

**RAK Ceramics (Bangladesh) Ltd.**  
RAK Tower (7th, 8th & 9th Floor)  
Plot 1/A, Jasimuddin Avenue, Sector 3,  
Uttara, Dhaka 1230

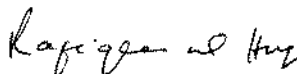
**RAK Ceramics (Bangladesh) Ltd.**  
Consolidated financial statements  
for the period ended 31 March 2011

Amounts in Taka

	Notes	At 31 Mar 2011	At 31 Dec 2010
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	3	2,780,637,786	2,853,388,647
Intangible Assets	4	104,458,917	105,134,126
Capital work-in-progress	5	85,770,234	45,934,017
Investment in associate companies	6	24,790,000	24,790,000
Investment in shares	7	5,788,111	5,826,168
Non-current receivables	8	42,993,355	44,212,991
<b>Total Non-Current Assets</b>		<b>3,044,438,403</b>	<b>3,079,285,949</b>
<b>Current Assets</b>			
Inventories	9	1,388,796,128	1,487,724,337
Trade and other receivables	10	443,608,872	388,310,742
Advance corporate income tax	11	663,831,957	598,113,423
Cash and bank balances	12	1,539,637,185	1,487,659,903
<b>Total Current Assets</b>		<b>4,035,874,142</b>	<b>3,961,808,405</b>
<b>Total Assets</b>		<b>7,080,312,545</b>	<b>7,041,094,354</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Share capital	13	2,530,808,500	2,300,735,000
Share premium		1,473,647,979	1,473,647,979
Retained earnings		748,361,479	1,136,409,713
<b>Total shareholders' funds</b>		<b>4,752,817,958</b>	<b>4,910,792,692</b>
Non-Controlling Interests	15	153,997,569	196,897,286
<b>Non-Current Liabilities</b>			
Borrowings	16	10,010,401	10,668,000
Provision for employee benefits	17	3,903,825	7,192,098
<b>Total Non-Current Liabilities</b>		<b>13,914,226</b>	<b>17,860,098</b>
<b>Current Liabilities</b>			
Trade and other payables	18	653,566,970	514,537,531
Borrowings - current portion	16	115,664,378	108,790,510
Provision for expenses	19	140,752,766	159,414,595
Provision for corporate income tax	20	862,281,222	771,823,707
Provision for royalty and technical know-how fees	21	257,901,133	231,561,612
Deferred tax liabilities	22	129,416,323	129,416,323
<b>Total Current Liabilities</b>		<b>2,159,582,792</b>	<b>1,915,544,278</b>
<b>Total Equity and Liabilities</b>		<b>7,080,312,545</b>	<b>7,041,094,354</b>

See annexed notes

for RAK Ceramics (Bangladesh) Ltd

  
Director

  
Company Secretary

  
Managing Director

Dhaka, Bangladesh  
Dated, 28 April 2011

RAK Ceramics (Bangladesh) Ltd

Statement of Comprehensive Income (Consolidated) for the period ended 31 March 2011

	Notes	Amounts in Taka	
		Period ended 31 Mar 2011	Period ended 31 Mar 2010
Sales	23	1,123,089,746	977,069,022
<u>Less: Cost of Goods Sold</u>	24	<u>652,005,737</u>	<u>620,193,886</u>
Gross Profit		471,084,009	356,875,136
<u>Less: Operating Expenses</u>			
Administrative expenses	25	100,696,367	31,573,436
Marketing and selling expenses	26	155,257,882	110,201,528
		255,954,249	141,774,964
Operating Profit		215,129,760	215,100,172
Financial expenses	27	10,599,640	41,357,921
		204,530,120	173,742,251
Other income	28	38,978,194	3,692,251
Net Profit before Tax		243,508,314	177,434,502
Income tax expense:			
Current year		90,457,515	84,765,897
Deferred tax		-	-
		90,457,515	84,765,897
Net Profit after Tax		153,050,799	92,668,605
Non-Controlling Interest		34,084,717	19,873,184
Net Profit after Tax and Non-Controlling Interest		187,135,516	112,541,789
Earnings per share (EPS) for the period		0.74	0.52

See annexed notes

for RAK Ceramics (Bangladesh) Ltd

Director

*Rafiqul Haque*

Company Secretary

*Shahin*

Managing Director

*R*

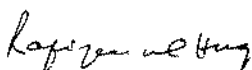
Dhaka, Bangladesh  
Dated, 28 April 2011

RAK Ceramics (Bangladesh) Ltd

Statement of Cash Flows (Consolidated) for the period ended 31 March 2011

	Amounts in Taka	
	Period ended 31 Mar 2011	Period ended 31 Mar 2010
<b>Cash Flows from Operating Activities</b>		
Cash received from customers	1,087,908,534	888,373,540
Cash paid to suppliers and employees	(888,327,522)	(856,889,880)
Interest on bank deposit	9,210,799	1,911,266
Exchange gain/(loss)	(6,401,776)	1,780,985
Interest paid	(3,856,819)	(38,702,507)
Other bank charges	(341,045)	(2,655,414)
Payments for corporate income tax		
Current year	(65,718,534)	(9,177,287)
Net cash from operating activities	<u>132,473,638</u>	<u>(15,359,297)</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment	(13,452,598)	(199,469,509)
Sale of property, plant and equipment	198,249	-
(Increase)/Decrease in intangible assets	(2,166,718)	2,040,212
(Increase)/Decrease in capital work-in-progress	(39,836,217)	161,887,941
(Increase)/Decrease in non-current receivables	1,219,635	(13,324,867)
Investment in shares	38,057	(5,000,000)
Investment in associates companies	-	(10,180,000)
Dividend received	280,000	-
Collection from non-controlling interests	(8,815,000)	1,000,002
Net cash used in investing activities	<u>(62,534,592)</u>	<u>(63,046,221)</u>
<b>Cash Flows from Financing Activities</b>		
Interest received on FDR's	9,360,477	-
Repayment of term loan	(657,599)	(209,773,773)
Avail/(repayment) of short-term loan	6,873,868	(56,898,916)
Issuance of new shares	-	100,000,000
Dividend paid	(21,371,012)	-
Share money deposits	(12,167,497)	(68,704,000)
Share premium	-	300,000,000
Net cash from/(used in) financing activities	<u>(17,961,763)</u>	<u>64,623,311</u>
Net Increase/(Decrease) in Cash	51,977,282	(13,782,207)
Opening cash and cash equivalents	1,487,659,903	429,860,281
Closing cash and cash equivalents	<u>1,539,637,185</u>	<u>416,078,074</u>

