

RAK Ceramics (Bangladesh) Ltd.

Independent auditor's report and audited consolidated financial statements
as at and for the year ended 31 December 2025

**Independent Auditor's Report
 To the Shareholders of RAK Ceramics (Bangladesh) Ltd.
 Report on the Audit of the Consolidated Financial Statements**

Opinion

We have audited the consolidated financial statements of RAK Ceramics (Bangladesh) Ltd. ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) By Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year and include the most significant assessed risk of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the significant effect on the overall audit strategy, allocation of resources in the audit and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key Audit Matters	How our audit addressed the Key Audit Matters
Revenue recognition	
Refer note no. 3.15 and 24 to the consolidated financial statements	
The Group generates revenue from contracts with customers for the sale of goods and services. During the year, the Group recorded total revenue of BDT 7,373,301,644 representing an increase of 10.56% compared to the previous year.	Our audit procedures for revenue recognition included the following: <ul style="list-style-type: none"> • Understanding the key controls related to the contracts with customers, goods delivery, and



Key Audit Matters	How our audit addressed the Key Audit Matters
<p>Management applies judgment in assessing the appropriateness of revenue recognition, particularly in relation to the collectability of receivables from customers, considering the prevailing and evolving national economic conditions.</p> <p>Revenue is measured net of discounts, dealers' commissions, Value Added Tax (VAT), and Supplementary Duty (SD). The determination and calculation of discounts and dealers' commissions involve complexity and, in certain cases, require the application of management judgment.</p>	<p>invoicing process, and sanctioning discounts and commissions.</p> <ul style="list-style-type: none"> • Review the collectability of the sales to customers. • Substantive procedures using sampling techniques to verify relevant supporting documents for the revenue recognized. • Recalculation of the discounts and commissions granted to customers and agreeing with the underlying contracts, policy documents and past trends which raise valid expectations among customers to be eligible for the discounts and commissions. • Cut off testing, which involves testing of the revenue recognized shortly before and after the cut-off date, to determine whether the revenue is recognized in the correct period.
<p>Credit risk and impairment on trade receivables</p>	
<p>Refer note no. 3.10, 3.14(ii), 10.1 and 35.1 to the consolidated financial statements</p>	
<p>Ongoing national economic uncertainties continue to place certain customers under financial pressure, which may increase the risk of default in the settlement of trade receivables.</p> <p>A significant portion of the Group's trade receivables relates to a single customer, which is also a related party, as disclosed in Note 37 to the consolidated financial statements. The recoverability of these receivables requires the application of significant management judgment in assessing the probability of default and expected credit losses over the remaining life of the receivables.</p> <p>Given the magnitude of trade receivables and the level of judgment involved in determining the allowance for impairment, there is a risk of material misstatement in the measurement of impairment losses on trade receivables.</p>	<p>Our audit procedures included testing the Group's credit control procedures and a judgment on determining the provisions for expected credit losses. The audit procedures involved the following activities:</p> <ul style="list-style-type: none"> • Testing, on a sample basis, receivable balances and comparing it with our results from external confirmations. • Inspecting the arrangements, securities documents, credibility assessments and correspondences with parties concerned assessing the recoverability of long outstanding receivables. • Reviewing the calculations of the allowance for impairment of trade receivables based on the judgments applied by the management.
<p>Tax and regulatory matters</p>	
<p>Refer note no. 23 and 43 to the consolidated financial statements</p>	
<p>The Group has several pending corporate tax assessments and legal proceedings with the government revenue authorities related to claims for tax, Value Added Tax (VAT), customs duty and others. The pending cases expose the Group to significant litigation and</p>	<p>We obtained understanding, evaluated the design and tested the operational effectiveness of the Group's key controls over the legal provision and contingencies recognition process. To get more insights we performed the following procedures:</p>



Key Audit Matters	How our audit addressed the Key Audit Matters
<p>similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties, and the outcome may not be appropriate to predict.</p> <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the tax provisions and contingent liabilities.</p>	<ul style="list-style-type: none"> • Enquired into those charged with governance to obtain their view on the status of all significant litigation and regulatory matters. • We enquired about the Group’s internal legal counsel for all significant litigation and regulatory matters and studied internal notes and reports. We have requested and obtained formal confirmations from the external legal counsel on these matters. • Assessed the methodologies on which the provision amounts are based, recalculated the provisions and tested the completeness and accuracy of the underlying information. • Assessed the Group’s provisions and contingent liabilities disclosure.

Other Information

Management is responsible for the other information. The other information comprises the Annual Report, which we could not obtain prior to the date of this auditor’s report, which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report on in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group’s consolidated financial reporting process.



Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We are also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all responsibilities and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



ACNABIN

Chartered Accountants

From the matter communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the benefits of public interest such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 2020, we also report the following:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof.
- b) In our opinion, proper books of account as required by law have been kept by the group so far as it appeared from our examination of these books.
- c) The consolidated statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns; and
- d) The expenditure incurred was for the purpose of the Group's business.

Dhaka, Bangladesh

Date:

ACNABIN Chartered Accountants

Firm's Enlistment Number: CAF-001-012

Md. Rokonuzzaman, FCA

Partner

Enrollment No.: 0739

DVC:

RAK Ceramics (Bangladesh) Ltd.
Consolidated statement of financial position
as at 31 December 2025

	<u>Notes</u>	<u>2025</u> <u>Taka</u>	<u>2024</u> <u>Taka</u>
Assets			
Property, plant and equipment	4	3,537,987,262	3,652,438,357
Investment property	5	502,346,491	502,568,410
Right-of-use assets	6	97,233,126	84,763,259
Intangible assets	7	5,788,218	9,908,534
Capital work-in-progress	8	101,123,591	270,280,122
Deferred tax asset	16	100,814,031	15,529,147
Total non-current assets		4,345,292,719	4,535,487,829
Inventories	9	3,648,419,775	3,433,881,493
Trade and other receivables	10	2,646,937,998	2,759,727,260
Advances, deposits and prepayments	11	308,123,899	327,282,842
Cash and cash equivalents	12	302,596,176	424,164,546
Total current assets		6,906,077,848	6,945,056,141
Total assets		11,251,370,567	11,480,543,970
Equity			
Share capital	13	4,279,687,010	4,279,687,010
Share premium	14	1,473,647,979	1,473,647,979
Retained earnings	15	795,039,083	1,618,936,861
Equity attributable to equity holders of the company		6,548,374,072	7,372,271,850
Non-controlling interests		-	1,393
Total equity		6,548,374,072	7,372,273,243
Liabilities			
Borrowings	18	340,711,140	448,674,859
Lease liability	19	66,273,313	56,419,623
Total non-current liabilities		406,984,453	505,094,482
Borrowings	18	1,518,503,061	1,077,462,673
Lease liability	19	20,033,887	15,400,824
Trade and other payables	20	1,989,743,582	1,732,957,184
Unclaimed dividend payable	21	7,757,382	8,076,342
Accrued expenses	22	326,348,575	331,183,843
Current income tax liabilities	23	433,625,555	438,095,379
Total current liabilities		4,296,012,042	3,603,176,245
Total liabilities		4,702,996,495	4,108,270,727
Total equity and liabilities		11,251,370,567	11,480,543,970

The accompanying notes are an integral part of these financial statements



Abdallah Massaad
Chairman



SAK Ekramuzzaman
Managing Director



Pramod Kumar Chand
Director



Mohammad Samsul Arefin
General Manager - Finance and Accounts



Muhammad Shahidul Islam, FCS
Company Secretary

As per our report of same date.

Dated:

ACNABIN Chartered Accountants
Firm's Enlistment No. CAF-001-012

Md. Rokonzaman, FCA
Partner
Enrollment No.: 0739
DVC:

RAK Ceramics (Bangladesh) Ltd.
Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 December 2025

	<u>Notes</u>	<u>2025</u> <u>Taka</u>	<u>2024</u> <u>Taka</u>
Sales	24	7,373,301,644	6,669,514,820
Cost of sales	25	(6,400,430,704)	(5,522,694,023)
Gross profit/(loss)		972,870,940	1,146,820,797
Other income	26	934,782	120,858
Administrative expenses	27	(347,509,294)	(357,698,527)
Impairment loss on trade receivables	27.1	(31,945,773)	9,866,092
Marketing and selling expenses	28	(627,057,964)	(571,796,625)
		(1,005,578,249)	(919,508,202)
Profit/(loss) from operating activities		(32,707,309)	227,312,595
Finance income	29	13,806,585	13,661,631
Finance expenses	30	(267,393,678)	(187,446,441)
Net finance income/(expenses)		(253,587,093)	(173,784,810)
Profit/(loss) before contribution to workers' profit participation and welfare fund		(286,294,402)	53,527,785
Contribution to workers' profit participation and welfare fund	31	(128,701)	(1,910,053)
Profit/(loss) before income tax		(286,423,103)	51,617,732
Income tax expense			
Current tax	32	(194,792,251)	(143,818,653)
Deferred tax	16	85,284,884	64,869,834
		(109,507,367)	(78,948,819)
Profit/(loss) after tax for the year		(395,930,470)	(27,331,087)
Other comprehensive income		-	-
Total comprehensive income for the year		(395,930,470)	(27,331,087)
Profit/(loss) attributable to:			
Equity holders of the company		(395,930,470)	(27,331,103)
Non-controlling interests		-	16
Profit/(loss) after tax for the year		(395,930,470)	(27,331,087)
Basic earnings per share (Par value TK 10)	39	(0.93)	(0.06)

The accompanying notes are an integral part of these financial statements



Abdallah Massaad
Chairman



SAK Ekramuzzaman
Managing Director



Pramod Kumar Chand
Director



Mohammad Samsul Arefin
General Manager - Finance and Accounts



Muhammad Shahidul Islam, FCS
Company Secretary

Dated:

As per our report of same date.

ACNABIN Chartered Accountants
Firm's Enlistment No. CAF-001-012

Md. Rokonuzzaman, FCA
Partner
Enrollment No.: 0739
DVC:

RAK Ceramics (Bangladesh) Ltd.
Consolidated statement of changes in equity
For the year ended 31 December 2025

Attributable to owners of the Company

	Share capital Taka (Note - 13)	Share Premium Taka (Note - 14)	Retained earnings Taka (Note - 15)	Total Taka	Non- controlling interests Taka	Total equity Taka
Balance as at 01 January 2024	4,279,687,010	1,473,647,979	2,074,236,665	7,827,571,654	1,377	7,827,573,031
Total comprehensive income for 2024 Profit/(loss) for the year	-	-	(27,331,103)	(27,331,103)	16	(27,331,087)
Transactions with the shareholders: Cash dividend (2023)	-	-	(427,968,701)	(427,968,701)	-	(427,968,701)
Balance as at 31 December 2024	4,279,687,010	1,473,647,979	1,618,936,861	7,372,271,850	1,393	7,372,273,243
Balance as at 01 January 2025	4,279,687,010	1,473,647,979	1,618,936,861	7,372,271,850	1,393	7,372,273,243
Total comprehensive income for 2025 Profit/(loss) for the year	-	-	(395,930,470)	(395,930,470)	-	(395,930,470)
Prior year adjustment	-	-	1,393	1,393	(1,393)	-
Transactions with the shareholders: Cash dividend (2024)	-	-	(427,968,701)	(427,968,701)	-	(427,968,701)
Balance as at 31 December 2025	4,279,687,010	1,473,647,979	795,039,083	6,548,374,072	-	6,548,374,072

The accompanying notes are an integral part of these financial statements

RAK Ceramics (Bangladesh) Ltd.
Consolidated statement of cash flows
For the year ended 31 December 2025

