

**RAK Ceramics (Bangladesh) Limited**

Consolidated financial statements  
as at and for the period ended 30 June 2024

**RAK Ceramics (Bangladesh) Limited**  
**Consolidated statement of financial position**  
**as at 30 June 2024**

	Notes	<u>30 June 2024</u> Taka	<u>31 Dec 2023</u> Taka
<b>Assets</b>			
Property, plant and equipment	4	3,607,132,183	3,609,087,484
Investment property	5	502,679,975	502,790,328
Right-of-use assets	6	63,071,828	74,825,529
Intangible assets	7	2,632,267	4,118,952
Capital work-in-progress	8	419,053,040	355,450,242
<b>Total non-current assets</b>		<u>4,594,569,293</u>	<u>4,546,272,535</u>
Inventories	9	4,004,223,501	3,579,272,722
Trade and other receivables	10	2,508,116,642	2,480,990,360
Advances, deposits and prepayments	11	347,341,645	425,976,410
Advance income tax	12	4,256,029,380	4,206,879,792
Cash and cash equivalents	13	632,120,553	841,999,337
<b>Total current assets</b>		<u>11,747,831,721</u>	<u>11,535,118,621</u>
<b>Total assets</b>		<u><b>16,342,401,014</b></u>	<u><b>16,081,391,156</b></u>
<b>Equity</b>			
Share capital	14	4,279,687,010	4,279,687,010
Share premium	15	1,473,647,979	1,473,647,979
Retained earnings	16	1,683,014,603	2,074,236,665
<b>Equity attributable to equity holders of the company</b>		<u>7,436,349,592</u>	<u>7,827,571,654</u>
<b>Non-controlling interests</b>		1,396	1,377
<b>Total equity</b>		<u>7,436,350,988</u>	<u>7,827,573,031</u>
<b>Liabilities</b>			
Borrowings	19	557,276,253	363,894,419
Deferred tax liability	17	13,712,307	49,340,687
Lease liability	20	39,031,006	45,664,970
<b>Total non-current liabilities</b>		<u>610,019,566</u>	<u>458,900,076</u>
Employees benefits payable	18	53,763,294	-
Borrowings	19	1,381,767,656	733,617,407
Lease liability	20	10,489,974	12,209,734
Trade and other payables	21	1,639,787,138	1,975,356,944
Unclaimed dividend payable	22	84,296,572	8,122,499
Accrued expenses	23	369,010,898	356,420,817
Provision for income tax	24	4,756,914,928	4,709,190,648
<b>Total current liabilities</b>		<u>8,296,030,460</u>	<u>7,794,918,049</u>
<b>Total liabilities</b>		<u>8,906,050,026</u>	<u>8,253,818,125</u>
<b>Total equity and liabilities</b>		<u><b>16,342,401,014</b></u>	<u><b>16,081,391,156</b></u>

The accompanying notes are an integral part of these financial statements



**Abdallah Massaad**  
Chairman



**SAK Ekramuzzaman**  
Managing Director



**Pramod Kumar Chand**  
Director



**Sadhan Kumar Dey**  
Chief Financial Officer



**Muhammad Shahidul Islam FCS**  
Company Secretary

Dated, 30 July 2024

**RAK Ceramics (Bangladesh) Limited**  
**Consolidated statement of profit or loss and other comprehensive income**  
**For the period ended 30 June 2024**

	<u>Notes</u>	<u>30 June 2024</u> <u>Taka</u>	<u>30 June 2023</u> <u>Taka</u>	<u>April to June 2024</u> <u>Taka</u>	<u>April to June 2023</u> <u>Taka</u>
Sales	25	3,185,612,799	3,813,997,502	1,414,916,912	1,804,643,548
Cost of sales	26	<u>(2,527,598,244)</u>	<u>(2,850,863,666)</u>	<u>(1,137,031,474)</u>	<u>(1,356,595,451)</u>
<b>Gross profit</b>		<b>658,014,555</b>	<b>963,133,836</b>	<b>277,885,438</b>	<b>448,048,097</b>
Other income	27	120,858	1,419,144	-	931,150
Administrative expenses	28	<u>(203,348,023)</u>	<u>(216,180,435)</u>	<u>(98,074,826)</u>	<u>(112,919,867)</u>
Impairment loss on trade receivables	28.1	<u>(4,808,896)</u>	<u>(11,759,949)</u>	<u>(2,879,084)</u>	<u>(11,728,507)</u>
Marketing and selling expenses	29	<u>(311,371,718)</u>	<u>(331,755,812)</u>	<u>(126,229,860)</u>	<u>(145,152,035)</u>
		<u>(519,407,779)</u>	<u>(558,277,052)</u>	<u>(227,183,770)</u>	<u>(268,869,259)</u>
<b>Profit from operating activities</b>		<b>138,606,776</b>	<b>404,856,784</b>	<b>50,701,668</b>	<b>179,178,838</b>
Finance income	30	6,124,713	23,981,094	3,084,639	12,502,682
Finance expenses	31	<u>(58,054,460)</u>	<u>(25,743,633)</u>	<u>(33,268,356)</u>	<u>(13,764,097)</u>
Net finance income		<u>(51,929,747)</u>	<u>(1,762,539)</u>	<u>(30,183,717)</u>	<u>(1,261,415)</u>
<b>Profit before contribution to workers' profit participation and welfare fund</b>		<b>86,677,029</b>	<b>403,094,245</b>	<b>20,517,951</b>	<b>177,917,423</b>
Contribution to workers' profit participation and welfare fund	32	<u>(3,883,404)</u>	<u>(18,910,959)</u>	<u>(765,480)</u>	<u>(8,240,149)</u>
<b>Profit before income tax</b>		<b>82,793,625</b>	<b>384,183,286</b>	<b>19,752,471</b>	<b>169,677,274</b>
<b>Income tax expense</b>					
Current tax	33	<u>(81,675,347)</u>	<u>(115,757,509)</u>	<u>(46,806,198)</u>	<u>(53,979,523)</u>
Deferred tax	17	<u>35,628,380</u>	<u>16,854,088</u>	<u>17,554,053</u>	<u>13,096,573</u>
		<u>(46,046,967)</u>	<u>(98,903,421)</u>	<u>(29,252,145)</u>	<u>(40,882,950)</u>
<b>Profit for the period</b>		<b>36,746,658</b>	<b>285,279,865</b>	<b>(9,499,674)</b>	<b>128,794,324</b>
Other comprehensive income		-	-	-	-
<b>Total comprehensive income for the period</b>		<b>36,746,658</b>	<b>285,279,865</b>	<b>(9,499,674)</b>	<b>128,794,324</b>
<b>Profit attributable to:</b>					
Equity holders of the company		36,746,639	285,279,847	(9,499,687)	128,794,314
Non-controlling interests		19	18	13	10
<b>Profit after tax for the period</b>		<b>36,746,658</b>	<b>285,279,865</b>	<b>(9,499,674)</b>	<b>128,794,324</b>
<b>Basic earnings per share (Par value TK 10)</b>	39	<b>0.09</b>	<b>0.67</b>	<b>(0.02)</b>	<b>0.30</b>

The accompanying notes are an integral part of these financial statements



**Abdallah Massaad**  
Chairman



**SAK Ekramuzzaman**  
Managing Director



**Pramod Kumar Chand**  
Director



**Sadhan Kumar Dey**  
Chief Financial Officer



**Muhammad Shahidul Islam FCS**  
Company Secretary

Dated, 30 July 2024

**RAK Ceramics (Bangladesh) Limited**  
**Consolidated statement of changes in equity**  
**For the period ended 30 June 2024**

Attributable to owners of the Company

	Share capital Taka (Note - 14)	Share Premium Taka (Note - 15)	Retained earnings Taka (Note - 16)	Total Taka	Non- controlling interests Taka	Total equity Taka
<b>Balance as at 01 January 2023</b>	4,279,687,010	1,473,647,979	1,883,817,400	7,637,152,389	1,336	7,637,153,725
Total comprehensive income for 2023						
Profit for the period	-	-	285,279,847	285,279,847	18	285,279,865
Transactions with the shareholders:						
Cash dividend (2022)	-	-	(427,968,701)	(427,968,701)	-	(427,968,701)
<b>Balance as at 30 June 2023</b>	<b>4,279,687,010</b>	<b>1,473,647,979</b>	<b>1,741,128,546</b>	<b>7,494,463,535</b>	<b>1,354</b>	<b>7,494,464,889</b>
<b>Balance as at 01 January 2024</b>	4,279,687,010	1,473,647,979	2,074,236,665	7,827,571,654	1,377	7,827,573,031
Total comprehensive income for 2024						
Profit for the period	-	-	36,746,639	36,746,639	19	36,746,658
Transactions with the shareholders:						
Cash dividend (2023)	-	-	(427,968,701)	(427,968,701)	-	(427,968,701)
<b>Balance as at 30 June 2024</b>	<b>4,279,687,010</b>	<b>1,473,647,979</b>	<b>1,683,014,603</b>	<b>7,436,349,592</b>	<b>1,396</b>	<b>7,436,350,988</b>

*The accompanying notes are an integral part of these financial statements*

**RAK Ceramics (Bangladesh) Limited**  
**Consolidated statement of cash flows**  
**For the period ended 30 June 2024**

	<b>30 June 2024</b>	<b>30 June 2023</b>
	<b>Taka</b>	<b>Taka</b>
<b>Cash flows from operating activities</b>		
Cash receipts from customers	3,158,183,005	3,216,357,026
Cash payments to suppliers and employees	<u>(3,411,452,816)</u>	<u>(3,165,224,639)</u>
<b>Cash generated from operating activities</b>	<u>(253,269,811)</u>	<u>51,132,387</u>
Interest received from bank deposits	2,692,044	9,140,479
Income tax paid (note - 12)	<u>(83,100,649)</u>	<u>(95,608,941)</u>
<b>Net cash (used in)/from operating activities (note-42)</b>	<u>(333,678,416)</u>	<u>(35,336,075)</u>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(306,603,184)	(346,458,262)
Sale of property, plant and equipment (note-5.3)	63,600	1,477,000
Interest received from FDR	3,736,181	14,819,745
Intangible assets	<u>(3,330,436)</u>	<u>(3,454,625)</u>
<b>Net cash (used in)/from investing activities</b>	<u>(306,133,838)</u>	<u>(333,616,142)</u>
<b>Cash flows from financing activities</b>		
Finance charges	(50,744,304)	(11,633,684)
Avail/(repayment) of term loan	244,479,209	88,322,738
Avail/(repayment) of short-term loan	597,052,874	122,828,043
Payment of lease liability	(9,166,443)	(5,228,802)
Dividend paid	<u>(351,794,629)</u>	<u>(431,607,571)</u>
<b>Net cash (used in)/from financing activities</b>	<u>429,826,707</u>	<u>(237,319,276)</u>
Effect of exchange rate changes in cash and cash equivalents	106,763	22,485
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u>(209,878,784)</u>	<u>(606,249,008)</u>
<b>Cash and cash equivalents as at 01 January</b>	<u>841,999,337</u>	<u>1,275,774,291</u>
<b>Cash and cash equivalents as at 30 June (Note 13)</b>	<u><b>632,120,553</b></u>	<u><b>669,525,283</b></u>

*The accompanying notes are an integral part of these financial statements*

## **RAK Ceramics (Bangladesh) Limited**

### **Notes to the consolidated financial statements as at and for the period ended 30 June 2024**

#### **1. Reporting entity**

RAK Ceramics (Bangladesh) Limited (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. The Company was later converted from a private limited into a public limited on 10 June 2008 after observance of required formalities as per laws. The name of the Company was thereafter changed to RAK Ceramics (Bangladesh) Limited as per certificate issued by the Registrar of Joint Stock Companies dated 11 February 2009. The address of the Company's registered office is RAK Tower, Plot # 1/A, Jasimuddin Avenue, Sector # 3, Uttara, Dhaka 1230. The company got listed with Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) on 13 June 2010.

#### **1.1 Nature of business**

The Company is engaged in manufacturing and marketing of ceramics tiles, wash room sets and all types of sanitary ware. It has 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, 1 July 2004, 1 September 2007, 1 April 2015 and 17 May 2016 respectively.

#### **1.2 Description of subsidiaries**

##### **RAK Power Pvt. Ltd.**

RAK Power Pvt. Limited has been incorporated in Bangladesh under the Companies Act 1994 on 30 June 2005 as a private company limited by shares with an authorized capital of Taka 1,000,000,000 divided into 10,000,000 ordinary shares of Taka 100 each. The paid up capital stands at Taka 205,000,000 at the end of reporting period. The Company has gone into operation from 1 May 2009. The registered office of the Company is at RAK Tower (8th floor), Jashimuddin Avenue, Plot # 1/A, Sector # 03, Uttara Model Town, Dhaka - 1230. The Power Plant is located at Village : Dhanua, P.S: Sreepur, District: Gazipur. 57% shares of RAK Power Pvt. Limited is held by RAK Ceramics (Bangladesh) Limited.

The Board of Directors of RAK Ceramics (Bangladesh) Limited in its meeting held on July 26, 2015 have decided to further increase the shareholding in RAK Power Pvt. Limited from 57% to 99.99% through purchase of 881,495 number of ordinary shares of BDT 100 each in consideration of BDT 255 per share totaling to BDT 224,781,225 only from all the other shareholders of RAK Power Pvt. Limited subject to approval by the shareholders and concerned authorities for the interest of the business of the Company. The shareholders of RAK Ceramics (Bangladesh) Limited have approved the same in the EGM dated September 20, 2015. The effect of acquisition has been taken place as approved in Board of Directors meeting of RAK Power (Pvt.) Ltd. on 20 October 2015

##### **RAK Security and Services (Pvt.) Ltd.**

RAK Security and Services (Pvt.) Limited has been incorporated in Bangladesh under the Companies Act 1994 on 21 December 2006 as a private company limited by shares with an authorized capital of Taka 100,000,000 divided into 1,000,000 ordinary shares of Taka 100 each. The paid up capital stands at Taka 1,000,000 at the end of reporting period. The Company has gone into operation from 1 May 2007. The registered office of the Company is at RAK Tower (8th floor), Plot # 1/A, Jasimuddin Avenue, Sector # 03, Uttara Model Town, Dhaka-1230. 35% shares of RAK Security and Services (Pvt.) Ltd. is held by RAK Ceramics (Bangladesh) Limited.

