RAK Ceramics (Bangladesh) Limited

Consolidated financial statements
as at and for the period ended 31 March 2017

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RAK Ceramics (Bangladesh) Ltd.

Consolidated statement of financial position

as at 31 March 2017

	Notes	31 Mar 2017 Taka	31 Dec 2016 Taka
Assets			
Property, plant and equipment	4	3,437,529,656	3,500,775,257
Investment property	5	709,617,021	504,343,755
Intangible assets	6	5,863,044	6,740,159
Capital work-in-progress	7	92,170,377	28,726,285
Trade and other receivables	10	37,012,500	74,025,000
Total non-current assets		4,282,192,598	4,114,610,457
Inventories	9	2,676,762,392	2,527,507,042
Trade and other receivables	10	596,250,594	618,841,556
Loan to disposed subsidiary	8	-	201,898,000
Advances, deposits and prepayments	11	440,321,545	406,247,968
Advance income tax	12	2,555,792,173	2,485,841,759
Cash and cash equivalents	13	969,628,093	802,643,479
Total current assets		7,238,754,797	7,042,979,804
Total assets		11,520,947,395	11,157,590,261
Equity			
Share capital	14	3,536,931,410	3,368,506,110
Share premium		1,473,647,979	1,473,647,979
Retained earnings		627,655,531	1,269,570,793
Equity attributable to equity holders of the company		5,638,234,920	6,111,724,882
Non-controlling interests		1,224	1,501
Total equity		5,638,236,144	6,111,726,383
Liabilities			
Borrowings	17	547,065,298	601,200,132
Deferred tax liability	15	144,519,025	128,416,223
Total non-current liabilities		691,584,323	729,616,355
Employees benefits payable	16	21,826,430	3,458,783
Borrowings	17	520,011,505	566,254,999
Trade and other payables	18	1,332,802,751	590,472,114
Accrued expenses	19	336,682,727	269,520,037
Provision for income tax	20	2,979,803,515	2,886,541,590
Total current liabilities		5,191,126,928	4,316,247,523
Total liabilities		5,882,711,251	5,045,863,878
Total equity and liabilities		11,520,947,395	11,157,590,261

The notes on pages 5 to 38 are an integral part of these financial statements

Managing Director | Director | Director | Chief Financial Officer | Company Secretary

Dhaka, 24 April 2017

RAK Ceramics (Bangladesh) Ltd.

Consolidated profit or loss and other comprehensive income
for the period ended 31 March 2017

	Notes	31 Mar 2017 Taka	31 Mar 2016 Taka
Sales	21	1,567,265,392	1,311,182,196
Cost of sales	22	(899,212,028)	(745,724,126)
Gross profit		668,053,364	565,458,070
Other income	23	812,031	600,000
Administrative expenses	24	(95,548,840)	(76,314,082)
Marketing and selling expenses	25	(206,972,902)	(161,456,009)
		(301,709,711)	(237,170,091)
Profit from operating activities		366,343,653	328,287,979
Finance income	26	5,709,884	12,372,140
Finance expenses	27	(44,874,646)	(6,581,890)
Net finance income		(39,164,762)	5,790,250
Profit before contribution to worker's profit participation and welfare fund		327,178,891	334,078,229
Contribution to worker's profit participation and welfare fund	28	(17,602,781)	(13,878,036)
Profit before income tax		309,576,110	320,200,193
Income tax expense			
Current tax	29	(93,261,925)	(89,002,905)
Deferred tax	15	(16,102,802)	4,445,522
		(109,364,727)	(84,557,383)
Profit for the period		200,211,383	235,642,810
Other comprehensive income		-	-
Total comprehensive income for the period		200,211,383	235,642,810
Profit attributable to:			
Equity holders of the company		200,211,260	235,642,675
Non-controlling interests		123	135
Profit after tax for the period		200,211,383	235,642,810
Basic earnings per share (Par value TK 10)	33	**0.57**	**0.67**

The notes on pages 5 to 38 are an integral part of these financial statements

Managing Director | Director | Director | Chief Financial Officer | Company Secretary

Dhaka, 24 April 2017

RAK Ceramics (Bangladesh) Ltd.

Consolidated statement of changes in equity

for the period ended 31 March 2017

	Attributable to owners of the Company					
	Share capital Taka	Share Premium Taka	Retained earnings Taka	Total Taka	Non-controlling interests Taka	Total equity Taka
Balance as at 01 January 2016	3,368,506,110	1,473,647,979	1,196,443,022	6,038,597,111	1,529	6,038,598,640
Total comprehensive income for 2016						
Profit/(loss) for the period	-	-	235,642,675	235,642,675	135	235,642,810
Balance as at 31 March 2016	3,368,506,110	1,473,647,979	1,432,085,697	6,274,239,786	1,664	6,274,241,450
Balance as at 01 January 2017	3,368,506,110	1,473,647,979	1,269,570,793	6,111,724,882	1,501	6,111,726,383
Total comprehensive income for 2017						
Profit/(loss) for the period	-	-	200,211,260	200,211,260	123	200,211,383
Cash dividend (2016)	-	-	(673,701,222)	(673,701,222)	(400)	(673,701,622)
Stock dividend (2016)	168,425,300	-	(168,425,300)	-	-	-
Balance as at 31 March 2017	3,536,931,410	1,473,647,979	627,655,531	5,638,234,920	1,224	5,638,236,144

The notes on pages 5 to 38 are an integral part of these financial statements

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RAK Ceramics (Bangladesh) Ltd.

Consolidated statement of cash flows
for the period ended 31 March 2017

	31 Mar 2017 Taka	31 Mar 2016 Taka
Cash flows from operating activities		
Cash receipts from customers	1,555,517,828	1,209,594,140
Cash payments to suppliers and employees	(1,130,428,474)	(1,064,229,590)
Cash generated from operating activities	425,089,354	145,364,550
Interest received from bank deposit	949,318	995,109
Income tax paid	(69,950,413)	(24,566,075)
Net cash (used in)/from operating activities	356,088,259	121,793,584
Cash flows from investing activities		
Acquisition of property, plant and equipment	(117,265,204)	(271,354,485)
Sale of property, plant and equipment	-	129,500
Disposal proceeds of subsidiary and associate	37,012,500	-
Interest received from FDR	5,227,548	10,020,603
Income from rental	610,000	600,000
Intangible assets	(430,000)	(12,346,418)
Net cash (used in)/from investing activities	(74,845,156)	(272,950,800)
Cash flows from financing activities		
Finance charges	(13,563,898)	(9,121,930)
Avail/(repayment) of term loan	(54,134,835)	373,524,878
Avail/(repayment) of short-term loan	(46,243,494)	(261,462,566)
Dividend paid	(315,862)	(550,868)
Unclaimed share application refund	-	(345,600)
Net cash (used in)/from financing activities	(114,258,489)	102,043,914
Net increase/(decrease) in cash and cash equivalents	166,984,614	(49,113,302)
Cash and cash equivalents as at 01 January	802,643,479	1,101,566,520
Cash and cash equivalents as at 31 March (Note 13)	969,628,093	1,052,453,218

The notes on pages 5 to 38 are an integral part of these financial statements

RAK Ceramics (Bangladesh) Limited

Notes to the consolidated financial statements as at and for the period ended 31 March 2017

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) Ltd. 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, bathroom 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 17th May respectively.

1.2 Description of subsidiaries

RAK Power Pvt. Ltd.

