

RAK Ceramics (Bangladesh) Ltd.

Consolidated financial statements
as at and for the period ended 31 March 2025

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

	<u>Notes</u>	<u>31 Mar 2025</u>	<u>31 Dec 2024</u>
		<u>Taka</u>	<u>Taka</u>
Assets			
Property, plant and equipment	4	3,803,969,038	3,652,438,357
Investment property	5	502,513,690	502,568,410
Right-of-use assets	6	91,458,360	84,763,259
Intangible assets	7	9,233,942	9,908,534
Capital work-in-progress	8	42,057,727	270,280,122
Deferred tax asset	17	32,773,735	15,529,147
Total non-current assets		<u>4,482,006,492</u>	<u>4,535,487,829</u>
Inventories	9	3,932,740,638	3,433,881,493
Trade and other receivables	10	2,576,316,886	2,759,727,260
Advances, deposits and prepayments	11	329,223,304	327,282,842
Advance income tax	12	4,386,356,491	4,380,962,857
Cash and cash equivalents	13	455,308,704	424,164,546
Total current assets		<u>11,679,946,023</u>	<u>11,326,018,998</u>
Total assets		<u>16,161,952,515</u>	<u>15,861,506,827</u>
Equity			
Share capital	14	4,279,687,010	4,279,687,010
Share premium	15	1,473,647,979	1,473,647,979
Retained earnings	16	1,165,589,935	1,618,936,861
Equity attributable to equity holders of the company		<u>6,918,924,924</u>	<u>7,372,271,850</u>
Non-controlling interests		-	1,393
Total equity		<u>6,918,924,924</u>	<u>7,372,273,243</u>
Liabilities			
Borrowings	19	433,289,943	448,674,859
Lease liability	20	56,654,085	56,419,623
Total non-current liabilities		<u>489,944,028</u>	<u>505,094,482</u>
Employees benefits payable	18	30,140,564	-
Borrowings	19	1,312,629,391	1,077,462,673
Lease liability	20	16,849,041	15,400,824
Trade and other payables	21	1,812,712,478	1,732,957,184
Unclaimed dividend payable	22	404,874,671	8,076,342
Accrued expenses	23	352,952,160	331,183,843
Provision for income tax	24	4,822,925,258	4,819,058,236
Total current liabilities		<u>8,753,083,563</u>	<u>7,984,139,102</u>
Total liabilities		<u>9,243,027,591</u>	<u>8,489,233,584</u>
Total equity and liabilities		<u>16,161,952,515</u>	<u>15,861,506,827</u>

The accompanying notes are an integral part of these financial statements



Abdallah Massaad
Chairman



SAK Ekramuzzaman
Managing Director



Pramod Kumar Chand
Director



Mohammad Samsul Arefin
General Manager - Finance and Accounts



Muhammad Shahidul Islam FCS
Company Secretary

Dated, 29 April 2025

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

	<u>Notes</u>	<u>31 Mar 2025</u>	<u>31 Mar 2024</u>
		<u>Taka</u>	<u>Taka</u>
Sales	25	1,468,995,303	1,770,695,886
Cost of sales	26	(1,168,099,896)	(1,390,566,770)
Gross profit/(loss)		<u>300,895,407</u>	<u>380,129,116</u>
Other income	27	1,673,181	120,858
Administrative expenses	28	(92,249,285)	(105,273,199)
Impairment loss on trade receivables	28.1	(8,913,580)	(1,929,812)
Marketing and selling expenses	29	(137,137,921)	(185,141,857)
Profit/(loss) from operating activities		<u>(236,627,605)</u>	<u>(292,224,010)</u>
		64,267,802	87,905,106
Finance income	30	2,760,387	3,040,074
Finance expenses	31	(61,716,018)	(24,786,102)
Net finance income		<u>(58,955,631)</u>	<u>(21,746,028)</u>
Profit/(loss) before contribution to workers' profit participation and welfare fund		<u>5,312,171</u>	<u>66,159,078</u>
Contribution to workers' profit participation and welfare fund	32	(189,661)	(3,117,924)
Profit/(loss) before income tax		<u>5,122,510</u>	<u>63,041,154</u>
Income tax expense			
Current tax	33	(47,746,716)	(34,869,149)
Deferred tax	17	<u>17,244,588</u>	<u>18,074,327</u>
Profit/(loss) after tax for the period		<u>(30,502,128)</u>	<u>(16,794,822)</u>
		<u>(25,379,618)</u>	<u>46,246,332</u>
Other comprehensive income		-	-
Total comprehensive income for the period		<u>(25,379,618)</u>	<u>46,246,332</u>
Profit/(loss) attributable to:			
Equity holders of the company		(25,379,618)	46,246,326
Non-controlling interests		-	6
Profit/(loss) after tax for the period		<u>(25,379,618)</u>	<u>46,246,332</u>
Basic earnings per share (Par value TK 10)	40	(0.06)	0.11

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, 29 April 2025

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

Attributable to owners of the Company

	Share capital Taka	Share Premium Taka	Retained earnings Taka	Total Taka	Non-controlling interests Taka	Total equity Taka
(Note - 14)	(Note - 15)	(Note - 16)				
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	-	-	46,246,326	46,246,326	6	46,246,332
Transactions with the shareholders:						
Cash dividend (2023)	-	-	(427,968,701)	(427,968,701)	-	(427,968,701)
Balance as at 31 March 2024	4,279,687,010	1,473,647,979	1,692,514,290	7,445,849,279	1,383	7,445,850,662
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	-	-	(25,379,618)	(25,379,618)	-	(25,379,618)
Prior year adjustment	-	-	1,393	1,393	(1,393)	-
Transactions with the shareholders:						
Cash dividend (2024)	-	-	(427,968,701)	(427,968,701)	-	(427,968,701)
Balance as at 31 March 2025	4,279,687,010	1,473,647,979	1,165,589,935	6,918,924,924	-	6,918,924,924

The accompanying notes are an integral part of these financial statements

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

	<u>31 Mar 2025</u>	<u>31 Mar 2024</u>
	<u>Taka</u>	<u>Taka</u>
Cash flows from operating activities		
Cash receipts from customers	1,652,898,497	1,713,919,673
Cash payments to suppliers and employees	(1,668,370,107)	(1,324,668,693)
Cash generated from operating activities	<u>(15,471,610)</u>	<u>389,250,980</u>
Interest received from bank deposits	550,249	763,516
Income tax paid (note - 12)	(49,273,327)	(35,358,069)
Net cash (used in)/from operating activities (note-43)	<u>(64,194,688)</u>	<u>354,656,427</u>
Cash flows from investing activities		
Acquisition of property, plant and equipment	(55,678,490)	(80,655,568)
Sale of property, plant and equipment (note-5.3)	5,379,500	-
Interest received from FDR	1,717,319	1,525,798
Intangible assets	(1,038,268)	(2,613,511)
Net cash (used in)/from investing activities	<u>(49,619,939)</u>	<u>(81,743,281)</u>
Cash flows from financing activities		
Finance charges	(39,946,839)	(24,113,884)
Avail/(repayment) of term loan	(10,199,909)	79,121,722
Avail/(repayment) of short-term loan	229,981,712	222,941,450
Payment of lease liability	(3,911,611)	(3,270,132)
Dividend paid	(31,170,372)	(31,213,784)
Net cash (used in)/from financing activities	<u>144,752,981</u>	<u>243,465,373</u>
Effect of exchange rate changes in cash and cash equivalents	205,806	(89,609)
Net increase/(decrease) in cash and cash equivalents	<u>31,144,158</u>	<u>516,288,910</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 31 March (Note 13)	<u>455,308,704</u>	<u>1,358,288,247</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 31 March 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 29 April 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 17	Deferred tax liability/Assets
Note 18	Employees benefit payable
Note 20	Lease liability
Note 24	Provision for income tax
Note 28.1	Impairment on trade receivable

2.5 Reporting period

The financial period of the Company covers 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 31 March 2025. The comparative figures cover the period from 1 January 2024 to 31 March 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 give 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 is 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 enhance 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. 36.1 (b).