The Board of Directors of RAK Ceramics (Bangladesh) Limited in its meeting held on July 26, 2015 have decided to further increase the shareholding in RAK Security & Services (Pvt.) Limited from 35% to 99.00% through purchase of 6,500 number of ordinary shares of BDT 100 each in consideration of BDT 2,875 per share totaling to BDT 18,687,500 only from all the other shareholders of RAK Security & Services (Pvt.) Limited subject to approval by the shareholders and concerned authorities for the interest of the business of the Company. The shareholders of RAK Ceramics (Bangladesh) Limited have approved the same in the EGM dated September 20, 2015. The effect of acquisition has been taken place as approved in Board of Directors meeting of RAK Security and Services (Pvt.) Ltd. on 20 October 2015.

## **2. Basis of preparation**

### **2.1 Statement of compliance**

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and the Securities and Exchange Rules 1987.

The title and format of these financial statements follow the requirements of IFRSs which are to some extent different from the requirement of the Companies Act 1994. However, such differences are not material and in the view of management IFRSs titles and format give better presentation to the shareholders.

### **Authorisation for issue**

These financial statements have been authorised for issue by the Board of Directors of the Company on 30 July 2024.

### **2.2 Basis of measurement**

These financial statements have been prepared on historical cost basis except for inventories which are measured at lower of cost and net realisable value.

### **2.3 Functional and presentational currency**

These financial statements are presented in Bangladesh Taka (Taka/Tk/BDT), which is the functional currency and presentation currency of the Company. The figures of financial statements have been rounded off to the nearest Taka.

### **2.4 Use of estimates and judgements**

The preparation of these financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are stated in the following notes:

Note 4	Property, plant & equipment
Note 5	Investment property
Note 6	Right-of-use assets
Note 17	Deferred tax liability
Note 18	Employees benefit payable
Note 20	Lease liability
Note 24	Provision for income tax
Note 28.1	Impairment on trade receivable

## **2.5 Reporting period**

The financial period of the Company covers six months from 1 January to 30 June and is followed consistently.

## **2.6 Going concern**

The Company has adequate resources to continue in operation for foreseeable future and hence, the financial statements have been prepared on going concern basis. As per management assessment there are no material uncertainties related to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern.

## **3 Significant accounting policies**

The accounting policies set out below, which comply with IFRSs, have been applied consistently to all years presented in these consolidated financial statements, and have been applied consistently by Group entities.

### **3.1 Basis of consolidation**

These consolidated financial statements comprise the consolidated financial position and the consolidated results of operations of the Company and its subsidiaries (collectively referred to as "the Group") on a line by line basis together with the Group's share in the net assets of its equity-accounted investees.

IFRS-10 "Consolidated Financial Statements" introduces a new control model that focuses on whether the group has power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns. An investor has power over an investee when the investor has existing rights that gives it the current ability to direct the relevant activities that significantly affect the investee's returns. Power arises from rights. An investor is exposed, or has rights, to variable returns from its involvement with the investee when the investor's returns from its involvement have the potential to vary as a result of the investee's performance. An investor controls an investee if the investor not only has the power over the investee and exposure or rights to variable returns from its involvement with the investee, but also has the ability to use its power to affect the investor's return from its involvement with the investee.

### **Subsidiaries**

Subsidiaries are enterprises controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are presently exercisable are taken into account. The results of operations and total assets and liabilities of subsidiary companies are included in the consolidated financial statements on a line-by-line basis and the interest of minority shareholders, if any, in the results and net assets of subsidiaries is stated separately. The financial statement of subsidiaries are included in the consolidated financial statements of the Group from the date that control commences until the date that control ceases. Any gains or losses on increase/decrease in non-controlling interest in subsidiaries without a change in control, is recognised as a component of equity.

### **Loss of control**

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interest and other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.



### **Transactions eliminated on consolidation**

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

## **3.2 Financial assets**

### **a) Trade & other receivables**

Trade & other receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition trade & other receivables are measured at amortised cost using the effective interest method, less any impairment provision.

### **b) Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, cash at bank including short notice deposits and fixed deposits having maturity of three months or less that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

## **3.3 Financial liabilities**

### **a) Trade & other payables**

Trade & other payables are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, trade & other payables are measured at amortised cost using the effective interest method.

### **b) Borrowings**

Interest-bearing borrowings include short term bank loan. Interest-bearing borrowings are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

### 3.4 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects. Paid up share capital represents total amount contributed by the shareholders and bonus shares issued by the Company to the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation.

### 3.5 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the property, plant and equipment. 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. Ongoing repairs and maintenance is expensed as incurred.

An asset is derecognised on disposal or when no future economic benefits are expected from its use and subsequent disposal. Gain or loss arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised as gain or loss from disposal of asset under other income in the statement of profit or loss and other comprehensive income.

#### 3.5.1 Depreciation on property, plant and equipment

Items of property, plant and equipment are depreciated on a straight-line basis and charged in profit or loss over the estimated useful lives of each component. Capital-work-in-progress and land are not depreciated. Depreciation on addition to fixed assets is charged when it is available for use and charging of depreciation on property, plant and equipment ceases at the earliest of the date the assets is classified held for sale in accordance with IFRS 5 and the date that assets is derecognised.

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

Category of property, plant and equipment	Rate (%)
Factory building	5-20
Office and accommodation building	5
Plant and machinery	5-10
Mobile plant	10
Electrical installation	10-20
Gas pipeline	10-20
Furniture, fixture and equipment	10-20
Office equipment	10-20
Communication equipment	10-20
Tools and appliances	10-20
Vehicles	10-20
Fire fighting equipment	20

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Land is not depreciated as it deemed to have an indefinite life.

### 3.6 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the investment property. Maintenance, renewals and betterments that enhances the economic useful life of the investment property or that improve the capacity, quality or reduce subsequently the operation cost or administration expenses and capitalized by adding it to the related investment property. Ongoing repairs and maintenance is expensed as incurred.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in statement of profit or loss and other comprehensive income the period in which the property is derecognised.

#### 3.6.1 Depreciation on investment property

Depreciation is charged on the basis of straight line method. Depreciation continues to be charged on each item of investment property until written value of such fixed asset is reduced to Taka one. Depreciation on addition to fixed assets is charged when it is available for use and charging of depreciation on property, plant, equipment & investment property ceases at the earliest of the date the assets is classified held for sale in accordance with IFRS 5 and the date that assets is derecognised.

Rates of depreciation on various classes of investment property are as under:

Category of property, plant and equipment	Rate (%)
Building	5
Land is not depreciated as it deemed to have an infinite life.	

### 3.7 Capital work-in-progress

Capital work in progress is stated at cost less impairment, if any, until the construction is completed. Upon completion of construction, the cost of such assets together with the cost directly attributable to construction, including capitalised borrowing costs are transferred to the respective class of asset. No depreciation is charged on capital work in progress.

### 3.8 Intangible assets

Intangible assets that are acquired by the Group (such as designs and trade marks for manufacture of ceramic tiles and sanitary ware) have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses, if any.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Intangible assets are amortised on a straight-line basis in profit or loss over their estimated useful lives of 2 to 3 years from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. No internal developed intangible assets capitalized during the year.

### **3.9 Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted average cost principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Materials in transit are valued at cost.

Net realisable value (NRV) is the estimated selling price in the ordinary course of business, less estimated cost of completion and any estimated costs necessary to make the sale.

### **3.10 Impairment**

#### **Non-derivative financial assets**

Non derivative financial assets are assessed at each reporting date to determine the loss allowance for lifetime expected credit losses, if the credit risk on that financial instrument has increased significantly since initial recognition. When there is no significant increase in credit risk on the financial instruments since initial recognition, the expected credit losses for next 12 months is measured as loss allowance on that financial instrument.

#### **Non-financial assets**

The carrying amount of the non-financial assets, other than inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the assets' recoverable amounts are estimated. For intangible assets that have indefinite lives, recoverable amount is estimated at each reporting date. An impairment loss is recognised if the carrying amount of an asset or its cash generating unit (CGU) exceeds its estimated recoverable amount.

#### **Calculation of recoverable amount**

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and risk specific to the asset. For an asset that does not generate significantly independent cash inflows, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

### **Recognition of impairment**

Impairment losses are recognised in profit or loss. Impairment losses in respect of CGUs are allocated first to reduced the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amount of other assets in the CGU on a pro-rata basis.

### **Reversal of impairment**

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### **3.11 Employee benefit schemes**

The Group maintains both defined contribution plan and defined benefit plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective deeds.

#### **Defined contribution plan (Provident fund)**

Defined contribution plan is a post employment benefit plan under which the Group provides benefits to one or more employees. The recognised Employees Provident Fund is considered as defined contribution plan as it meets the recognition criteria specified for this purpose. All permanent employees contribute 10 percent of their basic salary to the provident fund and the Group also makes equal contribution to the fund. These are administered by the Board of Trustees. The contributions are invested separately from the Group's assets.

Contribution to defined contribution plan is recognised as an expense when an employee has rendered services to the Group. The legal and constructive obligation is limited to the amount it agrees to contribute to the fund.

#### **Defined benefit plan (Gratuity)**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods.

Permanent employees are entitled to gratuity on the basis of his latest basic salary for a completed year of service or for service for a period of more than six months, salary of minimum 30 days, or salary of 45 days for a continuous service for more than ten years, it shall be in addition to any payment of compensation or payment of any wage or allowance in lieu of notice due to termination of services of a worker on different grounds. The expected cost of this benefit is included in respective annual statement of profit or loss and other comprehensive income over the period of employment.

### **3.12 Workers' Profit Participation Fund and Welfare Fund (WPPF)**

The Company provides 5% of its net profit before tax after charging such expense as WPPF in accordance with "The Bangladesh Labour Act 2006 amended in 2018".

### **3.13 Provisions**

Provisions are recognised on the reporting date if, as a result of past events, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

### 3.14 IFRS 9 Financial Instruments

IFRS 9 *Financial Instruments* sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items including a new expected credit loss model for calculating impairment of financial assets, and new general hedge accounting requirements.

#### i. Classification – financial assets

IFRS 9 contains a classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics. IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL).

#### ii. Impairment

IFRS 9 introduces a forward-looking 'expected credit loss' (ECL) model. This will require considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis. The new impairment model will apply to financial assets measured at amortised cost or FVOCI, except for investments in equity instruments, and to contract assets.

Under IFRS 9, loss allowances will be measured on either of the following bases:

- 12-months ECLs: these are ECLs which result from possible default events within the 12 months after the reporting date; and
- 12-Lifetime ECLs: these are ECLs which result from all possible default events over the expected life of a financial instrument.

Lifetime ECL measurement applies if the credit risk of a financial asset at the reporting date has increased significantly since initial recognition and 12-month ECL measurement applies if it has not. An entity may determine that a financial asset's credit risk has not increased significantly if the asset has low credit risk at the reporting date. However, lifetime ECL measurement always applies for trade receivables and contract assets without a significant financing component; the group has a choice to also apply this policy for trade receivables and contract assets with a significant financing component.

The estimated ECL will be calculated based on actual credit loss experience. The group will perform the calculation of ECL rates separately for different types of customers including related parties.

Actual credit losses will be adjusted to reflect differences between economic conditions during the period over which the historical data will be collected, prevalent conditions and the Group's view of economic conditions over the expected lives of the receivables and related party balances.

#### iii. Hedging

IFRS 9 incorporates hedge accounting rules which intend to align hedge accounting with a group's risk management objectives and strategy and to apply a more qualitative and forward looking approach to assessing hedge effectiveness.

Impact of IFRS 9 shown in note no. 36.1 (b).

### **3.15 IFRS 15 Revenue from Contracts with Customers**

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized.

#### **i. Sales of goods**

Under IFRS 15, revenue will be recognised when a customer obtains control of the goods.

Revenue will be recognised for the contracts to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur. As a consequence, for those contracts for which the group is unable to make a reasonable estimate of return, revenue is expected to be recognised sooner than when the return period lapses or a reasonable estimate can be made.

Based on the group's assessment, the timing of revenue recognition from sale of goods are broadly similar. Therefore, the group does not expect the application of IFRS 15 to result in significant differences in the timing of revenue recognition for these sales.

#### **ii. Rendering of services**

Under IFRS 15, the total consideration in the service contracts will be allocated to all services based on their stand-alone selling prices. The stand-alone selling prices will be determined based on the list prices at which the group sells the services in separate transactions.

Based on the group's assessment, the fair value and the stand-alone selling prices of the services are broadly similar. Therefore, the group does not expect the application of IFRS 15 to result in significant differences in the timing of revenue recognition for these services.

#### **iii. Construction contracts**

Contract revenue currently includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably. When a claim or variation is recognised, the measure of contract progress or contract price is revised and the cumulative contract position is reassessed at each reporting date.

### **3.16 IFRS 16 Leases**

Under this IFRS 16, leases will be brought onto companies' balance sheets, increasing the visibility of their assets and liabilities. It further removes the classification of leases as either operating leases or finance leases treating all leases as finance leases from the perspective of the lessee, thereby eliminating the requirement for a lease classification test. The IFRS 16 guidance has an increased focus on who controls the asset and may change which contracts are leases.

#### **General impact of application of IFRS 16 Leases**

IFRS 16 introduces requirements with respect to lease accounting. It introduces significant changes to the lessee accounting by removing the distinction between operating and finance leases and requiring the recognition of a right-of-use asset and a lease liability at the lease commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. Details of these requirements are described in Notes to the financial statements. The impact of the adoption of IFRS 16 on the Group's financial statements is described below.

The group has applied IFRS 16 using the modified retrospective approach, without restatement of the comparative information

**Impact of the new definition of a lease**

The change in definition of a lease mainly relates to the concept of control. IFRS 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration.

The group applies the definition of a lease and related guidance set out in IFRS 16 to all lease contracts.

**Impact on Lessee Accounting**

Former operating leases

IFRS 16 changes how the group accounts for leases previously classified as operating leases under IAS 17, which were off-balance-sheet.

Applying IFRS 16, for all leases (except as noted below), the Group:

Recognizes right-of-use assets and lease liabilities in the statement of financial position, initially measured at the present value of future lease payments;

Recognizes depreciation of right-of-use assets and interest on lease liabilities in the statement of profit or loss; and separates the total amount of cash paid presented within financing activities in the statement of cash flows.

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36 *Impairment of Assets*. This replaces the previous requirement to recognize a provision for onerous lease contracts.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (such as personal computers and office furniture), the group has opted to recognize a lease expense on a straight-line basis as permitted by IFRS 16. This expense is presented within rent expenses in the statement of profit or loss.

Former finance leases

The main difference between IFRS 16 and IAS 17 with respect to assets formerly held under a finance lease is the measurement of residual value guarantees provided by a lessee to a lessor. IFRS 16 requires that the group recognizes as part of its lease liability only the amount expected to be payable under a residual value guarantee, rather than the maximum amount guaranteed as required by IAS 17. This change did not have a material effect on the group's financial statements.

