

**RAK Ceramics (Bangladesh) Limited**

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

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


		<u>30 Sep 2024</u>	<u>31 Dec 2023</u>
	<u>Notes</u>	<u>Taka</u>	<u>Taka</u>
<b><u>Assets</u></b>			
Property, plant and equipment	4	3,729,592,756	3,609,087,484
Investment property	5	502,624,192	502,790,328
Right-of-use assets	6	63,567,084	74,825,529
Intangible assets	7	11,380,842	4,118,952
Capital work-in-progress	8	222,570,673	355,450,242
Deferred tax asset	17	3,357,739	-
<b>Total non-current assets</b>		<u>4,533,093,286</u>	<u>4,546,272,535</u>
Inventories	9	3,932,359,922	3,579,272,722
Trade and other receivables	10	2,357,568,351	2,480,990,360
Advances, deposits and prepayments	11	358,326,035	425,976,410
Advance income tax	12	4,354,209,700	4,206,879,792
Cash and cash equivalents	13	578,261,365	841,999,337
<b>Total current assets</b>		<u>11,580,725,373</u>	<u>11,535,118,621</u>
<b>Total assets</b>		<u><u>16,113,818,659</u></u>	<u><u>16,081,391,156</u></u>
<b><u>Equity</u></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	1,535,344,547	2,074,236,665
<b>Equity attributable to equity holders of the company</b>		<u>7,288,679,536</u>	<u>7,827,571,654</u>
<b>Non-controlling interests</b>		<u>1,403</u>	<u>1,377</u>
<b>Total equity</b>		<u>7,288,680,939</u>	<u>7,827,573,031</u>
<b><u>Liabilities</u></b>			
Borrowings	19	479,826,555	363,894,419
Deferred tax liability	17	-	49,340,687
Lease liability	20	40,014,781	45,664,970
<b>Total non-current liabilities</b>		<u>519,841,336</u>	<u>458,900,076</u>
Employees benefits payable	18	75,076,684	-
Borrowings	19	1,331,340,044	733,617,407
Lease liability	20	11,998,493	12,209,734
Trade and other payables	21	1,648,933,008	1,975,356,944
Unclaimed dividend payable	22	84,185,921	8,122,499
Accrued expenses	23	361,380,834	356,420,817
Provision for income tax	24	4,792,381,400	4,709,190,648
<b>Total current liabilities</b>		<u>8,305,296,384</u>	<u>7,794,918,049</u>
<b>Total liabilities</b>		<u>8,825,137,720</u>	<u>8,253,818,125</u>
<b>Total equity and liabilities</b>		<u><u>16,113,818,659</u></u>	<u><u>16,081,391,156</u></u>


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

  
**Abdallah Massaad**  
Chairman

  
**SAK Ekramuzzaman**  
Managing Director

  
**Pramod Kumar Chand**  
Director

  
**Mohammad Samsul Arefin**  
General Manager - Finance and Accounts

  
**Muhammad Shahidul Islam FCS**  
Company Secretary

Dated, 24 October 2024

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

	Notes	30 Sep 2024 Taka	30 Sep 2023 Taka	July to Sep 2024 Taka	July to Sep 2023 Taka
Sales	25	4,530,219,352	5,601,429,208	1,344,606,554	1,787,431,707
Cost of sales	26	(3,701,796,739)	(4,202,961,250)	(1,174,198,496)	(1,352,097,585)
<b>Gross profit</b>		<b>828,422,613</b>	<b>1,398,467,958</b>	<b>170,408,058</b>	<b>435,334,122</b>
Other income	27	120,858	-	-	(1,419,144)
Administrative expenses	28	(283,347,595)	(314,127,971)	(79,999,572)	(97,947,537)
Impairment loss on trade receivables	28.1	(8,239,038)	(13,866,011)	(3,430,142)	(2,126,062)
Marketing and selling expenses	29	(451,615,350)	(479,847,076)	(140,243,631)	(148,091,264)
		<b>(743,081,125)</b>	<b>(807,861,058)</b>	<b>(223,673,345)</b>	<b>(249,584,007)</b>
<b>Profit from operating activities</b>		<b>85,341,488</b>	<b>590,606,900</b>	<b>(53,265,287)</b>	<b>185,750,115</b>
Finance income	30	9,311,443	27,186,682	3,186,731	3,205,589
Finance expenses	31	(140,855,457)	(48,227,660)	(82,800,998)	(22,484,027)
Net finance income		<b>(131,544,014)</b>	<b>(21,040,978)</b>	<b>(79,614,267)</b>	<b>(19,278,438)</b>
<b>Profit before contribution to workers' profit participation and welfare fund</b>		<b>(46,202,526)</b>	<b>569,565,922</b>	<b>(132,879,554)</b>	<b>166,471,677</b>
Contribution to workers' profit participation and welfare fund	32	(277,472)	(26,979,127)	3,605,932	(8,068,168)
<b>Profit before income tax</b>		<b>(46,479,998)</b>	<b>542,586,795</b>	<b>(129,273,622)</b>	<b>158,403,509</b>
<b>Income tax expense</b>					
Current tax	33	(117,141,819)	(180,715,778)	(35,466,472)	(64,958,269)
Deferred tax	17	52,698,426	46,935,719	17,070,044	30,081,631
		<b>(64,443,393)</b>	<b>(133,780,059)</b>	<b>(18,396,428)</b>	<b>(34,876,638)</b>
<b>Profit/(loss) after tax for the period</b>		<b>(110,923,391)</b>	<b>408,806,736</b>	<b>(147,670,050)</b>	<b>123,526,871</b>
Other comprehensive income		-	-	-	-
<b>Total comprehensive income for the period</b>		<b>(110,923,391)</b>	<b>408,806,736</b>	<b>(147,670,050)</b>	<b>123,526,871</b>
<b>Profit attributable to:</b>					
Equity holders of the company		(110,923,417)	408,806,711	(147,670,057)	123,526,864
Non-controlling interests		26	25	7	7
<b>Profit/(loss) after tax for the period</b>		<b>(110,923,391)</b>	<b>408,806,736</b>	<b>(147,670,050)</b>	<b>123,526,871</b>
<b>Basic earnings per share (Par value TK 10)</b>	39	<b>(0.26)</b>	<b>0.96</b>	<b>(0.35)</b>	<b>0.29</b>

The accompanying notes are an integral part of these financial statements



**Abdallah Massaad**  
Chairman



**SAK Ekramuzzaman**  
Managing Director



**Pramod Kumar Chand**  
Director



**Mohammad Samsul Arefin**  
General Manager - Finance and Accounts



**Muhammad Shahidul Islam FCS**  
Company Secretary

Dated, 24 October 2024

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

Attributable to owners of the Company

	Share capital Taka (Note - 14)	Share Premium Taka (Note - 15)	Retained earnings Taka (Note - 16)	Total Taka	Non- controlling interests Taka	Total equity Taka
<b>Balance as at 01 January 2023</b>	4,279,687,010	1,473,647,979	1,883,817,400	7,637,152,389	1,336	7,637,153,725
Total comprehensive income for 2023 Profit for the period	-	-	408,806,711	408,806,711	25	408,806,736
Transactions with the shareholders: Cash dividend (2022)	-	-	(427,968,701)	(427,968,701)	-	(427,968,701)
<b>Balance as at 30 September 2023</b>	<b>4,279,687,010</b>	<b>1,473,647,979</b>	<b>1,864,655,410</b>	<b>7,617,990,399</b>	<b>1,361</b>	<b>7,617,991,760</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	-	-	(110,923,417)	(110,923,417)	26	(110,923,391)
Transactions with the shareholders: Cash dividend (2023)	-	-	(427,968,701)	(427,968,701)	-	(427,968,701)
<b>Balance as at 30 September 2024</b>	<b>4,279,687,010</b>	<b>1,473,647,979</b>	<b>1,535,344,547</b>	<b>7,288,679,536</b>	<b>1,403</b>	<b>7,288,680,939</b>

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

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

	<b>30 Sep 2024</b>	<b>30 Sep 2023</b>
	<b>Taka</b>	<b>Taka</b>
<b>Cash flows from operating activities</b>		
Cash receipts from customers	4,654,125,011	4,872,598,717
Cash payments to suppliers and employees	(4,636,456,549)	(4,818,337,550)
<b>Cash generated from operating activities</b>	<u>17,668,462</u>	<u>54,261,167</u>
Interest received from bank deposits	4,136,273	9,934,737
Income tax paid (note - 12)	(181,280,969)	(135,797,582)
<b>Net cash (used in)/from operating activities (note-42)</b>	<u>(159,476,234)</u>	<u>(71,601,678)</u>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(359,629,086)	(524,442,359)
Sale of property, plant and equipment (note-5.3)	205,805	2,137,100
Interest received from FDR	4,691,521	16,995,339
Intangible assets	(13,749,436)	(3,454,625)
<b>Net cash (used in)/from investing activities</b>	<u>(368,481,196)</u>	<u>(508,764,545)</u>
<b>Cash flows from financing activities</b>		
Finance charges	(84,048,760)	(21,508,962)
Avail/(repayment) of term loan	211,268,836	85,920,571
Avail/(repayment) of short-term loan	502,385,937	112,533,337
Payment of lease liability	(13,639,046)	(8,961,098)
Dividend paid	(351,905,279)	(431,715,855)
<b>Net cash (used in)/from financing activities</b>	<u>264,061,688</u>	<u>(263,732,007)</u>
Effect of exchange rate changes in cash and cash equivalents	157,770	89,484
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u>(263,737,972)</u>	<u>(844,008,746)</u>
<b>Cash and cash equivalents as at 01 January</b>	841,999,337	1,275,774,291
<b>Cash and cash equivalents as at 30 September (Note 13)</b>	<u><b>578,261,365</b></u>	<u><b>431,765,545</b></u>

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

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

### **Notes to the consolidated financial statements as at and for the period ended 30 September 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 24 October 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 nine months from 1 January to 30 September and is followed consistently.