for RAK Ceramics (Bangladesh) Ltd

  
Director

  
Company Secretary

  
Managing Director

Dhaka, Bangladesh  
Dated, 28 April 2011

Signed in terms of our report of even date annexed

RAK Ceramics (Bangladesh) Ltd

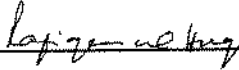
Statement of Changes in Equity (Consolidated) for the period ended 31 March 2011

Amounts in Taka

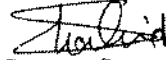
Particulars	Share capital	Share money deposit	Share Premium	Retained earnings	Total
Balance at 01 January 2011	2,300,735,000	-	1,473,647,979	1,136,409,713	4,910,792,692
Net profit after tax for the period	-	-	-	187,135,516	187,135,516
Cash Dividend (15%)	-	-	-	(345,110,250)	(345,110,250)
Stock Dividend (10%)	230,073,500	-	-	(230,073,500)	-
Balance at 31 March 2011	<u>2,530,808,500</u>	<u>-</u>	<u>1,473,647,979</u>	<u>748,361,479</u>	<u>4,752,817,958</u>
Balance at 01 January 2010	1,855,635,000	-	-	668,746,406	2,524,381,406
Addition for the period	100,000,000	331,296,000	300,000,000	-	731,296,000
Net profit after tax for the period	-	-	-	112,541,789	112,541,789
Balance at 31 March 2010	<u>1,955,635,000</u>	<u>331,296,000</u>	<u>300,000,000</u>	<u>781,288,195</u>	<u>3,368,219,195</u>

for RAK Ceramics (Bangladesh) Ltd.

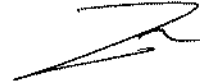
Director



Company Secretary



Managing Director



Dhaka, Bangladesh  
Dated, 28 April 2011

**General**

**1. The Company and Its Activities**

RAK Ceramics (Bangladesh) Ltd (the Company), formerly RAK Ceramics (Bangladesh) Pvt. Limited, a UAE-Bangladesh joint venture company, was incorporated in Bangladesh on 26 November 1998 as a private company limited by shares under the Companies Act 1994. It was converted into public limited on 10 June 2008 after observance of required corporate formalities. The Company is engaged in manufacturing and marketing of ceramics tiles, bathroom sets and all types of sanitary ware. It started its commercial production on 12 November 2000. The commercial production of its new sanitary ware plant, expansion unit of ceramics facilities, tiles and sanitary plant was started on 10 January 2004, 01 July 2004 and 01 September 2007 respectively.

The Company and its subsidiary together are called "Group/Consolidated".

**2. Significant Accounting Policies**

These financial statements have been prepared under historical cost convention in accordance with generally accepted accounting principles as laid down in the International Accounting Standards (IASs)/International Financial Reporting Standards (IFRSs), applicable to the Company so far adopted by the Institute of Chartered Accountants of Bangladesh as Bangladesh Accounting Standards (BASs)/Bangladesh Financial Reporting Standards (BFRSs). The disclosures of information made in accordance with the requirements of the Companies Act 1994 and the Statement of Financial Position and Statement of Comprehensive Income have been prepared in accordance with BAS -1/IAS -1 (presentation of financial statements) on accrual basis following going concern concept.

**2.1 Basis of preparation of consolidated financial statements**

These financial statements relate to the Company and its subsidiaries. The consolidated financial statements have been prepared on the following basis:

- (i) In respect of subsidiary companies, the financial statements have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and unrealised profits/losses on intra-group transactions as per BAS-27/IAS-27 "Consolidated Financial Statements". The results of subsidiaries are included from the date of acquisition of a controlling interest.
- (ii) Non-controlling interest is the net assets of consolidated subsidiaries consists of the amount of equity attributable to the non-controlling shareholders at the dates on which investments are made by the Company in its subsidiary companies and further movements in their shares in equity, subsequent to the dates of investments.
- (iii) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

**2.2 Subsidiaries considered in consolidated financial statements**

List of subsidiary companies:

Name of subsidiary	Nature of business	Country of incorporation	% of ownership	Date of incorporation
RAK Pharmaceuticals Pvt. Ltd	Pharmaceuticals	Bangladesh	55	29 June 2005
RAK Power Pvt. Ltd	Electricity generation	Bangladesh	57	23 June 2005
Classic Procelain Pvt. Ltd	Tableware products	Bangladesh	51	19 August 2009
RAK Food & Beverage Pvt. Ltd	Food and beverage products	Bangladesh	51	19 August 2009

**2.3 Use of estimate**

In the preparation of these financial statements, management requires information to make judgments, estimate and assumption that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from those estimate.