Impact on Lessor Accounting

IFRS 16 does not change substantially how a lessor accounts for leases. Under IFRS 16, a lessor continues to classify leases as either finance leases or operating leases and account for those two types of leases differently. However, IFRS 16 has changed and expanded the disclosures requirements, in particular regarding how a lessor manages the risks arising from its residual interest in the leased assets.



### **3.17 Finance income and expenses**

Finance income comprises interest income on fixed deposits and Short Notice Deposit (SND). Interest income is recognized in profit or loss as it accrues, using the effective interest rate method.

Finance costs comprises interest expense on overdraft, LTR, term loan, short term borrowings and finance lease. All finance expenses are recognised in the statement of comprehensive income.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

### **3.18 Foreign currency**

Transactions in foreign currencies are translated to Taka at the foreign exchange rates prevailing on the date of transaction. All monetary assets and liabilities denominated in foreign currencies at reporting date are translated to Taka at the rates of exchange prevailing on that date. Resulting exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in the statement of profit or loss and other comprehensive income as per International Accounting Standard IAS-21 "The Effects of Changes in Foreign Exchange Rates".

### **3.19 Taxation**

Income tax expenses represents current tax and deferred tax. Income tax expense is recognised in the statement of profit or loss and other comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

#### **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. Provisions for corporate income tax is made following the rate applicable for companies as per Finance Act 2024.

#### **Deferred tax:**

Deferred tax has been recognised in accordance with International Accounting Standard IAS-12. Deferred tax is provided using the liability method for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amount used for taxation purpose. Deferred tax is determined at the effective income tax rate prevailing at the reporting date.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

### **3.20 Earning per share**

The Company presents basic and diluted (when dilution is applicable) earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company with the weighted average number of ordinary shares outstanding during the year, adjusted for the effect of change in number of shares for bonus issue. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares. However, dilution of EPS is not applicable for these financial statements as there was no dilutive potential ordinary shares during the relevant years.

### **3.21 Determination and presentation of operating segment**

Details of product-wise segment reporting as required by IFRS-8 operating segments is followed.

### **3.22 Contingencies**

#### **Contingent liability**

Contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent liability should not be recognised in the financial statements, but may require disclosure. A provision should be recognised in the year in which the recognition criteria of provision have been met.

#### **Contingent asset**

Contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A contingent asset must not be recognised. Only when the realisation of the related economic benefits is virtually certain should recognition take place provided that it can be measured reliably because, at that point, the asset is no longer contingent.

### **3.23 Statement of cash flows**

Statement of cash flows is prepared under direct method in accordance with International Accounting Standard IAS-7 "Statement of cash flows" as required by the Securities and Exchange Rules 1987.

### **3.24 Events after the reporting period**

Events after the reporting period that provide additional information about the Group's position at the reporting date are reflected in the financial statements. Material events after the reporting period that are not adjusting events are disclosed by way of note.

### **3.25 Comparatives and reclassification**

Comparative information have been disclosed in respect of 2023 for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current period's financial statements.

To facilitate comparison, certain relevant balances pertaining to the previous period have been rearranged/reclassified whenever considered necessary to confirm to current period's presentation.

4 Property, plant and equipment

30 June 2024

Particulars	C O S T				D E P R E C I A T I O N				Amount in Taka	
	Balance as at 01 Jan 2024	Addition during the period	Sale/disposal transfer during the period	Balance as at 30 June 2024	Rate (%)	Balance as at 01 Jan 2024	Charged during the period	Adjustment during the period	Balance as at 30 June 2024	Net book value as at 30 June 2024
	Land*	1,245,765,336	-	-	1,245,765,336	5-20	633,618,169	-	-	656,145,412
Factory building	1,060,536,702	63,854,018	-	1,124,390,720	5-20	262,408,606	22,527,243	-	277,187,657	468,245,308
Office and accommodation building	547,535,986	4,089,806	-	551,625,792	5	4,632,014,362	14,779,051	-	4,814,558,956	274,438,045
Plant and machinery	6,128,916,486	167,749,598	-	6,296,666,084	5-10	102,907,119	182,544,594	-	106,211,715	1,482,107,128
Mobile plant	138,912,181	-	(1,638,841)	137,073,340	10	228,029,443	5,006,397	(1,701,801)	231,134,709	30,861,625
Electrical installation	242,630,147	-	-	242,630,147	10-20	73,192,068	2,079,707	-	74,271,775	11,495,438
Gas pipeline	81,794,702	-	-	81,794,702	10-20	37,566,353	2,519,129	-	40,085,483	7,522,927
Furniture and fixtures	49,888,956	1,204,041	-	51,092,997	10-20	48,444,736	4,309,044	-	52,753,780	11,007,514
Office equipment	61,436,306	1,879,091	-	63,315,397	10-20	14,015,165	1,594,859	-	15,610,024	10,561,617
Communication equipment	18,905,385	208,593	-	19,113,978	10-20	12,469,584	1,981,999	-	14,451,583	3,503,954
Tools and appliances	23,217,260	372,475	-	23,589,735	10-20	73,743,920	4,371,358	-	78,115,278	9,138,152
Vehicles	126,957,651	3,642,764	-	130,600,415	10-20	3,631,012	-	-	3,631,012	52,485,137
Fire fighting equipment	3,631,012	-	-	3,631,012	20	6,121,040,537	244,819,646	(1,701,801)	6,364,157,383	3,607,137,183
<b>Total</b>	<b>9,730,128,020</b>	<b>243,000,386</b>	<b>(1,838,841)</b>	<b>9,971,289,565</b>		<b>6,121,040,537</b>	<b>244,819,646</b>	<b>(1,701,801)</b>	<b>6,364,157,383</b>	<b>3,607,137,183</b>

31 Dec 2023

Particulars	C O S T				D E P R E C I A T I O N				Amount in Taka	
	Balance as at 01 Jan 2023	Addition during the year	Sale/disposal/ transfer during the year	Balance as at 31 Dec 2023	Rate (%)	Balance as at 01 Jan 2023	Charged during the year	Adjustment during the year	Balance as at 31 Dec 2023	Net book value as at 31 Dec 2023
	Land*	1,033,267,017	212,498,319	-	1,245,765,336	5-20	585,936,080	47,682,089	-	633,618,169
Factory building	1,045,271,569	15,265,133	-	1,060,536,702	5-20	232,821,264	29,587,342	-	262,408,606	426,918,533
Office and accommodation building	542,813,594	4,722,302	-	547,535,896	5	4,681,012,855	331,287,695	(380,286,188)	4,632,014,362	285,127,290
Plant and machinery	5,993,330,750	518,712,169	(383,126,433)	6,128,916,486	5-10	92,741,702	10,165,417	-	102,907,119	1,496,902,124
Mobile plant	138,910,626	1,555	-	138,912,181	10	221,688,993	6,340,450	-	228,029,443	36,005,062
Electrical installation	242,630,147	-	-	242,630,147	10-20	68,113,907	4,078,161	-	72,192,068	14,600,704
Gas pipeline	80,514,054	1,280,648	-	81,794,702	10-20	32,512,734	5,105,584	(51,965)	37,566,353	9,602,634
Furniture and fixtures	48,152,729	1,788,199	(51,972)	49,888,956	10-20	46,763,976	8,133,485	(6,452,725)	48,444,736	12,322,604
Office equipment	63,708,794	7,048,437	(9,320,925)	61,436,306	10-20	10,789,876	3,225,289	-	14,015,165	12,991,570
Communication equipment	16,566,185	2,339,200	-	18,905,385	10-20	11,273,182	1,196,402	-	12,469,584	4,890,220
Tools and appliances	14,585,223	8,632,037	-	23,217,260	10-20	69,159,862	8,240,342	(3,656,284)	73,743,920	10,747,676
Vehicles	96,188,040	34,639,528	(3,869,917)	126,957,651	10-20	3,631,012	-	-	3,631,012	53,213,731
Fire fighting equipment	3,631,012	-	-	3,631,012	20	6,056,445,493	455,042,256	(390,447,162)	6,121,040,537	3,609,087,484
<b>Total</b>	<b>9,319,569,740</b>	<b>806,927,527</b>	<b>(396,369,247)</b>	<b>9,730,128,020</b>		<b>6,056,445,493</b>	<b>455,042,256</b>	<b>(390,447,162)</b>	<b>6,121,040,537</b>	<b>3,609,087,484</b>

\*Addition of land includes BDT. 6,012,500 for the purchase of 0.35 acres of land at Bhutulla, Gazipur under Dhanua and Gazipur Mouja from Mr. SAK Ekramuzzaman [Managing Director of RAK Ceramics (Bangladesh) Limited] and others as approved in EGM dated August 4, 2022. The land was proposed to be utilized for greenfield expansion of another tiles plant and new faucets plant.

**5 Investment Property**

**30 June 2024**

Particulars	COST			Rate	DEPRECIATION			Amount in Taka	
	Balance as at 01 Jan 2024	Addition during the period	Sale/Transfer during the period		Balance as at 30 June 2024	Charged during the period	Adjustment during the period	Balance as at 30 June 2024	Net book value as at 30 June 2024
Land <sup>1</sup>	500,571,750	-	-	500,571,750	-	-	-	500,571,750	
Office building <sup>2</sup>	4,432,737	-	-	4,432,737	110,353	-	2,324,512	2,108,225	
<b>Total</b>	<b>505,004,487</b>	<b>-</b>	<b>-</b>	<b>505,004,487</b>	<b>110,353</b>	<b>-</b>	<b>2,324,512</b>	<b>502,679,975</b>	

**31 Dec 2023**

Particulars	COST			Rate	DEPRECIATION			Amount in Taka	
	Balance as at 01 Jan 2023	Addition during the year	Sale/Transfer during the year		Balance as at 31 Dec 2023	Charged during the year	Adjustment during the year	Balance as at 31 Dec 2023	Net book value as at 31 Dec 2023
Land <sup>1</sup>	500,571,750	-	-	500,571,750	-	-	-	500,571,750	
Office building <sup>2</sup>	4,432,737	-	-	4,432,737	221,918	-	2,214,159	2,218,578	
<b>Total</b>	<b>505,004,487</b>	<b>-</b>	<b>-</b>	<b>505,004,487</b>	<b>221,918</b>	<b>-</b>	<b>2,214,159</b>	<b>502,790,328</b>	

1. The land 10 khata is situated besides the RAK Tower was acquired in 2012 and presently the asset is under investment property as per IAS 40 considering undetermined future use. The said property are stated at cost as per IAS 16 due to alternate reliable sources of measurement being unavailable.
2. A godown building is situated at above land and presently the asset is under investment property as per IAS 40 considering undetermined future use. The said property is stated at cost as per IAS 16 due to alternate reliable sources of measurement being unavailable.

	<u>30 June 2024</u>	<u>30 June 2023</u>
	<u>Taka</u>	<u>Taka</u>
<b>5.1 Depreciation</b>		
Property, plant and equipment (Note 4)	244,818,646	222,125,539
Investment Property (Note 5)	110,353	110,047
	<b><u>244,928,999</u></b>	<b><u>222,235,586</u></b>
<b>5.2 Allocation of Depreciation</b>		
Cost of sales (Note 26)	222,840,372	201,133,762
Administrative expenses (Note 5.2.1)	18,057,980	16,975,711
Marketing & selling expenses (Note 29)	4,030,647	4,126,113
	<b><u>244,928,999</u></b>	<b><u>222,235,586</u></b>
<b>5.2.1 Administrative Depreciation</b>		
Depreciation on property, plant & equipment (Note 28)	17,947,627	16,865,664
Depreciation on investment property (Note 28)	110,353	110,047
	<b><u>18,057,980</u></b>	<b><u>16,975,711</u></b>

### 5.3 Disposal of property, plant and equipment

#### 30 June 2024

Particulars	Original cost	Accumulated depreciation	Book value	Receipt against sales/insurance	Profit/(loss) on disposal
	Taka	Taka	Taka	Taka	Taka
Mobile plant	1,838,841	1,701,801	137,040	-	(137,040)
Vehicles	322,000	321,999	1	63,600	63,599
<b>Total</b>	<b>2,160,841</b>	<b>2,023,800</b>	<b>137,041</b>	<b>63,600</b>	<b>(73,441)</b>

#### 30 June 2023

Particulars	Original cost	Accumulated depreciation	Book value	Receipt against sales/insurance	Profit/(loss) on disposal
	Taka	Taka	Taka	Taka	Taka
Office equipment	6,050,000	6,050,000	-	-	-
Furniture & fixture	14,750	14,744	6	6,000	5,994
Vehicles	2,489,792	2,431,942	57,850	1,471,000	1,413,150
<b>Total</b>	<b>8,554,542</b>	<b>8,496,686</b>	<b>57,856</b>	<b>1,477,000</b>	<b>1,419,144</b>

## 6 Right-of-use assets

30 June 2024

Particulars	COST			DEPRECIATION				Net book value as at 30 June 2024
	Balance as at 01 Jan 2024	Addition during the period	Sale/disposal during the period	Balance as at 30 June 2024	Balance as at 01 Jan 2024	Charged during the period	Adjustment during the period	
Display center	65,545,374	-	-	65,545,374	25,668,522	6,184,013	-	31,852,535
Accommodation building	1,564,105	-	-	1,564,105	761,925	391,026	-	1,152,951
Warehouse	30,567,554	-	(1,880,142)	28,687,412	2,612,579	2,868,741	(221,961)	5,259,359
Office Building	6,517,391	-	-	6,517,391	325,870	651,739	-	977,609
<b>Total</b>	<b>104,194,424</b>	<b>-</b>	<b>(1,880,142)</b>	<b>102,314,282</b>	<b>29,368,896</b>	<b>10,095,519</b>	<b>(221,961)</b>	<b>39,242,454</b>

Amount in Taka

31 Dec 2023

Particulars	COST			DEPRECIATION				Net book value as at 31 Dec 2023
	Balance as at 01 Jan 2023	Addition during the year	Sale/disposal during the year	Balance as at 31 Dec 2023	Balance as at 01 Jan 2023	Charged during the year	Adjustment during the year	
Display center	48,278,231	29,737,142	(12,469,999)	65,545,374	25,770,495	12,368,026	(12,469,999)	25,668,522
Accommodation building	1,471,380	759,050	(666,325)	1,564,105	666,326	761,925	(666,326)	761,925
Warehouse	1,880,142	28,687,412	-	30,567,554	65,283	2,547,296	-	2,612,579
Office Building	-	6,517,391	-	6,517,391	-	325,870	-	325,870
<b>Total</b>	<b>51,629,753</b>	<b>65,700,995</b>	<b>(13,136,324)</b>	<b>104,194,424</b>	<b>26,502,104</b>	<b>16,003,117</b>	<b>(13,136,325)</b>	<b>29,368,896</b>

Amount in Taka

### 6.1 Allocation of depreciation

	30 June 2024	30 June 2023
Administrative expenses (Note 28)	1,042,765	373,775
Marketing & Selling expenses (Note 29)	9,052,754	6,262,352
	<b>10,095,519</b>	<b>6,636,127</b>

### 6.2 Gain/(loss) on retirement of right-of-use assets

	30 June 2024	30 June 2023	
Particulars	Lease liability	Right-of-use assets	Gain/(loss)
Warehouse	1,779,039	1,658,181	120,858
<b>Total</b>	<b>1,779,039</b>	<b>1,658,181</b>	<b>120,858</b>

30 June 2023

	30 June 2023	30 June 2023	
Particulars	Lease liability	Right-of-use assets	Gain/(loss)
Warehouse	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

1. Company rented four display centers situated in Dhaka, Chattogram, Sylhet and Mymensingh.
2. Accommodation building was rented for the use of transit employees.
3. Warehouse was rented to store finished goods.