RAK Power Pvt. Ltd. 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 as at 31 March 2017. The Company has gone into operation from 1 May 2009. The registered office of the Company is at House # 5, Road # 1/A Sector # 4, Uttara, Dhaka- 1230. The Power Plant is located at Village : Dhanua, P.S: Sreepur, District: Gazipur. 57% shares of RAK Power 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 Power Pvt. Ltd. from 57% to 100% 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. Ltd. 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. Limited

RAK Security and Services Pvt. Ltd. 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 1,00,000,000 divided into 1,000,000 ordinary shares of Taka 100 each. The paid up capital stands at Taka 1,000,000 as at 31 March 2017. The Company has gone into operation from 1 May 2007. The registered office of the Company is at House # 5, Road # 1/A Sector # 4, Uttara, 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.) Ltd. from 35% to 100% through purchase of 6,500 number of ordinary shares of BDT 100 each in consideration of BDT 2,875 per share totaling to BDT 18,687,500 only from all the other shareholders of RAK Security & Services (Pvt.) Ltd. 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 Bangladesh Financial Reporting Standards (BFRSs), the Companies Act 1994 and the Securities and Exchange Rules 1987.

The title and format of these financial statements follow the requirements of BFRS 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 BFRS 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 April 2017.

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 BFRSs 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 15	Deferred tax liability
Note 16	Employees benefit payable
Note 20	Provision for income tax

2.5 Reporting period

The financial period of the Company covers three months from 1 January to 31 March and is followed consistently.

2.6 Going concern

The Company has adequate resources to continue in operation for forseeable 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 IFRS, 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.

BFRS-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 statements 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.

Investments in associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity.

Investments in associates are accounted for using the equity method and are recognised initially at cost. The cost of the investment includes transaction costs.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of the investment, including any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

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 instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.2.1 Non-derivative financial assets

The Group initially recognises loans and receivables on the date that they are originated. All other financial assets are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available for-sale financial assets.

Financial assets at fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held for trading or is designated as such on initial recognition. Financial assets are designated as at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Group's documented risk management or investment strategy. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, which takes into account any dividend income, are recognised in the statement of profit or loss and other comprehensive income.

Financial assets designated as at fair value through profit or loss comprise equity securities that otherwise would have been classified as available for sale.

Held-to-maturity financial assets

If the Group has the positive intent and ability to hold debt securities to maturity, then such financial assets are classified as held to maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified in any of the above categories of financial assets. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs.

Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale debt instruments, are recognised in other comprehensive income and presented by the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

Available-for-sale financial assets comprise equity securities and debt securities.

Loans and receivables

Loans and 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, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Non-derivative financial assets comprise investment in associates, loans to associates, trade & other receivables and cash and cash equivalents.

a) Investment in associates

Investments in associates are recognised initially at cost plus any directly attributable transaction costs. Subsequent to initial recognition, investment in associates are measured at cost less impairment loss, if any.

b) Loans to associates

Loans to associates are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these are measured at amortised cost using the effective interest method, less any impairment losses.

c) 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 bad debts provision.

d) 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.

3.2.2 Non-derivative financial liabilities

Financial liabilities are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Non-derivative financial liabilities comprise trade & other payables, and interest bearing borrowings.

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.

3.3 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.

3.4 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.

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. 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. Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised as gain or loss in the statement of comprehensive income.

3.4.1 Depreciation on property, plant and equipment

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

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

Category of property, plant and equipment	**Rate (%)**
Factory building	2.5-5
General building	2.5-20
Head Office building	2.5-5
Plant and machinery	5-10
Mobile plant	10
Electrical installation	10-20
Gas pipeline	10-20
Furniture, fixture and equipment	10
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.

3.5 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 n the period in which the property is derecognised.

3.5.1 Depreciation on investment property

Depreciation 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 from the day of their acquisition and charging of depreciation on investment property ceases from the day on which the deletion thereof takes place.

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.

3.6 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.

3.7 Intangible assets

Intangible assets that are acquired by the Group (such as designs and trade marks for manufacture of ceramic tiles and sanitary ware and pharmaceuticals products) and 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.

3.8 Leased assets

Leases in terms of which the Group assumes substantially all of the risks and rewards of ownership are classified as finance leases. On initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Lease payments

In respect of finance lease, lease payments are apportioned between finance charges and reduction of lease liability so as to achieve a constant rate of interest on the remaining balance of liability. Finance charges are reflected in profit or loss.

Operating leases payments are recognised as an expense in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

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. Raw 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

Financial assets not classified as at fair value through profit or loss, are assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

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 Company 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 Company 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 Company also makes equal contribution to the fund. These are administered by the Board of Trustees. The contributions are invested separately from the company's assets.

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

Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated Decarately 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 (Amendment) Act 2013".

3.13 Provisions

Provisions are recognised on the reporting date if, as a result of past events, the Company 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 Revenue recognition

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

3.15 Finance income and expenses

Finance income comprises interest income on fixed deposits, Short Notice Deposit (SND) and amounts due from related parties. 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.

3.16 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 Bangladesh Accounting Standard (BAS)-21 "The Effects of Changes in Foreign Exchange Rates".

3.17 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 2016.

Deferred tax:
Deferred tax has been recognised in accordance with Bangladesh Accounting Standard (BAS) 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.

3.18 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.

3.19 Determination and presentation of operating segment

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

3.20 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.

3.21 Statement of cash flows

Statement of cash flows is prepared under direct method in accordance with Bangladesh Accounting Standard (BAS)-7 *"Statement of cash flows"* as required by the Securities and Exchange Rules 1987.

3.22 Events after the reporting period

Events after the reporting period that provide additional information about the Company'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.

3.23 Comparatives and reclassification

Comparative information have been disclosed in respect of 2016 for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current period's financial statements.

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

4 Property, plant and equipment

31 Mar 2017

Amounts in Taka

Particulars	COST				DEPRECIATION					Net book value as at 31 Mar 2017
	Balance as at 01 Jan 2017	Additions during the period	Sale/ disposal during the period	Balance as at 31 Mar 2017	Rate (%)	Balance as at 01 Jan 2017	Charged during the period	Adjustment during the period	Balance as at 31 Mar 2017	
Land	289,585,607	-	-	289,585,607		-	-	-	-	289,585,607
Factory building	885,686,619	6,201,547	-	891,888,166	2.5-5	289,021,867	10,710,467	-	299,732,334	592,155,833
Office building	197,676,689	1,230,286	-	198,906,975	2.5-5	91,183,718	2,458,042	-	93,641,760	105,265,215
Plant and machinery	5,096,325,210	35,592,922	-	5,131,918,132	5-10	2,840,758,215	86,397,652	-	2,927,155,867	2,204,762,265
Mobile plant	116,307,779	3,444,030	-	119,751,809	10	82,873,815	1,958,936	-	84,832,751	34,919,058
Electrical installation	241,464,647	-	-	241,464,647	10-20	169,959,558	3,623,581	-	173,583,139	67,881,508
Gas pipeline	69,647,294	-	-	69,647,294	10-20	45,539,497	798,039	-	46,337,536	23,309,758
Furniture and fixtures	33,527,954	212,114	-	33,740,068	10	24,181,501	355,672	-	24,537,173	9,202,895
Office equipment	99,182,629	1,230,924	-	100,413,553	10-20	37,114,917	4,131,118	-	41,246,035	59,167,517
Communication equipment	11,261,333	154,661	-	11,415,994	10-20	5,370,410	346,220	-	5,716,630	5,699,364
Tools and appliances	17,069,869	391,000	-	17,460,869	10-20	6,619,913	419,638	-	7,039,551	10,421,318
Vehicles	73,519,704	1,057,982	-	74,577,685	10-20	37,856,665	1,561,703	-	39,418,368	35,159,318
Fire fighting equipments	3,631,012	-	-	3,631,012	20	3,631,012	-	-	3,631,012	-
Total	7,134,886,346	49,515,466	-	7,184,401,812		3,634,111,089	112,761,067	-	3,746,872,156	3,437,529,656