3.15 IFRS 15 Revenue from Contracts with Customers

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

i. Sales of goods

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

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

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

ii. Rendering of services

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

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

iii. Construction contracts

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

3.16 IFRS 16 Leases

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

General impact of application of IFRS 16 Leases

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

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

Impact of the new definition of a lease

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

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

Impact on Lessee Accounting

Former operating leases

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

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

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

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

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

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

Former finance leases

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

Impact on Lessor Accounting

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

3.17 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 2024.

Deferred tax:

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

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

3.21 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 conform to current period's presentation.

Particulars	C O S T			D E P R E C I A T I O N			Amount in Taka Net book value as at 31 Mar 2025			
	Balance as at 01 Jan 2025	Addition during the period	Sale/disposal transfer during the period	Balance as at 31 Mar 2025	Rate (%)	Balance as at 01 Jan 2025	Charged during the period	Adjustment during the period	Balance as at 31 Mar 2025	
Land	1,249,421,336	-	-	1,249,421,336	5.7	678,935,802	11,498,862	-	690,434,665	1,249,421,336
Factory building	1,136,388,301	25,197,461	-	1,161,585,762	5	293,301,979	8,544,586	-	301,500,797	471,151,096
Office and accommodation building	598,487,167	4,860,196	(46,194,608)	603,347,363	10	5,007,310,085	96,469,568	(42,612,033)	5,061,167,718	1,620,219,660
Plant and machinery	6,524,974,245	202,607,741	(4,879,012)	6,681,387,378	10-20	111,377,467	2,892,392	(4,635,684)	109,434,176	50,016,933
Mobile plant	25,650,501	-	-	254,628,288	1.0	234,314,100	1,678,611	-	235,982,712	18,635,576
Electrical installation	11,798,141	242,830,147	-	97,915,710	10	76,252,317	1,228,709	-	77,481,027	20,434,683
Gas pipeline	86,055,003	11,860,706	-	52,758,131	10-34	42,675,216	1,128,357	-	43,803,573	8,954,558
Furniture and fixtures	52,298,909	459,222	-	66,818,864	10-34	56,688,764	1,747,875	(122,700)	58,313,940	8,504,924
Office equipment	66,050,659	890,505	(122,700)	76,417,128	10-34	17,020,737	591,764	-	17,672,500	1,794,628
Communication equipment	19,417,128	-	-	24,247,320	10-34	16,508,154	950,530	-	17,486,684	6,786,636
Tools and appliances	23,993,385	253,935	-	130,335,890	10	81,871,357	1,932,529	(14,206)	83,799,680	46,546,210
Vehicles	130,108,437	322,075	(94,622)	3,631,012	20	3,631,012	-	-	3,631,012	-
Fire fighting equipment	3,631,012	-	-	10,504,942	10,504,942	6,619,896,990	128,663,883	(47,584,623)	6,700,976,252	3,603,969,038
Total	10,272,333,347	283,900,885	(51,299,542)	10,504,945,290		6,619,896,990	128,663,883	(47,584,623)	6,700,976,252	3,603,969,038

Particulars	C O S T			D E P R E C I A T I O N			Amount in Taka Net book value as at 31 Dec 2024			
	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	
Land*	1,245,765,336	3,656,000	-	1,249,421,336	5.7	633,618,169	45,317,633	-	-	1,249,421,336
Factory building	1,060,536,702	75,851,589	-	1,136,388,301	5	598,487,167	262,408,606	-	293,893,373	457,432,499
Office and accommodation building	547,535,896	50,951,271	-	6,524,974,245	10	4,632,014,362	375,295,723	-	5,007,310,085	305,185,188
Plant and machinery	6,128,916,486	396,057,759	-	138,679,618	10-20	102,907,119	10,172,149	(1,701,801)	111,377,467	1,517,664,160
Mobile plant	138,912,181	1,606,278	(1,838,841)	-	-	-	-	-	-	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	72,152,066	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	8,550,649	(36,521)	56,686,764	9,361,895
Tools and appliances	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
Communication equipment	23,217,260	77,125	-	23,993,385	10-34	12,469,584	4,038,570	-	16,598,154	7,985,231
Vehicles	126,957,651	3,737,386	(586,600)	150,108,437	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	(2,905,745)	10,227,335,347		6,721,040,537	501,511,610	(2,655,157)	6,719,896,990	3,652,438,357

5 Investment Property

31 Mar 2025

Particulars	COST			DEPRECIATION			Net book value as at 31 Mar 2025	
	Balance as at 01 Jan 2025	Addition during the period	Sale/Transfer during the period	Balance as at 31 Mar 2025	Rate	Charged during the period	Adjustment during the period	
Land ¹	500,571,750	-	-	500,571,750	5%	2,436,077	-	500,571,750
Office building ²	4,432,737	-	-	4,432,737	5%	54,720	-	4,378,017
Total	505,004,487	-	-	505,004,487	5%	2,436,077	54,720	502,513,690

31 Dec 2024

Particulars	COST			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 31 Dec 2024	Rate	Charged during the year	Adjustment during the year	
Land ¹	500,571,750	-	-	500,571,750	5%	2,214,159	221,918	4,996,660
Office building ²	4,432,737	-	-	4,432,737	5%	2,214,159	221,918	2,436,077
Total	505,004,487	-	-	505,004,487	5%	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.

	31 Mar 2025	31 Mar 2024
	Taka	Taka
5.1 Depreciation		
Property, plant and equipment (Note 4)	128,663,883	120,613,183
Investment Property (Note 5)	54,720	55,176
	128,718,602	120,668,359
5.2 Allocation of Depreciation		
Cost of sales (Note 26)	117,551,318	109,688,902
Administrative expenses (Note 5.2.1)	8,097,297	8,960,361
Marketing & selling expenses (Note 29)	3,069,987	2,019,096
	128,718,602	120,668,359
5.2.1 Administrative Depreciation		
Depreciation on property, plant & equipment (Note 28)	8,042,578	8,905,185
Depreciation on investment property (Note 28)	54,720	55,176
	8,097,297	8,960,361

5.3 Disposal of property, plant and equipment

31 Mar 2025

Particulars	Original cost	Accumulated depreciation	Book value	Receipt against sales/insurance	Profit/(loss) on disposal	
					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	-	-	-	
Vehicles	94,622	14,206	80,416	88,000	7,584	
Total	51,290,942	47,584,623	3,706,319	5,379,500	1,673,181	

31 Mar 2024

Particulars	Original cost	Accumulated depreciation	Book value	Receipt against sales/insurance	Profit/(loss) on disposal	
					Taka	Taka
Office equipment	-	-	-	-	-	
Furniture & fixture	-	-	-	-	-	
Plant and machinery	-	-	-	-	-	
Vehicles	-	-	-	-	-	
Total	-	-	-	-	-	

6 Right-of-use assets

31 Mar 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 31 Mar 2025	Balance as at 01 Jan 2025	Charged during the period	Adjustment during the Period	Balance as at 31 Mar 2025	Net book value as at 31 Mar 2025
Display center	89,766,706	13,058,042	(11,271,397)	91,565,350	31,968,420	4,368,485	(11,271,397)	25,065,508	66,499,843
Accommodation building	2,351,946	-	-	2,351,946	836,328	244,215	-	1,080,543	1,271,403
Warehouse	28,687,412	-	-	28,687,412	8,128,100	1,434,371	-	9,562,471	19,124,941
Office Building	6,517,391	-	-	6,517,391	1,629,348	325,870	-	1,955,238	4,562,173
Total	127,325,455	13,068,042	(11,271,397)	129,122,100	42,562,196	6,372,940	(11,271,397)	37,663,740	91,458,360

31 Dec 2024

Particulars	COST			DEPRECIATION			Amount in Taka		
	Balance as at 01 Jan 2024	Addition during the year	Sale/disposal during the year	Balance as at 31 Dec 2024	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
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	29,358,896	21,156,020	(7,952,720)	42,562,196	84,753,259

6.1 Allocation of depreciation

	31 Mar 2025	31 Mar 2024
Administrative expenses (Note 28)	570,085	521,382
Marketing & Selling expenses (Note 29)	5,802,855	4,526,378
	6,372,940	5,047,761