7 Intangible assets

30 June 2024

Particulars	COST			AMORTIZATION			Net book value as at 30 June 2024
	Balance as at 01 Jan 2024	Addition during the period	Sale/disposal during the period	Balance as at 30 June 2024	Balance as at 01 Jan 2024	Amortized during the period	
License	31,037,913	2,693,136	-	33,731,049	27,602,739	4,653,552	32,256,291
Computer Software	12,514,380	637,300	-	13,151,680	11,830,602	163,569	11,994,171
<b>Total</b>	<b>43,552,293</b>	<b>3,330,436</b>	<b>-</b>	<b>46,882,729</b>	<b>39,433,341</b>	<b>4,817,121</b>	<b>44,250,462</b>

31 Dec 2023

Particulars	COST			AMORTIZATION			Net book value as at 31 Dec 2023
	Balance as at 01 Jan 2023	Addition during the year	Sale/disposal during the year	Balance as at 31 Dec 2023	Balance as at 01 Jan 2023	Amortized during the year	
License	22,692,876	8,345,037	-	31,037,913	22,587,507	4,872,547	142,685
Computer Software	12,064,380	450,000	-	12,514,380	11,493,807	336,795	-
<b>Total</b>	<b>34,757,256</b>	<b>8,795,037</b>	<b>-</b>	<b>43,552,293</b>	<b>34,081,314</b>	<b>5,209,342</b>	<b>142,685</b>

	<u>30 June 2024</u>	<u>31 Dec 2023</u>
	<u>Taka</u>	<u>Taka</u>
<b>8 Capital Work-in-Progress</b>		
Balance as at 1 January	355,450,242	155,705,038
Add: Addition during the period (note 8.1)	281,456,477	733,182,938
	<u>636,906,719</u>	<u>888,887,976</u>
Less: Transfer to property, plant & equipment during the period (note 8.2)	217,853,679	533,437,734
Balance as at 30 June	<b><u>419,053,040</u></b>	<b><u>355,450,242</u></b>
<b>8.1 Addition during the period</b>		
Building	19,590,371	56,305,519
Plant & machinery	259,266,458	657,479,014
Others	2,599,648	19,398,405
	<b><u>281,456,477</u></b>	<b><u>733,182,938</u></b>
<b>8.2 Items transferred from capital work in progress to property, plant &amp; equipment</b>		
Building	8,251,606	14,549,044
Plant & machinery	209,602,073	509,927,776
Others	-	8,960,914
	<b><u>217,853,679</u></b>	<b><u>533,437,734</u></b>
<b>9 Inventories</b>		
Raw materials	1,195,945,363	1,142,336,604
Less : Provision for slow moving & obsolete inventories	36,870,099	36,222,885
	<u>1,159,075,264</u>	<u>1,106,113,719</u>
Stores and consumables spares and packing	1,073,731,208	1,066,145,738
Less: Write off for stores and spares	6,292,795	4,043,075
	<u>1,067,438,413</u>	<u>1,062,102,663</u>
Finished goods (net of net realizable value adjustment) *	1,296,195,864	1,169,745,855
Less : Provision for slow moving & obsolete inventories	17,431,076	13,967,249
	<u>1,278,764,788</u>	<u>1,155,778,606</u>
Work-in-process	140,605,598	80,280,061
Goods-In-transit	358,339,438	174,997,673
	<b><u>4,004,223,501</u></b>	<b><u>3,579,272,722</u></b>
*Finished goods exclude provision of net realizable value BDT. 35,378,581.		



	<b>30 June 2024</b>	<b>31 Dec 2023</b>
	<b>Taka</b>	<b>Taka</b>
<b>10 Trade and other receivables</b>		
Trade receivables (Note 10.1)	2,507,508,617	2,480,102,230
	<u>2,507,508,617</u>	<u>2,480,102,230</u>
Accrued interest (Note 10.2)	584,617	888,130
Other receivable	23,408	-
	<u><b>2,508,116,642</b></u>	<u><b>2,480,990,360</b></u>
<b>10.1 Trade receivables</b>		
Receivables from local sales	2,536,097,292	2,497,973,879
Receivables from export sales	5,258,361	11,166,492
	<u>2,541,355,653</u>	<u>2,509,140,371</u>
Less: Provision of impairment loss on trade receivable:		
Unrelated parties	21,499,278	10,345,283
Related parties	12,347,759	18,692,858
	<u><b>2,507,508,617</b></u>	<u><b>2,480,102,230</b></u>
<b>10.2 Accrued interest</b>		
Interest accrued on Fixed Deposit Receipt	584,617	888,130
	<u><b>584,617</b></u>	<u><b>888,130</b></u>
<b>11 Advance, deposit and prepayments</b>		
Advances:		
Employees	826,760	299,500
Purchase of land and others	9,417,428	920,757
Suppliers against materials and services	138,906,218	240,619,264
	<u>149,150,406</u>	<u>241,839,521</u>
Security and other deposits:		
Titas gas	71,833,050	71,833,050
Mymensingh Palli Bidyut Samity-2	1,955,000	1,955,000
VAT and Supplementary duty (Note-11.1)	1,872,034	2,030,039
Deposited with income tax authority	89,023,219	88,962,899
Deposited with VAT authority	10,079,343	6,726,946
Display center and others	812,000	1,312,000
Other deposits	1,494,626	1,494,626
	<u>177,069,272</u>	<u>174,314,560</u>
Prepayments:		
Showroom, warehouse and office rent	58,600	58,600
Insurance and others	21,063,367	9,763,730
	<u>21,121,967</u>	<u>9,822,330</u>
	<u><b>347,341,645</b></u>	<u><b>425,976,410</b></u>

	<u>30 June 2024</u>	<u>31 Dec 2023</u>
	<u>Taka</u>	<u>Taka</u>
<b>11.1 Supplementary duty &amp; VAT</b>		
Balance as at 1 January	2,030,039	2,123,789
Add: Treasury deposit for SD & VAT purpose	6,420,941	10,505,061
	<u>8,450,980</u>	<u>12,628,850</u>
Less: SD & VAT on sales	6,578,946	10,598,811
Balance as at 30 June	<u><u>1,872,034</u></u>	<u><u>2,030,039</u></u>

The above amount represents RAK Security and Services (Pvt) Ltd.

**12 Advance Income Tax**

Balance as at 1 January	4,206,879,792	4,100,140,671
Add: Paid during the period	83,100,653	177,967,531
Less: Adjustment during the period	(33,951,065)	(71,228,410)
Balance as at 30 June (Note - 12.1)	<u><u>4,256,029,380</u></u>	<u><u>4,206,879,792</u></u>

**12.1 Payment for the year**

<u>Income year</u>		
Current period	80,560,877	-
Year 2023	150,941,781	150,060,095
Year 2022	243,147,159	243,147,159
Year 2021	255,101,581	273,680,694
Year 2020	117,036,220	130,750,084
Year 2019	280,875,748	280,875,748
Year 2018	314,638,282	314,638,282
Year 2017	344,518,556	344,518,556
Year 2016	291,375,845	291,375,845
Year 2015	187,848,070	187,848,070
Year 2014	253,701,667	253,701,667
Year 2013	389,651,054	389,651,054
Year 2012	301,027,378	301,027,378
Year 2011	328,701,317	328,701,317
Year 2010	265,532,626	265,532,626
Year 2009	218,091,876	218,091,876
Year 2008	85,378,847	85,378,847
Year 2007	124,813,161	124,813,161
Year 2006	23,087,333	23,087,333
	<u><u>4,256,029,380</u></u>	<u><u>4,206,879,792</u></u>

	<b>30 June 2024</b>	<b>31 Dec 2023</b>
	<b>Taka</b>	<b>Taka</b>
<b>13 Cash and cash equivalents</b>		
Cash in hand	4,516,111	5,648,949
Cash at banks		
Standard Chartered Bank (current account - 01-6162940-01, 01-3767272-01 - BDT)	61,721	65,194
BRAC Bank Ltd. (current account - 1530201731248001 - BDT)	5,931,837	3,569,213
Citibank N.A. (current account - G0100001200262018 - BDT)	130,742	137,044
Dutch Bangla Bank Ltd. (current account - 117-110-12733,117-110-4311,117.110.23474 BDT)	4,624,629	18,621,322
Standard Chartered Bank (ERQ - 42-6162940-01 - USD)	1,793,594	1,236,309
Standard Chartered Bank (Margin money account)	1,968,575	165,969,352
Midland Bank Ltd. (Margin money account)	35,398,123	76,430,054
United Commercial Bank Ltd. (SND account - 0831301000000164 BDT)	7,594,532	10,761,772
Al Arafah Islami Bank Ltd. (SND account - 0171220002646 - BDT)	18,557,631	10,595,938
South East Bank Ltd. (Current account - 11100008546 - BDT)	5,234,999	18,080
Al Arafah Islami Bank Ltd. (Margin money account - BDT)	8,601,000	-
Standard Chartered Bank (SND account - 02-3767272-01 - BDT)	126,403	127,553
Dutch Bangla Bank Ltd. (SND account - 117-120-589, 117-120-311,117-120.2550 - BDT)	16,951,120	19,369,373
Pubali Bank Ltd. (CD account 4709901003543, 4709901003539 - BDT)	122,904	147,981
Prime Bank Ltd. (SND - 2125316004690 - BDT)	1,673,738	2,588,318
Eastern Bank Ltd. (CD account - 1132040363287, 1041060507936 - BDT)	3,444,088	946,583
Dhaka Bank Ltd (SND - 102.150.274- BDT)	7,930,653	10,024,467
Pubali Bank Ltd. (SND account 47091012000483 - BDT)	49,107	49,358
Dhaka Bank Ltd (CD - 204100000019318- BDT)	180,836	181,181
Commercial Bank of Ceylon (SND-2817000777 - BDT.)	51,030	16,368
Commercial Bank of Ceylon (ERQ-1806012366 - USD.)	1,168,215	207,926
Meghna Bank Ltd. (SND 1112-13500000004 - BDT)	55,848	1,983,179
Midland Bank Ltd. (SND 0006-1070000015, 0006-1060000043 - BDT)	57,970,495	187,725,847
Eastern Bank Ltd. (SND account - 1041360507944 - BDT)	4,981,012	16,761,953
Eastern Bank Ltd. (Margin Money account)	6,990,484	7,006,001
Commercial Bank of Ceylon (Margin Money account)	329,021,605	163,002,596
South East Bank Ltd. (Margin Money account)	3,126,000	-
	<b>523,740,921</b>	<b>697,542,962</b>
IPO bank account		
Citibank N.A. (RAK-IPO Central Account - G010001200262022 - BDT)	1,690,700	1,687,358
Citibank N.A. (RAK-IPO-NRB Subscription - G0100001200262042 - USD)	3,919,501	3,919,501
Citibank N.A. (RAK-IPO-NRB Subscription - G0100001200262026 - EURO)	153,606	153,606
Citibank N.A. (RAK-IPO-NRB Subscription - G0100001200262034 - GBP)	126,599	126,599
	<b>5,890,406</b>	<b>5,887,064</b>
Dividend bank account		
BRAC Bank (Current - 1510201731248001 - BDT) - 2010	2,825,286	2,828,976
BRAC Bank (Current - 1513201731248001 - BDT) - 2011	1,089,196	1,092,886
SCB (SND - 02-6162940-02- BDT) - 2012	174,230	174,920
SCB (SND - 02-6162940-03- BDT) - 2013	319,526	320,187
SCB (SND - 02-6162940-05- BDT) - 2015	38,747	39,314
SCB (SND - 02-6162940-06- BDT) - 2016	5,448	6,022
SCB (SND - 02-6162940-09- BDT) - 2019	632	4,207
SCB (SND - 02-6162940-10- BDT) - 2020	350,408	3,161,688
SCB (SND - 02-6162940-11- BDT) - 2021	2,969,724	2,974,975
MDB (SND - 0006-1090000460 - BDT) - 2022	5,170,537	5,178,082
MDB (SND - 0006-1090000504 - BDT) - 2023	2,908,624	-
	<b>15,852,358</b>	<b>15,781,257</b>
Investment in Fixed Deposit Receipt (FDR)		
Al Arafah Islami Bank Ltd.	15,331,652	-
Midland Bank Ltd.	50,000,000	50,000,000
Eastern Bank Ltd.	11,789,105	62,139,105
Commercial bank of Ceylon	5,000,000	5,000,000
	<b>82,120,757</b>	<b>117,139,105</b>
	<b>632,120,553</b>	<b>841,999,337</b>

	<u>30 June 2024</u>		<u>31 Dec 2023</u>	
	Taka		Taka	
<b>14 Share Capital</b>				
<b>Authorised :</b>				
600,000,000 ordinary shares of Taka 10/- each		<u>6,000,000,000</u>		<u>6,000,000,000</u>
<b>Issued, subscribed, called and paid up :</b>				
427,968,701 ordinary shares of Taka 10/- each		<u>6,000,000,000</u>		<u>4,279,687,010</u>
<b>Percentage of shareholdings :</b>	<u>30 June 2024</u>		<u>31 Dec 2023</u>	
	%	Taka	%	Taka
RAK Ceramics PJSC, UAE	68.13	2,915,864,310	68.13	2,915,864,310
S.A.K. Ekramuzzaman	3.95	168,958,240	3.95	168,958,240
Other Sponsors	0.00	1,660	0.00	1,660
General Public	27.92	1,194,862,800	27.92	1,194,862,800
	<u>100.00</u>	<u>4,279,687,010</u>	<u>100.00</u>	<u>4,279,687,010</u>

The company was incorporated on 26<sup>th</sup> of November 1998 with paid up capital of BDT 1,000 and subsequently has issued ordinary shares including bonus shares in several dates i.e. 30 September 2000, 30 October 2005, 15 June 2009, 28 July 2009, 31 January 2010, 24 May 2010, 20 March 2011, 15 April 2012, 10 April 2013, 02 April 2014, 29 March 2017, 18 April 2018 and 09 April 2019.