	<u>2025</u> <u>Taka</u>	<u>2024</u> <u>Taka</u>
Cash flows from operating activities		
Cash receipts from customers	7,486,296,782	6,390,683,459
Cash payments to suppliers and employees	(6,865,346,239)	(5,981,467,720)
Cash generated from operating activities	620,950,543	409,215,739
Interest received from bank deposits	4,639,848	6,448,879
Income tax paid (note - 23)	(199,262,075)	(208,034,130)
Net cash (used in)/from operating activities (note-42)	426,328,316	207,630,488
Cash flows from investing activities		
Acquisition of property, plant and equipment	(221,055,004)	(459,942,252)
Sale of property, plant and equipment (note-5.3)	5,484,500	205,804
Interest received from FDR	8,960,861	7,307,213
Intangible assets	(2,985,941)	(13,959,436)
Net cash (used in)/from investing activities	(209,595,584)	(466,388,671)
Cash flows from financing activities		
Finance charges	(226,991,834)	(146,415,754)
Avail/(repayment) of term loan	(90,870,022)	185,068,925
Avail/(repayment) of short-term loan	423,946,692	243,556,780
Payment of lease liability	(16,331,803)	(13,427,149)
Dividend paid	(428,287,661)	(428,014,859)
Net cash (used in)/from financing activities	(338,534,628)	(159,232,057)
Effect of exchange rate changes in cash and cash equivalents	233,526	155,449
Net increase/(decrease) in cash and cash equivalents	(121,568,370)	(417,834,791)
Cash and cash equivalents as at 01 January	424,164,546	841,999,337
Cash and cash equivalents as at 31 December (Note 12)	302,596,176	424,164,546

The accompanying notes are an integral part of these financial statements

RAK Ceramics (Bangladesh) Ltd.

Notes to the consolidated financial statements as at and for the year ended 31 December 2025

1. Reporting entity

RAK Ceramics (Bangladesh) Ltd. (the Company), formerly RAK Ceramics (Bangladesh) Pvt. Limited, a UAE-Bangladesh joint venture company, was incorporated in Bangladesh on 26 November 1998 as a private company limited by shares under the Companies Act 1994. The Company was later converted from a private limited into a public limited on 10 June 2008 after observance of required formalities as per laws. The name of the Company was thereafter changed to RAK Ceramics (Bangladesh) Limited as per certificate issued by the Registrar of Joint Stock Companies dated 11 February 2009. The address of the Company's registered office is RAK Tower, Plot # 1/A, Jasimuddin Avenue, Sector # 3, Uttara, Dhaka 1230. The company got listed with Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) on 13 June 2010.

1.1 Nature of business

The Company is engaged in manufacturing and marketing of ceramics tiles, wash room sets and all types of sanitary ware. It has started its commercial production on 12 November 2000. The commercial production of its new sanitary ware plant, expansion unit of ceramics facilities, tiles and sanitary plant was started on 10 January 2004, 1 July 2004, 1 September 2007, 1 April 2015 and 17 May 2016 respectively.

1.2 Description of subsidiaries

RAK Power Pvt. Ltd.

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

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

RAK Security and Services (Pvt.) Ltd.

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

The Board of Directors of RAK Ceramics (Bangladesh) Limited in its meeting held on July 26, 2015 have decided to further increase the shareholding in RAK Security & Services (Pvt.) Limited from 35% to 99.00% through purchase of 6,400 number of ordinary shares of BDT 100 each in consideration of BDT 2,875 per share totaling to BDT 18,687,500 only from all the other shareholders of RAK Security & Services (Pvt.) Limited subject to approval by the shareholders and concerned authorities for the interest of the business of the Company. The shareholders of RAK Ceramics (Bangladesh) Limited have approved the same in the EGM dated September 20, 2015. The effect of acquisition has been taken place as approved in Board of Directors meeting of RAK Security and Services (Pvt.) Ltd. on 20 October 2015.



2. Basis of preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and the Securities and Exchange Rules 2020.

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

Authorisation for issue

These financial statements have been authorised for issue by the Board of Directors of the Company on

2.2 Basis of measurement

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

2.3 Functional and presentational currency

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

2.4 Use of estimates and judgements

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

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

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

Note 4	Property, plant & equipment
Note 5	Investment property
Note 6	Right-of-use assets
Note 16	Deferred tax liability/Assets
Note 17	Employees benefit payable
Note 19	Lease liability
Note 23	Current income tax liabilities
Note 27.1	Impairment on trade receivable

2.5 Reporting period

The financial period of the Company covers one year from 1 January to 31 December each year and is followed consistently.

2.6 Going concern

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

3 Significant accounting policies

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

3.1 Basis of consolidation

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

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

Subsidiaries

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

Loss of control

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

Transactions eliminated on consolidation

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

3.2 Financial assets

a) Trade & other receivables

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

b) Cash and cash equivalents

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



3.3 Financial liabilities

a) Trade & other payables

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

b) Borrowings

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

3.4 Share capital

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

3.5 Property, plant and equipment

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

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

3.5.1 Depreciation on property, plant and equipment

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

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

Category of property, plant and equipment	Rate (%)
Factory building	5-7
Office and accommodation building	5
Plant and machinery	10
Mobile plant	10-20
Electrical installation	10
Gas pipeline	10
Furniture, fixture and equipment	10-34
Office equipment	10-34
Communication equipment	10-34
Tools and appliances	10-34
Vehicles	10
Fire fighting equipment	20

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



3.6 Investment property

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

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

3.6.1 Depreciation on investment property

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

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

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

3.7 Capital work-in-progress

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

3.8 Intangible assets

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

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

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

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

3.9 Inventories

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

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

3.10 Impairment

Non-derivative financial assets

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

Non-financial assets

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

Calculation of recoverable amount

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

Recognition of impairment

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

Reversal of impairment

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

3.11 Employee benefit schemes

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

Defined contribution plan (Provident fund)

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

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

Defined benefit plan (Gratuity)

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

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 year of employment.

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

The Company provides 5% of its net profit before tax after charging such expense as WPPF in accordance with "The Bangladesh Labour Act 2006 amended in 2025".

3.13 Provisions

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

3.14 IFRS 9 Financial Instruments

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

i. Classification – financial assets

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

ii. Impairment

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

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

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

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

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

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

iii. Hedging

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

Impact of IFRS 9 shown in note no. 35.1 (b).



3.15 IFRS 15 Revenue from Contracts with Customers

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

i. Sales of goods

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

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

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

ii. Rendering of services

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

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

iii. Construction contracts

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

3.16 IFRS 16 Leases

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

General impact of application of IFRS 16 Leases

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

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

Impact of the new definition of a lease

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

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

**Impact on Lessee Accounting**

Former operating leases

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

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

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

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

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

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

Former finance leases

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

Impact on Lessor Accounting

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

3.17 IFRS S1 and S2 Sustainability & Climate related

Formulating a prospective plan that is rooted on sustainability and climate is a demanding, yet essential undertaking. Within this framework, our group's strategy delineates its intended market position and primary competitive advantages in terms of both product offering and resource utilization.

3.18 Finance income and expenses

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

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

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

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

3.19 Foreign currency

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

3.20 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 2025.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax:

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

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

3.21 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.

3.22 Determination and presentation of operating segment

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

3.23 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.



3.24 Statement of cash flows

Statement of cash flows is prepared under direct method in accordance with International Accounting Standard IAS-7 "Statement of cash flows" as required by the Securities and Exchange Rules 2020.

3.25 Events after the reporting period

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

3.26 Comparatives and reclassification

Comparative information have been disclosed in respect of 2024 for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current year's financial statements.

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

4 Property, plant and equipment

2025

Particulars	C O S T					D E P R E C I A T I O N					Amount in Taka	
	Balance as at 01 Jan 2025	Addition during the year	Sale/disposal retirement/ during the year	Balance as at 31 Dec 2025	Rate (%)	Balance as at 01 Jan 2025	Charged during the year	Adjustment during the year	Balance as at 31 Dec 2025	Net book value as at 31 Dec 2025		
	Land	1,249,421,336	-	-	1,249,421,336	-	-	-	-	-	1,249,421,336	
Factory building	1,136,388,301	39,424,708	-	1,175,813,009	5-7	678,935,802	47,200,034	-	726,135,836	449,677,173		
Office and accommodation building	598,487,167	17,224,830	-	615,711,997	5	293,301,979	33,188,242	-	326,490,221	289,221,776		
Plant and machinery	6,524,974,245	268,298,881	(457,156,310)	6,336,116,816	10	5,007,310,085	372,059,258	(453,073,600)	4,926,295,743	1,409,821,073		
Mobile plant	138,679,618	25,754,001	(4,879,012)	159,554,607	10-20	111,377,467	11,681,309	(4,835,684)	118,223,092	41,331,515		
Electrical installation	242,830,147	11,798,141	(153,929,967)	100,698,321	10	234,314,100	6,478,988	(153,929,955)	86,863,133	13,835,188		
Gas pipeline	86,055,003	12,436,168	-	98,491,171	10	76,252,317	4,597,504	-	80,849,821	17,641,350		
Furniture and fixtures	52,298,909	4,235,527	(1,553,843)	54,980,593	10-34	42,675,216	4,408,145	(1,553,292)	45,530,069	9,450,524		
Office equipment	66,050,659	6,924,300	(4,927,784)	68,047,175	10-34	56,688,764	6,718,035	(4,847,631)	58,559,168	9,488,007		
Communication equipment	19,417,128	422,587	(3,524,996)	16,314,719	10-34	17,030,737	1,881,572	(3,444,080)	15,468,229	846,490		
Tools and appliances	23,993,385	3,370,316	(2,732,934)	24,630,767	10-34	16,508,154	4,303,969	(2,732,927)	18,079,196	6,551,571		
Vehicles	130,108,437	322,075	(934,931)	129,495,581	10	81,871,357	7,595,855	(672,889)	88,794,322	40,701,258		
Fire fighting equipment	3,631,012	-	-	3,631,012	20	3,631,012	-	-	3,631,012	-		
Total	10,272,335,347	390,211,534	(629,639,777)	10,032,907,104		6,619,896,990	500,112,910	(625,090,059)	6,494,919,842	3,537,987,262		

2024

Particulars	C O S T					D E P R E C I A T I O N					Amount in Taka	
	Balance as at 01 Jan 2024	Addition during the year	Sale/disposal retirement/ during the year	Balance as at 31 Dec 2024	Rate (%)	Balance as at 01 Jan 2024	Charged during the year	Adjustment during the year	Balance as at 31 Dec 2024	Net book value as at 31 Dec 2024		
	Land*	1,245,765,336	3,656,000	-	1,249,421,336	-	-	-	-	-	1,249,421,336	
Factory building	1,060,536,702	75,851,599	-	1,136,388,301	5-7	633,618,169	45,317,633	-	678,935,802	457,452,499		
Office and accommodation building	547,535,896	50,951,271	-	598,487,167	5	262,408,606	30,893,373	-	293,301,979	305,185,188		
Plant and machinery	6,128,916,486	396,057,759	-	6,524,974,245	10	4,632,014,362	375,295,723	-	5,007,310,085	1,517,664,160		
Mobile plant	138,912,181	1,606,278	(1,838,841)	138,679,618	10-20	102,907,119	10,172,149	(1,701,801)	111,377,467	27,302,151		
Electrical installation	242,630,147	200,000	-	242,830,147	10	228,029,443	6,284,657	-	234,314,100	8,516,047		
Gas pipeline	81,794,702	4,260,301	-	86,055,003	10	72,192,068	4,060,249	-	76,252,317	9,802,686		
Furniture and fixtures	49,888,956	2,478,914	(68,961)	52,298,909	10-34	37,566,353	5,176,728	(67,865)	42,675,216	9,623,693		
Office equipment	61,436,306	4,984,683	(370,330)	66,050,659	10-34	48,444,736	8,590,649	(346,621)	56,688,764	9,361,895		
Communication equipment	18,905,385	552,056	(40,313)	19,417,128	10-34	14,015,165	3,055,885	(40,313)	17,030,737	2,386,391		
Tools and appliances	23,217,260	776,125	-	23,993,385	10-34	12,469,584	4,038,570	-	16,508,154	7,485,231		
Vehicles	126,957,651	3,737,386	(586,600)	130,108,437	10	73,743,920	8,625,994	(498,557)	81,871,357	48,237,080		
Fire fighting equipment	3,631,012	-	-	3,631,012	20	3,631,012	-	-	3,631,012	-		
Total	9,730,128,020	545,112,372	(2,905,045)	10,272,335,347		6,121,040,537	501,511,610	(2,655,157)	6,619,896,990	3,652,438,357		