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

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

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

31 Mar 2025

Particulars	COST			AMORTIZATION			Net book value as at 31 Mar 2025
	Balance as at 01 Jan 2025	Addition during the period	Sale/disposal during the period	Balance as at 31 Mar 2025	Amortized during the period	Adjustment during the period	
License	44,150,049	355,768	(6,356,465)	38,149,352	35,408,486	1,559,523	7,569,714
Computer Software	13,361,680	682,500	-	14,044,180	12,194,709	153,337	1,664,228
Total	57,511,729	1,038,268	(6,356,465)	52,193,532	47,603,195	1,712,860	9,233,942

31 Dec 2024

Particulars	COST			AMORTIZATION			Net book value as at 31 Dec 2024
	Balance as at 01 Jan 2024	Addition during the year	Sale/disposal during the year	Balance as at 31 Dec 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
Computer Software	12,514,380	847,300	-	13,361,680	11,830,602	364,107	12,194,709
Total	43,552,293	13,959,436	-	57,511,729	39,433,341	8,169,854	47,603,495
							9,905,534

	<u>31 Mar 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)	<u>45,888,257</u>	<u>407,114,026</u>
	316,168,379	762,564,267
Less: Transfer to property, plant & equipment during the period (note 8.2)	274,110,652	492,284,146
Balance as at 31 March	<u>42,057,727</u>	<u>270,280,122</u>
8.1 Addition during the period		
Building	13,638,688	57,436,303
Plant & machinery	27,358,968	330,502,547
Others	4,890,601	19,175,176
	<u>45,888,257</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	25,197,460	73,368,203
Plant & machinery	225,056,015	371,169,587
Tools and appliances	-	140,274
Gas pipe line	9,665,973	-
Others	-	31,670
	<u>274,110,652</u>	<u>492,284,146</u>
9 Inventories		
Raw materials	1,081,727,921	1,048,787,830
Less : Provision for slow moving & obsolete inventories	<u>57,623,554</u>	<u>41,734,296</u>
	1,024,104,367	1,007,053,534
Stores and consumables spares and packing	1,059,447,404	1,060,409,506
Less: Write off for stores and spares	5,224,326	10,715,325
Less: Provision for slow moving & obsolete inventories (Packing)	595,137	625,854
	1,053,627,941	1,049,068,327
Finished goods (net of net realizable value adjustment) *	1,431,864,347	1,024,820,406
Less : Provision for slow moving & obsolete inventories	<u>28,330,352</u>	<u>26,671,277</u>
	1,403,533,995	998,149,129
Work-in-process	202,442,562	182,145,428
Goods-in-transit	249,031,773	197,465,075
	<u>3,932,740,638</u>	<u>3,433,881,493</u>

*Finished goods exclude provision of net realizable value BDT. 28,218,341.

	<u>31 Mar 2025</u>	<u>31 Dec 2024</u>
	<u>Taka</u>	<u>Taka</u>
10 Trade and other receivables		
Trade receivables (Note 10.1)	2,575,030,398	2,758,904,924
	<u>2,575,030,398</u>	<u>2,758,904,924</u>
Accrued Interest (Note 10.2)	1,286,488	793,669
Other receivable	-	28,667
	2,576,316,886	2,759,727,260
10.1 Trade receivables		
Receivables from local sales	2,593,537,532	2,746,646,498
Receivables from export sales	9,578,496	31,430,475
	<u>2,603,116,028</u>	<u>2,778,076,973</u>
Less: Provision of impairment loss on trade receivable:		
Unrelated parties	18,335,502	10,928,124
Related parties	9,750,127	8,243,925
	2,575,030,399	2,758,904,924
10.2 Accrued interest		
Interest accrued on Fixed Deposit Receipt	843,418	793,669
Interest accrued on Special Notice Deposit	443,070	-
	1,286,488	793,669
11 Advance, deposit and prepayments		
Advances:		
Employees	436,825	305,500
Purchase of land and others	8,242,117	4,134,422
Suppliers against materials and services	101,437,964	106,121,769
	<u>110,116,906</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 (Note-11.1)	2,097,963	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	2,838,900	2,826,000
Other deposits	1,553,226	1,494,626
	<u>210,364,539</u>	<u>208,528,314</u>
Prepayments:		
Showroom, warehouse and office rent	-	58,600
Insurance and others	8,741,859	8,134,237
	<u>8,741,859</u>	<u>8,192,837</u>
	329,223,304	327,282,842

	<u>31 Mar 2025</u>	<u>31 Dec 2024</u>
	<u>Taka</u>	<u>Taka</u>
11.1 Supplementary duty & VAT		
Balance as at 1 January	2,147,385	2,030,039
Add: Treasury deposit for SD & VAT purpose	5,158,741	16,002,773
	<u>7,306,126</u>	<u>18,032,813</u>
Less: SD & VAT on sales	5,208,163	15,885,428
Balance as at 31 March	2,097,963	2,147,385

The above amount represents RAK Security and Services (Pvt) Ltd.

12 Advance Income Tax

Balance as at 1 January	4,380,962,858	4,206,879,792
Add: Paid during the period	49,273,327	208,034,130
Less: Adjustment during the period	(43,879,694)	(33,951,065)
Balance as at 31 March (Note - 12.1)	4,386,356,491	4,380,962,857

12.1 Payment for the year

<u>Income year</u>		
Current period	45,492,617	
Year 2024	141,455,566	139,455,566
Year 2023	216,980,571	216,980,571
Year 2022	243,147,159	243,147,159
Year 2021	255,101,581	255,101,581
Year 2020	117,036,220	117,036,220
Year 2019	280,875,748	280,875,748
Year 2018	272,539,299	314,638,282
Year 2017	344,518,556	344,518,556
Year 2016	291,375,845	291,375,845
Year 2015	187,848,070	187,848,070
Year 2014	253,701,667	253,701,667
Year 2013	389,651,054	389,651,054
Year 2012	301,027,378	301,027,378
Year 2011	328,701,317	328,701,317
Year 2010	265,532,626	265,532,626
Year 2009	218,091,876	218,091,876
Year 2008	85,378,847	85,378,847
Year 2007	124,813,161	124,813,161
Year 2006	23,087,333	23,087,333
	4,386,356,491	4,380,962,857

	<u>31 Mar 2025</u>	<u>31 Dec 2024</u>
	Taka	Taka
13 Cash and cash equivalents		
Cash in hand	9,434,436	4,277,517
Cash at banks		
Standard Chartered Bank (current account - 01-6162940-01, 01-3767272-01 - BDT)	60,903	61,398
BRAC Bank Ltd. (current account - 1530201731248001 - BDT)	6,681,928	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)	738,110	3,275,522
Standard Chartered Bank (ERQ - 42-6162940-01 - USD)	2,297,428	2,593,768
Standard Chartered Bank (Margin money account)	1,968,575	1,968,575
Midland Bank Ltd. (Margin money account)	2,197,036	4,776,108
United Commercial Bank Ltd. (SND account - 0831301000000164 BDT)	2,561,633	8,772,253
Al Arafa Islami Bank Ltd. (SND account - 0171220002646 - BDT)	799,346	752,779
South East Bank Ltd. (Current account - 11100008546 - BDT)	1,154,407	2,770,037
Al Arafa Islami Bank Ltd. (Margin money account - BDT)	16,524,000	
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)	71,442,840	8,155,175
Pubali Bank Ltd. (CD account 4709901003543, 4709901003539 - BDT)	108,846	108,846
Prime Bank Ltd. (SND - 2125316004690 - BDT)	1,248,627	1,667,155
Janata Bank Ltd. (SND 0100258556318 - BDT)	100,484	100,484
Eastern Bank Ltd. (CD account - 1132040363287, 1041060507936 - BDT)	445,472	17,711,823
Dhaka Bank Ltd (SND - 102.150.274- BDT)	19,697,939	119,023,981
Pubali Bank Ltd. (SND account 47091012000483 - BDT)	48,858	48,858
Dhaka Bank Ltd (CD - 20410000019318- BDT))	180,226	180,226
Commercial Bank of Ceylon (SND-2817000777 - BDT.)	72,570	6,258,295
Commercial Bank of Ceylon (ERQ-1806012366 - USD.)	3,420,129	927,803
Meghna Bank Ltd. (SND 1112-1350000004 - BDT)	239,226	239,226
Midland Bank Ltd. (SND 0006-1070000015, 0006-1060000043 - BDT)	40,971,033	35,740,330
Eastern Bank Ltd. (SND account - 1041360507944 - BDT)	33,746,229	98,105
Eastern Bank Ltd. (Margin Money account)	6,265,441	6,278,069
Commercial Bank of Ceylon (Margin Money account)	3,312,380	7,762,026
South East Bank Ltd. (Margin Money account)	793,040	
	216,531,786	310,510,557
IPO bank account		
Citibank N.A. (RAK-IPO Central Account - G010001200262022 - BDT)	1,691,046	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
	5,890,752	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	172,961	173,686
SCB (SND - 02-6162940-03- BDT) - 2013	318,284	319,009
SCB (SND - 02-6162940-05- BDT) - 2015	37,603	38,178
SCB (SND - 02-6162940-06- BDT) - 2016	4,299	4,874
SCB (SND - 02-6162940-09- BDT) - 2019	-	57
SCB (SND - 02-6162940-10- BDT) - 2020	346,320	349,895
SCB (SND - 02-6162940-11- BDT) - 2021	2,959,442	2,963,017
MDB (SND - 0006-1090000460 - BDT) - 2022	5,255,513	5,261,003
MDB (SND - 0006-1090000504 - BDT) - 2023	3,311,712	3,326,714
MDB (SND - 0006-1090000504 - BDT) - 2024	120,000,000	
	136,313,925	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
Commercial bank of Ceylon	5,000,000	5,000,000
	87,137,805	87,137,805
	455,308,704	424,164,546