2.4 Investments

a) Investments in associate companies are recorded in equity method IAS-28/BAS-28. Details of such investments are as shown as under:

Name of associates	Nature of business	% of holding	Country of incorporation	Investment/ Taka	No. of share hold
RAK Security & Services Pvt. Ltd	Security service	35	Bangladesh	350,000	3,500
RAK Paints Pvt. Ltd	Paints products	40	Bangladesh	20,000,000	200,000
RAK Mosfly (Bangladesh) Pvt. Ltd	Pesticides products	20	Bangladesh	4,440,000	200

b) Investment in subsidiaries has been accounted for as per BFRS-3 'Business Combination'. The investment is eliminated in full against the equity of acquiree measured at fair value at the date of acquisition. Investment and loans and advance to subsidiaries are shown as under:

Name of subsidiaries	equity %	No. of share hold	Investment/ Taka	Share of profit/(loss)	Loan given Taka.	Interest charged Taka	Security status
RAK Pharmaceuticals Pvt. Ltd	55	2,576,948	349,320,712	(45,049,483)	500,000,000	15,579,011	No collateral
RAK Power Pvt. Ltd	57	1,168,500	116,850,000	3,722,682	100,000,000	3,101,992	No collateral
Classic Porcelain Pvt. Limited	51	51,000	5,100,000	(35,523)	-	-	-
RAK Food & Beverage Pvt. Ltd.	51	10,200	1,020,000	(179)	-	-	-

2.5 Capital work-in-progress

Capital work-in-progress is recorded at cost to the extent of expenditure incurred at the date of Statement of Financial Position. The amount of capital work-in-progress is transferred to appropriate asset category and depreciated when the asset is completed and commissioned. None of interest included under capital work in progress in the period ended 31 Mar 2011.

2.6 Intangible assets

Expenditure to acquire designs development, brand, trade marks and various licenses cost for manufacturing of ceramic tiles, sanitary ware and pharmaceutical products is capitalised. This is being amortised equally within a period of fifteen years depending upon the tenure of accrual of benefits.

2.7 Accounts receivable

Accounts receivable has been stated at its original invoiced amount after deducting credit balances those have legally enforceable right to set off or are intended either to be settled.

2.8 Employee retirement benefits

The Company, for its permanent employees, operates a scheme of contributory provident fund. The provident fund is administered by a Board of Trustees and is funded by contributions from the employees equally matched by the Company at predetermined rates. The contributions are invested separately from the Company's assets.

Permanent employees are also entitled to gratuity after completion of minimum three years of service in the Company. The gratuity is calculated on the last basic pay and is payable at the rate of one month's basic pay for every completed year of service. The expected cost of this benefit is included in respective annual Statement of Comprehensive Income over the period of employment.

2.9 Revenue recognition

Revenue is measured at fair value of consideration received or receivable. Revenue from sale of goods/supplies is recognised when the Company has transferred significant risk and rewards of ownership of goods to the buyer and revenue and costs incurred to effect the transaction can be measured reliably in compliance with the requirements of BAS -18/IAS-18 (Revenue).

**2.10 Borrowing costs**

In compliance with the requirement of BAS-23 (Borrowing costs), borrowing costs relating to operational period of long term loans, short term loans and overdraft facilities was charged to revenue account as an expense as incurred.

**2.11 Property, plant and equipment**

Property, plant and equipment are stated in attached Statement of Financial Position at cost less accumulated depreciation in accordance with BAS-16/IAS-16. Maintenance, renewals and betterments that enhance the economic useful life of the property, plant and equipment or that improve the capacity, quality or reduce substantially the operating cost or administration expenses are capitalised by adding it to the related property, plant and equipment.

Upon disposal of items of property, plant and equipment, the cost of those assets and their related accumulated depreciation are eliminated up to the date of disposal and any gains or losses therefrom are reported in the statement of comprehensive income of that year.

**2.12 Depreciation on property, plant and equipment**

Depreciation charged on the basis of straight-line method. Depreciation continues to be charged on each item of property, plant and equipment until the written down value of such fixed asset is reduced to Taka one. Depreciation on addition to fixed assets is charged from the day of their acquisition and charging of depreciation on property, plant and equipment ceases from the day on which the deletion thereof takes place.

Rates of depreciation on various classes of property, plant and equipment are as under:

<u>Category of property, plant and equipment</u>	<u>Rate (%)</u>
Factory building	2.5-5
General building	2.5-20
Head Office building	2.5-5
Plant and machinery	5- 6.67
Mobile plant	10
Electrical installation	10-20
Gas pipeline	10-20
Furniture, fixtures and fittings	10
Office equipment	10-33.33
Communication equipment	10
Fire fighting equipment	20
Tools and appliances	10
Vehicles	10-20

Land is not depreciated as it deemed to have an infinite life and all the land are free-hold including subsidiaries. Buildings belongs on free-hold land.

**2.13 Taxation**

**Current tax:**

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous year. Provision for corporate income tax is made following the tax rate applicable for a publicly-traded company.

**Deferred tax:**

The Company has adopted deferred tax accounting policy as required in BAS-12/IAS-12 (income taxes). Accordingly deferred tax assets/liabilities is accounted for on all temporary timing differences arising from the tax base of the assets and liabilities and their carrying value for financial reporting purpose.



**2.14 Valuation of inventories**

Inventories are stated at lower of cost and net realisable value in compliance with the requirements of para 9 of BAS-2/IAS-2 (inventories).

Raw materials and consumable spare parts :

Raw materials and consumable spare parts are stated at weighted average cost.

Inventories are tested for obsolesces and impairment at end of the year. Corresponding provisions are being made in the books of account, if required.

Work-in-process:

Work-in-process is stated at cost to complete the respective product. Cost comprises cost of raw materials, wages and other overheads upto the stage of completion.

Finished products:

Finished products are stated at lower of cost and net realisable value. Cost comprises cost of raw materials, wages and other direct costs those contribute in transforming raw materials into finished products. Cost is calculated using the weighted average method. Net realisable value is arrived at after deducting cost to sell from selling prices of various items.

**2.15 Impairment**

The Company reviews the carrying values of tangible and intangible assets for any possible impairment at each Statement of Financial Position date. An impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. In assessing the recoverable amount, the estimated future cash flows are discounted to their present value at appropriate discount rates.

**2.16 Contingent liabilities**

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A Provision is made based on a reliable estimate when it is probable that an outflow of resources embodying economic benefits will be required to settle an obligation and in respect of which a reliable estimate can be made. Provision is not discounted and is determined based on best estimate required to settle the obligation at the year end date. Contingent assets are not recognised or disclosed in these financial statements.

