



annual report 2022

aftab automobiles limited



LETTER OF TRANSMITTAL

Hon'ble Shareholders
Bangladesh Securities and Exchange Commission
Registrar of Joint Stock Companies and Firms, Bangladesh
Dhaka Stock Exchange Limited
Chittagong Stock Exchange Limited

Sub : Annual Report-2022

Dear Sir(s),

Enclosed please find the Annual Report of Aftab Automobiles Limited together with the consolidated Audited Financial Statements comprising of Statement of Financial Position, Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flow for the year ended 30 June 2022 along with notes there on for your kind information.

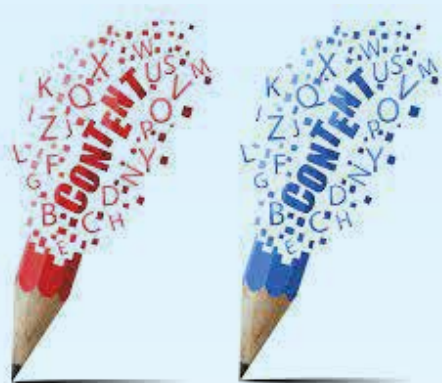
Sincerely yours,

On behalf of Aftab Automobiles Limited



(Md. Mostafizur Rahman)
Company Secretary (Acting)

TABLE OF CONTENTS



Letter of Transmittal	01	Code of Conduct of the Board	33
Corporate Information	03	Dividend Distribution Policy	35
Corporate Chronicles	04	Glimpses of 41st	37
Notice of the 42nd	05	Annual General Meeting	
Annual General Meeting		Independent Auditors Report of	40
Message from the Chairman	06	Aftab Automobiles Limited	
Directors' Report to the Shareholders	08	(AAL) & its Subsidiary	
Pattern of Shareholdings	15	Financial Statements of AAL	47
Highlights of Financial and	16	& its Subsidiary	
key Operating Data		Notes to the Financial Statements	51
Graphical Presentation	17	of AAL & its Subsidiary	
Report on Corporate Governance	18	Independent Auditors Report of Aftab	96
Declaration by Managing Director	21	Automobiles Limited (AAL)	
and Chief Financial Officer		Financial Statements of AAL	102
Certificate of Compliance on the	22	Notes to the Financial	106
Corporate Governance Code		Statements of AAL	
Status of Compliance with the	23	Auditors Report of Navana	151
Corporate Governance Code		Batteries Limited (NBL)	
Audit Committee Report	31	Financial Statements of NBL	154
Nomination and Remuneration	32	Notes to the Financial Statements of NBL	158
Committee		Proxy Form	175



CORPORATE INFORMATION

Board of Director

Chairman

Shafiul Islam

Managing Director

Saiful Islam

Directors

Khaleda Islam

Sajedul Islam

Farhana Islam

Independent Directors

Md. Mustafizur Rahman

Md. Dilwar Hossain Bhuiyan

Company Secretary (Acting)

Md. Mostafizur Rahman

Chief Financial Officer

Mohammed Alamgir Kabir FCA

Head of Internal Audit and Compliance

Abdur Razzak

Plants

a. Vehicle Assembling

Fouzderhat Heavy Industrial Estate

Chattogram

b. Bus-body Fabrication

Coatbari, Dipnagar, Gabtoli

Mirpur, Dhaka

Subsidiary Company

Navana Batteries Limited

Audit Committee

Md. Mustafizur Rahman - Chairperson

Sajedul Islam-Member

Md. Dilwar Hossain Bhuiyan-Member

Nomination and Remuneration Committee

Md. Dilwar Hossain Bhuiyan - Chairperson

Sajedul Islam-Member

Md. Mustafizur Rahman -Member

External Auditors

A. Hoque & Co.

Chartered Accountants

Corporate Governance Compliance Auditors

Ahmed Zaker & Co.

Chartered Accountants

Principal Bankers

Agrani Bank Limited

Bank Asia Limited

Dutch Bangla Bank Limited

IFIC Bank Limited

NRB Commercial Bank Limited

One Bank Limited

Sonali Bank Limited

Registered Office

125/A, Motijheel C/A, Dhaka

Corporate Office

205-207, Tejgaon I/A, Dhaka

e-mail: info@aftabautomobiles.com

Website: www.aftabautomobiles.com



CORPORATE CHRONICLES

Nature of Business: Aftab Automobiles Limited is mainly a vehicle assembler and Bus-body fabricator. It has been successfully assembling TOYOTA & HINO vehicles for Bangladesh market since 1982. The principal activities of the Company are assembling of Toyota Land Cruiser soft top/ Pick-up, Land Cruiser Prado, Hino Bus, Hino Mini Bus/ Truck with a yearly production capacity of 2400 units of vehicles in 3 shifts.

Presently, the Company is mainly engaged in assembling of Hino Bus Chasis and Bus body fabrication of HINO Bus including luxury bus. HINO buses are widely operated in all the routes of the country. HINO luxury buses are also plying in the International Routes, e.g. Dhaka-Kolkata-Dhaka & Dhaka-Agartola-Dhaka.

The Bus Body fabrication Unit of the Company has also been modernized by introducing high-tech equipment, where buses are being painted with fully automation ensuing international quality.

Date of Incorporation	7th September 1967
Converted into Public Limited Company	1981
Listing with Dhaka Stock Exchange Limited	1987
Listing with Chittagong Stock Exchange Limited	1996
Registered with Central Depository Participant (CDBL)	2005
Renewal of membership certificate from Bangladesh Association of Publicly Listed Companies (BAPLC)	2022
Face value per share	TK. 10/-
Authorized Capital	TK. 3,000,000,000/-
Paid-up Capital	TK. 1,005,190,430/-
Number of Shares	100,519,043

NOTICE OF THE 42nd ANNUAL GENERAL MEETING

Notice is hereby given that the 42nd Annual General Meeting (AGM) of the Shareholders of Aftab Automobiles Limited will be held on Wednesday, 28 December 2022 at 10.00 AM under Digital Platform to transact the following business:

01. To receive, consider and adopt the Audited Financial Statements for the year ended 30 June 2022 together with Auditors' Reports and Directors' Reports thereon.
02. To declare Dividend for the year ended 30 June 2022.
03. To re-elect Directors.
04. To approve the appointment of Independent Directors of the Company.
05. To appoint External Auditors of the Company for the year 30 June 2023 and fix their remuneration.
06. To appoint Corporate Governance Compliance Auditors of the Company for the year 30 June 2023 and fix their remuneration.
07. Any other business with the permission of the Chair.

By Order of the Board



(Md. Mostafizur Rahman)
Company Secretary (Acting)

Dated: Dhaka
05 December 2022

Notes:

- a) The Shareholders whose names appeared in the Share Register of the Company and/or Depository Register of CDBL as on record date, i.e., 20 November 2022 will be entitled to attend the AGM and receive dividend.
- b) Attendance to the AGM through log in confirmation under Digital Platform of AGM.
- c) The Proxy Form affixed with requisite revenue stamp of Tk.20/- must be deposited at the Registered Office of the Company at least 48 hours prior to the AGM.
- d) The Annual Report-2022 of Aftab Automobiles Limited will be sent to the respective Shareholders' email address available with CDBL on Record Date.
- e) The copy of AGM notice, Proxy Form and Annual Report-2022 will also be available in the Company's website www.aftabautomobiles.com.

MESSAGE FROM THE CHAIRMAN



Dear Shareholders,
Assalamu Alaikum,

It is my pleasure to place the Annual Report of Aftab Automobiles Limited, for the year ended 30 June, 2022. On behalf of the Board of Directors, I would like to welcome you all at the 42nd Annual General Meeting of the Company. I would also like to take the opportunity to share and exchange our thoughts and views on the performance of the company in the past years and the potentials and possibilities going forward.

As you know that, the commercial vehicle industry is facing a volatile business environment in a rapidly changing competitive landscape. The national lockdowns due to coronavirus and ongoing Russia-Ukraine war have had a distressing effect across all sectors of the automotive industry. However, we believe the present impact on the business is temporary. We predicted to overcome the current environment within the next year. The construction of Padma bridge and other infrastructure will have a huge economic impact on the country as well as on automotive industry. The Padma Bridge connected the southwestern part of the country with the capital and as a result a revolutionary change occurred in the transport sector. As transport companies are opening new routes there is a growing demand for air-conditioned and non-air-conditioned buses.

The Assembling Unit of the Company has assembled 72 Units of non-air-conditioned Hino Diesel Bus chassis. The Bus Body Fabrication Unit of the Company has fabricated 37 Units of Hino Buses.

Navana Batteries Limited, subsidiary of Aftab Automobiles Limited has produced various types of Batteries and experienced good response from the market.

Finally, thanks to all my colleagues who have worked and continue to work very hard for the betterment & growth of the Company. I also express my deepest appreciations to you all, our business partners, suppliers, shareholders, regulatory authorities and other concern, for their confidence on us and valuable contribution to the company.

A handwritten signature in black ink, appearing to read 'Shafiul Islam', written in a cursive style.

(Shafiul Islam)
Chairman

চেয়ারম্যান এর বিবৃতি



প্রিয় শেয়ারহোল্ডারবৃন্দ,
আসসালামু আলাইকুম।

আফতাব অটোমোবাইলস্ লিমিটেডের ৩০ জুন, ২০২২ তারিখে সমাপ্ত বছরের জন্য বার্ষিক প্রতিবেদন পেশ করতে পেরে আমি আনন্দিত। পরিচালনা পর্ষদের পক্ষ থেকে, আমি কোম্পানীর ৪২তম বার্ষিক সাধারণ সভায় আপনাদের সবাইকে আমন্ত্রণ জানাচ্ছি। আমি বিগত বছর গুলিতে কোম্পানীর কর্মক্ষমতা এবং আগামী দিনের সম্ভাবনার বিষয়ে আমাদের চিন্তাভাবনা আপনাদের জানাতে চাই।

আপনারা অবগত আছেন যে, বাণিজ্যিক যানবাহন শিল্প দ্রুত পরিবর্তনশীল প্রতিযোগিতামূলক বাজারে একটি অস্থির ব্যবসায়িক পরিবেশের মোকাবেলা করছে। কোভিড-১৯ মহামারীর কারণে দেশব্যাপী লকডাউন এবং চলমান রাশিয়া-ইউক্রেন যুদ্ধের জন্য মোটরগাড়ি শিল্প কঠিন সময়ের মধ্য দিয়ে যাচ্ছে। যাইহোক, আমরা বিশ্বাস করি যে ব্যবসার উপর বর্তমান প্রভাব সাময়িক। আগামীতে বর্তমান অবস্থার উন্নয়নের ব্যাপারে আমরা আশাবাদি। পদ্মা সেতু ও অন্যান্য অবকাঠামো নির্মাণের ফলে দেশের আর্থ-সামাজিক উন্নয়নের পাশাপাশি মোটর গাড়ি শিল্পের উপরেও ইতিবাচক প্রভাব পড়বে। পদ্মা সেতু দেশের দক্ষিণ-পশ্চিমাঞ্চলকে রাজধানীর সঙ্গে যুক্ত করেছে এবং ইতোমধ্যে পরিবহন খাতে বৈপ্লবিক পরিবর্তন এসেছে। পরিবহন কোম্পানীগুলো নতুন রুট চালু করায় শীতাতপ নিয়ন্ত্রিত ও শীতাতপ নিয়ন্ত্রিত নয় এমন বাসের চাহিদা বাড়ছে।

আপনারা অবগত আছেন যে, কোম্পানীর যানবাহন সংযোজন ইউনিটে ৭২টি নন-এয়ারকন্ডিশন্ড হিনো ডিজেল বাস চেসিস্ সংযোজিত হয়েছে এবং বাস-বডি নির্মাণ ইউনিটে ৩৭টি হিনো-বাস বডি তৈরী করা হয়েছে।

আফতাব অটোমোবাইলস্ লিমিটেডের সহযোগী প্রতিষ্ঠান নাভানা ব্যাটারী লিমিটেড বিভিন্ন ধরনের ব্যাটারী তৈরি করেছে এবং বাজার থেকে ভালো সাড়া পেয়েছে।

পরিশেষে, আমার সকল সহকর্মীদের ধন্যবাদ যারা কোম্পানীর উন্নতির জন্য কঠোর পরিশ্রম করেছেন এবং করে যাচ্ছেন। এছাড়াও আমি আমাদের ব্যবসায়িক অংশীদার, সরবরাহকারী, শেয়ারহোল্ডার, নিয়ন্ত্রক সংস্থা এবং অন্যান্য অংশীদারদের প্রতি আমার গভীর কৃতজ্ঞতা প্রকাশ করছি, আমাদের প্রতি তাদের আস্থা এবং কোম্পানীতে তাদের মূল্যবান অবদানের জন্য।

(শফিউল ইসলাম)
চেয়ারম্যান

DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Shareholders,
Assalamu Alaikum,

We have the pleasure to welcome you on behalf of the Board of Directors of Aftab Automobiles Limited at the 42nd Annual General Meeting of the Company and present before you to receive, consider and adopt the Audited Financial Statements of the Company for the year ended on 30 June 2022 together with the Auditors' Report and Directors' Report thereon, for your valuable guidance, opinion and consideration.

Principal Activities

Due to covid-19 pandemic in worldwide and Russia-Ukraine War, the global economy continues to be weakened significantly. Disruptions occurred in trade, food and fuel price shocks, all of which are contributing to high inflation and subsequent tightening in global & local financing conditions. As a result, Aftab Automobiles Limited could not achieve its desire goal as assumed. However, we are optimistic that the Company has taken necessary steps to increase production and sales. We have summarized herewith Industry outlook and segment wise activities of the company during the year under review:

Vehicle Assembling Unit

In the Vehicle Assembling Unit of the company a total of 78 chassis of Hino Diesel Bus were sold. The Unit has contributed an amount of Tk. 37.50 crore to the Company's turn-over.

Bus Body Fabrication Unit

Bus Body Fabrication unit sold total of 37 units Hino non-air-conditioned bus body. An amount of Tk. 3.57 crore has been contributed to the sales of the Company.

Motorcycle Unit

This Unit has assembled 87 units of motorcycles and added an amount of Tk. 1.10 crore to the Company's sales.

Navana Batteries Limited

Various types of batteries produced during the year; an amount of Tk. 28.89 crore added as sales of the company.

Industry Outlook and Possible Future Development

Over the years, Bangladesh achieved considerable economic growth and rise in foreign investments. As a result, the purchasing power of individuals has risen along with the demand for automobiles. To cover the market demand activities of Aftab Automobiles Limited and Navana Batteries Limited (a subsidiary of Aftab Automobiles Limited) are narrated hereunder:

Bus

The demand for Buses is growing rapidly in the country as well as increased economic activities in the last decade. Bus Operators are controlled mainly by large fleet owners throughout the country and demand is dominated by non-air-conditioned buses. However, there is a growing demand for luxury air-conditioned buses owing to the air pollution, environmental change and change of customers' choice.

Batteries

Navana Batteries Limited a subsidiary of Aftab Automobiles Limited has produced various types of Batteries as per market demand.

Risk and Concern

Due to global effect of Covid-19 pandemic and Russia-Ukraine War our business also affected by risk and uncertainties. However, we think uncertainties may be overcome in next year.

Related party transactions

During the year the Company carried out several transactions with related parties in the normal course of business. The name of related parties, nature of transactions and total transaction value have been set out following the provisions of 'BAS 24: Related Party Disclosure' disclosed in the note 22 of the notes to the financial statements.

A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin (Consolidated):

Amount in taka

Particulars	30 June 2022	30 June 2021
Revenues (Turnover)	710,591,300	1,254,020,565
Cost of goods sold	536,403,861	947,011,382
Gross profit	174,187,439	307,009,183
Net profit for the year after tax	1,092,907	(185,517,205)

Margin Analysis

Gross profit margin and Net profit margin compared with the previous year as hereunder:

Particulars	30 June 2022	30 June 2021
Gross Profit	24.51%	24.48%
Net Profit	0.15%	(14.79)%

Extra-Ordinary Events

No events of extra ordinary gain or loss reported in the financial statements which would require to adjust and/or disclose during the reporting period.

The Variance between the Quarterly and Annual Financial Statements

Variance in financial performance from quarter to quarter has been considered usual based on the variation of economic activities.

Fairness of Financial Statements

The financial statements together with the notes thereon have been drawn up in conformity with the Companies Act 1994 and other related laws fairly present the Company's state of affairs, the results of its operations, cash flow, and changes in equity. Managing Director and Chief Financial Officer have given the declaration about the fairness of the financial statements for the year ended 30 June 2022 which is shown on page no. 21 of the report.

Books of Accounts

Proper books of accounts of the Company were maintained.

Accounting Policies

Appropriate accounting policies have been consistently applied in the preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment.

Application of IAS and IFRS

International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) have been followed in the preparation of the financial statements and any deviation there from has been adequately disclosed.

Internal Control

The systems of internal controls were sound in design and has been effectively implemented and monitored. The Company has an internal Audit Department to ensure effective internal control mechanism. The Audit Committee always gives their suggestion and recommendation as and when required.

Minority Shareholders' Interest Protection

Rights and interests of the minority shareholders have been duly protected by means of transparent operations and proper disclosure of material information of the Company.

Going Concern

There are no doubts about the Company's ability to continue as a going concern. The Board of Directors has reviewed the Company's business plan and is satisfied that the Company has adequate resources to continue its operations in the foreseeable future. Accordingly, the financial statements are prepared on a going concern basis.

Five Years key Operating and Financial Data

The Key operating and financial data for the last five years have been disclosed at page no. 16

Declaration by the Managing Director and the CFO

Declaration by the Managing Director and CFO has been given on Annexure- A (Page 21)

Consolidated Financial Result and Appropriation of Profit:

The consolidated financial results for the year ended 30 June 2022 is given hereunder comparing with the previous year ended on 30 June 2021.

			Amount in taka	
Particulars			30 June 2022	30 June 2021
Retained Earnings Brought Forward			2,579,223,560	2,846,109,920
Add: Net Profit for the year after tax			1,092,907	(185,514,274)
Recommended for appropriations:				
	<u>2022</u>	<u>2021</u>		
Cash Dividend @	5%	5%	(35,181,170)	(33,505,875)
Stock Dividend @	5%	5%	(50,259,520)	(47,866,211)
Un appropriated profit carried forward			2,494,875,777	2,579,223,560

Aftab Automobiles Limited (AAL)

The operating results of AAL for the year ended 30 June 2022 is given hereunder compared to the previous year ended on 30 June 2021.

			Amount in taka	
Particulars			30 June 2022	30 June 2021
Turnover			421,726,379	747,914,378
Gross Profit			92,680,814	162,495,222
Net Profit for the year after tax			1,092,907	(185,514,274)
Earnings Per Share (EPS)			0.01	(1.85)
Net Assets Value Per Share (NAVPS)			54.88	57.89
Net Operating Cash Flow Per Share (NOCFPS)			2.02	6.31

Navana Batteries Limited (NBL), subsidiary of Aftab Automobiles Limited

Navana Batteries Limited is a fully owned subsidiary company of Aftab Automobiles Limited. The operating results of NBL for the year ended 30 June 2022 comparing with previous year ended on 30 June 2021 are given below:

Amount in taka

Particulars	30 June 2022	30 June 2021
Turnover	288,864,921	506,106,187
Gross Profit	81,489,884	144,513,961
Net Profit After Tax	(5,152,951)	(5,387,042)
Earnings Per Share (EPS)	(0.28)	(0.29)
Net Assets Value Per Share (NAVPS)	40.64	40.92

Investment in the associated company**Navana Real Estate Limited**

Aftab Automobiles Limited is holding 60,00,000 shares of Tk.10/- each of Navana Real Estate Limited. The acquisition cost of the said shares was Tk.3.33 per share. As Navana Real Estate Limited is not listed, its market price cannot be determined. However, Navana Real Estate Limited's Earning per share (EPS) and Net asset value (NAV) as on 30 June 2021 stood at Tk. 3.17 and Tk. 68.49 per share respectively.

Board of Directors Meetings

Total 10 (ten) meetings held by the Board of Directors during the year 30 June 2022.

Amount in taka

Name of Directors	Position	Board Meeting attended
Mr. Shafiul Islam	Chairman	10
Mrs. Khaleda Islam	Director	5
Mr. Saiful Islam	Managing Director	8
Mr. Sajedul Islam	Director	8
Ms. Farhana Islam	Director	3
Mr. Mian Saleem Sheikh	Alternate Director	2
Mr. Md. Kausar Alam FCMA	Independent Director	5
Dr. Melita Mehjabeen	Independent Director	5

* Mr. Mian Saleem Sheikh appointed as Alternate Director on behalf of Ms. Farhana Islam on 27.04.2022.

Independent Directors

Mr. Md. Mustafizur Rahman appointed as Independent Director of Navana CNG Limited vide Board resolution dated 23.10.2022 for three years up to 22.10.2025 subject to approval by the shareholders in the ensuing Annual General Meeting.

Mr. Md. Mustafizur Rahman is an experienced banker. He completed his graduation in Accounting and post-graduation in Finance from the University of Dhaka. Later on, he completed his DAIBB form The Institute of Bankers, Bangladesh (IBB). Mr. Rahman had started his career as a Financial Analyst at Sonali Bank Limited.

He served the Bank over 35 years in different capacities across the country and abroad and retired from the Bank in 2014 as a Deputy Managing Director. Mr. Rahman attended various training courses on Banking & Finance, Basel II, Entrepreneurship development, Credit management, Bank management, Managerial Planning & Control, Project Appraisal & Evaluation, Urban Branch Management in Bangladesh and abroad.

Mr. Md. Dilwar Hossain Bhuiyan appointed as Independent Director of Navana CNG Limited vide Board resolution dated 23.10.2022 for three years up to 22.10.2025 subject to approval by the shareholders in the ensuing Annual General Meeting.

Mr. Md. Dilwar Hossain Bhuiyan is a seasoned corporate leader who has more than 37 years of experience in Banking and Non-banking Financial Institutions. In his academic attainments, he completed his BA & MA from the University of Dhaka. Later on, he did MBA from Bangladesh Open University, Post Graduate Diploma in Personnel Management from BIM and Diploma in Banking from The Institute of Bankers, Bangladesh (IBB). Mr. Bhuiyan started his career at Bangladesh Krishi Bank and later on served at Rajshahi Krishi Unnayan Bank, Karmasansthan Bank, Bangladesh Development Bank, Sonali Bank and SBAC Bank in different capacities. He retired from Bangladesh Industrial Finance Company Limited (BIFC) as Managing Director in 2017. Mr. Bhuiyan is also Former adjunct faculty of the Royal University of Dhaka and a guest speaker at training institutes of different banks. He attended various training programs/workshops at home and abroad.

Remuneration paid to Directors and Independent Directors

An amount of Tk.1,80,000/- paid to Directors and TK.50,000/-paid to Independent Directors for attending at Board of Directors meeting held during the financial year ended on 30 June 2022.

Recommendations for Re-election

In terms of Article 125 and 126 of the Articles of Association of the Company, Mr. Shafiul Islam and Mrs. Khaleda Islam, Directors retire by rotation from the Board in the 42nd Annual General Meeting. Being eligible under Article 127 of the Articles of Association of the Company, the retiring Directors have offered themselves for re-election.

Disclosure of information of the directors who are willing to be re-elected:

Mr. Shafiul Islam

Mr. Shafiul Islam joined the Islam Group, a reputed business conglomerate in Bangladesh in 1968 and started his career with automobile business as well as in the construction, real estate business. In the early years, he gained valuable experience by being involved in the management of the Group's diverse business operations. He played a major role in establishing "Navana" as the Toyota brand car trading company in Bangladesh, and finally set up Aftab Automobiles Limited. He was also in charge of the construction company named Bengal Development Corporation (BDC) where he was directly responsible for the construction work of BDC in the Middle East and from 1981, he was also taking care of Eastern Housing Limited, then the largest real estate development company in Bangladesh. In 1996, the then Chairman of Islam Group, separated from Islam Group with Navana Limited and Aftab Automobiles Limited and formed Navana Group. He has a very good relationship with all business key people in the country.

Mr. Shafiul Islam is the Chairman of Navana Group, consisting of companies involved amongst others in vehicles assembling, bus body fabrication, trading, real estate, construction, CNG/LPG conversion and CNG/LPG station, electronics, petroleum and renewable energy.

Names of companies in which Mr. Shafiul Islam also holds the directorship:

Navana Limited, Aftab Automobiles Limited, Navana Real Estate Limited, Navana Construction Ltd., Navana Foods Ltd., Navana Building Products Ltd., Navana Interlinks Ltd., Navana Electronics Ltd., Navana Batteries Ltd., Navana Furniture Ltd., Navana Engineering Limited, Navana Welding Electrode Limited, Navana Plastic Products Ltd., Navana Toyota Service Center Ltd., Navana Logistics Ltd., Navana Renewable Energy Ltd., Navana Paints Ltd. and Navana LPG Ltd.

Membership in committees of the Board of other Companies-None.

Mrs. Khaleda Islam

Mrs. Khaleda Islam is the wife of Mr. Shafiul Islam, Chairman of the Navana Group. Mrs. Khaleda Islam has experience in business for more than 30 years. She traveled many countries in the world.

At present, Mrs. Khaleda Islam is a Director of Navana Group, involved amongst others in vehicles assembling, bus body fabrication, trading, real estate, construction, CNG/LPG conversion and CNG/LPG stations, electronics, petroleum and renewable energy.

Names of companies in which Mrs. Khaleda Islam also holds the directorship:

Navana Limited, Aftab Automobiles Limited, Navana Real Estate Limited, Navana Construction Ltd., Navana Foods Ltd., Navana Electronics Ltd., Navana Toyota Service Center Ltd., Navana Engineering Limited, Navana Welding Electrode Limited, Navana Interlinks Ltd., The Essential Industries Ltd., Biponon Ltd., Navana Logistics Ltd., Navana Renewable Energy Ltd., Navana Building Products Ltd. and Navana LPG Ltd.,

Membership in committees of the Board of other Companies-None.

Corporate Governance Compliance

The Company complies with the requirements of Corporate Governance Code.

- a. Compliance Certificate on Corporate Governance Code in page no. 22 (Annexure-B)
- b. Corporate Governance Compliance Report in page no. 23 (Annexure-C)
- c. Pattern of shareholding in page no. 15

Next Year Plan

Aftab Automobiles Limited could not achieve its target as expected due to covid-19 pandemic in worldwide and Russia-Ukraine War. However, the management of the Company has taken plan to grow its business significantly.

Dividend

The Board of Directors of Aftab Automobiles Limited in its meeting held on 26 October 2022 has recommended dividend as follows:

- a. 5% Cash Dividend for the general shareholders only excluding Sponsors and Directors. The Sponsors and Directors are holding 3,01,56,703 shares out of total 10,05,19,043 shares of Aftab Automobiles Limited. Dividend amount payable to the general shareholders only is Tk. 3,51,81,170 for 7,03,62,340 shares; and
- b. 5% Stock Dividend for the shareholders including Sponsors and Directors.
The general shareholders whose names appeared in the share register of the Company and/or Depository Register of CDBL as on Record Date i.e., 20 November 2022 will be entitled to have the cash and stock dividend, subject to approval in the ensuing Annual General Meeting of the Company scheduled to be held on 28 December 2022.

Appointment of External Auditors

The existing auditors of the Company A. Haque & Co., Chartered Accountants, has completed their audit for three consecutive years. As per Regulation No 15 (2) & 15 (3) of Dhaka Stock Exchange (Listing) Regulation, 2015 no auditors be eligible for performing the auditing of the financial statements of the issuer of listed securities for a consecutive period exceeding three years. In this connection, the Board of Directors in a meeting dated 26 October 2022 recommended to appoint Islam Quazi Shafique & Co.,Chartered Accountants, as the statutory auditors of the Company for the year ending on 30 June 2023, Subject to approval by the shareholders of the Company in the ensuing Annual General Meeting scheduled to be held on 28 December 2022.

Appointment of Corporate Governance Compliance Auditors

Existing Corporate Governance Compliance Auditors Ahmed Zaker & Co., Chartered Accountants have completed their work as compliance Auditors for year ended 30 June 2022. The Board of Directors in a meeting dated 26 October 2022 recommended to appoint Snehasish Mahmud & Co., Chartered Accountants for the year ending on 30 June 2023, Subject to approval by the shareholders of the Company in the ensuing Annual General Meeting scheduled to be held on 28 December 2022.

Acknowledgement

On behalf of the Company, we would like to record our sincere thanks to all shareholders for their continued confidence in us, and employees of Aftab Automobiles Limited and its subsidiary for their contribution and at the same time thanks to all the stakeholders and other concern for their continuous support.

Best regards to all the shareholders. May you all have a healthy, peaceful and progressive life.

On behalf of the Board of Directors



(Shafiul Islam)
Chairman

PATTERN OF SHAREHOLDINGS

The pattern of shareholdings of the Directors and others as on 30 June 2022 are as follows:

Namewise Details		No. of Shares held
i.	Parent/Subsidiary/Associated Companies and other related parties	
ii.	Directors, Chief Executive Officer/Managing Director, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouse and minor children:	
	Directors, Chief Executive Officer/ Managing Director:	
	Mr. Shafiul Islam - Chairman	19,557,735
	Mr. Saiful Islam - Managing Director	2,670,636
	Mrs. Khaleda Islam - Director	3,236,236
	Mr. Sajedul Islam - Director	2,590,078
	Ms. Farhana Islam - Director	2,087,481
	Mr. Md. Mustafizur Rahman - Independent Director	Nil
	Mr. Md. Dilwar Hossain Bhuiyan - Independent Director	Nil
	Chief Financial Officer, Company Secretary and Head of Internal Audit & Compliance and <u>their spouse and minor children:</u>	Nil
iii.	Executives	Nil
iv.	Shareholders holding ten percent (10 %) or more voting interest in the company:	
	Mr. Shafiul Islam	19,557,735

HIGHLIGHTS OF FINANCIAL & KEY OPERATING DATA

[Consolidated]

(Amount in '000 Taka)

Particulars	2022	2021	2020	2019	2018
Authorized capital	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Paid-up capital	1,005,190	957,324	957,324	957,324	957,324
Face Value Per Share	Tk. 10/-	Tk. 10/-	Tk. 10/-	Tk.10/-	Tk.10/-
Shareholders' equity	5,516,746	5,542,366	5,762,720	5,834,726	5,829,520
Fixed asset	1,924,542	1,885,081	1,936,566	2,048,456	2,012,035
Turnover (Net)	710,591	1,254,021	1,947,025	2,818,043	4,813,708
Gross profit	174,187	307,009	515,482	702,217	944,861
Net profit after tax	1,092	(185,517)	8,409	120,087	256,474
Total comprehensive income for the period/year	1,092	(185,517)	8,409	120,087	249,297
Operating cash flow per share	3.71	6.65	(6.02)	3.74	(4.24)
Book value per share	54.88	57.89	60.20	60.95	60.89
Earnings per share	0.01	(1.94)	0.09	1.25	2.68
Cash dividend	5%	5%	10%	10%	12%
Stock dividend	5%	5%	-	-	-
Number of shareholders	18,869	20,177	21,182	21,902	22,682

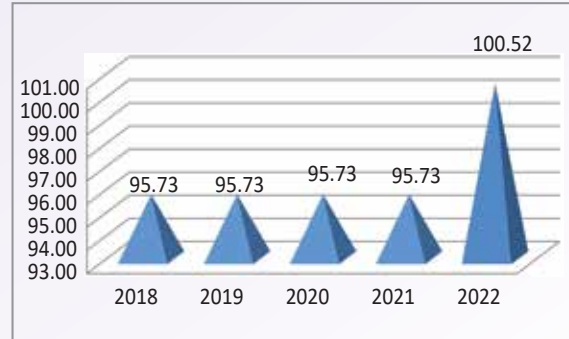
GRAPHICAL PRESENTATION

PRODUCTION



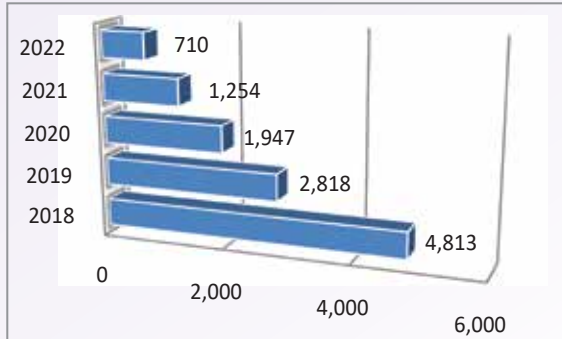
SHARE CAPITAL

In Million Tk.



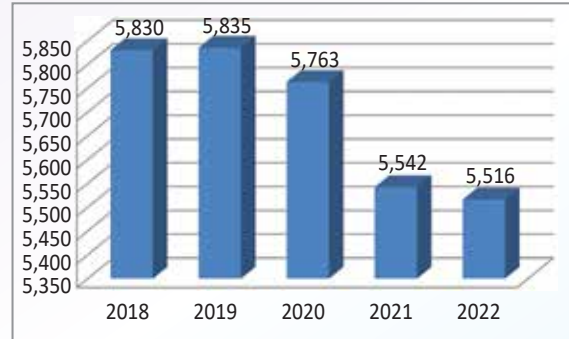
SALE

In Million Tk.



SHAREHOLDERS EQUITY

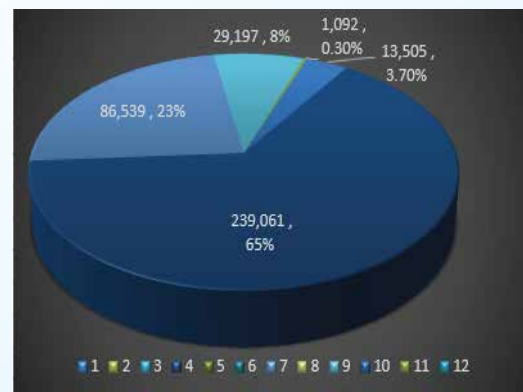
In Million Tk.