	<u>31 Mar 2025</u>	<u>31 Dec 2024</u>
	Taka	Taka
14 Share Capital		
Authorised :		
600,000,000 ordinary shares of Taka 10/- each	<u>6,000,000,000</u>	<u>6,000,000,000</u>
Issued, subscribed, called and paid up :		
427,968,701 ordinary shares of Taka 10/- each	<u>4,279,687,010</u>	<u>4,279,687,010</u>
Percentage of shareholdings :		
	2025	2024
	%	%
RAK Ceramics PJSC, UAE	68.13	68.13
S.A.K. Ekramuzzaman	3.95	3.95
Other Sponsors	0.00	0.00
General Public	27.92	27.92
	<u>100.00</u>	<u>100.00</u>
	<u>4,279,687,010</u>	<u>4,279,687,010</u>

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

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

Classification of shareholders by holding

Shareholders' range	Number of shareholders		Number of shares	
	2025	2024	2025	2024
01-499 shares	15,393	15,534	3,566,250	3,617,179
500 to 5,000 shares	7,322	7,528	12,075,912	12,435,234
5001 to 10,000 shares	896	899	6,691,885	6,743,697
10,001 to 20,000 shares	454	455	6,491,243	6,499,873
20,001 to 30,000 shares	148	150	3,750,899	3,776,294
30,001 to 40,000 shares	68	77	2,439,191	2,760,938
40,001 to 50,000 shares	55	56	2,586,654	2,607,371
50,001 to 100,000 shares	95	93	6,805,459	6,836,451
100,001 to 1,000,000 shares	88	90	26,835,432	27,164,133
1,000,001 to 1,000,000,000 Shares	15	14	356,725,776	355,527,531
	<u>24,534</u>	<u>24,896</u>	<u>427,968,701</u>	<u>427,968,701</u>

15 Share premium

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

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

16 Retained earnings (Reserve and surplus)

Balance as on 1 January	1,618,936,861	2,074,236,665
Add : Profit/(loss) during the period	(25,379,618)	(27,331,103)
Add : Adjustment for NCI	1,393	
Less: Dividend declared during the period	(427,968,701)	(427,968,701)
Balance as on 31 March	<u>1,165,589,935</u>	<u>1,618,936,861</u>

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

	31 Mar 2025 Taka	31 Dec 2024 Taka
17 Deferred tax liabilities/(Assets)		
Balance as at 1 January	(15,529,147)	49,340,667
Less : Deferred tax (income)/expenses	(17,244,588)	(64,869,834)
Balance as at 31 March	<u>(32,773,735)</u>	<u>(15,529,147)</u>

	Carrying amount on the date of statement of financial position	Tax base	Taxable/ (deductible) temporary difference
	Taka	Taka	Taka
As at 31 March 2025			
Property, plant and equipment (Excluding land and others)	2,532,713,224	2,555,694,337	(23,191,113)
Trade receivable	2,588,190,589	2,614,484,618	(28,095,629)
Inventories	3,850,213,505	3,974,980,889	(114,767,384)
Right of use assets	91,458,380	-	91,458,380
Lease liability	(73,503,124)	-	(73,503,124)
Net taxable temporary difference			<u>(148,078,890)</u>
Deferred tax liability (applying applicable tax rate for individual company)			<u>(32,773,735)</u>
As at 31 December 2024			
Property, plant and equipment (Excluding land and others)	2,379,206,716	2,334,508,148	44,698,558
Trade receivable	2,769,320,292	2,788,492,341	(19,172,049)
Inventories	3,358,776,652	3,460,742,535	(108,965,683)
Right of use assets	84,763,261	-	84,763,261
Lease liability	(71,820,447)	-	(71,820,447)
Net taxable temporary difference			<u>(71,696,351)</u>
Deferred tax liability (applying applicable tax rate for individual company)			<u>(15,529,147)</u>

18 Employees' benefits payable

	31 Mar 2025	
	Provident fund Taka	Gratuity fund Taka
	Total Taka	
Balance as at 1 January		
Add: Provision made during the period	22,595,937	8,507,840
	<u>22,595,937</u>	<u>8,507,840</u>
Less: Payments made to fund during the period	457,674	505,539
	<u>457,674</u>	<u>505,539</u>
Balance as at 31 March	<u>22,138,263</u>	<u>8,802,301</u>
	31 Dec 2024	
	Provident fund Taka	Gratuity fund Taka
	Total Taka	
Balance as at 1 January		
Add: Provision made during the year	85,037,165	32,103,063
	<u>85,037,165</u>	<u>32,103,063</u>
Less: Payments made to fund during the year	85,037,165	32,103,063
Balance as at 31 December	<u>-</u>	<u>-</u>

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

19 Borrowings

	31 Mar 2025				
	< 1 year	1-2 years	2-5 years	> 5 years	Total
Bank overdrafts	146,217,697	-	-	-	146,217,697
Short-term borrowings	1,049,702,985	-	-	-	1,049,702,985
Term loan	116,708,709	129,559,952	283,582,335	20,146,656	549,298,652
	<u>1,313,620,301</u>	<u>129,559,952</u>	<u>283,582,335</u>	<u>20,146,656</u>	<u>1,745,919,334</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>1,077,402,674</u>	<u>124,803,433</u>	<u>297,143,116</u>	<u>26,728,311</u>	<u>1,526,137,532</u>

19.2 Facilities details (funded)

Bank	Name of facilities	Limit	Utilisation	Maturity	Repayment	Security - STL	Security - LTL
SCB	Overdraft	50,000,000	50,879,012	Revolving	From company's own source	1) Corporate guarantee;	1) Specific charge over machinery and equipment of RAK Ceramics (BD) Ltd.
	Short term loan	500,000,000	792,254,152	180/360 days from B/L date		2) Hypothecation over stock & book debts on a pari - passu basis with other lenders.	Following are relating to RAK Power Pvt. Ltd. 1. Mortgage of 5 bigha land; 2. Lien of Term Deposit of 100 MN 3. Charge over fixed & floating assets;
Midland Bank PLC	Overdraft	50,000,000	46,000,000	Revolving	From company's own source	3) Demand promissory note.	4. Corporate guarantees from RAK Ceramics BD Ltd.
	Short term loan	500,000,000	377,990,981	180/360 days from B/L date			5. A signed cheque covering total facility
Eastern Bank PLC	Long term loan*	419,200,000	392,958,452	5 years with 1 year moratorium year			
	Overdraft	30,000,000	25,000,000	Revolving	From company's own source		
	Short term loan	450,000,000	146,770,696	180/360 days from B/L date			
Dutch Bangla Bank PLC	Overdraft	25,000,000	-	Revolving	From company's own source		
	Short term loan	90,000,000	-	180/360 days from B/L date			
Commercial Bank of Ceylon	Overdraft	35,000,000	24,338,685	Revolving	From company's own source		
	Short term loan	550,000,000	232,687,155	180/360 days from B/L date			
Al Arafa Islamic Bank PLC	Overdraft	-	-	Revolving	From company's own source		
	Short term loan	15,000,000	-	180/360 days from B/L date			
	Long term loan*	362,900,000	157,000,000	6 years with 1 year moratorium year			

* The long term loan facility was approved in Board of Directors meetings dated July 20, 2022 to be utilized for the BMRE project of tiles plant in relating 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.