31 Dec 2016

Amounts in Taka

Particulars	COST				DEPRECIATION					Net book value as at 31 Dec 2016
	Balance as at 01 Jan 2016	Additions during the year	Sale/ disposal during the year	Balance as at 31 Dec 2016	Rate (%)	Balance as at 01 Jan 2016	Charged during the year	Adjustment during the year	Balance as at 31 Dec 2016	
Land	289,585,607	-	-	289,585,607		-	-	-	-	289,585,607
Factory building	486,550,770	399,135,849	-	885,686,619	2.5-5	254,767,601	34,254,266	-	289,021,867	596,664,752
Office building	195,540,797	2,135,892	-	197,676,689	2.5-20	81,236,181	9,947,538	-	91,183,718	106,492,971
Plant and machinery	3,525,500,749	1,570,824,461	-	5,096,325,210	5-10	2,544,072,048	296,686,167	-	2,840,758,215	2,255,566,995
Mobile plant	103,009,939	13,297,840	-	116,307,779	10	74,859,697	8,014,118	-	82,873,815	33,433,964
Electrical installation	183,272,165	58,192,482	-	241,464,647	10-20	157,552,492	12,407,066	-	169,959,558	71,505,089
Gas pipeline	48,136,891	21,510,403	-	69,647,294	10-20	43,155,571	2,383,926	-	45,539,497	24,107,797
Furniture and fixtures	30,958,310	2,569,644	-	33,527,954	10	21,298,483	2,883,018	-	24,181,501	9,346,453
Office equipment	95,375,111	3,920,247	(112,730)	99,182,629	10-20	19,990,457	17,199,735	(75,275)	37,114,917	62,067,711
Communication equipment	10,133,036	1,128,297	-	11,261,333	10-20	4,149,046	1,221,364	-	5,370,410	5,890,923
Tools and appliances	8,739,426	8,330,443	-	17,069,869	10-20	5,748,154	871,759	-	6,619,913	10,449,956
Vehicles	70,061,529	5,140,669	(1,682,494)	73,519,704	10-20	33,009,675	6,394,633	(1,547,643)	37,856,665	35,663,039
Fire fighting equipments	3,631,012	-	-	3,631,012	20	3,631,012	-	-	3,631,012	-
Total	5,050,495,342	2,086,186,228	(1,795,224)	7,134,886,346		3,243,470,417	392,263,590	(1,622,918)	3,634,111,089	3,500,775,257

5 Investment Property

31 Mar 2017

Particulars	COST					DEPRECIATION				Net book value as at 31 Mar 2017
	Balance as at 01 Jan 2017	Additions during the period	Sale/disposal during the period	Balance as at 31 Mar 2017	Rate	Balance as at 01 Jan 2017	Charged during the period	Adjustment during the period	Balance as at 31 Mar 2017	
Land[1]	500,571,750	-	-	500,571,750		-	-	-	-	500,571,750
Office building[2]	4,432,737	206,203,645	-	210,636,382	5%	660,732	930,379	-	1,591,111	209,045,271
Total	505,004,487	206,203,645	-	711,208,132		660,732	930,379	-	1,591,111	709,617,021

31 Dec 2016

Particulars	COST					DEPRECIATION				Net book value as at 31 Dec 2016
	Balance as at 01 Jan 2016	Additions during the year	Sale/disposal during the year	Balance as at 31 Dec 2016	Rate	Balance as at 01 Jan 2016	Charged during the year	Adjustment during the year	Balance as at 31 Dec 2016	
Land	500,571,750	-	-	500,571,750		-	-	-	-	500,571,750
Office building	4,432,737	-	-	4,432,737	5%	438,813	221,918	-	660,732	3,772,005
Total	505,004,487	-	-	505,004,487		438,813	221,918	-	660,732	504,343,755

1 The land 10 khata is situated besides the RAK Tower was acquired in March 2012. The same was classified as Property, plant & equipment till 31st Dec 2016. However, presently the asset is under operating lease considering undetermined future use. Hence in the current financial statements, the same is reclassified as an item of "Investment Property" as defined under BAS 40.

The said property are stated at cost as per BAS 16 due to alternate reliable sources of measurement being unavailable.

2 The property, being an Apartment on 10th floor, RAK Tower, was acquired in the month of February 2017 from M/s Julphar Bangladesh Ltd. (Erstwhile RAK Pharmaceuticals Pvt. Ltd) and godown office building is situated at above mentioned land. This property is too under operating lease culminating in undetermined future use. Hence the same is classified under "Investment Property" under BAS 40.

The fair values of the property has been adopted at the transaction value considering that the munnicipal valuation of the property has fairly remained unchanged, the company has adopted the transaction value as the fair value of the property.

	31 Mar 2017 Taka	31 Mar 2016 Taka
4.1 Depreciation charged on the basis of the purpose of use		
Cost of sales (Note 22)	103,907,583	63,685,834
Administrative expenses (Note 4.2)	9,283,919	6,274,472
Marketing & selling expenses (Note 25)	499,944	493,975
	113,691,446	70,454,281
4.2 Administrative expenses		
Depreciation on property, plant & equipment (Note 24)	8,353,540	6,219,296
Depreciation on investment property (Note 24)	930,379	55,176
	9,283,919	6,274,472

4.3 Disposal of property, plant and equipment

31 Mar 2017

Particulars	Original cost	Accumulated depreciation	Book value	Receipt against sales/insurance	Profit/(loss) on disposal
	Taka	Taka	Taka	Taka	Taka
No Disposal	-	-	-	-	-
Total	-	-	-	-	-

31 Dec 2016

Particulars	Original cost	Accumulated depreciation	Book value	Sale/Lost	Profit/(loss) on disposal
	Taka	Taka	Taka	Taka	Taka
Vehicle	1,682,494	1,547,643	134,851	687,050	552,199
Office equipment	112,730	75,275	37,455	20,100	(17,355)
Total	1,795,224	1,622,918	172,306	707,150	534,844

		31 Mar 2017 Taka	31 Dec 2016 Taka
6	**Intangible assets**		
	Balance as at 1 January	6,740,159	6,683,955
	Add: Addition during the period	430,000	12,401,543
		7,170,159	19,085,498
	Less: Amortisation during the period (Note-6.1)	1,307,115	12,345,339
	Balance as at 31 March	5,863,044	6,740,159
6.1	Amortisation charged on the basis of the purpose of use		
	Administrative expenses (Note - 24)	1,307,115	12,345,339
		1,307,115	12,345,339
7	**Capital Work-in-Progress**		
	Balance as at 1 January	28,726,284	1,545,379,710
	Add: Addition during the period	312,584,930	28,099,014
		341,311,214	1,573,478,724
	Less. Transfer to property, plant & equipment during the period (note 7.1)	249,140,837	1,528,441,226
	Impairment loss on capital equipment during the period	-	16,311,214
	Balance as at 31 March	92,170,377	28,726,285
7.1	**Items transferred from capital work in progress to property, plant & equipment**		
	Facotory building	-	237,219,154
	Building	213,635,478	-
	Plant & machinery	35,350,698	1,256,599,871
	Others	154,661	34,622,201
		249,140,837	1,528,441,226
8	**Loan to disposed subsidiary**		
	Julphar Bangladesh Ltd. (Erstwhile RAK Pharmaceuticals Pvt. Ltd.)	-	201,898,000
		-	201,898,000
9	**Inventories**		
	Raw materials	874,339,528	844,891,203
	Less : Provision for obsolescence made during the period	-	(13,878,807)
		874,339,528	831,012,396
	Stores and consumables spares	1,101,560,173	1,082,968,219
	Finished goods	523,362,011	387,942,404
	Work-in-process	117,602,831	96,173,371
	Goods-in-transit	59,897,850	129,410,652
		2,676,762,392	2,527,507,042