VALUE ADDED STATEMENT For the Period ended June 30, 2022

	Amount in '000' Taka	%
Sale/ Turnover	710,591	
Bought in- Material & Service	341,197	
Value Added	369,394	
VALUE ADDED STATEMENT		
Application to National Exchequer	13,505	3.66
to Providers of Loan as Interest & Charges	239,061	64.72
to Providers Emp. Salaries Wages & other benefits	86,539	23.43
to Providers of Capital- as Dividend	29,197	7.90
Reserve & Surplus / (Loss)	1,092	0.30
	369,394	100.00

Value Added Graph





REPORT ON CORPORATE GOVERNANCE

The Board of Directors of Aftab Automobiles Limited is collectively responsible to shareholders and concern to enhance good governance practice and maintaining effective corporate governance culture of transparency and good governance in the Company.

The Company has complied with all the requirement of Corporate Governance Code-2018

Board of Directors

The Board of Directors comprises of 7 (seven) members including 2 (two) Independent Director. All Directors have sound knowledge in the area of related business, managerial expertise and sound academic and professional knowledge. They are well conversant with corporate governance code.

Policy on appointment of Directors

BSEC notification on Corporate Governance Code and Companies Act, 1994 are followed to appoint the Directors of the Company. Being a member of the Board, a director other than a nominated, Independent and alternate Director, must maintain at least two percent shares of Paid-up shares of the company. According to the provision of Companies Act 1994, at least one-third of the Directors retired by rotation in every AGM. The tenure of office of an Independent Director is for a period of 3 (three) years and may be extended for 1 (one) more tenure only. With regards to appointment of the directors, the Company follows all relevant rules and regulations.

Independent Directors

The Board of Directors appointed Md. Mustafizur Rahman and Md. Dilwar Hossain Bhuiyan as Independent Director of the Company w.e.f. 23.10.2022. The Board believes that their experience and knowledge will assist to contribution to the Board of Directors.

Independency of Independent Director

As per Corporate Governance Code, one-fifth of the total Directors of the Board shall be Independent Directors. The Company has two (2) Independent Directors out of the total seven (7) Directors. For the purpose of independence, the Board decided that its Independent Directors do not hold any shares of the Company and does not have any other relationship, not a member, Director or officer of any Stock Exchange.

The Role of the Chairman and the Managing Directors

The position of the Chairman and the Managing Director of the company shall be filled by the different individuals who are the member of the Board. There is a division of responsibilities between the Chairman's functions and that of the Managing Director. The responsibility of the Chairman is to provide leadership to the Board and to ensure that the Board works efficiently and discharges their responsibilities effectively. The Chairman shall preside over the meeting of the Board of Directors and General Meeting.

The Managing Director has the overall responsibility for the performance of the Company's business. He is also responsible for establishing and executing the Company's overall strategic and operating plan which is necessary to achieve the Company's objectives.

Financial and Accounting Knowledge and Expertise of the Directors

The Board of Directors, consists of members who possess a wide knowledge and experience in finance, management, business administration, rules and regulation as required. They formulate the right policy for the development of the business while having the specialized skills and the ability to foresee development across a larger perspective.

Mr. Md. Mustafizur Rahman one of the Independent Director completed his graduation in Accounting and post-graduation in Finance from the University of Dhaka.

Audit Committee

The Audit Committee is a sub-committee of the Board of Directors. The Audit Committee is comprised of three members including two Independent Directors of the Company. Mr. Md. Mustafizur Rahman Independent Director, is the Chairperson of the Audit Committee. The Committee assists the Board to ensure that the financial statements reflect true and fair view of the state of affairs of the Company and ensuring a good monitoring system within the business and to oversee the determination of audit fees based on scope and magnitude, level of expertise deployed for effective audit and evaluate the performance of external auditors of the company.

Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee is a sub-committee of the Board of Directors. The Nomination and Remuneration Committee (NRC) is comprised of three members of the Board including 2 (two) Independent Directors. Mr. Md. Dilwar Hossain Bhuiyan is the Chairperson of the NRC. The Nomination and Remuneration Committee is responsible to the Board and to the Shareholders.

Company Secretary

Md. Mostafizur Rahman is the Company Secretary (Acting) of Aftab Automobiles Limited. He is responsible for dealing with corporate and various regulatory compliances, making bridge between the Board of Directors and other Stakeholders, custodian of the Shareholders and also conducts the statutory functions pursuant to the applicable laws and regulations. The Board of Directors defined the respective roles, responsibilities and duties of the Company Secretary in compliance with the Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC).

Chief Financial Officer

Mohammed Alamgir Kabir FCA has been appointed as the Chief Financial Officer of the Company. He is responsible for accounts and financial activities of the Company. The Board of Directors clearly defined the respective roles, responsibilities and duties of the Chief Financial Officer in compliance with the Corporate Governance Code and other applicable rules and regulations.

Head of Internal Audit & Compliance (HIAC)

Abdur Razzak is the Head of Internal Audit & Compliance of Aftab Automobiles Limited. He is responsible for management and oversight of the company's Internal Audit activities. The Board of Directors have defined the roles, responsibilities and duties of HIAC in conformity with the Corporate Governance Code.

Financial Reporting

Financial Statements have been prepared in line with the International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) and other legislations as applicable in Bangladesh. Preparing un-audited quarterly and annual audited financial statements with comprehensive details as per legal requirements.

Statutory Audit

Statutory Auditor of the Company worked under the Companies Act, 1994, Corporate Governance Code and other applicable laws. The Act and Code provides guidelines for the appointment, scope of work, retirement/re-appointment of auditors and fix their remuneration. Their appointment will be approved by the shareholder of the Company in ensuing Annual General Meeting.

Declaration by Managing Director and Chief Financial Officer

26 October 2022

The Board of Directors
Aftab Automobiles Limited

Subject: Declaration on Financial Statements for the year ended on 30 June 2022.

Dear Sirs,

Pursuant to the condition No 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRC-D/2006-158/207/Admin/80, Dated 3 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969 we do hereby declare that:

- (1) The Financial Statements of Aftab Automobiles Limited for the year ended on 30 June 2022 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that: -

- (i) We have reviewed the financial statements for the year ended on 30 June 2022 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the Company's Board of Directors or its members.

Sincerely yours,



(Saiful Islam)
Managing Director



(Mostafa Zahid Ahmed)
Chief Financial Officer



Head Office :
 89 Kakmail, Cassy City Edge (Level 10), Dhaka 1000, Bangladesh
 Website: www.ahmedzaker.com Email: azchar@ahmedzaker.com
 Phone: +88-02-87005018, Fax: +88-02-8700509

[Certificate as per condition No. 1(5) (xxvii)]

**Report to the Shareholders of
 Aftab Automobiles Limited
 on compliance with the Corporate Governance Code**

We have examined the compliance status of the Corporate Governance Code by **Aftab Automobiles Limited** for the year ended June 30, 2022. This code relates to the notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 of the Bangladesh Securities & Exchange Commission (commission).

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance with the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance with the conditions of the Corporate Governance Code as well as the provision of relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion based on available documents:

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above-mentioned Corporate Governance Code issued by the Commission.
- (b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code.
- (c) Proper books and records have been kept by the Company as required under the Companies Act, 1994, the Securities laws and other relevant laws; and
- (d) The governance of the company is satisfactory.

Place: Dhaka
 04 December, 2022


Ahmed Zaker & Co.
 Chartered Accountants
Z. A. Mirdha FCA
 Senior Partner
 Enroll No.: 0478



Chittagong Office:
 74, St. Mujib Road, Agachai, C/A Chittagong - 4100. Tel: 091474103 E-mail: anupctn@ahmedzaker.com, anupctn@ahmedzaker.com

[As per condition No. 1 (5) (xxvii)]

STATUS OF COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Status of Compliance with the conditions imposed by the Commission's Notification No. BSEC/CMRRCD/2006-158/207/ Admin/80, dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1	Board of Directors			
1 (1)	Board's Size [The total number of members of a Company's Board of Directors shall not be less than 5 (five) and more than 20 (twenty).]	✓		
1 (2)	Independent Directors			
1 (2)(a)	At least one fifth (1/5) of the total number of Directors shall be Independent Directors	✓		
1(2)(b)	Independent Directors means a director			
1 (2)(b)(i)	Who either does not hold any share in the company or holds not less than one percent (1%) shares of the total paid-up shares of the company	✓		
1 (2)(b)(ii)	Who is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his/her family members also should not hold above mentioned shares in the company	✓		
1 (2)(b)(iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years	✓		
1 (2)(b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies	✓		
1 (2)(b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange	✓		
1 (2) (b)(vi)	Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market	✓		
1 (2)(b)(vii)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code	✓		
1 (2)(b)(viii)	Who is not independent director in more than 5 (five) listed companies	✓		
1 (2)(b)(ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution	✓		
1 (2)(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude	✓		
1 (2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM)	✓		
1 (2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days			N/A
1 (2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only. Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e. six years]:			N/A

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1 (3)	Qualification of Independent Director			
1 (3)(a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business.	✓		
1 (3)(b)	Independent Director shall have following qualifications:			
1 (3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or			N/A
1 (3)(b)(ii)	Corporate Leader who is or was a toplevel executive not lower than Chief Executive Officer or Managing Director of Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company; or	✓		
1 (3)(b)(iii)	Former official of government or statutory of autonomous or regulatory body in the position not below 5 th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law; or			N/A
1 (3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or			N/A
1 (3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification.			N/A
1 (3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b)	✓		
1 (3)(d)	In special cases, the above qualifications may be relaxed subject to prior approval of the Commission.			N/A
1 (4)	Duality of Chairperson of the Board of Directors and Managing Director			
1 (4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) of the company shall be filled by different individuals.	✓		
1 (4)(b)	The Managing Director (MD) of a listed company shall not hold the same position in another listed company.	✓		
1 (4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company.	✓		
1 (4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director.	✓		
1 (4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect on of themselves from non-executive directors as Chairperson for that particular Board's meeting the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			N/A
1 (5)	The Directors' Report to the Shareholders			
1 (5)(i)	An industry outlook and possible future development in the industry	✓		
1 (5)(ii)	The segment-wise or product-wise performance	✓		
1 (5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any.	✓		
1 (5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable	✓		
1 (5)(v)	A discussion on continuity of any extra-ordinary activities and their implications (gain or loss)			N/A
1 (5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓		
1 (5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any others instruments;			N/A

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1 (5)(viii)	An explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing etc.			N/A
1 (5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	✓		
1 (5)(x)	A statement of remuneration paid to the directors including independent directors	✓		
1 (5)(xi)	A statement that the financial statements prepared present fairly its state of affairs, the result of its operations, cash flows and changes in equity	✓		
1 (5)(xii)	Proper books of accounts have been maintained	✓		
1 (5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓		
1 (5)(xiv)	IAS/IFRS, as applicable in Bangladesh, have been followed with adequate disclosure	✓		
1 (5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored	✓		
1 (5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress.	✓		
1 (5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	✓		
1 (5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	✓		
1 (5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized.	✓		
1 (5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year			N/A
1 (5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend			N/A
1 (5)(xxii)	The total number of Board meetings held during the year and attendance by each director	✓		
1 (5)(xxiii)	Pattern of shareholding and name wise details:			
1 (5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name wise details)	✓		
1 (5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name-wise details)	✓		
1 (5)(xxiii)(c)	Executives	✓		
1 (5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details)	✓		
1 (5)(xxiv)	Disclosure on appointment/re-appointment of Director:			
1 (5)(xxiv)(a)	A brief resume of the director	✓		
1 (5)(xxiv)(b)	Nature of his/her expertise in specific functional areas	✓		
1 (5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the Board.	✓		
1 (5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
1 (5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements	✓		
1 (5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes	✓		
1 (5)(xxv)(c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1 (5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario	✓		
1 (5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe	✓		
1 (5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company	✓		
1 (5)(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM	✓		
1 (5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A	✓		
1 (5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No.9 shall be disclosed as per Annexure-B and Annexure-C .	✓		
1(6)	Meetings of the Board of Directors The company shall conduct its Board meetings and record the minutes of the meetings.	✓		
1 (7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1 (7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company	✓		
1 (7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading relationship with environment, employees, customers and suppliers; and independency	✓		
2	Governance of Board of Directors of Subsidiary Company.			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company	✓		
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company			Under Process Since the newly appointed Independent Director
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company			Under Process Since the newly appointed Independent Director
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.	✓		
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	✓		
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS):			
3 (1)	Appointment			
3 (1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC)	✓		
3 (1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals	✓		
3 (1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time	✓		
3 (1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS	✓		
3 (1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s)	✓		
3(2)	Requirement to attend Board of Directors' Meetings Provided that the MD, CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3 (3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3 (3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:	✓		
3 (3)(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	✓		
3 (3)(a)(ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	✓		
3 (3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	✓		
3 (3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		
4	Board of Directors' Committee For ensuring good governance in the company, the Board shall have at least following sub-committees:			
4(i)	Audit Committee; and	✓		
4(ii)	Nomination and Remuneration Committee.	✓		
5	Audit Committee			
5 (1)	Responsibility to the Board of Directors			
5 (1)(a)	The company shall have an Audit Committee as a sub-committee of the Board of Directors	✓		
5 (1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business	✓		
5 (1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		
5 (2)	Constitution of the Audit Committee			
5 (2)(a)	The Audit Committee shall be composed of at least 3 (three) members	✓		
5 (2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company and shall include at least 1 (one) independent director.	✓		
5 (2)(c)	All members of the audit committee should be 'financially literate' and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience.	✓		
5 (2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any committee members to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the committee to ensure continuity of the performance of work of the Audit Committee.	✓		
5 (2)(e)	The company secretary shall act as the secretary of the Committee;	✓		
5 (2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
5 (3)	Chairperson of the Audit Committee			
5 (3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	✓		
5 (3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes;			N/A
5 (3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM).	✓		
5 (4)	Meeting of the Audit Committee			
5 (4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year.	✓		
5 (4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5 (5)	Role of Audit Committee The Audit Committee shall:			
5 (5)(a)	Oversee the financial reporting process;	✓		
5 (5)(b)	Monitor choice of accounting policies and principles;	✓		
5 (5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	✓		
5 (5)(d)	Oversee hiring and performance of external auditors;	✓		
5 (5)(e)	Hold meeting with the external auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		
5 (5)(f)	Review the annual financial statements before submission to the Board for approval;	✓		
5 (5)(g)	Review the quarterly and half yearly financial statements before submission to the Board for approval;	✓		
5 (5)(h)	Review the adequacy of internal audit function;	✓		
5 (5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		
5 (5)(j)	Review statement of all related party transactions;	✓		
5 (5)(k)	Review Letter of Internal Control weakness issued by statutory auditors;			N/A
5 (5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	✓		
5 (5)(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission.			N/A
5 (6)	Reporting of the Audit Committee			
5 (6)(a)	Reporting to the Board of Directors			
5 (6)(a)(i)	The Audit Committee shall report on its activities to the Board.	✓		
5 (6)(a)(ii)	The Audit Committee shall immediately report to the Board on the following findings, if any			N/A
5 (6)(a)(ii)(a)	Report on conflicts of interests			N/A
5 (6)(a)(ii)(b)	Suspected or presumed fraud or irregularity material defect identified in the internal audit and compliance process or in the financial statements			N/A
5 (6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and			N/A
5 (6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately			N/A
5 (6)(b)	Reporting to the Authorities			N/A
5 (7)	Reporting to the Shareholders and General Investors	✓		
6.	Nomination and Remuneration Committee (NRC)			
6 (1)	Responsibility to the Board of Directors			
6 (1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as sub-committee of the Board	✓		
6 (1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	✓		
6 (1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	✓		
6 (2)	Constitution of the NRC			
6 (2)(a)	The Committee shall comprise of at least three members including an independent director	✓		
6 (2)(b)	All members of the Committee shall be non-executive directors;	✓		
6 (2)(c)	Members of the Committee shall be nominated and appointed by the Board;	✓		
6 (2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6 (2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the Board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	✓		
6 (2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;			N/A
6 (2)(g)	The Company Secretary shall act as the secretary of the Committee;	✓		
6 (2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	✓		
6 (2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	✓		
6 (3)	Chairperson of the NRC			
6 (3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	✓		
6 (3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;			N/A
6 (3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the Shareholders.	✓		
6 (4)	Meeting of the NRC			
6 (4)(a)	The NRC shall conduct at least one meeting in a financial year;	✓		
6 (4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC			N/A
6 (4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h)	✓		
6 (4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	✓		
6 (5)	Role of the NRC			
6 (5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders	✓		
6 (5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:	✓		
6 (5)(b)(i)	Formulation the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors top level executive, considering the following:	✓		
6 (5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully	✓		
6 (5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks	✓		
6 (5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals	✓		
6 (5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality	✓		
6 (5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board	✓		
6 (5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	✓		
6 (5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria	✓		
6 (5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6 (5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	✓		
7	External Auditors			
7 (1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			
7 (1)(i)	Appraisal or valuation services or fairness opinions	✓		
7 (1)(ii)	Financial information systems design and implementation	✓		
7 (1)(iii)	Book-keeping or other services related to the accounting records or financial statements	✓		
7 (1)(iv)	Broker-dealer services	✓		
7 (1)(v)	Actuarial services	✓		
7 (1)(vi)	Internal audit services or special audit services	✓		
7 (1)(vii)	Any service that the Audit Committee determines			N/A
7 (1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1)	✓		
7 (1)(ix)	Any other service that creates conflict of interest.			N/A
7 (2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company.	✓		
7 (3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	✓		
8	Maintaining a website by the Company			
8 (1)	The company shall have an official website linked with the website of the stock exchange.	✓		
8 (2)	The company shall keep the website functional from the date of listing.	✓		
8 (3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	✓		
9	Reporting and Compliance of Corporate Governance			
9 (1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓		
9 (2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	✓		
9 (3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	✓		

AUDIT COMMITTEE REPORT

The Audit Committee is a sub-committee of the Board of Directors of Aftab Automobiles Limited. In compliance with the Corporate Governance Code, the Board of Directors of the Company appointed 3 (three) members of the Audit Committee including 2 (Two) Independent Director. The Audit Committee shall assist the Board of Directors to ensure that the financial statements reflect true and fair view of the state of affairs of the Company and to ensure a good monitoring system within the business and they shall be responsible to the Board.

Members of the Audit Committee:

Mr. Md. Mustafizur Rahman	Independent Director	Chairperson
Mr. Md. Dilwar Hossain Bhuiyan	Independent Director	Member
Mr. Sajedul Islam	Non-Executive Director	Member

The Committee held on Five (5) meetings during the year under review. Mr. Md. Mostafizur Rahman, Company Secretary acts as the Secretary of the Committee.

Role of Audit Committee

Role of audit committee shall include the following:

- Oversee the financial reporting process;
- Monitor choice of accounting policies and principles;
- Oversee hiring and performance of external auditors;
- Review the quarterly and annual financial statements before submission to the Board for approval;
- Review the adequacy of internal audit function;
- Review statement of related party transactions;
- Audit committee shall submit their recommendation to the Board regarding the change or addition of any accounting principle if they think necessary;
- The Audit committee shall disclose to the Board immediately on any matter if deems necessary; and
- Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed for effective audit and evaluate the performance of external auditors.

Activities of the Audit Committee carried out

The Audit Committee of Aftab Automobiles Limited carried out works during the reporting period for the year ended 30 June 2022 as follows:

- The Committee reviewed un-audited quarterly financial statements.
- Reviewed the Financial Statements of Navana Batteries Limited (subsidiaries of Aftab Automobiles Limited) for the year ended 30 June 2022 and found adequate arrangement to present a true and fair view of the financial statements of the Companies.
- Reviewed the procedure and task of the internal audit, financial audited report prepared by the external auditors on the consolidated financial statements of Aftab Automobiles Limited for the year ended 30 June 2022 and forwarded the same to meeting of the Board of Directors.
- Reviewed procedures to ensure compliance with regulatory and financial reporting requirements.
- Oversee the determination of audit fees based on scope and magnitude, expertise deployed for effective audit and evaluate the performance of external auditors.



(Md. Mustafizur Rahman)

Chairperson

Audit Committee

NOMINATION AND REMUNERATION COMMITTEE (NRC)

The Nomination and Remuneration Committee is a sub-committee of the Board of Directors of Aftab Automobiles Limited, constituted pursuant to the Corporate Governance Code of the Bangladesh Securities and Exchange Commission (BSEC). The Committee is accountable to the Board and to the shareholders.

The main activities of NRC are to assist and advise the Board. The Committee discharge the responsibility and oversee the function as defined in the Corporate Governance Code of BSEC.

The Nomination and Remuneration Committee (NRC) consists of the following:

Mr. Md. Dilwar Hossain Bhuiyan	Independent Director	Chairperson
Mr. Md. Mustafizur Rahman	Independent Director	Member
Mr. Sajedul Islam	Non-Executive Director	Member

Mr. Md. Mostafizur Rahman, Company Secretary acts as the Secretary of the Committee.

Role of the NRC

- NRC shall be independent and responsible or accountable to the Board and to the shareholders;
- Devising a policy on Board diversity taking into consideration age, gender, experience and nationality;
- Identifying persons who are qualified to become directors/ top level executive and recommend their appointment/ removal;
- Assess as to whether the level and composition of remuneration is reasonable and efficient to attract, retain and motivate suitable Directors to run the Company successfully;
- Evaluate as to whether remuneration of Directors, top level executive involved a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goal;
- Identify the Company's need for employees at different levels and determine their selection, transferor replacement and promotion criteria;



(Md. Dilwar Hossain Bhuiyan)
Chairperson

AFTAB AUTOMOBILES LIMITED
Code of Conduct for the Chairperson, other Board Members
and Chief Executive Officer/Managing Director

In compliance with the Notification dated 3 June 2018 of Bangladesh Securities and Exchange Commission on Corporate Governance Code under Condition 1.(7)(b), the Board laydown a code of conduct as determined by the Nomination and Remuneration Committee (NRC) as follows:

This code of conduct is a guideline for the Chairperson, other Board Members and Chief Executive Officer/Managing Director of the Company.

Code of Conduct

1. Prudent conduct and behavior

- a) The Chairperson, other Board Members and Chief Executive Officer/ Managing Director shall act honestly, ethically, in good faith and for the greater interest of the Company;
- b) They shall dedicate, attention to ensure diligent performance of his/her duties and responsibilities as set forth in the Company's Memorandum of Association, Articles of Association and Corporate Governance Code;
- c) They shall be free from exercising in any discriminatory practice or behavior based on race, gender, age, color, ethnic or national origin, religion;
- d) They shall conduct themselves in a professional, courteous & respectful manner and shall not take any improper advantage of their position;
- e) They shall use Company's assets, properties, intellectual rights for business purposes of the Company not for any personal benefits or gains;
- f) They shall comply with all applicable laws, regulations, confidentiality, obligations and corporate policies;
- g) They shall aware of the Countries/Foreign business policies, new innovations, future prosperity/-prospect and so more; and
- h) The Chairperson shall preside over all the meetings of Board of Directors and General Meetings.

2. Confidentiality

- a) Directors shall be aware of confidential information concerning the affairs and business transaction of the Company;
- b) Directors neither disclose any information to persons outside of the Company, nor they use information for their personal benefits or for the benefit of any person/concern outside of the Company; and
- c) All confidential information must be held in confidence unless authorized by the Board for public dissemination, permissible in accordance with the Corporate Governance Code of BSEC, Listing Regulations of the Exchange(s) or any applicable rules and laws.

3. Conflict of Interest

- a) The Chairperson, Chief Executive Officer/Managing Director and other Board Members shall not enter into any transaction which is may likely to have a conflict with the interest of the Company.
- b) All transaction having conflict of interest, if any, be carried out in accordance with the law and rules fully disclosed to the Board.

4. Compliance with Laws, Rules and Regulations

- a) The Chairperson, Chief Executive Officer/Managing Director and other Board Members shall ensure compliance with relevant legal/regulatory requirements, as applicable to/from the business of the Company and endeavor that before any directions are given or decisions taken, relevant legal/regulatory requirements are considered;
- b) They shall adhere to the laws of the Government and compliance with regulatory requirements

applicable for the business. This includes compliance with Company's Act, Regulatory Directives, notification/orders, Income Tax Laws, VAT Act/Rules, Labour Laws, Industry Laws, Trade & Finance Laws, Securities Laws, Copyright Act, Employment Policy, Health & Safety Laws, Environmental Laws, Legal Laws and other applicable rules and regulations; and

- c) They shall comply/implement all applicable laws, rules and regulations in order to assist the Company in promoting lawful and ethical behaviors, any possible violation of laws, rules, regulations or the code of conduct shall be reported to the Board.

5. Prohibition of insider trading

- a) Insider trading means using confidential material information about the Company to achieve an unfair advantage in the buying or selling of the company's share/securities. Material Information is usually defined as information which, if publicly disclosed, would reasonably be expected to influence decision to investor to buy, hold or dispose of securities/shares of the Company;
- b) Insider trading is both unethical and illegal. It is also illegal to pass on undisclosed material information in the necessary course of business;
- c) All these materials are subject to take necessary action against who is involves and may be taken prosecutions; and
- d) They shall comply applicable rules and regulations, notifications/orders issued by the regulatory authorities.

6. Relationship with employees

- a) They shall strive for causing the Company to maintain cordial employee relation;
- b) They shall build competency based on human resource systems and maintain human resource policies that have been directed at managing the growth of the Company efficiently; and
- c) They shall assist the Company in future aligning its human resources policies, process and initiatives to meet the business needs.

7. Relationship with shareholder/investor

They shall preserve the lawful benefits and interests of its shareholders/investors. They shall provide with accurate, relevant, transparent, information on Company's operation/business. They shall make utmost endeavor to maximize the project.

8. Relationship with customer

They shall maintain a good business relationship and liaison with its customers through proper business communication, manufacture and market its products of the highest quality and standards as per customer needs backed by efficient market analysis and review with the requirements of the customers to ensure their total satisfaction.

9. Relationship with suppliers

They shall ensure that the suppliers are committed to supply the raw-materials persistently to keep the production stream moving, as well as consider the availability, quality, price of raw materials.

10. Relationship with environments

Environmental and climate protection are among the most pressing global challenges of the time. Risks inherent to environment and social events/activities need to be taken consideration.

11. Independency

- a) They shall remain independent in all material aspects;
- b) They shall works with independency in every sphere of activities, business of the Company; and
- c) They shall ensure the independency of employees at their workplace with a view to deriving the best performance from them that will influence the growth proceeds of the business of the Company.

DIVIDEND DISTRIBUTION POLICY OF AFTAB AUTOMOBILES LIMITED

Introduction

A Dividend Distribution Policy maintaining by Aftab Automobiles Limited since long. In Compliance with Directive No. BSEC/CMRRCD/2021-386/03 dated 14 January 2021 of Bangladesh Securities and Exchange Commission (BSEC), the issuer shall formulate a Dividend Distribution Policy which shall be disclosed in the Annual Report and official website of the Company. In this connection the Board of Directors of Aftab Automobiles Limited has adopted a Dividend Distribution Policy, which to be published in the Annual Report and website of the Company.

Dividend

Dividend means distribution of profit earned by the Company, to its shareholders in proportion to the and paid-up shares by the respective shareholders on Record Date. Dividend may be final in cash and/or stock. Dividend may be declared on the basis of audited financial statements regardless of interim or final. The Company may declare Dividend at the end of financial year which is called final Dividend. Final Dividend shall be declared on the basis of recommendation of the Board and subsequent approval by the shareholders of the Company in Annual General Meeting. The Company may also declare dividend from the profit of current year which is called interim Dividend and the Board of Directors at its discretion/approve/declare an interim Dividend out of current profit in conformity with the regulatory rules/regulations.

Objective

The objective of the policy is to provide guideline to stakeholders on the dividend distribution policy adopted by the Company. The Board of Directors of the Company shall consider this policy when taken decision for recommendation of dividend, always in compliance with the regulatory requirement, directive, notification which applicable.

Eligibility for Dividend

Dividend is declared on the face value of each equity share. Unless otherwise clarified all the shareholders whose name appear in the share register of the Company or with CDBL on Record date declared by the Company for entitlement of dividend are eligible to get the dividend.

Factors for recommendation of Dividend

The Board of Directors of the Company shall consider the following factors among others while recommend Dividend.

Financial factors

- Profit earned during the financial year
- Profit growth
- Financial feasibility
- Debt equity relation
- Company's liquidity position and future cash flow requirements for operations of business of the Company

Internal factors

- Accumulated reserves
- Dividends distribution status of the Company
- Earnings stability
- Growth rate of predicted profits

External factors

- Cost and availability of alternative sources of financing
- Industry outlook for the next year/future years
- Shareholders' expectations
- Changes in the government policies or changes in regulatory provisions
- Other relevant factors that the Board may deem fit

Utilization of retained earnings

The Company may utilize its retained earnings in the manner which is beneficial to the interest of the Company and its stakeholders. Retained earnings helps in maintaining a healthy capital adequacy ratio and supports the future growth.

- Investment in new business and/or additional investment in existing business
- Diversification of business if any
- Market or product development/expansion plan

Apart from the above, the Board may consider to recommend on no dividend in accordance with financial position of the Company.

Policy Review

The Board of Directors of the Company may modify/amend this policy from time to time, if deemed fit and necessary in accordance with related laws/directives/notifications.

GLIMPSES OF 41st ANNUAL GENERAL MEETING



PHOTOGRAPH OF HINO BUSES



PHOTOGRAPH OF NAVANA BATTERIES LIMITED



INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF AFTAB AUTOMOBILES LIMITED AND ITS SUBSIDIARY

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Aftab Automobiles Limited and its Subsidiary which comprise the Consolidated Statement of Financial Position as at 30th June, 2022, the consolidated Statement of Profit or Loss and Other Comprehensive Income, consolidated Statement of Changes in Equity and consolidated Statement of Cash Flows for the year ended and notes to the Financial Statements including a Summary of Significant Accounting Policies and other explanatory information described in note no. 1 to 42 and Annexure A & B.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 30th June, 2022 and of its financial performance and its cash flows for the year ended in accordance with International Financial Reporting Standards (IFRSs) and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in jurisdiction and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of Navana Batteries Limited, Subsidiary Company of Aftab Automobiles Limited for the year ended 30th June, 2022 were audited by another auditor and give fair opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters and accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatements of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matters	How our audit addressed the key audit matters
<p>Revenue</p> <p>The company has reported a revenue of Taka 710,367,324 for the year ended 30th June, 2022. Following the application of the revenue recognition standard (IFRS 15, Revenue from Contracts with Customers), the company adopted its accounting policies.</p> <p>Under IFRS 15 revenue is recognized when a performance obligation is satisfied by transferring control over a promised good or service to a customer.</p> <p>Goods are considered as transferred when (or as) the customer obtains control of that goods. Revenue from sale of goods is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts, rebates and Value Added Tax (VAT).</p> <p>The sales of the company are derived from a large number of distributors located over the country with relatively small amount of transactions. As a result, to obtain sufficient audit evidence, high magnitude of audit work and resource are required.</p> <p>We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the Company and therefore there is an inherent risk of manipulation of the timing of recognition of revenue by management to meet specific targets or expectations.</p> <p>We focused on the proper cut-off of sales to the Company's customers due to the fact that the documents of confirmation of dispatch of goods were provided by numerous transporting agencies based on different locations. There is a risk of differences between the timing of invoicing of products and the dispatch of the products to the company distributors. Accordingly, there could be potential misstatements that these revenue transactions are not recognized in the proper reporting periods.</p> <p>See note no. 3.07 and 10.00 to the financial statements</p>	<p>Our procedures included obtaining an understanding of management's revenue recognition process, we tested a sample of transactions to verify whether the revenue was accounted for in accordance with the revenue accounting policy as disclosed in note 3.07 and 21.00 of the financial statements. In addition, we assessed whether the disclosed revenue accounting policy was in accordance with relevant accounting standards.</p> <p>For the revenue recognized throughout the year, we tested selected key controls, including results reviewed by management, for their operating effectiveness and performed procedures to gain sufficient audit evidence on the accuracy of the accounting for customer contracts and related financial statement captions.</p> <p>With regard to the implementation of IFRS 15 we verified management's conclusion on assessing different types of contracts and the accuracy of the revised accounting policies in light of the industry specific circumstances and our understanding of the business. We tested the appropriateness of the accounting treatment on a sample basis. In addition, we verified the accuracy of IFRS 15 related disclosures.</p> <p>These procedures included reading significant new contracts to understand the terms and conditions and their impact on revenue recognition. We performed enquiries with management to understand their risk assessments and inspected meeting minutes to identify relevant changes in their assessments and estimates.</p> <p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <ul style="list-style-type: none"> * Evaluated the design of internal controls relating to recording of efforts incurred and estimation of efforts required to complete the performance obligations. * We conducted substantive testing of revenue recorded over the year using sampling techniques by examining the relevant supporting documents including sales invoices and depot wise sales bank reconciliation report, bank statement and also, we confirmed selected customers' receivable balances at the balance sheet date, selected on a sample basis by considering the amount outstanding with those customers.

