

**RAK Ceramics (Bangladesh) Limited**

Consolidated financial statements  
as at and for the period ended 31 March 2024

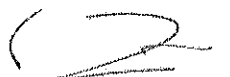
**RAK Ceramics (Bangladesh) Limited**  
**Consolidated statement of financial position**  
**as at 31 March 2024**

	Notes	31 Mar 2024 Taka	31 Dec 2023 Taka
<b>Assets</b>			
Property, plant and equipment	4	3,613,736,477	3,609,087,484
Investment property	5	502,735,152	502,790,328
Right-of-use assets	6	68,119,588	74,825,529
Intangible assets	7	3,572,549	4,118,952
Capital work-in-progress	8	310,843,636	355,450,242
<b>Total non-current assets</b>		<b>4,499,007,402</b>	<b>4,546,272,535</b>
Inventories	9	3,642,743,425	3,579,272,722
Trade and other receivables	10	2,538,517,334	2,480,990,360
Advances, deposits and prepayments	11	321,705,789	425,976,410
Advance income tax	12	4,242,237,861	4,206,879,792
Cash and cash equivalents	13	1,358,288,247	841,999,337
<b>Total current assets</b>		<b>12,103,492,656</b>	<b>11,535,118,621</b>
<b>Total assets</b>		<b>16,602,500,058</b>	<b>16,081,391,156</b>
<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	1,692,514,290	2,074,236,665
<b>Equity attributable to equity holders of the company</b>		<b>7,445,849,279</b>	<b>7,827,571,654</b>
<b>Non-controlling interests</b>		<b>1,383</b>	<b>1,377</b>
<b>Total equity</b>		<b>7,445,850,662</b>	<b>7,827,573,031</b>
<b>Liabilities</b>			
Borrowings	19	432,044,649	363,894,419
Deferred tax liability	17	31,266,360	49,340,687
Lease liability	20	41,542,978	45,664,970
<b>Total non-current liabilities</b>		<b>504,853,987</b>	<b>458,900,076</b>
Employees benefits payable	18	23,696,762	-
Borrowings	19	967,530,350	733,617,407
Lease liability	20	11,282,554	12,209,734
Trade and other payables	21	2,020,572,921	1,975,356,944
Unclaimed dividend payable	22	404,877,417	8,122,499
Accrued expenses	23	479,775,609	356,420,817
Provision for income tax	24	4,744,059,796	4,709,190,648
<b>Total current liabilities</b>		<b>8,651,795,409</b>	<b>7,794,918,049</b>
<b>Total liabilities</b>		<b>9,156,649,396</b>	<b>8,253,818,125</b>
<b>Total equity and liabilities</b>		<b>16,602,500,058</b>	<b>16,081,391,156</b>

The accompanying notes are an integral part of these financial statements



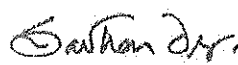
**Abdallah Massaad**  
Chairman



**SAK Ekramuzzaman**  
Managing Director



**Pramod Kumar Chand**  
Director



**Sadhan Kumar Dey**  
Chief Financial Officer



**Muhammad Shahidul Islam FCS**  
Company Secretary

Dated, 30 April 2024

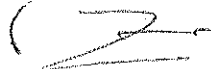
**RAK Ceramics (Bangladesh) Limited**  
**Consolidated statement of profit or loss and other comprehensive income**  
**For the period ended 31 March 2024**

	Notes	<u>31 Mar 2024</u> Taka	<u>31 Mar 2023</u> Taka
Sales	25	1,770,695,886	2,009,353,954
Cost of sales	26	(1,390,566,770)	(1,494,268,217)
<b>Gross profit</b>		<u>380,129,116</u>	<u>515,085,737</u>
Other Income	27	120,858	487,994
Administrative expenses	28	(105,273,199)	(103,260,565)
Impairment loss on trade receivables	28.1	(1,929,812)	(31,442)
Marketing and selling expenses	29	(185,141,857)	(186,603,777)
		<u>(292,224,010)</u>	<u>(289,407,790)</u>
<b>Profit from operating activities</b>		<u>87,905,106</u>	<u>225,677,947</u>
Finance income	30	3,040,074	11,478,412
Finance expenses	31	(24,786,102)	(11,979,536)
Net finance income		<u>(21,746,028)</u>	<u>(501,124)</u>
<b>Profit before contribution to workers' profit participation and welfare fund</b>		<u>66,159,078</u>	<u>225,176,823</u>
Contribution to workers' profit participation and welfare fund	32	(3,117,924)	(10,670,809)
<b>Profit before income tax</b>		<u>63,041,154</u>	<u>214,506,014</u>
<b>Income tax expense</b>			
Current tax	33	(34,869,149)	(61,777,986)
Deferred tax	17	18,074,327	3,757,513
		<u>(16,794,822)</u>	<u>(58,020,473)</u>
<b>Profit for the period</b>		<u>46,246,332</u>	<u>156,485,541</u>
Other comprehensive income		-	-
<b>Total comprehensive income for the period</b>		<u>46,246,332</u>	<u>156,485,541</u>
<b>Profit attributable to:</b>			
Equity holders of the company		46,246,326	156,485,533
Non-controlling interests		6	8
<b>Profit after tax for the period</b>		<u>46,246,332</u>	<u>156,485,541</u>
<b>Basic earnings per share (Par value TK 10)</b>	39	<b>0.11</b>	<b>0.37</b>

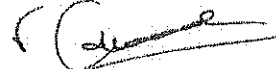
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**Abdallah Massaad**  
Chairman



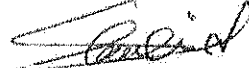
**SAK Ekramuzzaman**  
Managing Director



**Pramod Kumar Chand**  
Director



**Sadhan Kumar Dey**  
Chief Financial Officer



**Muhammad Shahidul Islam FCS**  
Company Secretary

Dated, 30 April 2024

**RAK Ceramics (Bangladesh) Limited**  
**Consolidated statement of changes in equity**  
**For the period ended 31 March 2024**

	Attributable to owners of the Company				Non-controlling interests Taka	Total equity Taka
	Share capital Taka (Note - 14)	Share Premium Taka (Note - 15)	Retained earnings Taka (Note - 16)	Total 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	-	-	156,485,533	156,485,533	8	156,485,541
Transactions with the shareholders: Cash dividend (2022)	-	-	(427,968,701)	(427,968,701)	-	(427,968,701)
<b>Balance as at 31 March 2023</b>	<b>4,279,687,010</b>	<b>1,473,647,979</b>	<b>1,612,334,232</b>	<b>7,365,669,221</b>	<b>1,344</b>	<b>7,365,670,565</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	-	-	46,246,326	46,246,326	6	46,246,332
Transactions with the shareholders: Cash dividend (2023)	-	-	(427,968,701)	(427,968,701)	-	(427,968,701)
<b>Balance as at 31 March 2024</b>	<b>4,279,687,010</b>	<b>1,473,647,979</b>	<b>1,692,514,290</b>	<b>7,445,849,279</b>	<b>1,383</b>	<b>7,445,850,662</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 31 March 2024**

	<u>31 Mar 2024</u> <u>Taka</u>	<u>31 Mar 2023</u> <u>Taka</u>
<b>Cash flows from operating activities</b>		
Cash receipts from customers	1,713,919,673	2,130,683,434
Cash payments to suppliers and employees	(1,324,668,693)	(1,269,550,158)
<b>Cash generated from operating activities</b>	<u>389,250,980</u>	<u>861,133,276</u>
Interest received from bank deposits	763,516	1,698,776
Income tax paid (note - 12)	(35,358,069)	(38,592,774)
<b>Net cash (used in)/from operating activities (note-42)</b>	<u>354,656,427</u>	<u>824,239,278</u>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(80,655,568)	(89,695,972)
Sale of property, plant and equipment (note-5.3)	-	488,000
Interest received from FDR	1,525,798	7,941,200
Intangible assets	(2,613,511)	(3,454,625)
<b>Net cash (used in)/from investing activities</b>	<u>(81,743,281)</u>	<u>(84,721,396)</u>
<b>Cash flows from financing activities</b>		
Finance charges	(22,776,985)	(9,618,672)
Avail/(repayment) of term loan	79,121,722	-
Avail/(repayment) of short-term loan	222,941,450	(122,762,624)
Payment of lease liability	(4,607,031)	(2,614,401)
Dividend paid	(31,213,784)	(34,984,896)
<b>Net cash (used in)/from financing activities</b>	<u>243,465,373</u>	<u>(169,980,593)</u>
Effect of exchange rate changes in cash and cash equivalents	(89,609)	1,279,050
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u>516,288,910</u>	<u>570,816,339</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 31 March (Note 13)</b>	<u><u>1,358,288,247</u></u>	<u><u>1,846,590,630</u></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 31 March 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), Jasimuddin 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 totalling 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 April 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 three months from 1 January to 31 March 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 2023.