		31 Mar 2025	31 Dec 2024
		Taka	Taka
20 Lease liability			
Non-current:			
Lease liability			
Less : Current portion of lease liability			
73,503,126			
16,849,041			
56,654,085			
56,419,623			
Currents			
Current portion of lease liability			
16,849,041			
(5,400,824)			
31 March 2025			
Lease liability schedule			
Particulars	Balance as on 01 January 2025	Addition/(deletion)	Payment
Display center	42,306,245	5,594,292	3,465,354
Accommodation Building	1,586,306	-	257,368
Warehouse	22,844,469	-	1,657,368
Office Building	5,083,434	-	378,947
	71,820,447	5,594,292	5,800,038
			Interest expenses
			Decrease in lease liability
			Balance as on 31 March 2025
Display center	42,306,245	5,594,292	3,183,130
Accommodation Building	1,586,306	-	231,416
Warehouse	22,844,469	-	1,119,429
Office Building	5,083,434	-	121,797
	71,820,447	5,594,292	3,911,611
			73,503,126

31 December 2024

Lease liability schedule

Particulars	Balance as on 01 January 2024	Addition/(deletion)	Payment	Interest expenses	Decrease in lease liability	Balance as on 31 December 2024
Display center	22,162,043	27,559,038	9,814,809	2,399,974	7,414,835	42,306,245
Accommodation Building	829,670	1,592,894	952,684	117,120	836,264	1,586,306
Warehouse	28,821,851	(1,779,038)	6,669,474	2,460,331	4,209,142	22,844,469
Office Building	6,050,240	-	1,515,758	540,882	966,007	5,083,434
	57,874,704	27,372,892	18,953,758	5,526,607	13,427,149	71,820,447

21 Trade and other payables

Trade payables

Payable to local suppliers	253,316,085	238,996,760
Payable to foreign suppliers	447,540,313	354,162,578
Payable to service provider	186,402,590	182,793,201
Payable to C & F agent	61,276,935	70,814,353
	943,535,925	846,769,022

Other payables

Tax deducted at source	47,810,522	32,885,995
Tax deducted at source on remuneration (Note-23.1)	-	280,076
VAT deducted at source	8,139,205	8,857,687
VAT and Supplementary duty payable (Note-21.1)	142,801,439	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	30,311,317	36,661,648
Security deposit payable	1,617,592	1,617,592
Payable to employees	4,558,756	2,826,974
Provisional liabilities - material & services	93,737,005	52,473,855
	889,176,555	886,159,162
	1,812,712,478	1,732,857,184

31 December 2024

Lease liability schedule

Particulars	Balance as on 01 January 2024	Addition/(deletion)	Payment	Interest expenses	Decrease in lease liability	Balance as on 31 December 2024
Display center	22,162,043	27,559,038	9,814,809	2,399,974	7,414,835	42,306,245
Accommodation Building	829,670	1,592,894	952,684	117,120	836,264	1,586,306
Warehouse	28,821,851	(1,779,038)	6,669,474	2,460,331	4,209,142	22,844,469
Office Building	6,050,240	-	1,515,758	540,882	966,007	5,083,434
	57,874,704	27,372,892	18,953,758	5,526,607	13,427,149	71,820,447

21.1 VAT and Supplementary duty (SD) payable

Opening Balance	211,175,613	122,145,071
Add: VAT and Supplementary duty on sales	491,931,315	2,258,606,703
Other payable	293,630	625,533
	703,400,368	2,381,377,307
Less: Treasury deposit for SD & VAT purpose	306,682,878	1,360,363,432
Rebate of Input VAT	252,916,251	809,839,260
	559,599,128	2,190,201,691
Balance as at 31 December	143,801,437	211,175,615

22 Unclaimed Dividend Payable

Year	Dividend declared	TDS on dividend	Net dividend	Dividend distributed till 31 Mar 2025	Fund Transferred to CMSF	Undistributed fund (BDT) as on 31 Mar 2025
2010	345,110,250	60,198,297	284,911,953	274,257,528	10,654,423	-
2011	379,621,275	65,382,545	314,238,730	306,555,331	7,673,399	-
2012	417,583,403	27,344,749	390,238,653	306,535,373	3,703,280	-
2013	459,341,744	30,693,245	428,648,498	426,103,468	2,540,990	-
2014	842,126,528	60,654,685	781,471,063	776,464,072	5,007,791	-
2015	842,126,528	61,659,449	780,467,078	776,723,479	3,693,599	-
2016	673,701,222	46,745,085	626,956,133	620,752,983	4,203,250	-
2017	353,693,141	27,276,252	326,416,889	324,757,456	1,659,433	-
2018	385,062,456	29,888,003	359,173,553	357,227,075	1,946,778	-
2019	641,953,052	49,029,624	592,923,428	588,305,450	4,617,978	-
2020	427,968,701	32,747,652	395,221,049	392,713,129	2,507,921	-
2021	534,960,876	38,123,334	495,837,543	492,915,890	-	2,917,653
2022	427,968,701	34,985,753	393,002,948	380,635,248	-	2,367,700
2023	427,968,701	31,206,614	396,761,887	393,991,390	-	2,770,497
2024	427,968,701	31,149,880	396,818,821	-	-	396,818,821
	7,591,155,279	630,066,251	6,961,080,027	6,588,006,712	46,207,644	404,874,671

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	60,158,297	284,911,953	274,257,528	10,654,425	-
2011	379,621,275	65,382,545	314,238,730	306,555,331	7,673,399	-
2012	417,583,403	27,344,749	390,238,653	386,535,373	3,703,280	-
2013	459,341,744	36,693,245	428,648,499	426,108,408	2,540,090	-
2014	842,126,528	60,654,665	781,471,863	776,454,072	5,007,791	-
2015	842,126,528	61,659,449	780,467,078	776,773,479	3,693,399	-
2016	673,701,222	48,745,089	624,958,133	620,752,883	4,203,230	-
2017	353,693,141	27,276,252	326,416,869	324,757,456	1,659,413	-
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	588,305,450	4,617,978	-
2020	427,960,701	37,747,652	395,221,049	392,713,129	2,507,921	-
2021	534,950,876	39,123,334	495,837,543	492,919,890	-	2,917,653
2022	427,960,701	34,965,753	393,002,948	390,629,758	-	2,373,190
2023	427,960,701	31,205,814	396,761,887	393,976,380	-	3,705,499
	7,103,186,578	598,915,371	6,564,270,206	6,507,986,220	48,207,644	8,076,342

	31 Mar 2025	31 Dec 2024
	Taka	Taka
23 Accrued expenses		
Power and gas	103,763,316	124,792,677
Staff cost	145,319,404	109,451,121
Dealer's incentive and bonus	175,323	175,323
Audit fees	543,750	1,655,000
Professional charges	1,403,500	625,000
Interest on loans	45,204,725	33,206,126
Telephone	671,895	622,957
Freight bill	4,732,710	6,612,486
Business promotion and advertisement	-	4,000,000
Managing Director's remuneration (Note 23.1)	664,228	664,228
Worker's profit participation and welfare fund (Note 23.2)	2,018,716	1,910,053
Others	45,175,591	46,689,172
	352,952,160	331,183,843

23.1 Managing Director's remuneration

Balance as at 1 January	664,228	10,937,048
Add: Payable to Managing Director for the period (Note 28)	-	1,132,304
	664,228	20,089,352
* Less: Tax deducted at source during the period (Note 21)	-	280,776
Less: Paid to Managing Director during the period	-	10,937,048
Balance as at 31 March	664,228	664,228