Key Audit Matters	How our audit addressed the key audit matters
	<ul style="list-style-type: none"> * We specifically put emphasis on those transactions occurring close before or after the balance sheet date to obtain sufficient evidence over the accuracy of cut-off. * We tested the completeness of journal entries compared to financial statements; as well as if there any exception existed that the debit accounts of sales recognition were not related to cash and bank, trade receivable or advances from customers. * Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.
Valuation of Stock & Store	How our audit addressed the key audit matters
<p>The Company had inventory of Taka 1,580,037,143 at 30th June, 2022 held in different depot and warehouses.</p> <p>Inventories consisting of raw materials, working process, finished goods, spare parts, fuel and stock in transit are valued at lower of cost and net realizable value. Cost of inventories include expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.</p> <p>Cost of inventories is determined by using the weighted average cost formula. Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying amount of inventories to the lower of cost and net realizable value.</p> <p>Net realizable value is based on estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.</p> <p>Moreover, the process of estimating provision for inventories is judgmental and complex. Due to high level of judgment involved and use of some manual process in estimating the provision and net realisable value of inventories, we considered this to be a key audit matter.</p> <p>See note no. 3.08 and 6.01 to the financial statements.</p>	<p>We tested the appropriateness of management's assumptions applied in calculating the value of the inventory provisions by:</p> <ul style="list-style-type: none"> * evaluating the design and implementation of key inventory controls operating across the company, including those at a sample of factory production house, warehouse, and sales depots; * evaluating internal controls to monitor or keep track of inventory movement; * attending inventory count on 30th June, 2022 and reconciling the count results to the inventory listing to test the completeness of data; * comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories; * reviewing the historical accuracy of inventory provisioning, and the level of inventory write-offs during the year; * challenging the completeness of inventory provisions through assessing actual and forecast sales of inventory lines to assess whether provisions for slow moving/obsolete stock are valid and complete;

	<ul style="list-style-type: none"> * evaluating the correctness of the batch wise costing of final products; * evaluating the correctness of the valuation of raw materials and packing material as per weighted average method; * reviewing the calculation of standard labour hours and their regular comparison with actual labour hours of production; and reviewing the process of valuing work-in-process; * we have also considered the adequacy of the company's disclosures in respect of levels of provision against inventory.
Current Tax Provisioning	How our audit addressed the key audit matters
<p>Current Tax provision amounting Tk. 4,428,397 At the year end the company reported total income tax expense (Current Tax) of BDT. 4,428,397 the calculation of the tax expense is a complex process that involves subjective judgments and uncertainties and require specific knowledge and competencies.</p> <p>We have determined this is to be a key audit matter due to the complexity in income tax provisioning.</p> <p>See note no. 3.15(a) and 16.01 to the Financial Statements.</p>	<p>Our audit procedure in this area included, among others:</p> <p>Use of own tax specialist to assess the company's tax computation. Our tax specialists were also taking into account the company's tax position and our knowledge and experience of the application of relevant tax legislation.</p> <p>We have also considered the adequacy of the Company's disclosure in respect of the levels of provisions against inventory.</p> <p>To analysis and challenge the assumption used to determine tax provision based on our knowledge and experience of the application of the local legislation.</p> <p>Evaluating the adequacy of the financial statement disclosure, including disclosure of key assumption judgments and sensitive related to tax.</p>
Measurement of Deferred Tax Liability	How our audit addressed the key audit matters
<p>The Company reported net deferred tax liability totalling Tk. (18,755,621) as at 30th June, 2022.</p> <p>Significant judgement is required in relation to deferred tax liability as their liability is dependent on forecasts of future profitability over a number of years.</p> <p>See note no. 3.15 (b) and 8.03 to the financial statements.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of Deferred Tax Assets and Liabilities and the assumptions used in estimating the future taxable expense of the company.</p> <p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable expense/income.</p> <p>We evaluated the reasonableness of key assumptions, timing of reversal of temporary differences and expiration of tax loss carry forwards, recognition and measurement of Deferred Tax Liability.</p> <p>We assessed the adequacy of the company's disclosures setting out the basis of deferred tax liability balances and the level of estimation involved. We also assisted in evaluating the tax implications, the reasonableness of estimates and calculations determined by management.</p> <p>Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax.</p>

Valuation of defined benefits obligation	How our audit addressed the key audit matters
The Company operates different types of defined benefit schemes such as Contributory Provident Fund, Gratuity Fund, Workers Profit Participation Fund (WPPF) and Welfare Fund. The company has the liability for contributory provident fund	Our audit procedures included updating our understanding of the business processes followed by the company for accounting and valuing their defined benefit plan.
Valuation of defined benefits obligation	How our audit addressed the key audit matters
<p>amounting to Tk. 202,119, for gratuity fund amounting to Tk. 6,153,630, for workers profit participation fund amounting to Tk. 16,696,432 and for welfare fund amounting to Tk. 350,438 which in total are significant in the context over all financial position. At the year end the company reported a net defined benefit scheme liability of Tk. 23,402,619</p> <p>Liability for the following funds is provided at the following rates:</p> <p>(i) CPF @ 10% of basic salary; (ii) GF @ 1 no. of basic salary; (iii) WPPF @ 5% on net profit after charging such charge; (iv) WF @ Tk. 50 per worker.</p> <p>Therefore, valuation of benefits payable provision is considered as a key audit matter.</p> <p>See note no. 3.17 and 9.02 to the financial statements.</p>	<p>We obtained sufficient audit evidence to conclude that the inputs and methodologies used to determine the liability for defined benefit plan.</p> <p>We assessed the design and operating effectiveness of the Company's key controls supporting the identification, measurement and oversight of valuation of the defined Benefits payable provision.</p> <p>We examined the basis on which WPPF and Welfare expense are payable to the employees and is worked out the liability for WPPF and Welfare on the presumption that all employees are entitle to participate to WPPF and Welfare on the balance sheet date.</p> <p>We ensured that the basis of computing WPPF and Welfare is valid; verify the computation of liability on aggregate basis.</p> <p>Employee data used calculating obligation is also tested and appropriateness and presentation of disclosures against IAS 19: Employee Benefits were assessed.</p>
Consolidation of the financial statements	How our audit addressed the key audit matters
<p>The Company has prepared consolidated financial statements of the group as whole by taking consideration of one subsidiary named Navana Batteries Ltd. with 99.95% shares and one associated company named Navana Real Estate Ltd. with 20% shares owned by the Company.</p> <p>The key risk is that whether the consolidated financial statements of the company are prepared in compliance with IFRS 10: Consolidated Financial Statements and IFRS 3: Business Combination and provide adequate disclosure required in this standards.</p>	<p>We have obtained a good understanding of the structure of the group, the significance (i.e. materiality) of each component of the group, the methodology of the consolidation process, and the risk of material misstatement presented by each of the company's financial statements. We have also established materiality level for the group in aggregate, and for the individually significant components. The types of audit procedures that was performed include:</p> <ul style="list-style-type: none"> checking of the figures taken into the consolidation have been accurately extracted from the financial statements of the components. evaluating the classification of the components of the group for example, whether the components have been correctly identified and treated as subsidiaries, associates. reviewing the disclosures necessary in the group financial statements, such as related party transactions and minority interests.

Consolidation of the financial statements	How our audit addressed the key audit matters
	<ul style="list-style-type: none"> gathering evidence appropriate to the specific consolidation adjustments made necessary by financial reporting standards, including, for example: the calculating of goodwill and its impairment review cancellation of inter-company balances and transactions provision for unrealized profits, if any, as a result of inter-company transactions fair value adjustments needed for assets and liabilities held by the component.

Other Information

Management is responsible for the other information. The other information comprises all the information included in the Annual Report but does not include the financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report.

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

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

After going through the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.

Responsibilities of Management and those charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of Financial Statements in accordance with IFRS's, The Companies Act, 1994, The Securities and Exchange Rules, 1987 and applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Companies Act, 1994 require the management to ensure effective internal audit, internal control and risk management functions of the Company.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations or has not realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with International Standards on Auditing (ISAs), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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

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

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

We have not come across any key audit issues for the year under audit and as such nothing is reportable.

Report on Other Legal and Regulatory Requirements:

In accordance with the Companies Act, 1994, International Standards on Auditing (ISAs) and the Securities and Exchange Rules, 2020, we also report that:

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- (b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books adequate for the purposes of our audit;
- (c) the company's Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income dealt with by the report are in agreement with the books of account.
- (d) the expenditure incurred for the purposes of the company's business.



(A.K.M Aminul Hoque, FCA)

Enrolment No. 407

DVC-2210290407AS167040

A. Hoque & Co.

Chartered Accountants


Dated : 29.10.2022
Place : Dhaka, Bangladesh

AFTAB AUTOMOBILES LIMITED AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2022

Particulars	Notes	Amount (Tk.) 30.06.2022	Amount (Tk.) 30.06.2021
Assets:			
Non-Current Assets:	5.00		
Property, Plant & Equipment	5.01	1,924,542,138	1,885,081,745
Non-Current Assets held for Sales & Discontinued Operations	5.02	277,786,431	-
Capital Work-in-Progress	5.03	733,964,130	979,271,904
Investment in Securities & Associate Company	5.04	454,478,696	429,982,462
Receivables - Non-Current Maturity	5.05	2,311,780,126	2,275,000,786
Right of Use Assets	5.06	99,240,848	48,901,533
		5,801,792,369	5,618,238,429
Current Assets:	6.00		
Receivables-Current Maturity	5.05	3,252,511,734	3,303,632,351
Stock and Stores	6.01	1,580,037,143	1,627,627,080
Current Account with Navana Group of Companies	6.02	5,714,323,982	4,941,369,238
Advances, Deposits & Pre-Payments	6.03	7,067,468,769	6,650,017,057
Cash and Cash Equivalents	6.04	347,538,890	351,934,524
		17,961,880,518	16,874,580,250
Total Assets		23,763,672,887	22,492,818,679
Shareholders' Equity and Liabilities			
Shareholders' Equity:	7.00		
Share Capital	7.01	1,005,190,430	957,324,220
Share Premium	7.02	1,925,858,339	1,925,858,339
Reserve	7.03	67,338,231	67,338,231
Retained Earnings	7.04	2,518,359,196	2,591,845,474
Equity Attributable to Owners of the Company		5,516,746,196	5,542,366,263
Non-Controlling Interest		406,356	409,157
Non-Current Liabilities:	8.00		
Loan and Deferred Liabilities (Unsecured)	8.01	25,310,440	25,310,440
Long Term Loan-Non Current Maturity	8.02	4,892,433,196	4,467,280,547
Deferred Tax Liability	8.03	(18,755,621)	78,004,754
Lease Liability	8.04	76,165,501	50,684,891
		4,975,153,516	4,621,280,632
Current Liabilities and Provision:	9.00		
Long Term Loan-Current Maturity	8.02	1,630,811,065	1,489,093,516
Short Term Loan	9.01	10,048,079,903	9,490,070,048
Accrued and Other Current Liabilities	9.02	1,496,559,310	1,257,990,990
Unclaimed Dividend Account	9.03	95,916,541	91,608,073
		13,271,366,819	12,328,762,627
Total Liabilities		18,246,520,335	16,950,043,258
Total Equity & Liabilities		23,763,672,887	22,492,818,679
Net Assets Value (NAV) per Share	17.00	54.88	57.89

The annexed notes from 1 to 42 and Annexure-A & B form an integral part of these Financial Statements.

The financial statements were approved by the Board of Directors on the 26th day of October, 2022 and were signed on its behalf by:


Chief Financial Officer


Company Secretary



Director


Director


Managing Director

Signed in term of our separate report of even date annexed.

Dated: 29.10.2022
Place: Dhaka, Bangladesh


(A.K.M Aminul Hoque, FCA)
Enrolment No. 407
DVC-2210290407AS167040
A. Hoque & Co.
Chartered Accountants

AFTAB AUTOMOBILES LIMITED AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE, 2022

Particulars	Note	Amount (Tk.) 30.06.2022	Amount (Tk.) 30.06.2021
Revenue (Net)	10.00	710,591,300	1,254,020,565
Less: Cost of Goods Sold	11.00	536,403,861	947,011,382
Gross Profit (a)		174,187,439	307,009,183
Less: Operating Expenses:			
Administrative Expenses	12.00	45,867,737	62,791,881
Selling and Distribution Expenses	13.00	18,349,510	52,333,401
Financial Charges	14.00	239,061,668	448,329,428
Total Operating Expenses (b)		303,278,915	563,454,710
Operating Profit/(Loss) (c) = (a-b)		(129,091,476)	(256,445,527)
Non-Operating Income			
Other Income	15.00	13,357,514	17,312,132
Less: Foreign Exchange Loss		-	(1,092,135)
Share of Profit from Associate Company	8.03.a	24,496,234	12,466,601
Profit/(Loss) before Contribution to WPPF		(91,237,728)	(227,758,929)
Less: Contribution to WPPF		-	-
Net Profit/(Loss) before Tax (f)		(91,237,728)	(227,758,929)
Less: Income Tax Expenses	16.00		
Current Tax	16.01	4,429,741	7,676,342
Deferred Tax	8.03	(96,760,376)	(49,918,066)
Total Income Tax Expenses (g)		(92,330,635)	(42,241,724)
Net Profit/(Loss) after Tax attributable to equity holders (h)=(f-g)		1,092,907	(185,517,205)
Attributable to:			
Equity Holders of the Company		1,095,709	(185,514,274)
Non-Controlling Interests		(2,802)	(2,931)
Profit for the period/year		1,092,907	(185,517,205)
Consolidated Earnings per Share	18.00	0.01	(1.94)

The annexed notes from 1 to 42 and Annexure-A & B form an integral part of these Financial Statements.

The financial statements were approved by the Board of Directors on the 26th day of October, 2022 and were signed on its behalf by:


Chief Financial Officer


Company Secretary



Director


Director


Managing Director

Signed in term of our separate report of even date annexed.

Dated: 29.10.2022
Place: Dhaka, Bangladesh


(A.K.M Aminul Hoque, FCA)
Enrolment No. 407
DVC-2210290407AS167040
A. Hoque & Co.
Chartered Accountants

AFTAB AUTOMOBILES LIMITED AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30TH JUNE, 2022

Particulars	Share Capital	Share Premium	Reserve	Retained Earnings	Attributable to Equity holders of the Company	Non-Controlling Interest	Total
Balance at 1st July, 2021	957,324,220	1,925,858,339	67,338,231	2,591,845,473	5,542,366,263	409,157	5,542,775,420
Adjustment for the Application of IFRS-16 (Lease)	-	-	-	6,790,102	6,790,102	-	6,790,102
Stock Dividend	47,866,211	-	-	(47,866,211)	-	-	-
Cash Dividend	-	-	-	(33,505,875)	(33,505,875)	-	(33,505,875)
Transfer Comprehensive Income for the year	-	-	-	1,095,709	1,095,709	(2,802)	1,092,907
Balance at 30th June, 2022	1,005,190,431	1,925,858,339	67,338,231	2,518,359,196	5,516,746,196	406,356	5,517,152,552
Balance at 1st July, 2020	957,324,220	1,925,858,339	67,338,231	2,812,199,739	5,762,720,529	412,088	5,763,132,617
Adjustment for the Application of IFRS-16 (Lease)	-	-	-	(1,334,118)	(1,334,118)	-	(1,334,118)
Cash Dividend	-	-	-	(33,505,875)	(33,505,875)	-	(33,505,875)
Transfer Comprehensive Income for the year	-	-	-	(185,514,274)	(185,514,274)	(2,931)	(185,517,205)
Balance at 30th June, 2021	957,324,220	1,925,858,339	67,338,231	2,591,845,473	5,542,366,263	409,157	5,542,775,420

The annexed notes from 1 to 42 and Annexure-A & B form an integral part of these Financial Statements.

The financial statements were approved by the Board of Directors on the 26th day of October, 2022 and were signed on its behalf by:



Chief Financial Officer



Company Secretary


Khalida Islam
Director


Director



Managing Director

Signed in term of our separate report of even date annexed.



(A.K.M Aminul Hoque, FCA)
Enrolment No. 407
DVC-2210290407AS167040
A. Hoque & Co.
Chartered Accountants

এ, ইক এড কোং
A. HOQUE & CO.
CHARTERED ACCOUNTANTS

Dated: 29.10.2022
Place: Dhaka, Bangladesh

AFTAB AUTOMOBILES LIMITED AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE, 2022

PARTICULARS	Note	AMOUNT (TK.) 30.06.2022	AMOUNT (TK.) 30.06.2021
Cash Flows from Operating Activities:			
Cash Receipts from Customers		724,932,577	1,262,078,185
Cash Receipts of Other Income		13,357,514	17,312,132
Foreign Exchange Loss		-	(1,092,135)
Payments to Suppliers and Employees		(369,084,511)	(611,509,175)
Cash Generated from Operations		369,205,580	666,789,007
Income Tax Paid		(13,505,384)	(30,622,795)
Net Cash Generated from Operating Activities		355,700,196	636,166,212
Cash Flows from Investing Activities:			
Acquisition of Property, Plant and Equipment		(42,317,436)	(18,356,108)
Advance for capital assets		(366,614,869)	(1,459,938,060)
Payments for Capital Work in Progress		(114,263,256)	-
Net Cash used in Investing Activities		(523,195,561)	(1,478,294,168)
Cash Flows from Financing Activities:			
Receipts /(Repayments) of Bank Loan		1,117,423,659	2,582,704,568
Inter Company Receipts / (Payments)		(806,333,644)	(1,241,620,072)
Bank Interest Paid		(165,028,055)	(448,329,428)
Dividend Paid		(29,197,407)	(21,821,985)
Net Cash Provided in Financing Activities		116,864,553	870,933,083
Net Changes in Cash and Cash Equivalents		(4,395,635)	52,111,793
Cash and Cash Equivalents at the Beginning of Year		351,934,525	299,822,731
Cash and Cash Equivalents at the End of Year		347,538,890	351,934,524
Net Operating Cash Flows Per Share	19.00	3.71	6.65

The annexed notes from 1 to 42 and Annexure-A & B form an integral part of these Financial Statements.

The financial statements were approved by the Board of Directors on the 26th day of October, 2022 and were signed on its behalf by:


Chief Financial Officer


Company Secretary



Khaleda Islam
Director


Director


Managing Director

Signed in term of our separate report of even date annexed.

Dated: 29.10.2022
Place: Dhaka, Bangladesh


(A.K.M Aminul Hoque, FCA)
Enrolment No. 407
DVC-2210290407AS167040
A. Hoque & Co.
Chartered Accountants

AFTAB AUTOMOBILES LIMITED AND ITS SUBSIDIARY CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE, 2022
FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

1.00 Reporting Entity

1.01 Corporate Information–Domicile, Legal Form and Country of Incorporation

Aftab Automobiles Limited (the Company) was incorporated in erstwhile East Pakistan in year 1967 as East Pakistan Automobiles Limited under the Companies Act, 1913 vide Registration No. C-2860/57 E.P. of 1967-1968. Subsequently, after liberation war, the Company changed the name as Aftab Automobiles Limited and was certified by the Registrar of Joint Stock Companies & Firms, Bangladesh on the 11th day of March, 1972. It was incorporated as a Private Limited Company since inception. However, in 1981 it was transformed into Public Limited Company under Companies Act, 1913. The Company is listed with Dhaka Stock Exchange Ltd. and the Chittagong Stock Exchange Ltd. in the year 1987 and 1996 respectively.

Registered Office

The Registered Office and Principal Place of Business of Aftab Automobiles Limited is located at 125/A, Motijheel Commercial Area, Islam Chamber, 4th Floor, Dhaka-1000.

1.02 Other Corporate Information

(i) Trade License: TRAD/DSCC/266195/2019 date: 16/07/2020

(ii) e-TIN No.: 414021944464 date:07/10/2013

(iii) VAT Registration No.: 000901216 date: 27/12/2017

1.03 Nature of Business

The principal activities of the Company throughout the period were assembling of Toyota Land Cruiser soft top / Pick-up, Land Cruiser Prado, Hino Bus, Hino Mini Bus/Truck Chassis with a production capacity of 2400 units of vehicles in 3 shifts in assembling unit. At present the plant is running single shift. The company has recently setup a motor cycle unit with a capacity of 10,000 units of motor cycle per year. Sales of motor cycle have been started in the year 2013-2014.

1.04 Group Structure of Aftab Automobiles Ltd.

Aftab Automobiles Ltd. holds 99.95% shares of Navana Batteries Ltd. and 20% of Navana Real Estate Ltd.

1.05 Subsidiary

Navana Batteries Limited

Navana Batteries Limited is a private limited company which was incorporated on the 21st April, 2009, Vide Registration No. C-76441/2009 of Joint Stock Companies & Firms, Dhaka, Bangladesh under the Companies Act, 1994 as a subsidiary with 99.95% shares owned by Aftab Automobiles Ltd. The principal activities of the Company are manufacturing of automotive, industrial and solar batteries in the plant located at Fouzdarhat Industrial Area, Chattagram, Bangladesh.

1.06 Associate Company

Navana Real Estate Limited

Navana Real Estate Limited (hereinafter referred to as "NREL" / "the Company") is a Public Limited Company incorporated in Bangladesh in 1996 under the Companies Act, 1994. Vide Registration No. C-31450(571)/96.

The Company is engaged in real estate development business of building development projects both commercial and residential and sale of lands. The entity holds 20% of its associate's (Navana Real Estate Limited) equity shares at the year end.

1.07 Structure, Content and Presentation of Financial Statements

The presentation of these financial statements is in accordance with the guidelines provided by IAS 1: Presentation of financial statements. The financial statements comprise of:

- * Consolidated Statement of Financial Position as at 30th June, 2022;
- * Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June, 2022;
- * Consolidated Statement of Changes in Equity for the year ended 30th June, 2022;
- * Consolidated Statement of Cash Flows for the year ended 30th June, 2022;
- * Notes comprising summary of significant accounting policies and other explanatory information.

2.00 Basis of Preparation of Financial Statements

2.01 Statement on Compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) & International Accounting Standard (IAS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), the Companies Act, 1994, Securities and Exchange Rules, 2020 and other relevant laws as applicable.

Pursuant to recent amendment to the Companies Act, 1994 incorporating amendments, among others, is to change of the word 'Limited' by the word 'PLC' in case of Public Limited Companies including listed ones. Necessary formalities are in progress in implementing these changes.

2.02 Other Regulatory Compliances

The Company is also required to comply with the following major legal provisions in addition to Companies Act, 1994 and other applicable laws and regulations:

The Income Tax Ordinance, 1984;
The Income Tax Rules, 1984;
The Value Added Tax and Supplementary Duty Act, 2012;
The Value Added Tax Rules, 2016;
The Customs Act, 1969;
The Stamp Act, 1899;
The Bangladesh Securities and Exchange Commission Act, 1993;
The Securities and Exchange Rules, 2020;
The Securities and Exchange Ordinance, 1969;
Bangladesh Labour Act, 2006 (as amended to 2018)
DSE/CSE Rules;
Listing Regulations, 2015;

2.03 Compliance with the Financial Reporting Standards as applicable in Bangladesh

As per para-14(2) of the Securities and Exchange Rule, 2020 the company followed International Accounting Standards (IAS's) and International Financial Reporting Standards (IFRS's) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) in preparing the financial statements.

Sl. No.	IAS No.	IAS Title	Compliance Status
1	1	Presentation of Financial Statements	Complied
2	2	Inventories	Complied
3	7	Statement of Cash Flows	Complied
4	8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
5	10	Events after the Reporting Period	Complied
6	11	Construction Contracts	N/A
7	12	Income Taxes	Complied
8	16	Property, Plant and Equipment	Complied
9	19	Employee Benefits	Complied
10	20	Accounting for Govt. Grants and Disclosure of Govt. Assistance	N/A
11	21	The Effects of Changes in Foreign Exchange Rates	Complied
12	23	Borrowing Costs	Complied
13	24	Related Party Disclosures	Complied
14	26	Accounting and Reporting by Retirement Benefit Plan	Complied
15	27	Separate Financial Statements	Complied
16	28	Investment in Associated and Joint Venture	Complied
17	29	Financial Reporting in Hyperinflationary Economics	N/A
18	31	Interest in Joint Ventures	N/A
19	32	Financial Instruments: Presentation	Complied
20	33	Earnings per Share	Complied
21	34	Interim Financial Reporting	Complied
22	36	Impairment of Assets	Complied
23	37	Provisions, Contingent Liabilities and Contingent Assets	Complied
24	38	Intangible Assets	N/A
25	40	Investment Property	N/A
26	41	Agriculture	N/A

Sl. No.	IFRS No.	IFRS Title	Compliance Status
1	1	First-time adoption of International Financial Reporting Standards	Complied
2	2	Share based Payment	N/A
3	3	Business Combinations	N/A
4	4	Insurance Contracts	N/A
5	5	Non-current Assets held for Sale and Discontinued Operations	N/A
6	6	Exploration for and Evaluation of Mineral Resources	N/A
7	7	Financial Instruments: Disclosures	Complied
8	8	Operating Segments	Complied
9	9	Financial Instrument	Complied
10	10	Consolidated Financial Statements	Complied
11	11	Joint Arrangements	N/A
12	12	Disclosure of Interests in Other Entities	Complied
13	13	Fair Value Measurement	Complied
14	14	Regulatory Deferral Accounts	N/A
15	15	Revenue from Contracts with Customers	Complied
16	16	Leases	Complied

2.04 Basis of Measurement

The consolidated financial statements have been prepared based on the accrual basis of accounting and prepare under the historical cost convention except for the revaluation of certain non-current assets which are stated either at revaluated amount or fair market value as explained in the accompanying notes.

2.05 Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition up to the effective date of disposal, as appropriate.

Total comprehensive income of subsidiaries is attributed to the owners of the company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the group.

Non-Controlling Interests are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

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

The consolidated financial statements comprise consolidated statement of financial position, consolidated statement of comprehensive income, consolidated statement of cash flows, consolidated statement of changes in equity and consolidated notes and explanatory materials covering accounting policies.

The consolidated financial statements have been prepared in accordance with IFRS 10: consolidated financial statements.

2.06 Accrual basis of Accounting

The Company prepares its consolidated financial statements, except for cash flow information, using the accrual basis of accounting. Since the accrual basis of accounting is used, the company recognizes items as assets, liabilities, equity, income and expenses (the elements of financial statements) when they satisfy the definitions and recognition criteria for those elements in the IFRS conceptual framework.

2.07 Functional and Presentation Currency

Functional and presentation currency items included in these financial statements are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). These financial statements are presented in Bangladesh Taka ("BDT") which is also the functional currency of the company. The amounts in these financial statements have been rounded off to the nearest BDT except otherwise indicated.

2.08 Key Accounting Estimates and Judgments in Applying Accounting Policies

The preparation of consolidated financial statements in conformity with International Financial Reporting Standards including IAS's requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and for contingent assets and liabilities that require disclosure during and at the date of the financial statements.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected as required by IAS 8: "Accounting Policies, Changes in Accounting Estimates and Errors".

In particular, the key areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include accrued expenses, inventory valuation and other payables.

2.09 Materiality, Aggregation and Off Setting

Each material item as considered by management significant has been displayed separately in the financial statements. No amount has been set off unless the Company has legal right to set off the amounts and intends to settle on net basis. Income and expenses are presented on a net basis only when permitted by the relevant accounting standards.

The values of assets or liabilities as shown in the statement of financial position are not off-set by way of deduction from another liability or asset unless there exist a legal right, therefore no such incident existed during the year.

2.10 Going Concern Assumption

The consolidated financial statements are prepared on the basis of going concern assumption. As per management assessment there is no material uncertainties related to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern.

2.11 Comparative Information

Comparative information has been disclosed in respect of 2020-2021 in accordance with IAS-1 "Presentation of Financial Statements" for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current periods of financial statements. Prior year figure has been re-arranged wherever considered necessary to ensure comparability with the current period. Since the Company prepared consolidated financial statements, comparative information only contains parent's financial information.

2.12 Changes in Accounting Policies

There have been no changes in accounting policies. All policies were consistent with the practices of the previous years.

2.13 Responsibility for Preparation and Presentation of Financial Statements

The Board of Directors is responsible for the preparation and presentation of the financial statements as per requirements of Companies Act, 1994.

2.14 Reporting Period

The reporting period of the Company covers one year from 1st day of July, 2021 to 30th June, 2022.

2.15 Approval of Financial Statements

The financial statements have been approved by the Board of Directors on the 26th day of October, 2022.

3.00 Significant Accounting Principles and Policies selected and applied for significant transactions and events

For significant transactions and events that have material effect, the Company's Directors selected and applied significant accounting principles and policies within the framework of IAS 1: Presentation of Financial Statements in preparation and presentation of financial statements that have been consistently applied throughout the year and were also consistent with those use in earlier years.

For proper understanding of the financial statements, accounting policies set out below in one place as prescribed by the IAS 1: Presentation of Financial Statements:

Assets and Basis of their Valuation

3.01 Property, Plant and Equipment

3.01.1 Recognition and Measurements

These are capitalized at cost of acquisition and subsequently stated at cost less accumulated depreciation in compliance with the benchmark treatment of IAS 16 "Property, Plant and Equipment". The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

In a situation where it can clearly be demonstrated that expenditure has resulted in an increase in future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an additional cost of the assets.

Cost also includes initial estimate of the costs of dismantling, removing the item and restoring this site (generally called asset retirement obligation) are recognized and measured in accordance with IAS 37: Provision, Contingent Liabilities and Contingent Assets.

On retirement or otherwise disposal of fixed assets, the cost and accumulated depreciation are eliminated and any gain or loss on such disposal is reflected in the statement of comprehensive income which is determined with reference to the net book value of assets and the net sales proceeds.

Capital Work-in-Progress represents capital works of a unit still in progress and not in a operation. Once a unit is completed, it is transferred to "Property, Plant and Equipment".

No revaluation of fixed assets has been made by the company.

3.01.2 Maintenance Activities

Expenditure incurred after the assets have been put into operation, such as repairs & maintenance is normally charged off as revenue expenditure in the year in which it is incurred.

3.01.3 Subsequent Cost

The Cost of replacing part of an item of property, plant & equipment is recognized in the carrying amount of the item if it is possible that the future economic benefits embodied

within the part will flow to the company and its cost measured reliably. The cost of day to day servicing of properly and equipment are recognized in the Statement of Profit or Loss and Other Comprehensive Income as repairs and maintenance where it is incurred.

3.01.4 Depreciation on Tangible Fixed Assets

As required in Paragraph 43 of IAS-16 Property and Equipment, depreciation in respect of all fixed assets is provided to amortize the cost of the assets after commissioning, over their expected useful economic lives in accordance with the provision of IAS 16 "Property, Plant and Equipment".

Depreciation on all fixed assets except land and land development is computed using diminishing balance method in amount sufficient to write-off depreciable assets over their estimated useful life. Depreciation has been charged on additions and when it is used. Expenditure for maintenance and repairs are expenses; major replacements, renewals and betterment are capitalized.

The cost and accumulated depreciation of depreciable assets retired or otherwise disposed off are eliminated from the assets and accumulated depreciation and any gain or loss on such disposal is reflected in the Statement of Profit or Loss Account for the year ended. The annual depreciation rates applicable to the principal categories are:

Category of Fixed Assets	Rate of Depreciation
Land & Land Development	--
Building	2.5%
Sheds	20%
Plant & Machinery	10%
Tools & Equipment	20%
Office Equipment	10%
Furniture & Fixtures	10%
Transport Vehicles	20%
Electric Line Installation	10%
Gas Line Installation	10%
Office Decoration	10%

The whole amount of depreciation has been charged off partly to cost of sales and partly as expense in consistent with practice followed in the earlier years.

3.01.5 Impairment

The carrying amounts of property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated to determine the extent of the impairment loss, if any, impairment loss is recorded on judgmental basis, for which provision may differ in the future years based on the actual experience.

3.01.6 Disposal of Property, Plant and Equipment

An item of Property, Plant and Equipment is removed from the statement of financial position when it is disposed off or when no future economic benefits are expected from its use or disposal. The gain or loss on the disposal of an item of Property, Plant and Equipment is included in the statement of income of the period in which the de-recognition occurs.

3.01.7 Capital Worn-in-Progress

Property, Plant and Equipment under construction / acquisition have been accounted for as capital work-in-progress until construction/acquisition is completed and measured at cost.

3.02 Investment in FDR and Shares

Investment is stated at its cost of acquisition and interest earned on deposits lying with the different banks and the profit earned on investments in shares have been duly accounted for on accrual basis. The statement of profit or loss and other comprehensive income reflects the income on account of interest on investment in FDRs and shares. It may be mentioned here that a fluctuation reserve/fair value reserve has been created in order to equalize the price go down below the cost price of the shares and during the year under audit unrealised gain/(loss) on investment in shares for price go down below the cost price of the shares has been charged directly to statement of profit or loss and other comprehensive income.

3.03 Investment in Associates

An entity in which an investor has significant influence, but which is neither a subsidiary nor an interest in a joint venture is classified as Investment in Associates. Equity Method accounting has been followed to recognize and measure the investment in associates in accordance with International Accounting Standard (IAS) 28 "Investments in Associates". The Aftab Automobiles Limited holds 20% of its associate's (Navana Real Estate Limited) equity shares as at year end.

3.04 Recognition of Investment in Subsidiary in a separate Financial Statement

The investments in subsidiary is being accounted for using equity method in the company's separate financial statements as directed by para 10 (c) of IAS 27 separate Financial Statements, "under the equity method, on initial recognition the investment in an associate or a joint venture is recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The investor's share of the investee's profit or loss is recognized in the investor's profit or loss. Distributions received from an investee reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the investor's proportionate interest in the investee arising from changes in the investee's other comprehensive income."

3.05 Sundry Debtors (Including Advance, Deposits and Pre-Payments)

These are carried at original invoice amounts, which represent net realizable value.

3.06 Other Current Assets

Other current assets have a value on realization in the ordinary course of the company's business which is at least equal to the amount at which they are stated in the Statement of Financial Position.

3.07 Revenue Recognition

In compliance with the requirements of IFRS 15 "Revenue" is recognized to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable excluding VAT, discounts, commission, rebates and other sales taxes where applicable. Revenue recognized when the policies are made.

The Company recognizes as revenue the amount that reflects the consideration to which the Company expects to be entitled in exchange for goods or services when (or as) it transfers control to the customer. To achieve that core principle, this standard establishes a five-step model as follows:

- * Identify the contract with a customer;
- * Identify the performance obligations in the contract;
- * Determine the transaction price;
- * Allocate the transaction price to the performance obligations in the contract; and
- * Recognize revenue when (or as) the entity satisfies a performance obligation.