5 Investment Property

2025

Particulars	COST			Rate	DEPRECIATION			Net book value as at 31 Dec 2025
	Balance as at 01 Jan 2025	Addition during the year	Sale/Transfer during the year		Balance as at 01 Jan 2025	Charged during the year	Adjustment during the year	
Land ¹	500,571,750	-	-	-	-	-	-	500,571,750
Office building ²	4,432,737	-	-	5%	2,436,077	221,918	2,657,996	1,774,741
Total	505,004,487	-	-		2,436,077	221,918	2,657,996	502,346,491

2024

Particulars	COST			Rate	DEPRECIATION			Net book value as at 31 Dec 2024
	Balance as at 01 Jan 2024	Addition during the year	Sale/Transfer during the year		Balance as at 01 Jan 2024	Charged during the year	Adjustment during the year	
Land ¹	500,571,750	-	-	-	-	-	-	500,571,750
Office building ²	4,432,737	-	-	5%	2,214,159	221,918	2,436,077	1,996,660
Total	505,004,487	-	-		2,214,159	221,918	2,436,077	502,568,410

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

2. A godown building is situated at above land and presently the asset is under investment property as per IAS 40 considering undetermined future use. The said property is stated at cost as per IAS 16 due to alternate reliable sources of measurement being unavailable.

	<u>2025</u> <u>Taka</u>	<u>2024</u> <u>Taka</u>
5.1 Depreciation		
Property, plant and equipment (Note 4)	500,112,910	501,511,610
Investment Property (Note 5)	221,918	221,918
	500,334,828	501,733,528
5.2 Allocation of Depreciation		
Cost of sales (Note 25)	455,100,729	456,634,291
Administrative expenses (Note 5.2.1)	31,514,621	36,064,895
Marketing & selling expenses (Note 28)	13,719,478	9,034,342
	500,334,828	501,733,528
5.2.1 Administrative Depreciation		
Depreciation on property, plant & equipment (Note 27)	31,292,703	35,842,977
Depreciation on investment property (Note 27)	221,918	221,918
	31,514,621	36,064,895

5.3 Disposal of property, plant and equipment

2025

Particulars	Original cost	Accumulated depreciation	Book value	Receipt against sales/insurance	Profit/(loss) on disposal
	Taka	Taka	Taka	Taka	Taka
Mobile plant	4,879,012	4,835,684	43,328	791,500	748,172
Plant and machinery	457,156,310	453,073,600	4,082,710	4,500,000	417,290
Office equipment	4,927,784	4,847,631	80,153	-	(80,153)
Furniture & fixtures	1,553,843	1,553,292	551	-	(551)
Vehicles	934,931	672,889	262,042	193,000	(69,042)
Communication equipment	3,524,996	3,444,080	80,916	-	(80,916)
Tools and appliances	2,732,934	2,732,927	7	-	(7)
Electrical installation	153,929,967	153,929,955	12	-	(12)
Total	629,639,777	625,090,059	4,549,718	5,484,500	934,782

2024

Particulars	Original cost	Accumulated depreciation	Book value	Receipt against sales/insurance	Profit/(loss) on disposal
	Taka	Taka	Taka	Taka	Taka
Mobile plant	1,838,841	1,701,801	137,040	-	(137,040)
Office equipment	370,330	346,621	23,709	-	(23,709)
Furniture & fixture	68,961	67,865	1,096	47,583	46,487
Communication equipment	40,313	40,313	-	-	-
Vehicles	586,600	498,557	88,043	158,221	70,178
Total	2,905,045	2,655,157	249,888	205,804	(44,084)

6 Right-of-use assets

2025

Particulars	COST			DEPRECIATION			Amount in Taka	
	Balance as at 01 Jan 2025	Addition during the year	Sale/disposal during the year	Balance as at 31 Dec 2025	Charged during the year	Adjustment during the year	Balance as at 31 Dec 2025	Net book value as at 31 Dec 2025
Display center	89,768,706	37,885,839	(19,105,116)	108,549,429	17,776,417	(17,636,294)	32,108,543	76,440,886
Accommodation building	2,351,946	905,250	(760,644)	2,496,552	1,013,519	(760,644)	1,089,203	1,407,349
Warehouse	28,687,412	944,546	-	29,631,958	5,890,652	-	14,018,751	15,613,206
Office Building	6,517,391	221,143	-	6,738,534	1,337,501	-	2,966,849	3,771,685
Total	127,325,455	39,956,778	(19,865,760)	147,416,473	26,018,089	(18,396,938)	50,183,347	97,233,126

2024

Particulars	COST			DEPRECIATION			Amount in Taka	
	Balance as at 01 Jan 2024	Addition during the year	Sale/disposal during the year	Balance as at 31 Dec 2024	Charged during the year	Adjustment during the year	Balance as at 31 Dec 2024	Net book value as at 31 Dec 2024
Display center	65,545,374	31,159,038	(6,935,706)	89,768,706	13,235,604	(6,935,706)	31,968,420	57,800,286
Accommodation building	1,564,105	1,592,894	(805,053)	2,351,946	879,456	(805,053)	836,328	1,515,618
Warehouse	30,567,554	-	(1,880,142)	28,687,412	5,737,482	(221,961)	8,128,100	20,559,312
Office Building	6,517,391	-	-	6,517,391	1,303,478	-	1,629,348	4,888,043
Total	104,194,424	32,751,932	(9,620,901)	127,325,455	21,156,020	(7,962,720)	42,562,196	84,763,259

6.1 Allocation of depreciation |

	2025	2024
Administrative expenses (Note 27)	2,351,020	2,182,934
Marketing & Selling expenses (Note 28)	23,667,069	18,973,086
Total	26,018,089	21,156,020

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

2025

Particulars	Lease liability	Right-of-use assets	Gain/(loss)
Display	1,358,837	1,468,822	(109,985)
Total	1,358,837	1,468,822	(109,985)

2024

Particulars	Lease liability	Right-of-use assets	Gain/(loss)
Warehouse	1,779,039	1,658,181	120,858
Total	1,779,039	1,658,181	120,858

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



7 Intangible assets

2025

Particulars	COST				AMORTIZATION				Amount in Taka	
	Balance as at 01 Jan 2025	Addition during the year	Sale/disposal during the year	Balance as at 31 Dec 2025	Balance as at 01 Jan 2025	Amortized during the year	Adjustment during the year	Balance as at 31 Dec 2025	Net book value as at 31 Dec 2025	
	License	44,150,049	2,245,691	(6,356,465)	40,039,275	35,408,486	6,446,888	(6,388,371)	35,467,003	4,572,272
Computer Software	13,361,680	740,250	-	14,101,930	12,194,709	659,369	31,906	12,885,984	1,215,946	
Total	57,511,729	2,985,941	(6,356,465)	54,141,205	47,603,195	7,106,257	(6,356,465)	48,352,987	5,788,218	

2024

Particulars	COST				AMORTIZATION				Amount in Taka	
	Balance as at 01 Jan 2024	Addition during the year	Sale/disposal during the year	Balance as at 31 Dec 2024	Balance as at 01 Jan 2024	Amortized during the year	Adjustment during the year	Balance as at 31 Dec 2024	Net book value as at 31 Dec 2024	
	License	31,037,913	13,112,136	-	44,150,049	27,602,739	7,805,747	-	35,408,486	8,741,563
Computer Software	12,514,380	847,300	-	13,361,680	11,830,602	364,107	-	12,194,709	1,166,971	
Total	43,552,293	13,959,436	-	57,511,729	39,433,341	8,169,854	-	47,603,195	9,908,534	

	<u>2025</u>	<u>2024</u>
	<u>Taka</u>	<u>Taka</u>
8 Capital Work-in-Progress		
Balance as at 1 January	270,280,122	355,450,242
Add: Addition during the year (note 8.1)	157,182,184	407,114,026
	<u>427,462,306</u>	<u>762,564,267</u>
Less: Transfer to property, plant & equipment during the year (note 8.2)	326,338,715	492,284,146
Balance as at 31 December	<u>101,123,591</u>	<u>270,280,122</u>
8.1 Addition during the year		
Building	53,778,501	57,436,303
Plant & machinery	97,136,580	330,502,547
Others	6,267,103	19,175,176
	<u>157,182,184</u>	<u>407,114,026</u>
8.2 Items transferred from capital work in progress to property, plant & equipment		
Office building	2,422,718	47,574,413
Electrical installation	11,768,486	-
Factory Building	38,471,890	73,368,203
Plant & machinery	262,131,913	371,169,587
Tools and appliances	1,929,151	140,274
Gas pipe line	9,453,773	-
Furniture & fixture	160,784	-
Others	-	31,670
	<u>326,338,715</u>	<u>492,284,146</u>
9 Inventories		
Raw materials	1,037,506,360	1,048,787,830
Less : Provision for slow moving & obsolete inventories	86,801,376	41,734,296
Less: Write off for obsolete raw materials	21,164,947	-
	<u>929,540,037</u>	<u>1,007,053,534</u>
Stores and consumables spares and packing	1,138,767,943	1,060,409,506
Less: Write off for stores and spares	1,834,502	10,715,325
Less: Provision for slow moving & obsolete inventories	52,619,836	625,854
	<u>1,084,313,605</u>	<u>1,049,068,327</u>
Finished goods (net of net realizable value adjustment) *	1,262,570,361	1,024,820,406
Less : Provision for slow moving & obsolete inventories	37,990,515	26,671,277
	<u>1,224,579,846</u>	<u>998,149,129</u>
Work-in-process	66,443,012	182,145,428
Goods-in-transit	343,543,276	197,465,075
	<u>3,648,419,775</u>	<u>3,433,881,493</u>

*Finished goods exclude provision of net realizable value BDT. 35,545,659.