Details are given in note no. 2.23

**2.17 Lease assets**

The Company has no leased assets and as such no payments were made thereagainst during the period 2011.

**2.18 Statement of Cash Flows**

Statement of Cash Flows are prepared under direct method in accordance with BAS-7/IAS-7 (statement of cash flows) as required by the Securities and Exchange Rules 1987.

**2.19 Creditors and accruals**

Liabilities are recorded at the level of estimated amount payable in settlement.

**2.20 Foreign currency translation**

Foreign currency transactions are recorded in BDT at applicable rates of exchange ruling at the dates of transactions in accordance with BAS-21/IAS-21 (the effects of changes in foreign exchange rates). Exchange difference at the statement of financial position date are charged / credited to statement of comprehensive income.

2.21 Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank balances, term deposits, etc which are available for use by the Company without any restrictions. There is no significant risk of change in value of the same.

2.22 Related party disclosure under IAS-24

a) List of related parties with whom transactions have taken place and their relationship as identified and certified by management:

Name of related party	Relationship
RAK Pharmaceuticals Pvt. Ltd	Subsidiary
RAK Power Pvt. Ltd	Subsidiary
Classic Porcelain Pvt. Ltd	Subsidiary
RAK Food & Beverage Pvt. Ltd	Subsidiary
RAK Security & Services Pvt. Ltd	Associates
RAK Paints Pvt. Ltd.	Associates
RAK Mosfly (Bangladesh) Pvt. Ltd	Associates
Kea Printing and Packaging Industries	Other related party
Palli Properties Pre. Ltd	Other related party
Sky Bird Travel Agents Pvt. Ltd	Other related party
Green Planet Communications Pvt. Ltd	Other related party
Speedway International Pvt. Ltd	Other related party
Mohammed Foods and Allied Ltd	Other related party
Global Business Associates (P) Ltd	Other related party
Mohammed Trading	Other related party
Mr. S A K Ekramuzzaman	Key management personnel
Mr. Mohd. Amir Hossain	Key management personnel

b) Transaction with related parties:

Nature of transaction	Subsidiary	Associate	Key management	Other related party
Purchase of goods/services	43,834,692	7,873,149	-	49,512,954
Sale of goods/services	1,550,088	27,562	-	521,669,641
Outstanding receivable	54,228,545	-	-	196,074,473
Outstanding payable	29,448,858	2,107,940	-	20,938,021
Remuneration	-	-	17,152,901	-
Loan	600,000,000	-	-	-
Interest receivable	41,381,103	-	-	-

Amounts in Taka

2.23 <u>Contingent liabilities and commitments</u>	At	At
	31 Mar 2011	31 Mar 2010
Letters of guarantee	68,694,777	33,556,572
Letters of credit	298,025,581	339,124,446
VAT	85,065,817	57,645,112
Income tax	33,176,448	126,272,951
	<u>484,962,623</u>	<u>556,599,081</u>

Out of the above, an amount of Taka. 5,960,715 was paid under protest against VAT demand and Taka 17,010,127 was paid as advance income tax against the said income tax demand.

2.24 Segment reporting

Details of product-wise segment reporting as required by BFRS-8 (operating segments) are shown in Annex I.

2.25 Earnings per share (EPS)

Calculation of earnings per share (EPS) is as under:	Amounts in Taka	
	At	At
	31 Mar 2011	31 Mar 2010
Net profit after tax	187,135,516	112,541,789
Number of ordinary shares	253,080,850	218,570,850
Weighted average number of ordinary shares outstanding	253,080,850	215,237,517
Earnings per share (EPS) for the period	0.74	0.52

2.26 Events after the reporting period

No events, adjusting or non-adjusting occurred after the date of Statement of Financial Position which require adjustment or disclosure.

2.27 Others

2.27.1 These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.

2.27.2 Figures in these notes and annexed financial statements have been rounded off to the nearest Taka.

2.27.3 Previous year's figures have been regrouped and/or rearranged wherever considered necessary for the purpose of current year's presentation.

RAK Ceramics (Bangladesh) Ltd  
Notes to consolidated financial statements for the period ended 31 March 2011

3. Property, Plant and Equipment

Amounts in Taka

Particulars	C O S T				D E P R E C I A T I O N				Net book value at 31 Mar 2011	
	Balance at 01 Jan 2011	Additions	Sale/ disposal	Total at 31 Mar 2011	Rate (%)	Up to 01 Jan 2011	Charge for the period	Adjustment		Total to 31 Mar 2011
Land	214,568,442	-	-	214,568,442		-	-	-	-	214,568,442
Factory building	664,102,137	-	-	664,102,137	2.5-5	144,103,285	7,408,530	-	151,511,815	512,590,322
Factory office building	65,049,792	-	-	65,049,792	2.5-20	21,697,139	728,554	-	22,425,693	42,624,099
Head office building	170,715,345	-	-	170,715,345	2.5-5	20,067,478	1,691,278	-	21,758,756	148,956,589
Plant and machinery	3,079,236,936	4,132,871	(216,354)	3,083,153,453	5-6.67	1,442,386,212	62,459,090	(45,168)	1,504,800,135	1,578,353,318
Mobile plant	88,950,076	171,186	-	89,121,262	10	36,886,912	2,206,100	-	39,093,012	50,028,250
Electrical installation	215,983,793	-	-	215,983,793	10-20	90,634,201	5,507,421	-	96,141,622	119,842,171
Gas pipeline	42,550,307	-	-	42,550,307	10-20	28,881,338	1,003,096	-	29,884,434	12,665,873
Furniture and fixtures	47,497,181	1,132,958	-	48,630,139	10	12,757,846	1,158,714	-	13,916,560	34,713,579
Office equipment	27,964,242	2,257,523	(90,000)	30,131,765	10-33.33	11,193,739	1,398,848	(72,937)	12,519,650	17,612,115
Communication equipment	3,084,404	250,000	-	3,334,404	10	1,310,228	81,659	-	1,391,887	1,942,517
Tools and appliances	6,441,036	193,643	-	6,634,679	10	2,499,555	152,818	-	2,652,373	3,982,306
Vehicles	55,622,062	5,314,417	(75,010)	60,861,469	10-20	18,137,777	2,037,554	(75,010)	20,100,321	40,761,148
Fire fighting equipments	3,631,012	-	-	3,631,012	20	1,452,404	181,551	-	1,633,955	1,997,057
Total at 31 March 2011	4,685,396,765	13,452,598	(381,364)	4,698,467,999		1,832,008,114	86,015,213	(193,115)	1,917,830,213	2,780,637,786
Total at 31 December 2010	4,416,337,777	273,145,975	(4,086,988)	4,685,396,764		1,459,529,467	373,198,890	(720,241)	1,832,008,116	2,853,388,647