Considering the five steps model, the company recognizes revenue when (or as) the Company satisfies a performance obligation by transferring a promised goods to a customer. Goods is considered as transferred when (or as) the customer obtains control of that goods. Revenue from sale of goods is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts, rebates and Value Added Tax (VAT).

(a) Sale of Goods

Revenue from the sale of goods is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

(b) Profit on Bank Deposits

Profit on bank deposits have been accounted on accrual basis.

(c) Other Revenues

Other revenues are recognized when services are rendered and bank interests are earned.

3.08 Inventories

In compliance with the requirements with IAS-2 "Inventories" Raw Materials and stores are valued at the lower of average cost and the net realizable value. Stock of finished vehicles, bus body building unit are valued at cost which is determined by taking into consideration the value of raw materials and production overhead. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to present condition and includes wherever applicable appropriate overheads based on normal level of activity.

No provision has been made for slow moving & obsolete stocks during the financial year.

3.09 Foreign Currency Transactions

Transactions in Foreign Currencies are measured in the functional currency of the company and are recorded on initial recognition in the functional currency at the spot exchange rate ruling at the transaction date.

At the end of each reporting period in compliance with the provision of IAS 21: The Effect of Changes in Foreign Exchange Rates-

- (a) Foreign currency monetary items are translated using the closing rate;
- (b) Non-monetary items that are measured in terms of historical costs in a foreign currency are translated using the exchange rate at the date of the transaction;
- (c) Non-monetary items that are measured at fair value in a foreign currency is translated using the exchange rate at the date when the fair value is determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rate different from those at which they were translated on initial recognition during the period or in previous financial statements is recognized in profit or loss in the period in which they arise.

Amount in FCAD ERQ Account and any other foreign currency balance have been translated into taka at the reporting date at the exchange rate prevailing on that date and gain/(loss) have been accounted for as other income / (loss) in statement of profit or loss and comprehensive income.

3.10 Financial Instruments

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

3.10.1 Financial Assets

The company initially recognises a financial asset in its statement of financial position, when, and only when, the entity becomes a party to the contractual provisions of the instrument.

The company derecognises a financial asset when the contractual rights or probabilities of receiving the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

An entity shall classify financial assets as subsequently measured at amortized cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL) on the basis of both in pursuance of provision 4.1 classification of financial assets under IFRS 9:

- (a) the entity's business model for managing the financial assets; and
- (b) the contractual cash flow characteristics of the financial assets.

3.10.1.1 Financial Assets measured at amortized cost

The asset is measured at the amount recognized at initial recognition minus principal repayments, plus or minus the cumulative amortization of any difference between that initial amount and the maturity amount, and any loss allowance. Interest income is calculated using the effective interest method and is recognized in profit and loss. Changes in fair value are recognized in profit and loss when the asset is derecognized or reclassified.

3.10.1.2 Financial Assets measured at fair value through other comprehensive income

A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- (a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows solely payments of principal and interest on the principal amount outstanding.

3.10.1.3 Financial Assets measured at fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held for trading or is designated as such on initial recognition. Financial assets are designated as at fair value through profit or loss if the Company manages such investment and makes purchase or sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Attributable transactions costs are recognized in profit and loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein which take into account and dividend income are recognized in profit or loss.

Financial assets include accounts receivables, advance, deposits & prepayments and cash & cash equivalents.

(i) Accounts Receivables

Accounts receivables represent the amounts due from customers for delivering goods or rendering services. Trade and other receivables are initially recognized at cost which is the fair value of the consideration given in return. After initial recognition these are carried at cost less impairment losses due to non-collectability of any amount so recognized.

(ii) Advance, Deposits & Prepayments

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads. Deposits are measured at payment value. Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to profit & loss account.

(iii) Cash and Cash Equivalents

Cash and cash equivalents comprises cash in hand, cash at bank and fixed deposits having maturity of less than three months which are available for use by the company without any restriction.

3.10.2 Financial Liabilities

A financial liability is recognized when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the company of resources embodying economic benefits. The company initially recognises financial liabilities on the transaction date at which the company becomes a party to the contractual provisions of the liability.

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

Non-derivative financial liabilities comprise accrued and other current liabilities and interest bearing borrowings.

(i) Accrued and Other Current Liabilities

Accrued and Other Current Liabilities are recognized at the amount payable for services rendered to the company.

(ii) Interest bearing borrowings

Principal amounts of the loans and borrowings are stated at their amortized amount. Borrowings repayable after twelve months from the date of statement of financial position are classified as non-current liabilities whereas the portion of borrowings repayable within twelve months from the date of statement of financial position, unpaid interest and other charges are classified as current liabilities.

3.11 Equity Instruments

Ordinary shares are classified as equity. Investment costs directly attributable to the issue of ordinary shares are recognized as expenses. Paid up share capital represents total amount contributed by the shareholders and bonus shares issued by the Company.

3.12 Impairment

(i) Non-derivative Financial Assets

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

Objective evidence that financial assets are impaired includes:

- (a) default or delinquency by a debtor;
- (b) restructuring of an amount due to the Company on terms that the Company would not consider otherwise;
- (c) indications that a debtor or issuer will enter bankruptcy;
- (d) adverse changes in the payment status of borrowers or issuers;
- (e) observable data indicating that there is measurable decrease in expected cash flows from a Company of financial assets.

(ii) Financial Assets measured at amortized cost

The Company considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Company uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss.

(iii) Non-Financial Assets

The carrying amounts of the Company's non-financial assets (other than biological asset, investment property, inventories and deferred tax assets) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of impairment loss (if any). Where it is not possible to determine the recoverable amount of an individual asset, the company estimates the recoverable amount of the Cash Generating Unit (CGU) to which the asset belongs. An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses are recognised in profit or loss. 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, if no impairment loss had been recognised.

3.13 Derivatives

The company is not a party to any derivative contract at the statement of financial position date, such as forward exchange contract, currency swap agreement or interest rate option contract to hedge currency exposure related to import of raw materials and others or principal and interest obligations of foreign currency loans.

3.14 Leases

IFRS 16 provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset as a low value. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemption for short-term leases and leases of low value items.

The Company applied IFRS 16 Lease for the first time on 1st July, 2019. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. Previously the company used to charge the consideration paid in its books as revenue expenses. IFRS 16 introduced a single, on balance sheet accounting model for leases. As a result, the Company, as a lessee, has recognized right of use assets representing its rights to use underlying assets and lease liabilities representing its obligation to make lease payments. The Company applied IFRS 16 on 1st January, 2019 for the existing lease contracts.

The Company has only office rent agreement, which is classified as operating leases, which under IFRS 16 are required to be recognized on the Company's statement of financial position. The nature and timing of expenses related to those leases has changed as IFRS 16 replaced the straight line operating lease expenses (as per IAS-17) with an amortization charge for the right of use assets and interest expense on lease liabilities.

The Company applied the practical expedient to the definition of a lease on transition. This means that it applied IFRS 16 to all contracts entered into before 1st January, 2019 and identified as leases in accordance with IAS 17 and IFRIC 4.

The Company's all contractual payments to the lessor contains only fixed amounts of lease payment and no variable lease payments are embedded with the lease payments. The rental agreements do not include any automatic renewals, nor do they include any guaranteed residual values of the underlying assets.

The Company recognizes right-of-use assets at the commencement date of the lease (i.e. date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term or a change in the in-substance fixed lease payments.

Subsequent Measurement:

The Lease Liability:

Upon initial recognition, the lease liability is being accounted for using amortised cost. Meaning that the initial liability is added by finance charge at company's incremental borrowing cost less subsequent rental payment on monthly basis.

Right to Use Assets:

The leased assets (Right to Use Asset) are depreciated over its useful life on monthly basis using straight line depreciation method.

3.15 Taxation

Income Tax expense comprises current and deferred taxes. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity in accordance with IAS 12: Income Tax.

(a) Current Tax:

Current Tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

The applicable tax rate of the company of Aftab Automobiles Ltd. is 22.50% and Navana Batteries Ltd. is 30% as the companies are qualified as a publicly traded company and private limited company respectively.

(b) Deferred Tax:

Deferred income tax is provided using the deferred method on temporary differences. Deferred tax assets and liabilities are recognized for all temporary differences, except:

Where the deferred tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction affects neither the accounting profit nor taxable profit or loss;

In respect of temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled by the company and it is probable that the temporary differences will not reverse in the foreseeable future; and

In respect of deductible temporary differences and carry-forward of unused tax credits and unused tax losses, if it is not probable that taxable profit will be available against which the deductible temporary differences and carry forward of unused tax credits and unused tax losses can be utilized.

(c) Value Added Tax:

Revenues, expenses and assets are recognized net of the amount of Value Added Tax except:

Where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

Receivable and payables that are stated with the amount of value added tax included.

The net amount of value added tax recoverable from, or payable to, taxation authority is included as part of receivables or payables in the statement of financial position.

3.16 Proposed Dividend

The amount of proposed dividend has not been accounted for but disclosed in the notes to the accounts in accordance with the requirements of International Accounting Standard (IAS) 1: Presentation of Financial Statements. Also the proposed dividend is not considered as liability in accordance with the requirement of International Accounting Standard (IAS) 10: Events after the Reporting Period, because no obligation exists at the time of approval of accounts and recommendation of dividend by the Board of Directors.

3.17 Cost of Employment Benefits

The company maintains a defined contribution plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective deeds. The Company does not have any defined benefit plans and therefore does not record any provisions or expenses in this regard.

The company has accounted for and disclosed employee benefits in compliance with the provision of IAS 19: Employee Benefits. The cost of employee benefits is charged off as revenue expenditure in the period to which the contributions relate. The company's employee benefits include the following:

(a) Short-Term Employee Benefits:

Short-term employee benefits include salaries, bonuses, overtime, holiday allowance, TA/DA, leave encashment, meals allowance, transaction, accommodation etc. obligation for such benefits are measured on an undiscounted basis and are expenses as the related service is provided.

(b) Contribution to Workers' Profit Participation and Welfare Funds:

This represents 5% of net profit before tax contributed by the company as per provisions of the Bangladesh Labour (amendment) Act, 2014 and is payable to Workers as defined in the said law.

(c) Insurance Scheme:

Employees of the company are covered under insurance schemes.

(d) Defined Contribution Plan (Provident Fund):

The company has a registered provident fund scheme (Defined Contribution Plan) for employees of the company eligible to be members of the fund in accordance with the rules of the provident fund constituted under an irrevocable trust. All permanent employees contribute 10% of their basic salary to the provident fund and the company also makes equal contribution.

The company recognizes contribution to defined contribution plan as an expense when an employee has rendered services in exchange for such contribution. The legal constructive obligation is limited to the amount it agrees to contribute to the fund.

3.18 Capitalization of Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds as per IAS 23: Borrowing Costs.

3.19 Accruals, Provisions and Contingencies

(a) Accruals

Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amounts due to employees. Accruals are reported as part of trade and other payables.

(b) Provisions

A provision is recognised in the statement of financial position when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the reporting date.

Where the company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. During the reporting year the company has made sufficient provisions where applicable.

(c) Contingencies

A 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 company; or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

A 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 company. At the reporting date the company does not have any contingent asset.

Contingent liabilities and assets are not recognized in the statement of financial position of the company.

3.20 Operating Segment

Basis for Segmentation

A business segments is a distinguishable component of an entity that is engaged in providing an individual product or service or group of related products or services and that is subject to risk and returns that are different from those of other business segment. The company has three distinguishable operating segments like assembling unit, motor cycle unit and body unit in case of Aftab Automobiles Ltd. which are disclosed in **note no. 21**.

The following summary describes the operation of each reportable segment:

Reportable Segments

Assembling Unit

Motor Cycle Unit

Body Unit

Operations

The principal activities of the company are assembling of Toyota land cruiser soft top/pick-up, land cruiser Prado, Hino bus, Hino mini bus/truck chassis.

The company has setup a motor cycle unit.

The company has made bus's body and other vehicles body.

These three reportable segments are the strategic business units of the company and are managed separately based on the Company's management and internal structure. For each of the strategic business units, the management reviews internal management report on at least quarterly basis. Performance is measured based on segment profit from operation, as included in the internal management reports.

Segment revenue and operating profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to their entities that operate within these industries.

A geographical segment is a distinguishable component of an entity that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that different from those of components operating in other economic environments. Since the company has operating all its activities in the same economic environment geographical segment reporting is not required.

3.21 Cash and Cash Equivalents

For the purposes of the Statement of Financial Position and Cash Flows, cash in hand and bank balances represents cash and cash equivalents considering the IAS 1 "*Presentation of Financial Statements*" and IAS 7 "*Cash Flow Statement*" which provide, that cash and cash equivalents are readily convertible to known amounts of cash and are subject to an in significant risks of changes in value and are not restricted as to use.

3.22 Statement of Cash Flows

The Statement of Cash Flow has been prepared in accordance with the requirements IAS 7: Statement of Cash Flows.

The cash generated from operating activities has been reported using the Direct Method as prescribed by the Securities and Exchange Rules, 1987 and considering the provisions of Paragraph 19 of IAS 7 which provided that "Enterprises are Encouraged to Report Cash Flow From Operating Activities Using the Direct Method".

3.23 Earnings per Share (EPS)

Earnings Per Share (EPS) are calculated in accordance with the International Accounting Standard IAS-33 "Earnings Per Share".

Basic Earnings Per Share

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary equity holders of the entity by the weighted average number of ordinary shares outstanding during the year. The Basic EPS of previous year has been restated to adjust the effect of bonus issue of shares during the year.

Diluted Earnings Per Share

For the purpose of calculating diluted earnings per shares, an entity adjusts profit or loss attributable to each ordinary equity holders of the entity, and weighted average number of shares outstanding, for the effects of all dilutive potential ordinary shares.

Diluted EPS is only calculated where the company has commitment to issue ordinary shares in future at reporting date. No such commitment is hold by company at reporting date.

3.24 Historical Cost Income and Expenditure

As there was no extra ordinary item, there was no difference in profit from ordinary activities before taxation and the net profit before tax. Furthermore, as there was no revaluation of fixed assets in previous years and during the year under review, there was no factor like the differences between historical cost depreciation and depreciation on re-valued amount, realization of revenue surplus on retirement or disposal of assets etc. Therefore, no separate note of historical cost profit and loss has been presented.

3.25 Risk Exposure

Interest Rate Risk

Interest rate risk is the risk that company faces due to unfavourable movements in the interest rates. Changes in the government's monetary policy, alongwith increased demand for loans/investments tend to increase the interest rates. Such rises in interest rates mostly affect companies having floating rate loans or companies investing in debt securities.

Management Perception

The management of the company prefers procuring the long-term fund with minimum fixed interest rate and the short-term fund with reasonable competitive rate. The company maintains low debt/equity ratio; and accordingly, adverse impact of interest rate fluctuation is insignificant.

Exchange Rate Risk

Exchange rate risk occurs due to changes in exchange rates. As the company imports materials and equipment from abroad and also earns revenue in foreign currency, unfavourable volatility or currency fluctuation may affect the profitability of the company. If exchange rate increases against local currency, opportunity arises for generating more profit.

Management Perception

The products of the company are sold mostly in local currency. Therefore, volatility of exchange rate will have no impact on profitability of the company.

Industry Risks

Industry risk refers to the risk of increased competition by an entries of new competitors from foreign and domestic sources leading to lower prices, revenues, profit margin, and market share which could have an adverse impact on the business, financial condition and results of operation.

Management Perception

Management is optimistic about growth opportunity in assembling of different types of vehicles sector in Bangladesh.

Market Risk

Market risk refers to the risk of adverse market conditions affecting the sales and profitability of the company. Mostly, the risk arises from falling demand for the product or service which would harm the performance of the company. On the other hand, strong marketing and brand management would help the company increase their customer base.

Management Perception

Management is fully aware of the market risk, and act accordingly. Market for assembling of different types of vehicles sector in Bangladesh is growing at an exponential rate. Moreover, the company has a strong marketing and brand management to increase the customer base and customer loyalty.

Operational Risks

Non-availabilities of materials/equipment/services may affect the smooth operational activities of the company. On the other hand, the equipment may face operational and mechanical failures due to natural disasters, terrorist attacks, unforeseen events, lack of supervision and negligence, leading to severe accidents and losses.

Management Perception

The company perceives that allocation of its resources properly can reduce this risk factor to a great extent. The company hedges such risks in costs and prices and also takes preventive measures therefore.

Liquidity Risk

Liquidity risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at a reasonable price.

Management Perception

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 due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

Typically, management ensures that it has sufficient cash and cash equivalent to meet expected operational expenses, including the servicing of financial obligation through preparation of the cash forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

Labour Unrest Risk

Smooth production is dependent on good relationship with factory workers and their ability to provide high quality services. In the event of disagreement with workers the company may face adverse impact.

Management Perception

The management personnel both in head office and production premises maintains a good atmosphere at the working place and provides with all necessary facilities to the workers like healthy remuneration, employee leave entitlement, termination benefits and workers profit participation fund for its employees which reduces the risk of labour unrest.

3.26 Events after the Reporting Period

Events after the reporting period that provide additional information about the Company's position at the date of statement of financial position or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

3.27 Related Party Disclosure

As per International Accounting Standard, IAS-24: 'Related Party Disclosures', parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties. Related party disclosures have been given in **Note 22**.

4.00 General

- (a) All shares have been fully called and paid up;
- (b) There is no preference shares issued by the company;
- (c) The company has not incurred any expenditure in foreign currency against royalties and technical fees;
- (d) Auditors are paid only the statutory audit fees;
- (e) No foreign currency was remitted to the shareholders during the year under audit;
- (f) No money was spent by the company for compensating any member of the board for rendering special services;
- (g) No brokerage was paid against sales during the year under audit;
- (h) No bank guarantee was issued by the company on behalf of its directors.

		Amount (Tk.) 30.06.2022	Amount (Tk.) 30.06.2021
5.00	Non-Current Assets	5,801,792,369	5,618,238,430
	This is made up as follows:		
	5.01 Consolidated Property, Plant & Equipment	1,924,542,138	1,885,081,745
	5.02 Consolidated Non-Current Assets held for Sale & Discontinued Operations	277,786,431	
	5.03 Consolidated Capital Work-in-Progress	733,964,130	979,271,904
	5.04 Investment in Subsidiary and Associates	454,478,696	429,982,462
	5.05 Receivables-Non-Current Maturity	2,311,780,126	2,275,000,786
	5.06 Right of Use Assets	99,240,848	48,901,533
		5,801,792,369	5,618,238,430
5.01	Consolidated Property, Plant & Equipment	1,924,542,138	1,885,081,745
	This is made up as follows:		
	Land and Land Development	1,019,059,057	1,148,608,502
	Building	384,721,121	240,856,492
	Shades	182,262,114	9,332,582
	Plant & Machinery	220,736,558	295,198,640
	Tools & Equipment	23,859,479	32,317,015
	Office Equipment	24,847,650	36,803,131
	Furniture & Fixture	17,808,390	23,921,601
	Transport Vehicles	18,276,672	30,982,433
	Electric Line Installation	7,510,672	10,482,352
	Office Decoration	14,416,494	44,466,991
	Gas Line Installation	11,043,931	12,112,006
		1,924,542,138	1,885,081,745
5.02	Consolidated Non-Current Assets held for Sale & Discontinued Operations	277,786,431	-
	This is made up as follows:		
	Land & Land Development	139,554,017	-
	Building	20,290,561	-
	Shades	438,851	-
	Plant & Machinery	54,676,889	-
	Tools & Equipment	3,232,421	-
	Office Equipment	9,477,063	-
	Furniture & Fixture	5,668,495	-
	Transport Vehicles	13,454,349	-
	Electrical Line Installation	2,137,161	-
	Office Decoration	28,856,624	-
		277,786,431	-
	The details of which have been shown in Annexure - A.		
5.03	Consolidated Capital Work-In-Progress	733,964,130	979,271,904
	This is made up as follows:		
	Opening	979,271,904	979,271,904
	Add: Addition during the year	114,263,256	-
		1,093,535,160	979,271,904
	Less: Transfer to Property, Plant and Equipment	359,571,030	-
	Closing Balance	733,964,130	979,271,904
	Capital Work-In-Progress represents land and land development, civil construction, plant and machinery for BMRE of Aftab Automobiles Ltd and Navana Batteries Ltd.		
5.04	Investment in Securities and Associate Company	454,478,696	429,982,462
	This is made up as follows:		
	Investment in Marketable Securities	28,395,758	28,395,758
	Investment in Associate	426,082,938	401,586,704
		454,478,696	429,982,462

		Amount (Tk.) 30.06.2022	Amount (Tk.) 30.06.2021
5.04.1	Investment in Marketable Securities	28,395,758	28,395,758
	This is made up as follows:		
	Invest in Share Money Deposits 5.04.a	28,395,758	28,395,758
		28,395,758	28,395,758
5.04.a	Investment in Share Money Deposits	28,395,758	28,395,758
	This is made up as follows:		
	Navana Construction Ltd.		
	Opening Balance	28,395,758	28,395,758
	Add: During the year	-	-
		28,395,758	28,395,758

Investment in Share Money Deposit represents the advance for share holding of Navana Construction Ltd. which will be consider by the approval the board and also by the shareholders.

5.04.2	Investment in Associate	426,082,938	401,586,704
	The details are stated below:		
	Share Investment in NREL at cost 5.04.3	20,000,000	20,000,000
	Share of Equity from Associate		
	Opening Balance	381,586,704	369,120,103
	Share of Equity from Associate		
	Net Income after Deferred Tax (PLAC)	19,596,987	9,973,281
	Provision for Deferred Tax 8.3 a	4,899,247	2,493,320
		24,496,234	12,466,601
	Closing Balance	406,082,938	381,586,704
	Total Investment in Associate	426,082,938	401,586,704

NB: Share of Profit from Associate Company (NREL) has been taken for one year for Financial Year 2021-2022.

5.04.3	Acquisition Quantity of Shares of Navana Real Estate Ltd.	20,000,000	20,000,000
	Less: Shares Sale during the year	-	-
		20,000,000	20,000,000
	Opening Balance	6,000,000	6,000,000
	Number of Shares Purchased	-	-
	Number of Bonus Shares received during the year	-	-
	Total Number Shares	6,000,000	6,000,000
5.05	Consolidated Receivables - Non-Current Maturity	5,564,291,860	5,578,633,137
	Receivable Non-Current (Maturity Over 12 Months)	2,445,889,607	2,404,893,003
	Less: Provision for Bad Debts	134,109,481	129,892,217
		2,311,780,126	2,275,000,786
	Receivables Current (Maturity less than 12 Months)	3,252,511,734	3,303,632,351
		5,564,291,860	5,578,633,137
	Ageing Schedule of Receivables:	5,564,291,860	5,578,633,137
	Duration		
	1-30 days	299,745,108	342,664,946
	31-60 days	317,389,694	349,232,661
	61-90 days	465,182,762	528,144,676
	91-180 days	905,259,349	1,021,534,420
	181-365 days	959,082,015	1,062,055,648
	Over 365 days	2,617,632,932	2,275,000,786
		5,564,291,860	5,578,633,137

(i) Net receivables are considered good. The company holds no security other than debtors' personal security in the form of work orders etc.

(ii) No amount was due by the directors (including the Managing Director and Chairman), managers and other officers of the company or any of them either severally or jointly with any other person.

	Amount (Tk.) 30.06.2022	Amount (Tk.) 30.06.2021
5.06 Consolidated Right of Use Assets	99,240,848	48,901,533
This is made up as follows:		
At Cost		
Opening Balance	78,895,130	78,895,130
Addition during the year	55,536,240	-
Disposal / Adjustment during the year	-	-
	134,431,370	78,895,130
Less: Accumulated Depreciation:		
Opening Balance	29,993,597	17,442,682
Add: Charged during the year	5,196,925	12,550,915
Disposal / Adjustment during the year	-	-
	35,190,522	29,993,597
Written Down Value (WDV)	99,240,848	48,901,533
The details of which have been shown in Annexure-B		
6.00 Current Assets	17,961,880,518	16,874,580,250
This is made up as follows:		
5.06 Receivables-Current Maturity	3,252,511,734	3,303,632,351
6.01 Consolidated Stock and Stores	1,580,037,143	1,627,627,080
6.02 Consolidated Current Account with Navana Group of Companies	5,714,323,982	4,941,369,238
6.03 Consolidated Advances, Deposits & Prepayments	7,067,468,769	6,650,017,057
6.04 Consolidated Cash and Cash Equivalents	347,538,890	351,934,524
	17,961,880,518	16,874,580,250
6.01 Consolidated Stock and Stores	1,580,037,143	1,627,627,080
This is made up as follows:		
Finished Products	611,016,232	638,723,501
Raw Materials	407,648,411	361,788,394
Work-in-Process	380,495,799	398,790,237
Stores and Spares 6.01.1	1,614,953	2,397,439
Goods in Transit	179,261,748	225,927,509
	1,580,037,143	1,627,627,080
6.01.1 Stores and Spares	1,614,953	2,627,415
This is made up as follows:		
Opening Balances	2,593,953	2,627,415
Less: Consumption during the year	979,000	229,976
Closing Balance	1,614,953	2,397,439
(i) Value of Stock of Finished Product & Raw Materials inclusive of 63 units hino bus 1 unit RM2 bus chassis and 182 units of motor cycle.		
(ii) There is no damaged goods or slow moving items in the inventory list. As part of the loan condition all of the Company's inventory are pledged as security for loan finance of the company.		
6.02 Consolidated Current Account with Navana Group of Companies	5,714,323,982	4,941,369,238
This is made up as follows:		
Navana Ltd.	5,532,394,273	4,807,948,712
Navana Engineering Ltd.	64,980,676	58,000,230
Navana Real Estate Ltd.	130,487,733	116,470,296
Navana Welding Electrode Ltd.	(19,188,700)	(19,200,000)
Navana LPG Ltd.	5,650,000	(21,850,000)
	5,714,323,982	4,941,369,238
6.03 Consolidated Advances, Deposits & Pre-payments	7,067,468,769	6,650,017,057
This is made up as follows:		
Advance to Suppliers	709,592,254	714,019,951
Advance to Employees	45,597,153	44,973,832
Advance to Others	502,696,821	481,584,061
Current Account with VAT	73,691,825	97,052,058
Deposits	395,707,471	395,707,471
Advance for Capital Assets	4,119,936,239	3,709,938,063
Advance Income Tax 6.03.1	1,220,247,006	1,206,741,621
	7,067,468,769	6,650,017,057

Amount (Tk.) 30.06.2022	Amount (Tk.) 30.06.2021
----------------------------	----------------------------

Advance paid to suppliers against work orders are considered good. Advance to employees against expenses, salary etc. which are realizable on production of documents and monthly salary respectively are considered good. Deposits consist of utility deposits, security money against tender and bank guarantee are considered good.

6.03.1 Consolidated Income Tax Deducted at Source

This is made up as follows:

Opening Balance

Add: Addition during the year

Adjustment made during the year

Closing Balance

1,220,247,006

1,206,741,621

1,206,741,622

1,176,118,827

13,505,384

30,622,795

1,220,247,006

1,206,741,621

-

-

1,220,247,006

1,206,741,621

6.04 Consolidated Cash and Cash Equivalents

347,538,890

351,934,524

This is made up as follows:

Cash in Hand

1,892,696

5,634,752

Cash at Banks

6.04.1

345,646,194

346,299,772

347,538,890

351,934,524

6.04.1 Cash at Bank

345,646,194

346,299,772

The details break up of Cash at Banks:

IFIC Bank Ltd.

5,551,567

39,944,967

Agrani Bank Ltd.

6,571

6,571

Pubali Bank Ltd.

44,481

44,481

IFIC Bank Ltd. (Federation)

87,217

589,646

Eastern Bank Ltd.

58,214

58,214

United Comm Bank Ltd.

16,507

16,507

Commercial Bank of Ceylon Ltd.

24,750

24,750

AB Bank Ltd (Motijheel)

2,619

2,619

Sonali Bank Ltd. (Local)

15,101

15,101

Janata Bank Ltd.

1,500

1,500

American Express

21,540

21,540

Arab Bangladesh

7,213

7,213

IFIC Bank Ltd.

484,905

2,243,412

Janata Bank Ltd.

812

812

The Oriental Bank Ltd.

39,670

39,670

Bank Alfalah Ltd.

-

360,114

IFIC Bank Ltd.

15,323

15,323

City Bank Ltd.

30,112

1,711,428

The Oriental Bank Ltd.

32,040

32,040

NCC Bank Ltd. (Sayamoli)

18,113

1,499

Mutual Trust bank Ltd

150,881

360,710

Islami Bank BD Ltd. (F.Ex.Br)

405,104

479,486

Jamuna Bank Ltd.

27,595

3,651,545

One Bank Ltd.

75,868

75,868

Agrani Bank Ltd. (F.EX)

124,470

176,505

Mercantile Bank Ltd.

123,168

123,168

BRAC Bank Ltd.1

3,353

3,353

Standard Bank Ltd. (Pri.Br)

869,282

869,282

Sahajalal Bank Ltd.

169,806

169,806

IFIC Bank Ltd. (Fed. Branch)

-

725

IFIC Bank Ltd.

97,000

97,000

Al-Arafah Islami Bank Ltd.

119,482

377,350

United Commercial Bank Ltd.