#### **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 2022 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

31 Mar 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 31 Mar 2024	Rate (%)	Balance as at 01 Jan 2024	Charged during the period	Adjustment during the period	Balance as at 31 Mar 2024	Net book value as at 31 Mar 2024
	Land*	1,245,765,336	-	-	1,245,765,336	5-20	633,618,169	-	-	644,477,264
Factory building	1,060,536,702	-	-	1,060,536,702	5-20	585,936,080	10,859,094	-	644,477,264	416,059,439
Office and accommodation building	547,535,896	-	-	547,535,896	5	232,821,264	7,372,920	-	269,781,526	277,754,370
Plant and machinery	6,128,916,486	124,539,644	-	6,253,456,130	5-10	4,681,012,855	90,009,255	(380,286,186)	4,722,023,617	1,531,432,514
Mobile plant	138,912,181	-	-	138,912,182	10	92,741,702	2,525,870	-	105,432,988	33,479,193
Electrical installation	242,630,147	-	-	242,630,147	10-20	221,688,993	1,552,633	-	229,582,075	13,048,072
Gas pipeline	81,794,702	-	-	81,794,702	10-20	68,113,907	1,040,838	-	73,232,905	8,561,797
Furniture and fixtures	49,888,956	-	-	49,888,955	10-20	32,512,734	1,254,768	-	38,821,120	11,067,835
Office equipment	61,436,306	608,645	-	62,044,951	10-20	46,763,976	2,112,347	-	50,557,083	11,487,868
Communication equipment	18,905,385	-	-	18,905,385	10-20	10,789,876	790,626	-	14,805,791	4,099,595
Tools and appliances	23,217,260	113,883	-	23,331,143	10-20	12,469,584	986,287	-	13,455,871	9,875,272
Vehicles	126,957,651	-	-	126,957,651	10-20	69,159,862	2,108,544	-	75,852,464	51,105,187
Fire fighting equipment	3,631,012	-	-	3,631,012	20	3,631,012	-	-	3,631,012	-
<b>Total</b>	<b>9,730,128,020</b>	<b>125,262,173</b>	<b>-</b>	<b>9,855,390,192</b>		<b>6,121,040,537</b>	<b>120,613,183</b>	<b>-</b>	<b>6,241,653,717</b>	<b>3,613,736,477</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	-	-	633,618,169
Factory building	1,045,271,569	15,265,133	-	1,060,536,702	5-20	585,936,080	47,682,089	-	633,618,169	426,918,533
Office and accommodation building	542,813,594	4,722,302	-	547,535,896	5	232,821,264	29,587,342	-	262,408,606	285,127,290
Plant and machinery	5,993,330,750	518,712,169	(383,126,433)	6,128,916,486	5-10	4,681,012,855	331,287,695	(380,286,186)	4,632,014,362	1,496,902,124
Mobile plant	138,910,626	1,555	-	138,912,181	10	92,741,702	10,165,417	-	102,907,119	36,005,062
Electrical installation	242,630,147	-	-	242,630,147	10-20	221,688,993	6,340,450	-	228,029,443	14,600,704
Gas pipeline	80,514,054	1,280,648	-	81,794,702	10-20	68,113,907	4,078,161	-	72,192,068	9,602,634
Furniture and fixtures	48,152,729	1,788,199	(51,972)	49,888,956	10-20	32,512,734	1,040,584	(51,965)	37,566,353	12,322,604
Office equipment	63,708,794	7,048,437	(9,320,925)	61,436,306	10-20	46,763,976	8,133,485	(6,452,725)	48,444,736	12,991,570
Communication equipment	16,566,185	2,339,200	-	18,905,385	10-20	10,789,876	3,225,289	-	14,015,165	4,890,220
Tools and appliances	14,585,223	8,632,037	-	23,217,260	10-20	11,273,182	1,196,402	-	12,469,584	10,747,676
Vehicles	96,188,040	34,639,528	(3,869,917)	126,957,651	10-20	69,159,862	8,240,342	(3,656,284)	73,743,920	53,213,731
Fire fighting equipment	3,631,012	-	-	3,631,012	20	3,631,012	-	-	3,631,012	-
<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>6,056,445,443</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 Bhutulia, 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

31 Mar 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 31 Mar 2024	Charged during the period	Adjustment during the period	Balance as at 31 Mar 2024	Net book value as at 31 Mar 2024
	Land <sup>1</sup>	500,571,750	-		-	500,571,750	-	-	-
Office building <sup>2</sup>	4,432,737	-	-	4,432,737	55,176	-	2,269,335	2,163,402	
<b>Total</b>	<b>505,004,487</b>	<b>-</b>	<b>-</b>	<b>505,004,487</b>	<b>55,176</b>	<b>-</b>	<b>2,269,335</b>	<b>502,735,152</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	-	-	-
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.

	<b>31 Mar 2024</b>	<b>31 Mar 2023</b>
	<b>Taka</b>	<b>Taka</b>
<b>5.1 Depreciation</b>		
Property, plant and equipment (Note 4)	120,613,183	109,435,010
Investment Property (Note 5)	55,176	54,720
	<b>120,668,359</b>	<b>109,489,730</b>
<b>5.2 Allocation of Depreciation</b>		
Cost of sales (Note 26)	109,688,902	99,314,512
Administrative expenses (Note 5.2.1)	8,960,361	8,182,577
Marketing & selling expenses (Note 29)	2,019,096	1,992,641
	<b>120,668,359</b>	<b>109,489,730</b>
<b>5.2.1 Administrative Depreciation</b>		
Depreciation on property, plant & equipment (Note 28)	8,905,185	8,127,857
Depreciation on investment property (Note 28)	55,176	54,720
	<b>8,960,361</b>	<b>8,182,577</b>

### 5.3 Disposal of property, plant and equipment

#### 31 Mar 2024

Particulars	Original cost	Accumulated depreciation	Book value	Receipt against sales/insurance	Profit/(loss) on disposal
	Taka	Taka	Taka	Taka	Taka
Office equipment	-	-	-	-	-
Furniture & fixture	-	-	-	-	-
Vehicles	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

#### 31 Mar 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	1,322,511	1,322,511	-	482,000	482,000
<b>Total</b>	<b>7,387,261</b>	<b>7,387,255</b>	<b>6</b>	<b>488,000</b>	<b>487,994</b>

6 Right-of-use assets

31 Mar 2024

Particulars	COST			DEPRECIATION				Net book value as at 31 Mar 2024	
	Balance as at 01 Jan 2024	Addition during the period	Sale/disposal during the period	Balance as at 31 Mar 2024	Balance as at 01 Jan 2024	Charged during the period	Adjustment during the period		Balance as at 31 Mar 2024
Display center	65,545,374	-	-	65,545,374	25,668,522	3,092,007	-	28,760,529	36,784,845
Accommodation building	1,564,105	-	-	1,564,105	761,925	195,513	-	957,438	606,667
Warehouse	30,567,554	-	(1,880,142)	28,687,412	2,612,579	1,434,371	(221,961)	3,824,988	24,862,425
Office Building	6,517,391	-	-	6,517,391	325,870	325,870	-	651,739	5,865,651
<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>5,047,759</b>	<b>(221,961)</b>	<b>34,194,694</b>	<b>68,119,588</b>

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		Balance as at 31 Dec 2023
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	39,876,852
Accommodation building	1,471,380	759,050	(666,325)	1,564,105	666,326	761,925	(666,326)	761,925	802,180
Warehouse	1,880,142	28,687,412	-	30,567,554	65,283	2,547,296	-	2,612,579	27,954,976
Office Building	-	6,517,391	-	6,517,391	-	325,870	-	325,870	6,191,521
<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>	<b>74,825,529</b>

6.1 Allocation of depreciation

	31 Mar 2024	31 Mar 2023
Administrative expenses (Note 28)	521,382	186,887
Marketing & Selling expenses (Note 29)	4,526,377	3,131,177
	<b>5,047,759</b>	<b>3,318,064</b>

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

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>

31 Mar 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

31 Mar 2024

Particulars	COST				AMORTIZATION				Amount in Taka Net book value as at 31 Mar 2024
	Balance as at 01 Jan 2024	Addition during the period	Sale/disposal during the period	Balance as at 31 Mar 2024	Balance as at 01 Jan 2024	Amortized during the period	Adjustment during the period	Balance as at 31 Mar 2024	
	License	31,037,913	2,613,511	-	33,651,424	27,602,739	3,089,719	-	
Computer Software	12,514,380	-	-	12,514,380	11,830,602	70,195	-	11,900,797	613,583
<b>Total</b>	<b>43,552,293</b>	<b>2,613,511</b>	<b>-</b>	<b>46,165,804</b>	<b>39,433,341</b>	<b>3,159,914</b>	<b>-</b>	<b>42,593,255</b>	<b>3,572,549</b>

