>	<b>660,316</b>	<b>(142,678)</b>	<b>120,721</b>
<b>Earning per share</b>	<b>0.17</b>	<b>11.69</b>	<b>(2.53)</b>	<b>2.14</b>

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## HEIDELBERGCEMENT BANGLADESH LIMITED

### CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Unaudited)

For the period from 1st January to 30th September 2019

Figures in Thousand Taka

	Share Capital	Capital Reserve	General Reserve	Dividend equalisation fund	Accumulated Profit	Total
<b>Balance at January 01, 2018</b>	565,036	605,657	15,000	8,600	3,505,370	4,699,663
Net profit for the year	-	-	-	-	809,758	809,758
Payment of Dividend for 2017	-	-	-	-	(847,554)	(847,554)
Realisation of excess depreciation on revalued assets					10,000	10,000
<b>Balance at 31st December 2018</b>	<b>565,036</b>	<b>605,657</b>	<b>15,000</b>	<b>8,600</b>	<b>3,477,574</b>	<b>4,671,867</b>
<b>Balance at January 01 2019</b>	565,036	605,657	15,000	8,600	3,477,574	4,671,867
Net profit for the period ( Jan -Sept 2019)	-	-	-	-	9,409	9,409
Payment of dividend for 2018					(423,777)	(423,777)
<b>Balance at 30th September 2019</b>	<b>565,036</b>	<b>605,657</b>	<b>15,000</b>	<b>8,600</b>	<b>3,063,206</b>	<b>4,257,499</b>

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**CONSOLIDATED STATEMENT OF CASH FLOWS (Unaudited)**  
**For the period from 1st January to 30th September 2019**

	Figures in Thousand Taka	
	3rd Quarter ended 30-Sep-19	3rd Quarter ended 30-Sep-18
<b>Cash flows from operating activities</b>		
Collections from customers	8,861,774	8,972,530
Cash received from other operating income	91,853	175,281
Cash paid to suppliers and otehrs	(8,488,089)	(8,308,390)
Payment of Financial Expenses	(4,946)	(3,667)
Income Tax Paid	(346,898)	(310,984)
<b>Net cash flow from operating activities (a)</b>	<b>113,694</b>	<b>524,771</b>
<b>Cash flows from investing activities</b>		
Investment in MEL		(859,893)
Acquisition of non-current assets	(669,177)	(233,583)
<b>Net cash used in investing activities (b)</b>	<b>(669,177)</b>	<b>(1,093,476)</b>
<b>Cash flows from financing activities</b>		
Payment of dividend	(423,469)	(833,880)
<b>Net cash flow used in financing activities (c)</b>	<b>(423,469)</b>	<b>(833,880)</b>
Net increase in cash and cash equivalents (a+b+c)	(978,951)	(1,402,585)
<b>Opening cash and cash equivalents</b>	<b>1,751,361</b>	<b>3,272,123</b>
<b>Closing cash and cash equivalents*</b>	<b>772,410</b>	<b>1,869,538</b>

\*Cash and cash equivalents includes bank overdraft that are repayable on demand and form an integral part of cash management.

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## HEIDELBERGCEMENT BANGLADESH LIMITED

### Notes to the unaudited condensed Consolidated Financial Statements for the period 30 September 2019

#### 1. Basis of Preparation:

The condensed financial statements have been prepared in accordance with International Accounting Standard (IAS 34) Interim Financial Reporting, which is adopted by ICAB.

#### 2. Significant accounting Policies:

The condensed financial statements have been prepared under the historical cost convention except for the revaluation of certain properties. The accounting policies adopted are consistent with those followed in the preparation of the financial statements for the year ended 31 December 2018.

#### 3. Revenues:

Sales revenue during this period increased BDT 462 million, which is 5% higher than the same period of 2018 due to higher net sales price.

#### 4. Cost of goods sold:

The cost of goods sold increased BDT 1,000 million, which is 14% higher than the same period of 2018 mainly due to higher raw material cost.

#### 5. Administrative expenses:

Administrative expenses increased by 6% compared to the same period of 2018.

#### 6. Financial Income:

Bank interest income decreased by 59% compared to the same period of 2018 due to lower cash balance and capital expenditure payment for construction of new mill in Kanchpur plant, Dhaka.

#### 7. Income tax expenses:

Tax expenses for the current & prior year is BDT 371 million due to minimum tax imposed by government as per new Finance Act 2019. Under the new act, irrespective of lower profit or loss all advance income tax at import stage, withholding tax on cement supply and bank interest will be the minimum tax.

#### 8. Deferred tax income :

Deferred tax is recognized on difference between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

#### 9. Reconciliation of operating cash flow to net profit:

	Figures in Thousand BDT	
	Amount	Amount
<b>Profit before tax</b>		<b>318,806</b>
<b>Adjustment:</b>		
Depreciation/Amortization of property, plant and equipment & intangible	290,806	
(Increase)/Decrease in Inventories	155,165	
(Increase)/Decrease in Trade and other receivable	(177,269)	
(Increase)/Decrease in Advance, deposits and prepayments	(11,539)	
Increase/(Decrease) in Trade & other payables	(72,632)	
Increase/(Decrease) in Provision for other liabilities and charges	(42,745)	
Income Tax paid	(346,898)	
		(205,112)
<b>Net cash flow from operating activities</b>		<b>113,694</b>

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**10. Comparative information for the shareholders :**

	As at 30th Sept 2019	As at 31st December 2018
	Jan to Sept 2019	Jan to Sept 2018
Net Assets value (NAV) per share-Taka	75.35	82.68
Earning per share (EPS)	0.17	11.69
Net operating Cash Flow per share(NOCFPS)	2.01	9.29

**NAV** per share reduced due to charging of regular depreciation and decrease of inventory compared to the end of December 2018. **EPS** declined BDT 11.52 due to higher cost of goods sold, lower financial income & significant effect of minimum tax. **NOCFPS** decreased for lower sales collection, lower financial income, increase of supplier payment and more advance tax payment in import stage compared to the same period of 2018.

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