199,305

199,305

	Amount (Tk.) 30.06.2022	Amount (Tk.) 30.06.2021
Pubali Bank Ltd.	14,441	14,441
Dhaka Bank Ltd.	1,000,000	58,897
Standard Bank Ltd.	1,085	3,000,880
Exim Bank Ltd.	-	14,428
One Bank Ltd.	31,020	31,020
IFIC Bank Ltd.	97,943	2,183,976
AB Bank Ltd.	100,000	100,000
Standard Bank Ltd.	496,977	417,362
IFIC Bank Ltd. (Federation)	95,006	95,006
NCC Bank Ltd. (Sayamoli)	42,526	338,893
IFIC Bank Ltd. (Gulshan)	29,776,645	18,082,411
Meghna Bank Ltd. (Gulshan)	62,967	119,998
Prime Bank Ltd. (Baridhara)	-	67,356
Bank Asia Ltd.	237,859	4,752,967
NRB Commercial Bank Ltd.	3,002	17,359
The City Bank Ltd. (Banani)	89,448	89,448
Midland bank Ltd.	86,641	86,931
SBAC Bank Ltd.	57,001,000	-
One Bank Ltd. (Jatrabari)	573,004	-
BD Commerce Bank Ltd.	100,000	100,000
NRB Bank Ltd.	97,435	97,435
Premier Bank Ltd.	98,390	98,390
Al-Arafah Islamic Bank Ltd.	996,610	996,610
Mercantile Bank Ltd.	-	-
Southeast Bank Ltd.	44,072	115,622
Sahajalal Islamic Bank Ltd.	121,177	1,701,433
BRAC Bank Ltd.	5,455	-
First Security Islamic Bank Ltd.	-	154,005
Pubali Bank Ltd.	400,000	400,000
Rupali Bank Ltd. (Local)	10,000	10,000
AB Bank Ltd.	10,000	10,000
One Bank Ltd. (Gulshan)	-	9,770
Padma Bank (Gulshan)	47,842	-
IFIC Bank Ltd. (Fed. Branch)	370,965	-
Sonali Bank Ltd. (Ramna)	734,034	-
Islami Bank Bangladesh Ltd. (Gulshan)	41,138	1,160,817
Dutch Bangla Bank Ltd.	515,587	7,401,297
United Commercial Bank Ltd. (Tejgaon)	92,800	93,490
Modhumoti Bank Ltd. (Gulshan)	138,554	1,484,731
First Security Islamic Bank Ltd.	452,315	-
National Bank Ltd., CD-15927, NBL, Dhaka	15,831	7,245
Uttara Bank Ltd.(Bhola)	54,253	47,524
Agrani Bank Ltd. (FDR-ID # 10583162)	12,692,679	12,179,387
Agrani Bank Ltd. (FDR-ID # 10583151)	12,821,156	12,302,727
Agrani Bank Ltd. (FDR-ID # 10583159)	19,281,119	18,474,610
Agrani Bank Ltd. (FDR-ID # 10583160)	12,677,915	12,165,861
Bank Asia Ltd. (FDR # 00855012111)	52,259,814	50,798,315
City Bank Ltd. (FDR # 4192-5651001)	-	14,146,603
One Bank Ltd. (FDR # 4120005867)	876,064	845,709
One Bank Ltd. (FDR # 4120006495)	559,829	540,608
One Bank Ltd. (FDR # 4120006600)	136,956	132,280
One Bank Ltd. (FDR # 4120008537)	509,765	492,306
One Bank Ltd. (FDR # 4120008592)	503,863	486,272
One Bank Ltd. (FDR # 4120008606)	248,443	239,842
Phoenix Finance Ltd. (FDR)	130,199,000	128,414,000
	345,646,194	346,299,772

The above cash at bank balances represents the balance as per cash book which are in agreement with that of bank statement as on 30th June, 2020 except the following non-operating dormant accounts which are being carried forward for a long time but no steps have been taken to realize the under noted amounts:

		Amount (Tk.) 30.06.2022	Amount (Tk.) 30.06.2021
Name of Bank	Account No.	Amount (Tk.)	Amount (Tk.)
Agrani Bank Ltd.	7465-9	6,517	6,517
Pubali Bank Ltd.	128	44,481	44,481
Eastern Bank Ltd.	3371	58,214	58,214
United Commercial Bank Ltd.	326	16,507	16,507
Commercial Bank of Ceylon Ltd.		24,750	24,750
AB Bank Ltd. (Motijheel)	071420	2,619	2,619
Sonali Bank Ltd. (Local)	12116	15,101	15,101
Janata Bank Ltd.	9321	1,500	1,500
Amirecan Express Bank Ltd.	293	21,540	21,540
Arab Bangladesh Bank Ltd.	1361	7,213	7,213
Janata Bank Ltd.	78	812	812
The Oriental Bank Ltd.	2758	39,670	39,670
Bank Al-Falah Ltd.	8-001	360,114	360,114
IFIC Bank Ltd.	81734	15,323	15,323
The Oriental Bank Ltd.	04290	32,040	32,040
NCC Bank Ltd.	17704	1,499	1,499
Islami Bank BD Ltd. (Foreign Exchange Branch)	5016	99,565	99,565
Jamuna Bank Ltd.	1820	15,232	15,232
One Bank Ltd.	7008	75,868	75,868
Mercantile Bank Ltd.	20178	123,168	123,168
BRAC Bank Ltd.	23001	3,353	3,353
Standard Bank Ltd. (Principal Branch)	7992	869,282	869,282
Sahjhal Islami Bank Ltd.	8504	169,806	169,806
IFIC Bank Ltd. (Federation Branch)	0041	725	725
IFIC Bank Ltd.	87525	97,000	97,000
United Commercial Bank Ltd.	3144	199,305	199,305
Pubali Bank Ltd.	9826	14,441	14,441
EXIM Bank Ltd.	5651	14,428	14,428
One Bank Ltd.	6006	31,020	31,020
AB Bank Ltd.	43-000	100,000	100,000
Standard Bank Ltd.	1815	394,782	394,782
IFIC Bank Ltd. (Federation Branch)	Share A/C	95,006	95,006
The City Bank Ltd. (Banani)	90001	89,448	89,448
BD Commerce Bank Ltd.	832	100,000	100,000
NRB Bank Ltd.		97,435	97,435
Premier Bank Ltd.	0268	98,390	98,390
Al-Arafah Islami Bank Ltd.	16815	996,610	996,610
Shahjalal Islami Bank Ltd.	12906	9,310	9,310
First Security Islami Bank Ltd.	19713	154,005	154,005
Pubali Bank Ltd.	5678	400,000	400,000
Rupali Bank Ltd. (Local)	0216	10,000	10,000
AB Bank Ltd.	36000	10,000	10,000
Total		4,916,077	4,916,077

Shareholders' Equity and Liabilities

7.00	Shareholders' Equity	5,516,746,196	5,542,366,264
	This is made up as follows:		
	7.01 Share Capital	1,005,190,430	957,324,220
	7.02 Share Premium	1,925,858,339	1,925,858,339
	7.03 Reserve	67,338,231	67,338,231
	7.04 Retained Earnings	2,518,359,196	2,591,845,474
		5,516,746,196	5,542,366,264
7.01	Share Capital	3,000,000,000	3,000,000,000
	Authorized Capital:		
	120,000,000 Ordinary Shares of Tk. 10/- each.	1,200,000,000	1,200,000,000
	180,000,000 Cum. Redeemable Preference Shares of Tk. 10/- each.	1,800,000,000	1,800,000,000
		3,000,000,000	3,000,000,000

	Amount (Tk.) 30.06.2022	Amount (Tk.) 30.06.2021
Ordinary Shares Capital:	1,005,190,430	957,324,220
Issued, Subscribed and Paid up		
100,519,043 Ordinary Shares @ Tk. 10/- each.		
Sponsors	301,567,030	287,206,730
General Public	703,623,400	670,117,490
	1,005,190,430	957,324,220

The position of Ordinary Shareholders as on 30th June, 2022 was as follows:

Particulars	No. of Investors	No. of Shares-2022	Shareholding % 2022	Shareholding % 2021
Sponsors	6	30,156,703	30.00%	30.00%
Financial Institutions including ICB	243	36,919,522	36.73%	35.38%
General Public	18620	33,442,818	33.27%	34.62%
Total	18869	100,519,043	100%	100%

The Classification of Shareholders by holding as on 30th June, 2022 was as follows:

Particulars	No. of Investors	No. of Shares-2022	% of Shares Holding 2022	% of Shares Holding 2021
1 to 500	11,480	1,705,037	1.70%	2.07%
501 to 5000	6,070	9,539,943	9.49%	10.80%
5001 to 10000	663	4,533,023	4.51%	4.98%
10001 to 20000	358	4,794,204	4.77%	4.64%
200001 to 30000	104	2,529,764	2.52%	2.48%
300001 to 40000	46	1,592,352	1.58%	1.34%
400001 to 50000	24	1,076,846	1.07%	1.68%
500001 to 100000	62	4,263,537	4.24%	4.12%
1000001 to 1000000	46	11,763,337	11.70%	12.49%
Above 10000000	16	58,721,000	58.42%	55.38%
Total	18869	100,519,043	100%	100%

7.02	Share Premium	1,925,858,339	1,925,858,339
	This is made up as follows:		
	Net Premium up to 2006	250,191,730	250,191,730
	Net Premium up to 2010	1,675,666,609	1,675,666,609
		1,925,858,339	1,925,858,339
7.03	Reserves	67,338,231	67,338,231
	This is made up as follows:		
	Tax Holiday Reserve	12,338,231	12,338,231
	Dividend Equalization Fund	4,000,000	4,000,000
	General Reserve	51,000,000	51,000,000
		67,338,231	67,338,231
The company obtained tax holiday facility for body building unit for the period of five years with effect from 5th May, 1997.			
7.04	Retained Earnings	2,518,359,196	2,591,845,474
	This is made up as follows:		
	Opening Balance	2,591,845,474	2,812,199,739
	Add: Profit during the year	1,095,708	(185,514,274)
		2,592,941,182	2,626,685,465
	Add: Adjustment for application of IFRS 16 (Lease)	6,790,102	1,334,118
		2,599,731,284	2,625,351,347
	Less: Cash Dividend	33,505,875	33,505,875
	Less: Stock Dividend	47,866,211	-
		2,518,359,196	2,591,845,474
8.00	Consolidated Non Current Laibilities	4,975,153,516	4,621,280,632
	This is made up as follows:		
	8.01 Consolidated Loan and Deferred Liabilities (Unsecured)	25,310,440	25,310,440
	8.02 Consolidated Long Term Loan-Non Current Maturity	4,892,433,196	4,467,280,547
	8.03 Consolidated Deferred Tax Liability	(18,755,621)	78,004,754
	8.04 Consolidated Lease Liability	76,165,501	50,684,891
		4,975,153,516	4,621,280,632

	Amount (Tk.) 30.06.2022	Amount (Tk.) 30.06.2021
8.01 Consolidated Loan and Deferred Liabilities (Unsecured)	25,310,440	25,310,440
Long Term interest free loan from sponsors is carried forward since 1982.		
8.02 Consolidated Long Term Loan-Non-Current Maturity	4,892,433,196	4,467,280,547
This is made up as follows:		
Agrani Bank Ltd.	1,845,880,847	1,716,211,451
Meghna Bank Ltd.	-	15,564,604
SBAC Bank Ltd.	107,889,953	127,823,026
Mutual Trust Bank Ltd.	194,782,844	154,486,327
Prime Bank Ltd.	-	-
Midland Bank Ltd.	61,738,603	32,213,507
Peoples Leasing & Financial Services Ltd.	146,203,874	146,203,874
One Bank Ltd.	416,183,884	385,634,495
NCC Bank Ltd.	177,011,197	142,365,137
Bay Leasing	130,213,424	113,317,371
GSP Finance	346,380,000	275,120,449
Midas Financing	50,951,203	47,671,963
Union Capital	149,202,177	130,320,000
BD Finance Ltd.	58,159,744	50,462,530
Phoenix Finance	835,105,359	740,741,344
Trust Bank Ltd.	428,400,000	413,534,908
Dutch-Bangla Bank Ltd.	926,200,553	865,451,010
Social Islami Bank Ltd.	72,743,041	68,076,000
Modhumoti Bank Ltd.	576,197,558	531,176,066
	6,523,244,261	5,956,374,062
Less: Long Term Loan-Current Maturity	1,630,811,065	1,489,093,516
Long Term Loan-Net of Non-Current Maturity	4,892,433,196	4,467,280,547

(i) Loan amount represent the amounts which would be due for repayment after 12 (twelve) months from the date of statement of financial position as on 30th June, 2022.

(ii) The loan was taken from the above mentioned banks and financial institutions against mortgage of 6932.795 Decimals of land and 564354.8 square feet factory building located at Fuachderhat, Chittagong & Z. H. Sikder Shopping Complex to import capital machinery and other purposes.

8.03 Consolidated Deferred Tax Liability	(18,755,621)	78,004,754
This is made up as follows:		
Aftab Automobiles Ltd.	(64,754,176)	22,599,404
Navana Batteries Ltd.	45,998,555	55,405,350
	(18,755,621)	78,004,754
This is made up as follows:		
	117,853,709	22,599,404
Associate Company	81,216,587	76,317,340
Assembling Body Unit & Motor Cycle Unit	36,637,122	(53,717,936)
Investment Valuation Surplus in Share	-	-
	117,853,709	22,599,404
Calculation of Deferred Tax		
8.03.a Associate Company	81,216,587	76,317,340
This is made up as follows:		
Opening Balance	76,317,340	73,824,020
Add: Provision during the year	4,899,247	2,493,320
	81,216,587	76,317,340
Investment in Associate Balance as on 30.06.2022	-	-
Investment Valuation Surplus in Share	81,216,587	76,317,340

	Amount (Tk.) 30.06.2022	Amount (Tk.) 30.06.2021
B Aftab Automobiles Ltd.	36,637,122	(53,717,936)
This is made up as follows:		
Depreciation:		
WDV on PPE as per Accounting Calculation	1,448,743,529	1,116,872,429
Less: WDV on PPE as per Taxable Calculation	1,280,281,941	982,172,132
Less: Unabsorbed Depreciation	(53,401,393)	45,427,963
Less: Unused Tax Losses	(75,078,155)	198,126,501
Temporary Difference	296,941,136	(108,854,167)
Deferred Tax 22.50% on Difference (B1)	66,811,756	(24,492,188)
Opening Deferred Tax	(24,492,188)	31,360,314
Deferred Tax Expense during the year (B2)	(91,303,943)	(55,852,502)
C Bad Debts as per Accounting Base	134,109,481	129,892,217
Bad Debts as per Tax Base	-	-
Deductible Temporary Difference	(134,109,481)	(129,892,217)
Deferred Tax Liabilities 22.50% on Difference (C1)	(30,174,633)	(29,225,749)
Opening Deferred Tax	(29,225,749)	(31,647,259)
Deferred Tax Expenses during the year (C2)	(948,884)	2,421,510
Deferred Tax Liabilities on Regular Income (B1+C1)	36,637,122	(53,717,936)
Deferred Tax Expenses during the year on Regular Income (B2+C2)	(92,252,827)	(53,430,991)
D Navana Batteries Ltd.		
This is made up as follows:		
WDV on PPE as per Accounting Calculation	794,186,666	813,322,235
Less: WDV on PPE as per Taxable Calculation	596,512,379	619,537,107
Less: Unabsorbed Depreciation	85,384,259	46,249,959
Less: Unused Tax Loss	(41,038,489)	(37,149,331)
Temporary Difference	153,328,517	184,684,500
Deferred Tax 30.00% of difference	45,998,555	55,405,350
Less: Unabsorbed Depreciation	-	-
Deferred Tax Liabilities 30.00% on Difference after Unabsorbed	45,998,555	55,405,350
Opening Deferred Tax	55,405,350	54,385,745
Deferred Tax Expenses during the year	(9,406,795)	1,019,605
Movement of Deferred Tax		
A Aftab Automobiles Ltd.		
Opening Balance	(53,717,936)	(286,945)
Add: During the year (PLAC)	(92,252,827)	(53,430,991)
Closing Balance	(145,970,763)	(53,717,936)
Opening Balance	22,599,404	73,537,075
Add: During the year (PLAC)	(92,252,827)	(53,430,991)
Add: During the year (Associate Co.)	4,899,247	2,493,320
Add: During the year (OCI)	-	-
Closing Balance	(64,754,176)	22,599,404
B Navana Batteries Ltd.		
Opening Balance	55,405,350	54,385,745
Add: During the year (PL AC)	(9,406,795)	1,019,605
Closing Balance	45,998,555	55,405,350
Total Deferred Tax Expenses (PL AC)	(96,760,376)	(50,937,671)
Total Deferred Tax Liabilities (FS AC)	(18,755,621)	78,004,754

	Amount (Tk.) 30.06.2022	Amount (Tk.) 30.06.2021
8.04 Consolidated Lease Liability	76,165,501	50,684,891
At Cost:		
Opening Balance	50,684,891	53,892,054
Add: Addition during the year	33,323,537	-
	84,008,428	53,892,054
Add: Fianance Charge	2,847,123	5,958,048
Less: Payment during the year	10,690,050	9,165,211
Closing Balance	76,165,501	50,684,891
Less: Transferred to Current Maturity	-	-
	76,165,501	50,684,891
Brief Terms & Conditions of above Liability:		
(i) The company has four leases against its Rentel;		
(ii) Lease period up to 31st Jan. 2022 , 31st Sept. 2021 and 31st Dec 2026.		
(iii) Monthly total rental payment is Tk. 15,32,960/-;		
(iv) Advance total amount paid Tk. 44,324,250/-;		
(v) Monthly total adjustment Tk. 840,167/-.		
9.00 Consolidated Current Laibilities and provision	13,271,366,817	12,328,762,627
This is made up as follows:		
8.02 Consolidated Long Term Loan-Current Maturity	1,630,811,065	1,489,093,516
9.01 Consolidated Short Term Loan	10,048,079,903	9,490,070,048
9.02 Consolidated Accrued and Other Current Liabilities	1,496,559,308	1,257,990,990
9.03 Consolidated Unclaimed Dividend Account	95,916,541	91,608,073
	13,271,366,817	12,328,762,627
9.01 Consolidated Short Term Loan	10,048,079,903	9,490,070,048
This is made up as follows:		
Agrani Bank Ltd.	1,638,674,293	1,511,299,908
Bank Asia Ltd.	1,050,999,986	971,705,182
Standard Bank Ltd.	111,778,468	109,175,503
NRB Commercial Bank Ltd.	526,904,402	486,882,254
BRAC Bank Ltd.	-	20,615,467
NCC Bank Ltd.	51,153,790	51,151,896
Dhaka Bank Ltd.	447,404,408	400,286,319
Mercantile Bank Ltd.	545,712,274	513,295,768
The City Bank Ltd.	77,836,412	84,463,596
Midland Bank Ltd.	-	29,645,684
Prime Bank Ltd.	49,650,245	54,088,437
One Bank Ltd.	-	-
SBAC Bank Ltd.	30,834,564	185,126,997
Mutual Trust Bank Ltd.	-	62,083,517
Southeast Bank Ltd.	1,106,522,740	1,068,545,120
Janata Bank Ltd.	524,867,527	505,690,186
Dutch-Bangla Bank Ltd.	596,240,935	537,705,642
Al-Arafah Islami Bank Ltd.	68,155,622	71,649,981
IFIC Bank Ltd.	2,710,253,030	2,451,998,593
Jamuna Bank Ltd.	-	205,401
Shahjalal Islami Bank Ltd.	217,561,268	168,454,597
Modhumoti Bank Ltd.	186,500,538	206,000,000
Islamic Finance & Investment Ltd.	29,733,243	-
Phoenix Finance & Investment Ltd.	77,296,158	-
	10,048,079,903	9,490,070,048
Brief Terms & Conditions of above Loan:		
(i) Loan amount represent the amounts which would be due for repayment within 12 (twelve) months from the date of statement of financial position as on 30th June, 2022.		
(ii) Short term loan is repayable with in twelve months.		
(iii) Currently all of the company's short term loans are classified as standard/sub standard by the banks.		

		Amount (Tk.) 30.06.2022	Amount (Tk.) 30.06.2021
9.02	Consolidated Accrued and Other Current Liabilities	1,496,559,310	1,257,990,990
	This is made up as follows:		
	For Goods Supplied	381,405,322	134,886,485
	For Expenses (Including Salary, PF, GF, WF & Others)	151,751,333	149,951,958
	For Income Tax	856,819,173	852,390,776
	For Workers Profit Participation Fund and WF	16,696,432	24,607,570
	Provision for Bad Debts	4,101,643	4,154,941
	For Other Finance	83,090,864	89,304,717
	For Bond Liabilities	2,694,543	2,694,543
		1,496,559,310	1,257,990,990
9.02.1	For Expenses (Including Salary, PF, GF, WF & Others)		
	Salary	8,856,160	4,587,076
	Providend Fund	313,581	325,758
	Gratuity Fund	7,268,249	2,193,104
	Welfare Fund	573,362	549,109
	Other Expenses	134,739,981	142,296,911
		151,751,333	149,951,958
9.03	Consolidated Unclaimed Dividend Account	95,916,541	91,608,073
	Unclaimed Dividend		
	The aging of Unclaimed Dividend are as follows:		
	Unclaimed for less than 3 year's	35,690,520	36,643,229
	Unclaimed for more than 3 year's	60,226,021	54,964,844
		95,916,541	91,608,073
10.00	Consolidated Revenue	710,591,300	1,254,020,565
	This is made up as follows:		
	Aftab Automobiles Ltd.	421,726,379	747,914,378
	Navana Batteries Ltd.	288,864,921	506,106,187
		710,591,300	1,254,020,565

The break up of the above is as follows:

Particulars	2021-2022 Quantity	2020-2021 Quantity	2021-2022 Amount (Tk.)	2020-2021 Amount (Tk.)
Aftab Automobiles Ltd.:				
Hino Bus	78	71	375,040,000	346,690,000
Bus Body Building	37	92	35,653,771	137,750,500
Motor Cycle	87	2,084	11,032,608	263,473,878

The quantities of sales during the year are hino bus chassis 78 units, RM2 AC Bus 0 Unit, Hino RN8J 0 unit body building 37 and 87 units of Motor Cycle.

11.00	Consolidated Cost of Goods Sold	536,403,861	947,011,382
	This is made up as follows:		
	Opening Stock of Direct Raw Materials	361,788,394	510,514,721
	Purchase of Direct Raw Materials	391,029,446	624,872,544
	Direct Raw Materials available for Consumption	752,817,840	1,135,387,265
	Closing Stock of Direct Raw Materials	407,648,411	361,788,394
	Raw Materials Consumed	345,169,429	773,598,871
	Add: Opening Work in Progress	398,790,237	279,243,833
		743,959,666	1,052,842,704
		380,495,799	398,790,237
		363,463,867	654,052,467
		1,614,953	-
	Indirect Materials		
	Total Consumption	365,078,820	654,052,467
	Factory Overhead	143,617,772	170,243,369
	Cost of Production	508,696,592	824,295,836
	Opening Finished Products	638,723,501	761,439,047
		1,147,420,093	1,585,734,883
	Closing Finished Products	611,016,232	638,723,501
		536,403,861	947,011,382

	Amount (Tk.) 30.06.2022	Amount (Tk.) 30.06.2021
11.01 Consolidated Factory Overhead	143,617,772	170,243,369
This is made up as follows:		
Salary and Allowances	53,536,336	63,379,010
Gratuity	743,075	-
Liveries and Uniform	500	180,221
Telephone, Fax and Mobile	183,516	163,115
Fuel and Lubricants	189,564	1,111,795
Travelling and Conveyance	200,471	163,876
Entertainment	92,014	352,744
Office Expenses	51,943	387,731
Maintenance Expenses	589,438	1,689,424
Electric Expenses	23,269,773	25,898,646
Duty and Allowances	219,773	403,650
Fees & Registration	298,972	-
Canteen Subsidies	888,984	807,771
Eid Greetings	261,086	98,398
Rent Rates & Taxes	3,728,628	3,145,532
Insurance	2,180,821	4,405,930
Gas	1,108,877	751,267
Welfare Expenses	151,592	135,000
Carrying & Handling	84,684	502,021
Newspaper and Periodicals	3,960	21,000
Repairs and Maintenance (Vehicle)	696,362	391,630
Security Expenses	1,578,811	1,383,287
Chemicals	71,911	837,993
Printing & Stationery	37,294	40,993
Screen Printing	12,655	11,689
Labour Charges	54,005	50,833
Laboratory Expenses	83,201	132,485
Generator Maintenance	17,659	14,425
Fire Extinguisher	29,046	32,055
Depreciation	53,252,821	63,750,848
	143,617,772	170,243,369

(a) The number of employees employed in the factory throughout the year who received aggregate remuneration less than Tk. 36,000.

(b) The number of employees employed in the factory for part of the year who received aggregate remuneration less than Tk. 3,000 per month.

12.00 Consolidated Administrative Expenses	45,867,737	62,791,881
This is made up as follows:		
Salary & Allowances	26,842,480	44,806,405
Gratuity	1,592,148	-
Welfare Expenses	5,160	33,065
Medical Expenses	-	112,850
Directors Remuneration	4,200,000	-
Entertainment	327,148	421,585
AGM Expenses	50,000	138,182
TA and Conveyance	461,037	811,527
Travelling Expenses-Foreign	15,400	-
Car Maintenance	542,670	915,349
Stationery	242,177	346,863
Fees and Registration	205,463	434,222
Telephone	680,044	1,207,386
Electricity	409,590	-
Electrical Expenses	-	235,289
Rent, Rates and Taxes	650,750	3,136,050
Insurance Premium	159,571	161,962

	Amount (Tk.) 30.06.2022	Amount (Tk.) 30.06.2021
Liveries and Uniform	-	-
Bank Charges	2,096,071	1,742,845
Bank Guarantee & Charge Documents	11,911	18,635
Audit Fees	574,000	535,389
Duty Allowance	-	10,000
Newspapers & Periodicals	7,208	8,360
Postage & Telegram	73,019	466,229
Publicity	3,160	76,043
Night Allowances	10,380	52,090
Advertisement and Publicity	19,373	-
Directors Fee	345,000	275,000
Office Maintenance	28,853	609,897
Maintenance Expenses	5,667	263,462
General Expenses	260,030	-
WASA Bill	51,509	12,715
Gas	91,315	181,842
CDBL Fee	725,454	404,312
Consultancy Fees/ Professional Fees	438,615	-
Renewal Fees	138,875	-
Office Cleaning	231,222	-
Canteen Subsidy	608,074	435,574
Security Expenses	460,492	-
Promotion Expenses	-	78,610
ISO	-	268,653
Fuel and Lubricants	161,021	200,915
Guest House Maintenance	1,241,719	-
Depreciation	1,901,136	4,390,575
	45,867,737	62,791,881

(a) The number of employees employed in the administration department throughout the year who received aggregate remuneration less than Tk. 36,000.

(b) The number of employees employed in the administration department for a part of the year who receive aggregate remuneration less than Tk. 3,000 per month.

13.00	Consolidated Selling and Distribution Expenses	18,349,510	52,333,401
	This is made up as follows:		
	Salary & Allowances	6,161,251	23,204,754
	Fuel and Lubricants	111,140	171,152
	Transit Insurance	-	338,588
	Promotional Expenses	71,118	130,829
	Delivery Expenses	402,160	2,756,849
	Rent, Rates & Taxes	915,447	3,378,711
	Conveyance	40,072	578,468
	Entertainment	62,784	96,785
	Stationery	45,853	62,630
	Telephone	51,187	568,283
	Publicity Expenses	418,035	681,640
	Fees & Registration	54,028	242,224
	Maintenance	31,707	60,000
	Car Maintenance	100,620	704,712
	Electrical Expenses	273,617	638,695
	Postage & Telegram	43,454	228,098
	Newspaper & Periodicals	8,456	9,330
	Bank Charges	25,245	36,762
	Security Guard Salary	389,000	459,000
	Office Maintenance	43,962	53,280
	Showroom Expenses	57,090	311,387
	Utility Bill (WASA)	2,782	2,984
	Gift & Donation	3,771	6,092

		Amount (Tk.) 30.06.2022	Amount (Tk.) 30.06.2021
	Bad Debts	4,217,264	3,303,180
	Chemical & Packing Expenses	15,191	14,092
	Dealer Conference Expenses	-	-
	Transit Insurance	102,800	-
	Others	-	44,885
	Depreciation of Right of Use Assets	685,633	7,538,369
	Depreciation	4,015,844	6,711,622
		18,349,510	52,333,401
(a) The number of employees employed in the selling and distribution department throughout the year who received aggregate remuneration less than Tk. 36,000.			
(b) The number of employees employed in the selling and distribution department for a part of the year who receive aggregate remuneration less than Tk. 3,000 per month.			
14.00	Consolidated Financial Charges	239,061,668	448,329,428
	This is made up as follows:		
	Aftab Automobiles Ltd.	165,028,055	330,977,558
	Navana Batteries Ltd.	74,033,613	117,351,870
		239,061,668	448,329,428
15.00	Consolidated Other Income	13,357,514	17,312,132
	This is made up as follows:		
	FDR Interest	13,357,514	17,312,132
	Profit on Sale of Shares	-	-
	Profit on Sales of Car	-	-
		13,357,514	17,312,132
16.00	Consolidated Income Tax Expenses	(92,330,635)	(42,241,724)
	This is made up as follows:		
	Current Tax	4,429,741	7,676,342
	Deferred Tax	(96,760,376)	(49,918,066)
		(92,330,635)	(42,241,724)
16.01	Current Tax	4,429,741	7,676,342
	Aftab Automobiles Ltd.	2,385,223	4,843,698
	Navana Batteries Ltd.	2,044,518	2,832,644
		4,429,741	7,676,342
16.1.a	Current Tax - Aftab Automobiles Ltd.	2,385,223	4,843,698
	This is made up as follows:		
	Operating Profit	(116,577,591)	(254,910,735)
	Other Income	13,357,514	17,312,132
	Contribution to WPPF	-	-
	Bad Debts	4,217,264	3,303,180
	Add: Accounting Depreciation	23,924,658	36,168,923
	Less: Tax Depreciation	(48,230,067)	(45,427,963)
	Last year Adjustment	-	-
	Taxable Profit	(123,308,221)	(243,554,463)
	Corporate Tax Rate 22.50%	22.50%	22.5%
	Current Tax	(27,744,350)	(54,799,754)
	Minimum Tax on Gross Receipt @ 0.6%	2,385,223	4,843,698
	Current Tax Liabilities (which ever higher)	2,385,223	4,843,698

	Amount (Tk.) 30.06.2022	Amount (Tk.) 30.06.2021
16.1.b Current Tax - Navana Batteries Ltd.	2,044,518	2,832,644
This is made up as follows:		
Profit before Tax	(12,515,229)	(1,534,792)
Add: Accounting Depreciation	35,245,143	38,684,124
Less: Tax Depreciation	(39,134,300)	(46,249,960)
Taxable Profit	(16,404,386)	(9,100,628)
Corporate Tax Rate 30%	30.00%	30.00%
Current Tax	(4,921,316)	(2,730,188)
Minimum Tax on Gross Receipt @ 0.6%	2,044,518	2,832,644
Current Tax Liabilities (which ever higher)	2,044,518	2,832,644
Consolidated Income Tax Expenses		
17.00 Consolidated Net Assets Value Per Share (NAVPS)	54.88	60.20
Net Assets	5,516,898,859	5,542,366,263
Ordinary Shares (Paid up Capital)	100,519,043	95,732,422
Net Assets Value Per Share (NAVPS)	54.88	57.89
Net asset value has been decreased due to impact of declaration of dividend payment.		
18.00 Consolidated Earning Per Share (EPS)	0.01	(1.94)
Profit Attributable to the Equity holders	1,248,370	(185,514,274)
No. of Shares	100,519,043	95,732,422
Consolidated Earnings per Share (EPS)	0.01	(1.94)
Earning per Share (EPS) has been fallen down compared with that of previous year because of decreasing in sale amount due to Covid-19 pandemic situation.		
19.00 Consolidated Net Operating Cash Flows Per Share (NOCFPS)	3.71	6.65
Consolidated Net Cash Generated by Operating Activities	355,476,211	636,166,212
Ordinary Shares (Paid up Capital)	95,732,422	95,732,422
Consolidated Net Operating Cash Flows Per Share (NOCFPS)	3.71	6.65
During the year net operating cash flow per share has been increased that of previous year.		
20.00 Reconciliation of Consolidated Cash Flows from Operating Activities under Indirect Method:	355,700,196	636,166,212
Net Profit/(Loss) before Interest & Income Tax during the year	96,611,334	208,103,896
Adjustments to reconcile Net Income to Net Cash provided by Operating Activities:		
Depreciation	59,855,433	82,391,415
Payment of Lease Liability	2,601,158	(9,107,765)
Interest on Lease Liability	2,214,626	544,882
Payment of WPPF	-	(4,021,328)
Income Tax Paid	(13,505,384)	(30,622,795)
Changes in Current Assets and Liabilities:		
Decrease/(Increase) in Inventories	47,589,938	431,172,089
Decrease/(Increase) in Advance and Pre-payments	(96,673,841)	(44,422,086)
Decrease/(Increase) in Payables & Accruals	242,665,653	(5,929,716)
Decrease/(Increase) in Trade Receivables	14,341,277	8,057,620
Consolidated Net Cash Flow from Operating Activities	355,700,196	636,166,212

21.00 Information about Reportable Segments

Information related to each reportable segment is setout below:

21.01 Segment wise Financial Position as at 30th June, 2022

Particulars	Assembling Unit	Motor Cycle Unit	Body Unit	Total
Assets				
Non-Current Assets				
Property, Plant & Equipment	759,421,815	-	411,535,283	1,170,957,097
Discontinued Operation		277,786,431		277,786,430
Capital Work-in-Progress	566,958,334	-	86,265,256	653,223,590
Investment in Subsidiary and Associates	1,200,547,577	-	-	1,200,547,577
Receivable-Non-Current Maturity	2,108,330,759	144,852,310	58,597,057	2,311,780,126
Right of Use Assets	3,788,615	-	54,850,608	58,639,223
Total of Non-Current Assets	4,639,047,100	422,638,741	611,248,204	5,672,934,043
Current Assets:				
Receivable-Current Maturity	2,256,490,570	265,105,225	80,765,684	2,602,361,479
Stock and Stores	388,104,000	138,987,182	90,946,246	618,037,428
Current Account with Navana Batteries Ltd.	947,982,468	-	-	947,982,468
Current Account with Navana Group Companies	3,422,131,912	-	-	3,422,131,912
Current Account with Motor Cycle Unit	662,372,313	-	-	-
Current Account with Body Building Unit	428,422,400	-	-	-
Advances, Deposits and Pre-Payments	4,990,499,096	-	77,918,639	5,068,417,735
Cash and Bank Balances	339,195,607	-	6,567,719	345,763,326
Total Current Assets	13,435,198,366	404,092,407	256,198,288	13,004,694,348
Total Assets	18,074,245,466	826,731,148	867,446,492	18,677,628,391
Equity and Liabilities:				
Shareholders' Equity:				
Share Capital	1,005,190,431	-	-	1,005,190,431
Share Premium	1,925,858,339	-	-	1,925,858,339
Reserves	44,332,689	-	23,005,542	67,338,231
Retained Earnings	2,264,410,680	(9,969,146)	263,914,862	2,518,356,396
Total Shareholders' Equity	5,239,792,139	(9,969,146)	286,920,404	5,516,743,397
Non-Current Liabilities:				
Loan and Deferred Liabilities (Unsecured)	25,310,440	-	-	25,310,440
Long Term Loan - Non-Current Maturity	3,046,622,430	-	-	3,046,622,430
Deferred Tax Liability	(49,712,524)	(23,864,325)	8,822,674	(64,754,175)
Lease Liability	9,826,360	-	25,708,240	35,534,600
Total Non-Current Liabilities	3,032,046,706	(23,864,325)	34,530,914	3,042,713,295
Current Liabilities:				
Long Term Loan-Current Maturity	1,015,540,810	-	-	1,015,540,810
Short Term Loan	7,537,962,967	198,192,309	-	7,736,155,276
Accrued and Other Current Liabilities	1,152,986,301	-	117,572,775	1,270,559,076
Current Account with Assembling Unit	-	662,372,313	428,422,400	
Unclaimed Dividend Account	95,916,541	-	-	95,916,541
Total Current Liabilities	9,802,406,619	860,564,622	545,995,175	10,118,171,703
Total Liabilities	12,834,453,325	836,700,297	580,526,089	13,160,884,998
Total Equity and Liabilities	18,074,245,464	826,731,149	867,446,493	18,677,628,391

- 21.02 Segment profit from operation is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

Segment wise Profit or Loss and Other Comprehensive Income for the year ended 30th June, 2022

Particulars	Assembling Unit	Motor Cycle Unit	Body Unit	Total
Sales Revenue	375,040,000	11,032,608	35,653,771	421,726,379
Less: Cost of Goods Sold	290,418,741	8,812,679	29,814,144	329,045,564
Gross Profit (a)	84,621,259	2,219,929	5,839,627	92,680,815
Less: Operating Expenses:				
Administrative Expenses	26,846,614	-	10,763,773	37,610,387
Selling & Distribution Expenses	4,869,373	110,326	1,640,265	6,619,964
Financial Charges	156,573,153	6,268,102	2,186,800	165,028,055
Total Operating Expenses (b)	188,289,140	6,378,428	14,590,838	209,258,406
Operating Profit (c) = (a-b)	(103,667,881)	(4,158,499)	(8,751,211)	(116,577,591)
Non-Operating Income:				
Other Income	10,845,492	-	2,512,022	13,357,514
Less: Foreign Exchange Loss	-	-	-	-
Add: Share of Profit from Associate Company	24,496,234	-	-	24,496,234
Total Non-Operating Income (d)	35,341,726	-	2,512,022	37,853,748
Profit before Contribution to WPPF (e)=(c+d)	(68,326,155)	(4,158,499)	(6,239,189)	(78,723,843)
Less: Contribution to WPPF	-	-	-	-
Profit after Contribution to WPPF	(68,326,155)	(4,158,499)	(6,239,189)	(78,723,843)
Add: Share of Profit from Subsidiaries	(5,151,609)	-	-	(5,151,609)
Net Profit before Tax (f)	(73,477,764)	(4,158,499)	(6,239,189)	(83,875,452)
Less: Income Tax Expenses				
Current Tax	1,422,767	536,420	426,035	2,385,222
Deferred Tax	(68,805,738)	(19,961,602)	1,413,760	(87,353,580)
Total Income Tax Expenses (g)	(67,382,971)	(19,425,182)	1,839,795	(84,968,358)
Profit after Tax (h) = (f-g)	(6,094,793)	15,266,683	(8,078,984)	1,092,906
Other Comprehensive Income for the year:				
Investment Valuation Surplus in Share				
Revaluation Gain/(Loss) on Investment in Share	-	-	-	-
Deferred Tax	-	-	-	-
Total Investment Valuation Surplus in Share (i)	-	-	-	-
Total Comprehensive Income for the year (j)=(h+i)	(6,094,793)	15,266,683	(8,078,984)	1,092,906

22.00 Related Party Transactions

In accordance with paragraph 19 of IAS 24 Related Party Disclosures, the following matters has been disclosed in the following sequential order:

(i) **Parent and Ultimate Controlling Party**

There is no such parent company as well as ultimate holding company / controlling party of the company.