31 Dec 2023

Particulars	COST				AMORTIZATION				Amount in Taka 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	Adjustment during the year	Balance as at 31 Dec 2023	
	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	-	11,830,602	683,778
<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>	<b>39,433,341</b>	<b>4,118,952</b>

	<b>31 Mar 2024</b>	<b>31 Dec 2023</b>
	<b>Taka</b>	<b>Taka</b>
<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)	98,904,642	733,182,938
	<u>454,354,884</u>	<u>888,887,976</u>
Less: Transfer to property, plant & equipment during the period (note 8.2)	143,511,248	533,437,734
Balance as at 31 March	<b><u>310,843,636</u></b>	<b><u>355,450,242</u></b>
<b>8.1 Addition during the period</b>		
Building	11,342,679	56,305,519
Plant & machinery	77,726,873	657,479,014
Others	9,835,090	19,398,405
	<b><u>98,904,642</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	-	14,549,044
Plant & machinery	123,848,985	509,927,776
Others	19,662,263	8,960,914
	<b><u>143,511,248</u></b>	<b><u>533,437,734</u></b>
<b>9 Inventories</b>		
Raw materials	1,020,643,532	1,142,336,604
Less : Provision for slow moving & obsolete inventories	36,152,528	36,222,885
	<u>984,491,004</u>	<u>1,106,113,719</u>
Stores and consumables spares and packing	1,049,728,339	1,066,145,738
Less: Write off for stores and spares	3,146,397	4,043,075
	<u>1,046,581,942</u>	<u>1,062,102,663</u>
Finished goods (net of net realizable value adjustment) *	1,220,930,625	1,169,745,855
Less : Provision for slow moving & obsolete inventories	14,552,536	13,967,249
	<u>1,206,378,089</u>	<u>1,155,778,606</u>
Work-in-process	111,015,673	80,280,061
Goods-in-transit	294,276,719	174,997,673
	<b><u>3,642,743,425</u></b>	<b><u>3,579,272,722</u></b>
*Finished goods exclude provision of net realizable value BDT. 37,595,963.		



	<b>31 Mar 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)	2,536,846,033	2,480,102,230
	<u>2,536,846,033</u>	<u>2,480,102,230</u>
Accrued interest (Note 10.2)	1,638,890	888,130
Other receivable	32,411	-
	<u><b>2,538,517,334</b></u>	<u><b>2,480,990,360</b></u>
<b>10.1 Trade receivables</b>		
Receivables from local sales	2,567,513,847	2,497,973,879
Receivables from export sales	300,139	11,166,492
	<u>2,567,813,986</u>	<u>2,509,140,371</u>
Less: Provision of impairment loss on trade receivable:		
Unrelated parties	12,519,009	10,345,283
Related parties	18,448,944	18,692,858
	<u><b>2,536,846,033</b></u>	<u><b>2,480,102,230</b></u>
<b>10.2 Accrued interest</b>		
Interest accrued on Fixed Deposit Receipt	990,471	888,130
Interest accrued on Special Notice Deposit	648,419	-
	<u><b>1,638,890</b></u>	<u><b>888,130</b></u>
<b>11 Advance, deposit and prepayments</b>		
Advances:		
Employees	305,150	299,500
Purchase of land and others	5,045,077	920,757
Suppliers against materials and services	135,850,683	240,619,264
	<u>141,200,910</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)	2,147,736	2,030,039
Deposited with income tax authority	88,962,899	88,962,899
Deposited with VAT authority	6,726,946	6,726,946
Display center and others	812,000	1,312,000
Other deposits	1,494,626	1,494,626
	<u>173,932,257</u>	<u>174,314,560</u>
Prepayments:		
Showroom, warehouse and office rent	58,600	58,600
Insurance and others	6,514,022	9,763,730
	<u>6,572,622</u>	<u>9,822,330</u>
	<u><b>321,705,789</b></u>	<u><b>425,976,410</b></u>

	<u>31 Mar 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	3,056,102	10,505,061
	5,086,141	12,628,850
Less: SD & VAT on sales	2,938,405	10,598,811
Balance as at 31 March	<u>2,147,736</u>	<u>2,030,039</u>
<b>12 Advance Income Tax</b>		
Balance as at 1 January	4,206,879,792	4,100,140,671
Add: Paid during the period	35,358,069	177,967,531
Less: Adjustment during the period	-	(71,228,410)
Balance as at 31 March (Note - 12.1)	<u>4,242,237,861</u>	<u>4,206,879,792</u>
<b>12.1 Payment for the year</b>		
<u>Income year</u>		
Current period	35,358,068	-
Year 2023	150,060,095	150,060,095
Year 2022	243,147,159	243,147,159
Year 2021	273,680,694	273,680,694
Year 2020	130,750,084	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>4,242,237,861</u>	<u>4,206,879,792</u>

	<b>31 Mar 2024</b>	<b>31 Dec 2023</b>
	<b>Taka</b>	<b>Taka</b>
<b>13 Cash and cash equivalents</b>		
Cash in hand	6,666,216	5,648,949
Cash at banks		
Standard Chartered Bank (current account - 01-6162940-01, 01-3767272-01 - BDT)	2,154,551	65,194
BRAC Bank Ltd. (current account - 1530201731248001 - BDT)	3,818,093	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)	4,387,990	18,621,322
Standard Chartered Bank (ERQ - 42-6162940-01 - USD)	1,813,359	1,236,309
Standard Chartered Bank (Margin money account)	85,812,652	165,969,352
Midland Bank Ltd. (Margin money account)	106,041,464	76,430,054
United Commercial Bank Ltd. (SND account - 0831301000000164 BDT)	9,007,723	10,761,772
Al Arafah Islami Bank Ltd. (SND account - 0171220002646 - BDT)	2,246,310	10,595,938
South East Bank Ltd. (Current account - 11100008546 - BDT)	9,347,076	18,080
Al Arafah Islami Bank Ltd. (Margin money account - BDT)	8,601,000	-
Standard Chartered Bank (SND account - 02-3767272-01 - BDT)	126,978	127,553
Dutch Bangla Bank Ltd. (SND account - 117-120-589, 117-120-311,117-120.2550 - BDT)	56,895,096	19,369,373
Pubali Bank Ltd. (CD account 4709901003543, 4709901003539 - BDT)	147,912	147,981
Prime Bank Ltd. (SND - 2125316004690 - BDT)	3,961,682	2,588,318
Eastern Bank Ltd. (CD account - 1132040363287, 1041060507936 - BDT)	970,800	946,583
Dhaka Bank Ltd (SND - 102.150.274- BDT))	11,041,523	10,024,467
Pubali Bank Ltd. (SND account 47091012000483 - BDT)	49,323	49,358
Dhaka Bank Ltd (CD - 204100000019318- BDT))	181,181	181,181
Commercial Bank of Ceylon (SND-2817000777 - BDT.)	52,881	16,368
Commercial Bank of Ceylon (ERQ-1806012366 - USD.)	1,073,804	207,926
Meghna Bank Ltd. (SND 1112-13500000004 - BDT)	1,652,626	1,983,179
Midland Bank Ltd. (SND 0006-1070000015, 0006-1060000043 - BDT)	304,918,688	187,725,847
Eastern Bank Ltd. (SND account - 1041360507944 - BDT)	5,925,008	16,761,953
Eastern Bank Ltd. (Margin Money account)	6,757,690	7,006,001
Commercial Bank of Ceylon (Margin Money account)	419,181,699	163,002,596
South East Bank Ltd. (Margin Money account)	6,890,738	-
	<b>1,053,188,590</b>	<b>697,542,962</b>
IPO bank account		
Citibank N.A. (RAK-IPO Central Account - G010001200262022 - BDT)	1,690,358	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>5,890,064</b>	<b>5,887,064</b>
Dividend bank account		
BRAC Bank (Current - 1510201731248001 - BDT) - 2010	2,825,631	2,828,976
BRAC Bank (Current - 1513201731248001 - BDT) - 2011	1,089,541	1,092,886
SCB (SND - 02-6162940-02- BDT) - 2012	174,195	174,920
SCB (SND - 02-6162940-03- BDT) - 2013	319,462	320,187
SCB (SND - 02-6162940-04- BDT) - 2014	-	-
SCB (SND - 02-6162940-05- BDT) - 2015	38,739	39,314
SCB (SND - 02-6162940-06- BDT) - 2016	5,447	6,022
SCB (SND - 02-6162940-09- BDT) - 2019	632	4,207
SCB (SND - 02-6162940-10- BDT) - 2020	3,158,113	3,161,688
SCB (SND - 02-6162940-11- BDT) - 2021	2,971,400	2,974,975
MDB (SND - 0006-1090000460 - BDT) - 2022	5,171,112	5,178,082
MDB (SND - 0006-1090000504 - BDT) - 2023	160,000,000	-
	<b>175,754,272</b>	<b>15,781,257</b>
Investment in Fixed Deposit Receipt (FDR)		
Midland Bank Ltd.	50,000,000	50,000,000
Eastern Bank Ltd.	61,789,105	62,139,105
Commercial bank of Ceylon	5,000,000	5,000,000
	<b>116,789,105</b>	<b>117,139,105</b>
	<b>1,358,288,247</b>	<b>841,999,337</b>

