

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

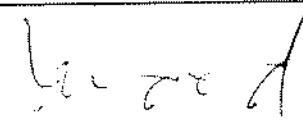
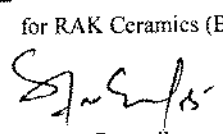
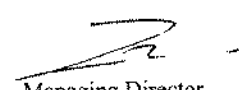
**RAK Ceramics (Bangladesh) Ltd**  
Consolidated financial statements  
for the period ended 30 September 2010

RAK Ceramics (Bangladesh) Ltd  
Balance Sheet (Consolidated) as at 30 September 2010

	Notes	Amounts in Taka	
		At 30 Sep 2010	At 31 Dec 2009
<b>ASSETS</b>			
Non-Current Assets			
Property, plant and equipment	3	2,901,701,966	2,964,032,731
Intangible Assets	4	99,799,328	101,245,397
Capital work-in-progress	5	48,367,469	176,858,487
Investment in associate companies	6	24,790,000	8,570,000
Investment in securities	7	5,415,536	-
Non-current receivables	8	45,013,133	49,048,484
Total Non-Current Assets		3,125,087,432	3,299,755,099
Current Assets			
Inventories	9	1,398,863,901	1,238,880,970
Trade and other receivables	10	497,350,007	301,887,181
Advance corporate income tax	11	565,943,536	408,021,297
Cash and bank balances	12	1,181,022,121	429,860,281
Total Current Assets		3,643,179,565	2,378,649,729
Total Assets		6,768,266,997	5,678,404,828
<b>EQUITY AND LIABILITIES</b>			
Capital and Reserves			
Share capital	13	2,300,735,000	1,855,635,000
Share premium	14	1,515,037,746	-
Retained earnings		1,175,271,749	668,746,405
		4,991,044,495	2,524,381,405
Minority Interests	15	228,783,298	249,972,111
Total shareholders' funds		5,219,827,793	2,774,353,516
Non-Current Liabilities			
Borrowings	16	9,586,060	683,240,346
Provision for employee benefits	17	8,148,289	8,907,441
Total Non-Current Liabilities		17,734,349	692,147,787
Current Liabilities			
Trade and other payables	18	404,221,757	768,975,939
Borrowings - current portion	16	145,847,287	701,281,999
Provision for expenses	19	105,942,638	44,480,478
Provision for corporate income tax	20	699,893,389	467,837,615
Provision for royalty and technical know-how fee		174,799,785	229,327,494
Total Current Liabilities		1,530,704,856	2,211,903,525
Total Equity and Liabilities		6,768,266,997	5,678,404,828

See annexed notes

for RAK Ceramics (Bangladesh) Ltd

Director  Finance Controller  Managing Director 

Dhaka, Bangladesh  
Dated, 22 October 2010

RAK Ceramics (Bangladesh) Ltd

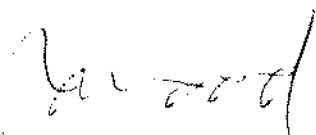
Income Statement (Consolidated) for the period ended 30 Sept 2010

		Amounts in Taka				
		For the period January - September 30		For the period July - September 30		
Notes		2010	2009	2010	2009	
	Sales	21	3,022,359,968	2,827,434,921	1,036,591,057	917,086,039
	Less: Cost of Goods Sold	22	1,865,685,998	2,033,478,004	612,235,102	660,965,420
	Gross Profit		1,156,673,971	793,956,917	424,355,955	256,120,619
	Less: Operating Expenses					
	Administrative expenses	23	159,321,128	59,881,988	91,563,900	24,680,078
	Marketing and selling expenses	24	363,471,180	306,722,537	137,005,705	105,642,622
			522,792,308	366,604,525	228,569,605	130,322,700
	Operating Profit		633,881,663	427,352,392	195,786,350	125,797,919
	Financial expenses	25	93,377,619	148,822,517	11,420,996	48,306,439
			540,504,044	278,529,875	184,365,354	77,491,480
	Other income	26	133,294,288	2,303,127	24,330,280	(2,930,948)
	Net Profit before Tax		673,798,332	280,833,002	208,695,634	74,560,532
	Provision for taxation		232,055,774	114,623,103	71,171,584	33,536,332
	Net Profit after Tax		441,742,558	166,209,899	137,524,050	41,024,200
	Minority interest		(64,782,786)	(10,558,151)	(17,485,545)	(6,275,816)
	Net Profit after Tax and minority interest		506,525,344	176,768,050	155,009,595	47,300,016