(ii) **Entities with joint control of, or significant influence over**

There is no joint control of, or significant influence over the company.

(iii) **Subsidiaries**

Navana Batteries Limited is a subsidiary company of which 99.95% shares owned by the entity (company).

(iv) **Associates**

Navana Real Estate Limited is an Associate Company of the entity (company).

(v) **Joint Venture in which the Entity is a Joint Venturer**

The Company has not entered into Joint Venture Agreement in which the Company is a Joint Venturer.

(vi) **Transactions with Key Management Personnel and their Compensation**

(a) **Loans to Director**

During the year, no loan was given to the directors of Company

(b) **Key Management Personnel and their Compensation**

There is no compensation for Chairman, Director and Managing Director except Board Meeting fee but there are following categories of compensation in accordance with the paragraph 17 of IAS 24: Related Party Disclosures:

Particulars	Amount (Tk.) 30.06.2022	Amount (Tk.) 30.06.2021
Salary and Allowances	86,540,067	131,390,169
Provision for Gratuity	2,335,223	-
Board Meeting Attendance Fee	45,000	40,000
Short Term Employee Benefits	-	-
Provision for Post Employment Benefits	-	24,907,697
Other Long Term Benefits	-	-
Termination Benefits	-	-
	88,920,290	156,337,866

Company's key management personnel includes the Company's directors. Compensation includes salary, non-cash benefits and contributions to a post employment defined benefits plan.

(vii) **Other Related Party Transactions**

During the period, the company carried out a number of transactions with related parties in the normal course of business. The name of the related parties, nature of transaction and transaction value have been set out in accordance with the provisions of IAS 24: Related Party Disclosure are as follows:

Name of Related Party	Relationship	Nature of Transaction	Transaction for the year		Outstanding / Receivable	
			2022	2021	2022	2021
Loan from Chairman	Director	Interest on loan	-	-	-	-
Navana Group of Company	Alliance Companies	Interest on loan	451,550,358	393,541,411	2,292,192,070	1,840,641,712
Navana Limited	Alliance Companies	Interest on loan	272,895,203	838,753,776	3,240,202,203	2,967,307,000
Navana Reale Estate Ltd.	Alliance Companies	Interest on loan	14,017,437	10,766,296	130,487,733	116,470,296
Navana Engineering Ltd.	Alliance Companies	Interest on loan	6,980,446	0	64,980,676	58,000,230
Navana LPG Ltd.	Alliance Companies	Interest on loan	27,500,000	0	5,650,000	0

Inter Company Receivables/Payables

Name of Party	Relationship	Nature of Transaction	Transaction for the year		Outstanding / Receivable	
			2022	2021	2022	2021
Navana Welding Electrode Ltd.	Alliance Companies	Interest on loan	11,300	-	19,188,700	19,200,000
Navana LPG Ltd.	Alliance Companies	Interest on loan	-	42,100,000	-	21,850,000

23.00 Amount due by Directors

There is no advance in the name of the directors or associates undertaking of the company.

- 24.00 **Number of Employees (Gross salary)**
During the year total number of employees/workers for the company was 297 who drawing Tk. 8,000 or more per month.
- 25.00 **Significant Disclosure**
Sales amount has been fallen down but gross profit (GP) ratio increased due to decreases of production cost by ceasing workers, management employees and monitoring production strictly.
- 26.00 **Capital Expenditure Commitment**
There was no commitment for capital expenditure and also not incurred or provided for the year ended 30th June, 2022.
- 27.00 **Contingent Assets**
There was no contingent assets as on 30th June, 2022.
- 28.00 **Remittance of Dividend**
As there were no non-resident shareholders, no dividend was remitted to or received from abroad.
- 29.00 **Credit Facility not Availed**
There was no credit facility available to the Company under any contract and also not availed as on 30th June, 2022 other than trade credit available in the ordinary course of business.
- 30.00 **Attendance Status of Board Meeting of Directors**

During the year there was 14 Board Meetings were held. The attendance status of all the meetings is as follows:

Name of the Directors	Position	Meeting Held		Attended	
		2022	2021	2022	2021
Shafiul Islam	Chairman	14	18	14	12
Khaleda Islam	Director	14	18	5	12
Saiful Islam	Managing Director	14	18	12	12
Sajedul Islam	Director	14	18	12	18
Farhana Islam	Director	14	18	7	10
Mian Saleem Sheikh	Alternate Director	14	-	2	-
Md. Kausar Alam	Independent Director	14	18	5	-
Dr. Melita Mehjabeen	Independent Director	14	18	5	-

Mian Saleem Sheikh appointed as Alternate Director on behalf of Farhana Islam on 27.04.2022.

- 31.00 **Auditors fees for service rendered**
As per schedule XI, part II, para 6 of Companies Act, 1994, auditors are only paid audit fees (including VAT) of Tk. 350,000. No other service has been taken from auditor hence other then this no other fees given to auditor.
- 32.00 **Disclosures as per Requirement of Schedule XI, Part II of the Companies Act, 1994 (Employee Position as on 30th June, 2022)**

(A) Disclosure as per requirement of Schedule XI, Part II, Notes 5 of Para 3

Monthly Salary Range	Head Office	Factory	No. of Employee
Above 5000	33,003,731	53,536,336	289
Below 5000	Nil	Nil	Nil

**(B) Disclosure as per requirement of Schedule XI, Part II, Para 4
Payment/Perquisites to Directors and Officers**

Name	Position	Remuneration	Festival Bonus	AIT Deduction	Net Amount
Shafiul Islam	Chairman	-	-	-	-
Khaleda Islam	Director	-	-	-	-
Saiful Islam	Managing	4,200,000	-	420,000	3,780,000
Sajedul Islam	Director	-	-	-	-
Farhana Islam	Director	-	-	-	-
Mian Saleem Sheikh	Alternate	-	-	-	-
Md. Kausar Alam	Ind. Director	-	-	-	-
Dr. Melita Mehjabeen	Ind. Director	-	-	-	-

Mian Saleem Sheikh appointed as Alternate Director on behalf of Farhana Islam on 27.04.2022.

Period of payment to Directors is from 1st July, 2021 to 30th June, 2022.

The above Directors of the Company did not take any benefit from the Company other than the remuneration and festival bonus.

- 1 Expenses reimbursed to the managing agent: Nil.
 - 2 Commission or other remuneration payable separately to a managing agent or his associate: Nil.
 - 3 Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into such concerns with the company: Nil.
 - 4 The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial year: Nil.
 - 5 Any other perquisites or benefit in cash or in kind stating: Nil.
 - 6 Other allowances and commission including guarantee commission: Nil.
 - 7 Pernsions: Nil.
 - 8 Gratuities: Nil.
 - 9 Payments from Provident Fund: Nil.
 - 10 Compensatin for Loss of Office: Nil.
 - 11 Consideration in connection with retirement from office: Nil.
- 33.00 **Disclosure as per requirement of Schedule XI, Part II, Para 3**

Requirements under Condition No.	Compliance status of Disclosure of Schedule XI, Part II, Para 3
3(i)(a) The Turnover	7,103,673,824
3(i)(b) Commission Paid to Selling Agents (Incentive)	N/A
3(i)(c) Brokerage and discount of Sales, Other than the usual trade discount	N/A
3(i)(d)(i) The value of the raw materials consumed, giving item-wise as possible	345,169,429
3(i)(d)(ii) The opening and closing stocks of goods produced	N/A
3(i) (e) In the case of companies, the purchase made and the opening and closing stocks	P-391,029,446, OB-3,161,788,394, CB-380,495,700
3(i)(f) In the case of companies rendering or supplying services, the gross income derived from services rendered or supplied	174,068,025
3(i)(g) Opening and closing stocks, purchases, sales and consumption of raw materials with value and quantity break up for the Company, which falls under one or more categories i.e. manufacturing and/or trading	Complied
3(i)(h) In the case of other companies, the gross income derived under different heads	Nil
3(i)(i) Work-in-progress, which have been completed at the commencement and at the end of the accounting period	OB 398,790,237, CB 380,495,799
3(i)(i) Provision for depreciation, renewals or diminution in value of fixed assets	N/A
3(i)(k) Interest on the debenture paid or payable to the Managing Director, Managing Agent and the Manager	N/A
3(i)(l) Charge for income tax and other taxation on profits	92,331,978
3(i)(m) Reserved for repayment of share capital and repayment of loans	Nil
3(i)(n)(i) Amount set aside or proposed to be set aside, to reserves, but not including provisions made to meet any specific liability, contingency or commitment, known to exist at the date as at which the balance sheet is made up	Nil
3(i)(n)(ii) Amount withdrawn from above mentioned reserve	Nil
3(i)(o)(i) Amount set aside to provisions made for meeting specific liabilities, contingencies of commitments.	Nil

Requirements under Condition No.	Compliance status of Disclosure of Schedule XI, Part II, Para 3
3(i)(o)(ii) Amount withdrawn from above mentioned provisions, as no longer required.	Nil
3(i)(p) Expenditure incurred on each of the following items, separately for each item:	Nil
(i) Consumption of stores and spare parts	979,000
(ii) Power and Fuel	189,564
(iii) Rent	3,728,628
(iv) Repairs of Buildings	Nil
(v) Repairs of Machinery	696,362
(vi) Other include:	Nil
(1) Salaries, wages and bonus	53,536,336
(2) Contribution to provident and other funds	Nil
(3) Workmen and staff welfare expenses to the extent not adjusted from any previous provision or reserve.	P-136,709,894, R-67,338,231

34.00 **Information regarding Accounts Receivables, Advance in line with Schedule XI**

i. Disclosure in line with 4(a) of part I of Schedule XI

The details of trade receivable are given below:

Sl. No.	Particulars	Amount (Tk.) 30.06.2022	Amount (Tk.) 30.06.2021
1	Within 3 Months	1,082,317,564	691,897,614
2	Within 6 Months	905,259,349	528,144,676
3	Within 12 Months	959,082,015	2,083,590,068
4	More than 12 Months	2,617,632,932	2,275,000,786
Total		5,564,291,860	5,578,633,137

ii. Disclosure in line with 4(b) of part I of Schedule XI

There are no debts outstanding in this respect.

35.00 **Disclosure in line with Instruction of Part of Schedule XI**

In regard to sundry debtors the following particulars shall be given separately:

(I) Debt considered good in respect of which the company is fully secured

Within six months trade debtors occurred in the ordinary course of business are considered good but no security given by the debtors.

(II) Debt considered good for which the company holds no security other than the debtors' personal security

Within six months trade debtors have arisen in the ordinary course of business in good faith as well as market reputation of the company for the above mentioned reasons no personal security taken from debtors.

(III) Debt considered doubtful or bad

The company considered more than one year debts are doubtful and provision is created for Tk. 134,109,481/-

(IV) Debt due by directors or other officers of the Company

There is no debt due by directors or other officers of the company.

(V) Debt due by common management

There is no debt under common management.

(VI) The maximum amount due by directors or other officers of the Company

There is no such debt in this respect.

36.00 **Disclosure as per requirement of Schedule XI, Part II, Para 7**

Details of Production Capacity Utilization:

Particulars	Assembling	Body	Mortar Cycle	Total
Production Capacity (Vehicle/Battery)	2,400	400	10,000	12,800
Production during the year	72	37	-	109
Capacity Utilization (%)	3.00%	9.25%	0.00%	0.85%

The production capacity of the company is 2400 units Toyota & hino vehicles in assembling unit under one shifts and 400 units hino buses in body building unit. Actual production for the year 72 units bus assembled in assembling unit, 37 units body fabrication in body building unit.

The production capacity of the company is 10,000 units motor cycle in motor cycle units under one shifts. Actual production for the period is nil in motor cycle unit.

37.00 **Disclosure as per requirement of Schedule XI, Part II, Para 8(b) during the year under audit.**

Details of import on CIF basis

i. Raw Materials, Space Parts, Packing Materials

Items	Purchase in Taka			Consumption in Taka	Percentage
	Import	Local	Total		
Raw Materials & Chemicals (Hino)	237,892,662	9,332,892	247,225,554	212,394,455	86%
Raw Materials & Chemicals (Battery)	27,504,640	116,299,252	143,803,892	117,990,187	82%
Packing Material	-	-	-	-	-
Spare Parts	-	-	-	-	-
Total	265,397,302	125,632,144	391,029,446	330,384,642	

The value of imported material is calculated on CIF Basis.

- ii. The Company has not incurred any expenditure in foreign currency for the period from 1st July, 2021 to 30th June, 2022 on account of royalty, know-how, professional fee, consultancy fees and interest.
- iii. The Company has not earned any foreign exchanges for royalty, know-how, professional fees and consultancy fees.
- iv. The value of export from the period from 1st July, 2021 to 30th June, 2022 is Tk. Nil.

38.00 **Schedule XI, Part II, Para 8(b) & Para 8(d) Foreign Currencies remitted during the year**

During the year under review the company did not remit any amount as dividend, technical know-how, royalty, professional consultation fees, interest and other matters either its shareholder or others.

39.00 **Disclosure for purchase in foreign currency during the year**

Disclosure as per Para 8 of Schedule XI (GA) of the Companies Act, 1994 regarding purchase made in foreign currency during the year are as follows:

Type of Expenditure	Amount in Foreign Currency	Amount in BDT.
Import of Raw Material (Hino Bus Chassis CKD)	¥ 150,234,194	199,673,304
Import of Raw Material (Body Making Materials)	\$265,706	20,990,742
Import of Raw Material (Battery)	\$320,075	27,504,640
Total		248,168,686

40.00 Financial Instrument-Fair Values and Risk Management

40.01 Accounting Classifications and Fair Values

The following table shows the carrying amounts of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value as the carrying amount is a reasonable approximation of fair value.

Reconciliation of Carrying Amount	Carrying Amount Tk. '000							
	Note	Fair Value Hedging Instruments	Mandatory at FVTPL-Others	FVOCI-debt instruments	FVOCI-equity instruments	Financial assets at amortized cost	Other Financial Liabilities	Total Amount
30.06.2022		-	-	-	-	-	-	-
Financial Assets measured at Fair Value:		-	-	-	-	-	-	-
Equity Securities								
Financial Assets not measured at Fair Value:								
Receivables	5.06	-	-	-	-	5,564,292	-	5,564,292
Advance, Deposits & Prepayments	6.03	-	-	-	-	7,067,469	-	7,067,469
Investment in Securities & Associate Company	5.04	-	-	-	-	454,479	-	454,479
Cash and Cash Equivalents	6.04	-	-	-	-	347,539	-	347,539
		-	-	-	-	13,433,778	-	13,433,778
Financial Liabilities measured at fair value:								
Financial Liabilities not measured at fair value:								
Loan and Deferred Liabilities (Unsecured)	8.01	-	-	-	-	-	25,310	25,310
Long Term Loan	8.02	-	-	-	-	-	6,523,244	6,523,244
Deferred Tax Liability	8.03	-	-	-	-	-	(18,756)	(18,756)
Lease Liabilities	8.04	-	-	-	-	-	76,166	76,166
Short Term Loan	9.01	-	-	-	-	-	10,048,080	10,048,080
Accrued & Other Current Liabilities	9.02	-	-	-	-	-	1,496,559	1,496,559
Unclaimed Dividend Account	9.03	-	-	-	-	-	95,917	95,917
		-	-	-	-	-	18,246,520	18,246,520
30.06.2021								
Financial Assets measured at Fair Value:		-	-	-	-	-	-	-
Equity Securities								
Financial Assets not measured at Fair Value:								
Receivables	5.06	-	-	-	-	5,578,633	-	5,578,633
Advance, Deposits & Prepayments	6.03	-	-	-	-	6,650,017	-	6,650,017
Investment in Securities & Associate Company	5.04	-	-	-	-	429,982	-	429,982
Cash and Cash Equivalents	6.04	-	-	-	-	351,935	-	351,935
		-	-	-	-	13,010,567	-	13,010,567
Financial Liabilities measured at fair value:								
Financial Liabilities not measured at fair value:								
Loan and Deferred Liabilities (Unsecured)	8.01	-	-	-	-	-	25,310	25,310
Long Term Loan	8.02	-	-	-	-	-	5,956,374	5,956,374
Deferred Tax Liability	8.03	-	-	-	-	-	78,005	78,005
Lease Liabilities	8.04	-	-	-	-	-	50,685	50,685
Short Term Loan	9.01	-	-	-	-	-	9,490,070	9,490,070
Accrued & Other Current Liabilities	9.02	-	-	-	-	-	1,257,991	1,257,991
Unclaimed Dividend Account	9.03	-	-	-	-	-	91,608	91,608
		-	-	-	-	-	16,950,043	16,950,043

Advances, deposits and prepayments are not included in the financial assets.

The company has not disclosed the fair values for financial instruments such as receivables, advance, deposits & prepayments, investment in securities & associate company and cash & cash equivalents, loan and deferred liabilities (unsecured), long term loan, deferred tax liability, lease liabilities, short term loan, accrued & other current liabilities and unclaimed dividend account because of their carrying amount are a reasonable approximation of fair value.

40.02 Financial Risk Management Framework

The Company's 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 and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Company has exposure to the following risks from its use of financial instruments:

40.02.1 Credit Risk, 40.02.2 Liquidity Risk 40.02.3 Market Risk.

40.02.1 Credit Risk

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivable.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of customer, including the default risk of the industry and financial strength of the customer, as these factors may have an influence on credit risk. Geographically there is no concentration of credit risk.

The debtors management review committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the company's payment and delivery terms and conditions are offered. Credit limits are established for each customer, which represents the maximum outstanding amount of credit sale without requiring approval from the committee; these limits are reviewed as per guideline of Aftab Automobiles Limited in each quarter. Customers that fail to meet the company's benchmark creditworthiness may transact with the company only on a cash / deposit scheme basis.

Management has a credit policy in place and the exposure to credit risk is monitor on an ongoing basis. As at 30th June, 2022, substantial part of the receivables are as follows and subject to insignificant credit risk. Risk exposure from other financial assets, i.e. Cash at bank and other external receivables are also nominal.

(i) Exposure to Credit Risk

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

	Amount (Tk.) 30.06.2022	Amount (Tk.) 30.06.2021
Non-Derivative Financial Assets:		
Receivables-Current Assets	5,564,291,860	5,578,633,137
Inter Company Transactions	-	4,941,369,238
Advance to Suppliers	709,592,254	714,019,951
Advance to Employees	45,597,153	44,973,832
Advance to Others	502,696,821	481,584,061
Security Deposits	395,707,471	395,707,471
Cash at Bank	345,646,194	346,299,772
Cash in Hand	1,892,696	5,634,752
	7,565,424,449	12,508,222,214

At 30th June, 2022 the maximum exposure to credit risk for trade and other receivables by geographic regions was as follows:

	Amount (Tk.) 30.06.2022	Amount (Tk.) 30.06.2021
Domestic	5,564,291,860	5,578,633,137
Foreign Receivable	-	-
	5,564,291,860	5,578,633,137

	Amount (Tk.) 30.06.2022	Amount (Tk.) 30.06.2021
Ageing Schedule of Receivables:	5,564,291,860	5,578,633,137
Duration		
1-30 days	299,745,108	342,664,946
31-60 days	317,389,694	349,232,661
61-90 days	465,182,762	528,144,676
91-180 days	905,259,349	1,021,534,420
181-365 days	959,082,015	1,062,055,648
Over 365 days	2,617,632,932	2,275,000,786
	5,564,291,860	5,578,633,137

To mitigate the credit risk against trade receivables and others, the company has a system of specific credit line period to the customers. This outstanding period and amount are regularly monitored. The company endeavors to cover the credit risks on all other receivables, where possible, by restricting credit facility and stringent monitoring.

40.02.2 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 (cash and cash equivalents) is to ensure, as far possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. Typically, 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, prepaid based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity / fund to make the expected payment within due date.

Exposure to Liquidity Risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements. The carrying amount of financial liabilities represent the maximum exposure to liquidity risk. The maximum exposure to liquidity risk as at 30th June, 2022.

30th June, 2022

					Contractual Cash Flows		
	Note	Carrying Amount	Total	2 months or less	2-12 months	1-5 years	
Non-derivative financial liabilities:							
Loan and Deferred Liabilities (Unsecured)	8.01	25,310,440	25,310,440	2,531,044	7,593,132	15,186,264	
Long Term Loan-Non Current Maturity	8.02	4,892,433,196	4,892,433,196	489,243,320	1,467,729,959	2,935,459,918	
Deferred Tax Liability	8.03	(18,755,621)	(18,755,621)	(1,875,562)	(5,626,686)	(11,253,373)	
Lease Liability	8.04	76,165,502	76,165,502	7,616,550	22,849,651	45,699,301	
Long Term Loan-Current Maturity	8.02	1,630,811,065	1,630,811,065	163,081,107	489,243,320	978,486,639	
Short Term Loan	9.01	10,048,079,903	10,048,079,903	1,004,807,990	3,014,423,971	6,028,847,942	
Accrued and Other Current Liabilities	9.02	1,496,559,308	1,496,559,308	159,247,585	477,742,754	859,568,970	
Unclaimed Dividend Account	9.03	95,916,541	95,916,541	9,591,654	28,774,962	57,549,925	
		18,246,520,333	18,246,520,333	1,834,243,687	5,502,731,062	10,909,545,584	
Derivative financial liabilities							
		-	-				
		18,246,520,333	18,246,520,333	1,834,243,687	5,502,731,062	10,909,545,584	

30th June, 2021

Contractual Cash Flows						
In Taka	Note	Carrying Amount	Total	2 months or less	2-12 months	1-5 years
Non-derivative financial liabilities:						
Loan and Deferred Liabilities (Unsecured)	8.01	25,310,440	25,310,440	2,531,044	7,593,132	15,186,264
Long Term Loan-Non Current Maturity	8.02	4,467,280,547	4,467,280,547	1,340,184,164	1,786,912,219	1,340,184,164
Deferred Tax Liability	8.03	78,004,754	78,004,754	-	23,401,426	54,603,328
Lease Liability	8.04	50,684,891	50,684,891	-	2,597,595	48,087,296
Long Term Loan-Current Maturity	8.02	1,489,093,516	1,489,093,516	-	1,042,365,461	446,728,055
Short Term Loan	9.01	9,490,070,048	9,490,070,048	4,270,531,522	5,219,538,526	-
Accrued and Other Current Liabilities	9.02	1,257,990,990	1,257,990,990	125,799,099	251,598,198	880,593,693
Unclaimed Dividend Account	9.03	91,608,073	91,608,073	9,160,807	18,321,615	64,125,651
		16,950,043,258	16,950,043,258	5,748,206,636	8,352,328,172	2,849,508,450
Derivative financial liabilities						
		-	-	-	-	-
		16,950,043,258	16,950,043,258	5,748,206,636	8,352,328,172	2,849,508,450

40.02.3 Market Risk

Market risk is the risk that any change in market price, such as foreign exchange rates and interest rates will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

(i) Interest Rate Risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. Exposure to fair value movement relates to fixed rate instrument subject to fair value accounting and exposure to cash flow fluctuation relates to variable rate instruments. The company is primarily exposed to cash flow fluctuation arising from variable rate borrowings. The objective of interest rate management for the Aftab Automobiles Ltd. and its subsidiaries is to reduce financial cost and ensure predictability.

(ii) Currency Risk

The company is exposed to currency risk on certain revenues and purchases such as revenue from foreign customers and import of raw material, machineries and equipment. Majority of the company's foreign currency transactions are denominated in USD and relate to procurement of raw materials, machineries and equipment from abroad.

41.00 Capital Management

Capital management refers to implementing policies and measures to maintain sufficient capital, assessing company's internal capital adequacy to ensure company's operation as a going concern. Capital consists of share capital, general reserve and revaluation reserve. All major investment and operational decisions with exposure to certain amount are evaluated and approved by the board. The board of directors monitors the level of dividends to ordinary shareholders.

42.00 Subsequent Events-Disclosures under IAS 10 "Events after Reporting Period"

The directors in the meeting held on 26th day of October, 2022 recommended 5% proposed dividend for general shareholders only excluding sponsors and directors and 5% stock dividend for all shareholders including sponsors and directors whose name will be appeared in the shareholders' registers at the date of book closure which is subject to shareholders' approval at the forthcoming 42nd annual general meeting to be held on 28th December, 2022.

"Except the fact stated above, no circumstances have arisen since the balance sheet date which would require adjustments or disclosure in the financial statements or notes thereto.

Annexure-A

AFTAB AUTOMOBILES LIMITED AND ITS SUBSIDIARIES
Schedule of Property, Plant and Equipment as on 30th June, 2022

Particulars	Cost				Rate of Dep.	Depreciation				Written Down Value as on 30.06.2022	Written Down Value as on 30.06.2021
	Opening Balance 01.07.2021	Addition during the year	Adjustment/ Disposal during the year	Total as on 30.06.2022		Charged during the year	Adjustment/ Disposal during the year	Total as on 30.06.2022			
Land and Land Development	1,148,608,502	10,004,572	-	1,158,613,074	0%	-	-	-	1,158,613,074	1,148,608,502	
Building	319,207,509	170,197,630	-	489,405,139	2.50%	6,042,439	-	84,393,456	405,011,683	240,856,492	
Shades	38,078,882	179,597,844	-	217,676,726	20%	6,229,461	-	34,975,761	182,700,965	9,332,582	
Plant & Machinery	737,714,750	4,472,029	-	742,186,779	10%	24,257,223	-	466,773,333	275,413,446	295,198,641	
Tools & Equipment	133,168,865	652,000	-	133,820,865	20%	5,877,116	-	106,728,966	27,091,900	32,317,016	
Office Equipment	80,052,011	266,744	-	80,318,755	10%	2,745,161	-	45,994,041	34,324,713	36,803,129	
Furniture & Fixtures	48,339,824	1,452,818	-	49,792,642	10%	1,897,535	-	26,315,757	23,476,885	23,921,602	
Transport Vehicles	138,167,353	4,726,894	-	142,894,247	20%	3,978,306	-	111,163,226	31,731,020	30,982,433	
Electric Line Installation	18,391,033	-	-	18,391,033	10%	7,908,681	-	8,743,200	9,647,833	10,482,352	
Office Decoration	73,279,790	384,800	-	73,664,590	10%	28,812,799	-	30,391,473	43,273,117	44,466,991	
Gas Line Installation	21,670,370	150,000	-	21,820,370	10%	1,218,076	-	10,776,441	11,043,930	12,112,006	
total	2,756,678,889	371,905,331	-	3,128,584,220		54,658,509	-	926,255,654	2,202,328,565	1,885,081,747	

Note

Non-Current Assets held for Sales & Discontinued Operations for Aftab Automobiles Limited of Motorcycle Unit.

Depreciation charged to:	Total Tk.
Cost of Goods Sold (Factory (O/H)	53,252,821
Profit & Loss Accounts (Admin)	1,901,136
Profit & Loss Accounts (Selling)	4,015,844
Total	59,169,801

Annexure-B

Schedule of Right Use of Assets as on 30th June, 2022

Particulars	Cost			Rate of Dep.	Depreciation			Carrying Amount	
	As at 01.07.21	Add./ (Adj.) Dur. the year	Adj. D. the Year		As at 30.06.22	Add./ (Adj.) Dur. the year	Adj. D. the Year	As at 30.06.22	As at 30.06.21
Right Use of Assets	78,895,130	55,536,240	-	134,431,370	10%	29,993,597	5,196,925	35,190,522	99,240,848
Total	78,895,130	55,536,240	-	134,431,370		29,993,597	5,196,925	35,190,522	99,240,848
									48,901,533
									48,901,533

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF AFTAB AUTOMOBILES LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Aftab Automobiles Limited which comprise the Statement of Financial Position as at 30th June, 2022 the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended and notes to the Financial Statements including a Summary of Significant Accounting Policies and other explanatory information described in note no. 1 to 42 and Annexure A & B.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 30th June, 2022 and of its financial performance and its cash flows for the year ended in accordance with International Financial Reporting Standards (IFRSs) and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in jurisdiction and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters and accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatements of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matters	How our audit addressed the key audit matters
Revenue The Company has reported a revenue of Taka 421,726,389 for the year ended 30th June, 2022. Following the application of the revenue recognition standard (IFRS 15, Revenue from Contracts with Customers), the Company adopted its accounting policies.	Our procedures included obtaining an understanding of management's revenue recognition process, we tested a sample of transactions to verify whether the revenue was accounted for in accordance with the revenue accounting policy as disclosed in note 3.07 and 10.00 of the financial statements. In addition, we assessed whether the disclosed revenue accounting policy was in accordance with relevant accounting standards.

Key Audit Matters	How our audit addressed the key audit matters
<p>Under IFRS 15 revenue is recognized when a performance obligation is satisfied by transferring control over a promised good or service to a customer.</p> <p>Goods are considered as transferred when (or as) the customer obtains control of that goods. Revenue from sale of goods is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts, rebates and Value Added Tax (VAT).</p> <p>The sales of the company are derived from a large number of distributors located over the country with relatively small amount of transactions. As a result, to obtain sufficient audit evidence, high magnitude of audit work and resource are required.</p> <p>We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the Company and therefore there is an inherent risk of manipulation of the timing of recognition of revenue by management to meet specific targets or expectations.</p> <p>We focused on the proper cut-off of sales to the Company's customers due to the fact that the documents of confirmation of dispatch of goods were provided by numerous transporting agencies based on different locations. There is a risk of differences between the timing of invoicing of products and the dispatch of the products to the company distributors. Accordingly, there could be potential misstatements that these revenue transactions are not recognized in the proper reporting periods.</p> <p>See note no. 3.07 and 10.00 to the financial statements</p>	<p>For the revenue recognized throughout the year, we tested selected key controls, including results reviews by management, for their operating effectiveness and performed procedures to gain sufficient audit evidence on the accuracy of the accounting for customer contracts and related financial statement captions.</p> <p>With regard to the implementation of IFRS 15 we verified management's conclusion on assessing different types of contracts and the accuracy of the revised accounting policies in light of the industry specific circumstances and our understanding of the business. We tested the appropriateness of the accounting treatment on a sample basis. In addition, we verified the accuracy of IFRS 15 related disclosures.</p> <p>These procedures included reading significant new contracts to understand the terms and conditions and their impact on revenue recognition. We performed enquiries with management to understand their risk assessments and inspected meeting minutes to identify relevant changes in their assessments and estimates.</p> <p>Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <ul style="list-style-type: none"> • Evaluated the design of internal controls relating to recording of efforts incurred and estimation of efforts required to complete the performance obligations. • We conducted substantive testing of revenue recorded over the year using sampling techniques by examining the relevant supporting documents including sales invoices and depot wise sales bank reconciliation report, bank statement and also, we confirmed selected customers' receivable balances at the balance sheet date, selected on a sample basis by considering the amount outstanding with those customers. • We specifically put emphasis on those transactions occurring close before or after the balance sheet date to obtain sufficient evidence over the accuracy of cut-off. • We tested the completeness of journal entries compared to financial statements; as well as if there any exception existed that the debit accounts of sales recognition were not related to cash and bank, trade receivable or advances from customers.