		31 Mar 2017 Taka	31 Dec 2016 Taka
10	**Trade and other receivables**		
	Non current :		
	Receivable against disposal of investment	37,012,500	74,025,000
	Current :		
	Trade receivables (Note 10.1)	523,327,042	548,029,728
		523,327,042	548,029,728
	Accrued interest (Note 10.2)	1,869,731	2,336,714
	Accrued rental income	570,000	380,000
	Receivable against disposal of investment	68,095,114	68,095,114
	Other receivable	2,388,707	-
		596,250,594	618,841,556
10.1	**Trade receivables**		
	Receivables from local sales	523,327,042	548,029,728
	Receivables from export sales	-	-
		523,327,042	548,029,728
10.2	**Accrued interest**		
	Interest accrued on FDR	1,869,731	2,336,714
		1,869,731	2,336,714
11	**Advance, deposit and prepayments**		
	Advances:		
	Employees	87,612	17,500
	Land advance & others	36,945,416	36,776,888
	Suppliers agaisnt material & services	247,306,058	225,082,941
		284,339,086	261,877,329
	Security and other deposits:		
	Titas gas	27,401,050	22,262,600
	Mymenshing Palli Bidyut Samity-2	1,955,000	1,955,000
	VAT and supplementary duty (note 11.1)	40,842,445	36,231,093
	Deposit with income tax authority	17,185,655	17,185,655
	Deposit with VAT authority	7,530,001	7,530,001
	Other deposits	1,491,853	1,491,853
		96,406,004	86,656,202
	Prepayments:		
	House rent	8,787,152	9,176,471
	Insurance	50,497,885	48,237,825
	Others	291,418	300,141
		59,576,455	57,714,437
		440,321,545	406,247,968

AMAR STOCK

		31 Mar 2017 Taka	31 Dec 2016 Taka
11.1	**Supplementary duty & VAT**		
	Balance as at 1 January	36,231,093	58,015,290
	Add: Treasury deposit for SD & VAT purpose	336,000,000	1,121,800,000
	Rebate of input VAT	76,571,656	273,305,798
		448,802,749	1,453,121,088
	Add: Receivable - SD & VAT	-	-
		448,802,749	1,453,121,088
	Less: SD & VAT on sales	407,960,304	1,416,418,729
	Payable- SD & VAT	-	471,266
		407,960,304	1,416,889,995
	Balance as at 31 March	40,842,445	36,231,093
12	**Advance Income Tax**		
	Balance as at 1 January	2,485,841,759	2,219,806,786
	Add: Paid during the period	69,950,414	266,034,973
	Balance as at 31 March (12.1)	2,555,792,173	2,485,841,759
12.1	**Payment for the period**		
	Income year		
	Current period	39,650,414	-
	Year 2016	259,918,424	229,618,424
	Year 2015	187,267,285	187,267,285
	Year 2014	295,379,428	295,379,428
	Year 2013	392,118,319	392,118,319
	Year 2012	336,319,884	336,319,884
	Year 2011	328,082,711	328,082,711
	Year 2010	265,684,491	265,684,491
	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
		2,555,792,173	2,485,841,759

AMAR STOCK

		31 Mar 2017 Taka	31 Dec 2016 Taka
13	**Cash and cash equivalents**		
	Cash in hand	3,243,304	9,880,543
	Cash at banks		
	HSBC (current account -001-013432-011,001-107580-011,001-096015-011, 001-096007-011 - BDT)	62,421,022	40,412,746
	Standard Chartered Bank (current account - 01-6162940-01, 01-3767272-01 - BDT)	41,395,585	66,626,593
	Citibank N.A. (current account - G0100001200262018 - BDT)	12,779,734	15,162,084
	Dutch Bangla Bank Ltd. (current account - 117-110-12733,117-110-2481, 117.110.23474 -BDT)	40,069,761	142,302
	HSBC (ERQ account - 001-013432-047 - USD)	6,480,000	6,549,288
	Standard Chartered Bank (ERQ - 42-6162940-01 - USD)	972,121	973,813
	EXIM Bank (SND account - 01513100031877 - BDT)	114,271	114,271
	Standard Chartered Bank (SND account - 02-3767272-01 - BDT)	36,240	1,038,142
	Dutch Bangla Bank Ltd. (SND account - 117-120-589, 117-120-330,117-120.2550 - BDT)	271,640,967	81,821,359
	BRAC Bank (SND - 1513101731248001 - BDT)	356,203	356,703
	Prime Bank Ltd. (SND - 12531010022563 - BDT)	4,543,346	20,282,604
	Commercial Bank of Ceylon (CD-2817000776 - BDT.)	6,515	-
	Commercial Bank of Ceylon (SND-2817000777 - BDT.)	17,059,587	6,559,754
		457,875,352	240,039,659
	IPO bank account		
	Citibank N.A. (RAK-IPO Central Account - G0100001200262022 - BDT)	2,453,275	2,453,275
	Citibank N.A. (RAK-IPO-NRB Subscription - G0100001200262042 - USD)	3,941,453	3,941,453
	Citibank N.A. (RAK-IPO-NRB Subscription - G0100001200262026 - EURO)	153,603	153,603
	Citibank N.A. (RAK-IPO-NRB Subscription - G0100001200262034 - GBP)	126,588	126,588
		6,674,919	6,674,919
	Dividend bank account		
	BRAC Bank (Current - 1510201731248001 - BDT) - 2010	2,622,281	2,627,831
	BRAC Bank (Current - 1513201731248001 - BDT) - 2011	2,211,846	2,222,418
	SCB (Current - 02-6162940-02- BDT) - 2012	3,823,767	3,899,024
	SCB (Current - 02-6162940-03- BDT) - 2013	16,681,319	16,697,585
	SCB (Current - 02-6162940-04- BDT) - 2014	4,993,296	5,082,074
	SCB (Current - 02-6162940-05- BDT) - 2015	3,912,095	4,082,795
		34,244,604	34,611,727
	Investment in Fixed Deposit Receipt (FDR)		
	HSBC	6,827,834	30,674,551
	SCB	762,080	762,080
	Dutch Bangla Bank Ltd.	460,000,000	480,000,000
		467,589,914	511,436,631
	Total	969,628,093	802,643,479

	31 Mar 2017	31 Dec 2016
	Taka	Taka

14 Share Capital

Authorised :		
600,000,000 ordinary shares of Taka 10/- each	6,000,000,000	6,000,000,000
Issued, subscribed, called and paid up :		
353,693,141 ordinary shares of Taka 10/- each	3,536,931,410	3,368,506,110

