

RAK Ceramics (Bangladesh) Ltd.

Consolidated financial statements
as at and for the period ended 30 June 2025

RAK Ceramics (Bangladesh) Ltd.
Consolidated statement of financial position
as at 30 June 2025

		30 June 2025	31 Dec 2024
	Notes	Taka	Taka
<u>Assets</u>			
Property, plant and equipment	4	3,737,042,543	3,652,438,357
Investment property	5	502,458,362	502,568,410
Right-of-use assets	6	85,085,420	84,763,259
Intangible assets	7	8,072,089	9,908,534
Capital work-in-progress	8	55,030,971	270,280,122
Deferred tax asset	16	53,653,404	15,529,147
Total non-current assets		4,441,342,789	4,535,487,829
Inventories	9	4,136,484,245	3,433,881,493
Trade and other receivables	10	2,491,237,496	2,759,727,260
Advances, deposits and prepayments	11	425,895,773	327,282,842
Cash and cash equivalents	12	363,832,340	424,164,546
Total current assets		7,417,449,854	6,945,056,141
Total assets		11,858,792,643	11,480,543,970
<u>Equity</u>			
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	980,586,472	1,618,936,861
Equity attributable to equity holders of the company		6,733,921,461	7,372,271,850
Non-controlling interests		-	1,393
Total equity		6,733,921,461	7,372,273,243
<u>Liabilities</u>			
Borrowings	18	406,161,965	448,674,859
Lease liability	19	51,924,513	56,419,623
Total non-current liabilities		458,086,478	505,094,482
Employees benefits payable	17	58,211,157	-
Borrowings	18	1,368,249,560	1,077,462,673
Lease liability	19	17,540,984	15,400,824
Trade and other payables	20	2,175,082,335	1,732,957,184
Unclaimed dividend payable	21	284,941,781	8,076,342
Accrued expenses	22	328,391,550	331,183,843
Current income tax liabilities	23	434,367,337	438,095,379
Total current liabilities		4,666,784,704	3,603,176,245
Total liabilities		5,124,871,182	4,108,270,727
Total equity and liabilities		11,858,792,643	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

Dated, 22 July 2025

RAK Ceramics (Bangladesh) Ltd.
Consolidated statement of profit or loss and other comprehensive income
For the period ended 30 June 2025

	<u>Notes</u>	<u>30 June 2025</u> <u>Taka</u>	<u>30 June 2024</u> <u>Taka</u>	<u>April to June 2025</u> <u>Taka</u>	<u>April to June 2024</u> <u>Taka</u>
Sales	24	3,100,539,302	3,185,612,799	1,631,543,998	1,414,916,912
Cost of sales	25	(2,634,398,058)	(2,527,598,244)	(1,466,298,163)	(1,137,031,474)
Gross profit/(loss)		466,141,244	658,014,555	165,245,835	277,885,438
Other income	26	1,673,181	120,858	-	-
Administrative expenses	27	(187,632,543)	(203,348,023)	(95,383,257)	(98,074,826)
Impairment loss on trade receivables	27.1	(24,621,499)	(4,808,896)	(15,707,919)	(2,879,084)
Marketing and selling expenses	28	(283,405,591)	(311,371,718)	(146,267,670)	(126,229,860)
		(493,986,452)	(519,407,779)	(257,358,846)	(227,183,770)
Profit/(loss) from operating activities		(27,845,208)	138,606,776	(92,113,011)	50,701,668
Finance income	29	7,438,582	6,124,713	4,678,196	3,084,639
Finance expenses	30	(130,811,249)	(58,054,460)	(69,095,230)	(33,268,356)
Net finance income		(123,372,667)	(51,929,747)	(64,417,034)	(30,183,717)
Profit/(loss) before contribution to workers' profit participation and welfare fund		(151,217,875)	86,677,029	(156,530,045)	20,517,951
Contribution to workers' profit participation and welfare fund	31	(189,797)	(3,883,404)	(136)	(765,480)
Profit/(loss) before income tax		(151,407,672)	82,793,625	(156,530,181)	19,752,471
Income tax expense					
Current tax	32	(97,099,666)	(81,675,347)	(49,352,950)	(46,806,198)
Deferred tax	16	38,124,257	35,628,380	20,879,669	17,554,053
		(58,975,409)	(46,046,967)	(28,473,281)	(29,252,145)
Profit/(loss) after tax for the period		(210,383,081)	36,746,658	(185,003,462)	(9,499,674)
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		(210,383,081)	36,746,658	(185,003,462)	(9,499,674)
Profit/(loss) attributable to:					
Equity holders of the company		(210,383,081)	36,746,639	(185,003,462)	(9,499,687)
Non-controlling interests		-	19	-	13
Profit/(loss) after tax for the period		(210,383,081)	36,746,658	(185,003,462)	(9,499,674)
Basic earnings per share (Par value TK 10)	39	(0.49)	0.09	(0.43)	(0.02)

The accompanying notes are an integral part of these financial statements



Abdallah Massaad
Chairman



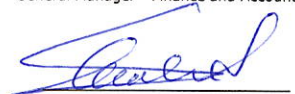
SAK Ekramuzzaman
Managing Director



Pramod Kumar Chand
Director



Mohammad Samsul Arefin
General Manager - Finance and Accounts



Muhammad Shahidul Islam FCS
Company Secretary

Dated, 22 July 2025

RAK Ceramics (Bangladesh) Ltd.
Consolidated statement of changes in equity
For the period ended 30 June 2025

Attributable to owners of the Company

	Share capital <u>Taka</u> (Note - 13)	Share Premium <u>Taka</u> (Note - 14)	Retained earnings <u>Taka</u> (Note - 15)	Total <u>Taka</u>	Non- controlling interests <u>Taka</u>	Total equity <u>Taka</u>
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 period	-	-	36,746,639	36,746,639	19	36,746,658
Transactions with the shareholders:						
Cash dividend (2023)	-	-	(427,968,701)	(427,968,701)	-	(427,968,701)
Balance as at 30 June 2024	4,279,687,010	1,473,647,979	1,683,014,603	7,436,349,592	1,396	7,436,350,988
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 period	-	-	(210,383,081)	(210,383,081)	-	(210,383,081)
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 30 June 2025	4,279,687,010	1,473,647,979	980,586,472	6,733,921,461	-	6,733,921,461

The accompanying notes are an integral part of these financial statements

RAK Ceramics (Bangladesh) Ltd.
Consolidated statement of cash flows
For the period ended 30 June 2025

	30 June 2025	30 June 2024
	Taka	Taka
Cash flows from operating activities		
Cash receipts from customers	3,369,088,645	3,158,183,005
Cash payments to suppliers and employees	(3,201,087,316)	(3,411,452,816)
Cash generated from operating activities	<u>168,001,329</u>	<u>(253,269,811)</u>
Interest received from bank deposits	2,990,786	2,692,044
Income tax paid (note - 23)	(100,827,708)	(83,100,649)
Net cash (used in)/from operating activities (note-42)	<u>70,164,406</u>	<u>(333,678,416)</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(123,412,104)	(306,603,184)
Sale of property, plant and equipment (note-5.3)	5,379,500	63,600
Interest received from FDR	4,388,216	3,736,181
Intangible assets	(1,670,768)	(3,330,436)
Net cash (used in)/from investing activities	<u>(115,315,156)</u>	<u>(306,133,838)</u>
Cash flows from financing activities		
Finance charges	(104,641,908)	(50,744,304)
Avail/(repayment) of term loan	(31,399,819)	244,479,209
Avail/(repayment) of short-term loan	279,673,813	597,052,874
Payment of lease liability	(7,949,241)	(9,166,443)
Dividend paid	(151,103,262)	(351,794,629)
Net cash (used in)/from financing activities	<u>(15,420,417)</u>	<u>429,826,707</u>
Effect of exchange rate changes in cash and cash equivalents	238,961	106,763
Net increase/(decrease) in cash and cash equivalents	<u>(60,332,206)</u>	<u>(209,878,784)</u>
Cash and cash equivalents as at 01 January	<u>424,164,546</u>	<u>841,999,337</u>
Cash and cash equivalents as at 30 June (Note 12)	<u>363,832,340</u>	<u>632,120,553</u>

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 period ended 30 June 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 6,500 number of ordinary shares of BDT 100 each in consideration of BDT 2,875 per share totaling to BDT 18,687,500 only from all the other shareholders of RAK Security & Services (Pvt.) Limited subject to approval by the shareholders and concerned authorities for the interest of the business of the Company. The shareholders of RAK Ceramics (Bangladesh) Limited have approved the same in the EGM dated September 20, 2015. The effect of acquisition has been taken place as approved in Board of Directors meeting of RAK Security and Services (Pvt.) Ltd. on 20 October 2015.