Key Audit Matters	How our audit addressed the key audit matters
	<ul style="list-style-type: none"> Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.
Valuation of Inventory (Stock & Stores)	How our audit addressed the key audit matters
<p>The Company had inventory (Stock & Stores) of Taka 618,037,428 at 30th June, 2022 held in different depot and warehouses.</p> <p>Inventories consisting of raw materials, working process, finished goods, spare parts, fuel and stock in transit are valued at lower of cost and net realizable value. Cost of inventories include expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.</p> <p>Cost of inventories is determined by using the weighted average cost formula. Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying amount of inventories to the lower of cost and net realizable value.</p> <p>Net realizable value is based on estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.</p> <p>Moreover, the process of estimating provision for inventories is judgmental and complex. Due to high level of judgment involved and use of some manual process in estimating the provision and net realisable value of inventories, we considered this to be a key audit matter.</p> <p>See note no. 3.08 and 6.01 to the financial statements.</p>	<p>We tested the appropriateness of management's assumptions applied in calculating the value of the inventory provisions by:</p> <ul style="list-style-type: none"> evaluating the design and implementation of key inventory controls operating across the company, including those at a sample of, factory production house, warehouse, and sales depots; evaluating internal controls to monitor or keep track of Inventory Movement; attending inventory count on 30th June, 2022 and reconciling the count results to the inventory listing to test the completeness of data; comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories; reviewing the historical accuracy of inventory provisioning, and the level of inventory write-offs during the year; challenging the completeness of inventory provisions through assessing actual and forecast sales of inventory lines to assess whether provisions for slow moving/obsolete stock are valid and complete; evaluating the correctness of the batch wise costing of final products; evaluating the correctness of the valuation of raw materials and packing material as per weighted average method; reviewing the calculation of standard labour hours and their regular comparison with actual labour hours of production; and reviewing the process of valuing work-in-process; we have also considered the adequacy of the Company's disclosure in respect of the levels of provisions against inventory.
Current Tax Provisioning	How our audit addressed the key audit matters
<p>At the year end the company reported total income tax expense (Current Tax) of BDT. 2,385,223 the calculation of the tax expense is a complex process that involves subjective judgments and uncertainties and require specific knowledge and competencies.</p>	<p>Our audit procedure in this area included, among others:</p> <p>Use of own tax specialist to assess the company's tax computation. Our tax specialists were also taking into account the company's tax position and our knowledge and experience of the application of relevant tax legislation.</p>

Current Tax Provisioning	How our audit addressed the key audit matters
We have determined this to be a key audit matter, due to the complexity in income tax provisioning. See note no. 3.14(a) and 16.01 to the Financial Statements.	To analysis and challenge the assumption used to determine tax provision based on our knowledge and experience of the application of the local legislation. Evaluating the adequacy of the financial statement disclosure, including disclosure of key assumption judgments and sensitive related to tax.
Valuation of defined benefits obligation	How our audit addressed the key audit matters
The Company operates different types of defined benefit schemes such as Contributory Provident Fund, Gratuity Fund, Workers Profit Participation Fund (WPPF), and Welfare Fund. The company has the liability for provident fund amounting to 202,119, for gratuity fund amounting to Tk. 6,153,630, for workers profit participation fund amounting to Tk. 16,696,432 and for welfare fund amounting to Tk. 350,438 which in total are significant in the context over all financial position. See note no. 3.17 and 9.02 to the Financial Statements.	Our audit procedures included updating our understanding of the business processes followed by the company for accounting and valuing their defined benefit plan. We obtained sufficient audit evidence to conclude that the inputs and methodologies used to determine the liability for defined benefit plan. We assessed the design and operating effectiveness of the Company's key controls supporting the identification, measurement and oversight of valuation of the defined benefits Payable provision. We examined the basis on which WPPF and Welfare expense are payable to the employees and is worked out the liability for WPPF and Welfare on the presumption that all employees are entitle to participate to WPPF and Welfare on the balance sheet date. We ensured that the basis of computing WPPF and Welfare is valid; verify the computation of liability on aggregate basis. Employee data used calculating obligation is also tested and appropriateness and presentation of disclosures against IAS 19: Employee Benefits were assessed.

Other Information

Management is responsible for the other information. The other information comprises all the information included in the Annual Report but does not include the financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report.

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

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

After going through the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.

Responsibilities of Management and those charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of Financial Statements in accordance with IFRS's, The Companies Act, 1994, The Securities and Exchange Rules, 1987 and applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Companies Act, 1994 require the management to ensure effective internal audit, internal control and risk management functions of the Company.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations or has not realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with International Standards on Auditing (ISAs), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

We have not come across any key audit issues for the year under audit and as such nothing is reportable.

Report on Other Legal and Regulatory Requirements:

In accordance with the Companies Act, 1994, International Standards on Auditing (ISAs) and the Securities and Exchange Rules, 2020, we also report that:

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- (b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books adequate for the purposes of our audit;
- (c) the company's Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income dealt with by the report are in agreement with the books of account.
- (d) the expenditure incurred for the purposes of the company's business.

Dated : 29.10.2022
Place : Dhaka, Bangladesh



(A.K.M Aminul Hoque, FCA)
Enrolment No. 407
DVC-2210290407AS167040
A. Hoque & Co.
Chartered Accountants

AFTAB AUTOMOBILES LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2022

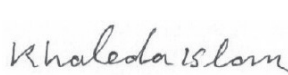
	Note	Amount (Tk.) 30.06.2022	Amount (Tk.) 30.06.2021
Property and Assets			
Non-Current Assets:	5.00	5,672,934,043	5,471,931,703
Property, Plant & Equipment	5.01	1,170,957,097	1,116,872,429
Non Current Assets Held For Seals & Discontinued Operation	5.02	277,786,431	-
Capital Work-in-Progress	5.03	653,223,590	895,066,923
Investment in Subsidiary and Associates	5.04	1,200,547,577	1,181,202,950
Receivables-Non-Current Maturity	5.05	2,311,780,126	2,275,000,786
Right of Use Assets	5.06	58,639,222	3,788,615
Current Assets:	6.00	13,004,694,349	12,328,280,126
Receivables-Current Maturity	5.05	2,602,361,478	2,601,594,009
Stock and Stores	6.01	618,037,428	598,439,683
Current Account with Navana Batteries Ltd.	6.02	947,982,468	981,361,368
Current Account with Navana Group Companies	6.03	3,422,131,912	3,100,727,526
Advances, Deposits and Pre-payments	6.04	5,068,417,736	4,702,545,245
Cash and Cash Equivalents	6.05	345,763,327	343,612,295
Total Property and Assets		18,677,628,391	17,800,211,829
Shareholders' Equity and Liabilities			
Shareholders' Equity:	7.00	5,516,743,396	5,542,366,263
Share Capital	7.01	1,005,190,430	957,324,220
Share Premium	7.02	1,925,858,339	1,925,858,339
Reserves	7.03	67,338,231	67,338,231
Retained Earnings	7.04	2,518,356,396	2,591,845,473
Total Equity Attributable to Equity holders			
Non-Current Liabilities:	8.00	3,042,713,295	2,804,342,521
Loan and Deferred Liabilities (Unsecured)	8.01	25,310,440	25,310,440
Long Term Loan-Non-Current Maturity	8.02	3,046,622,430	2,753,835,081
Deferred Tax Liability	8.03	(64,754,175)	22,599,405
Lease Liability	8.04	35,534,600	2,597,595
Current Liabilities and Provisions:	9.00	10,118,171,703	9,453,503,046
Long Term Loan-Current Maturity	8.02	1,015,540,810	917,945,027
Short Term Loan	9.01	7,736,155,276	7,416,288,305
Accrued and Other Current Liabilities	9.02	1,270,559,076	1,027,661,641
Unclaimed Dividend Account	9.03	95,916,541	91,608,073
Total Liabilities and Provisions		13,160,884,998	12,257,845,567
Total Shareholders' Equity & Liabilities		18,677,628,391	12,257,845,566
Net Assets Value (NAV) per Share	17.00	54.88	57.89

The annexed notes from 1 to 42 and Annexure-A & B form an integral part of these Financial Statement.

The financial statements were approved by the Board of Directors on the 26th day of October, 2022 and were signed on its behalf by:


Chief Financial Officer


Company Secretary


Director


Director


Managing Director

Signed in term of our separate report of even date annexed.


(A.K.M Aminul Hoque, FCA)
Enrolment No. 407
DVC- 2210290407AS167040
A. Hoque & Co.
Chartered Accountants

Dated: 29.10.2022
Place: Dhaka, Bangladesh

AFTAB AUTOMOBILES LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE, 2022

Particulars	Note	01.07.2021 to 30.06.2022	01.07.2020 to 30.06.2021
Sales Revenue	10.00	421,726,379	747,914,378
Less: Cost of Goods Sold	11.00	329,045,565	585,419,156
Gross Profit (a)		92,680,814	162,495,222
Less: Operating Expenses:			
Administrative Expenses	12.00	37,610,386	53,863,805
Selling & Distribution Expenses	13.00	6,619,965	32,564,593
Financial Charges	14.00	165,028,055	330,977,558
Total Operating Expenses (b)		209,258,405	417,405,956
Operating Profit/(Loss) (c) = (a-b)		(116,577,591)	(254,910,734)
Non-Operating Income:			
Other Income	15.00	13,357,514	17,312,132
Less: Foreign Exchange Loss		-	1,092,135
Add: Share of Profit from Associate Company	5.04.3	24,496,234	12,466,601
Total Non-Operating Income (d)		37,853,748	28,686,598
Profit/(Loss) before Contribution to WPPF (e)=(c+d)		(78,723,843)	(226,224,136)
Less: Contribution to WPPF		-	-
Profit/(Loss) after Contribution to WPPF		(78,723,843)	(226,224,136)
Add: Share of Profit from Subsidiaries		(5,151,608)	(5,384,111)
Net Profit/(Loss) before Tax (f)		(83,875,451)	(231,608,247)
Less: Income Tax Expenses	16.00		
Current Tax	16.01	2,385,223	4,843,698
Deferred Tax	16.02	(87,353,580)	(50,937,671)
Total Income Tax Expenses (g)		(84,968,357)	(46,093,973)
Profit/(Loss) after Tax attributable to equity holders (h)=(f-g)		1,092,907	(185,514,274)
Total Comprehensive Income/(Loss) for the year (j)=(h+i)		1,092,907	(185,514,274)
Earnings per Share	18.00	0.01	(1.85)

The annexed notes from 1 to 42 and Annexure-A & B form an integral part of these Financial Statement.

The financial statements were approved by the Board of Directors on the 26th day of October, 2022 and were signed on its behalf by:

 Chief Financial Officer
  Company Secretary
  Director
  Director
  Managing Director

Signed in term of our separate report of even date annexed.

Dated: 29.10.2022
Place: Dhaka, Bangladesh


(A.K.M Aminul Hoque, FCA)
 Enrolment No. 407
 DVC- 2210290407AS167040
 A. Hoque & Co.
 Chartered Accountants

AFTAB AUTOMOBILES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30TH JUNE, 2022

Particulars	Share Capital	Proposed Dividend	Share Premium	Reserves	Retained Earnings	Total
Balance at 1st July, 2021	957,324,220	-	1,925,858,339	67,338,231	2,591,845,473	5,542,366,264
Adjustment the Application of IFRS-16 (Lease)	-	-	-	-	6,790,102	6,790,102
Stock Dividend	47,866,211	-	-	-	(47,866,211)	-
Cash Dividend	-	-	-	-	(33,505,875)	(33,505,875)
Total Comprehensive Income for the year	-	-	-	-	1,092,907	1,092,907
Balance at 30th June, 2022	1,005,190,431	-	1,925,858,339	67,338,231	2,518,356,396	5,516,743,398
Balance at 1st July, 2020	957,324,220	-	1,925,858,339	67,338,231	2,812,199,738	5,762,720,529
Adjustment the Application of IFRS-16 (Lease)	-	-	-	-	(1,334,118)	(1,334,118)
Proposed Dividend	-	-	-	-	-	-
Cash Dividend	-	-	-	-	(33,505,875)	(33,505,875)
Total Comprehensive Income for the year	-	-	-	-	(185,514,274)	(185,514,274)
Balance at 30th June, 2021	957,324,220	-	1,925,858,339	67,338,231	2,591,845,473	5,542,366,263

The annexed notes from 1 to 42 and Annexure-A & B form an integral part of these Financial Statement.

The financial statements were approved by the Board of Directors on the 26th day of October, 2022 and were signed on its behalf by:

				
Chief Financial Officer	Company Secretary	Director	Director	Managing Director

Signed in term of our separate report of even date annexed.

Dated: 29.10.2022
Place: Dhaka, Bangladesh


(A.K.M Aminul Hoque, FCA)
Enrolment No. 407
DVC- 2210290407AS167040
A. Hoque & Co.
Chartered Accountants

AFTAB AUTOMOBILES LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE, 2022

Particulars	Note	Amount (Tk.) 30.06.2022	Amount (Tk.) 30.06.2021
Cash Flows from Operating Activities:			
Cash Receipts from Customers		384,179,570	789,970,886
Cash Receipts of Other Income		13,357,514	17,312,132
Payments for Suppliers and Employees		(182,778,471)	(181,118,005)
Foreign Exchange Loss		-	(1,092,135)
Cash Generated from Operations		214,758,613	625,072,878
Income Tax Paid		(12,029,982)	(20,662,594)
Net Cash Generated from Operating Activities		202,728,631	604,410,284
Cash Flows from Investing Activities:			
Acquisition of Property, Plant and Equipment		(16,203,292)	(10,402,726)
Advance for capital assets		(304,650,336)	(1,197,820,967)
Investment in Share Money Deposits		-	-
Payments for Capital Work in Progress		(107,723,125)	-
Net Cash used in Investing Activities		(428,576,753)	(1,208,223,693)
Cash Flows from Financing Activities:			
Received of Bank Loan		710,250,103	1,583,810,584
Inter Company Receipts/(Payments)		(321,404,386)	(891,620,072)
Inter Company Payments		33,378,900	350,000,000
Bank Interest Paid		(165,028,055)	(330,977,558)
Dividend Paid		(29,197,407)	(21,821,985)
Net Cash Provided in Financing Activities		227,999,155	689,390,969
Net Changes in Cash and Cash Equivalents for the year		2,151,033	52,071,687
Cash and Cash Equivalents at the Beginning of Year		343,612,295	291,540,608
Cash and Cash Equivalents at the End of Year		345,763,326	343,612,295
Net Operating Cash Flows Per Share	19.00	2.02	6.31

The annexed notes from 1 to 42 and Annexure-A & B form an integral part of these Financial Statement.

The financial statements were approved by the Board of Directors on the 26th day of October, 2022 and were signed on its behalf by:

 Chief Financial Officer
  Company Secretary
  Director
  Director
  Managing Director

Signed in term of our separate report of even date annexed.

Dated: 29.10.2022
Place: Dhaka, Bangladesh


(A.K.M Aminul Hoque, FCA)
 Enrolment No. 407
 DVC- 2210290407AS167040
 A. Hoque & Co.
 Chartered Accountants

AFTAB AUTOMOBILES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2022 FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

1.00 Reporting Entity

1.01 Corporate Information—Domicile, Legal Form and Country of Incorporation

Aftab Automobiles Limited (the Company) was incorporated in erstwhile East Pakistan in year 1967 as East Pakistan Automobiles Limited under the Companies Act, 1913 vide Registration No. C-2860/57 E.P. of 1967-1968. Subsequently, after liberation war, the Company changed the name as Aftab Automobiles Limited and was certified by the Registrar of Joint Stock Companies & Firms, Bangladesh on the 11th day of March, 1972. It was incorporated as a Private Limited Company since inception. However, in 1981 it was transformed into Public Limited Company under Companies Act, 1913. The Company is listed with Dhaka Stock Exchange Ltd. and the Chittagong Stock Exchange Ltd. in the year 1987 and 1996 respectively.

The Company has one subsidiary company namely Navana Batteries Ltd. incorporated in Bangladesh under the Companies Act, 1994 vide Registration No. C-76441/2009 that produces batteries.

Registered Office

The Registered Office of Aftab Automobiles Limited is located at 125/A, Motijheel Commercial Area, Islam Chamber, 4th Floor, Dhaka-1000.

1.02 Other Corporate Information

- (i) Trade License: TRAD/DSCC/266195/2019, dated 16.07.2020
- (ii) e-TIN No.: 414021944464, dated 07.10.2013
- (iii) BIN No.: 000901216, dated 27.12.2017

1.03 Nature of Business

The principal activities of the Company throughout the period were assembling of Toyota Land Cruiser Soft Top / Pick-up, Land Cruiser Prado, Hino Bus, Hino Mini Bus/Truck Chassis with a production capacity of 2400 units of vehicles in 3 shifts in assembling unit. At present the plant is running single shift. The company has recently setup a motor cycle unit with a capacity of 10,000 units of motor cycle per year. Sales of motor cycle have been started in the year 2013-2014.

1.04 Subsidiary Company

Navana Batteries Limited

Navana Batteries Limited is a private limited company which was incorporated on the 21st April, 2009, Vide Registration No. C-76441/2009 under the Companies Act, 1994 as a subsidiary with 99.95% shares owned by Aftab Automobiles Ltd. The principal activities of the Company are manufacturing of automotive, industrial and solar batteries in the plant located at Fouzdarhat Industrial Area, Chattagram, Bangladesh.

1.05 Associate Company

Navana Real Estate Limited

Navana Real Estate Limited (hereinafter referred to as "NREL" / "the Company") is a Public Limited Company incorporated in Bangladesh in 1996 under the Companies Act, 1994 vide Registration No. C-31450(571)/96.

The Company is engaged in real estate development business of building development projects both commercial and residential and sale of lands. The entity holds 20% of its associate's (Navana Real Estate Limited) equity shares at the year end.

1.06 Structure, Content and Presentation of Financial Statements

The presentation of these financial statements is in accordance with the guidelines provided by IAS 1: Presentation of financial statements. The financial statements comprise of:

- * Statement of Financial Position as at 30th June, 2022;
- * Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June, 2022;
- * Statement of Changes in Equity for the year ended 30th June, 2022;
- * Statement of Cash Flows for the year ended 30th June, 2022;
- * Notes comprising summary of significant accounting policies and other explanatory information.

2.00 Basis of Preparation of Financial Statements

2.01 Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), International Accounting Standard (IAS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), the Companies Act, 1994, Securities and Exchange Rules, 2020 and other relevant laws as applicable.

Pursuant to recent amendment to the Companies Act, 1994 incorporating amendments, among others, is to change of the word 'Limited' by the word 'PLC' in case of Public Limited Companies including listed ones. Necessary formalities are in progress in implementing these changes.

2.02 Other Regulatory Compliances

The Company is also required to comply with the following major legal provisions in addition to Companies Act, 1994 and other applicable laws and regulations:

The Income Tax Ordinance, 1984;
The Income Tax Rules, 1984;
The Value Added Tax and Supplementary Duty Act, 2012;
The Value Added Tax Rules, 2016;
The Customs Act, 1969;
The Stamp Act, 1899;
The Bangladesh Securities and Exchange Commission Act, 1993;
The Securities and Exchange Rules, 2020;
The Securities and Exchange Ordinance, 1969;
Bangladesh Labour Act, 2006 (as amended to 2018)
DSE/CSE Rules;
Listing Regulations, 2015;

2.03 Compliance with the Financial Reporting Standards as applicable in Bangladesh

As per para-14(2) of the Securities and Exchange Rule, 2020 the company has followed International Accounting Standards (IAS's) and International Financial Reporting Standards (IFRS's) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) in preparing the financial statements.

Sl. No.	IAS No.	IAS Title	Compliance Status
1	1	Presentation of Financial Statements	Complied
2	2	Inventories	Complied
3	7	Statement of Cash Flows	Complied
4	8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
5	10	Events after the Reporting Period	Complied
6	11	Construction Contracts	N/A
7	12	Income Taxes	Complied
8	16	Property, Plant and Equipment	Complied
9	19	Employee Benefits	Complied
10	20	Accounting for Govt. Grants and Disclosure of Govt. Assistance	N/A
11	21	The Effects of Changes in Foreign Exchange Rates	Complied
12	23	Borrowing Costs	Complied
13	24	Related Party Disclosures	Complied
14	26	Accounting and Reporting by Retirement Benefit Plan	Complied

Sl. No.	IAS No.	IAS Title	Compliance Status
15	27	Separate Financial Statements	Complied
16	28	Investment in Associated and Joint Venture	Complied
17	29	Financial Reporting in Hyperinflationary Economics	N/A
18	31	Interest in Joint Ventures	N/A
19	32	Financial Instruments: Presentation	Complied
20	33	Earnings per Share	Complied
21	34	Interim Financial Reporting	Complied
22	36	Impairment of Assets	Complied
23	37	Provisions, Contingent Liabilities and Contingent Assets	Complied
24	38	Intangible Assets	N/A
25	40	Investment Property	N/A
26	41	Agriculture	N/A

Sl. No.	IAS No.	IAS Title	Compliance Status
1	1	First-time adoption of International Financial Reporting Standards	Complied
2	2	Share based Payment	N/A
3	3	Business Combinations	N/A
4	4	Insurance Contracts	N/A
5	5	Non-current Assets held for Sale and Discontinued Operations	N/A
6	6	Exploration for and Evaluation of Mineral Resources	N/A
7	7	Financial Instruments: Disclosures	Complied
8	8	Operating Segments	Complied
9	9	Financial Instrument	Complied
10	10	Consolidated Financial Statements	Complied
11	11	Joint Arrangements	N/A
12	12	Disclosure of Interests in Other Entities	Complied
13	13	Fair Value Measurement	Complied
14	14	Regulatory Deferral Accounts	N/A
15	15	Revenue from Contracts with Customers	Complied
16	16	Leases	Complied

2.04 Basis of Measurement

The financial statements have been prepared based on the accrual basis of accounting and prepare under the historical cost convention except for the revaluation of certain non-current assets which are stated either at revaluated amount or fair market value as explained in the accompanying notes.

2.05 Accrual basis of Accounting

The Company prepares its financial statements, except for cash flow information, using the accrual basis of accounting. Since the accrual basis of accounting is used, the company recognizes items as assets, liabilities, equity, income and expenses (the elements of financial statements) when they satisfy the definitions and recognition criteria for those elements in the IFRS conceptual Framework.

2.06 Functional and Presentation Currency

Functional and presentation currency items included in these financial statements are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). These financial statements are presented in Bangladesh Taka ("BDT") which is also the functional currency of the company. The amounts in these financial statements have been rounded off to the nearest BDT except otherwise indicated.

2.07 Key Accounting Estimates and Judgments in Applying Accounting Policies

The preparation of financial statements in conformity with International Financial Reporting Standards including IAS's requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and for contingent assets and liabilities that require disclosure during and at the date of the financial statements.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions of accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected as required by IAS 8: "Accounting Policies, Changes in Accounting Estimates and Errors".

In particular, the key areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include accrued expenses, inventory valuation and other payables.

2.08 Materiality, Aggregation and Off Setting

Each material item as considered by management significant has been displayed separately in the financial statements. No amount has been set off unless the Company has legal right to set off the amounts and intends to settle on net basis. Income and expenses are presented on a net basis only when permitted by the relevant accounting standards. The values of assets or liabilities as shown in the statement of financial position are not off-set by way of deduction from another liability or asset unless there exist a legal right, therefore no such incident existed during the year.

2.09 Going Concern Assumption

The financial statements are prepared on the basis of going concern assumption. As per management assessment there is no material uncertainties related to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern.

2.10 Comparative Information

Comparative information has been disclosed in respect of 2020-2021 in accordance with IAS-1 "Presentation of Financial Statements" for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current periods of financial statements. Prior year figure has been re-arranged wherever considered necessary to ensure comparability with the current period.

2.11 Changes in Accounting Policies

There have been no changes in accounting policies. All policies were consistent with the practices of the previous years.

2.12 Foreign Currency Transactions

Transactions in foreign currencies are translated into the functional currency (BDT) at exchange rates ruling at the dates of transactions in accordance with IAS-21 "the Effects of Changes in Foreign Exchange Rates.

" Exchange rate difference at the statement of financial position date are charged/credited to statement of profit or loss and other comprehensive income, to the extent that this treatment does not contradict with the Schedule XI of Companies Act, 1994. This Schedule requires all exchange gains and losses arising from foreign currency borrowings, taken to finance acquisition of construction of fixed assets, to be credited/charged to the cost/value of such assets.

The financial statements are presented in BDT, which is company's functional currency. Transactions in foreign currencies are recorded in the books at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at reporting date are translated into (BDT) at the exchange rates ruling at the statement of financial position date. Non-monetary assets and liabilities denominated in foreign currencies, stated at historical cost, are translated into (BDT) at the exchange rate ruling at the date of transaction. Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognized in profit or loss.

2.13 Responsibility for Preparation and Presentation of Financial Statements

The Board of Directors is responsible for the preparation and presentation of the financial statements as per requirements of Companies Act, 1994

2.14 Reporting Period

The reporting period of the Company covers one year from 1st day of July, 2021 to 30th June, 2022.

2.15 Approval of Financial Statements

The financial statements have been approved by the Board of Directors on the 26th day of October, 2022.

3.00 Significant Accounting Principles and Policies selected and applied for significant transactions and events

For significant transactions and events that have material effect, the Company's Directors selected and applied significant accounting principles and policies within the framework of IAS 1: Presentation of Financial Statements in preparation and presentation of financial statements that have been consistently applied throughout the year and were also consistent with those use in earlier years.

For proper understanding of the financial statements, accounting policies set out below in one place as prescribed by the IAS 1: Presentation of Financial Statements:

Assets and Basis of their Valuation

3.01 Property, Plant and Equipment

3.01.1 Recognition and Measurements

These are capitalized at cost of acquisition and subsequently stated at cost less accumulated depreciation in compliance with the benchmark treatment of **IAS 16 "Property, Plant and Equipment"**. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

In a situation where it can clearly be demonstrated that expenditure has resulted in an increase in future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an additional cost of the assets.

Cost also includes initial estimate of the costs of dismantling, removing the item and restoring this site (generally called asset retirement obligation) are recognized and measured in accordance with IAS 37: Provision, Contingent Liabilities and Contingent Assets.

On retirement or otherwise disposal of fixed assets, the cost and accumulated depreciation are eliminated and any gain or loss on such disposal is reflected in the statement of comprehensive income which is determined with reference to the net book value of assets and the net sales proceeds.

Capital Work-in-Progress represents capital works of a unit still in progress and not in a operation. Once a unit is completed, it is transferred to "Property, Plant and Equipment".

No revaluation of fixed assets has been made by the company.

3.01.2 Maintenance Activities

Expenditure incurred after the assets have been put into operation, such as repairs & maintenance is normally charged off as revenue expenditure in the year in which it is incurred.

3.01.3 Subsequent Cost

The Cost of replacing part of an item of property, plant & equipment is recognized in the carrying amount of the item if it is possible that the future economic benefits embodied within the part will flow to the company and its cost measured reliably. The cost of the day to day servicing of property and equipment are recognized in the Statement of Profit or Loss and Other Comprehensive Income as repairs and maintenance where it is incurred.

3.01.4 Depreciation on Tangible Fixed Assets

As required in Paragraph 43 of IAS-16 Property and Equipment, depreciation in respect of all fixed assets is provided to amortize the cost of the assets after commissioning, over their expected useful economic lives in accordance with the provision of IAS 16 "Property, Plant and Equipment".

Depreciation on all other fixed assets except land and land development is computed using diminishing balance method in amount sufficient to write-off depreciable assets over their estimated useful life. Depreciation has been charged on additions and when it is used. Expenditure for maintenance and repairs are expenses; major replacements, renewals and betterment are capitalized.

The cost and accumulated depreciation of depreciable assets retired or otherwise disposed off are eliminated from the assets and accumulated depreciation and any gain or loss on such disposal is reflected in the Statement of Profit or Loss Account for the year ended. The annual depreciation rates applicable to the principal categories are:

Category of Fixed Assets	Rate of Depreciation
Land & Land Development	--
Building	2.5%
Sheds	20%
Plant & Machinery	10%
Tools & Equipment	20%
Office Equipment	10%
Furniture & Fixtures	10%
Transport & Vehicles	20%
Electric Line Installation	10%
Gas Line Installation	10%
Office Decoration	10%

The whole amount of depreciation has been charged off partly to cost of sales and partly as expense in consistent with practice followed in the earlier years.

3.01.5 Impairment

The carrying amounts of property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated to determine the extent of the impairment loss, if any, impairment loss is recorded on judgmental basis, for which provision may differ in the future years based on the actual experience.

3.01.6 Disposal of Property, Plant and Equipment

An item of Property, Plant and Equipment is removed from the statement of financial position when it is disposed off or when no future economic benefits are expected from its use or disposal. The gain or loss on the disposal of an item of Property, Plant and Equipment is included in the statement of income of the period in which the de-recognition occurs.

3.01.7 Capital Work-in-Progress

Property, Plant and Equipment under construction/acquisition have been accounted for as capital work-in-progress until construction/acquisition is completed and measured at cost.

3.02 Investment in FDR

Investment is stated at its cost of acquisition and interest earned on deposits lying with the different banks has been duly accounted for on accrual basis. The statement of profit or loss and other comprehensive income reflects the income on account of interest on investment in FDR.

3.03 Investment in Associates

An entity in which an investor has significant influence, but which is neither a subsidiary nor an interest in a joint venture is classified as Investment in Associates. Equity Method accounting has been followed to recognize and measure the investment in associates in accordance with International Accounting Standard (IAS) 28 "Investments in Associates". The Aftab Automobiles Limited holds 20% of its associate's (Navana Real Estate Limited) equity shares as at year end.

3.04 Recognition of Investment in Subsidiary in a separate Financial Statement

The investments in subsidiary is being accounted for using equity method in the company's separate financial statements as directed by para 10 (c) of IAS 27 separate Financial Statements, "under the equity method, on initial recognition the investment in an associate or a joint venture is recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The investor's share of the investee's profit or loss is recognized in the investor's profit or loss. Distributions received from an investee reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the investor's proportionate interest in the investee arising from changes in the investee's other comprehensive income." The equity holds 99.95% of its subsidiary's (Navana Batteries Ltd.) equity shares at the year end.

3.05 Sundry Debtors (Including Advance, Deposits and Pre-Payments)

These are carried at original invoice amounts, which represent net realizable value.

3.06 Other Current Assets

Other current assets have a value on realization in the ordinary course of the company's business which is at least equal to the amount at which they are stated in the Statement of Financial Position.

3.07 Revenue Recognition

In compliance with the requirements of IFRS 15 "Revenue" is recognized to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. Revenue represents invoiced value of policies. Revenue recognized when the policies are made.

The Company recognizes as revenue the amount that reflects the consideration to which the Company expects to be entitled in exchange for goods or services when (or as) it transfers control to the customer. To achieve that core principle, this standard establishes a five-step model as follows:

- * Identify the contract with a customer;
- * Identify the performance obligations in the contract;
- * Determine the transaction price;
- * Allocate the transaction price to the performance obligations in the contract; and
- * Recognize revenue when (or as) the entity satisfies a performance obligation.

Considering the five steps model, the company recognizes revenue when (or as) the Company satisfies a performance obligation by transferring a promised goods to a customer. Goods is considered as transferred when (or as) the customer obtains control of that goods. Revenue from sale of goods is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts, rebates and Value Added Tax (VAT).

(a) Sale of Goods

Revenue from the sale of goods is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services.

The company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

(b) Profit on Bank Deposits

Profit on bank deposits have been accounted on accrual basis.

(c) Other Revenues

Other revenues are recognized when services are rendered and bank interests are earned.

3.08 Inventories

In compliance with the requirements with IAS-2 "Inventories" Raw Materials and stores are valued at the lower of average cost and the net realizable value. Stock of finished vehicles, bus body building unit are valued at cost which is determined by taking into consideration the value of raw materials and production overhead. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to present condition and includes wherever applicable appropriate overheads based on normal level of activity.

No provision has been made for slow moving & obsolete stocks during the financial year.

3.09 Foreign Currency Transactions

Transaction in Foreign Currencies are measured in the functional currency of the company and are recorded on initial recognition in the functional currency at the spot exchange rate ruling at the transaction date.

At the end of each reporting period in compliance with the provision of IAS 21: The Effect of Changes in Foreign Exchange Rates-

- (a) Foreign currency monetary items are translated using the closing rate;
- (b) Non-monetary items that are measured in terms of historical costs in a foreign currency are translated using the exchange rate at the date of the transaction;
- (c) Non-monetary items that are measured at fair value in a foreign currency is translated using the exchange rate at the date when the fair value is determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rate different from those at which they were translated on initial recognition during the period or in previous financial statements is recognized in profit or loss in the period in which they arise.

Amount in FCAD ERQ Account and any other foreign currency balance have been translated into taka at the reporting date at the exchange rate prevailing on that date and gain/(loss) have been accounted for as other income / (loss) in statement of profit or loss and comprehensive income.

10 Financial Instruments

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

3.10.1 Financial Assets

The company initially recognises a financial asset in its statement of financial position, when, and only when, the entity becomes a party to the contractual provisions of the instrument.

The company derecognises a financial asset when the contractual rights or probabilities of receiving the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

An entity shall classify financial assets as subsequently measured at amortized cost, fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL) on the basis of both in pursuance of provision 4.1 classification of financial assets under IFRS 9:

- (a) the entity's business model for managing the financial assets; and
- (b) the contractual cash flow characteristics of the financial assets.

3.10.1.1 Financial Assets measured at amortized cost

The asset is measured at the amount recognized at initial recognition minus principal repayments, plus or minus the cumulative amortization of any difference between that initial amount and the maturity amount, and any loss allowance. Interest income is calculated using the effective interest method and is recognized in profit and loss. Changes in fair value are recognized in profit and loss when the asset is derecognized or reclassified.

3.10.1.2 Financial Assets measured at fair value through other comprehensive income

A financial asset shall be measured at fair value through other comprehensive income if both of the following conditions are met:

- (a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- (b) the contractual terms of the financial asset give rise on specified dates to cash flows solely payments of principal and interest on the principal amount outstanding.

3.10.1.3 Financial Assets measured at fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held for trading or is designated as such on initial recognition. Financial assets are designated as at fair value through profit or loss if the Company manages such investment and makes purchase or sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Attributable transactions costs are recognized in profit and loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein which take into account and dividend income are recognized in profit or loss.

Financial assets include accounts receivables, advance, deposits & prepayments, investments and cash & cash equivalents.

(i) Accounts Receivables

Accounts receivables represent the amounts due from customers for delivering goods or rendering services. Trade and other receivables are initially recognized at cost which is the fair value of the consideration given in return. After initial recognition these are carried at cost less impairment losses due to non-collectability of any amount so recognized.

(ii) Advance, Deposits & Prepayments

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads. Deposits are measured at payment value. Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to profit & loss account.

(iii) Cash and Cash Equivalents

Cash and cash equivalents comprises cash in hand, cash at bank and fixed deposits having maturity of less than three months which are available for use by the company without any restriction.

3.10.2 Financial Liabilities

A financial liability is recognized when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the company of resources embodying economic benefits. The company initially recognises financial liabilities on the transaction date at which the company becomes a party to the contractual provisions of the liability.

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

Non-derivative financial liabilities comprise accrued and other current liabilities, interest bearing borrowings and short term loan.

(i) Accrued and Other Current Liabilities

Accrued and Other Current Liabilities are recognized at the amount payable for services rendered to the company.