## **2.6 Going concern**

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

## **3 Significant accounting policies**

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

### **3.1 Basis of consolidation**

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

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

### **Subsidiaries**

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

### **Loss of control**

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



#### **Transactions eliminated on consolidation**

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

### **3.2 Financial assets**

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

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

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

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

### **3.3 Financial liabilities**

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

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

#### **b) Borrowings**

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

### 3.4 Share capital

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

### 3.5 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the property, plant and equipment. Maintenance, renewals and betterments that enhance the economic useful life of the property, plant and equipment or that improve the capacity, quality or reduce substantially the operating cost or administration expenses are capitalised by adding it to the related property, plant and equipment. Ongoing repairs and maintenance is expensed as incurred.

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

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

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

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

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

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

### 3.6 Investment property

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

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

#### 3.6.1 Depreciation on investment property

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

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

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

### 3.7 Capital work-in-progress

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

### 3.8 Intangible assets

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

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

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

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

### **3.9 Inventories**

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

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

### **3.10 Impairment**

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

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

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

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

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

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

### **Recognition of impairment**

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

### **Reversal of impairment**

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

## **3.11 Employee benefit schemes**

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

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

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

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

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

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

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

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

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

## **3.13 Provisions**

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

### 3.14 IFRS 9 Financial Instruments

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

#### i. Classification – financial assets

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

#### ii. Impairment

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

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

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

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

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

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

#### iii. Hedging

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

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

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

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

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

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

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

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

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

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

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

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

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

### **3.16 IFRS 16 Leases**

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

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

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

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

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

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

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

#### **Impact on Lessee Accounting**

##### **Former operating leases**

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

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

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

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

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

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

##### **Former finance leases**

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

#### **Impact on Lessor Accounting**

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



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

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

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

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

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

### **3.18 Foreign currency**

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

### **3.19 Taxation**

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

#### **Current tax:**

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous year. Provisions for corporate income tax is made following the rate applicable for companies as per Finance Act 2024.

#### **Deferred tax:**

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

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

### **3.20 Earning per share**

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

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

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

### **3.22 Contingencies**

#### **Contingent liability**

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

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

#### **Contingent asset**

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

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

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

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

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

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

### **3.25 Comparatives and reclassification**

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

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

4 Property, plant and equipment

30 Sep 2024

Particulars	C O S T			D E P R E C I A T I O N				Amount in Taka	
	Balance as at 01 Jan 2024	Addition during the period	Sale/disposal transfer during the period	Balance as at 30 Sep 2024	Rate (%)	Balance as at 01 Jan 2024	Charged during the period	Adjustment during the period	Balance as at 30 Sep 2024
Land*	1,245,765,336	-	-	1,245,765,336	5-20	633,618,169	-	-	1,245,765,336
Factory building	1,060,536,702	72,464,183	-	1,133,000,886	5	262,408,606	33,910,978	-	465,471,739
Office and accommodation building	547,535,896	45,149,721	-	592,685,617	5-10	4,632,014,362	22,295,961	-	307,981,051
Plant and machinery	6,128,916,486	366,062,039	-	6,494,978,525	10	102,907,119	278,034,332	-	1,584,929,831
Mobile plant	138,912,181	-	(1,838,841)	137,073,340	10-20	228,029,443	7,513,672	(1,701,801)	28,354,350
Electrical installation	242,630,147	200,000	-	242,830,147	10-20	72,192,068	4,704,907	-	10,095,797
Gas pipeline	81,794,702	17,871	-	81,812,573	10-20	3,011,816	3,011,816	-	6,608,680
Furniture and fixtures	49,888,956	2,166,176	(68,961)	51,986,171	10-20	37,566,353	3,845,729	(67,865)	10,641,953
Office equipment	61,436,306	2,130,211	(74,230)	63,492,287	10-20	48,444,736	6,497,665	(50,521)	8,600,408
Communication equipment	18,905,385	208,593	-	19,113,978	10-20	14,015,165	2,338,322	-	2,760,492
Tools and appliances	23,217,260	372,475	-	23,589,735	10-20	12,469,584	3,007,357	-	8,112,794
Vehicles	126,957,651	3,737,386	(264,600)	130,430,437	10-20	73,743,920	6,592,758	(176,557)	50,270,316
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>492,508,655</b>	<b>(2,246,632)</b>	<b>10,220,390,044</b>		<b>6,121,040,537</b>	<b>371,753,496</b>	<b>(1,936,745)</b>	<b>6,490,797,288</b>
									<b>3,729,592,756</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
Land*	1,033,267,017	212,498,319	-	1,245,765,336	5-20	585,936,080	47,682,089	-	633,618,169
Factory building	1,045,271,569	15,265,133	-	1,060,536,702	5	232,821,264	29,587,342	-	262,408,606
Office and accommodation building	542,813,594	4,722,302	-	547,535,896	5-10	4,691,012,855	331,287,695	(380,286,188)	4,632,014,362
Plant and machinery	5,993,330,750	518,712,169	(383,126,433)	6,128,916,486	10	92,741,702	10,165,417	-	102,907,119
Mobile plant	138,910,626	1,555	-	138,912,181	10-20	221,688,993	6,340,450	-	228,029,443
Electrical installation	242,630,147	-	-	242,630,147	10-20	68,113,907	4,078,161	-	72,192,068
Gas pipeline	80,514,054	1,280,648	-	81,794,702	10-20	32,512,734	5,105,584	(51,865)	37,566,353
Furniture and fixtures	48,152,729	1,788,199	(51,972)	49,888,956	10-20	46,763,976	8,133,485	(6,452,725)	48,444,736
Office equipment	63,708,794	7,048,437	(9,320,925)	61,436,306	10-20	10,789,876	3,225,289	-	14,015,165
Communication equipment	16,566,185	2,339,200	-	18,905,385	10-20	11,273,182	1,196,402	-	12,469,584
Tools and appliances	14,585,223	8,632,037	-	23,217,260	10-20	69,159,862	8,240,342	(3,656,284)	73,743,920
Vehicles	96,188,040	34,639,528	(3,869,917)	126,957,651	10-20	3,631,012	-	-	3,631,012
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 Bhutulla, Gazipur under Dhanua and Gazipur Mouja from Mr. SAK Ekramuzzaman (Managing Director of RAK Ceramics (Bangladesh) Limited) and others as approved in EGM dated August 4, 2022. The land was proposed to be utilized for greenfield expansion of another tiles plant and new faucets plant.

## 5 Investment Property

30 Sep 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 01 Jan 2024	Charged during the period	Adjustment during the period	
Land <sup>1</sup>	500,571,750	-	-	-	-	-	-	500,571,750
Office building <sup>2</sup>	4,432,737	-	-	5%	2,214,159	166,136	-	2,052,442
<b>Total</b>	<b>505,004,487</b>	<b>-</b>	<b>-</b>		<b>2,214,159</b>	<b>166,136</b>	<b>-</b>	<b>502,624,192</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 01 Jan 2023	Charged during the year	Adjustment during the year	
Land <sup>1</sup>	500,571,750	-	-	-	-	-	-	500,571,750
Office building <sup>2</sup>	4,432,737	-	-	5%	1,992,240	221,918	-	2,218,578
<b>Total</b>	<b>505,004,487</b>	<b>-</b>	<b>-</b>		<b>1,992,240</b>	<b>221,918</b>	<b>-</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>30 Sep 2024</b>	<b>30 Sep 2023</b>
	<b>Taka</b>	<b>Taka</b>
<b>5.1 Depreciation</b>		
Property, plant and equipment (Note 4)	371,753,496	338,022,575
Investment Property (Note 5)	166,136	165,983
	<b>371,919,632</b>	<b>338,188,558</b>
<b>5.2 Allocation of Depreciation</b>		
Cost of sales (Note 26)	338,701,668	305,867,819
Administrative expenses (Note 5.2.1)	27,212,104	26,031,619
Marketing & selling expenses (Note 29)	6,005,860	6,289,120
	<b>371,919,632</b>	<b>338,188,558</b>
<b>5.2.1 Administrative Depreciation</b>		
Depreciation on property, plant & equipment (Note 28)	27,045,968	25,865,636
Depreciation on investment property (Note 28)	166,136	165,983
	<b>27,212,104</b>	<b>26,031,619</b>

### 5.3 Disposal of property, plant and equipment

#### 30 Sep 2024

Particulars	Original cost	Accumulated depreciation	Book value	Receipt against sales/insurance	Profit/(loss) on disposal
	Taka	Taka	Taka	Taka	Taka
Mobile plant	1,838,841	1,701,801	137,040	-	(137,040)
Office equipment	74,230	50,521	23,709	-	(23,709)
Furniture & fixture	68,961	67,865	1,096	47,583	46,487
Vehicles	264,600	176,557	88,043	158,222	70,178
<b>Total</b>	<b>2,246,632</b>	<b>1,996,745</b>	<b>249,887</b>	<b>205,805</b>	<b>(44,084)</b>

#### 30 Sep 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
Plant and machinery	383,126,433	380,286,188	2,840,246	-	(2,840,246)
Vehicles	3,869,917	3,656,284	213,633	2,131,100	1,917,467
<b>Total</b>	<b>393,061,100</b>	<b>390,007,216</b>	<b>3,053,884</b>	<b>2,137,100</b>	<b>(916,785)</b>

6 Right-of-use assets

30 Sep 2024

30 Sep 2024

Particulars	COST			DEPRECIATION				Net book value as at 30 Sep 2024	Amount in Taka
	Balance as at 01 Jan 2024	Addition during the period	Sale/disposal during the period	Balance as at 30 Sep 2024	Balance as at 01 Jan 2024	Charged during the period	Adjustment during the period		
Display center	65,545,374	4,056,185	(6,935,706)	62,665,853	25,668,522	9,333,380	(6,935,706)	28,066,196	34,599,656
Accommodation building	1,564,105	1,592,894	(805,053)	2,351,946	761,925	635,241	(805,053)	592,113	1,759,833
Warehouse	30,567,554	-	(1,880,142)	28,687,412	2,612,579	4,303,112	(221,961)	6,693,730	21,993,682
Office Building	6,517,391	-	-	6,517,391	325,870	977,609	-	1,303,478	5,213,912
Total	104,194,424	5,649,079	(9,620,901)	100,222,601	29,368,896	15,249,341	(7,962,720)	36,655,517	63,567,084