	<u>2025</u>	<u>2024</u>
	<u>Taka</u>	<u>Taka</u>
10 Trade and other receivables		
Trade receivables (Note 10.1)	2,645,938,454	2,758,904,924
	<u>2,645,938,454</u>	<u>2,758,904,924</u>
Accrued interest (Note 10.2)	999,544	793,669
Other receivable	-	28,667
	<u>2,646,937,998</u>	<u>2,759,727,260</u>
10.1 Trade receivables		
Receivables from local sales	2,694,265,549	2,746,646,498
Receivables from export sales	2,790,727	31,430,475
	<u>2,697,056,276</u>	<u>2,778,076,973</u>
Less: Provision of impairment loss on trade receivable:		
Unrelated parties	33,493,510	10,928,124
Related parties	17,624,312	8,243,925
	<u>2,645,938,454</u>	<u>2,758,904,924</u>
10.2 Accrued interest		
Interest accrued on Fixed Deposit Receipt	999,544	793,669
	<u>999,544</u>	<u>793,669</u>
11 Advance, deposit and prepayments		
Advances:		
Employees	351,000	305,500
Purchase of land and others	1,393,583	4,134,422
Suppliers against materials and services	89,510,612	106,121,769
	<u>91,255,195</u>	<u>110,561,691</u>
Security and other deposits:		
Titas gas	100,531,900	100,041,650
Mymensingh Palli Bidyut Samity-2	1,955,000	1,955,000
VAT and Supplementary duty	1,894,762	2,147,385
Deposited with income tax authority	89,783,545	89,783,545
Deposited with VAT authority	11,804,770	10,280,108
Display center and others	4,908,900	2,826,000
Other deposits	1,553,226	1,553,226
	<u>212,432,103</u>	<u>208,586,914</u>
Prepayments:		
Insurance and others	4,436,601	8,134,237
	<u>4,436,601</u>	<u>8,134,237</u>
	<u>308,123,899</u>	<u>327,282,842</u>
11.1 Supplementary duty & VAT		
Balance as at 1 January	2,147,385	2,030,039
Add: Treasury deposit for SD & VAT purpose	17,390,853	16,002,773
	<u>19,538,238</u>	<u>18,032,813</u>
Less: SD & VAT on sales	17,643,476	15,885,428
Balance as at 31 December	<u>1,894,762</u>	<u>2,147,385</u>
The above amount represents RAK Security and Services (Pvt) Ltd.		

12 Cash and cash equivalents

	<u>2025</u> <u>Taka</u>	<u>2024</u> <u>Taka</u>
Cash in hand	1,301,586	4,277,517
Cash at banks		
Standard Chartered Bank (current account - 01-6162940-01, 01-3767272-01 - BDT)	60,603	61,398
BRAC Bank Ltd. (current account - 1530201731248001 - BDT)	8,705,074	80,189,680
Citibank N.A. (current account - G0100001200262018 - BDT)	122,292	130,592
Dutch Bangla Bank Ltd. (current account -117-110-12733,117-110-4311,117.110.23474 BDT)	4,717,228	3,275,522
Standard Chartered Bank (ERQ - 42-6162940-01 - USD)	3,013,350	2,593,768
Standard Chartered Bank (Margin money account)	1,968,575	1,968,575
Midland Bank Ltd. (Margin money account)	595,629	4,776,108
United Commercial Bank Ltd. (SND account - 0831301000000164 BDT)	3,248,315	8,772,253
Al Arafah Islami Bank Ltd. (SND account - 0171220002646, 0171220002657 - BDT)	2,592,848	752,779
South East Bank Ltd. (Current account - 11100008546 - BDT)	475,281	2,770,037
Standard Chartered Bank (SND account - 02-3767272-01 - BDT)	125,253	126,403
Dutch Bangla Bank Ltd. (SND account - 117-120-589, 117-120-311,117-120.2550 - BDT)	15,166,086	8,155,175
Pubali Bank Ltd. (CD account 4709901003543, 4709901003539 - BDT)	107,191	108,846
Prime Bank Ltd. (SND - 2125316004690 - BDT)	568,181	1,667,155
Janata Bank Ltd. (SND 0100258556318 - BDT)	101,927	100,484
Eastern Bank Ltd. (CD account - 1132040363287, 1041060507936 - BDT)	9,772,416	17,711,823
Dhaka Bank Ltd (SND - 102.150.274- BDT))	15,367,260	119,023,981
Pubali Bank Ltd. (SND account 47091012000483 - BDT)	48,348	48,858
Dhaka Bank Ltd (CD - 204100000019318- BDT))	726,722	180,226
Commercial Bank of Ceylon (SND-2817000777 - BDT)	1,000	6,258,295
Commercial Bank of Ceylon (ERQ-1806012366 - USD)	3,914,393	927,803
Meghna Bank Ltd. (SND 1112-13500000004 - BDT)	245,676	239,226
Midland Bank Ltd. (SND 0006-1070000015, 0006-1060000043 - BDT)	65,894,706	35,740,330
Eastern Bank Ltd. (SND account - 1041360507944 - BDT)	51,140	98,105
Eastern Bank Ltd. (Margin Money account)	1,007,180	6,278,069
Commercial Bank of Ceylon (Margin Money account)	347,850	7,762,026
South East Bank Ltd. (Margin Money account)	-	793,040
	<u>138,944,524</u>	<u>310,510,557</u>
IPO bank account		
Citibank N.A. (RAK-IPO Central Account - G010001200262022 - BDT)	1,688,689	1,688,046
Citibank N.A. (RAK-IPO-NRB Subscription - G0100001200262042 - USD)	3,919,501	3,919,501
Citibank N.A. (RAK-IPO-NRB Subscription - G0100001200262026 - EURO)	153,606	153,606
Citibank N.A. (RAK-IPO-NRB Subscription - G0100001200262034 - GBP)	126,599	126,599
	<u>5,888,395</u>	<u>5,887,752</u>
Dividend bank account		
BRAC Bank (Current - 1510201731248001 - BDT) - 2010	2,821,596	2,825,286
BRAC Bank (Current - 1513201731248001 - BDT) - 2011	1,085,506	1,089,196
SCB (SND - 02-6162940-02- BDT) - 2012	172,447	173,686
SCB (SND - 02-6162940-03- BDT) - 2013	317,821	319,009
SCB (SND - 02-6162940-05- BDT) - 2015	37,042	38,178
SCB (SND - 02-6162940-06- BDT) - 2016	3,726	4,874
SCB (SND - 02-6162940-09- BDT) - 2019	-	57
SCB (SND - 02-6162940-10- BDT) - 2020	345,868	349,895
SCB (SND - 02-6162940-11- BDT) - 2021	41,381	2,963,017
MDB (SND - 0006-1090000460 - BDT) - 2022	5,344,091	5,261,003
MDB (SND - 0006-1090000504 - BDT) - 2023	3,353,003	3,326,714
MDB (SND - 0006-1090000504 - BDT) - 2024	2,634,443	-
	<u>16,156,924</u>	<u>16,350,915</u>
Investment in Fixed Deposit Receipt (FDR)		
Midland Bank Ltd.	60,000,000	60,000,000
Eastern Bank Ltd.	22,137,805	22,137,805
Al Arafah Islami Bank Ltd.	53,166,942	-
Commercial bank of Ceylon	5,000,000	5,000,000
	<u>140,304,747</u>	<u>87,137,805</u>
	<u>302,596,176</u>	<u>424,164,546</u>

	<u>2025</u>		<u>2024</u>	
	Taka		Taka	
13 Share Capital				
Authorised :				
600,000,000 ordinary shares of Taka 10/- each	<u>6,000,000,000</u>		<u>6,000,000,000</u>	
Issued, subscribed, called and paid up :				
427,968,701 ordinary shares of Taka 10/- each	<u>4,279,687,010</u>		<u>4,279,687,010</u>	
Percentage of shareholdings :	2025		2024	
	%	Taka	%	Taka
RAK Ceramics PJSC, UAE	68.13	2,915,864,310	68.13	2,915,864,310
S.A.K. Ekramuzzaman	3.95	168,958,240	3.95	168,958,240
Other Sponsors	0.00	1,660	0.00	1,660
General Public	27.92	1,194,862,800	27.92	1,194,862,800
	<u>100.00</u>	<u>4,279,687,010</u>	<u>100.00</u>	<u>4,279,687,010</u>

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

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

Classification of shareholders by holding

Shareholders' range	Number of shareholders		Number of shares	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
01-499 shares	14,807	15,534	3,403,461	3,617,179
500 to 5,000 shares	6,922	7,528	11,584,467	12,435,234
5001 to 10,000 shares	877	899	6,556,860	6,743,697
10,001 to 20,000 shares	480	455	6,931,444	6,499,873
20,001 to 30,000 shares	147	150	3,693,708	3,776,294
30,001 to 40,000 shares	70	77	2,496,932	2,760,938
40,001 to 50,000 shares	51	56	2,394,882	2,607,371
50,001 to 100,000 shares	97	93	7,065,371	6,836,451
100,001 to 1,000,000 shares	83	90	25,849,947	27,164,133
1,000,001 to 1,000,000,000 Shares	16	14	357,991,629	355,527,531
	<u>23,550</u>	<u>24,896</u>	<u>427,968,701</u>	<u>427,968,701</u>

14 Share premium

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

No. of shares	Share premium (per share)	<u>2025</u>	<u>2024</u>
		Taka	Taka
10,000,000	30	300,000,000	300,000,000
34,510,000	38	1,311,380,000	1,311,380,000
		<u>1,611,380,000</u>	<u>1,611,380,000</u>
Less : Share issue expenses		137,732,021	137,732,021
		<u>1,473,647,979</u>	<u>1,473,647,979</u>

15 Retained earnings (Reserve and surplus)

Balance as on 1 January	1,618,936,861	2,074,236,665
Add : Profit/(loss) during the year	(395,930,470)	(27,331,103)
	<u>1,223,006,391</u>	<u>2,046,905,562</u>
Add : Adjustment for NCI	1,393	-
Less: Dividend declared during the year	(427,968,701)	(427,968,701)
Balance as on 31 December	<u>795,039,083</u>	<u>1,618,936,861</u>

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

	<u>2025</u>	<u>2024</u>	
	<u>Taka</u>	<u>Taka</u>	
16 Deferred tax liabilities/(Assets)			
Balance as at 1 January	(15,529,147)	49,340,687	
Less : Deferred tax (Income)/expenses	(85,284,884)	(64,869,834)	
Balance as at 31 December	<u>(100,814,031)</u>	<u>(15,529,147)</u>	
	Carrying amount on the date of statement of financial position	Taxable/ (deductible) temporary difference	
	Taka	Taka	
		Taka	
As at 31 December 2025			
Property, plant and equipment (Excluding land and others)	2,272,768,690	2,472,189,977	(199,421,287)
Trade receivable	2,661,671,091	2,712,788,913	(51,117,822)
Inventories	3,578,345,665	3,791,303,051	(212,957,385)
Right of use assets	97,233,127	-	97,233,127
Lease liability	(86,307,198)	-	(86,307,198)
Net taxable temporary difference			<u>(452,570,566)</u>
Deferred tax liability (applying applicable tax rate for individual company)			<u>(100,814,031)</u>
As at 31 December 2024			
Property, plant and equipment (Excluding land and others)	2,379,206,716	2,334,508,148	44,698,568
Trade receivable	2,769,320,292	2,788,492,341	(19,172,049)
Inventories	3,358,776,852	3,468,742,536	(109,965,685)
Right of use assets	84,763,261	-	84,763,261
Lease liability	(71,820,447)	-	(71,820,447)
Net taxable temporary difference			<u>(71,496,351)</u>
Deferred tax liability (applying applicable tax rate for individual company)			<u>(15,529,147)</u>

17 Employees benefits payable

	<u>2025</u>		
	<u>Provident fund</u>	<u>Gratuity fund</u>	<u>Total</u>
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
Balance as at 1 January	-	-	-
Add: Provision made during the year	92,485,044	35,444,280	127,929,324
	<u>92,485,044</u>	<u>35,444,280</u>	<u>127,929,324</u>
Less: Payments made to fund during the year	92,485,044	35,444,280	127,929,325
Balance as at 31 December	<u>-</u>	<u>-</u>	<u>-</u>

Forfeited amount of provident fund amounting to BDT. 694,216 for the year 2025 has been adjusted with provision and payment.