See annexed notes

Earnings per share (EPS) for the period	2.20	0.77	0.67	0.21
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for RAK Ceramics (Bangladesh) Ltd

  
Director

  
Finance Controller


  
Managing Director

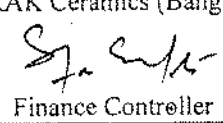
Dhaka, Bangladesh  
Dated, 22 October 2010

RAK Ceramics (Bangladesh) Ltd

Cash Flow Statement (Consolidated) for the period ended 30 September 2010

	Amounts in Taka	
	Period ended 30 Sep 2010	Period ended 30 Sep 2009
<b>Cash Flows from Operating Activities</b>		
Cash received from customers	2,960,191,430	2,929,958,158
Cash paid to suppliers and employees	(2,278,951,212)	(2,163,993,719)
Payments for corporate income tax		
Current year	(157,922,239)	(37,346,791)
Prior years		(66,266,400)
Net cash from operating activities	523,317,979	662,351,248
<b>Cash Flows from Investing Activities</b>		
Purchase of fixed assets	(227,040,351)	(1,125,954,793)
Sale of fixed assets	9,049,630	582,000
(Increase)/Decrease in intangible assets	(9,103,015)	(4,757,911)
(Increase)/Decrease in work-in-progress	128,491,018	631,074,864
(Increase)/Decrease in non-current receivables	4,035,351	12,311,246
Investment in securities	(5,415,536)	-
Investment in associate companies	(16,220,000)	(97,000,000)
Collection from Minority	43,593,971	-
Net cash used in investing activities	(72,608,932)	(583,744,594)
<b>Cash Flows from Financing Activities</b>		
Finance charges	(93,377,619)	(145,688,732)
Increase in term loan	-	69,405,716
Repayment of term loan	(673,654,286)	(202,426,471)
Repayment of short term loan	(555,434,712)	(76,300,286)
Issuance of new shares	445,100,000	193,312,201
Payment of share money deposit	(337,218,336)	55,083,123
Share premium	1,515,037,746	-
Net cash used in financing activities	300,452,793	(106,614,449)
Net Increase/(Decrease) in Cash	751,161,840	(28,007,795)
Opening cash and bank balances	429,860,281	60,302,653
Closing cash and bank balances	1,181,022,121	32,294,858

  
Director

for RAK Ceramics (Bangladesh) Ltd  
  
Finance Controller

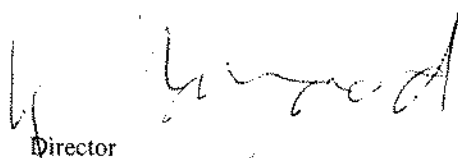
  
Managing Director

Dhaka, Bangladesh  
Dated, 22 October 2010

RAK Ceramics (Bangladesh) Ltd

Statement of Changes in Equity (Consolidated) for the period ended 30 September 2010

Particulars	Amounts in Taka				
	Share capital	Share money deposit	Share Premium	Retained earnings	Total
Balance at 01 January 2010	1,855,635,000	-	-	668,746,405	2,524,381,405
Addition during the period (New Shares)	445,100,000	-	1,515,037,746	-	1,960,137,746
Net profit after tax for the period	-	-	-	506,525,344	506,525,344
Balance at 30 September 2010	<u>2,300,735,000</u>	<u>-</u>	<u>1,515,037,746</u>	<u>1,175,271,749</u>	<u>4,991,044,495</u>
Balance at 01 January 2009	648,400,000	508,122,547	-	995,310,065	2,151,832,612
Addition for the period	648,400,000	50,712,453	-	-	699,112,453
Net profit after tax for the period	-	-	-	176,768,050	176,768,050
Issue of bonus shares	-	-	-	(648,400,000)	(648,400,000)
Adjustment relating to prior periods	-	-	-	(2,740,579)	(2,740,579)
Balance at 30 September 2009	<u>1,296,800,000</u>	<u>558,835,000</u>	<u>-</u>	<u>520,937,536</u>	<u>2,376,572,536</u>