31 Dec 2023

31 Dec 2023

Particulars	COST			DEPRECIATION				Net book value as at 31 Dec 2023	Amount in Taka
	Balance as at 01 Jan 2023	Addition during the year	Sale/disposal during the year	Balance as at 31 Dec 2023	Balance as at 01 Jan 2023	Charged during the year	Adjustment during the year		
Display center	48,278,231	29,737,142	(12,469,999)	65,545,374	25,770,495	12,368,026	(12,469,999)	25,668,522	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
Total	51,629,753	65,700,995	(13,136,324)	104,194,424	26,502,104	16,003,117	(13,136,325)	29,368,896	74,825,529

6.1 Allocation of depreciation

	30 Sep 2024	30 Sep 2023
Administrative expenses (Note 28)	1,612,850	566,412
Marketing & Selling expenses (Note 29)	13,636,492	10,349,776
	<b>15,249,341</b>	<b>10,916,188</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>

30 Sep 2023

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

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

7 Intangible assets

30 Sep 2024

Particulars	COST			AMORTIZATION			Amount in Taka	
	Balance as at 01 Jan 2024	Addition during the period	Sale/disposal during the period	Balance as at 30 Sep 2024	Balance as at 01 Jan 2024	Amortized during the period	Adjustment during the period	Balance as at 30 Sep 2024
License	31,037,913	13,112,136	-	44,150,049	27,602,739	6,229,649	-	33,832,388
Computer Software	12,514,380	637,300	-	13,151,680	11,830,602	257,897	-	12,088,499
<b>Total</b>	<b>43,552,293</b>	<b>13,749,436</b>	<b>-</b>	<b>57,301,729</b>	<b>39,433,341</b>	<b>6,487,546</b>	<b>-</b>	<b>45,920,887</b>
								<b>Net book value as at 30 Sep 2024</b>
								10,317,661
								1,063,181
								<b>11,380,842</b>

31 Dec 2023

Particulars	COST			AMORTIZATION			Amount in Taka	
	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	27,602,739
Computer Software	12,064,380	450,000	-	12,514,380	11,493,807	336,795	-	11,830,602
<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>Net book value as at 31 Dec 2023</b>
								3,435,174
								683,778
								<b>4,118,952</b>

	<b>30 Sep 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)	323,889,348	733,182,938
	679,339,590	888,887,976
Less: Transfer to property, plant & equipment during the period (note 8.2)	456,768,917	533,437,734
Balance as at 30 September	<b>222,570,673</b>	<b>355,450,242</b>
<b>8.1 Addition during the period</b>		
Building	24,980,168	56,305,519
Plant & machinery	296,277,862	657,479,014
Others	2,631,318	19,398,405
	<b>323,889,348</b>	<b>733,182,938</b>
<b>8.2 Items transferred from capital work in progress to property, plant &amp; equipment</b>		
Office building	44,636,407	-
Factory Building	70,211,177	14,549,044
Plant & machinery	341,781,059	509,927,776
Tools and appliances	140,274	-
Others	-	8,960,914
	<b>456,768,917</b>	<b>533,437,734</b>
<b>9 Inventories</b>		
Raw materials	1,374,263,656	1,142,336,604
Less : Provision for slow moving & obsolete Inventories	40,312,318	36,222,885
	1,333,951,338	1,106,113,719
Stores and consumables spares and packing	1,101,748,639	1,066,145,738
Less: Write off for stores and spares	9,439,193	4,043,075
	1,092,309,447	1,062,102,663
Finished goods (net of net realizable value adjustment) *	1,210,887,112	1,169,745,855
Less : Provision for slow moving & obsolete Inventories	19,810,261	13,967,249
	1,191,076,852	1,155,778,606
Work-in-process	166,495,778	80,280,061
Goods-in-transit	148,526,509	174,997,673
	<b>3,932,359,922</b>	<b>3,579,272,722</b>

\*Finished goods exclude provision of net realizable value BDT. 44,363,782.



	<b>30 Sep 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)	2,356,147,982	2,480,102,230
	<u>2,356,147,982</u>	<u>2,480,102,230</u>
Accrued interest (Note 10.2)	1,371,779	888,130
	<u><b>2,357,568,351</b></u>	<u><b>2,480,990,360</b></u>
<b>10.1 Trade receivables</b>		
Receivables from local sales	2,376,479,635	2,497,973,879
Receivables from export sales	16,945,526	11,166,492
	<u>2,393,425,161</u>	<u>2,509,140,371</u>
Less: Provision of impairment loss on trade receivable:		
Unrelated parties	26,599,265	10,345,283
Related parties	10,677,914	18,692,858
	<u><b>2,356,147,982</b></u>	<u><b>2,480,102,230</b></u>
<b>10.2 Accrued interest</b>		
Interest accrued on Fixed Deposit Receipt	663,294	888,130
Interest accrued on Special Notice Deposit	708,485	-
	<u><b>1,371,779</b></u>	<u><b>888,130</b></u>
<b>11 Advance, deposit and prepayments</b>		
Advances:		
Employees	774,363	299,500
Purchase of land and others	9,469,605	920,757
Suppliers against materials and services	156,165,696	240,619,264
	<u>166,409,664</u>	<u>241,839,521</u>
Security and other deposits:		
Titas gas	71,833,050	71,833,050
Mymensingh Palli Bidyut Samity-2	1,955,000	1,955,000
VAT and Supplementary duty (Note-11.1)	1,919,046	2,030,039
Deposited with income tax authority	89,023,219	88,962,899
Deposited with VAT authority	10,280,108	6,726,946
Display center and others	812,000	1,312,000
Other deposits	1,494,626	1,494,626
	<u>177,317,049</u>	<u>174,314,560</u>
Prepayments:		
Showroom, warehouse and office rent	58,600	58,600
Insurance and others	14,540,721	9,763,730
	<u>14,599,321</u>	<u>9,822,330</u>
	<u><b>358,326,035</b></u>	<u><b>425,976,410</b></u>

	<b><u>30 Sep 2024</u></b>	<b><u>31 Dec 2023</u></b>
	<b><u>Taka</u></b>	<b><u>Taka</u></b>
<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	10,960,143	10,505,061
	12,990,182	12,628,850
Less: SD & VAT on sales	11,071,136	10,598,811
Balance as at 30 September	<b><u>1,919,046</u></b>	<b><u>2,030,039</u></b>
The above amount represents RAK Security and Services (Pvt) Ltd.		

## **12 Advance Income Tax**

Balance as at 1 January	4,206,879,792	4,100,140,671
Add: Paid during the period	181,280,973	177,967,531
Less: Adjustment during the period	(33,951,065)	(71,228,410)
Balance as at 30 September (Note - 12.1)	<b><u>4,354,209,700</u></b>	<b><u>4,206,879,792</u></b>

### **12.1 Payment for the year**

#### **Income year**

Current period	112,702,409	-
Year 2023	216,980,571	150,060,095
Year 2022	243,147,159	243,147,159
Year 2021	255,101,581	273,680,694
Year 2020	117,036,220	130,750,084
Year 2019	280,875,748	280,875,748
Year 2018	314,638,282	314,638,282
Year 2017	344,518,556	344,518,556
Year 2016	291,375,845	291,375,845
Year 2015	187,848,070	187,848,070
Year 2014	253,701,667	253,701,667
Year 2013	389,651,054	389,651,054
Year 2012	301,027,378	301,027,378
Year 2011	328,701,317	328,701,317
Year 2010	265,532,626	265,532,626
Year 2009	218,091,876	218,091,876
Year 2008	85,378,847	85,378,847
Year 2007	124,813,161	124,813,161
Year 2006	23,087,333	23,087,333
	<b><u>4,354,209,700</u></b>	<b><u>4,206,879,792</u></b>

	30 Sep 2024 Taka	31 Dec 2023 Taka
<b>13 Cash and cash equivalents</b>		
Cash in hand	4,260,052	5,648,949
Cash at banks		
Standard Chartered Bank (current account - 01-6162940-01, 01-3767272-01 - BDT)	61,376	65,194
BRAC Bank Ltd. (current account - 1530201731248001 - BDT)	8,071,806	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)	109,659,661	18,621,322
Standard Chartered Bank (ERQ - 42-6162940-01 - USD)	1,713,887	1,236,309
Standard Chartered Bank (Margin money account)	1,968,575	165,969,352
Midland Bank Ltd. (Margin money account)	13,068,917	76,430,054
Unltd Commercial Bank Ltd. (SND account - 0831301000000164 BDT)	7,224,232	10,761,772
Al Arafah Islami Bank Ltd. (SND account - 0171220002646 - BDT)	4,703,714	10,595,938
South East Bank Ltd. (Current account - 11100008546 - BDT)	3,118,041	18,080
Standard Chartered Bank (SND account - 02-3767272-01 - BDT)	126,403	127,553
Dutch Bangla Bank Ltd. (SND account - 117-120-589, 117-120-311,117-120.2550 - BDT)	57,260,527	19,369,373
Puball Bank Ltd. (CD account 4709901003543, 4709901003539 - BDT)	109,904	147,981
Prime Bank Ltd. (SND - 2125316004690 - BDT)	3,098,817	2,588,318
Janata Bank Ltd. (SND 0100258556318 - BDT)	100,000	-
Eastern Bank Ltd. (CD account - 1132040363287, 1041060507936 - BDT)	-	946,583
Dhaka Bank Ltd (SND - 102.150.274- BDT))	112,926,743	10,024,467
Puball Bank Ltd. ( SND account 47091012000483 - BDT)	49,107	49,358
Commercial Bank of Ceylon (CD-2817000776 - BDT.)	25,000	-
Dhaka Bank Ltd (CD - 204100000019318- BDT))	180,721	181,181
Commercial Bank of Ceylon (SND-2817000777 - BDT.)	17,449,797	16,368
Commercial Bank of Ceylon (ERQ-1806012366 - USD.)	1,255,281	207,926
Meghna Bank Ltd. (SND 1112-13500000004 - BDT)	38,202	1,983,179
Midland Bank Ltd. (SND 0006-10700000015, 0006-10600000043 - BDT)	31,936	187,725,847
Eastern Bank Ltd. (SND account - 1041360507944 - BDT)	10,711,312	16,761,953
Eastern Bank Ltd. (Margin Money account)	1,575,651	7,006,001
Commercial Bank of Ceylon (Margin Money account)	107,227,729	163,002,596
South East Bank Ltd. (Margin Money account)	1,460,000	-
	463,348,081	697,542,962
IPO bank account		
Citibank N.A. (RAK-IPO Central Account - G010001200262022 - BDT)	1,690,700	1,687,358
Citibank N.A. (RAK-IPO-NRB Subscription - G0100001200262042 - USD)	3,919,501	3,919,501
Citibank N.A. (RAK-IPO-NRB Subscription - G0100001200262026 - EURO)	153,606	153,606
Citibank N.A. (RAK-IPO-NRB Subscription - G0100001200262034 - GBP)	126,599	126,599
	5,890,406	5,887,064
Dividend bank account		
BRAC Bank (Current - 1510201731248001 - BDT) - 2010	2,825,286	2,828,976
BRAC Bank (Current - 1513201731248001 - BDT) - 2011	1,089,196	1,092,886
SCB (SND - 02-6162940-02- BDT) - 2012	173,655	174,920
SCB (SND - 02-6162940-03- BDT) - 2013	318,951	320,187
SCB (SND - 02-6162940-05- BDT) - 2015	38,172	39,314
SCB (SND - 02-6162940-06- BDT) - 2016	4,873	6,022
SCB (SND - 02-6162940-09- BDT) - 2019	57	4,207
SCB (SND - 02-6162940-10- BDT) - 2020	349,833	3,161,688
SCB (SND - 02-6162940-11- BDT) - 2021	2,968,408	2,974,975
MDB (SND - 0006-1090000460 - BDT) - 2022	5,218,277	5,178,082
MDB (SND - 0006-1090000504 - BDT) - 2023	3,338,313	-
	16,325,021	15,781,257
Investment In Fixed Deposit Receipt (FDR)		
Al Arafah Islami Bank Ltd.	15,300,000	-
Midland Bank Ltd.	50,000,000	50,000,000
Eastern Bank Ltd.	18,137,805	62,139,105
Commercial bank of Ceylon	5,000,000	5,000,000
	88,437,805	117,139,105
	<b>578,261,365</b>	<b>841,999,337</b>