2. Basis of preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994 and the Securities and Exchange Rules 1987.

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

Authorisation for issue

These financial statements have been authorised for issue by the Board of Directors of the Company on 22 July 2025.

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. These interim financial statements were prepared for a period from 1 January 2025 to 30 June 2025. The comparative figures cover the period from 1 January 2024 to 30 June 2024/31 Dec 2024 as applicable.

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 2018".

3.13 Provisions

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

3.14 IFRS 9 Financial Instruments

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

i. Classification – financial assets

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

ii. Impairment

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

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

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

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

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

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

iii. Hedging

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

Impact of IFRS 9 shown in note no. 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 1987.

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 period's financial statements.

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

4 Property, plant and equipment

30 June 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 period	Sale/disposal transfer during the period	Balance as at 30 June 2025	Rate (%)	Balance as at 01 Jan 2025	Charged during the period	Adjustment during the period	Balance as at 30 June 2025	Net book value as at 30 June 2025
Land	1,249,421,336	-	-	1,249,421,336	5-7	-	-	-	-	1,249,421,336
Factory building	1,136,388,301	33,865,947	-	1,170,254,248	5	678,935,802	23,182,898	-	702,118,700	468,135,548
Office and accommodation building	598,487,157	10,344,990	-	608,832,158	5	293,301,979	16,873,506	-	310,175,486	298,656,671
Plant and machinery	6,524,974,245	236,843,213	(46,194,608)	6,715,622,850	10	5,007,310,085	186,413,433	(42,612,033)	5,151,111,484	1,564,511,366
Mobile plant	138,679,618	25,754,001	(4,879,012)	159,554,608	10-20	111,377,467	5,717,011	(4,835,684)	112,258,794	47,295,814
Electrical installation	242,830,147	11,798,141	-	254,628,288	10	234,314,100	3,267,317	-	237,581,418	17,046,870
Gas pipeline	86,055,003	12,648,367	-	98,703,372	10	76,252,317	2,374,203	-	78,626,521	20,076,851
Furniture and fixtures	52,298,909	1,038,258	(86,500)	53,250,667	10-34	42,675,216	2,183,838	(86,500)	44,772,554	8,478,113
Office equipment	66,050,659	3,384,158	(122,700)	69,312,118	10-34	56,688,764	3,487,743	(122,700)	60,053,808	9,258,310
Communication equipment	19,417,128	241,087	-	19,658,215	10-34	17,030,737	1,092,961	-	18,123,697	1,534,518
Tools and appliances	23,993,385	2,421,016	-	26,414,401	10-34	16,508,154	1,937,388	-	18,445,541	7,968,860
Vehicles	130,108,437	322,075	(94,622)	130,335,890	10	81,871,357	3,820,450	(14,206)	85,677,601	44,658,289
Fire fighting equipment	3,631,012	-	-	3,631,012	20	3,631,012	-	-	3,631,012	-
Total	10,272,335,347	338,661,256	(51,377,442)	10,559,619,161		6,619,896,990	250,350,747	(47,671,123)	6,822,576,617	3,737,042,543

31 Dec 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/ transfer 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	5-7	-	-	-	-	1,249,421,336
Factory building	1,060,536,702	75,851,599	-	1,136,388,301	5	633,618,169	45,317,633	-	678,935,802	457,452,499
Office and accommodation building	547,535,896	50,951,271	-	598,487,157	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	(1,638,841)	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

30 June 2025

Particulars	COST			Rate	DEPRECIATION			Net book value as at 30 June 2025
	Balance as at 01 Jan 2025	Addition during the period	Sale/Transfer during the period		Balance as at 01 Jan 2025	Charged during the period	Adjustment during the period	Balance as at 30 June 2025
Land ¹	500,571,750	-	-		-	-	-	500,571,750
Office building ²	4,432,737	-	-	5%	2,436,077	110,047	-	1,886,612
Total	505,004,487	-	-		2,436,077	110,047	-	502,458,362

31 Dec 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	Balance as at 31 Dec 2024
Land ¹	500,571,750	-	-		-	-	-	500,571,750
Office building ²	4,432,737	-	-	5%	2,214,159	221,918	-	1,996,660
Total	505,004,487	-	-		2,214,159	221,918	-	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.

	30 June 2025	30 June 2024
	Taka	Taka
5.1 Depreciation		
Property, plant and equipment (Note 4)	250,350,747	244,818,647
Investment Property (Note 5)	110,047	110,353
	250,460,794	244,928,999
5.2 Allocation of Depreciation		
Cost of sales (Note 25)	228,243,866	222,840,372
Administrative expenses (Note 5.2.1)	15,992,871	18,057,980
Marketing & selling expenses (Note 28)	6,224,058	4,030,647
	250,460,795	244,928,999
5.2.1 Administrative Depreciation		
Depreciation on property, plant & equipment (Note 27)	15,882,824	17,947,627
Depreciation on investment property (Note 27)	110,047	110,353
	15,992,871	18,057,980

5.3 Disposal of property, plant and equipment

30 June 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	46,194,608	42,612,033	3,582,575	4,500,000	917,425
Office equipment	122,700	122,700	-	-	-
Furniture & fixtures	86,500	86,500	-	-	-
Vehicles	94,622	14,206	80,416	88,000	7,584
Total	51,377,442	47,671,123	3,706,319	5,379,500	1,673,181

30 June 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)
Vehicles	322,000	321,999	1	63,600	63,599
Total	2,160,841	2,023,800	137,041	63,600	(73,441)

6 Right-of-use assets

30 June 2025

Particulars	COST			DEPRECIATION				Amount in Taka	
	Balance as at 01 Jan 2025	Addition during the period	Sale/ disposal during the period	Balance as at 30 June 2025	Balance as at 01 Jan 2025	Charged during the period	Adjustment during the period	Balance as at 30 June 2025	Net book value as at 30 June 2025
Display center	89,768,706	13,068,042	(11,271,397)	91,565,350	31,968,420	8,736,969	(11,271,397)	29,433,992	62,131,358
Accommodation building	2,351,946	-	-	2,351,946	836,328	488,430	-	1,324,758	1,027,188
Warehouse	28,687,412	-	-	28,687,412	8,128,100	2,868,741	-	10,996,842	17,690,570
Office Building	6,517,391	-	-	6,517,391	1,629,348	651,740	-	2,281,088	4,236,303
Total	127,325,455	13,068,042	(11,271,397)	129,122,100	42,562,196	12,745,880	(11,271,397)	44,036,680	85,085,420

31 Dec 2024

Particulars	COST			DEPRECIATION				Net book value as at 31 Dec 2024	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	Charged during the year	Adjustment during the year		
Display center	65,545,374	31,159,038	(6,935,706)	89,768,706	25,668,522	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	761,925	879,456	(805,053)	836,328	1,515,618
Warehouse	30,567,554	-	(1,880,142)	28,687,412	2,612,579	5,737,482	(221,961)	8,128,100	20,559,313
Office Building	6,517,391	-	-	6,517,391	325,870	1,303,478	-	1,629,348	4,888,042
Total	104,194,424	32,751,932	(9,620,901)	127,325,455	29,368,896	21,156,020	(7,962,720)	42,562,196	84,763,259

6.1 Allocation of depreciation

	30 June 2025	30 June 2024
Administrative expenses (Note 28)	1,140,170	1,042,765
Marketing & Selling expenses (Note 29)	11,605,710	9,052,754
	12,745,880	10,095,519

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

30 June 2025

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

30 June 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

30 June 2025

Particulars	COST			AMORTIZATION				Net book value as at 30 June 2025	Amount in Taka
	Balance as at 01 Jan 2025	Addition during the period	Sale/disposal during the period	Balance as at 30 June 2025	Balance as at 01 Jan 2025	Amortized during the period	Adjustment during the period		
License	44,150,049	988,268	(6,356,465)	38,781,852	35,408,486	3,186,173	(6,388,371)	32,206,288	6,575,564
Computer Software	13,361,680	682,500	-	14,044,180	12,194,709	321,040	31,906	12,547,655	1,496,525
Total	57,511,729	1,670,768	(6,356,465)	52,826,032	47,603,195	3,507,212	(6,356,465)	44,753,942	8,072,089