  
Director

for RAK Ceramics (Bangladesh) Ltd

  
Finance Controller

  
Managing Director

Dhaka, Bangladesh  
Dated, 22 October 2010

General

1. The Company and Its Activities

RAK Ceramics (Bangladesh) Limited (the Company), 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 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 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, 01 July 2004 and 01 September 2007 respectively.

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

2. Significant Accounting Policies

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

These condensed financial statements are prepared in accordance with International Accounting Standard-34 (interim financial reporting) where it is not necessary to disclose full information for a complete set of financial statements as required under IAS -I (presentation of financial statements).

The accounting policies applied by the Company in these condensed interim financial statements are the same as those applied by the Company in its financial statements as at and for the year ended 31 December 2010.

In the preparation of these interim financial statements, management requires information to make judgements, estimate and assumption that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from those estimate. Moreover significant judgement made by the management in applying the Company's accounting policies and the key source of information of estimates were the same for the preparation of these interim financial statements as those were applied for the preparation of financial statements as at and for the year ended 31 December 2010.

2.1 Basis of preparation of consolidated financial statements

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

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

2.2 Subsidiaries considered in consolidated financial statements

List of Subsidiary Companies

Name of the Company	Country of incorporation	Percentage of ownership interest
R A K Pharmaceuticals Pvt. Ltd	Bangladesh	55
R A K Power Pvt. Ltd	Bangladesh	57
Classic Procelain Pvt. Limited	Bangladesh	51
R A K Food & Beverage Pvt. Ltd.	Bangladesh	51

2.3 Use of estimate

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

2.4 Investments

Investments in subsidiary and associate companies are recorded in equity method.

2.5 Capital work-in-progress

Capital work-in-progress is recorded at cost to the extent of expenditure incurred at the balance sheet date. The amount of capital work-in-progress is transferred to appropriate asset category and depreciated when the asset is completed and commissioned.

2.6 Intangible assets

Expenditure to acquire designs and trade marks for manufacture of company and group products is capitalised. This is being amortised equally within a period of two to three years depending upon the tenure of accrual of benefits.

2.7 Accounts receivable

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

2.8 Employee retirement benefits

Employee retirement benefits namely, gratuity, provident fund, leave encashment, etc are accounted for on accrual basis of accounting.

2.9 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 goods to the buyer and revenue and costs incurred to effect the transaction can be measured reliably in compliance with the requirements of BAS - 18/IFRS-7 (revenue).

2.10 Borrowing cost

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

2.11 Property, plant and equipment

Property, plant and equipment are stated in attached Balance Sheet at cost less accumulated depreciation in accordance with BAS-16/IFRS-8. Maintenance, renewals and betterments that enhance the economic useful life of the property, plant and equipment or that improve the capacity, quality or reduce substantially the operating cost or administration expenses are capitalised by adding it to the related property, plant and equipment.

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

## 2.12 Depreciation on fixed assets

Depreciation on fixed assets is charged on straight line method.

Depreciation continues to be charged on each item of fixed assets until the written down value of such fixed asset is reduced to taka one.

Depreciation on addition to fixed assets is charged from the month following their acquisition and charging of depreciation on item ceases from the month on which the deletion thereof takes place.

Rates of depreciation on various classes of fixed assets are as under:

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

Land is not depreciated as it deemed to have an infinite life.

## 2.13 Taxation

Provision for corporate income tax is made @ 27.5% on estimated taxable income in accordance with income tax laws. Corporate income tax assessment of the Company is completed upto the assessment year 2007-08. Corporate income tax returns for the assessment year 2008-2009, 2009-2010 & 2010-2011 were filed under section 82 BB (1) of the Income Tax Ordinance 1984 where it is assumed to be assessed on filing of such returns.

## 2.14 Valuation of inventories

Inventories are stated at lower of cost and net realisable value in compliance with the requirements of paras 21 and 25 of BAS-2/IFRS-6 (inventories).