	<b>31 Mar 2024</b>		<b>31 Dec 2023</b>	
	<b>Taka</b>		<b>Taka</b>	
<b>14 Share Capital</b>				
<b>Authorised :</b>				
600,000,000 ordinary shares of Taka 10/- each		<b>6,000,000,000</b>		<b>6,000,000,000</b>
<b>Issued, subscribed, called and paid up :</b>				
427,968,701 ordinary shares of Taka 10/- each		<b>6,000,000,000</b>		<b>4,279,687,010</b>
<b>Percentage of shareholdings :</b>				
	<b>31 Mar 2024</b>		<b>31 Dec 2023</b>	
	%	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
	<b>100.00</b>	<b>4,279,687,010</b>	<b>100.00</b>	<b>4,279,687,010</b>

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>	
	<b>31 Mar 2024</b>	<b>31 Dec 2023</b>	<b>31 Mar 2024</b>	<b>31 Dec 2023</b>
01-499 shares	16,386	17,330	3,819,070	4,044,428
500 to 5,000 shares	7,874	8,240	12,814,477	13,216,736
5001 to 10,000 shares	911	930	6,850,246	6,992,412
10,001 to 20,000 shares	483	483	7,026,416	7,020,409
20,001 to 30,000 shares	156	150	3,922,363	3,803,492
30,001 to 40,000 shares	80	77	2,815,691	2,755,017
40,001 to 50,000 shares	60	64	2,806,118	2,996,435
50,001 to 100,000 shares	99	97	7,173,539	6,872,942
100,001 to 1,000,000 shares	81	81	25,213,250	24,739,299
1,000,001 to 1,000,000,000 Shares	14	14	355,527,531	355,527,531
	<b>26,144</b>	<b>27,466</b>	<b>427,968,701</b>	<b>427,968,701</b>

**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)	<b>29 Feb 2024</b>	<b>31 Dec 2023</b>
		<b>Taka</b>	<b>Taka</b>
10,000,000	30	300,000,000	300,000,000
34,510,000	38	<b>1,311,380,000</b>	<b>1,311,380,000</b>
		1,611,380,000	1,611,380,000
Less : Share issue expenses		<b>137,732,021</b>	<b>137,732,021</b>
		<b>1,473,647,979</b>	<b>1,473,647,979</b>

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

Balance as on 1 January	2,074,236,665	1,883,817,400
Add : Profit during the period	<b>46,246,326</b>	<b>618,387,966</b>
	2,120,482,991	2,502,205,366
Less: Dividend declared during the period	<b>(427,968,701)</b>	<b>(427,968,701)</b>
Balance as on 31 March	<b>1,692,514,290</b>	<b>2,074,236,665</b>

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

	31 Mar 2024 Taka	31 Dec 2023 Taka
<b>17 Deferred tax liabilities</b>		
Balance as at 1 January	49,340,687	108,056,703
Less : Deferred tax (income)/expenses	<u>(18,074,327)</u>	<u>(58,718,016)</u>
Balance as at 31 March	<u>31,266,360</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 31 March 2024</b>			
Property, plant and equipment (Excluding land and others)	2,335,902,620	2,101,276,320	234,626,300
Trade receivable	2,543,988,965	2,574,956,918	(30,967,953)
Inventories	3,572,170,755	3,660,471,782	(88,301,027)
Right of use assets	68,119,588	-	68,119,588
Lease liability	(52,025,529)	-	<u>(52,025,529)</u>
Net taxable temporary difference			<u>130,651,379</u>
Deferred tax liability (applying applicable tax rate for individual company)			<u>31,266,360</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	2,486,712,628	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)	-	<u>(57,874,703)</u>
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	15,207,247	-
Gratuity fund	<u>8,489,515</u>	-
	<u>23,696,762</u>	-

	31 Mar 2024		
	Provident fund Taka	Gratuity fund Taka	Total Taka
Balance as at 1 January	-	-	-
Add: Provision made during the period	22,045,803	8,671,437	30,717,241
	22,045,803	8,671,437	30,717,241
Less: Payments made to fund during the period	<u>6,838,557</u>	<u>181,922</u>	<u>7,020,479</u>
Balance as at 31 March	<u>15,207,247</u>	<u>8,489,515</u>	<u>23,696,762</u>

Employee contribution BDT. 998,304 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
	83,732,330	31,616,855	115,349,184
Less: Payments made to fund during the year	<u>83,732,330</u>	<u>31,616,855</u>	<u>115,349,184</u>
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	454,251,359	375,129,637	
Current portion of term loan	<u>(22,206,710)</u>	<u>(11,235,218)</u>	
	<u>432,044,649</u>	<u>363,894,419</u>	
<b>Current:</b>			
Bank overdrafts	50,680,917	70,521,272	
Short-term borrowings	894,642,723	651,860,917	
Current portion of term loan	<u>22,206,710</u>	<u>11,235,218</u>	
	<u>967,530,350</u>	<u>733,617,407</u>	
Balance as at 31 March	<u>1,399,574,999</u>	<u>1,097,511,826</u>	

#### 19.1 Borrowings by maturity

At 31 March 2024	< 1 year	1-2 years	2-5 years	> 5 years	Total
Bank overdrafts	50,680,917	-	-	-	50,680,917
Short-term borrowings	894,642,723	-	-	-	894,642,723
Term loan	22,206,710	31,262,035	400,782,614	-	454,251,359
	<u>967,530,350</u>	<u>31,262,035</u>	<u>400,782,614</u>	<u>-</u>	<u>1,399,574,999</u>
<b>At 31 December 2023</b>					
Bank overdrafts	70,521,272	-	-	-	70,521,272
Short-term borrowings	651,860,917	-	-	-	651,860,917
Term loan	11,235,218	93,782,409	270,112,010	-	375,129,637
	<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 - LTI
SCB	Overdraft	50,000,000	-	Revolving	From company's own source	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.
	Short term loan	500,000,000	72,943,673	180/360 days from B/L date			
Midland Bank Ltd.	Overdraft	25,000,000	23,668,016	Revolving	From company's own source		
	Short term loan	500,000,000	199,269,407	180/360 days from B/L date			
Eastern Bank Ltd.	Long term loan*	450,000,000	454,251,359	5 years with 1 year moratorium period	From company's own source		
	Overdraft	30,000,000	-	Revolving			
Dutch Bangla Bank Ltd.	Overdraft	25,000,000	24,000,000	Revolving	From company's own source		
	Short term loan	90,000,000	-	180/360 days from B/L date			
Commercial Bank of Ceylon	Overdraft	35,000,000	3,012,901	Revolving	From company's own source		
	Short term loan	550,000,000	252,788,107	180/360 days from B/L date			

\* The long term loan facility limit approved in Board of Directors meetings dated July 20, 2022 to be utilized for the BMRE project of tiles plant

	31 Mar 2024 Taka	31 Dec 2023 Taka
<b>20 Lease liability</b>		
<b>Non-current:</b>		
Lease liability	52,825,532	57,874,704
Less : Current portion of lease liability	11,282,554	12,209,734
	<u>41,542,978</u>	<u>45,664,970</u>
<b>Current:</b>		
Current portion of lease liability	11,282,554	12,209,734

**31 March 2024**

**Lease liability schedule**

Particulars	Balance as on 01 January 2024	Addition/(deletion)	Payment	Interest expenses	Decrease in lease liability	Balance as on 31 March 2024
Display center	22,162,043	-	2,345,979	519,364	1,826,615	20,335,426
Accommodation Building	829,670	-	214,737	17,316	197,421	632,249
Warehouse	28,832,651	(1,779,039)	1,667,368	654,048	1,013,320	26,040,292
Office Building	6,050,340	-	378,947	146,171	232,776	5,817,565
	<u>57,874,704</u>	<u>(1,779,040)</u>	<u>4,607,031</u>	<u>1,336,899</u>	<u>3,270,132</u>	<u>52,825,532</u>