31 Dec 2024

Particulars	COST			AMORTIZATION				Net book value as at 31 Dec 2024	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		
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>30 June 2025</u>	<u>31 Dec 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 period (note 8.1)	94,026,040	407,114,026
	<u>364,306,162</u>	<u>762,564,267</u>
Less: Transfer to property, plant & equipment during the period (note 8.2)	309,275,191	492,284,146
Balance as at 30 June	<u>55,030,971</u>	<u>270,280,122</u>
8.1 Addition during the period		
Building	40,582,576	57,436,303
Plant & machinery	48,392,078	330,502,547
Others	5,051,385	19,175,176
	<u>94,026,040</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	33,709,734	73,368,203
Plant & machinery	249,618,345	371,169,587
Tools and appliances	-	140,274
Gas pipe line	9,665,973	-
Others	2,089,935	31,670
	<u>309,275,191</u>	<u>492,284,146</u>
9 Inventories		
Raw materials	1,140,187,101	1,048,787,830
Less : Provision for slow moving & obsolete inventories	84,679,300	41,734,296
	<u>1,055,507,801</u>	<u>1,007,053,534</u>
Stores and consumables spares and packing	1,055,106,588	1,060,409,506
Less: Write off for stores and spares	10,448,652	10,715,325
Less: Provision for slow moving & obsolete inventories (Packing)	623,297	625,854
	<u>1,044,034,638</u>	<u>1,049,068,327</u>
Finished goods (net of net realizable value adjustment) *	1,444,611,375	1,024,820,406
Less : Provision for slow moving & obsolete inventories	31,769,142	26,671,277
	<u>1,412,842,234</u>	<u>998,149,129</u>
Work-in-process	187,283,452	182,145,428
Goods-in-transit	436,816,120	197,465,075
	<u>4,136,484,245</u>	<u>3,433,881,493</u>

*Finished goods exclude provision of net realizable value BDT. 17,501,656.

	<u>30 June 2025</u>	<u>31 Dec 2024</u>
	<u>Taka</u>	<u>Taka</u>
10 Trade and other receivables		
Trade receivables (Note 10.1)	2,490,384,248	2,758,904,924
	<u>2,490,384,248</u>	<u>2,758,904,924</u>
Accrued interest (Note 10.2)	853,248	793,669
Other receivable	-	28,667
	<u>2,491,237,496</u>	<u>2,759,727,260</u>
10.1 Trade receivables		
Receivables from local sales	2,524,833,366	2,746,646,498
Receivables from export sales	9,344,430	31,430,475
	<u>2,534,177,796</u>	<u>2,778,076,973</u>
Less: Provision of impairment loss on trade receivable:		
Unrelated parties	27,285,793	10,928,124
Related parties	16,507,755	8,243,925
	<u>2,490,384,248</u>	<u>2,758,904,924</u>
10.2 Accrued interest		
Interest accrued on Fixed Deposit Receipt	853,248	793,669
	<u>853,248</u>	<u>793,669</u>
11 Advance, deposit and prepayments		
Advances:		
Employees	621,097	305,500
Purchase of land and others	6,546,525	4,134,422
Suppliers against materials and services	159,475,876	106,121,769
	<u>166,643,498</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	37,121,415	2,147,385
Deposited with income tax authority	89,783,545	89,783,545
Deposited with VAT authority	11,604,005	10,280,108
Display center and others	3,270,900	2,826,000
Other deposits	1,553,226	1,494,626
	<u>245,819,991</u>	<u>208,528,314</u>
Prepayments:		
Showroom, warehouse and office rent	-	58,600
Insurance and others	13,432,284	8,134,237
	<u>13,432,284</u>	<u>8,192,837</u>
	<u>425,895,773</u>	<u>327,282,842</u>

	30 June 2025 Taka	31 Dec 2024 Taka
12 Cash and cash equivalents		
Cash in hand	5,610,201	4,277,517
Cash at banks		
Standard Chartered Bank (current account - 01-6162940-01, 01-3767272-01 - BDT)	60,925	61,398
BRAC Bank Ltd. (current account - 1530201731248001 - BDT)	9,259,313	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)	2,232,567	3,275,522
Standard Chartered Bank (ERQ - 42-6162940-01 - USD)	2,298,946	2,593,768
Standard Chartered Bank (Margin money account)	1,968,575	1,968,575
Midland Bank Ltd. (Margin money account)	46,778,824	4,776,108
United Commercial Bank Ltd. (SND account - 0831301000000164 BDT)	5,205,868	8,772,253
Al Arafah Islami Bank Ltd. (SND account - 0171220002646, 0171220002657 - BDT)	1,377,358	752,779
South East Bank Ltd. (Current account - 11100008546 - BDT)	488,065	2,770,037
Standard Chartered Bank (SND account - 02-3767272-01 - BDT)	125,828	126,403
Dutch Bangla Bank Ltd. (SND account - 117-120-589, 117-120-311,117-120.2550 - BDT)	15,048,744	8,155,175
Pubali Bank Ltd. (CD account 4709901003543, 4709901003539 - BDT)	108,018	108,846
Prime Bank Ltd. (SND - 2125316004690 - BDT)	490,393	1,667,155
Janata Bank Ltd. (SND 0100258556318 - BDT)	101,201	100,484
Eastern Bank Ltd. (CD account - 1132040363287, 1041060507936 - BDT)	4,315,691	17,711,823
Dhaka Bank Ltd (SND - 102.150.274- BDT))	10,465,573	119,023,981
Pubali Bank Ltd. (SND account 47091012000483 - BDT)	48,601	48,858
Dhaka Bank Ltd (CD - 204100000019318- BDT))	179,881	180,226
Commercial Bank of Ceylon (SND-2817000777 - BDT.)	72,088	6,258,295
Commercial Bank of Ceylon (ERQ-1806012366 - USD.)	3,439,570	927,803
Meghna Bank Ltd. (SND 1112-13500000004 - BDT)	242,860	239,226
Midland Bank Ltd. (SND 0006-1070000015, 0006-1060000043 - BDT)	88,578,973	35,740,330
Eastern Bank Ltd. (SND account - 1041360507944 - BDT)	128,771	98,105
Eastern Bank Ltd. (Margin Money account)	5,995,602	6,278,069
Commercial Bank of Ceylon (Margin Money account)	1,819,414	7,762,026
South East Bank Ltd. (Margin Money account)	-	793,040
	200,953,941	310,510,557
IPO bank account		
Citibank N.A. (RAK-IPO Central Account - G010001200262022 - BDT)	1,691,343	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
	5,891,049	5,887,752
Dividend bank account		
BRAC Bank (Current - 1510201731248001 - BDT) - 2010	2,821,941	2,825,286
BRAC Bank (Current - 1513201731248001 - BDT) - 2011	1,085,851	1,089,196
SCB (SND - 02-6162940-02- BDT) - 2012	172,992	173,686
SCB (SND - 02-6162940-03- BDT) - 2013	318,340	319,009
SCB (SND - 02-6162940-05- BDT) - 2015	37,610	38,178
SCB (SND - 02-6162940-06- BDT) - 2016	4,300	4,874
SCB (SND - 02-6162940-09- BDT) - 2019	-	57
SCB (SND - 02-6162940-10- BDT) - 2020	346,381	349,895
SCB (SND - 02-6162940-11- BDT) - 2021	41,948	2,963,017
MDB (SND - 0006-10900000460 - BDT) - 2022	5,299,621	5,261,003
MDB (SND - 0006-10900000504 - BDT) - 2023	3,326,754	3,326,714
MDB (SND - 0006-10900000504 - BDT) - 2024	41,109,100	-
	54,564,838	16,350,915
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.	9,674,506	-
Commercial bank of Ceylon	5,000,000	5,000,000
	96,812,311	87,137,805
	363,832,340	424,164,546

	<u>30 June 2025</u>	<u>31 Dec 2024</u>
	<u>Taka</u>	<u>Taka</u>
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 :

	<u>2025</u>		<u>2024</u>	
	<u>%</u>	<u>Taka</u>	<u>%</u>	<u>Taka</u>
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

<u>Shareholders' range</u>	<u>Number of shareholders</u>		<u>Number of shares</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
01-499 shares	15,225	15,534	3,519,830	3,617,179
500 to 5,000 shares	7,191	7,528	11,950,773	12,435,234
5001 to 10,000 shares	890	899	6,642,826	6,743,697
10,001 to 20,000 shares	475	455	6,795,910	6,499,873
20,001 to 30,000 shares	146	150	3,700,850	3,776,294
30,001 to 40,000 shares	69	77	2,456,161	2,760,938
40,001 to 50,000 shares	55	56	2,581,641	2,607,371
50,001 to 100,000 shares	101	93	7,232,905	6,836,451
100,001 to 1,000,000 shares	88	90	26,362,029	27,164,133
1,000,001 to 1,000,000,000 Shares	15	14	356,725,776	355,527,531
	<u>24,255</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:

<u>No. of shares</u>	<u>Share premium (per share)</u>	<u>2025</u>	<u>2024</u>
		<u>Taka</u>	<u>Taka</u>
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		<u>137,732,021</u>	<u>137,732,021</u>
		<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 period	<u>(210,383,081)</u>	<u>(27,331,103)</u>
	1,408,553,780	2,046,905,562
Add : Adjustment for NCI	1,393	-
Less: Dividend declared during the period	<u>(427,968,701)</u>	<u>(427,968,701)</u>
Balance as on 30 June	<u>980,586,472</u>	<u>1,618,936,861</u>

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

	30 June 2025	31 Dec 2024
	Taka	Taka
16 Deferred tax liabilities/(Assets)		
Balance as at 1 January	(15,529,147)	49,140,697
Less : Deferred tax (income)/expenses	(38,124,257)	(64,859,834)
Balance as at 30 June	<u>(53,653,404)</u>	<u>(15,529,147)</u>
	Carrying amount on the date of financial position	Tax base
	Taka	Taka
As at 30 June 2025		Taxable/(deductible) temporary difference
Property, plant and equipment (Excluding land and others)	2,467,784,507	2,548,708,755
Trade receivable	2,506,007,229	2,549,800,777
Inventories	4,060,794,328	4,195,367,724
Right of use assets	85,085,422	-
Lease liability	(69,465,495)	-
Net taxable temporary difference		<u>(243,071,204)</u>
Deferred tax liability (applying applicable tax rate for individual company)		<u>(53,653,404)</u>
As at 31 December 2024		
Property, plant and equipment (Excluding land and others)	2,378,206,716	2,374,508,148
Trade receivable	2,769,320,292	2,788,492,341
Inventories	3,358,776,852	3,466,742,536
Right of use assets	84,763,261	-
Lease liability	(71,820,447)	-
Net taxable temporary difference		<u>(71,498,351)</u>
Deferred tax liability (applying applicable tax rate for individual company)		<u>(15,529,147)</u>

17 Employees benefits payable

Provident fund	42,358,625	-
Gratuity fund	15,852,532	-
	<u>58,211,157</u>	<u>-</u>

	30 June 2025	
	Provident fund	Gratuity fund
	Taka	Taka
Balance as at 1 January	-	-
Add: Provision made during the period	44,265,707	17,015,233
	44,265,707	17,015,233
Less: Payments made to fund during the period	1,907,082	1,166,701
Balance as at 30 June	<u>42,358,625</u>	<u>15,852,532</u>

Forfeited amount of provident fund amounting to BDT. 686,311 for the period 2025 has been adjusted with provision and payment.

	31 Dec 2024	
	Provident fund	Gratuity fund
	Taka	Taka
Balance as at 1 January	-	-
Add: Provision made during the year	85,037,166	32,103,063
	85,037,166	32,103,063
Less: Payments made to fund during the year	85,037,166	32,103,063
Balance as at 31 December	<u>-</u>	<u>-</u>

Forfeited amount of provident fund amounting to BDT. 1,169,885 for the year 2024 has been adjusted with provision and payment.

18 Borrowings

Non-current:		
Term loan	528,798,742	560,198,562
Current portion of term loan	<u>(122,636,777)</u>	<u>(111,523,703)</u>
	<u>406,161,965</u>	<u>448,674,859</u>
Current:		
Bank overdrafts	175,132,419	131,348,131
Short-term borrowings	1,070,480,364	834,590,839
Current portion of term loan	<u>122,636,777</u>	<u>111,523,703</u>
	<u>1,368,249,560</u>	<u>1,077,462,673</u>
Balance as at 30 June	<u>1,774,411,525</u>	<u>1,526,137,532</u>

18.1 Borrowings by maturity

At 30 June 2025	< 1 year	1-2 years	2-5 years	> 5 years	Total
Bank overdrafts	175,132,419	-	-	-	175,132,419
Short-term borrowings	1,070,480,364	-	-	-	1,070,480,364
Term loan	122,636,777	131,229,816	264,065,045	10,867,103	528,798,742
	<u>1,368,249,560</u>	<u>131,229,816</u>	<u>264,065,045</u>	<u>10,867,103</u>	<u>1,774,411,525</u>
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
	<u>1,077,462,674</u>	<u>124,803,433</u>	<u>297,143,116</u>	<u>26,728,311</u>	<u>1,526,137,532</u>

18.2 Facilities details (Funded)

Bank	Name of facilities	Limit	Utilisation	Maturity	Repayment	Security - STL	Security - LTL
SCB	Overdraft	50,000,000	46,987,294	Revolving	From company's own source	1) Corporate guarantee,	1) Specific charge over plant, machinery and equipment of BHRE projects of RAK Ceramics (BD) Ltd. Following are relating to RAK Power Pvt. Ltd. 1. Mortgage of 5 bigha land.
	Short term loan	500,000,000	222,558,262	180/360 days from B/L date			
Midland Bank PLC	Overdraft	50,000,000	49,000,000	Revolving	From company's own source	2) Hypothecation over stock & book debts on a pari-passu basis with other lenders. 3) Demand promissory note.	2. Lien of Term Deposit of 100 MN 3. Charge over fixed & floating assets, 4. Corporate guarantee from RAK Ceramics BD Ltd. 5. A signed cheque covering total facility
	Short term loan	500,000,000	398,295,409	180/360 days from B/L date			
Eastern Bank PLC	Long term loan*	419,200,000	366,798,742	5 years with 1 year moratorium year	From company's own source		
	Overdraft	30,000,000	25,000,000	Revolving			
Dutch Bangla Bank PLC	Short term loan	450,000,000	91,000,000	180/360 days from B/L date	From company's own source		
	Overdraft	25,000,000	25,000,000	Revolving			
Commercial Bank of Ceylon	Short term loan	90,000,000	-	180/360 days from B/L date	From company's own source		
	Overdraft	35,000,000	29,145,125	Revolving			
Al Arafah Islami Bank PLC	Short term loan	550,000,000	358,626,693	180/360 days from B/L date	From company's own source		
	Overdraft	-	-	Revolving			
Al Arafah Islami Bank PLC	Short term loan	15,000,000	-	180/360 days from B/L date	From company's own source		
	Long term loan*	362,900,000	162,000,000	6 years with 1 year moratorium year			

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

							30 June 2025	31 Dec 2024
							Taka	Taka
19 Lease liability								
Non-current:								
Lease liability							69,465,497	71,820,447
Less : Current portion of lease liability							17,540,884	15,400,824
							<u>51,924,613</u>	<u>56,419,623</u>
Current:								
Current portion of lease liability							17,540,884	15,400,824
30 June 2025								
Lease liability schedule								
Particulars	Balance as on 01 January 2025	Addition/(deletion)	Payment	Interest expenses	Decrease in lease liability	Balance as on 30 June 2025		
Display center	42,306,245	5,594,292	6,987,939	2,306,782	4,681,158	43,219,378		
Accommodation Building	1,586,300	-	545,263	65,040	480,223	1,106,076		
Warehouse	22,844,469	-	3,334,737	1,067,661	2,267,677	20,577,392		
Office Building	5,082,434	-	757,895	237,111	520,784	4,562,650		
	<u>71,820,447</u>	<u>5,594,292</u>	<u>11,625,834</u>	<u>3,676,592</u>	<u>7,949,241</u>	<u>69,465,497</u>		
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	27,559,039	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	4,209,142	22,844,469		
Office Building	6,050,340	-	1,515,789	548,882	966,907	5,082,434		
	<u>57,874,704</u>	<u>27,372,893</u>	<u>18,953,756</u>	<u>5,528,607</u>	<u>13,427,149</u>	<u>71,820,447</u>		
20 Trade and other payables								
Trade payables								
Payable to local suppliers							461,610,326	238,996,760
Payable to foreign suppliers							689,657,031	354,162,578
Payable to service provider							242,615,817	182,795,291
Payable to C & F Agent							<u>105,585,656</u>	<u>70,814,393</u>
							<u>1,499,868,830</u>	<u>846,769,022</u>
Other payables								
Tax deducted at source							29,520,228	32,885,995
Tax deducted at source on remuneration (Note-22.1)							-	288,076
VAT deducted at source							8,519,204	8,857,687
VAT and Supplementary duty payable							-	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							32,903,337	36,861,648
Security deposit payable							1,617,592	1,617,592
Payable to employees							4,561,583	2,826,974
Provisional liabilities - material & services							<u>58,890,841</u>	<u>52,473,655</u>
							<u>675,213,505</u>	<u>886,188,162</u>
							<u>2,175,082,335</u>	<u>1,732,957,184</u>
20 June 2025								
31 Dec 2024								
Taka								
21 Unclaimed Dividend Payable							<u>284,941,781</u>	<u>8,076,342</u>
Year	Dividend declared	TDS on dividend	Net dividend	Dividend distributed till 30 June 2025	Fund Transferred to CNSF	Undistributed fund (BDT) as on 30 June 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	306,585,331	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	60,854,665	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	389,052,456	29,888,903	359,173,553	357,227,075	1,946,478	-		
2019	641,953,052	49,029,624	592,923,428	586,305,450	4,617,978	-		
2020	427,968,701	32,747,652	395,221,049	392,713,129	2,507,921	-		
2021	524,960,876	39,123,334	495,837,543	493,232,694	2,604,848	-		
2022	427,968,701	34,965,753	393,002,948	390,643,056	-	2,359,852		
2023	427,968,701	31,206,814	396,761,887	394,008,830	-	2,753,058		
2024	427,968,701	31,149,880	396,818,821	116,989,950	-	279,828,871		
	<u>7,591,155,279</u>	<u>630,066,251</u>	<u>6,961,089,027</u>	<u>6,625,334,754</u>	<u>50,812,492</u>	<u>284,941,781</u>		