### Finished products:

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

### Work-in-process:

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

### Raw materials and consumable spare parts :

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

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



2.15 Impairment

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

2.16 Contingent liabilities

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

2.17 Share issue expenses

Expenses incurred on issue of shares/IPO was set-off against share premium as per IAS 32 of financial instrument.

2.18 Creditors and accruals

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

2.19 Foreign currency translation

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

2.20 Earnings per share

The computation of EPS is given below:

Earnings attributable to the ordinary share holders  
(Net profit after tax)

Weighted average number of ordinary shares  
outstanding during the year

Earning per share (EPS) in taka

Amounts in Taka	
Period ended 30 September 2010	Period ended 30 September 2009
506,525,344	176,768,050
230,073,500	230,073,500
2.20	0.77

2.21 Related party disclosure under IAS-24

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

Name of related party	Nature of business	% of holding	Country of incorporation	Amount/Taka
RAK Pharmaceuticals Pvt. Ltd	Pharmaceuticals business	55	Bangladesh	257,694,800
RAK Power Pvt. Ltd	Electricity generation	57	Bangladesh	116,850,000
Classic Porcelain Pvt. Limited	Manufacturing of Tableware	51	Bangladesh	5,100,000
RAK Food & Beverage Pvt. Ltd.	Food & Beverage Producer	51	Bangladesh	1,020,000
RAK Security & Services Pvt. Ltd	Security service provider	35	Bangladesh	350,000
RAK Paints Pvt. Ltd.	Paints Manufacturing	40	Bangladesh	20,000,000
RAK Moshfly (Bangladesh) Pvt. Ltd.	Manufacturing of Pesticides	20	Bangladesh	4,440,000

b) Transaction with related parties:

<u>Nature of transaction</u>	<u>Amount/Taka</u>
Purchase of goods/services	133,695,486
Sale of goods/services	732,150
Outstanding receivables	53,928,194
Outstanding payable	1,268,895

2.22 Contingent liabilities and commitments

Letters of guarantee

Letters of credit/LCA

VAT demand pending assessment

Income Tax

Total

Amounts in Taka	
At 30 September 2010	At 31 Dec 2009
37,875,634	286,691,657
248,513,914	434,812,768
57,645,112	79,147,410
-	24,898,030
344,034,660	825,549,865

2.23 Cash and cash equivalents

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

2.24 Post balance sheet events

No material events occurred after the reporting date, non-disclosure of which could effect the ability of the users of these financial statements to make appropriate evaluation.

2.25 Others

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

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

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

RAK Ceramics (Bangladesh) Ltd  
Notes to financial statements for the period ended 30 September 2010

3. Property, Plant and Equipment

Amounts in Taka

Particulars	C O S T				D E P R E C I A T I O N				Net book value at 30 September 2010	
	Balance at 01 Jan 2010	Additions	Sale/ disposal	Total at 30 September 2010	Rate (%)	To 01 Jan 2010	Charge for the year	Adjustment		Total to 30 September 2010
Land	194,381,142	4,180,000	-	198,561,142		-	-	-	-	198,561,142
Factory building	616,473,473	52,286,698	(7,523,642)	661,236,529	2.5-5	114,541,629	22,347,402	(360,096)	136,528,935	524,707,593
Factory office building	53,894,621	9,188,783	-	63,083,404	2.5-20	18,842,488	2,134,916	-	20,977,404	42,106,000
Head office building	167,080,240	135,105	-	167,215,345	2.5-5	13,386,352	4,995,415	-	18,381,767	148,833,578
Plant and machinery	2,928,047,069	144,865,255	-	3,072,912,324	5-6.67	1,163,092,527	211,463,042	-	1,374,555,569	1,698,356,755
Mobile plant	87,848,314	-	-	87,848,314	10	28,021,726	6,627,211	-	34,648,937	53,199,377
Electrical installation	211,935,531	-	-	211,935,531	10-20	67,044,095	17,267,917	-	84,312,012	127,623,519
Gas pipeline	42,550,307	-	-	42,550,307	10-20	23,893,048	3,919,620	-	27,812,668	14,737,639
Furniture and fixtures	44,901,362	2,945,418	-	47,846,780	10	8,445,427	3,451,900	-	11,897,327	35,949,453
Office equipment	22,406,534	4,254,400	-	26,660,934	10-33.33	6,659,506	3,257,969	-	9,917,475	16,743,459
Communication equipment	1,865,898	-	-	1,865,898	10	1,095,596	139,559	-	1,235,155	630,743
Tools and appliances	6,371,471	69,565	-	6,441,036	10	1,866,547	477,087	-	2,343,634	4,097,402
Vehicles	30,738,562	1,379,097	(1,525,988)	30,591,671	10-20	11,490,675	2,596,110	(388,761)	13,975,049	16,616,622
Fire fighting equipments	15,366,896	7,736,030	-	23,102,926	20	1,449,071	2,392,196	-	3,564,242	19,538,685
Total at 30 September 2010	4,423,861,418	227,040,351	(9,049,630)	4,641,852,139		1,459,828,687	281,070,344	(748,857)	1,740,150,174	2,901,701,966
Total at 31 December 2009	3,329,732,467	1,164,434,089	(70,305,138)	4,423,861,418		1,161,908,379	341,062,648	(43,142,340)	1,459,828,687	2,964,032,731