**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	1,324,951	1,706,633	28,832,651
Office Building	-	6,277,392	378,947	151,895	227,052	6,050,340
	<u>18,583,247</u>	<u>48,856,957</u>	<u>13,631,288</u>	<u>4,065,790</u>	<u>9,565,499</u>	<u>57,874,704</u>

**21 Trade and other payables**

**Trade payables**

Payable to local suppliers	177,996,524	170,770,142
Payable to foreign suppliers	456,080,271	538,720,832
Payable to service provider	102,747,379	144,496,116
Payable to C & F agent	40,956,722	60,093,953
	<u>777,780,896</u>	<u>914,081,043</u>

**Other payables**

Tax deducted at source	73,170,231	8,801,870
Tax deducted at source on remuneration (Note-23.1)	477,058	6,312,349
VAT deducted at source	12,121,049	9,363,850
VAT and Supplementary duty payable (Note-21.1)	245,654,816	122,145,071
Royalty and technical know-how fee	522,578,660	517,802,531
Unclaimed share application	20,061,956	20,061,956
Advance from customer against sales	10,583,258	11,153,898
Security deposit payable	2,093,263	2,112,195
Payable to employees	3,695,349	2,642,646
Payable to customer against claim	17,856,960	17,856,960
Provisional liabilities - material & services	30,349,250	38,872,400
Payable against purchase of land (Note - 37)	304,150,175	304,150,175
	<u>1,242,792,025</u>	<u>1,061,225,901</u>
	<u>2,020,572,921</u>	<u>1,975,306,944</u>

	31 Mar 2024 Taka	31 Dec 2023 Taka
<b>21.1 VAT and Supplementary duty (SD) payable</b>		
Opening Balance	122,145,071	115,766,477
Add: VAT and Supplementary duty on sales	587,277,579	2,592,516,070
Other payable	20,849	1,365,249
	<u>709,443,599</u>	<u>2,709,647,796</u>
Less: Treasury deposit for SD & VAT purpose	260,336,795	1,640,355,684
Rebate of input VAT	203,451,988	947,147,041
	<u>463,788,782</u>	<u>2,587,502,725</u>
Balance as at 31 March	<u>245,654,816</u>	<u>122,145,071</u>

**22 Unclaimed Dividend Payable**

Year	Dividend declared	TDS on dividend	Net dividend	Dividend distributed till 31 Mar 2024	Fund Transferred to CMSF	Undistributed fund (BDT) as on 31 Mar 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	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	672,701,222	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	392,412,811	-	2,808,239
2021	534,960,876	39,123,334	495,837,543	492,911,315	-	2,926,228
2022	427,968,701	34,955,753	393,002,948	390,621,885	-	2,381,063
2023	427,968,701	31,206,814	396,761,887	-	-	396,761,887
	<u>7,183,186,576</u>	<u>398,916,370</u>	<u>6,364,270,205</u>	<u>6,113,693,065</u>	<u>45,699,723</u>	<u>404,877,417</u>

Year	Dividend declared	TDS on dividend	Net dividend	Dividend distributed till 31 Dec 2023	Fund Transferred to CMSF	Undistributed fund (BOT) 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	641,953,052	49,029,624	592,923,428	588,305,450	4,617,978	-
2020	427,968,701	32,747,652	395,221,049	392,412,811	-	2,808,238
2021	534,960,876	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
	<u>6,235,217,875</u>	<u>567,709,557</u>	<u>6,167,508,318</u>	<u>6,113,686,096</u>	<u>45,699,723</u>	<u>8,122,499</u>

	31 Mar 2024	31 Dec 2023
	Taka	Taka
<b>23 Accrued expenses</b>		
Power and gas	109,649,122	115,459,103
Staff cost	163,516,196	118,888,635
Dealer's incentive and bonus	23,015,197	7,491,671
Audit fees	570,000	2,040,000
Professional charges	5,840,745	3,935,745
Interest on loans	7,355,693	8,179,830
Telephone	472,566	440,566
Freight bill	20,978,759	7,310,331
Business promotion and advertisement	22,681,700	3,327,046
Hiring heavy equipment	4,139,696	4,139,696
Managing Director's remuneration (Note 23.1)	20,368,221	18,937,048
Worker's profit participation and welfare fund (Note 23.2)	43,196,332	40,690,956
Others	37,991,382	25,580,190
	<u>479,775,609</u>	<u>356,420,817</u>
<b>23.1 Managing Director's remuneration</b>		
Balance as at 1 January	18,937,048	21,299,832
Add: Payable to Managing Director for the period (Note 28)	1,908,231	25,249,397
	20,845,279	46,549,229
Less: Tax deducted at source during the period (Note 21)	477,058	6,312,349
Less: Paid to Managing Director during the period	-	21,299,832
Balance as at 31 March	<u>20,368,221</u>	<u>18,937,048</u>
<b>23.2 Worker's profit participation and welfare fund</b>		
Balance as at 1 January	40,690,956	45,079,009
Add: Contribution made to the fund during the period	3,117,924	40,690,956
	43,808,880	85,769,965
Less: Payment made from the fund during the period	612,548	45,079,009
Balance as at 31 March	<u>43,196,332</u>	<u>40,690,956</u>
<b>24 Provision for income Tax</b>		
Balance as at 1 January	4,709,190,647	4,521,948,955
Add: Provision made during the period	34,869,149	258,470,104
	4,744,059,796	4,780,419,059
Less: Adjustment for completed assessment	-	(21,228,411)
Balance as at 31 March (Note 24.1)	<u>4,744,059,796</u>	<u>4,709,190,648</u>
<b>24.1 Provision for income Tax</b>		
<b>Income year</b>		
Current period	34,869,149	-
Year 2023	258,470,104	258,470,104
Year 2022	249,833,799	249,833,799
Year 2021	300,848,645	300,848,645
Year 2020	137,014,355	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
	<u>4,744,059,796</u>	<u>4,709,190,648</u>

	<b>31 Mar 2024</b>	<b>31 Mar 2023</b>
	<b>Taka</b>	<b>Taka</b>
<b>25 Sales</b>		
Gross sales from Ceramics product	2,468,691,258	2,814,873,697
Gross sales from Power generation	145,410,807	175,071,675
Gross sales from Security service	31,043,051	25,656,194
	<u>2,645,145,116</u>	<u>3,015,601,566</u>
Less: Elimination	140,129,518	164,709,360
Supplementary Duty	248,973,178	283,256,969
VAT	341,263,755	393,705,374
Discount	7,040,440	298,879
Commission, incentive and bonus	137,042,339	164,277,030
<b>Net sales</b>	<b><u>1,770,695,886</u></b>	<b><u>2,009,353,954</u></b>
<b>26 Cost of sales</b>		
Materials consumed:		
Opening inventory as at 1 January	1,106,113,719	1,589,019,169
Add: Purchase during the period	<u>623,403,056</u>	<u>588,700,745</u>
	1,729,516,776	2,177,719,914
Less: Closing inventory as at 31 March	<u>984,491,004</u>	<u>1,236,111,752</u>
	745,025,771	941,608,162
Manufacturing overhead:		
Direct labour (note 26.1)	201,840,122	186,150,080
Direct expenses:		
Power and gas	192,126,895	203,254,893
Repairs and indirect materials (note 26.2)	198,172,617	223,694,852
Depreciation on property, plant & equipment (note 5.2)	109,688,902	99,314,512
Royalty and technical know-how/assistance fees *	4,776,130	17,295,490
Other production overhead (note 26.3)	10,231,938	21,925,621
Provision for slow moving & obsolete inventories (note 9)	514,930	589,941
Movement in stock	(71,810,534)	(199,565,334)
	<u>1,390,566,770</u>	<u>1,494,268,217</u>
<b>26.1 Direct labour</b>		
Salary & wages	143,995,163	129,858,668
Overtime	7,809,525	7,468,153
Bonus	20,399,683	19,163,394
Incentive	135,977	-
Temporary labour wages	14,229,724	14,672,381
Staff uniform, safety and welfare expenses	303,717	264,027
Gratuity	5,916,488	5,683,162
Employer's contribution to provident fund	7,799,780	7,066,751
Leave encashment	988,298	1,004,044
Group life insurance	(363,212)	969,500
Compensation	624,979	-
	<u>201,840,122</u>	<u>186,150,080</u>
<b>26.2 Repairs and indirect materials</b>		
Stores, spares, repair & maintenance	109,691,627	108,846,148
Packing expenses	88,480,990	114,848,704
	<u>198,172,617</u>	<u>223,694,852</u>
<b>26.3 Other production overhead</b>		
Tour and travel expenses	646,683	1,116,871
Demurrage and penalty	134,341	358,977
Insurance	6,145,948	6,220,777
Hiring charges and transportation	-	807,501
Write off for stores and spares	3,146,397	12,585,590
Other expenses	158,569	835,905
	<u>10,231,938</u>	<u>21,925,621</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)	-	487,994
Gain on retirement of right of use assets (note 6.1)	120,858	-
	<u>120,858</u>	<u>487,994</u>