Year	Dividend declared	TDS on dividend	Net dividend	Dividend distributed till 31 Dec 2024	Fund Transferred to CHSF	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	308,565,331	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	60,654,865	781,471,663	776,484,072	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	534,960,676	39,123,334	495,837,343	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
	7,163,186,578	598,916,371	6,564,270,206	6,507,986,220	48,207,644	8,076,342

22	Accrued expenses	30 June 2025	31 Dec 2024
		Taka	Taka
	Power and gas	106,254,082	124,792,677
	Staff cost	144,388,500	109,451,121
	Dealer's incentive and bonus	-	175,323
	Audit fees	1,006,250	1,855,000
	Professional charges	1,037,250	825,000
	Interest on loans	40,508,552	33,208,126
	Telephone	720,572	622,957
	Freight bill	499,323	6,812,186
	Business promotion and advertisement	-	4,000,000
	Managing Director's remuneration (Note 22.1)	-	864,228
	Worker's profit participation and welfare fund (Note 22.2)	189,797	1,910,053
	Others	33,787,224	46,669,172
		328,391,550	331,183,843

22.1	Managing Director's remuneration		
	Balance as at 1 January	864,228	18,937,048
	Add: Payable to Managing Director for the period (Note 22)	-	1,152,364
		864,228	20,089,412
	Less: Tax deducted at source during the period (Note 20)	-	286,076
	Less: Paid to Managing Director during the period	864,228	18,937,048
	Balance as at 30 June	-	864,228

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 period	189,797	1,910,053
		2,099,850	42,601,009
	Less: Payment made from the fund during the period	1,910,053	40,690,956
	Balance as at 30 June	189,797	1,910,053

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 period (Note 32)	97,099,666	144,770,598
	Less: Adjustment for the period	(43,879,694)	(34,903,010)
	Balance as at 30 June	4,872,278,208	4,819,058,236
	b) Advance income tax		
	Balance as at 1 January	4,380,962,857	4,206,879,792
	Add: Paid during the period	100,827,708	208,034,130
	Less: Adjustment for the period	(43,879,694)	(33,951,065)
	Balance as at 30 June	4,437,910,871	4,380,962,857
	Current tax liability at 30 June (a-b)	434,367,337	438,095,379

	30 June 2025	30 June 2024	April to June 2025	April to June 2024
	Taka	Taka	Taka	Taka
24 Sales				
Gross sales from Ceramics product	4,269,876,201	4,461,129,080	2,238,495,523	1,992,437,822
Gross sales from Power generation	291,989,301	275,276,191	142,947,469	129,865,384
Gross sales from Security service	74,933,364	65,849,015	34,158,992	34,805,964
Less: Elimination	4,836,798,866	4,802,254,286	2,415,601,984	2,157,109,170
Supplementary Duty	281,747,433	266,623,141	138,268,107	126,493,623
VAT	434,893,772	452,545,682	228,982,000	203,572,504
Discount	604,812,255	624,527,698	315,290,911	283,263,943
Commission, incentive and bonus	19,504	7,200,463	19,504	160,024
Net sales	214,786,600	265,744,503	103,497,463	128,702,164
	3,100,539,302	3,185,612,799	1,631,543,998	1,414,916,912
25 Cost of sales				
Materials consumed:				
Opening Inventory as at 1 January	1,007,053,534	1,106,113,719	1,024,104,367	984,491,004
Add: Purchase during the period	1,548,765,205	1,423,561,546	739,303,199	800,158,490
Less: Closing inventory as at 30 June	2,555,818,739	2,529,675,265	1,763,407,566	1,784,649,494
	1,055,507,801	1,159,075,264	1,055,507,801	1,159,075,264
	1,500,310,938	1,370,600,001	707,899,765	625,574,230
Manufacturing overhead:				
Direct labour (note 25.1)	383,441,240	382,194,913	190,155,115	180,354,792
Direct expenses:				
Power and gas	420,311,059	343,936,612	181,709,624	151,809,717
Repairs and indirect materials (note 25.2)	414,947,804	348,869,048	211,729,596	150,696,430
Depreciation on property, plant & equipment (note 5.2)	228,243,866	222,840,372	110,692,548	113,151,470
Royalty and technical know-how/assistance fees *	-	5,676,963	-	900,833
Other production overhead (note 25.3)	23,212,367	21,323,454	9,826,309	11,091,518
Provision for slow moving & obsolete inventories (note 9)	48,040,313	4,111,041	30,522,696	3,596,111
Movement in stock	(384,109,529)	(171,954,160)	23,762,510	(100,143,627)
	2,634,398,058	2,527,598,244	1,466,298,163	1,137,031,474
25.1 Direct labour				
Salary & wages	283,282,193	288,145,041	141,401,631	144,149,877
Overtime	16,142,199	14,978,582	9,588,120	7,169,057
Bonus	41,064,701	22,565,528	20,716,935	2,165,845
Incentive	271,956	271,954	135,978	135,977
Temporary labour wages	4,969,274	24,892,696	(136,588)	10,662,972
Staff uniform, safety and welfare expenses	4,162,500	552,416	2,055,611	248,699
Gratuity	11,446,245	11,781,129	5,727,988	5,864,641
Employer's contribution to provident fund	14,384,924	15,194,151	6,862,080	7,394,371
Leave encashment	1,942,813	1,975,724	980,843	987,426
Group life insurance	2,099,221	873,514	1,066,660	1,236,726
Canteen and conveyance expenses	2,236,450	-	650,742	-
Compensation	1,438,763	964,179	1,105,114	339,200
	383,441,240	382,194,913	190,155,115	180,354,792
25.2 Repairs and indirect materials				
Stores, spares, repair & maintenance	233,135,910	185,076,462	124,622,458	75,384,834
Packing expenses	181,811,894	163,792,586	87,107,138	75,311,596
	414,947,804	348,869,048	211,729,596	150,696,430
25.3 Other production overhead				
Tour and travel expenses	1,283,161	1,286,406	808,517	639,724
Demurrage and penalty	317,422	686,741	243,258	552,400
Insurance	8,648,878	11,668,621	3,383,663	5,522,674
Hiring charges and transportation	1,580,066	1,079,998	-	1,079,998
Write off for stores and spares	10,448,652	6,292,795	5,224,326	3,146,398
Other expenses	934,186	308,893	156,543	150,324
	23,212,367	21,323,454	9,826,309	11,091,518
*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)	1,673,181	-	-	-
Gain on retirement of right of use assets (note 6.2)	-	120,858	-	-
	1,673,181	120,858	-	-