Details of disposal of fixed assets for the period ended 30 September 2010:

Particulars	Year of purchase	Amount in Taka			
		Original cost	Accumulated depreciation	Net book value	Sale value/claim recd
Roofing sheet for tiles raw material godown	2009	7,019,716.30	337,523.00	6,682,193	N.A.
Raw material godown roofing sheet	2009	503,926	22,573	481,353	N.A.
Motor Cycle	2001	82,500	69,323	13,177	7,500
Motor Cycle	2006	120,006	42,413	77,593	74,500
Motor Car	2007	1,323,482	277,025	1,046,457	1,046,457
<b>Total</b>		<b>9,049,630</b>	<b>748,857</b>	<b>8,300,773</b>	<b>1,128,457</b>
					<b>(8,770)</b>

	Amounts in Taka	
	At	At
	30 September 2010	31 Dec 2009
<b>4. Intangible Assets</b>		
Opening balance	101,245,397	13,494,603
Add: Additions during the year	9,103,015	100,977,264
	<u>110,348,412</u>	<u>114,471,867</u>
Less: Adjustment	-	5,797,997
Less: Amortisation	10,549,084	7,428,472
Closing balance	<u>99,799,328</u>	<u>101,245,397</u>
The above amount represents costs of various licenses which are being amortised over 2-3 years from the date of their expenses.		
<b>5. Capital Work-in-Progress</b>		
Heavy equipment and machinery	33,928,894	113,664,823
Building	14,438,575	63,193,664
	<u>48,367,469</u>	<u>176,858,487</u>
<b>6. Investment in Associate Companies</b>		
RAK Security & Services Pvt. Ltd	350,000	1,050,000
RAK Paints Pvt. Ltd	20,000,000	7,500,000
RAK Mosfly (Bangladesh) Pvt. Ltd	4,440,000	20,000
	<u>24,790,000</u>	<u>8,570,000</u>
<b>7. Investment in Securities</b>		
Investment in Shares	5,415,536	-
	<u>5,415,536</u>	<u>-</u>
<b>8. Non-Current Receivables</b>		
Deposits (note 8.1)	22,576,213	22,237,520
Preliminary expenses	1,011,861	1,035,316
Pre operating expenses	15,464,344	19,485,797
Deposited with Customs and Vat Authority	5,960,715	1,460,715
Share issue expenses	-	4,829,137
	<u>45,013,133</u>	<u>49,048,484</u>
<b>8.1 Deposits</b>		
Titas gas	18,713,140	18,753,140
PBS-2 Mymensingh	1,955,000	1,955,000
House rent	1,258,073	1,380,380
Others	650,000	149,000
	<u>22,576,213</u>	<u>22,237,520</u>
<b>9. Inventories</b>		
Raw materials	613,448,049	517,740,121
Stores and consumables spares	634,379,464	574,851,060
Finished goods	104,818,597	104,634,061
Work-in-process	30,695,137	34,331,614
Goods-in-transit	15,522,654	7,324,115
	<u>1,398,863,901</u>	<u>1,238,880,970</u>