Mr. SAK Ekramuzzaman pledged 15,232,353 no of shares out of his total holding of 16,895,824 no of shares.

**Classification of shareholders by holding**

<u>Shareholders' range</u>	<u>Number of shareholders</u>		<u>Number of shares</u>	
	<u>30 June 2024</u>	<u>31 Dec 2023</u>	<u>30 June 2024</u>	<u>31 Dec 2023</u>
01-499 shares	16,067	17,330	3,742,073	4,044,428
500 to 5,000 shares	7,716	8,240	12,683,360	13,216,736
5001 to 10,000 shares	887	930	6,644,802	6,992,412
10,001 to 20,000 shares	485	483	7,094,720	7,020,409
20,001 to 30,000 shares	150	150	3,774,994	3,803,492
30,001 to 40,000 shares	75	77	2,665,360	2,755,017
40,001 to 50,000 shares	57	64	2,668,705	2,996,435
50,001 to 100,000 shares	94	97	6,878,643	6,872,942
100,001 to 1,000,000 shares	87	81	26,288,513	24,739,299
1,000,001 to 1,000,000,000 Shares	14	14	355,527,531	355,527,531
	<u>25,632</u>	<u>27,466</u>	<u>427,968,701</u>	<u>427,968,701</u>

**15 Share premium**

On 31 January, 2010, company issued 10,000,000 ordinary shares in favor of institutional shareholder and employees per share BDT. 40 (include BDT. 30 as premium). On 24 May, 2010 Company again issued 34,510,000 ordinary shares through IPO per share BDT. 48 (include BDT. 38 as premium). Details reconciliation shown below:

No. of shares	Share premium (per share)	<u>30 June 2024</u>	<u>31 Dec 2023</u>
		Taka	Taka
10,000,000	30	300,000,000	300,000,000
34,510,000	38	<u>1,311,380,000</u>	<u>1,311,380,000</u>
		1,611,380,000	1,611,380,000
Less : Share issue expenses		<u>137,732,021</u>	<u>137,732,021</u>
		<u>1,473,647,979</u>	<u>1,473,647,979</u>

**16 Retained earnings (Reserve and surplus)**

Balance as on 1 January	2,074,236,665	1,883,817,400
Add : Profit during the period	<u>36,746,639</u>	<u>618,387,966</u>
	2,110,983,304	2,502,205,366
Less: Dividend declared during the period	<u>(427,968,701)</u>	<u>(427,968,701)</u>
Balance as on 30 June	<u>1,683,014,603</u>	<u>2,074,236,665</u>

Detail movement for reserve and surplus was shown under statement of changes in equity.

	30 June 2024 Taka	31 Dec 2023 Taka
<b>17 Deferred tax liabilities</b>		
Balance as at 1 January	49,340,687	108,058,703
Less : Deferred tax (income)/expenses	<u>(35,628,380)</u>	<u>(58,718,016)</u>
Balance as at 30 June	<u>13,712,307</u>	<u>49,340,687</u>

	Carrying amount on the date of statement of financial position Taka	Tax base Taka	Taxable/ (deductible) temporary difference Taka
<b>As at 30 June 2024</b>			
Property, plant and equipment (Excluding land and others)	2,332,553,952	2,165,289,448	167,264,504
Trade receivable	2,518,448,243	2,552,295,279	(33,847,036)
Inventories	3,928,377,957	4,018,057,713	(89,679,756)
Right of use assets	63,071,828	-	63,071,828
Lease liability	(49,520,977)	-	(49,520,977)
Net taxable temporary difference			<u>57,288,563</u>
Deferred tax liability (applying applicable tax rate for individual company)			<u>13,712,307</u>
<b>As at 31 December 2023</b>			
Property, plant and equipment (Excluding land and others)	2,327,768,691	2,025,432,404	302,336,287
Trade receivable	2,485,712,628	2,515,750,769	(29,038,141)
Inventories	3,509,130,676	3,589,245,821	(80,115,145)
Right of use assets	74,825,529	-	74,825,529
Lease liability	(57,874,703)	-	(57,874,703)
Net taxable temporary difference			<u>210,133,827</u>
Deferred tax liability (applying applicable tax rate for individual company)			<u>49,340,687</u>

**18 Employees benefits payable**

Provident fund	36,799,683	-
Gratuity fund	<u>16,963,611</u>	-
	<u>53,763,294</u>	-

	30 June 2024		
	Provident fund Taka	Gratuity fund Taka	Total Taka
Balance as at 1 January	-	-	-
Add: Provision made during the period	44,060,702	17,329,804	61,390,506
	<u>44,060,702</u>	<u>17,329,804</u>	<u>61,390,506</u>
Less: Payments made to fund during the period	7,261,019	366,193	7,627,212
Balance as at 30 June	<u>36,799,683</u>	<u>16,963,611</u>	<u>53,763,294</u>

Employee contribution BDT. 1,258,047 has not been considered since this is provisional figure against annual increment.

	31 Dec 2023		
	Provident fund Taka	Gratuity fund Taka	Total Taka
Balance as at 1 January	-	-	-
Add: Provision made during the year	83,732,330	31,616,855	115,349,184
	<u>83,732,330</u>	<u>31,616,855</u>	<u>115,349,184</u>
Less: Payments made to fund during the year	83,732,330	31,616,855	115,349,184
Balance as at 31 December	<u>-</u>	<u>-</u>	<u>-</u>

Forfeited amount of provident fund amounting to BDT. 1,512,952 for the year 2023 has been adjusted with provision and payment.

**19 Borrowings**

<b>Non-current:</b>		
Term loan	619,608,846	375,129,637
Current portion of term loan	<u>(62,332,593)</u>	<u>(11,235,218)</u>
	<u>557,276,253</u>	<u>363,894,419</u>
<b>Current:</b>		
Bank overdrafts	159,953,820	70,521,272
Short-term borrowings	1,159,401,243	651,860,917
Current portion of term loan	<u>62,332,593</u>	<u>11,235,219</u>
	<u>1,381,767,656</u>	<u>733,617,407</u>
Balance as at 30 June	<u>1,939,043,909</u>	<u>1,097,511,826</u>

**19.1 Borrowings by maturity**

At 30 June 2024	< 1 year	1-2 years	2-5 years	> 5 years	Total
Bank overdrafts	159,953,820	-	-	-	159,953,820
Short-term borrowings	1,159,401,243	-	-	-	1,159,401,243
Term loan	<u>62,332,593</u>	<u>137,502,871</u>	<u>375,573,351</u>	<u>44,200,031</u>	<u>619,608,846</u>
	<u>1,381,767,656</u>	<u>137,502,871</u>	<u>375,573,351</u>	<u>44,200,031</u>	<u>1,939,043,909</u>
<b>At 31 December 2023</b>	<b>&lt; 1 year</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>&gt; 5 years</b>	<b>Total</b>
Bank overdrafts	70,521,272	-	-	-	70,521,272
Short-term borrowings	651,860,917	-	-	-	651,860,917
Term loan	<u>11,235,218</u>	<u>93,782,409</u>	<u>270,112,010</u>	<u>-</u>	<u>375,129,637</u>
	<u>733,617,407</u>	<u>93,782,409</u>	<u>270,112,010</u>	<u>-</u>	<u>1,097,511,826</u>

19.2 Facilities details (Funded)

Bank	Name of facilities	Limit	Utilisation	Maturity	Repayment	Security - STL	Security - LTL
SCB	Overdraft	50,000,000	50,663,590	Revolving		1) Corporate guarantee, 2) Hypothecation over stock & book debts on a pari-passu basis with other lenders. 3) Demand promissory note.	1) Specific charge over plant, machinery and equipment of BMRE projects of RAK Ceramics (BD) Ltd. Following are relating to RAK Power Pvt. Ltd. 1. Mortgage of 5 bighe land. 2. Lien of Term Deposit of 100 MN 3. Charge over fixed & floating assets, 4. Corporate guarantee from RAK Ceramics BD Ltd. 5. A signed cheque covering total facility
	Short term loan	500,000,000	59,926,175	180/360 days from B/L date	From company's own source		
Midland Bank PLC	Overdraft	25,000,000	23,769,591	Revolving		From company's own source	
	Short term loan	500,000,000	205,783,993	180/360 days from B/L date	From company's own source		
Eastern Bank PLC	Long term loan*	450,000,000	450,000,000	5 years with 1 year moratorium period		From company's own source	
	Overdraft	30,000,000	25,619,916	Revolving			
Dutch Bangla Bank PLC	Overdraft	30,000,000	25,619,916	Revolving		From company's own source	
	Short term loan	450,000,000	386,536,024	180/360 days from B/L date	From company's own source		
Commercial Bank of Ceylon	Overdraft	25,000,000	24,652,167	Revolving		From company's own source	
	Short term loan	90,000,000	30,183,217	180/360 days from B/L date	From company's own source		
AI Arafah Islami Bank PLC	Overdraft	35,000,000	35,257,556	Revolving		From company's own source	
	Short term loan	550,000,000	377,051,834	180/360 days from B/L date	From company's own source		
AI Arafah Islami Bank PLC	Overdraft	-	-	Revolving		From company's own source	
	Short term loan	565,000,000	100,000,000	180/360 days from B/L date	From company's own source		
AI Arafah Islami Bank PLC	Overdraft	-	-	Revolving		From company's own source	
	Long term loan	362,900,000	169,608,046	6 years with 1 year moratorium period	From company's own source		

\* The long term loan facility limit was approved in Board of Directors meetings dated July 20, 2022 to be utilized for the BMRE project of tiles plant in relating to RAK Ceramics (BD) Ltd as well as long term facility of RAK Power Pvt. Ltd. was approved in Board of Directors meetings, dated October 26, 2023 to be utilized in new generator import and installation for power supply to RAK Ceramics (BD) Ltd.

						30 June 2024 Taka	31 Dec 2023 Taka
20	Lease liability						
	Non-current:						
	Lease liability					49,520,980	57,874,704
	Less : Current portion of lease liability					10,489,974	12,209,734
						39,031,006	45,664,970
	Current:						
	Current portion of lease liability					10,489,974	12,209,734
	30 June 2024						
	Lease liability schedule						
	Particulars	Balance as on 01 January 2024	Addition/(deletion)	Payment	Interest expenses	Decrease in lease liability	Balance as on 30 June 2024
	Display center	22,162,043	-	4,644,339	993,077	3,651,262	18,510,780
	Accommodation Building	829,670	-	429,474	29,656	399,818	429,852
	Warehouse	28,832,651	(1,779,039)	3,334,737	1,282,551	2,052,186	25,001,426
	Office Building	6,050,340	-	757,895	286,476	471,419	5,578,922
		57,874,704	(1,779,040)	9,166,443	2,591,780	6,574,685	49,520,980
	31 December 2023						
	Lease liability schedule						
	Particulars	Balance as on 01 January 2023	Addition/(deletion)	Payment	Interest expenses	Decrease in lease liability	Balance as on 31 December 2023
	Display center	15,897,164	13,133,102	9,383,916	2,515,693	6,868,223	22,162,043
	Accommodation Building	834,211	759,050	836,842	73,251	763,591	829,670
	Warehouse	1,851,871	28,687,412	3,031,583	1,706,633	1,706,633	28,832,651
	Office Building	-	6,277,392	378,947	151,895	227,052	6,050,340
		18,583,247	48,856,956	13,631,288	4,865,790	9,565,499	57,874,704
21	Trade and other payables						
	Trade payables						
	Payable to local suppliers					295,724,812	170,770,142
	Payable to foreign suppliers					449,696,903	536,720,832
	Payable to service provider					138,716,313	144,496,116
	Payable to C & F agent					64,272,776	60,093,853
						948,410,804	914,081,043
	Other payables						
	Tax deducted at source					16,607,882	8,801,870
	Tax deducted at source on remuneration (Note-23.1)					582,538	6,312,349
	Tax deducted at source on incentive and bonus (Note-23)					-	-
	VAT deducted at source					6,276,059	9,363,850
	VAT and Supplementary duty payable (Note-21.1)					12,061,602	122,145,071
	Royalty and technical know-how fee					523,479,494	517,802,531
	Unclaimed share application					20,061,956	20,061,956
	Advance from customer against sales					12,843,415	11,153,898
	Security deposit payable					2,026,735	2,112,195
	Payable to employees					3,929,016	2,642,646
	Payable to customer against claim					19,155,648	17,856,960
	Provisional liabilities - material & services					74,351,969	38,872,400
	Payable against purchase of land					-	304,160,175
						691,376,334	1,061,275,901
						1,639,787,138	1,975,356,944
	30 June 2024						
	31 Dec 2023						
21.1	VAT and Supplementary duty (SD) payable						
	Opening Balance					121,145,071	115,766,477
	Add: VAT and Supplementary duty on sales					1,070,366,981	2,592,516,070
	Other payable					127,453	1,365,249
						1,192,639,505	2,709,647,796
	Less: Treasury deposit for SD & VAT purpose					728,033,623	1,640,355,684
	Rebate of input VAT					452,544,280	947,147,041
						1,180,577,902	2,887,502,725
	Balance as at 30 June					12,061,602	122,145,071
22	Unclaimed Dividend Payable						
						84,296,572	8,122,499
	Year	Dividend declared	TDS on dividend	Net dividend	Dividend distributed till 30 June 2024	Fund Transferred to CHSF	Undistributed fund (BDT) as on 30 June 2024
	2010	345,110,250	60,198,297	284,911,953	274,257,528	10,654,425	-
	2011	379,621,275	65,382,545	314,238,730	306,565,331	7,673,399	-
	2012	417,583,403	27,344,749	390,238,653	386,535,373	3,703,280	-
	2013	459,341,744	30,693,245	428,648,499	425,108,408	2,540,090	-
	2014	842,126,528	60,654,665	781,471,863	776,464,072	5,007,791	-
	2015	842,126,528	61,659,449	780,467,078	776,773,479	3,693,599	-
	2016	673,701,222	48,745,089	624,956,133	620,752,883	4,203,250	-
	2017	353,693,141	27,276,252	326,416,889	324,757,456	1,659,433	-
	2018	389,062,456	29,888,903	359,173,553	357,227,075	1,946,478	-
	2019	641,953,052	49,029,624	592,923,428	588,305,450	4,617,978	-
	2020	427,968,701	32,747,652	395,221,049	392,713,129	2,507,921	-
	2021	534,960,876	39,123,334	495,837,543	492,913,493	-	2,924,050
	2022	427,968,701	34,965,753	393,002,948	390,621,885	-	2,381,063
	2023	427,968,701	31,206,814	396,761,887	317,770,428	-	78,991,459
		7,163,186,576	598,916,370	6,564,270,206	6,431,765,989	48,207,644	84,296,572