	<u>2024</u>		
	<u>Provident fund</u>	<u>Gratuity fund</u>	<u>Total</u>
	<u>Taka</u>	<u>Taka</u>	<u>Taka</u>
Balance as at 1 January	-	-	-
Add: Provision made during the year	85,045,933	32,220,897	117,266,830
	<u>85,045,933</u>	<u>32,220,897</u>	<u>117,266,830</u>
Less: Payments made to fund during the year	85,045,933	32,220,897	117,266,830
Balance as at 31 December	<u>-</u>	<u>-</u>	<u>-</u>

Forfeited amount of provident fund amounting to BDT. 1,189,885 for the year 2024 has been adjusted with provision and payment.

18 Borrowings
Non-current:

Term loan	469,328,540	560,198,562
Current portion of term loan	(128,617,400)	(111,523,703)
	<u>340,711,140</u>	<u>448,674,859</u>

Current:

Bank overdrafts	142,711,846	131,348,131
Short-term borrowings	1,247,173,815	834,590,839
Current portion of term loan	128,617,400	111,523,703
	<u>1,518,503,061</u>	<u>1,077,462,673</u>
Balance as at 31 December	<u>1,859,214,201</u>	<u>1,526,137,532</u>



18.1 Borrowings by maturity

At 31 December 2025	< 1 year	1-2 years	2-5 years	> 5 years	Total
Bank overdrafts	142,711,846	-	-	-	142,711,846
Short-term borrowings	1,247,173,815	-	-	-	1,247,173,815
Term loan	128,617,400	133,242,813	205,849,201	1,619,126	469,328,540
	1,518,503,061	133,242,813	205,849,201	1,619,126	1,859,214,201
At 31 December 2024	< 1 year	1-2 years	2-5 years	> 5 years	Total
Bank overdrafts	131,348,131	-	-	-	131,348,131
Short-term borrowings	834,590,839	-	-	-	834,590,839
Term loan	111,523,703	124,803,433	297,143,116	26,728,311	560,198,562
	1,077,462,674	124,803,433	297,143,116	26,728,311	1,526,137,532

18.2 Facilities details (Funded)

Bank	Name of facilities	Limit	Utilisation	Maturity	Repayment	Security - STL	Security - LTL
SCB	Overdraft	50,000,000	18,769,916	Revolving	From company's own source	1) Hypothecation over stock & book debts on a parri-passu basis with other lenders.	1) Specific charge over plant, machinery and equipment of BMRE projects of RAK Ceramics (BD) Ltd. Following are relating to RAK Power Pvt. Ltd.
	Short term loan	500,000,000	240,217,111	180/360 days from B/L date			
Midland Bank PLC	Overdraft	50,000,000	50,050,000	Revolving	From company's own source	2) Demand promissory note.	1. Mortgage of 5 bigha land.
	Short term loan	500,000,000	366,246,966	5 years with 1 year moratorium			
Eastern Bank PLC	Overdraft	314,398,922	314,398,922	Revolving	From company's own source	1. Mortgage of 5 bigha land.	2. Lien of Term Deposit of 100 MN
	Short term loan	25,000,000	25,020,000	180/360 days from B/L date			
Dutch Bangla Bank PLC.	Overdraft	25,000,000	24,020,230	Revolving	From company's own source	3. Charge over fixed & floating assets,	4. Corporate guarantee from RAK Ceramics (BD) Limited*
	Short term loan	90,000,000	-	180/360 days from B/L date			
Commercial Bank of Ceylon	Overdraft	35,000,000	24,851,700	Revolving	From company's own source	5. A signed cheque covering total facility	
	Short term loan	550,000,000	422,071,598	180/360 days from B/L date			
Al Arafa Islami Bank PLC	Overdraft	-	-	Revolving	From company's own source		
	Short term loan	15,000,000	-	180/360 days from B/L date			
	Long term loan*	362,900,000	154,929,618	6 years with 1 year moratorium			

* The company issued one corporate guarantee of BDT 392.90 Million in favour of subsidiary company named RAK Power Pvt. Limited to avail loan from Al Arafa Islami Bank PLC approved in AGM dated 22 Mar 2025 for purchasing a 2x4.3 MW new genset. Outstanding loan against the said corporate guarantee is BDT 154.93 Million at 31 December 2025.

19 Lease liability

Non-current:

Lease liability

Less : Current portion of lease liability

	2025 Taka	2024 Taka
Lease liability	86,307,200	71,820,447
Less : Current portion of lease liability	20,033,887	15,400,824
	66,273,313	56,419,623
Current portion of lease liability	20,033,887	15,400,824

Current:

Current portion of lease liability

31 December 2025

Lease liability schedule

Particulars	Balance as on 01 January 2025	Addition/(deletion)	Payment	Interest expenses	Decrease in lease liability	Balance as on 31 December 2025
Display center	42,306,245	28,747,614	14,464,778	4,807,288	9,657,490	61,396,370
Accommodation Building	1,586,300	905,250	1,143,041	148,994	994,047	1,497,503
Warehouse	22,844,469	944,547	6,854,737	2,271,106	4,583,631	19,205,385
Office Building	5,083,434	221,143	1,597,895	501,260	1,096,635	4,207,942
	71,820,447	30,818,554	24,060,451	7,728,648	16,331,803	86,307,200

31 December 2024

Lease liability schedule

Particulars	Balance as on 01 January 2024	Addition/(deletion)	Payment	Interest expenses	Decrease in lease liability	Balance as on 31 December 2024
Display center	22,162,043	27,559,038	9,814,809	2,399,974	7,414,835	42,306,245
Accommodation Building	829,670	1,592,894	953,684	117,420	836,264	1,586,300
Warehouse	28,832,651	(1,779,039)	6,669,474	2,460,331	4,209,143	22,844,469
Office Building	6,050,340	-	1,515,789	548,882	966,907	5,083,433
	57,874,704	27,372,893	18,953,756	5,526,607	13,427,149	71,820,447

	<u>2025</u>	<u>2024</u>
	<u>Taka</u>	<u>Taka</u>
20 Trade and other payables		
Trade payables		
Payable to local suppliers	454,074,845	238,996,760
Payable to foreign suppliers	490,530,677	354,162,578
Payable to service provider	234,533,276	182,795,291
Payable to C & F agent	71,816,241	70,814,393
	<u>1,250,955,039</u>	<u>846,769,022</u>
Other payables		
Tax deducted at source	22,712,542	32,885,995
Tax deducted at source on remuneration (Note-22.1)	-	288,076
VAT deducted at source	10,101,053	8,857,687
VAT and Supplementary duty payable (Note-20.1)	128,342,978	211,175,615
Royalty and technical know-how fee	519,138,764	519,138,764
Unclaimed share application	20,061,956	20,061,956
Advance from customer against sales	14,394,995	36,861,648
Security deposit payable	1,617,592	1,617,592
Payable to employees	3,259,995	2,826,974
Provisional liabilities - material & services	19,158,668	52,473,855
	<u>738,788,543</u>	<u>886,188,162</u>
	<u>1,989,743,582</u>	<u>1,732,957,184</u>
20.1 VAT and Supplementary duty (SD) payable		
Opening Balance	211,175,615	122,145,071
Add: VAT and Supplementary duty on sales	2,452,546,216	2,258,606,703
Other payable	325,792	625,533
	<u>2,664,047,623</u>	<u>2,381,377,307</u>
Less: Treasury deposit for SD & VAT purpose	1,459,805,068	1,360,363,432
Rebate of input VAT	1,075,899,577	809,838,260
	<u>2,535,704,644</u>	<u>2,170,201,691</u>
Balance as at 31 December	<u>128,342,978</u>	<u>211,175,615</u>

21 Unclaimed Dividend Payable

Year	Dividend declared	TDS on dividend	Net dividend	Dividend distributed till 31 Dec 2025	Fund Transferred to CMSF	Undistributed fund (BDT) as on 31 Dec 2025
2010	345,110,250	60,198,297	284,911,953	274,257,528	10,654,425	-
2011	379,621,275	65,382,545	314,238,730	306,565,331	7,673,399	-
2012	417,583,403	27,344,749	390,238,653	386,535,373	3,703,280	-
2013	459,341,744	30,693,245	428,648,499	426,108,408	2,540,090	-
2014	842,126,528	60,654,665	781,471,863	776,464,072	5,007,791	-
2015	842,126,528	61,659,449	780,467,078	776,773,479	3,693,599	-
2016	673,701,222	48,745,089	624,956,133	620,752,883	4,203,250	-
2017	353,693,141	27,276,252	326,416,889	324,757,456	1,659,433	-
2018	389,062,456	29,888,903	359,173,553	357,227,075	1,946,478	-
2019	641,953,052	49,029,624	592,923,428	588,305,450	4,617,978	-
2020	427,968,701	32,747,652	395,221,049	392,713,129	2,507,921	-
2021	534,960,876	39,123,334	495,837,543	493,232,694	2,604,848	-
2022	427,968,701	34,965,753	393,002,948	390,645,706	-	2,357,242
2023	427,968,701	31,206,814	396,761,887	394,012,245	-	2,749,643
2024	427,968,701	31,149,880	396,818,821	394,168,324	-	2,650,497
	<u>7,591,155,277</u>	<u>630,066,251</u>	<u>6,961,089,026</u>	<u>6,902,519,152</u>	<u>50,812,492</u>	<u>7,757,382</u>

Year	Dividend declared	TDS on dividend	Net dividend	Dividend distributed till 31 Dec 2024	Fund Transferred to CMSF	Undistributed fund (BDT) as on 31 Dec 2024
2010	345,110,250	60,198,297	284,911,953	274,257,528	10,654,425	-
2011	379,621,275	65,382,545	314,238,730	306,565,331	7,673,399	-
2012	417,583,403	27,344,749	390,238,653	386,535,373	3,703,280	-
2013	459,341,744	30,693,245	428,648,499	426,108,408	2,540,090	-
2014	842,126,528	60,654,665	781,471,863	776,464,072	5,007,791	-
2015	842,126,528	61,659,449	780,467,078	776,773,479	3,693,599	-
2016	673,701,222	48,745,089	624,956,133	620,752,883	4,203,250	-
2017	353,693,141	27,276,252	326,416,889	324,757,456	1,659,433	-
2018	389,062,456	29,888,903	359,173,553	357,227,075	1,946,478	-
2019	641,953,052	49,029,624	592,923,428	588,305,450	4,617,978	-
2020	427,968,701	32,747,652	395,221,049	392,713,129	2,507,921	-
2021	534,960,876	39,123,334	495,837,543	492,919,890	-	2,917,653
2022	427,968,701	34,965,753	393,002,948	390,629,758	-	2,373,190
2023	427,968,701	31,206,814	396,761,887	393,976,388	-	2,785,499
	<u>7,163,186,578</u>	<u>598,916,371</u>	<u>6,564,270,206</u>	<u>6,507,986,220</u>	<u>48,207,644</u>	<u>8,076,342</u>