23.2 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	109,661	1,910,053
	2,099,714	42,601,009
Less: Payment made from the fund during the period	80,998	40,690,956
Balance as at 31 March	2,018,716	1,910,053

24 Provision for Income Tax

Balance as at 1 January	4,819,058,236	4,739,190,648
Add: Provision made during the period	47,746,716	144,770,598
	4,866,804,952	4,883,981,246
Less: Adjustment for completed assessment	(43,797,694)	(34,503,010)
Balance as at 31 March (Note 24.1)	4,822,925,258	4,819,058,236

24.1 Provision for Income Tax

Income year	47,746,716	144,770,598
Current period		
Year 2024	144,770,598	144,770,598
Year 2023	258,470,104	258,470,104
Year 2022	249,833,799	249,833,799
Year 2021	280,643,681	280,643,681
Year 2020	122,316,309	122,316,309
Year 2019	294,656,163	296,420,303
Year 2018	274,230,112	316,355,666
Year 2017	346,089,883	346,089,883
Year 2016	302,798,649	302,798,649
Year 2015	323,397,728	323,397,728
Year 2014	339,893,487	339,893,487
Year 2013	382,336,381	382,336,381
Year 2012	305,056,869	305,056,869
Year 2011	326,685,215	326,685,215
Year 2010	349,879,113	349,879,113
Year 2009	268,828,984	268,828,984
Year 2008	147,117,914	147,117,914
Year 2007	80,163,573	80,163,573
	4,822,925,258	4,819,058,236

	31 Mar 2025 Taka	31 Mar 2024 Taka
25 Sales		
Gross sales from Ceramics product	2,031,380,678	2,468,691,258
Gross sales from Power generation	149,041,832	145,410,807
Gross sales from Security service	40,774,372	31,043,051
Less: Elimination	2,221,196,882	2,645,145,116
Supplementary Duty	143,479,326	140,129,518
VAT	207,911,772	248,973,178
Discount	289,521,344	341,263,755
Commission, Incentive and bonus	-	7,040,440
Net sales	111,289,137	137,042,339
	1,468,995,303	1,770,695,886

26 Cost of sales

Materials consumed:		
Opening Inventory as at 1 January	1,007,053,534	1,106,113,719
Add: Purchase during the period	809,462,006	623,403,056
Less: Closing Inventory as at 31 March	1,816,515,540	1,729,515,776
	1,024,104,367	984,491,004
	792,411,173	745,025,771
Manufacturing overhead:		
Direct labour (note 26.1)	193,286,125	201,840,122
Direct expenses:		
Power and gas	238,601,435	192,126,895
Repairs and Indirect materials (note 26.2)	203,218,208	198,172,617
Depreciation on property, plant & equipment (note 5.2)	117,551,318	109,688,902
Royalty and technical know-how/assistance fees *	-	4,776,130
Other production overhead (note 26.3)	13,386,058	10,231,938
Provision for slow moving & obsolete Inventories (note 9)	17,517,617	514,930
Movement In stock	(407,872,038)	(71,810,534)
	1,168,099,896	1,390,566,770

26.1 Direct labour

Salary & wages	141,880,561	143,995,163
Overtime	6,554,079	7,809,525
Bonus	20,347,766	20,399,683
Incentive	135,978	135,977
Temporary labour wages	5,105,862	14,229,724
Staff uniform, safety and welfare expenses	2,106,889	303,717
Gratuity	5,718,257	5,916,488
Employer's contribution to provident fund	7,522,844	7,799,780
Leave encashment	961,971	988,298
Group life insurance	1,032,561	(363,212)
Canteen and conveyance expenses	1,585,708	-
Compensation	333,649	624,979
	193,286,125	201,840,122

26.2 Repairs and Indirect materials

Stores, spares, repair & maintenance	108,513,452	109,691,627
Packing expenses	94,704,756	88,480,990
	203,218,208	198,172,617

26.3 Other production overhead

Tour and travel expenses	474,544	646,683
Demurrage and penalty	74,164	134,341
Insurance	5,265,215	6,145,948
Hiring charges and transportation	1,580,066	-
Write off for stores and spares	5,224,326	3,146,397
Other expenses	767,643	158,569
	13,386,058	10,231,938

*Royalty has been calculated 8% on business profit as per Finance Act 2020.

27 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

	31 Mar 2025 Taka	31 Mar 2024 Taka
28 Administrative expenses		
Staff cost (note 28.2)	56,988,919	60,974,037
Annual General Meeting expenses	2,052,007	2,253,476
Telephone and postage	1,947,004	1,913,800
Office repair and maintenance (note 28.3)	1,355,678	3,902,563
Registration and renewal	215,887	583,351
Security and guard expenses	-	40,850
Electricity, gas and water	1,720,933	1,327,762
Depreciation on property, plant & equipment (note 5.2.1)	8,042,578	8,905,185
Depreciation on investment property (note 5.2.1)	54,720	55,176
Depreciation on right of use assets (note 6.1)	570,085	521,382
Amortization (note 7)	1,712,860	3,159,914
Legal and professional fees	2,644,155	4,974,589
Vehicle repair and maintenance	4,689,389	4,963,234
Rent, rate and tax	1,909,405	2,208,470
IT expenses	1,144,958	876,442
General Service	1,907,447	1,605,602
Donation	346,572	659,119
Managing Director's remuneration (note 28.4)	-	1,908,231
Others	4,946,691	4,410,016
	92,249,285	105,273,199
28.1 Impairment loss on trade receivables		
Unrelated parties	7,407,378	2,262,628
Related parties	1,506,202	(332,816)
	8,913,580	1,929,812
New classification of financial assets shown in note 36.1(b) as per IFRS 9.		
28.2 Staff cost		
Salary & wages	39,885,557	41,641,737
Bonus	6,079,828	8,064,773
Incentive	64,182	64,182
Gratuity	1,671,325	1,732,383
Employer's contribution to provident fund	2,259,142	2,336,195
Leave encashment	310,900	316,030
Group life Insurance	225,146	102,598
Canteen and conveyance expenses	5,730,532	5,046,054
Staff uniform, safety and welfare expenses	299,822	474,424
Travelling expenses	292,532	771,140
Compensation	-	52,721
Medical expenses	57,856	230,390
Accommodation expenses	112,097	141,410
	56,988,919	60,974,037
Accommodation expenses and Rent, rates and taxes include rent expenses for short term lease for BDT. 514,535 and related government levies wherever applicable. Details of the short term lease is shown in note 35. No low value item exists at the reporting period.		
28.3 Office repair & maintenance		
Repairs office equipment	73,040	88,917
Office maintenance	1,282,638	3,813,646
	1,355,678	3,902,563
28.4 Managing Director's remuneration		
Provision made during the period	-	1,908,231
	-	1,908,231
Managing Director's remuneration represents provision made 3% of net profit before tax of RAK Ceramics (Bangladesh) Ltd.		
29 Marketing & selling expenses		
Staff cost (note 29.1)	40,807,310	42,225,195
Advertisement	3,847,512	19,640,719
Freight and transportation	49,032,772	82,687,829
Compensation to customers	2,775,402	2,998,354
Business promotion	11,577,442	16,839,777
Depreciation on property, plant & equipment (note 5.2)	3,069,987	2,019,096
Depreciation on right of use assets (note 6.1)	5,802,856	4,526,378
Showroom, office & house rent	1,668,246	3,462,220
Sample expenses	10,336,046	4,253,123
Tour, travel and others	8,220,348	6,489,164
	137,137,921	185,141,857
29.1 Staff cost		
Salary & wages	25,707,119	23,349,905
Bonus	3,697,383	3,351,627
Incentive	3,371,220	5,087,140
Gratuity	1,118,258	1,022,566
Employer's contribution to provident fund	1,515,982	1,386,078
Leave Encashment	199,651	180,732
Group life Insurance	180,406	18,904
Conveyance & food expenses	5,017,291	5,097,118
Staff uniform, safety and welfare expenses	-	2,731,125
	40,807,310	42,225,195