	<u>31 Mar 2024</u>	<u>31 Mar 2023</u>
	<u>Taka</u>	<u>Taka</u>
<b>28 Administrative expenses</b>		
Staff cost (note 28.2)	60,974,037	57,837,590
Annual General Meeting expenses	2,253,476	1,107,850
Telephone and postage	1,913,800	3,298,491
Office repair and maintenance (note 28.3)	3,902,563	2,058,146
Registration and renewal	583,351	327,078
Security and guard expenses	40,850	46,866
Electricity, gas and water	1,327,762	1,181,257
Depreciation on property, plant & equipment (note 5.2.1)	8,905,185	8,127,857
Depreciation on investment property (note 5.2.1)	55,176	54,720
Depreciation on right of use assets (note 6.1)	521,382	186,887
Amortization (note 7)	3,159,914	310,353
Legal and professional fees	4,974,589	3,924,017
Vehicle repair and maintenance	4,963,234	4,370,521
Rent, rate and tax	2,208,470	2,495,143
IT expenses	876,442	458,531
General Service	1,605,602	1,592,858
Donation	659,119	2,647,330
Managing Director's remuneration (note 28.4)	1,908,231	6,722,610
Others	4,440,016	6,512,460
	<u>105,273,199</u>	<u>103,260,565</u>
<b>28.1 Impairment loss on trade receivables</b>		
Unrelated parties	2,262,628	-
Related parties	(332,816)	31,442
	<u>1,929,812</u>	<u>31,442</u>
New classification of financial assets shown in note 36.1(b) as per IFRS 9.		
<b>28.2 Staff cost</b>		
Salary & wages	41,641,737	37,455,079
Bonus	8,064,773	5,545,356
Incentive	64,182	217,580
Gratuity	1,732,383	1,606,794
Employer's contribution to provident fund	2,336,195	2,086,445
Leave encashment	316,030	313,736
Group life insurance	102,598	249,507
Canteen and conveyance expenses	5,046,054	3,870,732
Staff uniform, safety and welfare expenses	474,424	3,591,200
Travelling expenses	771,140	2,148,398
Compensation	52,721	80,028
Medical expenses	230,390	113,044
Accommodation expenses	141,410	559,691
	<u>60,974,037</u>	<u>57,837,590</u>
Accommodation expenses and Rent, rates and taxes include rent expenses for short term lease for BDT. 472,415 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	88,917	23,330
Office maintenance	3,813,646	2,034,816
	<u>3,902,563</u>	<u>2,058,146</u>
<b>28.4 Managing Director's remuneration</b>		
Provision made during the period	1,908,231	6,722,610
	<u>1,908,231</u>	<u>6,722,610</u>
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)	42,225,195	34,672,141
Advertisement	19,640,719	17,216,123
Freight and transportation	82,687,829	91,011,359
Compensation to customers	2,998,354	1,935,925
Business promotion	16,839,777	20,810,101
Depreciation on property, plant & equipment (note 5.2)	2,019,096	1,992,641
Depreciation on right of use assets (note 6.1)	4,526,378	3,131,177
Showroom, office & house rent	3,462,220	1,149,320
Sample expenses	4,253,123	9,478,208
Tour, travel and others	6,489,164	5,206,782
	<u>185,141,857</u>	<u>186,603,777</u>
<b>29.1 Staff cost</b>		
Salary & wages	23,349,905	20,202,958
Bonus	3,351,627	2,694,548
Incentive	5,087,140	3,563,025
Gratuity	1,022,566	917,138
Employer's contribution to provident fund	1,386,078	1,165,177
Leave Encashment	180,732	173,040
Group life insurance	18,904	182,545
Conveyance & food expenses	5,097,118	5,773,710
Staff uniform, safety and welfare expenses	2,731,125	-
	<u>42,225,195</u>	<u>34,672,141</u>

	<u>31 Mar 2024</u>	<u>31 Mar 2023</u>
	<u>Taka</u>	<u>Taka</u>
<b>29.2</b> Salary & wages under staff cost (note no. 26.1, 28.2 & 29.1) includes employee contribution to provident fund for BDT.7,799,780, BDT. 2,336,195 & BDT. 1,386,078.		
<b>30 Finance income</b>		
Interest on bank account (SND)	763,516	1,698,776
Interest on fixed deposits	2,276,558	9,779,636
	<u><b>3,040,074</b></u>	<u><b>11,478,412</b></u>
<b>31 Finance expenses</b>		
Interest expenses against loan	21,406,327	5,207,587
Interest expenses against lease liability	1,336,899	755,718
Foreign exchange loss	1,496,356	5,413,424
Bank charges	546,520	602,807
	<u><b>24,786,102</b></u>	<u><b>11,979,536</b></u>
<b>32 Contribution to worker's profit participation and welfare fund</b>		
Provision made during the period	3,117,924	10,670,809
	<u><b>3,117,924</b></u>	<u><b>10,670,809</b></u>
<b>33 Income tax expenses</b>		
Accounting profit (PBT as per individual company)	65,041,154	216,506,014
Add: Inadmissible depreciation allowance for separate consideration: Accounting Depreciation of Fixed Assets	120,668,359	109,467,230
	<u>185,709,514</u>	<u>325,973,244</u>
Add: Inadmissible expenses / allowances as per ITO, 1984/ITA, 2023:		
Business promotion expenses	4,140,825	6,334,508
Royalty expenses	12,883	7,834
Sample expenses	2,204,047	6,560,459
Amortization expenses	3,159,914	265,661
Depreciation on Right of Use Assets (ROUA)	5,047,761	3,318,063
Interest on lease liability	1,336,899	755,718
Provision for slow moving inventories	514,930	589,941
NRV Provision on inventories	7,670,953	-
Impairment loss on trade receivable	1,886,072	-
	<u>25,974,284</u>	<u>17,832,186</u>
	<u>211,683,797</u>	<u>343,805,430</u>
Deduct: Tax base depreciation of Fixed Assets (as per 3rd Schedule of ITO,1984/ITA, 2023):	(49,418,260)	(66,207,411)
Admissible expenses as per ITO,1984/ITA, 2023:		
Rent expenses	(9,258,702)	(4,017,090)
Deduct: Dividend income	(2,000,000)	(2,000,000)
<b>Taxable profit</b>	<u><b>151,006,835</b></u>	<u><b>271,580,929</b></u>
Applicable tax rate for individual company		
On Business Income		As per applicable tax rate for individual company
On Dividend Income		20%
Tax expenses as per applicable tax rate for individual company :		
Business income	34,469,149	61,377,986
Dividend income	400,000	400,000
<b>Current Tax Liability</b>	<u><b>34,869,149</b></u>	<u><b>61,777,986</b></u>

#### 34 Reconciliation of effective tax rate

	<u>31 Mar 2024</u>		<u>31 Mar 2023</u>	
	<u>Taka</u>		<u>Taka</u>	
Profit before tax	%	63,041,154	%	214,506,014
Current tax expenses	55.31%	34,869,149	28.80%	61,777,986
Deferred tax expenses	-28.67%	(18,074,327)	-1.75%	(3,757,513)
Total tax expenses	<u>26.64%</u>	<u>16,794,822</u>	<u>27.05%</u>	<u>58,020,473</u>
Expected income tax using applicable tax rate for individual company	23.57%	14,857,378	22.78%	48,868,343
Tax on non-deductible expenses	31.7%	20,011,771	6.0%	12,909,643
Effective current tax	55.31%	34,869,149	28.80%	61,777,986
Effective deferred tax	-28.67%	(18,074,327)	-1.75%	(3,757,513)
	<u>26.64%</u>	<u>16,794,822</u>	<u>27.05%</u>	<u>58,020,473</u>

#### 35 Short term lease expenses

	<u>31 Mar 2024</u>		<u>31 Mar 2023</u>	
	<u>Taka</u>		<u>Taka</u>	
<b>Nature of the lease</b>	<b>Lease term</b>	<b>Allocation</b>	<b>Rent Payment</b>	<b>Rent Payment</b>
Rented accommodation	<1 year	Admin	472,415	436,656
			<u>472,415</u>	<u>436,656</u>

### 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 31 Mar 2024	As at 31 Dec 2023	As at 31 Mar 2024	As at 31 Dec 2023
Trade receivables				
Customer-Local	-	-	2,536,545,894	2,469,935,738
Customer-Export	2,581	97,120	300,139	11,166,492
	<b>2,581</b>	<b>97,120</b>	<b>2,536,846,033</b>	<b>2,480,102,230</b>
Other receivables				
Accrued Interest			1,638,850	888,130
			<b>1,671,301</b>	<b>888,130</b>
Cash equivalents			<b>1,351,622,032</b>	<b>836,350,388</b>

##### 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 31 March 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	1,411,732,686	1,399,213,677	12,519,009
Trade receivable-related	10.1	Amortized cost	1,156,081,300	1,137,632,356	18,448,944
Cash at banks	13	Amortized cost	1,234,832,926	1,234,832,926	-

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.1,929,812.