Year	Dividend declared	TDS on dividend	Net dividend	Dividend distributed till 31 Dec 2023	Fund Transferred to CMSF	Undistributed fund (BDT) as on 31 Dec 2023
2010	345,110,250	60,198,297	284,911,953	274,257,528	10,654,425	-
2011	379,621,275	65,382,545	314,238,730	306,565,331	7,673,399	-
2012	417,583,403	27,344,749	390,238,653	386,535,373	3,703,280	-
2013	459,341,744	30,693,245	428,648,499	426,108,408	2,540,090	-
2014	842,126,528	60,654,665	781,471,863	776,464,072	5,007,791	-
2015	842,126,528	61,659,449	780,467,078	776,773,479	3,693,599	-
2016	673,701,222	48,745,089	624,956,133	620,752,883	4,203,250	-
2017	353,693,141	27,276,252	326,416,889	324,757,456	1,659,433	-
2018	389,062,456	29,888,903	359,173,553	357,227,075	1,946,478	-
2019	641,952,052	49,029,624	592,922,428	588,305,450	4,617,978	-
2020	427,968,701	32,747,652	395,221,049	392,412,812	-	2,808,238
2021	534,960,076	39,123,334	495,837,543	492,911,315	-	2,926,228
2022	427,968,701	34,965,753	393,002,948	390,614,915	-	2,388,033
<b>6,735,217,875</b>	<b>567,709,557</b>	<b>6,167,508,318</b>	<b>6,113,686,096</b>	<b>45,699,723</b>	<b>8,122,499</b>	

23 Accrued expenses	30 June 2024	31 Dec 2023
	Taka	Taka
Power and gas	97,392,531	115,459,103
Staff cost	169,825,513	118,868,635
Dealer's incentive and bonus	-	7,491,671
Audit fees	1,057,500	2,040,000
Professional charges	7,460,745	3,935,745
Interest on loans	10,498,800	8,179,830
Telephone	513,929	440,566
Freight bill	4,712,566	7,310,331
Business promotion and advertisement	27,249,997	3,327,046
Hiring heavy equipment	4,139,696	4,139,696
Managing Director's remuneration (Note 23.1)	1,747,674	18,937,048
Worker's profit participation and welfare fund (Note 23.2)	3,883,404	40,690,956
Others	40,508,542	25,580,190
	<b>369,010,698</b>	<b>356,426,817</b>

23.1 Managing Director's remuneration

Balance as at 1 January	18,937,048	21,299,832
Add: Payable to Managing Director for the period (Note 28)	2,330,232	25,249,397
	21,267,279	46,549,229
Less: Tax deducted at source during the period (Note 21)	582,558	6,312,249
Less: Paid to Managing Director during the period	18,937,048	21,299,832
Balance as at 30 June	1,747,674	18,937,048

23.2 Worker's profit participation and welfare fund

Balance as at 1 January	40,690,956	45,079,009
Add: Contribution made to the fund during the period	3,883,404	40,690,956
	44,574,360	85,769,965
Less: Payment made from the fund during the period	40,690,956	45,079,009
Balance as at 30 June	3,883,404	40,690,956

24 Provision for income Tax

Balance as at 1 January	4,709,190,647	4,521,948,955
Add: Provision made during the period	81,675,346	258,470,104
	4,790,865,993	4,780,419,059
Less: Adjustment for completed assessment	(33,951,065)	(71,328,411)
Balance as at 30 June (Note 24.1)	4,756,914,928	4,709,190,648

24.1 Provision for Income Tax

Income Year		
Current period	81,675,346	-
Year 2023	258,470,104	258,470,104
Year 2022	249,833,799	249,833,799
Year 2021	280,715,886	300,848,645
Year 2020	123,196,049	137,014,355
Year 2019	296,420,303	296,420,303
Year 2018	316,355,666	316,355,666
Year 2017	346,089,883	346,089,883
Year 2016	302,798,649	302,798,649
Year 2015	323,397,728	323,397,728
Year 2014	339,893,487	339,893,487
Year 2013	362,336,361	362,336,361
Year 2012	305,056,869	305,056,869
Year 2011	326,685,215	326,685,215
Year 2010	349,879,113	349,879,113
Year 2009	266,828,984	266,828,984
Year 2008	147,117,914	147,117,914
Year 2007	80,163,573	80,163,573
	<b>4,756,914,928</b>	<b>4,709,190,648</b>

	30 June 2024	30 June 2023	April to June 2024	April to June 2023
	Taka	Taka	Taka	Taka
<b>25 Sales</b>				
Gross sales from Ceramics product	4,461,129,080	5,208,692,421	1,992,437,822	2,493,818,724
Gross sales from Power generation	275,276,191	362,217,357	129,865,384	187,145,682
Gross sales from Security service	65,849,015	54,276,889	34,805,964	28,620,695
	<u>4,802,254,286</u>	<u>5,725,186,667</u>	<u>2,157,109,170</u>	<u>2,709,585,101</u>
Less: Elimination	266,623,141	340,363,987	126,493,623	175,654,627
Supplementary Duty	452,545,682	536,409,461	203,572,504	253,152,492
VAT	624,527,698	747,314,499	283,263,943	353,609,125
Discount	7,200,463	678,316	160,024	379,437
Commission, Incentive and bonus	265,744,503	286,422,902	128,702,164	122,145,872
<b>Net sales</b>	<u>3,189,612,799</u>	<u>3,813,997,502</u>	<u>1,414,916,912</u>	<u>1,804,643,548</u>
<b>26 Cost of sales</b>				
Materials consumed:				
Opening inventory as at 1 January	1,106,113,719	1,589,019,169	984,491,004	1,236,111,752
Add: Purchase during the period	1,423,561,546	1,438,309,032	800,158,490	849,608,288
	<u>2,529,675,265</u>	<u>3,027,328,201</u>	<u>1,784,649,494</u>	<u>2,085,720,040</u>
Less: Closing inventory as at 30 June	1,159,075,264	1,199,216,651	1,159,075,264	1,199,216,651
	<u>1,370,600,001</u>	<u>1,828,111,550</u>	<u>625,574,230</u>	<u>886,503,389</u>
Manufacturing overhead:				
Direct labour (note 26.1)	382,194,913	377,729,086	180,354,792	191,579,006
Direct expenses:				
Power and gas	343,936,612	438,467,004	151,809,717	235,212,111
Repairs and indirect materials (note 26.2)	348,869,048	445,593,153	150,696,430	221,808,312
Depreciation on property, plant & equipment (note 5.2)	222,840,372	201,133,782	113,151,470	101,819,250
Royalty and technical know-how/assistance fees *	5,676,963	30,465,454	900,833	13,169,964
Other production overhead (note 26.3)	21,323,454	51,924,560	11,091,518	29,998,938
Provision for slow moving & obsolete inventories (note 9)	4,111,041	4,081,162	3,596,111	3,491,221
Movement in stock	(171,954,160)	(526,632,075)	(100,143,627)	(327,066,741)
	<u>2,527,598,244</u>	<u>2,850,863,666</u>	<u>1,137,031,474</u>	<u>1,356,595,451</u>
<b>26.1 Direct labour</b>				
Salary & wages	288,145,041	260,823,873	144,149,877	130,965,205
Overtime	14,978,582	16,444,011	7,169,057	8,975,856
Bonus	22,565,528	39,857,888	2,165,845	20,694,494
Incentive	271,954	226,811	135,977	226,811
Temporary labour wages	24,892,696	29,463,899	10,662,972	14,791,518
Staff uniform, safety and welfare expenses	552,416	1,487,490	248,699	1,223,463
Gratuity	11,781,129	11,395,248	5,864,641	5,712,087
Employer's contribution to provident fund	15,194,151	14,105,339	7,394,371	7,038,589
Leave encashment	1,875,724	2,032,731	987,426	1,028,687
Group life insurance	875,514	1,891,796	1,236,726	922,296
Compensation	964,179	-	339,200	-
	<u>382,194,913</u>	<u>377,729,086</u>	<u>180,354,792</u>	<u>191,579,006</u>
<b>26.2 Repairs and indirect materials</b>				
Stores, spares, repair & maintenance	185,076,462	229,037,588	75,384,834	120,191,441
Packing expenses	163,792,586	216,545,575	75,311,596	101,696,871
	<u>348,869,048</u>	<u>445,583,163</u>	<u>150,696,430</u>	<u>221,888,312</u>
<b>26.3 Other production overhead</b>				
Tour and travel expenses	1,286,406	1,966,428	639,724	849,557
Demurrage and penalty	686,741	8,176,014	552,400	8,017,037
Insurance	11,668,621	12,367,887	5,522,674	6,147,110
Hiring charges and transportation	1,079,998	1,767,714	1,079,998	960,213
Write off for stores and spares	6,292,795	25,171,179	3,146,398	12,585,589
Other expenses	308,893	2,275,338	150,324	1,439,433
	<u>21,323,454</u>	<u>51,924,560</u>	<u>11,091,518</u>	<u>29,998,938</u>
*Royalty has been calculated 8% on business profit as per Finance Act 2020.				
<b>27 Other income</b>				
Profit on sale of fixed assets (note 5.3)	-	1,419,144	-	931,150
Gain on retirement of right of use assets (note 6.1)	120,858	-	-	-
	<u>120,858</u>	<u>1,419,144</u>	<u>-</u>	<u>931,150</u>



	30 June 2024	30 June 2023	April to June 2024	April to June 2023
	Taka	Taka	Taka	Taka
<b>28 Administrative expenses</b>				
Staff cost (note 28.2)	114,676,888	116,761,425	53,702,852	56,923,834
Annual General Meeting expenses	5,365,516	1,541,312	3,112,040	433,462
Telephone and postage	4,776,005	7,522,189	2,862,205	4,223,698
Office repair and maintenance (note 28.3)	7,045,006	4,617,168	3,142,443	2,559,021
Registration and renewal	1,076,682	1,064,039	493,332	736,981
Security and guard expenses	40,850	138,666	-	91,800
Electricity, gas and water	3,734,548	2,960,462	2,406,786	1,779,205
Depreciation on property, plant & equipment (note 5.2.1)	17,947,627	16,865,664	9,042,443	8,737,807
Depreciation on investment property (note 5.2.1)	110,353	110,047	55,176	55,328
Depreciation on right of use assets (note 6.1)	1,042,765	373,775	521,382	186,887
Amortization (note 7)	4,817,121	697,796	1,657,207	387,443
Legal and professional fees	9,543,565	7,137,600	4,568,976	3,213,583
Vehicle repair and maintenance	9,799,800	8,892,518	4,836,566	4,521,997
Rent, rate and tax	2,889,614	4,554,396	681,145	2,059,253
Loss on retirement of assets (note 5.3)	73,441	-	73,441	-
IT expenses	2,244,728	14,218,150	1,368,286	13,759,618
General Service	3,493,400	3,204,911	1,887,798	1,612,053
Donation	1,290,819	3,578,753	631,700	931,423
Managing Director's remuneration (note 28.4)	2,330,232	11,913,904	422,001	5,191,294
Others	11,049,063	10,027,640	6,609,047	3,515,180
	<b>203,348,023</b>	<b>216,180,435</b>	<b>98,074,826</b>	<b>112,919,867</b>

<b>28.1 Impairment loss on trade receivables</b>				
Unrelated parties	11,266,801	2,656,616	9,004,173	2,656,616
Related parties	(6,457,905)	9,103,333	(6,125,089)	9,071,891
	<b>4,808,896</b>	<b>11,759,949</b>	<b>2,879,084</b>	<b>11,728,507</b>

New classification of financial assets shown in note 36.1(b) as per IFRS 9.

<b>28.2 Staff cost</b>				
Salary & wages	82,903,425	75,823,366	41,261,690	38,368,286
Bonus	8,740,394	11,265,848	675,621	5,720,492
Incentive	128,364	579,496	64,182	361,916
Gratuity	3,455,460	3,222,352	1,723,076	1,615,559
Employer's contribution to provident fund	4,649,067	4,186,099	2,312,872	2,099,654
Leave encashment	631,608	630,686	315,578	316,949
Group life insurance	386,331	501,944	283,734	252,437
Canteen and conveyance expenses	11,051,814	12,368,865	6,005,759	8,498,133
Staff uniform, safety and welfare expenses	1,134,605	4,084,173	660,181	472,973
Travelling expenses	859,109	2,654,596	87,969	506,198
Compensation	52,721	80,028	-	-
Medical expenses	287,719	398,924	57,329	285,890
Accommodation expenses	396,271	985,048	254,861	425,357
	<b>114,676,888</b>	<b>116,761,425</b>	<b>53,702,852</b>	<b>56,923,834</b>

Accommodation expenses and Rent, rates and taxes include rent expenses for short term lease for BDT. 949,750 and related government levies wherever applicable. Details of the short term lease is shown in note 35. No low value item exists at the reporting period.

<b>28.3 Office repair &amp; maintenance</b>				
Repairs office equipment	111,727	290,943	22,810	267,613
Office maintenance	6,933,279	4,326,225	3,119,633	2,291,409
	<b>7,045,006</b>	<b>4,617,168</b>	<b>3,142,443</b>	<b>2,559,021</b>

<b>28.4 Managing Director's remuneration</b>				
Provision made during the period	2,330,232	11,913,904	422,001	5,191,294
	<b>2,330,232</b>	<b>11,913,904</b>	<b>422,001</b>	<b>5,191,294</b>

Managing Director's remuneration represents provision made 3% of net profit before tax of RAK Ceramics (Bangladesh) Ltd.