	30 June 2025	30 June 2024	April to June 2025	April to June 2024
	Taka	Taka	Taka	Taka
27 Administrative expenses				
Staff cost (note 27.2)	116,154,047	114,676,888	59,165,128	53,702,852
Annual General Meeting expenses	2,594,207	5,365,516	542,200	3,112,040
Telephone and postage	5,366,418	4,776,005	3,419,415	2,862,205
Office repair and maintenance (note 27.3)	2,360,753	7,045,006	1,005,076	3,142,443
Registration and renewal	587,799	1,076,682	371,912	493,332
Security and guard expenses	216,936	40,850	216,936	-
Electricity, gas and water	3,973,870	3,734,548	2,252,937	2,406,786
Depreciation on property, plant & equipment (note 5.2.1)	15,882,824	17,947,627	7,840,245	9,042,443
Depreciation on investment property (note 5.2.1)	110,047	110,353	55,326	55,176
Depreciation on right of use assets (note 6.1)	1,140,170	1,042,765	570,085	521,382
Amortization (note 7)	3,507,212	4,817,121	1,794,352	1,657,207
Legal and professional fees	5,532,915	9,543,565	2,888,760	4,568,976
Vehicle repair and maintenance	9,552,757	9,799,800	4,863,368	4,836,566
Rent, rate and tax	2,529,753	2,889,614	620,349	681,145
Loss on retirement of assets (note 5.3)	-	73,441	-	73,441
IT expenses	2,735,373	2,244,728	1,590,414	1,368,286
General Service	3,853,287	3,493,400	1,955,840	1,887,798
Donation	640,551	1,290,819	293,980	631,700
Managing Director's remuneration (note 27.4)	-	2,330,232	-	422,001
Others	10,883,624	11,049,063	5,936,932	5,609,047
	187,632,543	203,348,023	95,383,257	98,074,826
27.1 Impairment loss on trade receivables				
Unrelated parties	16,357,669	11,266,801	8,950,291	9,004,173
Related parties	8,263,830	(6,457,905)	6,757,628	(6,125,089)
	24,621,499	4,808,896	15,707,919	2,879,084
New classification of financial assets shown in note 35.1(b) as per IFRS 9.				
27.2 Staff cost				
Salary & wages	80,955,615	82,903,425	41,070,058	41,261,690
Bonus	12,300,721	8,740,394	6,220,893	675,621
Incentive	128,364	128,364	64,182	64,182
Gratuity	3,338,757	3,455,460	1,667,433	1,723,076
Employer's contribution to provident fund	4,451,234	4,649,067	2,192,092	2,312,872
Leave encashment	623,267	631,608	312,368	315,578
Group life Insurance	437,991	386,331	212,845	283,734
Canteen and conveyance expenses	11,017,293	11,051,814	5,286,762	6,005,759
Staff uniform, safety and welfare expenses	880,820	1,134,605	580,998	660,181
Travelling expenses	861,135	859,109	568,603	87,969
Compensation	628,449	52,721	628,449	-
Medical expenses	261,665	287,719	203,808	57,329
Accommodation expenses	268,736	396,271	156,639	254,861
	116,154,047	114,676,888	59,165,128	53,702,852
Accommodation expenses and Rent, rates and taxes include rent expenses for short term lease for BDT. 1,038,070 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	133,520	111,727	60,480	22,810
Office maintenance	2,227,233	6,933,279	944,596	3,119,633
	2,360,753	7,045,006	1,005,076	3,142,443
27.4 Managing Director's remuneration				
Provision made during the period	-	2,330,232	-	422,001
	-	2,330,232	-	422,001
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)	83,893,373	76,674,842	43,086,063	34,449,646
Advertisement	9,934,607	20,703,034	6,087,094	1,052,314
Freight and transportation	101,811,829	129,170,693	52,779,057	46,482,864
Compensation to customers	4,014,531	3,670,463	1,239,128	672,189
Business promotion	22,987,927	42,747,481	11,410,484	25,907,704
Depreciation on property, plant & equipment (note 5.2)	6,224,058	4,030,647	3,154,071	2,011,551
Depreciation on right of use assets (note 6.1)	11,605,710	9,052,754	5,802,854	4,526,376
Showroom, office & house rent	3,281,313	4,387,753	1,613,067	925,534
Sample expenses	20,170,746	8,701,067	9,834,700	4,447,944
Tour, travel and others	19,481,497	12,232,983	11,261,149	5,743,818
	283,405,591	311,371,718	146,267,670	126,229,860
28.1 Staff cost				
Salary & wages	51,265,123	47,990,434	25,558,004	24,640,530
Bonus	7,477,847	3,517,713	3,780,464	166,086
Incentive	6,265,452	5,503,009	2,894,232	415,868
Gratuity	2,230,231	2,093,216	1,111,973	1,070,650
Employer's contribution to provident fund	2,953,540	2,816,157	1,437,558	1,430,078
Leave Encashment	395,228	372,064	196,577	191,332
Group life Insurance	375,514	225,029	195,108	206,125
Conveyance & food expenses	12,833,772	10,051,096	7,016,481	4,953,978
Compensation	95,666	-	95,666	-
Staff uniform, safety and welfare expenses	-	4,106,124	-	1,374,999
	83,893,373	76,674,842	43,086,063	34,449,646

	30 June 2025	30 June 2024	April to June 2025	April to June 2024	
	Taka	Taka	Taka	Taka	
28.2 Salary & wages under staff cost (note no. 25.1, 27.2 & 28.1) Includes employee contribution to provident fund for BDT.14,384,924, BDT. 4,451,234 & BDT. 2,953,540.					
29 Finance income					
Interest on bank account (SND)	2,990,786	2,692,044	2,440,539	1,928,528	
Interest on fixed deposits	4,447,796	3,432,669	2,237,657	1,156,111	
	7,438,582	6,124,713	4,678,196	3,084,639	
30 Finance expenses					
Interest expenses against loan	106,362,932	51,892,329	57,299,171	30,486,001	
Interest expenses against lease liability	3,676,593	2,591,759	1,788,166	1,254,859	
Foreign exchange loss	18,866,914	2,399,426	9,096,335	903,070	
Bank charges	1,904,810	1,170,946	911,558	624,426	
	130,811,249	58,054,460	69,095,230	33,268,356	
31 Contribution to worker's profit participation and welfare fund					
Provision made during the period	189,797	3,883,404	136	765,480	
	189,797	3,883,404	136	765,480	
32 Income tax expenses					
Accounting profit (PBT as per individual company)	(149,407,671)	84,793,626	(156,530,178)	19,752,472	
Add: Inadmissible depreciation allowance for separate consideration: Accounting Depreciation of Fixed Assets	250,460,795	244,929,000	121,742,192	124,260,641	
	101,053,123	329,722,627	(34,787,986)	144,013,112	
Add: Inadmissible expenses / allowances as per ITO, 1984/ITA, 2023:					
Business promotion expenses	806,515	19,778,682	(143,425)	15,637,858	
Royalty expenses	-	28,164	-	15,280	
Sample expenses	15,625,870	4,722,908	7,596,205	2,518,861	
Amortization expenses	3,507,212	4,817,121	1,794,352	1,657,207	
Depreciation on Right of Use Assets (ROUA)	12,745,880	10,095,519	6,372,938	5,047,759	
Interest on lease liability	3,676,593	2,591,760	1,788,166	1,254,860	
Provision for slow moving inventories	48,040,313	4,111,041	30,522,696	3,596,111	
NRV Provision on inventories	-	5,453,571	-	(2,217,382)	
Impairment loss on trade receivable	24,621,499	4,627,837	15,696,853	2,741,765	
	109,023,882	56,226,603	63,627,786	30,252,319	
	210,077,005	385,949,229	28,839,800	174,265,432	
Deduct: Tax base depreciation of Fixed Assets (as per 3rd Schedule of ITO,1984/ITA, 2023):	(120,740,123)	(103,006,305)	(61,945,952)	(53,588,045)	
Admissible expenses as per ITO,1984/ITA, 2023:					
Rent expenses	(16,587,174)	(15,933,100)	(8,293,587)	(6,674,398)	
Deduct: Dividend Income	(2,000,000)	(2,000,000)	-	-	
Taxable profit	70,749,708	265,009,824	(41,399,739)	114,002,990	
Applicable tax rate for individual company					
On Business Income		As per applicable tax rate for individual company			
On Dividend Income	20%	20%	20%	20%	
Tax expenses as per applicable tax rate for individual company :					
Business Income	16,603,562	60,319,713	(9,119,001)	25,850,564	
Dividend Income	400,000	400,000	-	-	
Current Tax Liability based on taxable profit	17,003,562	60,719,713	(9,119,001)	25,850,564	
Current Tax Liability considering minimum tax liability	97,099,666	81,675,347	49,352,950	46,806,198	
	97,099,666	81,675,347	49,352,950	46,806,198	
33 Reconciliation of effective tax rate					
		30 June 2025		30 June 2024	
		Taka		Taka	
Profit before tax	%	(151,407,672)	%	82,793,625	
Current tax expenses	-64.13%	97,099,666	98.65%	81,675,347	
Deferred tax expenses	25.18%	(38,124,257)	-43.03%	(35,628,380)	
Total tax expenses	-38.95%	58,975,410	55.62%	46,046,967	
Expected income tax using applicable tax rate for individual company	21.84%	(33,067,462)	23.91%	19,797,605	
Tax on non-deductible expenses	-86.0%	130,167,129	74.7%	61,877,742	
Effective current tax	-64.13%	97,099,666	98.65%	81,675,347	
Effective deferred tax	25.18%	(38,124,257)	-43.03%	(35,628,380)	
	-38.95%	58,975,410	55.62%	46,046,967	
34 Short term lease expenses					
		30 June 2025	30 June 2024	April to June 2025	April to June 2024
		Taka	Taka	Taka	Taka
Nature of the lease	Lease term	Rent Payment	Rent Payment	Rent Payment	Rent Payment
Rented accommodation	<1 year	1,038,070	949,750	523,535	477,335
	Allocation	1,038,070	949,750	523,535	477,335
	Admin				