	<u>2025</u>	<u>2024</u>
	<u>Taka</u>	<u>Taka</u>
22 Accrued expenses		
Power and gas	95,152,237	124,792,677
Staff cost	110,917,157	109,451,121
Dealer's incentive and bonus	5,386,870	175,323
Audit fees	2,385,000	1,855,000
Professional charges	1,939,002	825,000
Interest on loans	44,448,826	33,206,126
Telephone	284,299	622,957
Freight bill	5,318,167	6,812,186
Business promotion and advertisement	6,941,337	4,000,000
Managing Director's remuneration (Note 22.1)	-	864,228
Worker's profit participation and welfare fund (Note 22.2)	128,701	1,910,053
Others	53,446,979	46,669,172
	<u>326,348,575</u>	<u>331,183,843</u>
22.1 Managing Director's remuneration		
Balance as at 1 January	864,228	18,937,048
Add: Payable to Managing Director for the year (Note 27)	-	1,152,304
	<u>864,228</u>	<u>20,089,352</u>
Less: Tax deducted at source during the year (Note 20)	-	288,076
Less: Paid to Managing Director during the year	864,228	18,937,048
Balance as at 31 December	<u>-</u>	<u>864,228</u>
22.2 Worker's profit participation and welfare fund		
Balance as at 1 January	1,910,053	40,690,956
Add: Contribution made to the fund during the year	128,701	1,910,053
	<u>2,038,754</u>	<u>42,601,009</u>
Less: Payment made from the fund during the year	1,910,053	40,690,956
Balance as at 31 December	<u>128,701</u>	<u>1,910,053</u>
23 Current income tax liabilities		
a) Provision for income tax		
Balance as at 1 January	4,819,058,236	4,709,190,648
Add: Provision made during the year (Note 32)	194,792,251	144,770,598
Less: Adjustment for the year	(68,692,854)	(34,903,010)
Balance as at 31 December	<u>4,945,157,633</u>	<u>4,819,058,236</u>
b) Advance income tax		
Balance of as at 1 January	4,380,962,857	4,206,879,792
Add: Paid during the year	199,262,075	208,034,130
Less: Adjustment for the year	(68,692,854)	(33,951,065)
Balance as at 31 December	<u>4,511,532,078</u>	<u>4,380,962,857</u>
Current tax liability at 31 December (a-b)	<u>433,625,555</u>	<u>438,095,379</u>

	<u>2025</u>	<u>2024</u>
	<u>Taka</u>	<u>Taka</u>
24 Sales		
Gross sales from Ceramics product	10,181,780,916	9,467,789,776
Gross sales from Power generation	639,505,141	527,677,768
Gross sales from Security service	139,711,742	140,024,220
	<u>10,960,997,799</u>	<u>10,135,491,764</u>
Less: Elimination	611,901,628	512,861,784
Supplementary Duty	1,041,714,618	958,474,666
VAT	1,428,800,865	1,316,642,997
Discount	19,504	7,370,921
Commission, incentive and bonus	505,259,540	670,626,576
Net sales	<u>7,373,301,644</u>	<u>6,669,514,820</u>
25 Cost of sales		
Materials consumed:		
Opening inventory as at 1 January	1,007,053,534	1,106,113,719
Add: Purchase during the year	3,244,019,434	2,641,369,980
	<u>4,251,072,968</u>	<u>3,747,483,699</u>
Less: Closing inventory as at 31 December	929,540,037	1,007,053,534
	<u>3,321,532,931</u>	<u>2,740,430,165</u>
Manufacturing overhead:		
Direct labour (note 25.1)	742,966,554	730,224,544
Direct expenses:		
Power and gas	849,337,344	732,180,672
Repairs and indirect materials (note 25.2)	926,006,159	705,893,947
Depreciation on property, plant & equipment (note 5.2)	455,100,729	456,634,291
Royalty and technical know-how/assistance fees *	-	1,781,645
Other production overhead (note 25.3)	27,902,468	42,444,238
Provision for slow moving & obsolete inventories (note 9)	108,380,300	18,841,292
Movement in stock	(30,795,781)	94,263,229
	<u>6,400,430,704</u>	<u>5,522,694,023</u>
25.1 Direct labour		
Salary & wages	590,224,118	536,805,282
Overtime	32,566,903	25,377,586
Bonus	21,685,268	54,840,324
Incentive	543,912	589,234
Temporary labour wages	21,010,730	48,119,196
Staff uniform, safety and welfare expenses	8,176,226	5,204,700
Gratuity	24,010,615	21,824,816
Employer's contribution to provident fund	30,560,489	27,910,137
Leave encashment	4,111,484	3,635,565
Group life insurance	4,270,503	2,706,048
Canteen and conveyance expenses	4,222,636	1,736,560
Compensation	1,583,670	1,475,096
	<u>742,966,554</u>	<u>730,224,544</u>
25.2 Repairs and indirect materials		
Stores, spares, repair & maintenance	527,366,059	376,939,849
Packing expenses	398,640,100	328,954,098
	<u>926,006,159</u>	<u>705,893,947</u>
25.3 Other production overhead		
Tour and travel expenses	3,096,595	2,257,757
Demurrage and penalty	1,140,484	2,841,576
Insurance	13,569,520	22,140,825
Hiring charges and transportation	4,185,812	2,147,348
Write off for stores and spares	1,834,502	10,715,325
Other expenses	4,075,555	2,341,407
	<u>27,902,468</u>	<u>42,444,238</u>
*Royalty has been calculated 8% on business profit as per Finance Act 2020.		
26 Other income		
Profit on sale of fixed assets (note 5.3)	934,782	-
Gain on retirement of right of use assets (note 6.2)	-	120,858
	<u>934,782</u>	<u>120,858</u>



	2025 Taka	2024 Taka
27 Administrative expenses		
Staff cost (note 27.2)	219,218,766	214,757,091
Annual General Meeting expenses	3,305,873	5,748,516
Telephone and postage	10,148,895	9,480,393
Office repair and maintenance (note 27.3)	7,097,973	8,187,458
Registration and renewal	1,276,225	1,720,251
Security and guard expenses	688,371	333,830
Electricity, gas and water	8,645,527	8,958,368
Depreciation on property, plant & equipment (note 5.2.1)	31,292,703	35,842,977
Depreciation on investment property (note 5.2.1)	221,918	221,918
Depreciation on right of use assets (note 6.1)	2,351,020	2,182,934
Amortization (note 7)	7,106,257	8,169,854
Legal and professional fees	15,427,328	16,230,681
Vehicle repair and maintenance	17,993,469	18,410,344
Rent, rate and tax	4,418,107	5,295,797
Loss on right of use assets (note 6.2)	109,985	-
Loss on retirement of assets (note 5.3)	-	44,084
IT expenses	129,486	4,176,891
General Service	7,801,613	7,325,335
Donation	3,093,494	2,331,969
Managing Director's remuneration (note 27.4)	-	1,152,304
Others	7,182,284	7,127,532
	347,509,294	357,698,527
27.1 Impairment loss on trade receivables		
Unrelated parties	22,565,386	643,302
Related parties	9,380,387	(10,509,394)
	31,945,773	(9,866,092)
New classification of financial assets shown in note 35.1(b) as per IFRS 9.		
27.2 Staff cost		
Salary & wages	168,571,832	154,956,205
Bonus	5,977,046	16,415,172
Incentive	256,728	278,123
Gratuity	6,873,143	6,424,072
Employer's contribution to provident fund	9,245,992	8,656,500
Leave encashment	1,279,553	1,178,246
Group life insurance	866,943	850,325
Canteen and conveyance expenses	21,397,057	19,745,436
Staff uniform, safety and welfare expenses	1,395,808	2,732,995
Travelling expenses	1,470,797	1,115,102
Compensation	842,487	901,650
Medical expenses	552,076	806,821
Accommodation expenses	489,304	696,444
	219,218,766	214,757,091
Accommodation expenses and Rent, rates and taxes include rent expenses for short term lease for BDT. 2,116,398 and related government levies wherever applicable. Details of the short term lease is shown in note 34. No low value item exists at the reporting period.		
27.3 Office repair & maintenance		
Repairs office equipment	426,350	203,377
Office maintenance	6,671,623	7,984,081
	7,097,973	8,187,458
27.4 Managing Director's remuneration		
Provision made during the period	-	1,152,304
	-	1,152,304
Managing Director's remuneration represents provision made 3% of net profit before tax of RAK Ceramics (Bangladesh) Ltd.		
28 Marketing & selling expenses		
Staff cost (note 28.1)	149,463,825	138,771,025
Advertisement	17,877,520	26,025,135
Freight and transportation	280,833,000	265,570,623
Compensation to customers	7,389,073	2,902,242
Business promotion	59,628,076	55,801,832
Depreciation on property, plant & equipment (note 5.2)	13,719,478	9,034,342
Depreciation on right of use assets (note 6.1)	23,667,069	18,973,086
Showroom, office & house rent	6,685,988	6,661,165
Sample expenses	32,983,906	26,136,486
Tour, travel and others	34,810,029	21,920,689
	627,057,964	571,796,625
28.1 Staff cost		
Salary & wages	105,742,515	91,007,893
Bonus	2,634,118	8,747,069
Incentive	2,028,732	797,000
Gratuity	4,560,522	3,972,009
Employer's contribution to provident fund	6,088,932	5,361,387
Leave Encashment	804,333	703,591
Group life insurance	765,898	508,977
Conveyance & food expenses	25,850,663	21,723,493
Compensation	443,666	-
Staff uniform, safety and welfare expenses	544,446	5,949,606
	149,463,825	138,771,025
28.2 Salary & wages under staff cost (note no. 25.1, 27.2 & 28.1) includes employee contribution to provident fund for BDT.30,560,489, BDT. 9,245,992 & BDT. 6,088,932.		

	2025 Taka	2024 Taka
29 Finance income		
Interest on bank account (SND)	4,639,848	6,448,879
Interest on fixed deposits	9,166,737	7,212,752
	13,806,585	13,661,631
30 Finance expenses		
Interest expenses against loan	224,420,941	157,117,210
Interest expenses against lease liability	7,728,648	5,526,607
Foreign exchange loss	29,159,144	16,004,392
Bank charges	6,084,945	8,798,232
	267,393,678	187,446,441
31 Contribution to worker's profit participation and welfare fund		
Provision made during the year	128,701	1,910,053
	128,701	1,910,053
32 Income tax expenses		
Accounting profit/(loss) (PBT as per individual company)	(284,423,102)	53,617,731
Add: Inadmissible depreciation allowance for separate consideration: Accounting Depreciation of Fixed Assets	500,334,828	501,733,528
	215,911,727	555,351,259
Add: Inadmissible expenses / allowances as per ITO, 1984/ITA, 2023:		
Business promotion expenses	8,639,671	8,403,883
Sample expenses	22,539,330	17,162,066
Amortization expenses	7,106,257	8,169,854
Depreciation on Right of Use Assets (ROUA)	26,018,089	21,156,021
Interest on lease liability	7,728,648	5,526,607
Provision for slow moving inventories	108,380,300	18,841,292
NRV Provision on Inventories	-	11,009,248
Impairment loss on trade receivable	31,945,773	-
	212,358,067	90,268,971
	428,269,794	645,620,229
Deduct: Tax base depreciation of Fixed Assets (as per 3rd Schedule of ITO, 1984/ITA, 2023):	(247,854,828)	(232,130,744)
Admissible expenses as per ITO, 1984/ITA, 2023:		
Rent expenses	(34,039,820)	(30,283,252)
Deduct: Dividend income	(2,000,000)	(2,000,000)
Taxable profit	144,375,146	381,206,233
Applicable tax rate for individual company		
On Business income		As per applicable tax rate for individual company
On Dividend income		20%
Tax expenses as per applicable tax rate for individual company :		
Business income	33,411,215	87,273,987
Dividend income	400,000	400,000
Payments /(adjusted) for prior years	-	(951,945)
Current Tax Liability based on taxable profit	33,811,215	86,722,042
Current Tax Liability considering minimum tax liability	194,792,251	143,818,653
	194,792,251	143,818,653

For RAK Power (Pvt.) Ltd., the tax calculated on gross receipts exceeds the tax computed on taxable profit. For RAK Security and Services (Pvt.) Ltd. and RAK Ceramics (Bangladesh) Limited, the tax deducted at source (TDS) is higher than both the tax payable on taxable profit and tax calculated at 1% on gross receipts. Accordingly, in compliance with applicable income tax regulations, the higher amount has been recognized as tax expense for the year ended 31 December 2025.