Allocation of depreciation to:

Manufacturing overhead	78,623,031
Administrative overhead	6,932,552
Selling overhead	459,630
	<u>86,015,213</u>

Details of disposal of property, plant & equipment for the period ended 31 March 2011:

Particulars	Year of purchase	Original cost	Accumulated depreciation	Net book value	Sale value	Gain/(Loss)
Motor Cycle	2001	75,010	75,010	-	10,000	10,000
Photocopy Machine	2002	90,000	72,937	17,063	17,063	-
Generator Starter Motor	2008	216,354	45,168	171,186	171,186	-
Total		381,364	193,115	188,249	198,249	10,000

	Amounts in Taka	
	At	At
	31 Mar 2011	31 Dec 2010
<b>4. Intangible Assets</b>		
Opening balance	105,134,125	101,245,397
Add: Additions during the period	2,166,718	15,912,025
Less: Amortisation during the period	2,841,926	12,023,296
Closing balance	<u>104,458,917</u>	<u>105,134,126</u>
<b>5. Capital Work-in-Progress</b>		
Heavy equipment and machinery	81,583,479	43,297,670
Building	4,186,755	2,636,347
	<u>85,770,234</u>	<u>45,934,017</u>
<b>6. Investment in Associate Companies</b>		
RAK Security & Services Pvt. Ltd	350,000	350,000
RAK Paints Pvt. Ltd	20,000,000	20,000,000
RAK Mosfly (Bangladesh) Pvt. Ltd	4,440,000	4,440,000
	<u>24,790,000</u>	<u>24,790,000</u>
<b>7. Investment in Shares</b>		
	<u>5,788,111</u>	<u>5,826,168</u>
The above amount represents investment made by the subsidiary company, Classic Porcelain Pvt. Ltd, in the shares of listed companies are recorded as cost price. Details are shown in Annex II		
<b>8. Non-Current Receivables</b>		
Deposits (note 8.1)	22,494,675	22,510,444
Preliminary expenses	986,715	996,436
Pre operating expenses	13,551,250	14,745,396
Deposited with Customs and Vat Authority	5,960,715	5,960,715
	<u>42,993,355</u>	<u>44,212,991</u>
<b>8.1 Deposits</b>		
Titas gas	18,659,050	18,659,050
Mymensingh Palli Bidyut Samity-2	1,991,090	1,991,090
House rent	1,126,535	1,192,304
Others	718,000	668,000
	<u>22,494,675</u>	<u>22,510,444</u>
<b>9. Inventories</b>		
Raw materials	642,511,175	712,864,941
Stores and consumables spares	623,869,757	644,866,914
Finished goods	74,733,015	77,800,875
Work-in-process	26,960,293	31,149,661
Goods-in-transit	20,721,888	21,041,946
	<u>1,388,796,128</u>	<u>1,487,724,337</u>

	Amounts in Taka	
	At 31 Mar 2011	At 31 Dec 2010
<b>10. Trade and Other Receivables</b>		
Trade receivables (*)	314,301,063	273,953,970
Advance to suppliers	27,097,605	24,885,199
Prepaid expenses	19,915,385	28,076,167
Advance to Subsidiary/Associates	-	-
Other advances (note 10.1)	82,294,819	61,395,406
	<u>443,608,872</u>	<u>388,310,742</u>
(*) All the receivables are considered as realisable and secured.		
<b>10.1 Other advances</b>		
VAT & Supplementary duty paid against sales	25,080,241	28,766,074
Employee advance and imprest account	12,632,677	9,335,880
Current account with RAK Ceramics PSC, UAE	1,692,022	-
Claim receivable	6,343,611	7,316,829
Accrued Interest	28,937,567	8,793,080
Others	7,608,701	7,183,543
	<u>82,294,819</u>	<u>61,395,406</u>
<b>11. Advance Corporate Income Tax</b>		
On		
Import	212,402,820	201,027,578
Export	370,259	370,259
Supply	119,221	119,221
Interest on bank deposit	18,399,725	16,511,433
Rental income	205,435	205,435
Registration	188,000	140,000
Dividend income	2,407,000	-
Paid in cash	429,739,497	379,739,497
	<u>663,831,957</u>	<u>598,113,423</u>
<b>12. Cash and Bank Balances</b>		
Cash in hand	2,153,592	2,237,176
Bank balances in		
Current account	49,528,401	105,149,742
Short-term deposit account	140,903,616	94,198,029
Export retention account	1,544,555	3,062,790
Margin money deposit account	2,436,771	81,914
Fixed deposit	1,337,416,900	1,273,803,650
Foreign Currency account-for IPO refund	5,653,350	9,126,602
	<u>1,539,637,185</u>	<u>1,487,659,903</u>