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

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

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

#### Classification of shareholders by holding

Shareholders' range	Number of shareholders		Number of shares	
	<u>30 Sep 2024</u>	<u>31 Dec 2023</u>	<u>30 Sep 2024</u>	<u>31 Dec 2023</u>
01-499 shares	15,695	17,330	3,659,727	4,044,428
500 to 5,000 shares	7,605	8,240	12,613,218	13,216,736
5001 to 10,000 shares	902	930	6,806,557	6,992,412
10,001 to 20,000 shares	455	483	6,565,701	7,020,409
20,001 to 30,000 shares	154	150	3,897,078	3,803,492
30,001 to 40,000 shares	67	77	2,402,696	2,755,017
40,001 to 50,000 shares	54	64	2,523,399	2,996,435
50,001 to 100,000 shares	94	97	6,928,702	6,872,942
100,001 to 1,000,000 shares	91	81	27,044,092	24,739,299
1,000,001 to 1,000,000,000 Shares	14	14	355,527,531	355,527,531
	<u>25,131</u>	<u>27,466</u>	<u>427,968,701</u>	<u>427,968,701</u>

#### 15 Share premium

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

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

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

Balance as on 1 January	2,074,236,665	1,883,817,400
Add : Profit during the period	<u>(110,923,417)</u>	<u>618,387,966</u>
	1,963,313,248	2,502,205,366
Less: Dividend declared during the period	<u>(427,968,701)</u>	<u>(427,968,701)</u>
Balance as on 30 September	<u>1,535,344,547</u>	<u>2,074,236,665</u>

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

	30 Sep 2024 Taka	31 Dec 2023 Taka
17 Deferred tax liabilities/(Assets)		
Balance as at 1 January	49,340,687	108,058,703
Less : Deferred tax (income)/expenses	(57,696,426)	(58,718,016)
Balance as at 30 September	<u>(3,357,739)</u>	<u>49,340,687</u>

	Carrying amount on the date of statement of financial position	Tax base	Taxable/ (deductible) temporary difference
	Taka	Taka	Taka
As at 30 September 2024			
Property, plant and equipment (Excluding land and others)	2,457,879,547	2,345,758,730	112,120,817
Trade receivable	2,367,635,662	2,404,912,861	(37,277,179)
Inventories	3,851,832,523	3,956,318,984	(104,486,361)
Right of use assets	63,567,084	-	63,567,084
Lease liability	(52,013,271)	-	(52,013,271)
Net taxable temporary difference			<u>(38,086,919)</u>
Deferred tax liability (applying applicable tax rate for Individual company)			<u>(3,357,739)</u>

As at 31 December 2023			
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	2,515,760,769	(29,039,141)
Inventories	3,509,130,676	3,589,245,821	(80,115,145)
Right of use assets	74,825,529	-	74,825,529
Lease liability	(57,874,703)	-	(57,874,703)
Net taxable temporary difference			<u>710,133,827</u>
Deferred tax liability (applying applicable tax rate for Individual company)			<u>49,340,687</u>

#### 18 Employees benefits payable

Provident fund	53,034,604	-
Gratuity fund	22,042,079	-
	<u>75,076,684</u>	<u>-</u>

	Provident fund Taka	Gratuity fund Taka	Total Taka
Balance as at 1 January	-	-	-
Add: Provision made during the period	63,063,501	23,827,732	86,891,233
	63,063,501	23,827,732	86,891,233
Less: Payments made to fund during the period	10,028,895	1,785,653	11,814,549
Balance as at 30 September	<u>53,034,604</u>	<u>22,042,079</u>	<u>75,076,684</u>

Forfeited amount of provident fund amounting to BDT. 896,342 for the period 2024 has been adjusted with provision and payment.

	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	83,732,330	31,616,855	115,349,184
Balance as at 31 December	<u>-</u>	<u>-</u>	<u>-</u>

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

#### 19 Borrowings

Non-current:		
Term loan	586,398,472	375,129,637
Current portion of term loan	<u>(106,571,917)</u>	<u>(11,235,218)</u>
	<u>479,826,555</u>	<u>363,894,419</u>
Currents		
Bank overdrafts	91,042,684	70,521,272
Short-term borrowings	1,133,725,243	651,860,917
Current portion of term loan	<u>106,571,917</u>	<u>11,235,218</u>
	<u>1,331,340,044</u>	<u>733,617,407</u>
Balance as at 30 September	<u>1,811,166,599</u>	<u>1,097,511,826</u>

##### 19.1 Borrowings by maturity

At 30 September 2024	< 1 year	1-2 years	2-5 years	> 5 years	Total
Bank overdrafts	91,042,684	-	-	-	91,042,684
Short-term borrowings	1,133,725,243	-	-	-	1,133,725,243
Term loan	106,571,917	125,685,451	320,219,486	33,922,617	586,398,472
	<u>1,331,340,044</u>	<u>125,685,451</u>	<u>320,219,486</u>	<u>33,922,617</u>	<u>1,811,166,599</u>
At 31 December 2023	< 1 year	1-2 years	2-5 years	> 5 years	Total
Bank overdrafts	70,521,272	-	-	-	70,521,272
Short-term borrowings	651,860,917	-	-	-	651,860,917
Term loan	11,235,218	93,762,409	270,112,010	-	375,129,637
	<u>733,617,407</u>	<u>93,762,409</u>	<u>270,112,010</u>	<u>-</u>	<u>1,097,511,826</u>

19.2 Facilities details (Funded)

Bank	Name of facilities	Limit	Utilisation	Maturity	Repayment	Security - STL	Security - LTL
SCB	Overdraft	50,000,000	13,958,739	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 of RAK Ceramics (BD) Ltd. Following are relating to RAK Power Pvt. Ltd. 1. Mortgage of 5 bigha land. 2. Lien of Term Deposit of 100 MN 3. Charge over fixed & floating assets, 4. Corporate guarantee from RAK Ceramics BD Ltd. 5. A signed cheque covering total facility
	Short term loan	500,000,000	191,789,724	180/360 days from B/L date			
Midland Bank PLC	Overdraft	25,000,000	27,864,287	Revolving	From company's own source		
	Short term loan	500,000,000	401,741,927	180/360 days from B/L date			
Eastern Bank PLC	Long term loan*	450,000,000	445,398,472	5 years with 1 year moratorium period	From company's own source		
	Overdraft	30,000,000	25,199,858	Revolving			
Dutch Bangla Bank PLC	Overdraft	25,000,000	24,000,000	Revolving	From company's own source		
	Short term loan	90,000,000	29,985,225	180/360 days from B/L date			
Commercial Bank of Ceylon	Overdraft	35,000,000	-	Revolving	From company's own source		
	Short term loan	550,000,000	118,512,199	180/360 days from B/L date			
Al Arafah Islamic Bank PLC	Overdraft	-	-	Revolving	From company's own source		
	Short term loan	565,000,000	70,000,000	180/360 days from B/L date			
PLC	Long term loan*	362,500,000	141,000,000	6 years with 1 year moratorium period			