Percentage of shareholdings :

	2017		2016	
	%	Taka	%	Taka
RAK Ceramics PJSC, UAE	71.67	2,534,805,220	71.67	2,414,100,210
S.A.K. Ekramuzzaman	3.92	138,725,830	3.92	132,119,850
HH Sheikh Saud Bin Saqr Al Qassimi	0.00	290	0.00	280
Sheikh Omer Bin Saqr Al Qassimi	0.00	290	0.00	280
Sheikh Ahmad Bin Humaid al Qassimi	0.00	290	0.00	280
Hamad Abdulla Al Muttawa	0.00	140	0.00	140
Dr. Khater Massaad	0.00	140	0.00	140
Abdallah Massaad	0.00	140	0.00	140
Manoj Uttamrao Ahire	0.00	140	0.00	140
General Public	24.41	863,398,930	24.41	822,284,650
	100.00	3,536,931,410	100.00	3,368,506,110

Classification of shareholders by holding

Shareholder's range	Number of shareholders		Number of shares	
	2017	2016	2017	2016
Less than 500 shares	25,450	26,718	5,304,061	5,617,564
501 to 5,000 shares	8,407	8,021	12,454,700	11,426,420
5001 to 10,000 shares	738	618	5,504,657	4,593,958
10,001 to 20,000 shares	335	308	4,823,788	4,505,626
20,001 to 30,000 shares	104	99	2,611,476	2,463,012
30,001 to 40,000 shares	60	50	2,144,133	1,774,201
40,001 to 50,000 shares	37	38	1,748,086	1,760,460
50,001 to 100,000 shares	75	80	5,306,172	5,479,795
100,001 to 1,000,000 shares	68	63	18,790,061	18,732,649
Over 1,000,000 shares	9	11	295,006,007	280,496,926
	35,283	36,005	353,693,141	336,850,611

		31 Mar 2017 Taka	31 Dec 2016 Taka
15	**Deferred tax liabilities**		
	Balance as at 1 January	128,416,223	75,811,194
	Less : Deferred tax (income)/expenses	16,102,802	52,605,029
	Balance as at 31 March	144,519,025	128,416,223
16	**Employees benefits payable**		
	Provident fund	13,385,258	362,708
	Gratuity fund	8,441,172	3,096,075
		21,826,430	3,458,783

	2017		
	Provident fund Taka	Gratuity fund Taka	Total Taka
Balance as at 1 January	362,708	3,096,075	3,458,783
Add: Provision made during the period	13,093,526	8,441,172	21,534,698
	13,456,234	11,537,247	24,993,481
Less: Payments made to fund during the period	70,976	3,096,075	3,167,051
Balance as at 31 March	13,385,258	8,441,172	21,826,430

	2016		
	Provident fund Taka	Gratuity fund Taka	Total Taka
Balance as at 1 January	3,292,467	22,931,668	26,224,135
Add: Provision made during the year	50,299,846	34,732,847	85,032,693
	53,592,313	57,664,515	111,256,828
Less: Payments made to fund during the year	53,229,605	54,568,440	107,798,045
Balance as at 31 December	362,708	3,096,075	3,458,783

17	**Borrowings**		
	Non-current:		
	Term loan	812,087,137	861,151,969
	Current portion of term loan	(265,021,839)	(259,951,837)
		547,065,298	601,200,132
	Current:		
	Bank overdrafts	-	29,663,693
	Short-term borrowings	254,989,666	276,639,469
	Current portion of term loan	265,021,839	259,951,837
		520,011,505	566,254,999
	Balance as at 31 March	1,067,076,803	1,167,455,131

17.1 Borrowings by maturity

At 31 March 2017	< 1 year	1-2 years	2-5 years	Total
Short-term borrowings	254,989,666	-	-	254,989,666
Term loan	265,021,839	265,213,354	281,851,944	812,087,137
	520,011,505	265,213,354	281,851,944	1,067,076,803

At 31 December 2016	< 1 year	1-2 years	2-5 years	Total
Bank overdrafts	29,663,693	-	-	29,663,693
Short-term borrowings	276,639,469	-	-	276,639,469
Term loan	259,951,837	259,951,837	341,248,296	861,151,969
	566,254,999	259,951,837	341,248,296	1,167,455,131

17.2 Facilities details

Bank	Name of facilities	Limit	Utilisation	Maturity	Repayment	Security - STL	Security - LTL
SCB	Overdraft	50,000,000	-	Revolving	From company's own source	1) Letter of comfort, 2) Hypothecation over plant & machinery on parri - passu basis with other lenders. 3) Hypothecation over stock & book debts on a parri - passu basis with other lenders. 4) Demand promissory note.	1) Land, 2) Plant and machinery of the expansion plant.
	Short term loan	378,000,000	132,430,365	180/360 days from B/L date			
HSBC	Overdraft	30,000,000		Revolving	From company's own source		
	Short term loan	550,000,000	122,559,301	180/360 days from B/L date			
	Long term loan	1,366,872,000	812,087,137	5 years			
Citibank N.A.	Overdraft	50,000,000	-	Revolving	From company's own source		
	Short term loan	700,000,000	-	180/360 days from B/L date			
Dutch Bangla Bank Ltd.	Overdraft	25,000,000	-	Revolving	From company's own source		
	Short term loan	125,000,000	-	180/360 days from B/L date			
Commercial Bank of Ceylon	Overdraft	25,000,000	-	Revolving	From company's own source		
	Short term loan	300,000,000	-	180/360 days from B/L date			

	31 Mar 2017 Taka	31 Dec 2016 Taka
18 Trade and other payables		
Trade payables		
Payable to local suppliers	82,573,184	174,944,298
Payable to foreign suppliers	214,187,895	183,906,485
Payable to service provider	59,690,339	80,465,357
Payable to C & F agent	22,740,275	10,283,280
	379,191,693	449,599,420
Other payables		
Tax deducted at source	80,329,014	15,971,206
VAT deducted at source	8,484,675	9,998,255
Dividend Payable	658,529,461	33,889,190
Unclaimed share application	20,838,116	20,838,116
Advance from cutomer against sales	26,724,308	8,237,699
Security deposit payable	1,643,788	1,638,234
Payable to employee for trade	24,309	-
Provisional liabilities - material & services	157,037,386	50,299,995
	953,611,057	140,872,695
	1,332,802,751	590,472,114