Amounts in Taka	
At	At
31 Mar 2011	31 Dec 2010

13 Share Capital

Authorised capital

300,000,000 ordinary shares of Taka 10/- each

3,000,000,000	3,000,000,000
---------------	---------------

Issued, subscribed, called and paid up capital

253,080,850/230,073,500 ordinary shares of Taka

2,530,808,500	2,300,735,000
---------------	---------------

Particulars of shareholdings are as follows

Name of shareholder	Number of shares		Value of shares	
	At	At	At	At
	31 Mar 2011	31 Dec 2010	31 Mar 2011	31 Dec 2010
RAK Ceramics PSC, UAE	183,707,755	167,007,050	1,837,077,550	1,670,070,500
Mr. S.A.K. Ekramuzzaman	20,411,985	18,556,350	204,119,850	185,563,500
HH Sheikh Saud Bin Saqr Al Qassimi	22	20	220	200
Mr. Sheikh Omer Bin Saqr Al Qassimi	22	20	220	200
Mr. Sheikh Ahmad Bin Humaid al Qassimi	22	20	220	200
Mr. Hamad Abdulla Al Muttawa	11	10	110	100
Dr. Khater Massaad	11	10	110	100
Mr. Abdallah Massaad	11	10	110	100
Mr. Manoj Aheeray	11	10	110	100
General Public (including EII & employee)	48,961,000	44,510,000	489,610,000	445,100,000
	<u>253,080,850</u>	<u>230,073,500</u>	<u>2,530,808,500</u>	<u>2,300,735,000</u>

14 Classification of shareholders by holding

No of Holders	Holdings Range	Total Holdings	Total holdings (%)
56,851	Less than 500 shares	13,225,798	5.64
8,742	501 to 5,000 shares	11,587,517	4.53
346	5001 to 10,000 shares	2,327,670	0.75
143	10,001 to 20,000 shares	1,961,343	0.79
40	20,001 to 30,000 shares	996,567	0.36
14	30,001 to 40,000 shares	478,709	0.28
16	40,001 to 50,000 shares	702,456	0.52
41	50,001 to 100,000 shares	2,749,567	0.74
31	100,001 to 1,000,000 shares	10,553,473	3.91
5	Over 1,000,000 shares	208,497,750	82.48
<u>66,229</u>		<u>253,080,850</u>	<u>100.00</u>

15 Non Controlling Interest

Equity	188,082,286	293,566,084
Share of loss (Current Period)	(34,084,717)	(96,668,798)
	<u>153,997,569</u>	<u>196,897,286</u>

	Amounts in Taka	
	At	At
	31 Mar 2011	31 Dec 2010
<b>16 Borrowings</b>		
Non-current:		
Term loan	12,558,595	13,138,627
Current portion of term loan	(2,548,194)	(2,470,627)
	<u>10,010,401</u>	<u>10,668,000</u>
Current:		
Bank overdrafts	106,593,909	95,432,740
Short-term borrowings	6,522,275	10,887,143
Current portion of term loan	2,548,194	2,470,627
	<u>115,664,378</u>	<u>108,790,510</u>
	<u>125,674,779</u>	<u>119,458,510</u>

At 31 Mar 2011	Amounts in Taka				
	< 1 year	1-2 years	2-5 years	> 5 years	Total
Bank overdrafts	106,593,909	-	-	-	106,593,909
Short-term loans	6,522,275	-	-	-	6,522,275
Term loans and others	2,548,194	10,010,400	-	-	12,558,595
	<u>115,664,378</u>	<u>10,010,400</u>	<u>-</u>	<u>-</u>	<u>125,674,779</u>
At 31 Dec 2010	< 1 year	1-2 years	2-5 years	> 5 years	Total
Bank overdrafts	95,432,740	-	-	-	95,432,740
Short-term loan	10,887,143	-	-	-	10,887,143
Term loans and others	2,470,627	2,795,841	7,872,159	-	13,138,627
	<u>108,790,510</u>	<u>2,795,841</u>	<u>7,872,159</u>	<u>-</u>	<u>119,458,510</u>



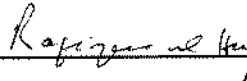

	Amounts in Taka	
	At	At
	31 Mar 2011	31 Dec 2010
<b>17</b>	<b>Provision for Employee Benefits</b>	
Opening balance	7,192,098	8,907,441
<u>Add: Charged for the period</u>	6,899,293	19,348,653
<u>Less: Payments made during the period</u>	(10,187,566)	(21,063,996)
Closing balance	<u>3,903,825</u>	<u>7,192,098</u>
This includes provision made for employer's contribution to provident fund, gratuity and leave encashment which is payable within the service life of each employee and/or after his/her retirement as per terms of employment of service.		
<b>18</b>	<b>Trade and Other Payables</b>	
Trade payables	277,715,562	466,605,660
Income tax and VAT deducted at source	37,146,337	10,702,360
Dividend Payables	313,643,057	-
Security deposit & other payables	65,142	65,142
Share Money Deposit	24,996,872	37,164,369
	<u>653,566,970</u>	<u>514,537,531</u>
<b>19</b>	<b>Provision for Expenses</b>	
Power and gas	16,822,969	24,484,163
Staff cost	36,422,701	28,858,116
Audit fees	100,000	360,000
Professional charges	420,000	400,000
Interest on loans	48,392	151,430
Telephone	277,488	261,118
Managign Director's remuneration	17,152,901	52,702,350
Worker's profit participation and welfare fund:		
Current Period	16,336,096	50,192,715
Previous Period	50,192,715	-
Others	2,979,504	2,004,703
	<u>140,752,766</u>	<u>159,414,595</u>
<b>20</b>	<b>Provision for Corporate Income Tax</b>	
For the period	90,457,515	-
Year 2010	303,986,092	303,986,092
Year 2009	207,143,340	207,143,340
Year 2008	85,378,847	85,378,847
Year 2007	80,163,573	80,163,573
Year 2006	89,730,898	89,730,898
Year 2005	5,242,907	5,242,907
Year 2004	20,925	20,925
Year 2003	45,563	45,563
Year 2002	111,563	111,563
	<u>862,281,222</u>	<u>771,823,707</u>
<b>21</b>	<b>Provision for royalty and technical know-how fees</b>	
For the peiod	26,339,521	-
Year 2010	231,561,612	231,561,612
	<u>257,901,133</u>	<u>231,561,612</u>
<b>22</b>	<b>Deferred tax liabilities/assets</b>	
Opening balance	129,416,323	-
Add: Provision made for previous period	-	139,157,021
Less: Released during the period	-	(9,740,698)
	<u>129,416,323</u>	<u>129,416,323</u>