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

						30 Sep 2024 Taka	31 Dec 2023 Taka
20	Lease liability						
	Non-currents						
	Lease liability					52,013,274	57,874,704
	Less : Current portion of lease liability					11,898,493	12,209,734
						40,114,781	45,664,970
	Currents						
	Current portion of lease liability					11,898,493	12,209,734
	30 September 2024						
	Lease liability schedule						
	Particulars	Balance as on 01 January 2024	Addition/(deletion)	Payment	Interest expenses	Decrease in lease liability	Balance as on 30 September 2024
	Display center	22,162,043	4,056,165	6,908,521	1,525,695	5,282,626	20,935,400
	Accommodation Building	829,670	1,592,894	691,579	76,254	615,325	1,807,239
	Warehouse	28,932,651	(1,779,039)	5,002,105	1,984,866	3,117,240	23,936,373
	Office Building	6,050,340	-	1,136,842	420,753	716,079	5,334,262
		57,874,704	3,870,039	13,639,046	3,907,578	9,731,469	52,013,274
	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	1,651,871	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
		18,583,247	48,856,956	13,634,288	4,065,790	9,569,499	57,874,704
21	Trade and other payables						
	Trade payables						
	Payable to local suppliers					306,895,961	170,770,142
	Payable to foreign suppliers					355,201,497	538,720,832
	Payable to service provider					193,369,533	144,406,116
	Payable to C & F agent					121,744,559	60,093,953
						977,211,550	914,091,043
	Other payables						
	Tax deducted at source					14,267,226	8,801,970
	Tax deducted at source on remuneration (Note-23.1)					-	5,312,349
	VAT deducted at source					5,250,999	9,363,850
	VAT and Supplementary duty payable (Note-21.1)					34,124,629	122,145,071
	Royalty and technical know-how fee					517,802,531	517,802,531
	Unclaimed share application					20,061,956	20,061,956
	Advance from customer against sales					19,988,985	11,153,898
	Security deposit payable					2,084,931	2,112,195
	Payable to employees					4,184,428	2,642,645
	Payable to customer against claim					19,460,320	17,856,960
	Provisional liabilities - material & services					34,465,333	38,872,400
	Payable against purchase of land					-	304,150,175
						671,731,328	1,061,275,901
						1,648,933,008	1,975,356,944
	20 Sep 2024						
	31 Dec 2023						
21.1	VAT and Supplementary duty (SD) payable						
	Opening Balance					122,145,071	115,766,477
	Add: VAT and Supplementary duty on sales					1,515,422,342	2,592,516,070
	Other payable					127,453	1,265,249
						1,637,694,866	2,709,547,796
	Less: Treasury deposit for SD & VAT purpose					966,101,523	1,640,355,684
	Rebate of Input VAT					637,468,614	947,147,041
						1,034,124,729	1,642,255,685
	Balance as at 30 September					34,124,629	122,145,071
22	Unclaimed Dividend Payable					84,185,921	8,122,499
	Year	Dividend declared	TDS on dividend	Net dividend	Dividend distributed till 30 Sep 2024	Fund Transferred to CHS:	Undistributed fund (BDT) as on 30 Sep 2024
	2010	345,110,250	60,158,297	284,951,953	274,257,528	10,654,425	-
	2011	379,621,275	65,382,545	314,238,730	306,565,331	7,673,399	-
	2012	417,593,403	73,344,749	344,248,653	336,536,373	7,712,280	-
	2013	459,341,744	80,693,245	378,648,499	368,108,408	9,540,090	-
	2014	842,126,528	148,654,665	693,471,863	676,464,072	17,007,791	-
	2015	842,126,528	148,654,665	693,471,863	676,464,072	17,007,791	-
	2016	673,701,222	113,275,089	560,426,133	543,752,883	16,673,250	-
	2017	353,693,141	61,276,252	292,416,889	284,757,456	7,659,433	-
	2018	389,082,458	65,888,903	323,193,555	315,227,075	7,966,480	-
	2019	541,953,052	93,029,624	448,923,428	438,305,450	10,617,978	-
	2020	427,969,701	72,747,652	355,222,049	347,713,129	7,508,920	-
	2021	534,960,876	93,123,334	441,837,542	432,914,232	8,923,310	-
	2022	427,968,701	72,746,753	355,221,948	347,712,891	7,508,957	-
	2023	427,968,701	72,746,701	355,222,000	347,713,343	7,508,657	-
		7,163,166,576	998,916,370	6,164,250,206	6,431,876,638	48,207,644	84,185,921

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	60,198,287	284,911,963	274,257,528	10,654,425	-
2011	379,621,275	65,382,545	314,238,730	306,555,331	7,673,399	-
2012	417,593,403	27,344,749	390,238,653	386,535,373	3,703,280	-
2013	459,341,744	30,693,245	428,648,499	426,108,409	2,540,090	-
2014	842,126,529	60,654,665	781,471,863	776,464,072	5,007,791	-
2015	842,126,528	61,659,449	780,467,079	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	29,899,903	359,173,553	357,227,075	1,946,478	-
2019	641,953,052	49,029,624	592,923,428	589,305,450	4,617,979	-
2020	427,968,701	32,747,652	395,221,049	392,412,812	-	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	392,902,948	390,614,915	-	2,388,033
	<b>6,735,217,075</b>	<b>567,799,557</b>	<b>6,167,508,318</b>	<b>6,113,688,098</b>	<b>45,699,723</b>	<b>8,122,499</b>

	30 Sep 2024	31 Dec 2023
	Taka	Taka
<b>23 Accrued expenses</b>		
Power and gas	81,228,185	115,459,103
Staff cost	145,900,294	116,888,635
Dealer's Incentive and bonus	-	7,491,671
Audit fees	1,541,250	2,040,000
Professional charges	4,619,890	3,935,745
Interest on loans	34,239,856	8,179,820
Telephone	573,692	440,565
Freight bill	6,363,962	7,310,331
Business promotion and advertisement	36,374,595	3,327,046
Hiring heavy equipment	4,139,696	4,139,696
Managing Director's remuneration (Note 23.1)	-	18,937,048
Worker's profit participation and welfare fund (Note 23.2)	277,472	40,690,956
Others	46,121,542	25,580,190
	<b>361,380,834</b>	<b>358,420,817</b>
<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)	-	25,248,397
	18,937,048	46,548,229
Less: Tax deducted at source during the period (Note 21)	-	6,312,349
Less: Paid to Managing Director during the period	18,937,048	21,299,832
Balance as at 30 September	-	18,937,048
<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	277,472	40,690,956
	40,968,428	85,769,965
Less: Payment made from the fund during the period	40,690,956	45,079,009
Balance as at 30 September	277,472	40,690,956
<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	117,141,818	258,470,104
	4,826,332,465	4,780,419,059
Less: Adjustment for completed assessment	(33,951,055)	(71,228,411)
Balance as at 30 September (Note 24.1)	<b>4,792,381,400</b>	<b>4,709,190,648</b>
<b>24.1 Provision for Income Tax</b>		
<b>Income year</b>		
Current period	117,141,818	-
Year 2023	258,470,104	258,470,104
Year 2022	249,833,799	249,833,799
Year 2021	280,715,896	300,846,645
Year 2020	123,196,049	137,014,355
Year 2019	296,420,303	296,420,303
Year 2018	316,355,666	316,355,666
Year 2017	346,089,883	346,089,883
Year 2016	302,798,649	302,798,649
Year 2015	323,397,728	323,397,728
Year 2014	339,893,487	339,893,487
Year 2013	362,336,361	362,336,361
Year 2012	305,056,869	305,056,869
Year 2011	326,585,215	326,585,215
Year 2010	349,879,113	349,879,113
Year 2009	266,828,984	266,828,984
Year 2008	147,117,914	147,117,914
Year 2007	80,163,573	80,163,573
	<b>4,792,381,400</b>	<b>4,709,190,648</b>

	30 Sep 2024	30 Sep 2023	July to Sep 2024	July to Sep 2023
	Taka	Taka	Taka	Taka
<b>25 Sales</b>				
Gross sales from Ceramics product	6,341,476,512	7,846,374,288	1,880,347,432	2,537,581,857
Gross sales from Power generation	400,714,554	556,422,672	125,438,363	194,205,315
Gross sales from Security service	101,773,362	83,287,081	35,924,347	29,010,192
	<u>6,843,964,428</u>	<u>8,486,084,041</u>	<u>2,041,710,142</u>	<u>2,760,897,374</u>
Less: Elimination	389,216,161	521,720,919	122,593,020	181,356,932
Supplementary Duty	639,025,601	795,474,566	185,479,919	259,065,104
VAT	887,595,330	1,107,470,891	263,067,632	360,156,392
Discount	7,314,377	842,962	113,914	164,646
Commission, Incentive and bonus	390,593,607	459,145,495	124,849,103	172,722,593
<b>Net sales</b>	<u>4,530,219,382</u>	<u>5,601,429,208</u>	<u>1,344,808,554</u>	<u>1,787,431,707</u>
<b>26 Cost of sales</b>				
Materials consumed:				
Opening Inventory as at 1 January	1,106,113,719	1,589,019,169	1,159,075,264	1,199,216,651
Add: Purchase during the period	2,128,896,683	2,236,621,870	715,335,137	798,312,837
	<u>3,235,010,402</u>	<u>3,825,641,038</u>	<u>1,874,410,401</u>	<u>1,997,529,489</u>
Less: Closing Inventory as at 30 September	1,333,951,338	1,098,235,536	1,333,951,338	1,098,235,536
	<u>1,911,059,064</u>	<u>2,727,405,503</u>	<u>540,459,063</u>	<u>899,293,953</u>
Manufacturing overhead:				
Direct labour (note 26.1)	538,332,401	544,429,493	156,137,488	166,700,407
Direct expenses:				
Power and gas	477,428,569	651,778,414	133,491,957	213,311,410
Repairs and indirect materials (note 26.2)	495,916,782	645,618,804	147,047,734	200,035,641
Depreciation on property, plant & equipment (note 5.2)	338,701,668	305,867,819	115,861,296	104,734,057
Royalty and technical know-how/assistance fees *		43,613,904	(5,676,963)	13,148,450
Other production overhead (note 26.3)	31,930,897	62,297,060	10,607,444	10,372,500
Provision for slow moving & obsolete inventories (note 9)	9,932,445	8,287,984	5,821,404	4,206,822
Movement in stock	(101,505,087)	(786,337,730)	70,449,073	(259,705,655)
	<u>3,701,796,739</u>	<u>4,202,961,250</u>	<u>1,174,196,496</u>	<u>1,352,097,585</u>
<b>26.1 Direct labour</b>				
Salary & wages	399,402,014	390,611,163	111,256,973	129,787,289
Overtime	19,057,677	23,014,298	4,079,095	6,570,287
Bonus	38,537,009	41,184,190	15,971,481	1,326,303
Incentive	407,932	449,578	135,978	222,767
Temporary labour wages	35,525,379	44,389,828	10,732,683	14,926,029
Staff uniform, safety and welfare expenses	2,979,549	2,059,034	2,427,134	571,544
Gratuity	16,175,129	16,303,705	4,394,000	4,908,457
Employer's contribution to provident fund	20,775,830	20,787,967	5,581,679	6,682,628
Leave encashment	2,694,321	2,683,717	718,597	650,986
Group life Insurance	1,713,382	2,534,905	839,868	663,109
Compensation	964,179	43,991,006	-	391,009
	<u>538,332,401</u>	<u>544,429,493</u>	<u>156,137,488</u>	<u>166,700,407</u>
<b>26.2 Repairs and indirect materials</b>				
Stores, spares, repair & maintenance	269,442,266	326,764,525	84,365,804	97,726,936
Packing expenses	226,474,516	318,854,279	62,681,930	102,308,705
	<u>495,916,782</u>	<u>645,618,804</u>	<u>147,047,734</u>	<u>200,035,641</u>
<b>26.3 Other production overhead</b>				
Tour and travel expenses	1,626,768	2,504,994	340,362	538,566
Demurrage and penalty	1,266,421	9,180,832	579,680	804,818
Insurance	16,904,724	18,482,939	5,236,103	6,115,652
Hiring charges and transportation	2,147,348	3,559,714	1,067,349	1,792,000
Write off for stores and spares	9,439,193	25,171,179	3,146,398	-
Other expenses	546,443	3,397,402	237,552	1,122,064
	<u>31,930,897</u>	<u>62,297,060</u>	<u>10,607,444</u>	<u>10,372,500</u>
*Royalty has been calculated 8% on business profit as per Finance Act 2020.				
<b>27 Other income</b>				
Profit on sale of fixed assets (note 5.3)	-	-	-	(1,419,144)
Gain on retirement of right of use assets (note 6.2)	120,858	-	-	-
	<u>120,858</u>	<u>-</u>	<u>-</u>	<u>(1,419,144)</u>