		31 Mar 2017 Taka	31 Dec 2016 Taka
19	**Accrued expenses**		
	Power and gas	29,488,133	23,498,627
	Staff cost	40,627,638	41,406,844
	Audit fees	394,563	1,157,500
	Professional charges	573,090	538,000
	Interest on loans	1,495,042	1,495,042
	Telephone	268,825	270,927
	Provision for freight	17,140,617	11,774,670
	Managing Director's remuneration (Note 19.1)	52,846,481	40,911,795
	Worker's profit participation and welfare fund (Note 19.2)	78,658,947	61,056,166
	Royalty and technical know-how fees (Note 19.3)	112,110,846	83,946,396
	Others	3,078,545	3,464,070
		336,682,727	269,520,037
19.1	**Managing Director's remuneration**		
	Balance as at 1 January	40,911,795	34,075,485
	Add: Provision made during the period	11,934,686	40,911,795
		52,846,481	74,987,280
	Less: Paid to Managing Director	-	34,075,485
	Balance as at 31 March	52,846,481	40,911,795
19.2	**Worker's profit participation and welfare fund**		
	Balance as at 1 January	61,056,166	54,064,400
	Add: Contribution made to the fund during the period	17,602,781	61,056,166
		78,658,947	115,120,566
	Less: Payment made from the fund during the period	-	54,064,400
	Balance as at 31 March	78,658,947	61,056,166
19.3	**Provision for royalty and technical know-how fees**		
	Balance as at 1 January	83,946,396	2,399,388
	Add: Provision made during the period	28,164,450	96,547,008
		112,110,846	98,946,396
	Less: Tax provision on disallowance of royalty paid for the year 2009	-	15,000,000
	Balance as at 31 March	112,110,846	83,946,396
20	**Provision for income Tax**		
	Balance as at 1 January	2,886,541,590	2,583,742,941
	Add: Provision made for the period	93,261,925	302,798,649
	Balance as at 31 March (Note 20.1)	2,979,803,515	2,886,541,590
20.1	**Provision for income Tax**		
	Income year		
	Current period	93,261,925	-
	Year 2016	302,798,649	302,798,649
	Year 2015	323,397,728	323,397,728
	Year 2014	381,571,248	381,571,248
	Year 2013	364,979,858	364,979,858
	Year 2012	341,267,796	341,267,796
	Year 2011	328,376,284	328,376,284
	Year 2010	350,044,556	350,044,556
	Year 2009	266,823,984	266,823,984
	Year 2008	147,117,914	147,117,914
	Year 2007	80,163,573	80,163,573
		2,979,803,515	2,886,541,590

		31 Mar 2017 Taka	31 Mar 2016 Taka
21	**Sales**		
	Gross sales (Local)	1,981,575,822	1,647,161,569
	Gross sales (Export)	-	771,438
	Total Sales	1,981,575,822	1,647,933,007
	Less: Supplementary Duty	152,630,003	116,213,327
	VAT	261,680,427	220,537,484
	Net sales	1,567,265,392	1,311,182,196
22	**Cost of sales**		
	Materials consumed:		
	Opening stock as at 1 January	831,012,396	847,867,994
	Add: Purchase during the period	555,613,675	452,043,960
		1,386,626,071	1,299,911,954
	Less: Closing stock as at 31 March	874,339,528	922,481,011
		512,286,543	377,430,943
	Manufacturing overhead:		
	Direct labour (Note 22.1.1)	126,181,383	80,808,005
	Direct expenses:		
	Power and gas	49,174,024	29,938,583
	Repairs and indirect materials (Note 22.1.2)	195,753,977	150,150,630
	Rental charges	222,715	205,435
	Moulds and punches	5,181,637	3,047,679
	Depreciation	103,907,583	63,685,834
	Royalty and technical know-how/assistance fees (22.1.3)	28,164,450	18,169,143
	Other production overhead (Note 22.1.4)	11,824,455	11,351,603
	Movement in stock	(133,484,739)	10,936,271
		899,212,028	745,724,126
22.1.1	**Direct labour**		
	Salary & wages	72,017,139	36,091,336
	Overtime	9,067,712	7,396,571
	Bonus	10,097,786	8,145,017
	Incentive	44,632	128,319
	Temporary labour wages	19,523,943	21,018,849
	Gratuity	5,935,502	4,312,503
	Employer's contribution to provident fund	4,546,032	3,555,069
	Leave encashment	4,303,399	-
	Group life insurance	645,238	160,341
		126,181,383	80,808,005
22.1.2	**Repairs and indirect materials**		
	Stores, spares, repair & maintenance	96,830,267	78,663,449
	Packing expenses	98,923,710	71,487,181
		195,753,977	150,150,630
21.1.3	**Royalty and technical know-how/assistance fees**		
	Royalty and technical know-how/assistance fees	28,164,450	21,919,143
	Less : Tax provision on disallowance of royalty paid for the year 2009	-	3,750,000
		28,164,450	18,169,143
22.1.4	**Other production overhead**		
	Hotel fare and expenses for technician	2,013,701	3,616,423
	Demurrage	727,282	79,657
	Insurance	4,070,472	3,758,788
	Hiring charges and transportation	2,526,271	18,865
	Impairment loss on capital equipment	-	1,165,087
	Provision for obsolescence	-	1,114,007
	Other expenses	2,486,728	1,598,776
		11,824,455	11,351,603

		31 Mar 2017 Taka	31 Mar 2016 Taka
23	**Other income**		
	Miscellaneous income	12,031	-
	Rental income	800,000	600,000
		812,031	600,000
24	**Administrative expenses**		
	Staff cost (note-24.1)	43,476,908	35,791,027
	Annual General Meeting expenses	6,184,570	1,008,244
	Telephone and postage	984,154	1,924,945
	Office repair and maintenance (note 24.2)	2,198,609	1,342,370
	Registration and renewal	232,258	212,462
	Security and guard expenses	3,536,183	2,958,202
	Electricity, gas and water	611,721	1,293,670
	Depreciation on property, plant & equipment (note - 4.2)	8,353,540	6,219,296
	Depreciation on investment property (4.2)	930,379	55,176
	Amortisation	1,307,115	2,603,931
	Legal and professional fees	1,494,489	2,105,813
	Vehicle repair and maintenance	2,535,857	3,445,877
	Rent, rate and tax	1,961,556	2,568,644
	Loss on sale of property, plant and equipment	-	5,349
	CSR expenses	5,162,500	1,590,000
	Managing Director's remuneration (note-24.3)	11,934,686	9,288,237
	Technical consultancy & others	4,644,315	3,900,839
		95,548,840	76,314,082
24.1	**Staff cost**		
	Salary & wages	29,032,811	23,999,208
	Bonus	3,814,114	3,624,571
	Incentive	33,225	404,193
	Gratuity	2,055,797	1,688,873
	Employer's contribution to provident fund	1,641,605	1,375,315
	Leave encashment	2,305,158	-
	Group life insurance	221,242	77,555
	Canteen and conveyance expenses	1,787,647	2,591,167
	Staff uniform expenses	946,144	167,445
	Travelling expenses	1,197,373	1,080,082
	Medical expenses	328,638	298,754
	Other employee benefit	113,154	483,864
		43,476,908	35,791,027
24.2	**Office repair & maintenance**		
	Repairs office equipment	262,183	387,877
	Office maintenance	1,936,426	954,493
		2,198,609	1,342,370
24.3	**Managing Director's remuneration**		
	Provision made during the period	11,934,686	9,288,237
		11,934,686	9,288,237

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

		31 Mar 2017 Taka	31 Mar 2016 Taka
25	**Marketing & selling expenses**		
	Staff cost (note-25.1)	8,638,856	6,433,324
	Advertisement	1,295,772	315,410
	Freight and transportation	67,937,590	50,337,636
	Performance rebates (note-25.2)	87,488,942	64,564,590
	Business promotion	4,449,633	5,704,476
	Depreciation	499,944	493,975
	Discount	26,212,993	28,554,322
	Travel, entertainment and others	10,449,172	5,052,276
		206,972,902	161,456,009
25.1	**Staff cost**		
	Salary & wages	6,059,648	4,600,156
	Bonus	807,286	596,739
	Incentive	-	500,000
	Gratuity	449,874	343,356
	Employer's contribution to provident fund	359,126	278,018
	Leave Encashment	509,719	-
	Group life insurance	49,077	70,703
	Conveyance & food expenses	404,126	44,352
		8,638,856	6,433,324
25.2	**Performance rebates**		
	Compensation to customer	694,126	1,577,528
	Dealers' commission	35,044,339	22,915,669
	Breakage commission	51,750,477	40,071,393
		87,488,942	64,564,590
26	**Finance income**		
	Interest on bank account (SND)	949,318	995,109
	Interest on FDR	4,760,566	10,901,178
	Exchange gain	-	475,853
		5,709,884	12,372,140
27	**Financial expenses**		
	Interest expenses	12,852,832	6,026,616
	Foreign exchange loss	31,310,748	-
	Bank charges	711,066	555,274
		44,874,646	6,581,890
28	**Contribution to worker's profit participation and welfare fund**		
	Provision made during the period	17,602,781	13,878,036
		17,602,781	13,878,036
29	**Current tax**		
	Current period	93,261,925	89,002,905
		93,261,925	89,002,905