	Amounts in Taka	
	Period ended 31 Mar 2011	Period ended 31 Mar 2010
<b>23 Sales</b>		
Gross sales (Local)	1,474,359,363	1,228,302,888
Gross sales (Export)	-	3,269,092
Sales Total	1,474,359,363	1,231,571,980
Less: SD	158,036,882	94,959,234
VAT	193,232,735	159,543,724
Net sales	1,123,089,746	977,069,022
<b>24 Cost of Sales</b>		
Raw materials	305,757,539	265,191,887
Direct labour (note-24.1)	47,563,358	38,244,457
Direct expenses:		
Power and gas	52,419,104	44,388,573
Repairs and indirect materials (note-24.2)	115,453,454	94,410,754
Rental charges	-	-
Moulds and punches	7,089,352	8,126,760
Depreciation	78,623,031	84,633,112
Royalty and technical know-how/assistance fees	26,339,521	57,168,061
Other production overhead (note-24.3)	11,503,151	12,201,335
Movement in work-in-process & finished goods	7,257,227	15,828,947
	652,005,737	620,193,886
<b>24.1 Direct Labour</b>		
Salary & Wages	30,219,351	25,358,117
Overtime	2,680,180	1,976,760
Bonus	3,394,787	2,679,862
Incentive	1,803,986	-
Temporary Labour Wages	2,470,634	2,283,083
Temporary Labour for Production	3,249,534	3,164,888
Gratuity	1,309,293	726,944
Employers Contribution to provident fund	1,470,545	1,029,038
Leave Encashment	470,607	353,889
Group Life Insurance	130,386	671,876
Medical expenses	52,775	-
Cleaning Service Factory	311,280	-
	47,563,358	38,244,457
<b>24.2 Repair and indirect materials</b>		
Stores, Spares, repair & Maintenance	61,137,050	46,088,769
Packing expenses	54,316,404	48,321,985
	115,453,454	94,410,754
<b>24.3 Other production overhead</b>		
Travelling & training expenses	1,526,136	-
Hotel fare and expenses for technician	2,008,738	1,193,211
Demurrage	102,067	90,108
Insurance	4,834,512	4,118,058
Fuel & Maintenance	513,077	3,396,364
Other expenses	2,518,621	3,403,594
	11,503,151	12,201,335

	Amounts in Taka	
	Year ended 31 Mar 2011	Year ended 31 Mar 2010
<b>25 Administrative Expenses</b>		
Staff cost (note-25.1)	20,123,713	12,814,602
Meeting expenses-admin	24,748,553	-
Telephone, postage and supplies	1,064,259	932,397
Office repair and maintenance (note 25.2)	3,611,084	2,502,681
Registration and renewal	663,172	761,886
Security and guard expenses	1,532,207	1,040,170
Depreciation	6,932,552	7,097,543
Amortisation	2,841,926	3,627,018
Legal and professional fees	618,521	282,500
Vehicle repair and maintenance	1,502,298	1,283,270
Rent, rate and tax	2,099,256	796,634
Managing Director's remuneration (note-25.3)	17,152,901	-
Workers profit participation and welfare fund (note-25.4)	16,336,096	-
Others	1,469,828	434,735
	<u>100,696,367</u>	<u>31,573,436</u>
<b>25.1 Staff cost-Admin</b>		
Salary & Wages	14,495,254	9,479,058
Overtime	-	-
Bonus	1,636,026	945,733
Incentive	662,215	690,520
Gratuity	544,784	259,436
Employers Contribution to provident fund	773,949	213,724
Leave Encashment	191,705	100,371
Group Life Insurance	67,824	193,682
Canteen expenses	262,889	183,401
Staff welfare expenses	592,270	57,782
Hotel, tour, food and air ticket	437,238	251,123
Food expenses	259,724	261,735
Medical expenses	131,517	135,495
Accommodation	68,318	39,608
Travelling & conveyance	-	2,934
	<u>20,123,713</u>	<u>12,814,602</u>
<b>25.2 Office repair &amp; maintenance</b>		
Repairs office equipment	551,632	578,782
Electricity, gas and water	399,769	406,428
Office maintenance	1,863,740	1,151,088
Rent, rates & taxes	83,005	-
Others	712,938	366,383
	<u>3,611,084</u>	<u>2,502,681</u>
25.3 This represents provision made 5% of net profit after charging remuneration.		
25.4 This represents provision made 5% of net profit after charging such contribution provided as contribution to workers profit participation and welfare funds in terms of labour Act 2006		
<b>26 Marketing &amp; Selling Expenses</b>		
Staff cost (note-26.1)	27,583,478	11,602,039
Advertisement	1,907,750	2,538,313
Freight and transportation	32,188,458	25,316,936
Performance rebates (note-26.2)	53,897,648	45,042,932
Business promotion	35,173,381	18,078,961
Depriciation	459,630	297,398
Travel, entertainment and others	4,047,537	7,324,950
	<u>155,257,882</u>	<u>110,201,528</u>