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 31 March was:

	Amounts in Taka	
	As at 31 Mar 2024	As at 31 Dec 2023
Not past due	1,456,891,502	1,477,530,122
0-90 days past due	333,649,618	249,252,327
91-180 days past due	409,961,811	382,742,486
181-365 days past due	308,573,136	331,849,670
over 365 days past due	27,769,965	38,727,624
	<b>2,536,846,033</b>	<b>2,480,102,230</b>

### 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 31 Mar 2024			
	Carrying amount	Contractual cash flows	Within 12 months or less	More than 12 months
	Taka	Taka	Taka	Taka
Bank overdraft	50,680,917	50,680,917	50,680,917	-
Trade and other payables	2,020,572,921	2,020,572,921	2,020,572,921	-
Short term borrowing	894,642,723	894,642,723	894,642,723	-
Term loan	454,251,359	454,251,359	22,206,710	432,044,649
	<b>3,420,147,922</b>	<b>3,420,147,922</b>	<b>2,988,103,273</b>	<b>432,044,649</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 31 Mar 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	-	-	26,367	-	-	-	13,189	-
	-	-	<b>28,948</b>	-	-	-	<b>110,309</b>	-

	As at 31 Mar 2024				As at 31 Dec 2023			
	AED	GBP	USD	EURO	AED	GBP	USD	EURO
<b>Foreign currency denominated liabilities</b>								
Trade payables	-	275,956	1,549,275	1,772,123	-	477,466	1,251,964	2,625,224
Short term borrowings	-	82,361	683,324	2,091,325	-	-	1,610,350	1,052,918
Royalty & Technical Fees	-	-	4,750,715	-	-	-	4,707,296	-
	-	358,317	6,983,314	3,863,448	-	477,466	7,569,610	3,678,141
<b>Net exposure</b>	-	<b>(358,317)</b>	<b>(6,983,314)</b>	<b>(3,863,448)</b>	-	<b>(477,466)</b>	<b>(7,459,300)</b>	<b>(3,678,141)</b>

The Company has foreign exchange loss of Tk 1,496,356 during the period ended 31 Mar 2024 (31 Mar 2023: Exchange loss Tk 5,413,424).

The following significant exchange rates have been applied:

	Exchange rate as at (Average)	
	31 Mar 2024	31 Dec 2023
	Taka	Taka
AED	29.8837	29.8820
GBP	138.5601	140.6124
USD	109.7500	109.7500
EURO	118.4757	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 31 Mar would have increased/(decreased) profit or loss by the amounts shown below.

	As at 31 Mar 2024		As at 31 Dec 2023	
	Profit or (loss)		Profit or (loss)	
	Strengthening	Weakening	Strengthening	Weakening
	Taka	Taka	Taka	Taka
<b>At 31 Mar</b>				
AED (3 percent movement)	-	-	-	-
GBP (3 percent movement)	(11,092)	10,436	(14,767)	13,907
USD (3 percent movement)	(215,084)	202,554	(230,700)	217,261
EURO (3 percent movement)	(119,488)	112,528	(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 31 Mar 2024	As at 31 Dec 2023
	Taka	Taka
<b>Fixed rate instruments</b>		
<b>Financial assets</b>		
Investment in FDR	118,789,105	117,139,105
Cash at banks	1,234,832,926	719,211,283
<b>Financial liabilities</b>		
Term loan	454,251,359	375,129,637
Bank overdraft	50,680,917	70,521,272
Short term borrowing	894,642,723	651,860,917

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 31 Mar 2024		As at 31 Mar 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	116,789,105	116,789,105	117,139,105	117,139,105
<b>Loans and receivables</b>				
Trade receivables	2,536,846,033	2,536,846,033	2,480,102,230	2,480,102,230
Other receivables	1,671,301	1,671,301	888,130	888,130
Cash equivalents	1,351,622,032	1,351,622,032	836,350,388	836,350,388
<b>Financial liabilities</b>				
<b>Liabilities carried at amortised costs</b>				
Term loan	454,251,359	454,251,359	375,129,637	375,129,637
Bank overdraft	50,680,917	50,680,917	70,521,272	70,521,272
Trade and other payables	2,020,572,921	2,020,572,921	1,975,356,944	1,975,356,944
Short term borrowing	894,642,723	894,642,723	651,860,917	651,860,917
<b>Interest rates used for determining amortised cost</b>				
The interest rates used to discount estimated cash flows, when applicable were as follows:				
Investment in FDR (local currency/BDT)			31 Mar 2024 1.50%-9.50%	31 Dec 2023 1.50%-8.25%
Bank overdraft (local currency/BDT)			9.00%-12.43%	8.75%-10.14%
Short term bank loan (local currency/BDT)			SMART+3.50%	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***	Amounts in Taka	
												Royalty payable***	Royalty payable***
RAK Power Pvt. Ltd	Subsidiary	Unsecured	Nil	Current period Previous period	126,444,180 152,236,239	782,610 782,610	782,610 782,610	145,410,807 117,965,063	-	-	-	-	-
RAK Security & Services Pvt. Ltd	Subsidiary	Unsecured	Nil	Current period Previous period	13,385,342 12,146,133	-	-	9,723,733 9,260,609	-	1,980,000 1,980,000	-	-	-
RAK Ceramics PISC, UAE	Parent	Unsecured	Nil	Current period Previous period	1,056,000	-	-	26,153,293 24,778,408	-	-	291,586,431 291,586,431	-	522,578,660 495,364,397
Ceramin FZ LLC	Fellow subsidiary	Secured	Nil	Current period Previous period	207,169,521 176,250,086	-	-	93,094,124 34,459,680	-	-	-	-	-
Kea Printing & Packaging Industries	Other related party	Unsecured	Nil	Current period Previous period	27,691,376 43,331,345	-	-	16,287,269 19,420,700	-	-	-	-	-
Palli Properties Pte. Ltd (*)	Other related party	Unsecured	Nil	Current period Previous period	3,628,880 3,613,315	-	-	6,032,500	-	-	-	-	-
Sky Bird Travel Agents Pvt. Ltd.	Other related party	Unsecured	Nil	Current period Previous period	286,685 2,288,965	-	-	29,100 508,240	-	-	-	-	-
Masram Auro Ltd.(**)	Other related party	Unsecured	Nil	Current period Previous period	-	-	-	209,743,750 209,743,750	-	-	-	-	-
Speedway International Pvt. Ltd	Other related party	Unsecured	Nil	Current period Previous period	3,694,124 5,913,519	-	-	2,056,477 4,416,719	-	-	-	-	-
Global Business Associates Ltd.	Other related party	Unsecured	Nil	Current period Previous period	738,100	-	-	744,514	-	-	-	-	-
Mohammed Trading	Other related party	Secured by Guaranteed Cheque	Nil	Current period Previous period	534,499,478 736,875,262	-	1,155,821,260 680,926,438	-	-	-	-	-	-
S.A.K. Ekramuzzaman (***)	Key Management Personnel	Unsecured	Nil	Current period Previous period	1,409,556 1,409,556	-	-	108,762,147 114,735,715	1,908,231 6,722,610	-	-	-	-
Sadhan Kumar Dey	Key Management Personnel	Unsecured	Nil	Current period Previous period	-	-	-	-	3,212,704 2,394,696	-	-	-	-

\* Transaction represents purchase of 0.35 acres of land at Bhutulla, Gazipur under Dhanua Mouja at a total cost of BDT. 6,012,500 excluding registration and other expenses from Palli Properties Pte. Limited as approved by the shareholders of the company in Extra Ordinary General Meeting held on August 4, 2022. The land registered in the name of the Company but no payment has been made until at reporting date. Therefore, said amount showing as payable against purchase of land (Note-21).

\*\* Transaction represents purchase of 11.32 acres of land at Bhutulla, Gazipur under Dhanua and Gazipur Mouja at a total cost of BDT. 209,743,750 excluding registration and other expenses from Masram Agro Ltd. as approved by the shareholders of the company in Extra Ordinary General Meeting held on August 4, 2022. The land registered in the name of the Company dated August 14, 2022 but no payment has been made until at reporting date. Therefore, said amount is showing as payable against purchase of land (Note-21).