33 Reconciliation of effective tax rate

	2025 Taka	2024 Taka
Profit/(loss) before tax	(286,423,103)	51,617,732
Current tax expenses	194,792,251	143,818,653
Deferred tax expenses	(85,284,884)	(64,869,834)
Total tax expenses	109,507,366	78,948,819
Expected income tax using applicable tax rate for individual company	(63,278,112)	12,875,321
Tax on non-deductible expenses	258,070,363	130,943,332
Effective current tax	194,792,251	143,818,653
Effective deferred tax	(85,284,884)	(64,869,834)
	109,507,366	78,948,819

34 Short term lease expenses

	2025 Taka	2024 Taka
Rented accommodation	2,116,398	1,913,320
<1 year	-	-
Admin	-	-
	2,116,398	1,913,320

35 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

35.1 Credit risk

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

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

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

a) Exposure to credit risk

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

	USD		Amounts in Taka	
	As at 31 Dec 2025	As at 31 Dec 2024	As at 31 Dec 2025	As at 31 Dec 2024
Trade receivables	-	-	2,643,147,727	2,727,474,449
Customer-Local	22,864	263,017	2,790,727	31,430,475
Customer-Export	22,864	263,017	2,645,938,454	2,758,904,924
Other receivables			999,544	793,669
Accrued Interest			-	28,667
Others			999,544	822,336
Cash equivalents			301,294,589	419,887,029

b) Impact of IFRS 9

The following table and the accompanying notes below explain the original measurement categories under IFRS 9 for each class of the financial assets as at 31 December 2025.

Financial assets	Note	Classification under IFRS 9	Carrying amount	Carrying amount under IFRS 9	Impairment loss (Refer note 10.1)
Trade receivable-unrelated	10.1	Amortized cost	1,228,778,832	1,195,285,322	33,493,510
Trade receivable-related	10.1	Amortized cost	1,468,277,445	1,450,653,133	17,624,312
Cash at banks	13	Amortized cost	160,989,842	160,989,842	-

i The above table provides information ECLs till date. Impairment provision till Dec 2024 was Tk. 19,172,049 and provision made during the year is Tk. 31,945,773.

ii Trade receivables that were classified at amortised cost.

iii Cash at banks that were classified at amortised cost.

iv Impairment loss allowance has not been considered on other receivables and bank balances because business is confident to recover the full amount.

c) Ageing of receivables

The ageing of trade receivables was:

	Amounts in Taka	
	As at 31 Dec 2025	As at 31 Dec 2024
Not past due	2,026,945,260	2,061,942,470
0-90 days past due	570,229,763	647,849,919
91-180 days past due	11,827,748	32,640,753
181-365 days past due	15,435,863	7,940,105
over 365 days past due	21,499,819	8,531,676
	2,645,938,454	2,758,904,924

35.2 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 Dec 2025							
	Carrying amount		Contractual cash flows		Within 12 months or less		More than 12 months	
	Taka		Taka		Taka		Taka	
Bank overdraft	142,711,846		142,711,846		142,711,846		-	
Trade and other payables	1,989,743,582		1,989,743,582		1,989,743,582		-	
Short term borrowing	1,247,173,815		1,247,173,815		1,247,173,815		-	
Term loan	469,328,540		469,328,540		128,617,400		340,711,140	
	3,848,957,781		3,848,957,781		3,508,246,643		340,711,140	

	As at 31 Dec 2024							
	Carrying amount		Contractual cash flows		Within 12 months or less		More than 12 months	
	Taka		Taka		Taka		Taka	
Bank overdraft	131,348,131		131,348,131		131,348,131		-	
Trade and other payables	1,732,957,184		1,732,957,184		1,732,957,184		-	
Short term borrowing	834,590,839		834,590,839		834,590,839		-	
Term loan	560,198,562		560,198,562		111,523,703		448,674,860	
	3,259,094,716		3,259,094,716		2,810,419,858		448,674,860	

35.3 Market risk

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

a) Currency risk

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

i) Exposure to currency risk

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

	As at 31 Dec 2025		
	GBP	USD	EURO
Foreign currency denominated assets	-	22,864	-
Receivable from customers-Export	-	56,925	-
Cash at bank	-	79,788	-

	As at 31 Dec 2024		
	GBP	USD	EURO
	-	263,017	-
	-	29,593	-
	-	292,610	-

	As at 31 Dec 2025		
	GBP	USD	EURO
Foreign currency denominated liabilities			
Trade payables	324,731	2,446,854	911,930
Short term borrowings	-	3,437,123	71,700
Royalty & Technical Fees	-	4,230,960	-
Net exposure	324,731	10,114,937	983,630
	(324,731)	(10,004,089)	(983,630)

The Company has foreign exchange loss of Tk 29,159,144 during the year ended 31 Dec 2025 (31 Dec 2024: Exchange loss Tk 16,004,392).

The following significant exchange rates have been applied:

Exchange rate as at (Average)	
31 Dec 2025	31 Dec 2024
Taka	Taka
165.2613	150.6845
122.2000	119.5000
144.0558	124.8915

ii Foreign exchange rate sensitivity analysis for foreign currency expenditures

A strengthening or weakening of the Taka, as indicated below, against the GBP, USD, EURO at 31 Dec would have increased/(decreased) profit or loss by the amounts shown below.

At 31 Dec	As at 31 Dec 2025		As at 31 Dec 2024	
	Profit or (loss)	Profit or (loss)	Profit or (loss)	Profit or (loss)
	Strengthening	Weakening	Strengthening	Weakening
	Taka	Taka	Taka	Taka
GBP (3 percent movement)	(10,043)	9,458	(2,660)	2,505
USD (3 percent movement)	(309,405)	291,381	(255,220)	240,353
EURO (3 percent movement)	(30,422)	28,649	(13,214)	12,444

b) Interest rate risk

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

Profile

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

	Carrying amount	
	As at 31 Dec 2025	As at 31 Dec 2024
	Taka	Taka
Fixed rate instruments		
Financial assets		
Investment in FDR	140,304,747	87,137,805
Cash at banks	323,904,930	332,749,224
Financial liabilities		
Term loan	469,328,540	560,198,562
Bank overdraft	142,711,846	131,348,131
Short term borrowing	1,247,173,815	834,590,839

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 Dec 2025		As at 31 Dec 2024	
	Carrying amount Taka	Fair value Taka	Carrying amount Taka	Fair value Taka
Financial assets				
Held to maturity assets				
Investment in FDR	140,304,747	140,304,747	87,137,805	87,137,805
Loans and receivables				
Trade receivables	2,645,938,454	2,645,938,454	2,758,904,924	2,758,904,924
Other receivables	999,544	999,544	822,336	822,336
Cash equivalents	301,294,589	301,294,589	419,887,029	419,887,029
Financial liabilities				
Liabilities carried at amortised costs				
Term loan	469,328,540	469,328,540	560,198,562	560,198,562
Bank overdraft	142,711,846	142,711,846	131,348,131	131,348,131
Trade and other payables	1,989,743,582	1,989,743,582	1,732,957,184	1,732,957,184
Short term borrowing	1,247,173,815	1,247,173,815	834,590,839	834,590,839
Interest rates used for determining amortised cost				
The interest rates used to discount estimated cash flows, when applicable were as follows:				
Investment in FDR (local currency/BDT)			31 Dec 2025	31 Dec 2024
Term loan			4.00%-10.25%	2.50%-10.50%
Bank overdraft (local currency/BDT)			13.00%-15%	12.50%
Short term bank loan (local currency/BDT)			12.00%-14.50%	12.00%-14.50%
Short term bank loan (foreign currency/USD)			13.00%-14.50%	12.50%-14.50%
			SOFR+3.80-4.00%	SOFR+3.50-4.00%

Sustainability and climate related risks and opportunities

The Management has overall responsibility for the establishment and oversee the sustainability and climate related risks and opportunities. Sustainability and climate related policies, procedure and systems are reviewed regularly to reflect changes of the environment.

a) Sustainability-related disclosure

1. Governance:
The Board of Directors oversees sustainability-related risks and opportunities. The management of the company discuss the sustainability-related risks and opportunities and review its progress and report to the board.
2. Strategy:
Our strategy includes reducing carbon emissions. We are investing in renewable energy such as ETP and heat recovery system and improving energy efficiency across our operations.
3. Risk Management:
We conduct annual risk assessments to identify and prioritize sustainability risks. This includes evaluating the impact of climate change on our supply chain and operations.
4. Metrics and Targets:
In 2025, we proactively reduced our carbon emissions by energy efficiency, recycling resources, enhancing plantation and reducing plant's waste. We also aim to enhance these initiatives by more than 20% in next 5 years.
5. Opportunities:
We believe integrating sustainability into strategic planning can enhance our overall business resilience enhancing reputation and demonstrating commitment to sustainability.

b) Climate-related disclosure

1. Governance:
The board of directors also oversee the climate-related risks putting them into the priority list for ensuring safe running of business for the longer term.
2. Roadmap:
The Company creates plan to collect relevant data over the period for analyzing and formulating relevant strategy.
3. Data Collection:
The Company gathers data from different sources that are trustworthy and carries reliability.
4. Risk Management:
The Company analyze the risks from extreme weather events, regulatory risks from climate-related policies, and transition risks related to changes in market dynamics
5. Opportunities:
Investing in clean energy, energy efficiency, and sustainable practices can mitigate climate-related risks and open new markets.