	Amounts in Taka	
	Period ended 31 Mar 2011	Period ended 31 Mar 2010
<b>26.1 Staff cost-Marketing &amp; Selling</b>		
Salary & Wages	24,602,813	11,100,084
Overtime	12,890	-
Bonus	1,297,737	255,885
Incentive	389,323	-
Gratuity	792,448	51,010
Employers Contribution to provident fund	392,091	90,375
Leave Encashment	37,176	27,516
Group Life Insurance	9,152	52,981
Food expenses	34,685	20,284
Medical expenses	15,163	3,904
	<u>27,583,478</u>	<u>11,602,039</u>
<b>26.2 Performance rebates</b>		
Compensation	163,130	86,116
Dealers' commission	30,378,813	29,504,876
Breakage commission	23,355,705	15,451,940
	<u>53,897,648</u>	<u>45,042,932</u>
<b>27 Financial Expenses</b>		
Interest expenses	3,856,819	38,702,507
Foreign exchange loss	6,401,776	-
Bank charges	341,045	2,655,414
	<u>10,599,640</u>	<u>41,357,921</u>
<b>28 Other income</b>		
Interest income	38,618,194	1,911,266
Dividend income	350,000	-
Profit on sale of fixed property, plant & equipment	10,000	-
Foreign Exchange gain	-	1,780,985
	<u>38,978,194</u>	<u>3,692,251</u>

for RAK Ceramics (Bangladesh) Ltd

Director  Company secretary Managing Director

Dhaka, Bangladesh

Dated, 28 April 2011

Details of product-wise segment reporting for the period ended 31 March 2011

Particulars	Amounts in million Taka									
	Ceramics Product		Other Industries		Services & Others		Total			
	Period Mar 2011	Period Mar 2010	Period Mar 2011	Period Mar 2010	Period Mar 2011	Period Mar 2010	Period Mar 2011	Period Mar 2010	Period Mar 2010	
1										
Segment Revenue	1,053.58	952.80	69.51	24.27	-	-	-	-	-	977.07
External turnover	-	-	45.12	38.19	-	-	-	-	-	-
Intra- segment turnover	1,053.58	952.80	114.63	62.46	-	-	-	-	-	977.07
Net Turnover										
2										
Segment Result										
Profit before interest and tax	263.02	240.47	(47.89)	(25.34)	-	(0.03)	-	-	-	215.10
Less: Financial expenses	7.07	20.33	3.53	21.03	-	-	-	-	-	41.36
Add: Other income	-	-	(0.05)	0.01	39.03	3.68	-	-	-	3.69
Profit before tax and non-controlling interest	255.95	220.14	(51.41)	(46.36)	38.96	3.65	-	-	-	177.43
Less: Corporate income tax	86.54	83.93	3.92	0.83	-	-	-	-	-	84.76
Less: Non-controlling interest	-	-	(34.05)	(19.86)	(0.03)	(0.02)	-	-	-	(19.88)
Profit After Tax and Non-Controlling Interest	169.41	136.21	(21.28)	(27.33)	38.99	3.67	-	-	-	112.55
3										
Other Information										
Segment assets	1,436.44	1,498.10	1,318.82	1,315.95	4,325.05	4,227.04	7,080.31	7,080.31	7,041.09	7,041.09
Segment liabilities	-	-	1,318.82	1,315.95	5,761.49	5,725.14	7,080.31	7,080.31	7,041.09	7,041.09
Capital expenditure	85.15	12.21	0.62	230.39	-	30.55	85.77	85.77	273.15	273.15
Depreciation	63.99	288.52	18.42	70.50	3.61	14.18	86.02	86.02	373.20	373.20
Amortisation of capitalised expenses	-	-	1.71	8.49	1.13	3.53	2.84	2.84	12.02	12.02

Notes :

- (i) Net turnover is determined after elimination of intra-segment turnover of Taka 45.12 million (period 2010: Taka 38.19 million)
- (ii) As per BFRS-8 (segment reporting), the Company has reported segment information on consolidated basis including business of its subsidiaries.
- (iii) The reportable segments are further described below:
  - Ceramics Product includes Ceramics Tiles and Sanitary Ware;
  - Other industries segment includes Pharmaceuticals and Power Business;
  - Business which has no reportable segments during the period, has been grouped under service & other segment.
- (iv) Unallocated corporate assets and liabilities comprise of assets and liabilities not identifiable with reportable segments.

**Classic Porcelain Pvt. Ltd.  
Green Land Equities Ltd.**

**Annex II**

S No.	Script	Date of purchase	Face Value	No of shares	Purchase price per share	Purchase cost	Brokerage commission	Total cost	Market rate at 31st Mar 2011	Market value at 31 Dec 2010
1	ICB	05.09.10	100	200	5,742.50	1,148,500	5,743	1,154,243	3504.25	700,850
2	BSRM Steel	03.10.10	100	500	2,576.90	1,288,450	6,442	1,294,892	1548.75	774,375
3	Ambeeppha	07.10.10	100	2650	640.00	1,696,000	8,480	1,704,480	492.10	1,304,065
4	UCBL	07.10.10	100	1850	145.90	269,915	1,350	271,265	71.00	131,350
5	Ambeeppha	11.10.10	100	400	570.00	228,000	1,140	229,140	492.10	196,840
6	Desco	31.10.10	100	100	3,473.00	347,300	1,737	349,037	1877.25	187,725
7	UCBL	22.11.10	100	1150	226.00	259,900	1,300	261,200	71.00	81,650
8	Uttara Bank*	09.12.10	10	1250	172.97	216,214	1,081	217,295	70.50	88,125
9	NBL	27.12.10	10	200	194.30	38,860	194	39,054	56.30	11,260
10	Prime Bank	27.01.11	10	3000	73.80	221,400	1,107	222,507	41.70	125,100
<b>Right Shares</b>										
11	UCBL	21.03.2011	100	3000	15.00	45,000	-	45,000	71.00	213,000
								<b>5,759,539</b>	<b>28,573</b>	<b>5,788,111</b>

\* Face value changed from Taka. 100 to Taka. 10 per share

<b>Bonus shares</b>										
1	ICB	07.11.10	100	50	-	-	-	-	3504.25	175,213
2	Desco	11.01.11	100	30	-	-	-	-	1877.25	56,318
3	NBL	24.03.11	10	190	-	-	-	-	56.30	10,697
4	Prime Bank	30.03.11	10	1050	-	-	-	-	41.70	43,785
								<b>1,320</b>		<b>286,012</b>
<b>Grand Total</b>								<b>5,759,539</b>	<b>28,573</b>	<b>5,788,111</b>
										<b>4,100,352</b>