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 30 June 2025	As at 31 Dec 2024	As at 30 June 2025	As at 31 Dec 2024
Trade receivables				
Customer-Local	-	-	2,481,039,818	2,727,474,449
Customer-Export	76,767	263,017	9,344,430	31,430,475
	76,767	263,017	2,490,384,248	2,758,904,924
Other receivables				
Accrued Interest			853,248	793,669
Others			-	28,667
			853,248	822,336
Cash equivalents			358,222,138	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 30 June 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	1,248,370,395	1,221,084,602.09	27,285,793
Trade receivable-related	10.1	Amortized cost	1,285,807,401	1,269,299,646	16,507,755
Cash at banks	13	Amortized cost	261,409,828	261,409,828	-

- i The above table provides information ECLs till date. Impairment provision till Dec 2024 was Tk. 19,172,049 and provision made during the period is Tk.24,621,499.
- ii Trade receivables that were classified at amortised cost.
- iii Cash at banks that were classified at amortised cost.
- iv Impairment loss allowance has not been considered on other receivables and bank balances because business is confident to recover the full amount.

c) Ageing of receivables

The ageing of trade receivables was:

	Amounts in Taka	
	As at 30 June 2025	As at 31 Dec 2024
Not past due	1,480,442,183	2,061,942,470
0-90 days past due	648,002,213	647,849,919
91-180 days past due	345,020,914	32,640,753
181-365 days past due	3,948,914	7,940,105
over 365 days past due	12,970,023	8,531,676
	2,490,384,248	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 30 June 2025				
Carrying amount	Contractual cash flows	Within 12 months or less	More than 12 months	
Taka	Taka	Taka	Taka	
Bank overdraft	175,132,419	175,132,419	175,132,419	-
Trade and other payables	2,175,082,335	2,175,082,335	2,175,082,335	-
Short term borrowing	1,070,480,364	1,070,480,364	1,070,480,364	-
Term loan	528,798,742	528,798,742	122,636,777	406,161,965
3,949,493,859	3,949,493,859	3,543,331,895		406,161,965
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.

1 Exposure to currency risk

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

	As at 30 June 2025			As at 31 Dec 2024		
	GBP	USD	EURO	GBP	USD	EURO
Foreign currency denominated assets						
Receivable from customers-Export	-	76,767	-	-	263,017	-
Cash at bank	-	47,426	-	-	29,593	-
	-	124,193	-	-	292,610	-

	As at 30 June 2025		
	GBP	USD	EURO
Foreign currency denominated liabilities			
Trade payables	297,018	3,102,458	1,425,163
Short term borrowings	86,212	2,632,162	-
Royalty & Technical Fees	-	4,230,960	-
	383,230	9,965,580	1,425,164
Net exposure	(383,230)	(9,841,387)	(1,425,164)

	As at 31 Dec 2024		
	GBP	USD	EURO
	85,997	2,381,530	415,420
	-	1,837,045	11,824
	-	4,326,156	-
	85,997	8,544,731	427,244
	(85,997)	(8,262,121)	(427,244)

The Company has foreign exchange loss of Tk 18,866,914 during the period ended 30 June 2025 (30 June 2024: Exchange loss Tk 2,399,426).

The following significant exchange rates have been applied:

	Exchange rate as at (Average)	
	30 June 2025	31 Dec 2024
	Taka	Taka
AED	33.3699	32.6164
GBP	168.0911	150.6845
USD	122.2000	119.5000
EURO	143.5988	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 30 June would have increased/(decreased) profit or loss by the amounts shown below.

	As at 30 June 2025		As at 31 Dec 2024	
	Profit or (loss)		Profit or (loss)	
	Strengthening	Weakening	Strengthening	Weakening
	Taka	Taka	Taka	Taka
At 30 June				
GBP (3 percent movement)	(11,852)	11,162	(2,660)	2,505
USD (3 percent movement)	(304,373)	286,642	(255,220)	240,353
EURO (3 percent movement)	(44,077)	41,510	(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 30 June 2025	As at 31 Dec 2024
	Taka	Taka
Fixed rate instruments		
Financial assets		
Investment in FDR	96,812,311	87,137,805
Cash at banks	261,409,828	332,749,224
Financial liabilities		
Term loan	528,798,742	560,198,562
Bank overdraft	175,132,419	131,348,131
Short term borrowing	1,070,480,364	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 30 June 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	96,812,311	96,812,311	87,137,805	87,137,805
Loans and receivables				
Trade receivables	2,490,384,248	2,490,384,248	2,758,904,924	2,758,904,924
Other receivables	853,248	853,248	822,336	822,336
Cash equivalents	358,222,138	358,222,138	419,887,029	419,887,029
Financial liabilities				
Liabilities carried at amortised costs				
Term loan	528,798,742	528,798,742	560,198,562	560,198,562
Bank overdraft	175,132,419	175,132,419	131,348,131	131,348,131
Trade and other payables	2,175,082,335	2,175,082,335	1,732,957,184	1,732,957,184
Short term borrowing	1,070,480,364	1,070,480,364	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:

	30 June 2025	31 Dec 2024
Investment in FDR (local currency/BDT)	5.00%-10.50%	2.50%-10.50%
Term loan	12.50%	12.50%
Bank overdraft (local currency/BDT)	12.00%-14.50%	12.00%-14.50%
Short term bank loan (local currency/BDT)	12.50%-14.50%	12.50%-14.50%
Short term bank loan (foreign currency/USD)	SOFR + 3.50-4.00%	SOFR + 3.50-4.00%

36 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*	Amounts in Taka	
												Royalty payable*	Royalty payable*
RAK Power Pvt. Ltd	Subsidiary	Unsecured	Nil	Current period Previous period	253,903,740 239,370,601	1,565,220 1,565,220	1,565,220 1,565,220	179,172,653 177,372,022	-	-	-	-	-
RAK Security & Services Pvt. Ltd	Subsidiary	Unsecured	Nil	Current period Previous period	27,045,434 26,657,252	-	-	15,495,292 10,944,747	-	1,980,000 1,980,000	-	-	-
RAK Ceramics PISC, UAE	Parent	Unsecured	Nil	Current period Previous period	4,343,580 1,090,800	-	-	33,516,390 26,055,351	-	-	291,586,431 90,661,431	519,138,764 523,479,494	-
Ceramfin FZ LLC	Fellow subsidiary	Secured	Nil	Current period Previous period	479,756,922 309,205,109	-	-	170,783,523 94,365,458	-	-	-	-	-
RAK Ceramics (India) Pvt. Ltd.	Fellow subsidiary	Secured	Nil	Current period Previous period	-	-	-	-	-	-	-	-	-
Kludi RAK LLC	Fellow subsidiary	Secured	Nil	Current period Previous period	1,859,936 922,831	-	-	353,882 5,190,148	-	-	-	-	-
Kea Printing & Packaging Industries	Other related party	Unsecured	Nil	Current period Previous period	40,664,649 50,101,168	-	-	24,199,698	-	-	-	-	-
Palli Properties Pte. Ltd	Other related party	Unsecured	Nil	Current period Previous period	9,849,524 8,690,028	-	-	1,815,617 1,655,232	-	-	-	-	-
Sky Bird Travel Agents Pvt. Ltd.	Other related party	Unsecured	Nil	Current period Previous period	1,301,732 357,782	-	-	21,800	-	-	-	-	-
Speedway International Pvt. Ltd	Other related party	Unsecured	Nil	Current period Previous period	643,618 3,735,967	-	-	322,126 1,184,941	-	-	-	-	-
International Trade Agency	Other related party	Unsecured	Nil	Current period Previous period	39,997,656 10,386,885	-	-	17,029,301 4,686,787	-	-	-	-	-
Global Business Associates Ltd.	Other related party	Unsecured	Nil	Current period Previous period	-	-	-	-	-	-	-	-	-
Mohammed Trading	Other related party	Secured by Guaranteed Cheque	Nil	Current period Previous period	-	812,022,625 883,862,699	1,285,118,902 1,042,731,100	-	-	-	-	-	-
S.A.K. Ekramuzzaman	Key Management Personnel	Unsecured	Nil	Current period Previous period	2,819,112 2,819,112	-	-	200,000 1,747,674	-	-	-	-	-
Sadhan Kumar Dey**	Key Management Personnel	Unsecured	Nil	Current period Previous period	-	-	-	2,330,232 7,222,253	-	-	-	-	-
					-	-	-	6,196,600	-	-	-	-	-