30 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

30.1 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	USD	Amounts in Taka	
	As at 31 Mar 2017	As at 31 Dec 2016	As at 31 Mar 2017	As at 31 Dec 2016
Trade receivables				
Customer-Local	-	-	523,327,042	548,029,728
Customer-Export	-	-	-	-
	-	-	523,327,042	548,029,728
Other receivables				
Accrued Interest			1,869,731	2,336,714
Accrued rental income			570,000	380,000
Receivable against disposal of investment			105,107,614	142,120,114
Others			2,388,707	-
			109,936,052	144,836,828
Loan to disposed subsidiary				
Julphar Bangladesh Ltd. (Erstwhile RAK Pharmaceuticals Pvt. Ltd.)			-	201,898,000
			-	201,898,000
Cash equivalents			966,384,789	792,762,936

b) Ageing of receivables

The ageing of trade receivables as at 31 March was:

	Amounts in Taka	
	As at 31 Mar 2017	As at 31 Dec 2016
Not past due		
0-90 days past due	507,674,179	514,179,767
91-180 days past due	8,084,309	26,281,407
181-365 days past due	7,568,554	7,568,554
	523,327,042	548,029,728

AMAR STOCK

30.2 Liquidity risk

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

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

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

	As at 31 March 2017			
	Carrying amount	Contractual cash flows	Within 12 months or less	More than 12 months
	Taka	Taka	Taka	Taka
Trade and other payables	1,332,802,751	1,332,802,751	1,332,802,751	-
Short term borrowing (foreign)	254,989,666	254,989,666	254,989,666	-
Term loan (foreign)	812,087,137	812,087,137	265,021,839	547,065,298
	2,399,879,553	2,399,879,553	1,852,814,256	547,065,298

	As at 31 December 2016			
	Carrying amount	Contractual cash flows	Within 12 months or less	More than 12 months
	Taka	Taka	Taka	Taka
Bank overdraft	29,663,693	29,663,693	29,663,693	-
Trade and other payables	590,472,114	590,472,114	590,472,114	-
Short term borrowing	276,639,469	276,639,469	276,639,469	-
Term loan	861,151,969	861,151,969	259,951,837	601,200,132
	1,757,927,245	1,757,927,245	1,156,727,112	601,200,132

30.3 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, 50% of export proceeds are crediting to export retention quota account and rest of the 50% 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 31 March 2017					As at 31 December 2016		
	AED	GBP	USD	EURO	JPY	GBP	USD	EURO
Foreign currency denominated assets								
Receivable from customers-Export	-	-	-	-	-	-	-	-
Cash at bank	-	-	93,561	-	-	-	96,388	-
	-	-	93,561	-	-	-	96,388	-

	As at 31 March 2017					As at 31 December 2016		
	AED	GBP	USD	EURO	JPY	GBP	USD	EURO
Foreign currency denominated liabilities								
Trade payables	26,924	76,080	1,989,864	415,211	4,850,000	164,899	1,274,984	797,167
Short term borrowings	-	-	2,845,021	290,082	-	-	3,100,548	375,259
Term loan	-	-	10,069,276	-	-	-	10,893,763	-
Royalty & Technical Fees	-	-	1,390,091	-	-	-	1,061,940	-
Dividend payable	-	-	5,687,279	-	-	-	-	-
	26,924	76,080	21,981,531	705,292	4,850,000	164,899	16,331,235	1,172,426
Net exposure	(26,924)	(76,080)	(21,887,971)	(705,292)	(4,850,000)	(164,900)	(16,234,847)	(1,172,426)

The Company has foreign exchange gain of Tk 31,310, 748 during the period ended 31 March 2017 (31 March 2016: Exchange gain Tk 475,853).

The following significant exchange rates have been applied:

	Exchange rate as at	
	31 Mar 2017	31 Dec 2016
	Taka	Taka
AED	21.5646	21.3397
GBP	99.6781	96.2662
USD	80.1500	78.5500
EURO	86.2397	82.3516
JPY	0.7212	0.6737

ii) 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, and JPY at 31 March would have increased/(decreased) profit or loss by the amounts shown below.

	As at 31 March 2017		As at 31 December 2016	
	Profit or (loss)		Profit or (loss)	
	Strengthening	Weakening	Strengthening	Weakening
	Taka	Taka	Taka	Taka
At 31 March				
AED (3 percent movement)	(833)	784	-	-
GBP (3 percent movement)	(2,353)	2,216	(5,100)	4,803
USD (3 percent movement)	(676,948)	637,514	(502,109)	472,860
EURO (3 percent movement)	(21,813)	20,542	(36,261)	34,148
JPY (3 percent movement)	(150,000)	141,262	-	-

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 it has neither floating interest rate bearing financial liabilities nor entered into any type of derivative instrument in order to hedge interest rate risk as at the reporting date

Profile

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

	Carrying amount	
	As at 31 March 2017	As at 31 December 2016
	Taka	Taka
Fixed rate instruments		
Financial assets		
Investment in FDR	467,589,914	511,436,631
Cash at banks	498,794,875	281,326,305
Financial liabilities		
Term loan (Foreign)	812,087,137	861,151,969
Bank overdraft	-	29,663,693
Short term borrowing (foreign)	254,989,666	276,639,469

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

	As at 31 March 2017		As at 31 December 2016	
	Carrying amount Taka	Fair value Taka	Carrying amount Taka	Fair value Taka
Financial assets				
Held to maturity assets				
Investment in FDR	467,589,914	467,589,914	511,436,631	511,436,631
Loans and receivables				
Trade receivables	523,327,042	523,327,042	548,029,728	548,029,728
Other receivables	109,936,052	109,936,052	144,836,828	144,836,828
Loan to disposed subsidiary	-	-	201,898,000	201,898,000
Cash equivalents	966,384,789	966,384,789	792,762,936	792,762,936
Financial liabilities				
Liabilities carried at amortised costs				
Term loan	812,087,137	812,087,137	861,151,969	861,151,969
Bank overdraft	-	-	29,663,693	29,663,693
Trade and other payables	1,332,802,751	1,332,802,751	590,472,114	590,472,114
Short term borrowing (foreign)	254,989,666	254,989,666	276,639,469	276,639,469

Interest rates used for determining amortised cost

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

	31 March 2017	31 December 2016
Investment in FDR	1.95%-3.20%	2.50%-4.00%
Term loan	Libor+3%	Libor+3%
Bank overdraft	8.00%-10.00%	8%-10.75%
Short term bank loan (local currency)	8.00%-10.00%	8%-13.50%
Short term bank loan (foreign currency/USD)	Libor+(2.75%-2.85%)	Libor+(2.75%-3.00%)
Long term bank loan (foreign currency/USD)	Libor+3%	Libor+3%