	Amounts in Taka	
	At 30 September 2010	At 31 Dec 2009
<b>10. Trade and Other Receivables</b>		
Trade receivables	334,248,711	142,711,578
Advance to suppliers	45,217,574	81,016,957
Prepaid expenses	47,615,644	39,672,789
Advance to Subsidiary/Associates	-	-
Other advances (note 10.1)	70,268,079	38,485,857
	<u>497,350,007</u>	<u>301,887,181</u>
<b>10.1 Other advances</b>		
Taxes and duties (VAT and SD current account balance)	23,969,241	25,675,695
Employee advance and imprest account	22,186,368	7,311,505
Current account with RAK Ceramics PSC, UAE	697,548	1,455,000
Claim receivable	3,649,088	3,841,550
Accrued Interest	17,773,017	-
Others	1,992,817	202,107
	<u>70,268,079</u>	<u>38,485,857</u>
<b>11. Advance Corporate Income Tax</b>		
TDS on Import	183,027,064	147,627,922
TDS on Export	359,573	341,444
TDS on Supply	119,221	119,221
TDS on Interest on bank deposit	12,693,005	3,262,709
Advance income tax - paid	369,744,673	256,670,000
	<u>565,943,536</u>	<u>408,021,297</u>
<b>12. Cash and Bank Balances</b>		
Cash in hand	2,483,517	6,726,256
Bank balances in		
Current accounts	16,873,136	12,131,778
Short-term deposit account	93,092,565	1,315,912
Export retention account	3,029,117	2,058,722
Margin money deposit account	600,464	1,574,220
PPO escrow account	-	401,465,742
Fixed deposit	1,047,707,259	4,587,651
Foreign Currency account (for refund)	17,236,063	-
	<u>1,181,022,121</u>	<u>429,860,281</u>

Amounts in Taka	
At	At
30 Sep 2010	31 Dec 2009

13. Share Capital

Authorised capital

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

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

Issued, subscribed, called and paid up capital

230,073,500 ordinary shares of Taka 10/-  
each

2,300,735,000	1,855,635,000
---------------	---------------

Particulars of shareholdings are as follows

<u>Name of shareholder</u>	<u>Number of shares</u>		<u>Value of shares</u>	
	At 30 Sep 2010	At 31 Dec 2009	At 30 Sep 2010	At 31 Dec 2009
RAK Ceramics PSC, UAE	167,007,050	167,007,050	1,670,070,500	1,670,070,500
Mr. S.A.K. Ekramuzzaman	18,556,350	18,556,350	185,563,500	185,563,500
HH Sheikh Saud Bin Saqr Al Qassimi	20	20	200	200
Mr. Sheikh Omer Bin Saqr Al Qassimi	20	20	200	200
Mr. Sheikh Ahmad Bin Humaid al Qassimi	20	20	200	200
Mr. Hamad Abdulla Al Muttawa	10	10	100	100
Dr. Khater Massaad	10	10	100	100
Mr. Abdullah Massaad	10	10	100	100
Mr. Manoj Aheeray	10	10	100	100
Eligible Institutional Investor	16,027,000	-	160,270,000	-
Employees	875,000	-	8,750,000	-
General Public	27,608,000	-	276,080,000	-
	<u>230,073,500</u>	<u>185,563,500</u>	<u>2,300,735,000</u>	<u>1,855,635,000</u>

14. Share Premium

Opening Balance	-	-
Add: Received during the period	1,611,380,000	-
Less: Adjustment of Share issue expenses	(96,342,254)	-
Closing Balance	<u>1,515,037,746</u>	<u>-</u>

15. Minority Interests

Share of loss (Current Period)	(64,782,786)	(4,282,335)
Equity	<u>293,566,084</u>	<u>254,254,446</u>
	<u>228,783,298</u>	<u>249,972,111</u>