*The figures are included tax and VAT.

**Amount represents Short term benefits BDT. 6,666,740 and Post employment benefits BDT. 555,513.

To comply the BSEC notification no. BSEC/CMR8CD/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.

37.1 Paid to Directors

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

37.2 During the period, Board meeting fees of Taka 510,000 was paid to the board members for attending the Board meetings.

38 Segment reporting

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

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

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

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

30 June 2025

	Business Segments				Entity total
	Ceramic & sanitary ware	Power	Security and Services	Inter segment	
	Iaka	Iaka	Iaka	Iaka	Iaka
Revenue - external customers	3,062,978,862	-	37,560,439	-	3,100,539,302
Revenue - inter segment	-	253,903,740	27,843,693	(281,747,433)	-
Total segment revenue	3,062,978,862	253,903,740	65,404,132	(281,747,433)	3,100,539,302
Cost of sales- external customer	(2,358,676,584)	(232,154,135)	(43,567,339)	-	(2,634,398,058)
Cost of sales- inter segment	(253,903,740)	(2,363,479)	-	256,267,219	-
Total segment cost of sales	(2,612,580,324)	(234,517,614)	(43,567,339)	256,267,219	(2,634,398,058)
Gross profit	450,398,538	19,386,126	21,836,793	-	466,141,244
Other income	1,665,597	-	7,584	-	1,673,181
Dividend income	1,980,000	20,000	-	(2,000,000)	-
Rental income	1,565,220	-	-	(1,565,220)	-
Financial income	6,452,775	853,529	132,277	-	7,438,580
Financial expenses	(119,488,980)	(11,171,418)	(150,851)	-	(130,811,250)
Depreciation	(235,352,964)	(14,953,735)	(154,096)	-	(250,460,795)
Other operating expenses	(269,511,119)	9,661,431	(12,584,381)	27,045,434	(245,388,636)
Segment profit before tax	(162,290,932)	3,795,933	9,087,326	-	(151,407,672)
Income tax expense	(92,605,653)	(1,919,656)	(2,574,357)	-	(97,099,666)
Deferred tax	38,578,058	(512,896)	59,095	-	38,124,257
Profit/(loss) for the period					(210,383,081)
					38

30 June 2024

	Business Segments			
	Ceramic & sanitary ware	Power	Security and services	Inter segment
	Taka	Taka	Taka	Taka
Revenue - external customers	3,153,595,269	-	32,017,529	-
Revenue - inter segment	-	239,370,601	27,252,540	(266,623,141)
Total segment revenue	3,153,595,269	239,370,601	59,270,069	(266,623,141)
				3,185,612,799
				-
				3,185,612,799
Cost of sales- external customer	(2,258,873,316)	(228,794,269)	(39,930,659)	-
Cost of sales- inter segment	(239,370,601)	(2,160,508)	-	241,531,109
Total segment cost of sales	(2,498,243,918)	(230,954,777)	(39,930,659)	241,531,109
Gross profit	655,351,351	8,415,824	19,339,410	-
				(2,527,598,244)
				658,014,555
Dividend income	1,980,000	20,000	-	-
Rental income	1,565,220	-	-	-
Financial income	5,376,501	705,662	42,550	6,124,713
Financial expenses	(57,730,955)	(141,723)	(181,780)	(58,054,458)
Depreciation	(234,889,453)	(9,938,125)	(101,421)	(244,928,999)
Other operating expenses	(297,797,913)	4,630,841	(11,973,222)	(278,483,045)
Segment profit before tax	73,975,609	3,692,479	7,125,538	82,793,625
Income tax expense	(76,841,829)	(2,770,257)	(2,063,261)	(81,675,347)
Deferred tax	32,663,706	2,888,812	75,862	35,628,380
Profit/(loss) for the period				36,746,658

	30 June 2025	30 June 2024
	Taka	Taka
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	(210,383,081)	36,746,639
(b) No. of ordinary equity shares	427,968,701	427,968,701
(c) Weighted average no. of equity shares outstanding (Note 39.1)	427,968,701	427,968,701
Earnings per share (EPS) for the period (a÷c)	(0.49)	0.09
Diluted earnings per share for the period (a÷c)	(0.49)	0.09

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.

	30 June 2025	30 June 2024
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 period as there was no scope for dilution during the period.

39.3 Reason of deviation of earnings per share:

Sales decreased by 2.67%, from BDT 3,185.61 million to BDT 3,100.54 million, due to declining market demand. Gross profit margin also declined significantly from 20.66% to 15.03%, mainly because of rising of raw materials and manufacturing costs. Finance expenses increased as additional funding was required from the bank to meet working capital needs, resulting in net profit after tax dropped from BDT +36.75 million to BDT -210.38 million. Consequently earning per share fell from BDT +0.09 to BDT -0.49.

40 Calculation of Net assets value per share

(a) Net assets value (Note 13, 14 & 15)	6,733,921,461	7,436,349,592
(b) Weighted average no. of equity shares outstanding (Note 39.1)	427,968,701	427,968,701
Net assets value per share (a÷b)	15.73	17.38

41 Calculation of Net operating cash flow per share

(a) Net Cash flows from operating activities (Note 41)	70,164,406	(333,678,416)
(b) Weighted average no. of equity shares outstanding (Note 39.1)	427,968,701	427,968,701
Net operating cash flow per share (a÷b)	0.16	(0.78)

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

Sales decreased by 2.67%, from BDT 3,185.61 million to BDT 3,100.54 million as outlined in the point 39.3. Despite the decline in sales, receivable collections improved due to strengthened credit control process, while payments to suppliers decreased by extending payment terms with vendors where possible. As a result, net operating cash flow per share increased to BDT +0.16 from BDT. -0.78.

42 **Reconciliation of operating cash flow:**

	<u>30 June 2025</u>	<u>30 June 2024</u>
Cash flows from operating activities		
Profit before taxation	(151,407,672)	82,793,625
Adjustment for:		
Depreciation	263,206,674	255,024,516
Amortization	3,507,212	4,817,121
Advance rent adjustment	(7,473,750)	-
Loss on assets retirement	-	73,441
Foreign exchange loss	18,866,914	2,399,426
Finance expenses	111,944,335	55,655,033
Finance income	(7,438,582)	(6,124,713)
Other income	(1,673,181)	(120,858)
	<u>229,531,951</u>	<u>394,517,593</u>
Increase/decrease in trade and other receivables	268,549,343	(27,429,795)
Increase/decrease in inventories	(702,602,752)	(424,950,779)
Increase/decrease in trade and other payables	372,522,783	(195,406,830)
Cash generated from operating activities	<u>168,001,329</u>	<u>(253,269,811)</u>
Interest received from bank deposit	2,990,786	2,692,044
Income tax paid	(100,827,708)	(83,100,649)
Net cash (used in)/from operating activities	<u>70,164,406</u>	<u>(333,678,416)</u>

43 **Contingent liabilities**

There are contingent liabilities on account of unresolved disputed corporate tax assessments and VAT claims by the authority aggregating to Tk 446,528,877 (30 June 2024: Tk 487,330,273). 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 592,522,605 (30 June 2024: Tk 477,058,178) and letter of guarantee of Tk 344,483,833 (30 June 2024: Tk 144,009,928).