<b>29 Marketing &amp; selling expenses</b>				
Staff cost (note 29.1)	76,674,842	70,167,466	34,449,646	35,495,325
Advertisement	20,703,034	22,366,827	1,062,314	5,149,903
Freight and transportation	129,170,893	156,358,780	46,482,864	65,347,421
Compensation to customers	3,670,463	5,634,363	672,109	3,698,438
Business promotion	42,747,481	40,038,930	25,907,704	19,228,830
Depreciation on property, plant & equipment (note 5.2)	4,030,647	4,126,113	2,011,551	2,133,472
Depreciation on right of use assets (note 6.1)	9,052,754	6,262,352	4,526,376	3,131,175
Showroom, office & house rent	4,387,753	1,669,003	925,534	519,683
Sample expenses	8,701,067	16,007,906	4,447,944	6,529,698
Tour, travel and others	12,232,983	9,124,872	5,743,818	3,918,090
	<b>311,371,718</b>	<b>331,755,812</b>	<b>126,229,860</b>	<b>145,152,035</b>

<b>29.1 Staff cost</b>				
Salary & wages	47,990,434	40,245,812	24,640,530	20,042,854
Bonus	3,517,713	5,431,892	166,086	2,737,344
Incentive	5,503,009	7,755,086	415,868	4,192,060
Gratuity	2,093,216	1,625,209	1,070,650	908,071
Employer's contribution to provident fund	2,816,157	2,318,019	1,430,078	1,152,842
Leave Encashment	372,064	344,434	191,332	171,394
Group life insurance	225,029	330,896	206,125	148,350
Conveyance & food expenses	10,051,096	10,541,119	4,953,978	4,767,411
Staff uniform, safety and welfare expenses	4,106,124	1,374,999	1,374,999	1,374,999
	<b>76,674,842</b>	<b>70,167,466</b>	<b>34,449,646</b>	<b>35,495,325</b>

	30 June 2024 Taka	30 June 2023 Taka	April to June 2024 Taka	April to June 2023 Taka		
<b>29.2 Salary &amp; wages under staff cost (note no. 26.1, 28.2 &amp; 29.1) Includes employee contribution to provident fund for BOT.15,194,151, BDT. 4,649,067 &amp; BDT. 2,816,157.</b>						
<b>30 Finance Income</b>						
Interest on bank account (SND)	2,692,044	9,140,479	1,928,528	7,441,703		
Interest on fixed deposits	3,432,669	14,840,615	1,156,111	5,060,979		
	<b>6,124,713</b>	<b>23,981,094</b>	<b>3,084,639</b>	<b>12,502,682</b>		
<b>31 Finance expenses</b>						
Interest expenses against loan	51,892,329	11,742,670	30,486,001	6,535,083		
Interest expenses against lease liability	2,591,759	1,464,582	1,254,859	708,864		
Foreign exchange loss	2,399,426	11,685,545	903,070	6,272,120		
Bank charges	1,170,946	850,836	624,426	248,029		
	<b>58,054,460</b>	<b>25,743,633</b>	<b>33,268,356</b>	<b>13,764,097</b>		
<b>32 Contribution to worker's profit participation and welfare fund</b>						
Provision made during the period	3,883,404	18,910,959	765,480	8,240,149		
	<b>3,883,404</b>	<b>18,910,959</b>	<b>765,480</b>	<b>8,240,149</b>		
<b>33 Income tax expenses</b>						
Accounting profit (PBT as per individual company)	84,793,626	386,183,287	19,752,472	169,677,274		
Add: Inadmissible depreciation allowance for separate consideration: Accounting Depreciation of Fixed Assets	244,929,000	222,235,584	124,260,641	112,768,354		
	<b>329,722,626</b>	<b>608,418,871</b>	<b>144,013,112</b>	<b>282,445,628</b>		
Add: Inadmissible expenses / allowances as per ITO. 1984/ITA. 2023:						
Business promotion expenses	19,778,682	12,868,780	15,637,858	6,534,272		
Royalty expenses	28,164	28,753	15,280	20,919		
Sample expenses	4,722,908	10,670,219	2,518,861	4,109,761		
Amortization expenses	4,817,121	608,166	1,657,207	342,505		
Depreciation on Right of Use Assets (ROUA)	10,095,519	6,636,127	5,047,759	3,318,062		
Interest on lease liability	2,591,760	1,464,582	1,254,860	708,864		
Provision for slow moving inventories	4,111,041	4,081,162	3,596,111	3,491,221		
NRV Provision on inventories	5,453,571	8,682,510	(2,217,382)	8,682,510		
Impairment loss on trade receivable	4,627,837	11,736,261	2,741,765	11,736,261		
	<b>56,226,603</b>	<b>56,776,561</b>	<b>30,252,319</b>	<b>38,944,375</b>		
	<b>385,949,229</b>	<b>665,195,432</b>	<b>174,265,432</b>	<b>321,390,003</b>		
Deduct: Tax base depreciation of Fixed Assets (as per 3rd Schedule of ITO.1984/ITA. 2023):	(103,006,305)	(144,747,546)	(53,588,045)	(78,540,135)		
Admissible expenses as per ITO.1984/ITA. 2023:						
Rent expenses	(15,933,100)	(8,721,089)	(6,674,398)	(4,703,999)		
Deduct: Dividend Income	(2,000,000)	(2,000,000)	-	-		
<b>Taxable profit</b>	<b>265,809,824</b>	<b>509,726,798</b>	<b>114,002,989</b>	<b>236,145,869</b>		
Applicable tax rate for individual company						
On Business Income		As per applicable tax rate for individual company				
On Dividend Income	20%	20%	20%	20%		
Tax expenses as per applicable tax rate for individual company :						
Business Income	60,319,713	115,357,509	25,850,564	53,979,523		
Dividend Income	400,000	400,000	-	-		
<b>Current Tax Liability based on taxable profit</b>	<b>60,719,713</b>	<b>115,757,509</b>	<b>25,850,564</b>	<b>53,979,523</b>		
<b>Current Tax Liability considering minimum tax liability</b>	<b>81,675,347</b>	<b>115,757,509</b>	<b>46,806,198</b>	<b>53,979,523</b>		
	<b>81,675,347</b>	<b>115,757,509</b>	<b>46,806,198</b>	<b>53,979,523</b>		
<b>34 Reconciliation of effective tax rate</b>						
		30 June 2024 Taka		30 June 2023 Taka		
Profit before tax	%	82,793,625	%	384,183,286		
Current tax expenses	98.65%	81,675,347	30.13%	115,757,509		
Deferred tax expenses	-43.03%	(35,628,380)	-4.39%	(16,854,088)		
Total tax expenses	<b>55.62%</b>	<b>46,046,967</b>	<b>25.74%</b>	<b>98,903,421</b>		
Expected income tax using applicable tax rate for individual company	23.59%	19,527,154	22.74%	87,360,248		
Tax on non-deductible expenses	75.1%	62,148,192	7.4%	28,397,261		
Effective current tax	<b>98.65%</b>	<b>81,675,347</b>	<b>30.13%</b>	<b>115,757,509</b>		
Effective deferred tax	<b>-43.03%</b>	<b>(35,628,380)</b>	<b>-4.39%</b>	<b>(16,854,088)</b>		
	<b>55.62%</b>	<b>46,046,967</b>	<b>25.74%</b>	<b>98,903,421</b>		
<b>35 Short term lease expenses</b>						
		30 June 2024 Taka	30 June 2023 Taka	April to June 2024 Taka	April to June 2023 Taka	
Nature of the lease	Lease term	Allocation				
Rented accommodation	<1 year	Admin	Rent Payment	Rent Payment	Rent Payment	Rent Payment
			949,750	891,256	477,335	454,600
			<b>949,750</b>	<b>891,256</b>	<b>477,335</b>	<b>454,600</b>

### 36 Financial risk management

The management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company has exposure to the following risks from its use of financial instruments.

- Credit risk
- Liquidity risk
- Market risk

#### 36.1 Credit risk

Credit risk is the risk of financial loss to the Company if a client or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade receivables and other receivables.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. In monitoring credit risk, debtors are grouped according to their risk profile, i.e. their legal status, financial condition etc. Trade & other receivable are mainly related to receivables from dealers, receivables from export sales, claim receivables, accrued interest and other receivables. The Company's exposure to credit risk on accounts receivables is mainly influenced by the individual payment characteristics of customers.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

##### a) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	USD		Amounts in Taka	
	As at 30 June 2024	As at 31 Dec 2023	As at 30 June 2024	As at 31 Dec 2023
Trade receivables				
Customer-Local	-	-	2,502,250,256	2,468,935,738
Customer-Export	2,581	97,120	5,258,361	11,166,492
	<u>2,581</u>	<u>97,120</u>	<u>2,507,508,617</u>	<u>2,480,102,230</u>
Other receivables				
Accrued Interest			584,617	888,130
Others			23,408	-
			<u>608,025</u>	<u>888,130</u>
Cash equivalents			<u>627,604,442</u>	<u>836,350,388</u>

##### b) Impact of IFRS 9

The following table and the accompanying notes below explain the original measurement categories under IFRS 9 for each class of the financial assets as at 30 June 2024.

Financial assets	Note	Classification under IFRS 9	Carrying amount	Carrying amount under IFRS 9	Impairment loss (Refer note 10.1)
Trade receivable-unrelated	10.1	Amortized cost	1,498,263,247	1,476,763,969	21,499,278
Trade receivable-related	10.1	Amortized cost	1,043,092,406	1,030,744,647	12,347,759
Cash at banks	13	Amortized cost	545,483,685	545,483,685	-

- i The above table provides information ECLs till date. Impairment provision till Dec 2023 was Tk. 29,038,141 and provision made during the period is Tk.4,808,895.
- ii Trade receivables that were classified at amortised cost.
- iii Cash at banks that were classified at amortised cost.
- iv Impairment loss allowance has not been considered on other receivables and bank balances because business is confident to recover the full amount.

##### c) Ageing of receivables

The ageing of trade receivables as at 30 June was:

	Amounts in Taka	
	As at 30 June 2024	As at 31 Dec 2023
Not past due	1,373,132,860	1,477,530,122
0-90 days past due	430,852,685	249,252,327
91-180 days past due	614,787,526	382,742,486
181-365 days past due	85,647,569	331,849,670
over 365 days past due	2,087,976	38,727,624
	<u>2,507,508,617</u>	<u>2,480,102,230</u>

### 36.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, prepared based on timeline of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date. Moreover, the Company seeks to maintain short term lines of credit with scheduled commercial banks to ensure payment of obligations in the event that there is insufficient cash to make the required payment. The requirement is determined in advance through cash flows projections and credit lines facilities with banks are negotiated accordingly.

The following are the contractual maturities of financial liabilities of the Company:

	As at 30 June 2024			
	Carrying amount	Contractual cash flows	Within 12 months or less	More than 12 months
	Taka	Taka	Taka	Taka
Bank overdraft	159,953,820	159,953,820	159,953,820	-
Trade and other payables	1,639,787,138	1,639,787,138	1,639,787,138	-
Short term borrowing	1,159,481,243	1,159,481,243	1,159,481,243	-
Term loan	619,608,846	619,608,846	62,332,593	557,276,253
	<b>3,578,831,047</b>	<b>3,578,831,047</b>	<b>3,021,854,795</b>	<b>557,276,253</b>
	As at 31 Dec 2023			
	Carrying amount	Contractual cash flows	Within 12 months or less	More than 12 months
	Taka	Taka	Taka	Taka
Bank overdraft	70,521,272	70,521,272	70,521,272	-
Trade and other payables	1,975,356,944	1,975,356,944	1,975,356,944	-
Short term borrowing	651,860,917	651,860,917	651,860,917	-
Term loan	375,129,637	375,129,637	11,235,218	363,894,419
	<b>3,072,868,770</b>	<b>3,072,868,770</b>	<b>2,708,974,351</b>	<b>363,894,419</b>

### 36.3 Market risk

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

#### a) Currency risk

The Company is exposed to currency risk on certain revenues and purchase of raw material, spare parts, accessories and capital item. Majority of the company's foreign currency purchase are denominated in USD and EURO. All the export proceeds are receipt in USD, 15% of export proceeds are crediting to export retention quota account and rest of the 85% are converted to Taka and crediting to company's current account.

#### 1 Exposure to currency risk

The Company's exposure to foreign currency risk was as follows based on notional amounts (in Taka):

	As at 30 June 2024				As at 31 Dec 2023			
	AED	GBP	USD	EURO	AED	GBP	USD	EURO
Foreign currency denominated assets								
Receivable from customers-Export	-	-	2,581	-	-	-	97,120	-
Cash at bank	-	-	25,315	-	-	-	13,189	-
	-	-	<b>27,895</b>	-	-	-	<b>110,309</b>	-

	As at 30 June 2024				As at 31 Dec 2023			
	AED	GBP	USD	EURO	AED	GBP	USD	EURO
<b>Foreign currency denominated liabilities</b>								
Trade payables	-	271,367	1,483,215	1,735,680	-	477,466	1,251,964	2,625,224
Short term borrowings	-	-	153,467	2,754,869	-	-	1,610,350	1,052,918
Royalty & Technical Fees	-	-	4,436,267	-	-	-	4,707,295	-
	-	271,367	6,072,950	4,490,549	-	477,466	7,569,610	3,678,141
<b>Net exposure</b>	<b>-</b>	<b>(271,367)</b>	<b>(6,045,054)</b>	<b>(4,490,549)</b>	<b>-</b>	<b>(477,466)</b>	<b>(7,459,300)</b>	<b>(3,678,141)</b>

The Company has foreign exchange loss of Tk 2,399,426 during the period ended 30 June 2024 (30 June 2023: Exchange loss Tk 11,685,545).

The following significant exchange rates have been applied:

	Exchange rate as at (Average)	
	30 June 2024	31 Dec 2023
	Taka	Taka
AED	31.9902	29.8820
GBP	148.5670	140.6124
USD	117.5000	109.7500
EURO	125.9013	122.0317

#### i Foreign exchange rate sensitivity analysis for foreign currency expenditures

A strengthening or weakening of the Taka, as indicated below, against the AED, GBP, USD, EURO at 30 June would have increased/(decreased) profit or loss by the amounts shown below.

	As at 30 June 2024		As at 31 Dec 2023	
	Profit or (loss)		Profit or (loss)	
	Strengthening	Weakening	Strengthening	Weakening
	Taka	Taka	Taka	Taka
<b>At 30 June</b>				
AED (3 percent movement)	-	-	-	-
GBP (3 percent movement)	(8,393)	7,904	(14,767)	13,907
USD (3 percent movement)	(186,960)	176,070	(230,700)	217,261
EURO (3 percent movement)	(138,683)	130,793	(113,757)	107,130

#### b) Interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowings. The Company is not significantly exposed to fluctuation in interest rates as company has not entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date.