	30 Sep 2024	30 Sep 2023	July to Sep 2024	July to Sep 2023
	Taka	Taka	Taka	Taka
<b>28 Administrative expenses</b>				
Staff cost (note 28.2)	161,628,259	170,901,516	46,951,371	54,140,091
Annual General Meeting expenses	5,557,016	1,733,812	191,500	192,500
Telephone and postage	7,457,396	10,625,011	2,681,391	3,102,822
Office repair and maintenance (note 28.3)	10,435,106	7,437,855	3,390,100	2,820,687
Registration and renewal	1,507,863	1,842,230	431,181	578,171
Security and guard expenses	333,830	276,369	292,980	137,704
Electricity, gas and water	6,162,683	4,939,774	2,428,135	1,979,312
Depreciation on property, plant & equipment (note 5.2.1)	27,045,968	25,865,636	9,098,341	8,999,972
Depreciation on investment property (note 5.2.1)	166,136	165,983	55,783	55,936
Depreciation on right of use assets (note 6.1)	1,612,850	566,412	570,085	192,638
Amortization (note 7)	6,487,546	950,803	1,670,424	253,007
Legal and professional fees	12,443,098	9,816,383	2,899,533	2,680,783
Vehicle repair and maintenance	13,465,179	12,909,690	3,665,380	4,017,172
Rent, rate and tax	4,571,101	5,907,737	1,681,487	1,353,341
Loss on retirement of assets (note 5.3)	44,084	916,785	(29,358)	916,785
IT expenses	3,058,839	21,750,264	814,111	7,532,114
General Service	5,400,324	4,859,309	1,906,924	1,654,399
Donation	1,401,246	3,920,860	110,428	342,107
Managing Director's remuneration (note 28.4)	-	16,773,004	(2,330,232)	4,859,099
Others	14,569,071	12,166,538	3,520,008	2,138,897
	<b>283,347,595</b>	<b>314,127,971</b>	<b>79,999,572</b>	<b>97,947,537</b>
<b>28.1 Impairment loss on trade receivables</b>				
Unrelated parties	16,319,202	2,638,072	5,052,401	(18,544)
Related parties	(8,080,164)	11,247,939	(1,622,259)	2,144,606
	<b>8,239,038</b>	<b>13,886,011</b>	<b>3,430,142</b>	<b>2,126,062</b>
New classification of financial assets shown in note 36.1(b) as per IFRS 9.				
<b>28.2 Staff cost</b>				
Salary & wages	114,699,971	113,192,220	31,796,546	37,368,854
Bonus	15,672,343	17,403,204	6,931,949	6,137,356
Incentive	192,546	1,458,416	64,182	878,920
Gratuity	4,748,192	4,649,501	1,292,732	1,427,149
Employer's contribution to provident fund	6,393,418	6,239,094	1,744,351	2,052,995
Leave encashment	871,537	847,349	239,929	216,664
Group life Insurance	600,633	712,188	214,302	210,244
Canteen and conveyance expenses	14,736,855	16,708,813	3,685,041	4,339,948
Staff uniform, safety and welfare expenses	1,437,710	4,357,441	303,105	293,267
Travelling expenses	1,061,646	3,503,258	202,537	848,662
Compensation	52,721	80,028	-	-
Medical expenses	571,099	545,505	283,380	146,581
Accommodation expenses	589,588	1,204,499	193,317	219,451
	<b>161,628,259</b>	<b>170,901,516</b>	<b>46,951,371</b>	<b>54,140,091</b>
Accommodation expenses and Rent, rates and taxes include rent expenses for short term lease for BDT. 1,427,885 and related government levels 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	152,627	383,753	40,900	92,810
Office maintenance	10,282,479	7,054,102	3,349,200	2,727,877
	<b>10,435,106</b>	<b>7,437,855</b>	<b>3,390,100</b>	<b>2,820,687</b>
<b>28.4 Managing Director's remuneration</b>				
Provision made during the period	-	16,773,004	(2,330,232)	4,859,099
	<b>-</b>	<b>16,773,004</b>	<b>(2,330,232)</b>	<b>4,859,099</b>
Managing Director's remuneration represents provision made 3% of net profit before tax of RAK Ceramics (Bangladesh) Ltd.				
<b>29 Marketing &amp; selling expenses</b>				
Staff cost (note 29.1)	110,655,470	102,996,039	33,980,627	32,828,573
Advertisement	25,905,279	26,695,783	5,202,245	4,329,757
Freight and transportation	191,109,430	238,963,151	61,938,737	82,604,372
Compensation to customers	5,132,616	7,783,176	1,462,153	2,148,813
Business promotion	60,049,911	49,025,905	17,302,430	8,986,973
Depreciation on property, plant & equipment (note 5.2)	6,005,860	6,289,120	1,975,213	2,163,007
Depreciation on right of use assets (note 6.1)	13,636,492	10,349,776	4,583,737	4,087,423
Showroom, office & house rent	5,447,465	1,109,800	1,059,712	(559,203)
Sample expenses	15,906,221	22,222,755	7,205,154	6,214,849
Tour, travel and others	17,766,606	14,411,571	5,533,623	5,286,700
	<b>451,615,350</b>	<b>479,847,076</b>	<b>140,243,631</b>	<b>148,091,264</b>
<b>29.1 Staff cost</b>				
Salary & wages	66,891,445	61,440,065	18,901,011	21,194,253
Bonus	6,442,407	5,590,527	2,924,693	158,635
Incentive	9,913,149	9,892,476	4,410,140	2,137,390
Gratuity	2,904,411	2,684,670	811,195	859,460
Employer's contribution to provident fund	3,914,332	3,602,565	1,098,175	1,284,546
Leave Encashment	516,361	471,223	144,297	126,789
Group life Insurance	357,975	448,608	132,946	117,712
Conveyance & food expenses	14,234,267	17,032,573	4,183,171	6,491,455
Staff uniform, safety and welfare expenses	5,481,123	1,833,332	1,374,999	458,333
	<b>110,655,470</b>	<b>102,996,039</b>	<b>33,980,627</b>	<b>32,828,573</b>