\*\*\* Purchase includes 21.73 acres of land at Bhutulla, Gazipur under Dhanua and Gazipur Mouja at a total cost of BDT. 402,090,100 excluding registration and other expenses from S.A.K. Ekramuzzaman as approved by the shareholders of the company in Extra Ordinary General Meeting held on August 4, 2022. Out of total payable BDT. 402,090,100 an amount of BDT. 313,696,175 has been paid to Mr. S.A.K. Ekramuzzaman and balance BDT. 88,393,925 is showing as payable against purchase of land (Note -21).

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

37.1 The Group has decided to purchase of 33.91 acres of land at Bhutulla, Gazipur under Dhanua and Gazipur Mouja at a total cost of BDT. 627.34 million excluding registration and other expenses from Mr. SAK Ekramuzzaman (Managing Director of RAK Ceramics (Bangladesh) Limited) and others in its Board of Directors meeting dated June 13, 2022 and subsequent approval of the shareholders of the company in Extra Ordinary General Meeting held on August 4, 2022. Out of total 33.91 acres of land 33.40 acres has been registered in the name of the Company and balance land is under process of registration. The land was proposed to be utilized for greenfield expansion of tiles plant with an additional production capacity of 15,000 sqm of tiles per day, has been decided in the Board of Directors meeting as mentioned above. The total cost of the project was estimated BDT. 9,025 Million.

The Group has also decided to establish a new faucets plant with production capacity of 1,500 pcs per day on the above land in the Board of Directors meeting held on July 20, 2022. The total cost of the project estimated BDT. 950 Million.

To comply the BSEC notification no. BSEC/CNRRCD/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. 1,908,231.

37.3 During the period, No Board meeting fees 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.

#### 31 Mar 2024

	Business Segments								
	Ceramic & sanitary ware		Power		Security and Services		Inter segment		Entity total
	Taka		Taka	Taka	Taka	Taka	Taka	Taka	Taka
Revenue - external customers	1,756,276,577	-	14,419,308	-	-	-	-	1,770,695,886	-
Revenue - inter segment	-	126,444,180	13,685,338	(140,129,518)	(140,129,518)	-	-	-	-
Total segment revenue	1,756,276,577	126,444,180	28,104,646	(140,129,518)	(140,129,518)	-	-	1,770,695,886	-
Cost of sales- external customer	(1,249,696,094)	(121,091,943)	(19,778,733)	-	-	-	-	(1,390,566,770)	-
Cost of sales- inter segment	(126,444,180)	(1,082,606)	-	127,526,786	127,526,786	-	-	-	-
Total segment cost of sales	(1,376,140,274)	(122,174,549)	(19,778,733)	127,526,786	127,526,786	-	-	(1,390,566,770)	-
Gross profit	380,136,303	4,269,631	8,325,913	-	-	-	-	380,129,116	-
Dividend income	1,980,000	20,000	-	(2,000,000)	(2,000,000)	-	-	-	-
Rental income	782,610	-	-	(782,610)	(782,610)	-	-	-	-
Financial income	2,930,843	95,351	13,880	-	-	-	-	3,040,074	-
Financial expenses	(24,626,457)	(67,416)	(92,229)	-	-	-	-	(24,786,102)	-
Depreciation	(115,736,632)	(4,881,265)	(50,462)	-	-	-	-	(120,668,359)	-
Other operating expenses	(185,008,760)	2,343,414	(5,514,428)	13,385,342	13,385,342	-	-	(174,794,436)	-
Segment profit before tax	60,578,765	1,779,715	2,682,674	-	-	-	-	63,041,154	-
Income tax expense	(32,528,287)	(1,491,876)	(848,986)	-	-	-	-	(34,869,149)	-
Deferred tax	17,039,108	997,767	37,452	-	-	-	-	18,074,327	-
Profit for the period								<b>46,246,332</b>	



**31 Mar 2023**

**Business Segments**

	Ceramic & sanitary ware			Power			Security and services			Inter segment			Entity total		
	Taka			Taka			Taka			Taka			Taka		
Revenue - external customers	1,998,620,447			-			10,733,507			-					2,009,353,954
Revenue - inter segment	-			152,236,239			12,473,121			(164,709,360)					-
Total segment revenue	1,998,620,447			152,236,239			23,206,628			(164,709,360)					2,009,353,954
Cost of sales- external customer	(1,330,568,741)			(146,483,034)			(17,216,441)			-					(1,494,268,217)
Cost of sales- inter segment	(152,236,239)			(1,109,598)			-			153,345,837					-
Total segment cost of sales	(1,482,804,980)			(147,592,633)			(17,216,441)			153,345,837					(1,494,268,217)
Gross profit	515,815,467			4,643,606			5,990,187			-					515,085,737
Dividend income	1,980,000			20,000			-			(2,000,000)					-
Rental income	782,610			-			-			(782,610)					-
Financial income	11,371,375			98,449			8,588			-					11,478,412
Financial expenses	(11,970,876)			(7,170)			(1,490)			-					(11,979,536)
Depreciation	(104,566,331)			(4,879,186)			(44,212)			-					(109,489,730)
Other operating expenses	(200,478,057)			2,513,384			(5,258,325)			12,146,133					(191,076,865)
Segment profit before tax	213,416,189			2,389,083			700,742			-					214,506,014
Income tax expense	(60,357,017)			(1,206,149)			(214,820)			-					(61,777,986)
Deferred tax	3,189,155			550,652			17,707			-					3,757,513
Profit for the period															<b>156,485,541</b>

	<b>31 Mar 2024</b>	<b>31 Mar 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	<u>46,246,326</u>	<u>156,485,533</u>
(b) No. of ordinary equity shares	<u>427,968,701</u>	<u>427,968,701</u>
(c) Weighted average no. of equity shares outstanding (Note 39.1)	<u>427,968,701</u>	<u>427,968,701</u>
Earnings per share (EPS) for the period (a÷c)	<u>0.11</u>	<u>0.37</u>
Diluted earnings per share for the period (a÷c)	<u>0.11</u>	<u>0.37</u>

**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>31 Mar 2024</b>	<b>31 Mar 2023</b>
Outstanding shares	<u>427,968,701</u>	<u>427,968,701</u>
	<u><b>427,968,701</b></u>	<u><b>427,968,701</b></u>

**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 earnings per share is due to decrease of sales by 11.88% from BDT. 2,009.35 MN to BDT. 1,770.70 MN because of reduction of market demand. 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 21.47% from 25.63%. 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 also decreased from BDT. 0.37 to 0.11.

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

(a) Net assets value (Note 14, 15 & 16)	<u>7,445,849,279</u>	<u>7,365,669,221</u>
(b) Weighted average no. of equity shares outstanding (Note 39.1)	<u>427,968,701</u>	<u>427,968,701</u>
Net assets value per share (a÷b)	<u>17.40</u>	<u>17.21</u>

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

(a) Net Cash flows from operating activities (Note 42)	<u>354,656,427</u>	<u>824,239,278</u>
(b) Weighted average no. of equity shares outstanding (Note 39.1)	<u>427,968,701</u>	<u>427,968,701</u>
Net operating cash flow per share (a÷b)	<u>0.83</u>	<u>1.93</u>

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

Sales are decreased by 11.88% from BDT. 2,009.35 MN to BDT. 1,770.70 MN due to reduction of market demand as well as more credit period is allowed to customer to increase sales, as a result, collection has not been increased accordingly. 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 1.93 to BDT. 0.83.

42 Reconciliation of operating cash flow:	<u>31 Mar 2024</u>	<u>31 Mar 2023</u>
<b>Cash flows from operating activities</b>		
Profit before taxation	63,041,154	214,506,014
Adjustment for:		
Depreciation	125,716,117	112,807,794
Amortization	3,159,914	310,353
Adjustment relating to assets	-	3,004,624
Advance rent adjustment	-	(16,604,040)
Foreign exchange loss	1,496,356	5,413,424
Finance expenses	23,289,746	6,566,112
Finance income	(3,040,074)	(11,478,412)
Other income	(120,858)	(487,994)
	<u>213,542,355</u>	<u>314,037,875</u>
Increase/decrease in trade and other receivables	(56,776,214)	121,329,481
Increase/decrease in inventories	(63,470,703)	103,792,164
Increase/decrease in trade and other payables	295,955,541	321,973,758
<b>Cash generated from operating activities</b>	<u>389,250,980</u>	<u>861,133,276</u>
Interest received from bank deposit	763,516	1,698,776
Income tax paid	(35,358,069)	(38,592,774)
<b>Net cash (used in)/from operating activities</b>	<u><u>354,656,427</u></u>	<u><u>824,239,278</u></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 521,616,382 (31 Mar 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 814,665,912 (31 Mar 2023: Tk 690,506,324) and letter of guarantee of Tk 144,009,928 (31 Mar 2023: Tk 145,690,514).

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 31 Mar 2024. Therefore no credit loss allowances is expected.