#### Profile

At the reporting date, the interest rate profile of the Company's interest bearing financial instruments was:

	Carrying amount	
	As at	As at
	30 June 2024	31 Dec 2023
	Taka	Taka
<b>Fixed rate Instruments</b>		
<b>Financial assets</b>		
Investment in FDR	82,120,757	117,139,105
Cash at banks	545,483,685	719,211,283
<b>Financial liabilities</b>		
Term loan	619,608,846	375,129,637
Bank overdraft	159,953,820	70,521,272
Short term borrowing	1,159,481,243	651,860,317

Fair value of financial assets and liabilities of the Company together with carrying amount shown in the statement of financial position are as follows:

	As at 30 June 2024		As at 31 Dec 2023	
	Carrying amount Taka	Fair value Taka	Carrying amount Taka	Fair value Taka
<b>Financial assets</b>				
<b>Held to maturity assets</b>				
Investment In FDR	82,120,757	82,120,757	117,139,105	117,139,105
<b>Loans and receivables</b>				
Trade receivables	2,507,508,617	2,507,508,617	2,480,102,230	2,480,102,230
Other receivables	608,025	608,025	888,130	888,130
Cash equivalents	627,604,442	627,604,442	836,350,388	836,350,388
<b>Financial liabilities</b>				
<b>Liabilities carried at amortised costs</b>				
Term loan	619,608,846	619,608,846	375,129,637	375,129,637
Bank overdraft	159,953,820	159,953,820	70,521,272	70,521,272
Trade and other payables	1,639,787,138	1,639,787,138	1,975,356,944	1,975,356,944
Short term borrowing	1,159,481,243	1,159,481,243	651,860,917	651,860,917

**Interest rates used for determining amortised cost**

The interest rates used to discount estimated cash flows, when applicable were as follows:

	30 June 2024	31 Dec 2023
Investment In FDR (local currency/BDT)	1.50%-10.00%	1.50%-8.25%
Term loan	10.85%-13.30%	9.93%-13.30%
Bank overdraft (local currency/BDT)	9.00%-13.55%	8.75%-10.14%
Short term bank loan (local currency/BDT)	9.00%-13.50%	SMART+3.50%
Short term bank loan (foreign currency/USD)	SOFR+3.50-4.00%	SOFR+3.50%

37 Related party disclosures under IAS-24

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

Name of related party	Relationship	Security/ Guarantee status	Bad debts Status	Period	Purchase of goods/services	Sale of goods/services	Outstanding receivables/Advance	Outstanding payable	Remuneration	Dividend Income***	Dividend payable****	Royalty payable****
RAK Power Pvt. Ltd	Subsidiary	Unsecured	Nil	Current period Previous period	239,370,601 314,971,615	1,565,220 1,565,220	1,565,220 1,565,220	177,372,022 119,115,707	-	-	-	-
RAK Security & Services Pvt. Ltd	Subsidiary	Unsecured	Nil	Current period Previous period	26,657,252 24,770,484	-	-	10,944,747 4,257,621	-	1,980,000 1,980,000	-	-
RAK Ceramics PJSC, UAE	Parent	Unsecured	Nil	Current period Previous period	1,090,800 19,763,567	-	-	28,055,351 45,240,092	-	-	90,661,431	523,479,494
Ceramin FZ LLC	Fellow subsidiary	Secured	Nil	Current period Previous period	309,205,109 404,914,616	-	-	94,365,458 140,206,304	-	-	-	508,534,361
Kiludi RAK LLC	Fellow subsidiary	Secured	Nil	Current period Previous period	922,831	-	-	353,882	-	-	-	-
Kea Printing & Packaging Industries	Other related party	Unsecured	Nil	Current period Previous period	50,101,159 89,980,886	-	-	24,199,698 21,124,121	-	-	-	-
Palli Properties Pte. Ltd	Other related party	Unsecured	Nil	Current period Previous period	8,690,028 8,108,295	-	-	1,655,232 6,239,060	-	-	-	-
Sky Bird Travel Agents Pvt. Ltd.	Other related party	Unsecured	Nil	Current period Previous period	357,782 2,696,206	-	-	-	30,100	-	-	-
Masram Agro Ltd.	Other related party	Unsecured	Nil	Current period Previous period	-	-	-	209,743,750	-	-	-	-
Speedway International Pvt. Ltd	Other related party	Unsecured	Nil	Current period Previous period	3,735,967 27,091,421	-	-	1,184,941 17,424,360	-	-	-	-
Global Business Associates Ltd.	Other related party	Unsecured	Nil	Current period Previous period	739,100	-	-	-	-	-	-	-
Mohammed Trading	Other related party	Secured by Guaranteed Cheque	Nil	Current period Previous period	-	883,862,699 1,394,789,992	1,042,731,100 1,255,627,096	-	-	-	-	-
S.A.K. - Ekraimuzzaman	Key Management Personnel	Unsecured	Nil	Current period Previous period	2,819,112 2,819,112	-	-	1,747,674 97,329,353	2,330,232 11,913,904	-	-	-
Sadhan Kumar Dey	Key Management Personnel	Unsecured	Nil	Current period Previous period	-	-	-	-	6,196,600 5,401,244	-	-	-

\*\*\*\*\* The figures are Included tax and VAT.

To comply the BSEC notification no. BSEC/CHRRCD/2009-193/10/Admin/118 dated March 22, 2021 shareholders of the company in its 23rd Annual General Meeting dated March 31, 2022 approved an agenda to enter into contract for supply of goods and materials to Mohammed Trading (Owner of Mohammed Trading Is Managing Director of RAK Ceramics (Bangladesh) Limited) equivalent to 10% (Ten percent) or above of the revenue for the immediate financial year.

37.2 Paid to Directors

During the period, provision was made as MD's remuneration for Taka. 2,330,232.

37.3 During the period, Board meeting fees of Taka 480,000 was paid to the board members for attending the Board meetings.

### 38 Segment reporting

The company has three reportable segments which offer different products and services and are managed separately because they require different technology and marketing strategies. The following summary describes the operations of each segment:

**Ceramics & Sanitary Ware:** Engages in manufacturing and marketing of ceramics tiles, bathroom sets and all types of sanitary ware.

**Power:** To set-up power utilities and operate power-generating plants, transmission system and distribution system and to sell the generated electric power to any legal entity.

**Security and services:** Engages in providing security guard, cleaning services, verification services, termite and pest control services and set up manpower technical training.

#### 30 June 2024

	Business Segments				Entity total
	Ceramic & sanitary ware	Power	Security and services	Inter segment	
	Taka	Taka	Taka	Taka	Taka
Revenue - external customers	3,153,595,269	-	32,017,529	-	3,185,612,799
Revenue - inter segment	-	239,370,601	27,252,540	(266,623,141)	-
Total segment revenue	3,153,595,269	239,370,601	59,270,069	(266,623,141)	3,185,612,799
Cost of sales- external customer	(2,258,873,316)	(228,794,269)	(39,930,659)	-	(2,527,598,244)
Cost of sales- inter segment	(239,370,601)	(2,160,508)	-	241,531,109	-
Total segment cost of sales	(2,498,243,918)	(230,954,777)	(39,930,659)	241,531,109	(2,527,598,244)
Gross profit	655,351,351	8,415,824	19,339,410	-	658,014,555
Dividend income	1,980,000	20,000	-	(2,000,000)	-
Rental income	1,565,220	-	-	(1,565,220)	-
Financial income	5,376,501	705,662	42,550	-	6,124,713
Financial expenses	(57,730,955)	(141,723)	(181,780)	-	(58,054,458)
Depreciation	(234,889,453)	(9,938,125)	(101,421)	-	(244,928,999)
Other operating expenses	(297,797,913)	4,630,841	(11,973,222)	26,657,252	(278,483,045)
Segment profit before tax	73,975,609	3,692,479	7,125,538	-	82,793,625
Income tax expense	(76,841,829)	(2,770,257)	(2,063,261)	-	(81,675,347)
Deferred tax	32,663,706	2,888,812	75,862	-	35,628,380
Profit for the period					<b>36,746,658</b>



**30 June 2023**

**Business Segments**

	Ceramic & sanitary ware			Power			Security and services			Inter segment			Entity total			
	Taka			Taka			Taka			Taka			Taka			
Revenue - external customers	3,790,269,739	-	-	23,727,764	-	-	-	-	-	-	-	-	-	3,813,997,502	-	-
Revenue - inter segment	-	314,971,615	314,971,615	25,392,372	(340,363,987)	(340,363,987)										
Total segment revenue	3,790,269,739	314,971,615	314,971,615	49,120,136	(340,363,987)	(340,363,987)								3,813,997,502		
Cost of sales- external customer	(2,511,510,248)	(303,590,300)	(303,590,300)	(35,763,118)	-	-								(2,850,863,666)	-	-
Cost of sales- inter segment	(314,971,615)	(2,187,108)	(2,187,108)	-	317,158,723	317,158,723										
Total segment cost of sales	(2,826,481,863)	(305,777,408)	(305,777,408)	(35,763,118)	317,158,723	317,158,723								(2,850,863,666)		
Gross profit	963,787,876	9,194,207	9,194,207	13,357,018	-	-								963,133,836		
Dividend income	1,980,000	20,000	20,000	-	(2,000,000)	(2,000,000)								-		
Rental income	1,565,220	-	-	-	(1,565,220)	(1,565,220)								-		
Financial income	23,267,500	698,319	698,319	15,276	-	-								23,981,094		
Financial expenses	(25,729,689)	(9,729)	(9,729)	(4,215)	-	-								(25,743,633)		
Depreciation	(212,433,310)	(9,713,960)	(9,713,960)	(88,316)	-	-								(222,235,586)		
Other operating expenses	(375,631,568)	4,943,141	4,943,141	(10,453,624)	24,770,484	24,770,484								(356,371,567)		
Segment profit before tax	378,219,177	5,131,978	5,131,978	2,832,132	-	-								384,183,286		
Income tax expense	(112,396,171)	(2,502,536)	(2,502,536)	(858,802)	-	-								(115,757,509)		
Deferred tax	15,768,556	1,070,151	1,070,151	15,381	-	-								16,854,088		
Profit for the period														<b>285,279,865</b>		

	<b>30 June 2024</b>	<b>30 June 2023</b>
	<b>Taka</b>	<b>Taka</b>
<b>39 Calculation of Earnings per share (EPS)</b>		
Calculation of earnings per share (EPS) is as under:		
(a) Profit attributable to equity holders of the Company	36,746,639	285,279,847
(b) No. of ordinary equity shares	427,968,701	427,968,701
(c) Weighted average no. of equity shares outstanding (Note 39.1)	427,968,701	427,968,701
Earnings per share (EPS) for the period (a÷c)	0.09	0.67
Diluted earnings per share for the period (a÷c)	0.09	0.67

#### 39.1 Weighted average number of ordinary shares

The weighted average number of ordinary shares outstanding during the period is the number of ordinary shares outstanding at the beginning of the period, adjusted by the number of ordinary shares issued during the period multiplied by a time-weighted factor. The time-weighted factor is the number of days that the shares are outstanding as a proportion of the total number of days in the period. The weighted average number of shares is calculated by assuming that the shares have always been in issue. This means that they have been issued at the start of the period presented as the comparative figures.

	<b>30 June 2024</b>	<b>30 June 2023</b>
Outstanding shares	427,968,701	427,968,701
	<b>427,968,701</b>	<b>427,968,701</b>

#### 39.2 Diluted earning per share

No diluted earnings per share is required to be calculated for the period as there was no scope for dilution during the period.

#### 39.3 Reason of deviation of earnings per share:

The primary reason of deviation of earning per share is due to reduction of production in the ground of non-availability of adequate gas supply and more government holidays fall during the period, specially two Eid holiday falls in the second quarter (April to June) of the year 2024. Moreover, decrease of sales by 16.48% from BDT. 3,813.99 MN to BDT. 3,185.61 MN because of reduction of market demand but fixed cost has not been reduced proportionately. On the other hand, materials are selling at very competitive price to the customers for surviving in a very unhealthy price and market competition. As a result, gross profit margin has been reduced to 20.66% from 25.25%. Finance expenses are also increased due to the increase of borrowing from bank as well as increase of rate of interest. Therefore, earning per share is decreased from BDT. 0.67 to 0.09.

#### 40 Calculation of Net assets value per share

(a) Net assets value (Note 14, 15 & 16)	7,436,349,592	7,494,463,535
(b) Weighted average no. of equity shares outstanding (Note 39.1)	427,968,701	427,968,701
Net assets value per share (a÷b)	17.38	17.51

#### 41 Calculation of Net operating cash flow per share

(a) Net Cash flows from operating activities (Note 42)	(333,678,416)	(35,336,075)
(b) Weighted average no. of equity shares outstanding (Note 39.1)	427,968,701	427,968,701
Net operating cash flow per share (a÷b)	(0.78)	(0.08)

#### 41.1 Reason of deviation of net operating cash flow per share:

Sales are decreased by 16.48% from BDT. 3,813.99 MN to BDT. 3,185.61 MN due to reduction of market demand and inability of supplying desired goods to customer due to production interruption for low gas pressure/non supply of adequate gas. Moreover, customer credit period was extended considering current market situation. Therefore, cash collection cycle is extended further. Vendor payment was more for devaluation of BDT against foreign currency and increased material rate compared to selling rate of product which caused net operating cash flow per share decreased from BDT -0.08 to BDT. -0.78.

42 Reconciliation of operating cash flow:	<u>30 June 2024</u>	<u>30 June 2023</u>
<b>Cash flows from operating activities</b>		
Profit before taxation	82,793,625	384,183,286
Adjustment for:		
Depreciation	255,024,518	228,871,713
Amortization	4,817,121	697,796
Adjustment relating to assets	-	3,004,624
Advance rent adjustment	-	(16,604,040)
Loss on assets retirement	73,441	-
Foreign exchange loss	2,399,426	11,685,545
Finance expenses	55,655,033	14,058,088
Finance income	(6,124,713)	(23,981,094)
Other income	(120,858)	(1,419,144)
	<u>394,517,593</u>	<u>600,496,773</u>
Increase/decrease in trade and other receivables	(27,429,795)	(597,640,477)
Increase/decrease in inventories	(424,950,779)	(447,173,950)
Increase/decrease in trade and other payables	(195,406,830)	495,450,035
<b>Cash generated from operating activities</b>	<u>(253,269,811)</u>	<u>51,132,387</u>
Interest received from bank deposit	2,692,044	9,140,479
Income tax paid	(83,100,649)	(95,608,941)
<b>Net cash (used in)/from operating activities</b>	<u><b>(333,678,416)</b></u>	<u><b>(35,336,075)</b></u>

#### 43 Contingent liabilities

There are contingent liabilities on account of unresolved disputed corporate tax assessments and VAT claims by the authority aggregating to Tk 487,330,273 (30 June 2023: Tk 533,679,598). Considering the merits of the cases, it has not been deemed necessary to make provisions for all such disputed claims.

There is also contingent liability in respect of outstanding letters of credit of Tk 477,058,178 (30 June 2023: Tk 480,788,165) and letter of guarantee of Tk 144,009,928 (30 June 2023: Tk 145,784,887).

The company issued one corporate guarantee of BDT.70 Million (SCB) in favour of subsidiary company to avail loan from banks. Outstanding loan against the said corporate guarantee are nil at 30 June 2024. Therefore no credit loss allowances is expected.