	31 Mar 2025 Taka	31 Mar 2024 Taka
29.2 Salary & wages under staff cost (note no. 26.1, 28.2 & 29.1) includes employee contribution to provident fund for BDT.7,522,844, BDT. 2,259,142 & BDT. 1,515,982.		
30 Finance income		
Interest on bank account (SND)	550,249	763,516
Interest on fixed deposits	2,210,138	2,276,558
	2,760,387	3,040,074
31 Finance expenses		
Interest expenses against loan	49,063,760	21,406,327
Interest expenses against lease liability	1,888,427	1,336,899
Foreign exchange loss	9,770,579	1,496,356
Bank charges	993,252	546,520
	61,716,018	24,786,102
32 Contribution to worker's profit participation and welfare fund		
Provision made during the period	189,661	3,117,924
	189,661	3,117,924
33 Income tax expenses		
Accounting profit (PBT as per Individual company)	7,122,507	65,041,154
Add: Inadmissible depreciation allowance for separate consideration:		
Accounting Depreciation of Fixed Assets	128,718,603	120,668,359
	135,041,110	185,709,514
Add: Inadmissible expenses / allowances as per ITO, 1984/ITA, 2023:		
Business promotion expenses	949,940	4,140,825
Royalty expenses	-	12,883
Sample expenses	8,029,665	2,204,047
Amortization expenses	1,712,860	3,159,914
Depreciation on Right of Use Assets (ROUA)	6,372,941	5,047,761
Interest on lease liability	1,888,427	1,336,899
Provision for slow moving Inventories	17,517,617	514,930
NRV Provision on Inventories	-	7,670,953
Impairment loss on trade receivable	8,924,646	1,929,812
	45,396,096	26,018,024
	181,237,206	211,727,537
Deduct: Tax base depreciation of Fixed Assets (as per 3rd Schedule of ITO,1984/ITA, 2023):	(58,794,171)	(49,418,260)
Admissible expenses as per ITO,1984/ITA, 2023:		
Rent expenses	(8,293,587)	(9,258,702)
Deduct: Dividend Income	(2,000,000)	(2,000,000)
Taxable profit	112,149,448	151,050,575
Applicable tax rate for Individual company		
On Business income	As per applicable tax rate for individual company	
On Dividend Income	20%	20%
Tax expenses as per applicable tax rate for Individual company :		
Business income	25,722,563	34,469,149
Dividend Income	400,000	400,000
Payments /(adjusted) for prior years	26,122,563	34,869,149
Current Tax Liability based on taxable profit	47,746,716	34,869,149
Current Tax Liability considering minimum tax liability	47,746,716	34,869,149
34 Reconciliation of effective tax rate		
	31 Mar 2025 Taka	31 Mar 2024 Taka
Profit before tax	5,122,510	63,041,154
Current tax expenses	932.10%	55.31%
Deferred tax expenses	-336.64%	-28.67%
Total tax expenses	595.45%	26.64%
	30,502,129	16,794,822
Expected income tax using applicable tax rate for individual company	40.51%	23.67%
Prior year adjustment	691.6%	31.6%
Tax on non-deductible expenses	932.10%	55.31%
Effective current tax	-336.64%	-28.67%
Effective deferred tax	595.45%	26.64%
	30,502,129	16,794,822
35 Short term lease expenses		
Nature of the lease	31 Mar 2025 Taka	31 Mar 2024 Taka
Rented accommodation	Lease term <1 year	Allocation Admin
	Rent Payment	Rent Payment
	514,535	472,415
	514,535	472,415

36 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

36.1 Credit risk

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

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

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

a) Exposure to credit risk

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

	USD		Amounts in Taka	
	As at 31 Mar 2025	As at 31 Dec 2024	As at 31 Mar 2025	As at 31 Dec 2024
Trade receivables				
Customer-Local				
Customer-Export				
	-	-	2,565,451,903	2,727,474,449
	78,835	263,017	9,578,496	31,430,475
	78,835	263,017	2,575,030,398	2,758,904,924
Other receivables				
Accrued Interest				
Others				
			1,266,488	793,669
			-	28,667
			1,286,488	822,336
Cash equivalents				
			445,874,267	419,887,029

b) Impact of IFRS 9

The following table and the accompanying notes below explain the original measurement categories under IFRS 9 for each class of the financial assets as at 31 March 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	1,354,094,670	1,335,759,168	18,335,502
Trade receivable-related	10.1	Amortized cost	1,249,021,357	1,239,271,230	9,750,127
Cash at banks	13	Amortized cost	358,736,463	358,736,463	-

- 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. 8,913,580.
- II Trade receivables that were classified at amortised cost.
- III Cash at banks that were classified at amortised cost.
- IV Impairment loss allowance has not been considered on other receivables and bank balances because business is confident to recover the full amount.

c) Ageing of receivables

The ageing of trade receivables was:

	Amounts In Taka	
	As at 31 Mar 2025	As at 31 Dec 2024
Not past due		
0-90 days past due	1,482,765,513	2,051,942,470
91-180 days past due	1,049,695,177	647,849,919
181-365 days past due	20,547,388	32,640,753
over 365 days past due	12,317,924	7,940,105
	9,704,395	8,531,676
	2,575,030,398	2,758,904,924

36.2 Liquidity risk

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

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

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

	As at 31 Mar 2025			
	Carrying amount	Contractual cash flows	Within 12 months or less	More than 12 months
	Taka	Taka	Taka	Taka
Bank overdraft	146,217,697	146,217,697	146,217,697	-
Trade and other payables	1,812,712,478	1,812,712,478	1,812,712,478	-
Short term borrowing	1,049,702,985	1,049,702,985	1,049,702,985	-
Term loan	549,998,652	549,998,652	116,708,709	433,289,943
	3,558,631,811	3,558,631,811	3,126,341,869	433,289,943

	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	111,521,703	448,674,860
	3,259,094,716	3,259,094,716	2,810,419,858	448,674,860

36.3 Market risk

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

a) Currency risk

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

i) Exposure to currency risk

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

	As at 31 Mar 2025			As at 31 Dec 2024		
	GBP	USD	EURO	GBP	USD	EURO
Foreign currency denominated assets						
Receivable from customers-Export	-	78,835	-	-	-	263,017
Cash at bank	-	47,253	-	-	-	29,593
	-	126,088	-	-	-	292,610

	As at 31 Mar 2025		
	GBP	USD	EURO
Foreign currency denominated liabilities			
Trade payables	305,670	2,875,083	315,192
Short term borrowings	-	2,547,747	11,824
Royalty & Technical Fees	-	4,255,236	-
	305,670	9,676,067	327,017
Net exposure	(305,670)	(9,551,979)	(327,017)

The Company has foreign exchange loss of TK 9,770,579 during the period ended 31 Mar 2025 (31 Mar 2024: Exchange loss Tk 1,496,356).

The following significant exchange rates have been applied:

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)	(8,252,121)	(427,244)

1) Foreign exchange rate sensitivity analysis for foreign currency expenditures	
A strengthening or weakening of the Taka, as indicated below, against the GBP, USD, EURO at 31 Mar would have increased/(decreased) profit or loss by the amounts shown below.	

Exchange rate as at (Average)	
31 Mar 2025	31 Dec 2024
Taka	Taka
32.6740	32.6164
156.6989	150.6845
121.5000	119.5000
130.9017	124.8915

a) Foreign exchange rate sensitivity analysis for foreign currency expenditures

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

	As at 31 Mar 2025		As at 31 Dec 2024	
	Profit or (loss)	Strengthening	Profit or (loss)	Strengthening
	Taka	Taka	Taka	Taka
At 31 December				
GBP (3 percent movement)	(9,454)	8,903	(2,650)	2,505
USD (3 percent movement)	(295,422)	278,213	(255,220)	240,353
EURO (3 percent movement)	(10,114)	9,525	(13,214)	12,444

b) Interest rate risk

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

Profile

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

	Carrying amount	
	As at 31 Mar 2025	As at 31 Dec 2024
	Taka	Taka
Fixed rate Instruments		
Financial assets		
Investment in FDR	87,137,805	87,137,805
Cash at banks	358,736,463	332,749,224
Financial liabilities		
Term loan	549,998,652	560,198,562
Bank overdraft	146,217,697	131,340,131
Short term borrowing	1,049,702,985	834,590,839

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

	As at 31 Mar 2024		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	87,137,805	87,137,805	87,137,805	87,137,805
Loans and receivables				
Trade receivables	2,575,030,398	2,575,030,398	2,758,904,924	2,758,904,924
Other receivables	1,286,488	1,286,488	822,336	822,336
Cash equivalents	445,874,267	445,874,267	419,887,029	419,887,029
Financial liabilities				
Liabilities carried at amortised costs				
Term loan	549,998,652	549,998,652	560,198,562	560,198,562
Bank overdraft	145,217,697	145,217,697	131,348,131	131,348,131
Trade and other payables	1,812,712,478	1,812,712,478	1,732,957,184	1,732,957,184
Short term borrowing	1,049,702,985	1,049,702,985	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:				
			31 Mar 2025	31 Dec 2024
Investment in FDR (local currency/BDT)			5.05%-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%

32 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 2024, 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 analyzes 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.