	30 Sep 2024 Taka	30 Sep 2023 Taka	July to Sep 2024 Taka	July to Sep 2023 Taka
<b>29.2 Salary &amp; wages under staff cost (note no. 26.1, 28.2 &amp; 29.1) includes employee contribution to provident fund for BDT.20,775,830, BDT. 6,393,418 &amp; BDT. 3,914,332.</b>				
<b>30 Finance income</b>				
Interest on bank account (SND)	4,135,273	9,934,737	1,444,230	794,259
Interest on fixed deposits	5,175,170	17,251,945	1,742,501	2,411,330
	<b>9,311,443</b>	<b>27,186,682</b>	<b>3,186,731</b>	<b>3,205,589</b>
<b>31 Finance expenses</b>				
Interest expenses against loan	107,031,863	22,769,913	55,139,534	11,027,243
Interest expenses against lease liability	3,907,577	2,604,216	1,315,818	1,139,634
Foreign exchange loss	26,839,094	21,520,911	24,439,669	9,835,366
Bank charges	3,076,923	1,332,620	1,905,977	481,784
	<b>140,855,457</b>	<b>46,227,660</b>	<b>82,800,998</b>	<b>22,464,027</b>
<b>32 Contribution to worker's profit participation and welfare fund</b>				
Provision made during the period	277,472	26,979,127	(3,605,932)	8,068,168
	<b>277,472</b>	<b>26,979,127</b>	<b>(3,605,932)</b>	<b>8,068,168</b>
<b>33 Income tax expenses</b>				
Accounting profit (PBT as per Individual company)	(44,479,999)	544,586,794	(129,273,625)	158,403,506
Add: Inadmissible depreciation allowance for separate consideration: Accounting Depreciation of Fixed Assets	371,919,632	338,188,557	126,990,632	115,952,973
	<b>327,439,633</b>	<b>882,775,351</b>	<b>(2,282,993)</b>	<b>274,356,479</b>
Add: Inadmissible expenses / allowances as per ITO, 1984/ITA, 2023:				
Business promotion expenses	27,251,126	8,769,773	7,472,444	(4,099,007)
Royalty expenses	-	-	(28,164)	(28,753)
Samole expenses	10,049,315	14,911,590	5,326,407	4,241,371
Amortization expenses	6,487,547	815,988	1,670,425	207,822
Depreciation on Right of Use Assets (ROUA)	15,249,341	10,916,188	5,153,822	4,280,061
Interest on lease liability	3,907,578	2,604,216	1,315,818	1,139,634
Provision for slow moving inventories	9,932,445	8,287,984	5,821,404	4,206,822
NRV Provision on Inventories	14,438,772	2,984,009	8,985,201	(5,698,501)
Impairment loss on trade receivable	7,885,711	13,804,527	3,257,874	2,068,266
	<b>95,201,834</b>	<b>63,094,274</b>	<b>38,975,231</b>	<b>6,317,713</b>
	<b>422,641,467</b>	<b>945,869,625</b>	<b>36,692,238</b>	<b>280,674,192</b>
Deduct: Tax base depreciation of Fixed Assets (as per 3rd Schedule of ITO, 1984/ITA, 2023):	(171,932,444)	(133,951,487)	(68,926,139)	10,795,059
Admissible expenses as per ITO, 1984/ITA, 2023:				
Rent expenses	(22,609,602)	(13,123,107)	(6,676,503)	(4,402,018)
Deduct: Dividend Income	(2,000,000)	(1,980,000)	-	-
<b>Taxable profit</b>	<b>226,099,421</b>	<b>796,815,031</b>	<b>(38,910,404)</b>	<b>287,068,234</b>
Applicable tax rate for Individual company				
On Business Income		As per applicable tax rate for individual company		
On Dividend Income	20%	20%	20%	20%
Tax expenses as per applicable tax rate for Individual company :				
Business Income	51,924,900	180,315,778	(8,394,813)	64,958,269
Dividend Income	400,000	400,000	-	-
<b>Current Tax Liability based on taxable profit</b>	<b>52,324,900</b>	<b>180,715,778</b>	<b>(8,394,813)</b>	<b>64,958,269</b>
<b>Current Tax Liability considering minimum tax liability</b>	<b>117,141,819</b>	<b>-</b>	<b>35,466,472</b>	<b>-</b>
	<b>117,141,819</b>	<b>-</b>	<b>35,466,472</b>	<b>-</b>
<b>34 Reconciliation of effective tax rate</b>				
		30 Sep 2024 Taka		30 Sep 2023 Taka
Profit before tax	%	(46,479,998)	%	542,586,795
Current tax expenses	-252.03%	117,141,819	33.31%	180,715,778
Deferred tax expenses	113.38%	(52,698,426)	-8.65%	(46,935,719)
Total tax expenses	<b>-138.65%</b>	<b>64,443,394</b>	<b>24.66%</b>	<b>133,780,059</b>
Expected Income tax using applicable tax rate for Individual company	20.11%	(9,345,784)	22.72%	123,280,425
Tax on non-deductible expenses	-272.1%	126,487,603	10.6%	57,435,354
Effective current tax	-252.03%	117,141,819	33.31%	180,715,778
Effective deferred tax	113.38%	(52,698,426)	-8.65%	(46,935,719)
	<b>-138.65%</b>	<b>64,443,394</b>	<b>24.66%</b>	<b>133,780,059</b>
<b>35 Short term lease expenses</b>				
		30 Sep 2024 Taka	30 Sep 2023 Taka	July to Sep 2024 Taka
Nature of the lease	Lease term	Allocation		July to Sep 2023 Taka
Rented accommodation	<1 year	Admin	Rent Payment	Rent Payment
			1,427,885	478,135
			<b>1,427,885</b>	<b>451,230</b>

### 36 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

#### 36.1 Credit risk

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

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

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

#### a) Exposure to credit risk

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

	USD		Amounts in Taka	
	As at 30 Sep 2024	As at 31 Dec 2023	As at 30 Sep 2024	As at 31 Dec 2023
Trade receivables				
Customer-Local	-	-	2,319,202,456	2,468,935,738
Customer-Export	142,621	97,120	16,945,526	11,166,492
	<u>142,621</u>	<u>97,120</u>	<u>2,356,147,982</u>	<u>2,480,102,230</u>
Other receivables				
Accrued Interest			1,371,779	888,130
Others			48,590	-
			<u>1,420,369</u>	<u>888,130</u>
Cash equivalents			<u>574,061,313</u>	<u>836,350,386</u>

#### b) Impact of IFRS 9

The following table and the accompanying notes below explain the original measurement categories under IFRS 9 for each class of the financial assets as at 30 September 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	1,396,357,924	1,369,758,659	26,599,265
Trade receivable-related	10.1	Amortized cost	997,067,237	986,389,321	10,677,914
Cash at banks	13	Amortized cost	485,563,508	485,563,508	-

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.8,239,038.

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 was:

	Amounts in Taka	
	As at 30 Sep 2024	As at 31 Dec 2023
Not past due	1,363,515,205	1,477,530,122
0-90 days past due	367,887,781	249,252,327
91-180 days past due	389,884,953	382,742,485
181-365 days past due	198,698,469	331,849,670
over 365 days past due	36,161,572	38,727,624
	<u>2,356,147,982</u>	<u>2,480,102,230</u>

### 36.2 Liquidity risk

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

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

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

As at 30 Sep 2024				
Carrying amount	Contractual cash flows	Within 12 months or less	More than 12 months	
Taka	Taka	Taka	Taka	
Bank overdraft	91,042,884	91,042,884	91,042,884	-
Trade and other payables	1,648,933,008	1,648,933,008	1,648,933,008	-
Short term borrowing	1,133,725,243	1,133,725,243	1,133,725,243	-
Term loan	586,398,472	586,398,472	106,571,917	479,826,555
	<b>3,460,099,609</b>	<b>3,460,099,609</b>	<b>2,980,273,053</b>	<b>479,826,555</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.

#### i Exposure to currency risk

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

As at 30 Sep 2024				
	AED	GBP	USD	EURO
Foreign currency denominated assets				
Receivable from customers-Export	-	-	142,621	-
Cash at bank	-	-	24,951	-
	-	-	<b>167,572</b>	-

As at 31 Dec 2023				
	AED	GBP	USD	EURO
Foreign currency denominated assets				
Receivable from customers-Export	-	-	97,120	-
Cash at bank	-	-	13,189	-
	-	-	<b>110,309</b>	-

	As at 30 Sep 2024					As at 31 Dec 2023			
	AED	GBP	USD	EURO		AED	GBP	USD	EURO
<b>Foreign currency denominated liabilities</b>									
Trade payables	-	202,338	1,266,130	1,225,948		-	477,466	1,251,964	2,625,224
Short term borrowings	-	-	1,627,423	468,550		-	-	1,610,350	1,052,918
Royalty & Technical Fees	-	-	4,315,021	-		-	-	4,707,296	-
	-	202,338	7,208,574	1,694,498		-	477,466	7,569,610	3,678,141
Net exposure	-	(202,338)	(7,041,802)	(1,694,498)		-	(477,466)	(7,459,300)	(3,678,141)

The Company has foreign exchange loss of Tk 26,839,094 during the period ended 30 Sep 2024 (30 Sep 2023: Exchange loss Tk 21,520,911).

The following significant exchange rates have been applied:

	Exchange rate as at (Average)	
	30 Sep 2024	31 Dec 2023
	Taka	Taka
AED	32.6213	29.8820
GBP	160.3583	140.6124
USD	119.5000	109.7500
EURO	135.1648	122.0317

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

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

	As at 30 Sep 2024		As at 31 Dec 2023	
	Profit or (loss)		Profit or (loss)	
	Strengthening	Weakening	Strengthening	Weakening
	Taka	Taka	Taka	Taka
<b>At 30 Sep</b>				
AED (3 percent movement)	-	-	-	-
GBP (3 percent movement)	(6,258)	5,893	(14,767)	13,907
USD (3 percent movement)	(217,763)	205,078	(230,700)	217,261
EURO (3 percent movement)	(52,407)	49,154	(112,757)	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 30 Sep 2024	As at 31 Dec 2023
	Taka	Taka
<b>Fixed rate Instruments</b>		
<b>Financial assets</b>		
Investment in FDR	88,437,805	117,139,105
Cash at banks	485,563,508	719,211,283
<b>Financial liabilities</b>		
Term loan	586,398,472	375,129,637
Bank overdraft	91,042,884	70,521,272
Short term borrowing	1,133,725,243	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 30 Sep 2024		As at 31 Dec 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
	Taka	Taka	Taka	Taka
<b>Financial assets</b>				
<b>Held to maturity assets</b>				
Investment in FDR	88,437,805	88,437,805	117,139,105	117,139,105
<b>Loans and receivables</b>				
Trade receivables	2,356,147,982	2,356,147,982	2,480,102,230	2,480,102,230
Other receivables	1,420,369	1,420,369	888,130	888,130
Cash equivalents	574,001,313	574,001,313	836,350,388	836,350,388
<b>Financial liabilities</b>				
<b>Liabilities carried at amortised costs</b>				
Term loan	586,398,472	586,398,472	375,129,637	375,129,637
Bank overdraft	91,042,884	91,042,884	70,521,272	70,521,272
Trade and other payables	1,648,933,008	1,648,933,008	1,975,356,944	1,975,356,944
Short term borrowing	1,133,725,243	1,133,725,243	651,860,917	651,860,917

**Interest rates used for determining amortised cost**

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

	30 Sep 2024	31 Dec 2023
Investment in FDR (local currency/BDT)	2.50%-10.50%	1.50%-8.25%
Term loan	12.50%	9.93%-13.30%
Bank overdraft (local currency/BDT)	12.00%-14.50%	8.75%-10.14%
Short term bank loan (local currency/BDT)	12.50%-14.50%	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:

Amounts in Taka

Name of related party	Relationship	Security/ Guarantee status	Bad debts Status	Period	Purchase of goods/services	Sale of goods/services	Outstanding receivables/advance	Outstanding payable	Remuneration	Dividend income*	Dividend payable*	Royalty payable*
RAK Power Pvt. Ltd	Subsidiary	Unsecured	Nil	Current period Previous period	348,447,438 483,845,802	2,347,830 2,347,830	2,347,830 2,347,830	135,656,880 189,378,634	-	-	-	-
RAK Security & Services Pvt. Ltd	Subsidiary	Unsecured	Nil	Current period Previous period	39,881,504 36,955,369	-	-	12,774,812 6,318,059	-	1,980,000 1,980,000	-	-
RAK Ceramics PISC, UAE	Parent	Unsecured	Nil	Current period Previous period	12,531,700 26,999,346	-	-	35,406,865 45,763,582	-	-	80,086,431	517,802,531
Ceramim FZ LLC	Fellow subsidiary	Secured	Nil	Current period Previous period	418,591,378 631,951,727	-	-	108,559,948 64,099,044	-	-	-	521,682,811
RAK Ceramics (India) Pvt. Ltd.	Fellow subsidiary	Secured	Nil	Current period Previous period	19,836,319 922,831	-	-	5,230,338	-	-	-	-
Kludi RAK LLC	Fellow subsidiary	Secured	Nil	Current period Previous period	-	-	-	-	-	-	-	-
Kea Printing & Packaging Industries	Other related party	Unsecured	Nil	Current period Previous period	69,024,200 120,435,195	-	-	27,517,765 16,321,959	-	-	-	-
Palli Properties Pte. Ltd	Other related party	Unsecured	Nil	Current period Previous period	14,397,072 12,712,271	-	-	1,659,191 6,012,500	-	-	-	-
Sky Bird Travel Agents Pvt. Ltd.	Other related party	Unsecured	Nil	Current period Previous period	429,283 2,935,306	-	-	25,300	-	-	-	-
Masram Auro Ltd.	Other related party	Unsecured	Nil	Current period Previous period	-	-	-	209,743,750	-	-	-	-
Speedway International Pvt. Ltd	Other related party	Unsecured	Nil	Current period Previous period	3,931,726 30,190,413	-	-	1,380,700 17,384,020	-	-	-	-
Global Business Associates Ltd.	Other related party	Unsecured	Nil	Current period Previous period	-	-	-	-	-	-	-	-
Mohammed Trading	Other related party	Secured by Guaranteed Cheque	Nil	Current period Previous period	738,100 -	1,199,061,018 2,072,670,168	996,694,102 1,273,602,527	-	-	-	-	-
S.A.K. Ekramuzzaman	Key Management Personnel	Unsecured	Nil	Current period Previous period	4,228,668 4,228,668	-	-	200,000 100,973,678	-	-	-	-
Sadhan Kumar Dey**	Key Management Personnel	Unsecured	Nil	Current period Previous period	-	-	-	-	16,773,004 9,930,580 8,689,913	-	-	-

\*The figures are included tax and VAT.

\*\*Amount represents Short term benefits BDT. 8,748,319 and Post employment benefits BDT. 1,182,261.

To comply the BSEC notification no. BSEC/CVRRCD/2009-193/10/Admin/118 dated March 22, 2021 shareholders of the company in its 24th Annual General Meeting dated March 19, 2024 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, No provision was made as MD's remuneration due to loss for the period.

37.3 During the period, Board meeting fees of Taka 660,000 was paid to the board members for attending the Board meetings.

### 38 Segment reporting

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

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

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

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

#### 30 Sep 2024

	Business Segments				Entity total
	Ceramic & sanitary ware Taka	Power Taka	Security and Services Taka	Inter segment Taka	
Revenue - external customers	4,480,285,848	-	49,933,503	-	4,530,219,352
Revenue - inter segment	-	348,447,438	40,768,723	(389,216,161)	-
Total segment revenue	4,480,285,848	348,447,438	90,702,226	(389,216,161)	4,530,219,352
Cost of sales- external customer	(3,309,631,951)	(331,162,011)	(61,002,777)	-	(3,701,796,739)
Cost of sales- inter segment	(348,447,438)	(3,235,049)	-	351,682,487	-
Total segment cost of sales	(3,658,079,389)	(334,397,060)	(61,002,777)	351,682,487	(3,701,796,739)
Gross profit	822,206,459	14,050,378	29,699,449	-	828,422,613
Dividend income	1,980,000	20,000	-	(2,000,000)	-
Rental income	2,347,830	-	-	(2,347,830)	-
Financial income	8,258,707	1,010,187	42,550	-	9,311,443
Financial expenses	(139,049,193)	(1,540,171)	(266,093)	-	(140,855,457)
Depreciation	(356,737,375)	(15,022,873)	(159,384)	-	(371,919,632)
Other operating expenses	(399,626,326)	7,031,930	(18,846,931)	39,881,504	(371,559,823)
Segment profit before tax	(60,499,040)	5,549,450	10,469,591	-	(46,479,998)
Income tax expense	(109,906,914)	(4,180,067)	(3,054,838)	-	(117,141,819)
Deferred tax	48,705,901	3,827,088	165,437	-	52,698,426
Profit for the period					<u>(110,923,391)</u>



**30 Sep 2023**

	Business Segments				Entity total
	Ceramic & sanitary ware	Power	Security and services	Inter segment	
	Taka	Taka	Taka	Taka	Taka
Revenue - external customers	5,564,039,283	-	37,389,926	-	5,601,429,208
Revenue - inter segment	-	483,845,802	37,875,117	(521,720,919)	-
Total segment revenue	5,564,039,283	483,845,802	75,265,043	(521,720,919)	5,601,429,208
Cost of sales- external customer	(3,682,655,406)	(466,487,893)	(53,817,952)	-	(4,202,961,250)
Cost of sales- inter segment	(483,845,802)	(3,267,558)	-	487,113,360	-
Total segment cost of sales	(4,166,501,208)	(469,755,451)	(53,817,952)	487,113,360	(4,202,961,250)
Gross profit	1,397,538,075	14,090,351	21,447,091	-	1,398,467,958
Dividend income	1,980,000	20,000	-	(2,000,000)	-
Rental income	2,347,830	-	-	(2,347,830)	-
Financial income	26,371,487	799,919	15,276	-	27,186,682
Financial expenses	(48,210,521)	(11,106)	(6,033)	-	(48,227,659)
Depreciation	(323,321,362)	(14,734,795)	(132,401)	-	(338,188,558)
Other operating expenses	(524,229,202)	6,941,875	(16,319,690)	36,955,389	(496,651,628)
Segment profit before tax	532,476,307	7,106,244	5,004,243	-	542,586,795
Income tax expense	(175,576,974)	(3,623,809)	(1,514,995)	-	(180,715,778)
Deferred tax	45,253,474	1,648,501	33,744	-	46,935,719
Profit for the period					<b>408,806,736</b>

	<b>30 Sep 2024</b>	<b>30 Sep 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	(110,923,417)	408,806,711
(b) No. of ordinary equity shares	427,968,701	427,968,701
(c) Weighted average no. of equity shares outstanding (Note 39.1)	427,968,701	427,968,701
Earnings per share (EPS) for the period (a÷c)	(0.26)	0.96
Diluted earnings per share for the period (a÷c)	(0.26)	0.96

**39.1 Weighted average number of ordinary shares**

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

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

**39.2 Diluted earning per share**

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

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

The sales were decreased by 19.12% from BDT 5,601.43 MN to BDT 4,530.22 MN because of demand-supply gap in the market on the ground of underutilization of plant's capacity caused by interrupted gas supply from national grid. The fixed costs had to be paid off for full capacity regardless of its utilization. Moreover, the production as well as sales were significantly impacted in the 3rd quarter due to unprecedented political disruption. Due to low production and sales gross profit margin dropped to 18.29% from 24.97%. Finance expenses were also increased due to liquidity crisis caused by the above mentioned adversity that was managed by bank financing. All those impacting in earning per share which has been decreased from BDT. +0.96 to -0.26.

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

(a) Net assets value (Note 14, 15 & 16)	7,288,679,536	7,617,990,399
(b) Weighted average no. of equity shares outstanding (Note 39.1)	427,968,701	427,968,701
Net assets value per share (a÷b)	17.03	17.80

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

(a) Net Cash flows from operating activities (Note 42)	(159,476,234)	(71,601,678)
(b) Weighted average no. of equity shares outstanding (Note 39.1)	427,968,701	427,968,701
Net operating cash flow per share (a÷b)	(0.37)	(0.17)

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

Sales were decreased by 19.12% from BDT 5,601.43 MN to BDT 4,530.22 MN due to all those reason mentioned in the above point 39.3. However, company settled all vendor liabilities mostly on time even sales and corresponding collection was poor. Altogether impacting net operating cash flow eventually impacting net operating cash flow per share decreased from BDT -0.17 to BDT. -0.37.

42 **Reconciliation of operating cash flow:**

	<u>30 Sep 2024</u>	<u>30 Sep 2023</u>
<b>Cash flows from operating activities</b>		
Profit before taxation	(46,479,998)	542,586,795
Adjustment for:		
Depreciation	387,168,973	349,104,746
Amortization	6,487,546	950,803
Adjustment relating to assets	-	3,004,624
Advance rent adjustment	-	(16,604,040)
Advance tax adjustment	-	-
Loss on assets retirement	44,084	916,785
Foreign exchange loss	26,839,094	21,520,911
Finance expenses	114,016,362	26,706,749
Finance income	(9,311,443)	(27,186,682)
Other Income	(120,858)	-
	<u>478,643,760</u>	<u>901,000,690</u>
Increase/decrease in trade and other receivables	123,905,658	(728,830,492)
Increase/decrease in Inventories	(353,087,200)	(703,096,243)
Increase/decrease in trade and other payables	<u>(231,793,749)</u>	<u>585,187,211</u>
<b>Cash generated from operating activities</b>	<u>17,668,462</u>	<u>54,261,167</u>
Interest received from bank deposit	4,136,273	9,934,737
Income tax paid	<u>(181,280,969)</u>	<u>(135,797,582)</u>
<b>Net cash (used in)/from operating activities</b>	<u><b>(159,476,234)</b></u>	<u><b>(71,601,678)</b></u>

43 **Contingent liabilities**

There are contingent liabilities on account of unresolved disputed corporate tax assessments and VAT claims by the authority aggregating to Tk 487,330,273 (30 Sep 2023: Tk 479,354,333). 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 256,266,068 (30 Sep 2023: Tk 612,249,280) and letter of guarantee of Tk 207,496,928 (30 Sep 2023: Tk 145,784,887).

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