	Amounts in Taka	
	At	At
	30 Sept 2010	31 Dec 2009
<b>16. Borrowings</b>		
Non-current:		
Term loan	64,179,460	994,373,523
Current portion of term loan	(54,593,400)	(311,133,177)
	<u>9,586,060</u>	<u>683,240,346</u>
Current:		
Bank overdrafts	74,186,513	62,490,227
Short-term borrowings	17,067,374	327,658,595
Current portion of term loan	54,593,400	311,133,177
	<u>145,847,287</u>	<u>701,281,999</u>
	<u>155,433,347</u>	<u>1,384,522,345</u>

16.1 Borrowings by maturity

At 30 Sept 2010	Amounts in Taka				Total
	< 1 year	1-2 years	2-5 years	> 5 years	
Bank overdrafts	74,186,513	-	-	-	74,186,513
Short-term loans	17,067,374	-	-	-	17,067,374
Term loans and others	54,593,400	2,445,199	7,140,861	-	64,179,460
	<u>145,847,287</u>	<u>2,445,199</u>	<u>7,140,861</u>	<u>-</u>	<u>155,433,347</u>
At 31 Dec 2009	< 1 year	1-2 years	2-5 years	> 5 years	Total
Bank overdrafts	21,836,015	-	-	-	21,836,015
Short-term loan	296,002,158	-	-	-	296,002,158
Term loans and others	383,443,826	372,311,628	202,915,972	108,012,746	1,066,684,172
	<u>701,281,999</u>	<u>372,311,628</u>	<u>202,915,972</u>	<u>108,012,746</u>	<u>1,384,522,345</u>




	Amounts in Taka	
	At 30 Sep 2010	At 31 Dec 2009
<b>17. <u>Provision for Employee Benefits</u></b>		
Opening balance	8,907,441	7,809,980
<u>Add</u> : Charged for the year	14,529,956	17,591,266
<u>Less</u> : Payments made during the year	(15,284,308)	(15,825,434)
Advance paid to the fund	(4,800)	(668,371)
Closing balance	<u>8,148,289</u>	<u>8,907,441</u>
This includes provision made for employer's contribution to provident fund, gratuity and leave encashment which is payable within the service life of each employee and/or after his/her retirement as per terms of employment of service.		
<b>18. <u>Trade and Other Payables</u></b>		
Trade payables	333,543,849	358,883,824
Income tax and VAT deducted at source	7,831,102	8,728,617
Security deposit & other payables	65,142	1,363,498
Share Money Deposit	62,781,664	400,000,000
	<u>404,221,757</u>	<u>768,975,939</u>
<b>19. <u>Provision for Expenses</u></b>		
Power and gas	26,961,914	20,515,659
Staff cost	20,465,206	20,746,199
Audit fees	450,000	226,178
Taxation matter	-	435,000
Interest on loans	1,985,535	1,898,320
Telephone	254,157	214,618
Contribution to Workers Profit Participation Fund	27,621,962	-
Director's remuneration	27,621,962	-
Others	581,903	444,504
	<u>105,942,638</u>	<u>44,480,478</u>
<b>20. <u>Provision for Corporate Income Tax</u></b>		
Year 2010	232,055,774	-
Year 2009	207,143,340	207,143,340
Year 2008	85,378,847	85,378,848
Year 2007	80,163,573	80,163,573
Year 2006	89,730,898	89,730,898
Year 2005	5,242,907	5,242,907
Year 2004	20,925	20,925
Year 2003	45,563	45,563
Year 2002	111,563	111,563
	<u>699,893,389</u>	<u>467,837,615</u>