39 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.

31 Mar 2025

	Business Segments					
	Ceramic & sanitary ware		Power		Security and Services	
	Taka	Taka	Taka	Taka	Taka	Taka
Revenue - external customers	1,447,306,827	-	129,601,593	-	21,688,476	-
Revenue - inter segment	-	129,601,593	-	13,877,733	(143,479,326)	-
Total segment revenue	1,447,306,827	129,601,593		35,566,209	(143,479,326)	1,468,995,303
Cost of sales- external customer	(1,029,051,213)	(117,312,790)	(21,735,894)	-	-	(1,168,099,896)
Cost of sales- inter segment	(129,601,593)	(1,170,029)	-	130,771,622	-	-
Total segment cost of sales	(1,158,652,806)	(118,482,819)	(21,735,894)	130,771,622	(1,168,099,896)	-
Gross profit	288,654,021	11,118,774	13,830,315	7,584	300,895,407	39
Other income	1,665,597	-	-	7,584	-	1,673,181
Dividend income	1,980,000	20,000	-	-	(2,000,000)	-
Rental income	782,610	-	-	-	(782,610)	-
Financial income	2,391,830	346,850	21,708	-	-	2,760,387
Financial expenses	(56,705,231)	(4,933,753)	(77,034)	-	-	(61,716,018)
Depreciation	(120,940,065)	(7,720,828)	(57,710)	-	-	(128,718,603)
Other operating expenses	(122,058,971)	4,962,184	(6,165,374)	13,490,314	-	(109,771,848)
Segment profit before tax	(4,230,209)	3,793,227	7,559,489	-	-	5,122,510
Income tax expense	(44,569,900)	(1,078,806)	(2,098,010)	-	-	(47,746,716)
Deferred tax	17,114,350	124,207	6,031	-	-	17,244,588
Profit/(loss) for the year						(25,379,618)

31 Mar 2024

	Business Segments					
	Ceramic & sanitary ware	Power	Security and services	Inter segment	Entity total	
	Taka	Taka	Taka	Taka	Taka	Taka
Revenue - external customers	1,756,276,577	-	14,419,308	-	1,770,695,886	-
Revenue - inter segment	-	126,444,180	13,685,338	(140,129,518)	-	-
Total segment revenue	1,756,276,577	126,444,180	28,104,646	(140,129,518)	1,770,695,886	-
Cost of sales- external customer	(1,249,696,094)	(121,091,943)	(19,778,733)	-	(1,390,566,771)	-
Cost of sales- inter segment	(126,444,180)	(1,082,606)	-	127,526,786	-	-
Total segment cost of sales	(1,376,140,274)	(122,174,549)	(19,778,733)	127,526,786	(1,390,566,771)	-
Gross profit	380,136,303	4,269,631	8,325,913	-	380,129,116	-
Dividend income	1,980,000	20,000	-	(2,000,000)	-	-
Rental income	782,610	-	-	(782,610)	-	-
Financial income	2,930,843	95,351	13,880	-	3,040,074	-
Financial expenses	(24,626,457)	(67,416)	(92,229)	-	(24,786,102)	-
Depreciation	(115,736,632)	(4,881,265)	(50,462)	-	(120,668,359)	-
Other operating expenses	(185,008,760)	2,343,414	(5,514,428)	13,385,342	(174,794,434)	-
Segment profit before tax	60,578,765	1,779,715	2,682,674	-	63,041,154	-
Income tax expense	(32,528,287)	(1,491,876)	(848,986)	-	(34,869,149)	-
Deferred tax	17,039,108	997,767	37,452	-	18,074,327	-
Profit/(loss) for the year					46,246,332	-

	<u>31 Mar 2025</u>	<u>31 Mar 2024</u>
	<u>Taka</u>	<u>Taka</u>
40 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	(25,379,618)	46,246,326
(b) No. of ordinary equity shares	<u>427,968,701</u>	<u>427,968,701</u>
(c) Weighted average no. of equity shares outstanding (Note 40.1)	<u>427,968,701</u>	<u>427,968,701</u>
Earnings per share (EPS) for the period (a÷c)	(0.06)	0.11
Diluted earnings per share for the period (a÷c)	<u>(0.06)</u>	<u>0.11</u>

40.1 Weighted average number of ordinary shares

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

	<u>31 Mar 2025</u>	<u>31 Mar 2024</u>
Outstanding shares	427,968,701	427,968,701
	<u>427,968,701</u>	<u>427,968,701</u>

40.2 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.

40.3 Reason of deviation of earnings per share:

The sales were decreased by 17.04% from BDT 1,770.70 MN to BDT 1,468.99 MN due to declining of demand in the month of Ramadan. The resulted gross profit slightly dropped to 20.48% from 21.47% due to increasing of raw materials and other manufacturing costs. Finance expenses were also increased due to borrowing from bank to meet up additional requirement of working capital. Therefore, net profit after tax decreased from BDT +46.25 MN to BDT -25.38 MN. All those impacted earning per share decreasing from BDT +0.11 to BDT -0.06.

41 Calculation of Net assets value per share

(a) Net assets value (Note 14, 15 & 16)	6,918,924,924	7,445,849,279
(b) Weighted average no. of equity shares outstanding (Note 40.1)	<u>427,968,701</u>	<u>427,968,701</u>
Net assets value per share (a÷b)	16.17	17.40

42 Calculation of Net operating cash flow per share

(a) Net Cash flows from operating activities (Note 42)	(64,194,688)	354,656,427
(b) Weighted average no. of equity shares outstanding (Note 40.1)	<u>427,968,701</u>	<u>427,968,701</u>
Net operating cash flow per share (a÷b)	(0.15)	0.83

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

Sales were decreased by 17.04% from BDT 1,770.70 MN to BDT 1,468.99 MN as mentioned in the point 40.3. Moreover, the purchases were increased during the period to meet up additional demand of production that led for outflowing of cash more than the cash collected against receivables. Altogether it impacted net operating cash flow per share decreasing from BDT +0.83 to BDT -0.15.

43 Reconciliation of operating cash flow:	<u>31 Mar 2025</u>	<u>31 Mar 2024</u>
Cash flows from operating activities		
Profit before taxation	5,122,510	63,041,154
Adjustment for:		
Depreciation	135,091,542	125,716,117
Amortization	1,712,860	3,159,914
Advance rent adjustment	(7,473,750)	-
Foreign exchange loss	9,770,579	1,496,356
Finance expenses	51,945,439	23,289,746
Finance income	(2,760,387)	(3,040,074)
Other Income	(1,673,181)	(120,858)
	<u>191,735,613</u>	<u>213,542,355</u>
Increase/decrease in trade and other receivables	183,903,193	(56,776,214)
Increase/decrease in Inventories	(498,859,145)	(63,470,703)
Increase/decrease in trade and other payables	<u>107,748,728</u>	<u>295,955,541</u>
Cash generated from operating activities	<u>(15,471,610)</u>	<u>389,250,980</u>
Interest received from bank deposit	550,249	763,516
Income tax paid	(49,273,327)	(35,358,069)
Net cash (used in)/from operating activities	<u>(64,194,688)</u>	<u>354,656,427</u>

44 Contingent liabilities

There are contingent liabilities on account of unresolved disputed corporate tax assessments and VAT claims by the authority aggregating to Tk 425,742,918 (31 Mar 2024: Tk 521,616,382). 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 436,879,518 (31 Mar 2024: Tk 814,665,912) and letter of guarantee of Tk 344,483,833 (31 Mar 2024: Tk 144,009,928).