37 Related party disclosures under IAS-24

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

Name of related party	Relationship	Security/ Guarantee status	Bad debts Status	Period	Purchase of goods/services	Sale of goods/services	Outstanding receivables/Advance	Outstanding payable	Remuneration	Dividend income*	Dividend payable*	Royalty payable*
RAK Power Pvt. Ltd**	Subsidiary	Unsecured	Nil	2025	556,091,427	3,130,440	-	103,965,992	-	-	-	-
				2024	469,850,233	3,130,434	-	106,963,214	-	-	-	-
RAK Security & Services Pvt. Ltd	Subsidiary	Unsecured	Nil	2025	54,231,532	-	-	-	-	1,980,000	-	-
				2024	52,643,878	-	-	-	-	1,980,000	-	-
RAK Ceramics PJSC, UAE	Parent	Unsecured	Nil	2025	17,980,930	-	-	-	-	-	-	-
				2024	12,503,050	-	-	-	-	-	-	-
Ceramin FZ LLC	Fellow subsidiary	Secured	Nil	2025	903,940,916	-	-	-	-	-	-	519,138,764
				2024	493,357,453	-	-	-	-	-	-	519,138,764
RAK Ceramics (India) Pvt. Ltd.	Fellow subsidiary	Secured	Nil	2025	1,105,531	-	-	-	-	-	-	-
				2024	-	-	-	-	-	-	-	-
Kludi RAK LLC	Fellow subsidiary	Secured	Nil	2025	1,859,936	-	-	-	-	-	-	-
				2024	1,176,631	-	-	-	-	-	-	-
Ceramin India Private Limited	Fellow subsidiary	Secured	Nil	2025	4,213,620	-	-	-	253,800	-	-	-
				2024	-	-	-	-	-	-	-	-
Kea Printing & Packaging Industries	Other related party	Unsecured	Nil	2025	134,016,231	-	-	-	-	-	-	-
				2024	86,067,586	-	-	-	-	-	-	-
Palli Properties Pte. Ltd	Other related party	Unsecured	Nil	2025	20,652,201	-	-	-	-	-	-	-
				2024	19,723,473	-	-	-	-	-	-	-
Sky Bird Travel Agents Pvt. Ltd.	Other related party	Unsecured	Nil	2025	2,129,202	-	-	-	-	-	-	-
				2024	576,155	-	-	-	-	-	-	-
Speedway International Pvt. Ltd	Other related party	Unsecured	Nil	2025	815,520	-	-	-	-	-	-	-
				2024	3,987,537	-	-	-	-	-	-	-
International Trade Agency	Other related party	Unsecured	Nil	2025	87,283,802	-	-	-	-	-	-	-
				2024	34,995,654	-	-	-	-	-	-	-
Global Business Associates Ltd.	Other related party	Unsecured	Nil	2025	-	-	-	-	-	-	-	-
				2024	-	-	-	-	-	-	-	-
Mohammed Trading***	Other related party	Secured by Guaranteed Cheque	Nil	2025	-	2,227,635,094	1,467,471,301	-	-	-	-	-
				2024	-	1,840,748,468	1,234,936,670	-	-	-	-	-
S.A.K. Ekramuzzaman	Key Management Personnel	Unsecured	Nil	2025	5,542,284	-	-	-	-	-	-	-
				2024	5,638,224	-	-	-	-	-	-	-
Sadhan Kumar Dey****	Key Management Personnel	Unsecured	Nil	2025	-	-	-	-	864,228	-	-	-
				2024	-	-	-	-	1,152,304	-	-	-
				2025	-	-	-	-	13,114,109	-	-	-
				2024	-	-	-	-	12,876,507	-	-	-

*The figures are included tax and VAT.

**The company issued one corporate guarantee of BDT 392.90 Million in favour of subsidiary company named RAK Power Pvt. Limited to avail loan from Al Arafa Islami Bank PLC approved in AGM dated 22 Mar 2025 for purchasing a 2x4.3 MW new genset. Outstanding loan against the said corporate guarantee is BDT 154.93 Million at 31 December 2025.

***To comply the BSEC notification no. BSEC/CMRRCO/2009-193/10/Admin/118 dated March 22, 2021 shareholders of the company in its 26th Annual General Meeting dated March 22, 2025 approved an agenda to enter into contract for supply of goods and materials to Mohammed Trading (Owner of Mohammed Trading is Managing Director of RAK Ceramics (Bangladesh) Limited) equivalent to 10% (Ten percent) or above of the revenue for the immediate financial year.

****Amount represents Short term benefits BDT. 12,003,083 and Post employment benefits BDT. 1,111,026.

37.1 Paid to Directors

During the year, No provision was made as MD's remuneration.

37.2 During the year, Board meeting fees of Taka 1,170,000 was paid to the board members for attending the Board meetings.



38 Segment reporting

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

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

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

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

2025

	Business Segments				Entity total Taka
	Ceramic & sanitary ware	Power	Security and Services	Inter segment	
	Taka	Taka	Taka	Taka	
Revenue - external customers	7,307,043,580	-	66,258,065	-	7,373,301,644
Revenue - inter segment	-	556,091,427	55,810,201	(611,901,628)	-
Total segment revenue	7,307,043,580	556,091,427	122,068,266	(611,901,628)	7,373,301,644
Cost of sales- external customer	(5,797,432,000)	(515,349,188)	(87,649,516)	-	(6,400,430,704)
Cost of sales- inter segment	(556,091,427)	(4,709,109)	-	560,800,536	-
Total segment cost of sales	(6,353,523,427)	(520,058,297)	(87,649,516)	560,800,536	(6,400,430,704)
Gross profit	953,520,153	36,033,130	34,418,750	-	972,870,940
Other income	927,198	-	7,584	-	934,782
Dividend income	1,980,000	20,000	-	(2,000,000)	-
Rental income	3,130,440	-	-	(3,130,440)	-
Financial income	11,605,284	1,930,594	270,706	-	13,806,584
Financial expenses	(243,132,909)	(23,935,974)	(324,794)	-	(267,393,677)
Depreciation	(467,748,400)	(32,062,784)	(523,644)	-	(500,334,828)
Other operating expenses	(559,046,613)	20,589,050	(22,080,872)	54,231,532	(506,306,903)
Segment profit before tax	(298,764,847)	2,574,016	11,767,730	-	(286,423,103)
Income tax expense	(184,559,459)	(5,604,953)	(4,627,839)	-	(194,792,251)
Deferred tax	84,868,120	216,355	200,409	-	85,284,884
Profit/(loss) for the year					(395,930,470)

2024

	Business Segments				Entity total Taka
	Ceramic & sanitary ware	Power	Security and services	Inter segment	
	Taka	Taka	Taka	Taka	
Revenue - external customers	6,599,387,578	-	70,127,241	-	6,669,514,820
Revenue - inter segment	-	458,850,233	54,011,551	(512,861,784)	-
Total segment revenue	6,599,387,578	458,850,233	124,138,792	(512,861,784)	6,669,514,820
Cost of sales- external customer	(4,996,033,054)	(441,744,592)	(84,916,377)	-	(5,522,694,023)
Cost of sales- inter segment	(458,850,233)	(4,498,107)	-	463,348,340	-
Total segment cost of sales	(5,454,883,287)	(446,242,699)	(84,916,377)	463,348,340	(5,522,694,023)
Gross profit	1,144,504,291	12,607,534	39,222,415	-	1,146,820,797
Other income	120,858	-	-	-	120,858
Dividend income	1,980,000	20,000	-	(2,000,000)	-
Rental income	3,130,434	-	-	(3,130,434)	-
Financial income	12,060,601	1,527,190	73,839	-	13,661,630
Financial expenses	(185,337,736)	(1,755,768)	(352,937)	-	(187,446,442)
Depreciation	(481,506,675)	(20,009,133)	(217,721)	-	(501,733,529)
Other operating expenses	(458,370,681)	9,230,137	(23,308,920)	52,643,878	(419,805,586)
Segment profit before tax	36,581,095	1,619,959	15,416,677	-	51,617,732
Income tax expense	(135,705,420)	(3,506,030)	(4,607,203)	-	(143,818,653)
Deferred tax	59,462,425	5,080,077	327,332	-	64,869,834
Profit/(loss) for the year					(27,331,087)

	<u>2025</u> <u>Taka</u>	<u>2024</u> <u>Taka</u>
39 Calculation of Earnings per share (EPS)		
Calculation of earnings per share (EPS) is as under:		
(a) Profit/(loss) attributable to equity holders of the Company	(395,930,470)	(27,331,103)
(b) No. of ordinary equity shares	427,968,701	427,968,701
(c) Weighted average no. of equity shares outstanding (Note 39.1)	427,968,701	427,968,701
Earnings per share (EPS) for the year (a÷c)	(0.93)	(0.06)
Diluted earnings per share for the year (a÷c)	(0.93)	(0.06)

39.1 Weighted average number of ordinary shares

The weighted average number of ordinary shares outstanding during the year is the number of ordinary shares outstanding at the beginning of the year, adjusted by the number of ordinary shares issued during the year multiplied by a time-weighted factor. The time-weighted factor is the number of days that the shares are outstanding as a proportion of the total number of days in the 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 year presented as the comparative figures.

	<u>2025</u>	<u>2024</u>
Outstanding shares	427,968,701	427,968,701
	427,968,701	427,968,701

39.2 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 the year.

39.3 Reason of deviation of earnings per share:

During the year ended 2025, the Company achieved revenue growth of 10.56%, increasing from BDT 6,669.51 million to BDT 7,373.30 million. This growth was primarily driven by increased production supported by uninterrupted LNG support from July'25 onward, which subsequently led to higher market sales. Despite the increase in revenue, the gross profit margin declined from 17.19% to 13.19%, mainly due to higher manufacturing costs arising from increased throughput costs. The margin was further impacted by unabsorbed fixed costs incurred up to June'26 due to disruptions of gas supply, higher finance expenses due to the requirement of bank borrowings for financing in working capital and increased in provision / write-offs of aged inventory. Consequently, the net loss after tax increased significantly, rising from BDT 27.33 million to BDT 395.93 million. As a result, earnings per share (EPS) deteriorated from BDT (0.06) to BDT (0.93) compared to the previous year.

40 Calculation of Net assets value per share

(a) Net assets value (Note 13, 14 & 15)	6,548,374,072	7,372,271,850
(b) Weighted average no. of equity shares outstanding (Note 39.1)	427,968,701	427,968,701
Net assets value per share (a÷b)	15.30	17.23

41 Calculation of Net operating cash flow per share

(a) Net Cash flows from operating activities (Note 41)	426,328,316	207,630,488
(b) Weighted average no. of equity shares outstanding (Note 39.1)	427,968,701	427,968,701
Net operating cash flow per share (a÷b)	1.00	0.49

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

Sales increased by 10.56%, rising from BDT 6,669.51 million to BDT 7,373.30 million, as detailed in note 39.3. In addition to the revenue growth, the Company achieved improved trade receivable collections, supported by a strengthened credit control framework and successful re-negotiation and extension of payment terms with vendors wherever feasible. Consequently, net operating cash flow per share improved significantly, increasing from BDT 0.49 to BDT 1.00.



42 Reconciliation of operating cash flow:

	2025	2024
Cash flows from operating activities		
Profit before taxation	(286,423,103)	51,617,732
Adjustment for:		
Depreciation	526,352,917	522,889,548
Amortization	7,106,257	8,169,854
Gain/(loss) on retirement of right-of-use assets	109,985	-
Advance rent adjustment	(7,779,388)	(3,600,000)
Loss on assets retirement	-	44,084
Foreign exchange loss	29,159,144	16,004,392
Finance expenses	238,234,534	171,442,050
Finance income	(13,806,585)	(13,661,631)
Other income	(934,782)	(120,858)
	<u>492,018,980</u>	<u>752,785,171</u>
Increase/decrease in trade and other receivables	112,995,137	(278,831,361)
Increase/decrease in inventories	(214,538,282)	145,391,228
Increase/decrease in trade and other payables	230,474,704	(210,129,303)
Cash generated from operating activities	<u>620,950,543</u>	<u>409,215,739</u>
Interest received from bank deposit	4,639,848	6,448,879
Income tax paid	(199,262,075)	(208,034,130)
Net cash (used in)/from operating activities	<u>426,328,316</u>	<u>207,630,488</u>

43 Contingent liabilities

There are contingent liabilities on account of unresolved disputed corporate tax assessments, VAT claims, customs duty and civil suits & others by the authority aggregating to Tk 1,098,860,787 (31 Dec 2024: Tk 427,523,629). 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 566,708,395 (31 Dec 2024: Tk 545,695,312) and letter of guarantee of Tk 344,831,683 (31 Dec 2024: Tk 344,483,833).

The company issued one corporate guarantee of BDT 392.90 Million in favour of subsidiary company named RAK Power Pvt. Limited to avail loan from Al Arafa Islami Bank PLC approved in AGM dated 22 Mar 2025 for purchasing a 2x4.3 MW new genset. Outstanding loan against the said corporate guarantee is BDT 154.93 Million at 31 December 2025. The loan repayment is made in timely manner by the subsidiary company. Therefore, no credit loss allowance is expected.