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31 Related party disclosures under BAS-24

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

Amounts in Taka

31.1

Name of related party	Relationship	Period	Purchase of goods/services	Sale of goods/services	Outstanding receivables/Advance	Outstanding payable	Remuneration	Loan	Interest receivables
RAK Power Pvt. Ltd	Subsidiary	Current period	93,446,318	1,484,765	1,484,765	32,081,274	-	-	-
		Previous period	82,734,769	1,369,565	1,369,565	54,714,530	-	-	-
RAK Security & Services Pvt. Ltd	Subsidiary	Current period	23,265,882	-	-	10,873,916	-	-	-
		Previous period	23,550,806	-	-	7,089,890	-	-	-
RAK Ceramics - UAE	Parent	Current period	7,221,753	-	9,120,120	480,764,140	-	-	-
		Previous period	33,721,065	-		35,652,457	-	-	-
Kea Printing & Packaging Industries	Other related party	Current period	35,278,616	-	-	9,565,578	-	-	-
		Previous period	96,773,812	-	-	15,595,692	-	-	-
Palli Properties Pte. Ltd	Other related party	Current period	3,925,605	-	-	435,402	-	-	-
		Previous period	11,137,513	-	-	1,253,443	-	-	-
Sky Bird Travel Agents Pvt. Ltd.	Other related party	Current period	1,902,545	-	-	-	-	-	-
		Previous period	4,551,466	-	-	17,163	-	-	-
Green Planet Communications	Other related party	Current period	1,043,896	-	-	184,864	-	-	-
		Previous period	7,088,620	-	-	290,323	-	-	-
Global Business Associates Ltd	Other related party	Current period	-	-	-	-	-	-	-
		Previous period	-	-	-	12,150	-	-	-
Mohammed Trading	Other related party	Current period	-	700,320,394	359,229,142	-	-	-	-
		Previous period	-	561,670,435	379,604,448	-	-	-	-
S.A.K. Ekramuzzaman	Key Management Personnel	Current period	-	-	-	52,846,481	11,934,686	-	-
		Previous period	-	-	-	43,363,722	9,288,237	-	-
Imtiaz Hussain	Key Management Personnel	Current period	-	-	-	-	2,683,560	-	-
		Previous period	-	-	-	636,000	2,688,000	-	-

31.2 Events after the reporting period

No events, adjusting or non-adjusting, occurred after the date of statement of financial position which require adjustments or disclosures.

31.3 Paid to Directors

During the period, provision was made as MD's remuneration for Taka. 11,934,686.

During the period, Board meeting fees of Taka 25,000 was paid to the board members for attending the Board meetings

AMARSTOCK

32 Segment reporting

The company has three reportable segments which offer different products and services and are managed Decarately 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: 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, termite and pest control services and set up manpower technical training.

31 March 2017

	Business Segments				
	Ceramic & sanitary ware	Power	Security and Services	Inter segment	Entity total
	Taka	Taka	Taka	Taka	Taka
Revenue - external customers	1,545,915,336	2,740,415	18,609,641	-	1,567,265,392
Revenue - inter segment	-	93,446,318	23,724,429	(117,170,747)	-
Total segment revenue	1,545,915,336	96,186,733	42,334,070	(117,170,747)	1,567,265,392
Cost of sales- external customer	(811,025,077)	(57,015,598)	(31,171,355)	-	(899,212,029)
Cost of sales- inter segment	(118,196,965)	(458,547)	-	118,655,512	-
Total segment cost of sales	(929,222,040)	(57,474,145)	(31,171,355)	118,655,512	(899,212,028)
Gross profit	616,693,296	38,712,588	11,162,715	-	668,053,364
Other income	-	12,031			12,031
Dividend income	83,979,600	20,000	-	(83,999,600)	-
Rental income	2,284,765	-	-	(1,484,765)	800,000
Financial income	4,904,735	805,149	-	-	5,709,884
Financial expenses	(44,316,783)	(555,733)	(2,130)	-	(44,874,646)
Depreciation	(109,130,002)	(4,476,905)	(84,539)	-	(113,691,446)
Other operating expenses	(202,359,981)	2,184,409	(6,257,503)	-	(206,433,075)
Segment profit before tax	352,055,627	36,701,539	4,818,543	-	309,576,110
Income tax expense	(79,643,745)	(11,931,690)	(1,686,490)	-	(93,261,925)
Deferred tax	(16,514,696)	411,894	-	-	(16,102,802)
Non -Controlling interest	-	123	0.15	-	123
Profit for the period					200,211,260

31 March 2016

	Business Segments				
	Ceramic & sanitary ware	Power	Security and services	Inter segment	Entity total
	Taka	Taka	Taka	Taka	Taka
Revenue - external customers	1,302,888,437	13,053,494	(4,759,735)	-	1,311,182,195
Revenue - inter segment	-	82,734,769	24,028,153	(106,762,922)	-
Total segment revenue	1,302,888,437	95,788,263	19,268,418	(106,762,922)	1,311,182,195
Cost of sales- external customer	(678,838,179)	(53,605,311)	(13,280,636)	-	(745,724,126)
Cost of sales- inter segment	(107,655,140)	(477,347)	-	108,132,487	-
Total segment cost of sales	(786,493,319)	(54,082,658)	(13,280,636)	108,132,487	(745,724,126)
Gross profit	516,395,118	41,705,605	5,987,782	-	565,458,069
Rental income	1,969,565	-	-	(1,369,565)	600,000
Financial income	11,296,405	1,075,735	-	-	12,372,140
Financial expenses	(6,568,907)	(11,803)	(1,180)	-	(6,581,890)
Depreciation	(65,848,075)	(4,459,624)	(91,406)	-	(70,399,105)
Other operating expenses	(179,683,385)	1,945,061	(3,510,696)	-	(181,249,021)
Segment profit before tax	277,560,720	40,254,974	2,384,500	-	320,200,194
Income tax expense	(75,333,268)	(12,835,062)	(834,575)	-	(89,002,905)
Deferred tax	4,290,777	154,745		-	4,445,522
Non -Controlling interest	-	135	0.08	-	135
Profit for the period					235,642,675

DYNAMIR STOCK

		31 Mar 2017 Taka	31 Mar 2016 Taka
33	**Earnings per share (EPS)**		
	Calculation of earnings per share (EPS) is as under:		
	Earnings attributable to the ordinary shareholders		
	Profit attributable to equity holders of the Company	200,211,260	235,642,675
	No. of ordinary equity shares	353,693,141	353,693,141
	Weighted average no. of equity shares outstanding (Note 33.1)	353,693,141	353,693,141
	Earnings per share (EPS) for the period	0.57	0.67

33.1 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-weighting factor. The time-weighting factor is the number of days that the shares are outstanding as a proportion of the total number of days in the year. 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.

	31 Mar 2017	31 Mar 2016
Outstanding shares	353,693,141	353,693,141
	353,693,141	353,693,141

33.2 Diluted earning per share

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

34 Contingent liabilities

There are contingent liabilities on account of unresolved disputed corporate tax assessments and VAT claims by the authority aggregating to Tk 526,550,902 (31 Mar 2016: Tk 352,091,093). 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 192,798,488 (31 Mar 2016: Tk 117,472,685) and letter of guarantee of Tk 52,551,133 (31 Mar 2016: Tk 38,625,334).

35 Other disclosures

35.1 Changes in policy

Company defined assets under operating lease as investment property effective from 01 january 2017.