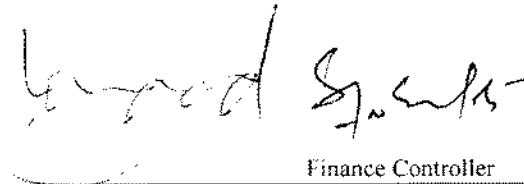
	Amounts in Taka			
	For the period Jan - Sep 30		For the period July - Sep 30	
	2010	2009	2010	2009
21. <u>Sales</u>				
Gross sales (Local)	3,875,437,720	3,478,832,764	1,361,909,840	1,161,587,175
Gross sales (Export)	7,367,770	5,980,645	2,107,826	-
Sales Total	3,882,805,490	3,484,813,409	1,364,017,666	1,161,587,175
Less: SD	350,127,078	198,279,300	148,357,202	91,280,319
VAT	510,318,444	459,099,188	179,069,407	153,220,817
Net sales	3,022,359,968	2,827,434,921	1,036,591,057	917,086,039
22. <u>Cost of Sales</u>				
Raw materials	819,707,346	963,081,306	281,565,320	321,425,400
Direct labour	116,049,732	96,747,208	38,099,473	34,357,211
Direct expenses:				
Power and gas	197,875,136	188,910,976	54,261,769	90,251,781
Repairs and indirect materials	249,273,276	245,653,020	79,462,918	79,960,564
Moulds and punches	24,229,083	24,819,322	5,761,689	8,057,019
Depreciation	257,802,465	215,680,474	101,378,251	78,459,327
Royalty and technical know-how/assistance fees	174,799,785	169,389,125	59,420,413	54,768,192
Other production overhead	22,497,235	15,850,914	5,320,650	6,566,203
Movement in stock	3,451,940	113,345,659	(13,035,381)	(12,880,277)
	1,865,685,998	2,033,478,004	612,235,102	660,965,420
23. <u>Administrative Expenses</u>	0	-		
Staff cost	43,507,724	27,523,810	16,646,841	11,593,875
Telephone, postage and supplies	3,921,922	2,392,115	1,847,614	1,082,462
Office repair and maintenance	7,871,331	4,542,613	2,847,497	1,643,584
Registration and renewal	1,226,633	1,218,714	222,543	894,440
Security and guard expenses	3,154,598	3,221,072	1,099,306	1,006,099
Depreciation	21,993,371	11,034,933	6,984,690	4,281,413
Amortisation	10,469,816	1,650,874	3,366,373	1,184,708
Legal and professional fees	1,064,475	600,622	274,210	252,775
Vehicle repair and maintenance	6,445,363	4,719,931	2,133,068	1,775,242
Rent rate and tax	1,544,738	750,178	322,314	(425,576)
Contribution to Workers Profit Participation Fund *	27,621,962	-	27,621,962	-
Director's remuneration	27,621,962	-	27,621,962	-
Others	2,877,233	2,227,126	575,520	1,391,056
	159,321,128	59,881,988	91,563,900	24,680,078
24. <u>Selling Expenses</u>				
Staff cost	57,485,263	10,457,629	21,195,286	6,494,228
Advertisement	9,300,989	2,872,654	3,833,563	1,446,976
Freight and transportation	79,004,787	73,150,421	24,331,509	23,553,810
Performance rebates	156,573,329	206,366,249	65,952,760	66,770,537
Business promotion	38,436,005	3,815,917	10,056,447	1,343,829
Travel, entertainment and others	22,670,807	10,059,667	11,636,140	6,033,242
	363,471,180	306,722,537	137,005,705	105,642,622

\* This represents 5% of operating profit after charging such contribution and provided as per Bangladesh labour Act 2006 and as payable to workers as defined in the said Act

	Amounts in Taka			
	For the period January - Sept 30		For the period July- Sept 30	
	2010	2009	2010	2009
25. <u>Financial Expenses</u>				
Interest expenses	86,909,640	147,406,666	9,350,373	47,752,769
Bank charges	6,467,979	1,415,851	2,070,623	553,670
	<u>93,377,619</u>	<u>148,822,517</u>	<u>11,420,996</u>	<u>48,306,439</u>
26. <u>Other income</u>				
Interest income	111,192,533	1,053,030	22,629,705	73,911
Other income	7,487,750	-	-	-
Profit/(loss) on sale of fixed assets	(8,770)	103,661	(8,770)	-
Foreign Exchange gain/(loss)	14,622,775	1,146,436	1,709,345	(3,004,859)
	<u>133,294,288</u>	<u>2,303,127</u>	<u>24,330,280</u>	<u>(2,930,948)</u>

for RAK Ceramics (Bangladesh) Ltd

  
Director

  
Finance Controller

  
Managing Director

Dhaka, Bangladesh  
Dated, 22 October 2010