(ii) Interest bearing borrowings

Principal amounts of the loans and borrowings are stated at their amortized amount. Borrowings repayable after twelve months from the date of statement of financial position are classified as non-current liabilities whereas the portion of borrowings repayable within twelve months from the date of statement of financial position, unpaid interest and other charges are classified as current liabilities.

(iii) Short Term Loan

Short Term Loan is recognized at the amount payable to the bank.

3.11 Equity Instruments

Ordinary shares are classified as equity. Investment costs directly attributable to the issue of ordinary shares are recognized as expenses. Paid up share capital represents total amount contributed by the shareholders and bonus shares issued by the Company.

3.12 Impairment

(i) Non-derivative Financial Assets

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

- (a) default or delinquency by a debtor;
- (b) restructuring of an amount due to the Company on terms that the Company would not consider otherwise;
- (c) indications that a debtor or issuer will enter bankruptcy;
- (d) adverse changes in the payment status of borrowers or issuers;
- (e) observable data indicating that there is measurable decrease in expected cash flows from a Company of financial assets.

(ii) Financial Assets measured at amortized cost

The Company considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Company uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss.

(iii) Non-Financial Assets

The carrying amounts of the Company's non-financial assets (other than biological asset, investment property, inventories and deferred tax assets) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of impairment loss (if any). Where it is not possible to determine the recoverable amount of an individual asset, the company estimates the recoverable amount of the Cash Generating Unit (CGU) to which the asset belongs. An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses are recognised in profit or loss. 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, if no impairment loss had been recognised.

3.13 Derivatives

The company is not a party to any derivative contract at the statement of financial position date, such as forward exchange contract, currency swap agreement or interest rate option contract to hedge currency exposure related to import of raw materials and others or principal and interest obligations of foreign currency loans.

3.14 Leases

IFRS 16 provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset as a low value. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemption for short-term leases and leases of low value items.

The Company applied **IFRS 16** Lease for the first time on 1st July, 2019. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. Previously the company used to charge the consideration paid in its books as revenue expenses. IFRS 16 introduced a single, on balance sheet accounting model for leases. As a result, the Company, as a lessee, has recognized right of use assets representing its rights to use underlying assets and lease liabilities representing its obligation to make lease payments. The Company applied IFRS 16 on 1st January, 2019 for the existing lease contracts.

The Company has only office rent agreement, which is classified as operating leases, which under IFRS 16 are required to be recognized on the Company's statement of financial position. The nature and timing of expenses related to those leases has changed as IFRS 16 replaced the straight line operating lease expenses (as per IAS-17) with an amortization charge for the right of use assets and interest expense on lease liabilities.

The Company applied the practical expedient to the definition of a lease on transition. This means that it applied IFRS 16 to all contracts entered into before 1st January, 2019 and identified as leases in accordance with IAS 17 and IFRIC 4.

The Company's all contractual payments to the lessor contains only fixed amounts of lease payment and no variable lease payments are embedded with the lease payments. The rental agreements do not include any automatic renewals, nor do they include any guaranteed residual values of the underlying assets.

The Company recognizes right-of-use assets at the commencement date of the lease (i.e. date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term or a change in the in-substance fixed lease payments.

Subsequent Measurement:

The Lease Liability:

Upon initial recognition, the lease liability is being accounted for using amortised cost. Meaning that the initial liability is added by finance charge at company's incremental borrowing cost less subsequent rental payment on monthly basis.

Right to Use Assets:

The leased assets (Right to Use Asset) are depreciated over its useful life on monthly basis using straight line depreciation method.

3.15 Taxation

Income Tax expense comprises current and deferred taxes. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity in accordance with IAS 12: Income Tax.

(a) Current Tax:

Current Tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

The applicable tax rate of the company of Aftab Automobiles Ltd. is 22.50% and Navana Batteries Ltd. is 30.00% as the companies are qualified as a publicly traded company and private limited company respectively.

(b) Deferred Tax:

Deferred income tax is provided using the deferred method on temporary differences. Deferred tax assets and liabilities are recognized for all temporary differences, except:

Where the deferred tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction affects neither the accounting profit nor taxable profit or loss;

In respect of temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled by the company and it is probable that the temporary differences will not reverse in the foreseeable future; and

In respect of deductible temporary differences and carry-forward of unused tax credits and unused tax losses, if it is not probable that taxable profit will be available against which the deductible temporary differences and carry forward of unused tax credits and unused tax losses can be utilized.

(c) Value Added Tax:

Revenues, expenses and assets are recognized net of the amount of Value Added Tax except: Where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

Receivable and payables that are stated with the amount of value added tax included.

The net amount of value added tax recoverable from, or payable to, taxation authority is included as part of receivables or payables in the statement of financial position.

3.16 Proposed Dividend

The amount of proposed dividend has not been accounted for but disclosed in the notes to the accounts in accordance with the requirements of International Accounting Standard (IAS) 1: Presentation of Financial Statements. Also the proposed dividend is not considered as liability in accordance with the requirement of International Accounting Standard (IAS) 10: Events after the Reporting Period, because no obligation exists at the time of approval of accounts and recommendation of dividend by the Board of Directors.

3.17 Cost of Post-Employment Benefits

The company maintains a defined contribution plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective deeds. The Company does not have any defined benefit plans and therefore does not record any provisions or expenses in this regard.

The company has accounted for and disclosed employee benefits in compliance with the provision of IAS 19: Employee Benefits. The cost of employee benefits is charged off as revenue expenditure in the period to which the contributions relate. The company's employee benefits include the following:

(a) Short-Term Employee Benefits:

Short-term employee benefits include salaries, bonuses, overtime, holiday allowance, TA/DA, leave encashment, meals allowance, transaction, accommodation etc. obligation for such benefits are measured on an undiscounted basis and are expenses as the related service is provided.

(b) Contribution to Workers' Profit Participation and Welfare Funds:

This represents 5% of net profit before tax contributed by the company as per provisions of the Bangladesh Labour (amendment) Act, 2014 and is payable to Workers as defined in the said law.

(c) Insurance Scheme:

Employees of the company are covered under insurance schemes.

(d) Defined Contribution Plan (Provident Fund):

The company has a registered provident fund scheme (Defined Contribution Plan) for employees of the company eligible to be members of the fund in accordance with the rules of the provident fund constituted under and irrevocable trust. All permanent employees contribute 10% of their basic salary to the provident fund and the company also makes equal contribution.

The company recognizes contribution to defined contribution plan as an expense when an employee has rendered services in exchange for such contribution. The legal constructive obligation is limited to the amount it agrees to contribute to the fund.

3.18 Capitalization of Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds as per IAS 23: Borrowing Costs.

3.19 Accruals, Provisions and Contingencies

(a) Accruals

Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amounts due to employees. Accruals are reported as part of trade and other payables.

(b) Provisions

A provision is recognised in the statement of financial position when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the reporting date. Where the company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. During the reporting year the company has made sufficient provisions where applicable.

(c) Contingencies

A 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 company; or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

A 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 company. At the reporting date the company does not have any contingent asset.

Contingent liabilities and assets are not recognized in the statement of financial position of the company.

3.20 Operating Segments

Basis for Segmentation

A business segments is a distinguishable component of an entity that is engaged in providing an individual product or service or group of related products or services and that is subject to risk and returns that are different from those of other business segment. The company has three distinguishable operating segments like assembling unit, motor cycle unit and body unit in case of Aftab Automobiles Ltd. which are disclosed in **note no. 34**.

The following summary describes the operation of each reportable segment:

Reportable Segments

Assembling Unit

Motor Cycle Unit

Body Unit

Operations

The principal activities of the company are assembling of Toyota land cruiser soft top/pick-up, land cruiser prado, hino bus, hino mini bus/truck chassis.

The company has setup a motor cycle unit.

The company has made bus's body and other vehicles body.

These three reportable segments are the strategic business units of the company and are managed separately based on the Company's management and internal structure. For each of the strategic business units, the management reviews internal management report on at least quarterly basis.

Performance is measured based on segment profit from operation, as included in the internal management reports.

Segment revenue and operating profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to their entities that operate within these industries.

A geographical segment is a distinguishable component of an entity that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that different from those of components operating other economic environments. Since the company has operating all its activities in the same economic environment geographical segment reporting is not required.

3.21 Cash and Cash Equivalents

For the purposes of the Statement of Financial Position and Cash Flows, cash in hand and bank balances represents cash and cash equivalents considering the **IAS 1 "Presentation of Financial Statements" and IAS 7 "Cash Flow Statement"** which provide, that cash and cash equivalents are readily convertible to known amounts of cash and are subject to an in significant risks of changes in value and are not restricted as to use.

3.22 Statement of Cash Flows

The Statement of Cash Flow has been prepared in accordance with the requirements **IAS 7: Statement of Cash Flows**. The cash generated from operating activities has been reported using the Direct Method as prescribed by the Securities and Exchange Rules, 1987 and considering the provisions of **Paragraph 19 of IAS 7** which provided that **"Enterprises are Encouraged to Report Cash Flow from Operating Activities Using the Direct Method"**.

3.23 Earnings per Share (EPS)

Earnings Per Share (EPS) are calculated in accordance with the International Accounting Standard **IAS-33 "Earnings Per Share"**.

Basic Earnings Per Share

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary equity holders of the entity by the weighted average number of ordinary shares outstanding during the year. The Basic EPS of previous year has been restated to adjust the effect of bonus issue of shares during the year.

Diluted Earnings Per Share

For the purpose of calculating diluted earnings per shares, an entity adjusts profit or loss attributable to each ordinary equity holders of the entity, and weighted average number of shares outstanding, for the effects of all dilutive potential ordinary shares.

Diluted EPS is only calculated where the company has commitment to issue ordinary shares in future at reporting date. No such commitment is hold by company at reporting date.

3.24 Historical Cost Income and Expenditure

As there was no extra ordinary item, there was no difference in profit from ordinary activities before taxation and the net profit before tax. Furthermore, as there was no revaluation of fixed assets in previous years and during the year under review, there was no factor like the differences between historical cost depreciation and depreciation on re-valued amount, realization of revenue surplus on retirement or disposal of assets etc. Therefore, no separate note of historical cost profit and loss has been presented.

3.25 Risk Exposure

Interest Rate Risk

Interest rate risk is the risk that company faces due to unfavourable movements in the interest rates. Changes in the government's monetary policy, alongwith increased demand for loans/investments tend

to increase the interest rates. Such rises in interest rates mostly affect companies having floating rate loans or companies investing in debt securities.

Management Perception

The management of the company prefers procuring the long-term fund with minimum fixed interest rate and the short-term fund with reasonable competitive rate. The company maintains low debt/equity ratio; and accordingly, adverse impact of interest rate fluctuation is insignificant.

Exchange Rate Risk

Exchange rate risk occurs due to changes in exchange rates. As the company imports materials and equipment from abroad and also earns revenue in foreign currency, unfavourable volatility or currency fluctuation may affect the profitability of the company. If exchange rate increases against local currency, opportunity arises for generating more profit.

Management Perception

The products of the company are sold mostly in local currency. Therefore, volatility of exchange rate will have no impact on profitability of the company.

Industry Risks

Industry risk refers to the risk of increased competition by an entry of new competitors from foreign and domestic sources leading to lower prices, revenues, profit margin, and market share which could have an adverse impact on the business, financial condition and results of operation.

Management Perception

Management is optimistic about growth opportunity in assembling of different types of vehicles sector in Bangladesh.

Market Risk

Market risk refers to the risk of adverse market conditions affecting the sales and profitability of the company. Mostly, the risk arises from falling demand for the product or service which would harm the performance of the company. On the other hand, strong marketing and brand management would help the company increase their customer base.

Management Perception

Management is fully aware of the market risk, and act accordingly. Market for assembling of different types of vehicles sector in Bangladesh is growing at an exponential rate. Moreover, the company has a strong marketing and brand management to increase the customer base and customer loyalty.

Operational Risks

Non-availabilities of materials/equipment/services may affect the smooth operational activities of the company. On the other hand, the equipment may face operational and mechanical failures due to natural disasters, terrorist attacks, unforeseen events, lack of supervision and negligence, leading to severe accidents and losses.

Management Perception

The company perceives that allocation of its resources properly can reduce this risk factor to a great extent. The company hedges such risks in costs and prices and also takes preventive measures therefore.

Liquidity Risk

Liquidity risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at a reasonable price.

Management Perception

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 due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

Typically, management ensures that it has sufficient cash and cash equivalent to meet expected operational expenses, including the servicing of financial obligation through preparation of the cash forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

Labour Unrest Risk

Smooth production is dependent on good relationship with factory workers and their ability to provide high quality services. In the event of disagreement with workers the company may face adverse impact.

Management Perception

The management personnel both in head office and production premises maintains a good atmosphere at the working place and provides with all necessary facilities to the workers like healthy remuneration, employee contributory provident fund, gratuity scheme, group term scheme and workers profit participation fund for its employees which reduces the risk of labour unrest.

3.26 Events after the Reporting Period

Events after the reporting period that provide additional information about the Company's position at the date of statement of financial position or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

3.27 Related Party Disclosure

As per International Accounting Standard, IAS-24: 'Related Party Disclosures', parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties. Related party disclosures have been given in **Note 35**.

4.00 General

- (a) All shares have been fully called and paid up;
- (b) There is no preference shares issued by the company;
- (c) The company has not incurred any expenditure in foreign currency against royalties and technical fees;
- (d) Auditors are paid only the statutory audit fees;
- (e) No foreign currency was remitted to the shareholders during the year under audit;
- (f) No money was spent by the company for compensating any member of the board for rendering special services;
- (g) No brokerage was paid against sales during the year under audit;
- (h) No bank guarantee was issued by the company on behalf of its directors.

	Amount (Tk.) 30.06.2022	Amount (Tk.) 30.06.2021
5.00 Non-Current Assets	5,672,934,043	5,471,931,703
This is made up as follows:		
5.01 Property, Plant & Equipment	1,170,957,097	1,116,872,429
5.02 Non-Current Assets held for Sale & Discontinued Operations	277,786,431	
5.03 Capital Work-in-Progress	653,223,590	895,066,923
5.04 Investment in Subsidiary and Associates	1,200,547,577	1,181,202,950
5.05 Receivable-Non-Current Maturity	2,311,780,126	2,275,000,786
5.06 Right of Use Assets	58,639,222	3,788,615
	5,672,934,043	5,471,931,703
5.01 Property, Plant & Equipment	1,170,957,097	1,116,872,429
This is made up as follows:		
Land and Land Development	605,780,282	745,334,299
Building	262,986,211	116,232,370
Shed	182,262,114	9,332,582
Plant & Machinery	90,032,185	154,692,509
Tools & Equipment	6,191,631	10,913,854
Office Equipment	7,235,204	17,432,948
Furniture & Fixture	7,371,807	12,431,409
Transport Vehicles	9,097,664	19,508,672
Electrical Line Installation	-	2,137,161
Office Decoration	-	28,856,624
	1,170,957,097	1,116,872,429
The break up PPE are shown in Annexure - A.		
5.02 Non-Current Assets held for Sale & Discontinued Operations	277,786,431	-
This is made up as follows:		
Land & Land Development	139,554,017	-
Building	20,290,561	-
Sheds	438,851	-
Plant & Machinery	54,676,889	-
Tools & Equipment	3,232,421	-
Office Equipment	9,477,063	-
Furniture & Fixture	5,668,495	-
Transport Vehicles	13,454,349	-
Electric Line Installation	2,137,161	-
Office Decoration	28,856,624	-
	277,786,431	-
5.03 Capital Work-In-Progress	653,223,590	895,066,923
This is made up as follows:		
Opening Balance	895,066,923	895,066,923
Add: Addition during the year	107,723,125	-
	1,002,790,048	895,066,923
Less: Transfer to Property, Plant and Equipment	349,566,458	-
Closing Balance	653,223,590	895,066,923
5.04 Investment in Subsidiary and Associate	1,200,547,577	1,181,202,950
This is made up as follows:		
Investment in Subsidiary	746,068,881	751,220,488
Investment in Securities & Share Money Deposit	28,395,758	28,395,758
Investment in Associate	426,082,938	401,586,704
	1,200,547,577	1,181,202,950

	Amount (Tk.) 30.06.2022	Amount (Tk.) 30.06.2021
5.04.1 Investment in Subsidiary	746,068,881	751,220,488
Navana Batteries Limited: This is made up as follows:		
Opening Balance	751,220,489	756,604,599
Add: Profit during the year	(5,151,608)	(5,384,111)
Closing Balance	746,068,881	751,220,488

Navana Batteries Limited is a 99.95% owned subsidiary company. During the year under audit incurred / enjoyed a loss of Tk. 5,151,608/-

5.04.2 Investment in Securiites & Share Money Deposit	28,395,758	28,395,758
Investment in Share Money Deposits	28,395,758	28,395,758
Navana Construction Ltd.		
Opening Balance	28,395,758	28,395,758
Add: during the year	-	-
	28,395,758	28,395,758

Investment in Share Money Deposit represents the advance for share holding of Navana Construction Ltd. which will be considered by the approval of the board and also by the shareholders in annual general meeting.

5.04.3 Investment in Associate	426,082,938	401,586,704
The details are stated below:		
Share Investment of NREL at cost	20,000,000	20,000,000
Share of Equity from Associates:		
Opening Balance:	381,586,704	369,120,103
Share of Equity from Associates:		
Net Income after Deferred Tax (PLAC)	19,596,987	9,973,281
Provision for Deferred Tax	4,899,247	2,493,320
	24,496,234	12,466,601
Closing Balance	406,082,938	381,586,704
Total Investment in Associates	426,082,938	401,586,704

NB: Share of profit from Associate Company (NREL) has been taken for one year for the financial year 2021-2022.

5.04.3(a) Acquisition Quantity of Shares of Navana Real Estate Ltd.	20,000,000	20,000,000
	20,000,000	20,000,000
Opening Balance	6,000,000	6,000,000
Number of Shares Purchased	-	-
Number of Bonus Shares received during the year	-	-
Total Number Shares	6,000,000	6,000,000

5.05 Receivables	4,914,141,604	2,275,000,786
Receivables Non-Current (Maturity Over 12 Months)	2,445,889,607	2,404,893,003
Less: Provision for Bad Debts	134,109,481	129,892,217
Receivables Non-Current Maturity	2,311,780,126	2,275,000,786
Receivables Current (Maturity less than 12 Months)	2,602,361,478	2,601,594,009
	4,914,141,604	4,876,594,795
Ageing Schedule of Receivables:	4,914,141,604	4,918,651,303
Duration:		
1-30 days	264,721,819	269,846,938
31-60 days	280,304,834	275,018,979
61-90 days	410,829,270	415,911,299
91-180 days	799,485,854	804,453,264
181-365 days	847,019,701	836,363,529
Over 365 days	2,311,780,126	2,275,000,786
	4,914,141,604	4,876,594,795

(i) Net receivables are considered good. The company holds no security other than debtors' personal security in the form of work orders etc.

	Amount (Tk.) 30.06.2022	Amount (Tk.) 30.06.2021
(ii) No amount was due by the directors (including the Managing Director and Chairman), managers and other officers of the Company or any of them either severally or jointly with any other person.		
5.06 Right of Use Assets	58,639,222	3,788,615
This is made up as follows:		
At Cost		
Opening Balance	18,192,176	18,192,176
Addition during the year	55,536,240	-
Disposal / Adjustement during the year	-	-
	73,728,416	18,192,176
Less: Accumulated Depreciation		
Opening Balance	14,403,561	6,865,192
Add: Charged during the year	685,633	7,538,369
Disposal / Adjustement during the year	-	-
	15,089,194	14,403,561
Written Down Value (WDV)	58,639,222	3,788,615
The details of which have been shown in Annexure-B		
6.00 Current Assets	13,004,694,349	12,328,280,126
This is made up as follows:		
5.05 Receivables Current	2,602,361,478	2,601,594,009
6.01 Stock and Stores	618,037,428	598,439,683
6.02 Current Account with Navana Batteries Ltd.	947,982,468	981,361,368
6.03 Current Account with Navana Group Companies	3,422,131,912	3,100,727,526
6.04 Advances, Deposits and Pre-payments	5,068,417,736	4,702,545,245
6.05 Cash and Cash Equivalents	345,763,327	343,612,295
	13,004,694,349	12,328,280,126
6.01 Stock and Stores	618,037,428	598,439,683
This is made up as follows:		
Finished Products	443,091,182	486,499,861
Raw Materials	67,984,198	47,937,887
Work-in-Process	19,335,041	2,935,300
Stores and Spares	1,614,953	2,397,439
Goods in Transit	86,012,054	58,669,196
	618,037,428	598,439,683
6.01.1 Stores and Spares	1,614,953	2,397,439
This is made up as follows:		
Opening Balances	2,593,953	2,627,415
Less: Consumption during the year	979,000	229,976
Closing Balance	1,614,953	2,397,439
(i) Value of Stock of Finished Product & Raw Materials inclusive of 63 units hino bus 1 unit RM2 hino bus chassis and 182 units of motor cycle.		
(ii) There is no damaged goods or slow moving items in the inventory list. As part of the loan condition all of the Company's inventory are pledged as security for loan finance of the Company.		
6.02 Current Account with Navana Batteries Ltd.	947,982,468	981,361,368
The above balance has been accounted for in accordance with the balance as shown in the financial statement of Navana Batteries Ltd.		
6.03 Current Account with Navana Group Companies	3,422,131,912	3,100,727,526
This is made up as follows:		
Navana Limited	3,240,202,203	2,967,307,000
Navana Engineering Ltd.	64,980,676	58,000,230
Navana Real Estate Ltd.	130,487,733	116,470,296
Navana Welding Electrode Ltd.	(19,188,700)	(19,200,000)
Navana LPG Ltd.	5,650,000	(21,850,000)
	3,422,131,912	3,100,727,526

The above balances are yet to be confirmed comparing with the respective balance of concerned company.

	Amount (Tk.) 30.06.2022	Amount (Tk.) 30.06.2021
6.04 Advances, Deposits & Pre-payments	5,068,417,736	4,702,545,245
This is made up as follows:		
Advance to Suppliers	589,609,578	564,054,608
Advance to Employees	10,712,922	10,089,601
Advance to Others	422,783,408	401,670,649
Current Account with VAT	(2,093,888)	(3,995,010)
Deposits	352,250,239	352,250,239
Advance for Capital Assets	2,835,977,178	2,531,326,841
Advance Income Tax 6.04.1	859,178,299	847,148,317
	5,068,417,736	4,702,545,245

Advance paid to suppliers against work orders are considered good. Advance to employees against expenses, salary realizable on production of documents and monthly salary respectively are considered good. Deposits consist of utility deposits, security money against tender and bank guarantee are considered good alongwith Aftab Automobiles Ltd. & its subsidiary made advances for floor purchase in Gulshan area total investment in this regard estimated Tk. 400 crore.

6.04.1 Advance Income Tax	859,178,299	826,485,723
This is made up as follows:		
Opening Balance	847,148,317	826,485,723
Add: Addition during the year	12,029,982	20,662,594
	859,178,299	847,148,317
Adjustment made during the year	-	-
Closing Balance	859,178,299	847,148,317

The above amount was deducted at the import point as well as from the bills in different times at delivery point. Appeal to Hon'ble High Court against tax assessment u/s 160 for the assessment years 2010-2011 to 2014-2015 is pending. Adjustment of any amount therefrom is subject to decision of Hon'ble High Court.

6.05 Cash and Bank Balances	345,763,327	343,612,295
This is made up as follows:		
Cash in Hand	1,240,411	1,875,947
Cash at Banks 6.05.1	344,522,916	341,736,348
	345,763,327	343,612,295

FDR amounting to Tk. 242,766,603 included in the cash at bank is under lien against loan from various banks out of total cash at bank balance of Tk. 344,522,915.

6.05.1 Cash at Banks	344,522,916	341,736,348
This is made up as follows:		
IFIC Bank Ltd.	5,551,567	39,944,967
Agrani Bank Ltd.	6,571	6,571
Pubali Bank Ltd.	44,481	44,481
IFIC Bank Ltd. (Federation)	87,217	589,646
Eastern Bank Ltd.	58,214	58,214
United Commercial Bank Ltd.	16,507	16,507
Commercial Bank of Ceylon Ltd.	24,750	24,750
AB Bank Ltd. (Motijheel)	2,619	2,619
Sonali Bank Ltd. (Local)	15,101	15,101
Janata Bank Ltd.	1,500	1,500
Amirecan Express Bank Ltd.	21,540	21,540
Arab Bangladesh Bank Ltd.	7,213	7,213
IFIC Bank Ltd.	484,905	2,243,412
Janata Bank Ltd.	812	812
The Oriental Bank Ltd.	39,670	39,670
Bank Al-Falah Ltd.	-	360,114
IFIC Bank Ltd.	15,323	15,323
City Bank Ltd.	30,112	1,711,428
The Oriental Bank Ltd.	32,040	32,040
NCC Bank Ltd.	1,499	1,499

	Amount (Tk.) 30.06.2022	Amount (Tk.) 30.06.2021
Mutual Trust Bank Ltd.	3,484	-
Islami Bank BD Ltd. (Foreign Exchange Branch)	99,565	99,565
Jamuna Bank Ltd.	27,595	3,651,545
One Bank Ltd.	75,868	75,868
Agrani Bank Ltd. (Foreign Exchange)	124,470	176,505
Mercantile Bank Ltd.	123,168	123,168
BRAC Bank Ltd.	3,353	3,353
Standard Bank Ltd. (Principal Branch)	869,282	869,282
Sahjahal Islami Bank Ltd.	169,806	169,806
IFIC Bank Ltd.	-	725
IFIC Bank Ltd.	97,000	97,000
All-Arafah Islami Bank Ltd.	25,590	27,409
United Commercial Bank Ltd.	199,305	199,305
Pubali Bank Ltd.	14,441	14,441
Dhaka Bank Ltd.	1,000,000	58,897
Standard Bank Ltd.	1,085	3,000,880
EXIM Bank Ltd.	-	14,428
One Bank Ltd.	31,020	31,020
IFIC Bank Ltd.	97,943	2,183,976
AB Bank Ltd.	100,000	100,000
Standard Bank Ltd.	394,782	394,782
IFIC Bank Ltd. (Federation Branch)	95,006	95,006
NCC Bank Ltd. (Shayamoli)	37,931	36,159
IFIC Bank Ltd. (Gulshan)	29,776,645	18,082,411
Meghna Bank Ltd. (Gulshan)	62,967	119,998
Prime Bank Ltd. (Baridhara)	-	67,356
Bank Asia Ltd.	237,859	4,752,967
NRB Commercial Bank Ltd.	3,002	17,359
The City Bank Ltd. (Banani)	89,448	89,448
Midland Bank Ltd.	86,641	86,931
SBAC Bank Ltd.	57,001,000	-
One Bank Ltd. (Jatrabari)	573,004	-
BD Commerce Bank Ltd.	100,000	100,000
NRB Bank Ltd.	97,435	97,435
Premier Bank Ltd.	98,390	98,390
Al-Arafah Islami Bank Ltd.	996,610	996,610
Southeast Bank Ltd.	29,553	40,063
Shahjalal Islami Bank Ltd.	9,310	9,310
BRAC Bank Ltd.	5,455	-
First Security Islami Bank Ltd.	-	154,005
Pubali Bank Ltd.	400,000	400,000
Rupali Bank Ltd. (Local)	10,000	10,000
AB Bank Ltd.	10,000	10,000
One Bank Ltd. (Gulshan)	-	9,770
Padma Bank Ltd. (Gulshan)	47,842	-
IFIC Bank Ltd. (Fed. Branch)	370,965	-
Sonali Bank Ltd. (Ramna)	734,034	-
Islami Bank BD Ltd. (Gulshan Branch)	41,138	1,160,817
Dutch-Bangla Bank Ltd.	292,760	7,401,297
United Commercial Bank Ltd. (Tejgaon)	92,800	93,490
First security Islami Bank Ltd. (Corporate)	452,315	-
Modhumati Bank Ltd. (Gulshan)	104,804	159,644
Agrani Bank Ltd. (FDR ID # 10583162)	12,692,679	12,179,387
Agrani Bank Ltd. (FDR ID # 10583151)	12,821,156	12,302,727
Agrani Bank Ltd. (FDR ID # 10583159)	19,281,119	18,474,610
Agrani Bank Ltd. (FDR ID # 10583160)	12,677,915	12,165,861
Bank Asia Ltd. (FDR ID # 00855012111)	52,259,814	50,798,315
City Bank Ltd. (FDR ID # 4192-5651001)	-	14,146,603
One Bank Ltd. (FDR ID # 4120005867)	876,064	845,709
One Bank Ltd. (FDR ID # 4120006495)	559,829	540,608
One Bank Ltd. (FDR ID # 4120006600)	136,956	132,280
One Bank Ltd. (FDR ID # 4120008537)	509,765	492,306
One Bank Ltd. (FDR ID # 4120008592)	503,863	486,272
One Bank Ltd. (FDR ID # 4120008606)	248,443	239,842
Phoenix Finance Ltd. (FDR)	130,199,000	128,414,000
	344,522,916	341,736,348

Amount (Tk.)
30.06.2022

Amount (Tk.)
30.06.2021

The above cash at bank balances represents the balance as per cash book which are in agreement with that of bank statement as on 30th June, 2022 except the following non-operating dormant accounts which are non-operative for a long time but no steps have been taken to realize the under noted amount:

Name of Bank	Account No.	Amount (Tk.)	Amount (Tk.)
Agrani Bank Ltd.	7465-9	6,517	6,517
Pubali Bank Ltd.	128	44,481	44,481
Eastern Bank Ltd.	3371	58,214	58,214
United Commercial Bank Ltd.	326	16,507	16,507
Commercial Bank of Ceylon Ltd.		24,750	24,750
AB Bank Ltd. (Motijheel)	071420	2,619	2,619
Sonali Bank Ltd. (Local)	12116	15,101	15,101
Janata Bank Ltd.	9321	1,500	1,500
Amirecan Express Bank Ltd.	293	21,540	21,540
Arab Bangladesh Bank Ltd.	1361	7,213	7,213
Janata Bank Ltd.	78	812	812
The Oriental Bank Ltd.	2758	39,670	39,670
Bank Al-Falah Ltd.	8-001	360,114	360,114
IFIC Bank Ltd.	81734	15,323	15,323
The Oriental Bank Ltd.	04290	32,040	32,040
NCC Bank Ltd.	17704	1,499	1,499
Islami Bank BD Ltd. (Foreign Exchange Branch)	5016	99,565	99,565
Jamuna Bank Ltd.	1820	15,232	15,232
One Bank Ltd.	7008	75,868	75,868
Mercantile Bank Ltd.	20178	123,168	123,168
BRAC Bank Ltd.	23001	3,353	3,353
Standard Bank Ltd. (Principal Branch)	7992	869,282	869,282
Sahjahal Islami Bank Ltd.	8504	169,806	169,806
IFIC Bank Ltd. (Federation Branch)	0041	725	725
IFIC Bank Ltd.	87525	97,000	97,000
United Commrecial Bank Ltd.	3144	199,305	199,305
Pubali Bank Ltd.	9826	14,441	14,441
EXIM Bank Ltd.	5651	14,428	14,428
One Bank Ltd.	6006	31,020	31,020
AB Bank Ltd.	43-000	100,000	100,000
Standard Bank Ltd.	1815	394,782	394,782
IFIC Bank Ltd. (Federation Branch)	Share A/C	95,006	95,006
The City Bank Ltd. (Banani)	90001	89,448	89,448
BD Commerce Bank Ltd.	832	100,000	100,000
NRB Bank Ltd.		97,435	97,435
Premier Bank Ltd.	0268	98,390	98,390
Al-Arafah Islami Bank Ltd.	16815	996,610	996,610
Shahjalal Islami Bank Ltd.	12906	9,310	9,310
First Security Islami Bank Ltd.	19713	154,005	154,005
Pubali Bank Ltd.	5678	400,000	400,000
Rupali Bank Ltd. (Local)	0216	10,000	10,000
AB Bank Ltd.	36000	10,000	10,000
Total		4,916,079	4,916,079

7.00 Shareholders' Equity

5,516,743,396

5,542,366,263

This is made up as follows:

7.01 Share Capital

1,005,190,430

957,324,220

7.02 Share Premium

1,925,858,339

1,925,858,339

7.03 Reserves

67,338,231

67,338,231

7.04 Retained Earnings

2,518,356,396

2,591,845,473

5,516,743,396

5,542,366,263

	Amount (Tk.) 30.06.2022	Amount (Tk.) 30.06.2021
Shareholders' Equity and Liabilities		
7.01 Share Capital	1,005,190,430	957,324,220
Authorized Capital:		
120,000,000 Ordinary Shares of Tk. 10/- each.	1,200,000,000	1,200,000,000
180,000,000 Cum. Redeemable Preference Shares of Tk. 10/- each.	1,800,000,000	1,800,000,000
	3,000,000,000	3,000,000,000
Ordinary Shares Capital:	1,005,190,430	957,324,220
Issued, Subscribed and Paid up		
100,519,043 Ordinary Shares @ Tk. 10/- each.		
Sponsors	301,567,030	287,206,730
General Public	703,623,400	670,117,490
	1,005,190,430	957,324,220

The position of Ordinary Shareholders as on 30th June, 2022 was as follows:

Particulars	No. of Investors	No. of Shares-2022	Shareholding % 2022	Shareholding % 2021
Sponsors	6	30,156,703	30.00%	30.00%
Financial Institutions including ICB	243	36,919,522	36.73%	35.38%
General Public	18,620	33,442,818	33.27%	34.62%
Total	18,869	100,519,043	100%	100%

The Classification of Shareholders by holding as on 30th June, 2022 was as follows:

Particulars	No. of Investors	No. of Shares-2022	% of Shares Holding 2022	% of Shares Holding 2021
1 to 500	11,480	1,705,037	1.70%	2.07%
501 to 5000	6,070	9,539,943	9.49%	10.80%
5001 to 10000	663	4,533,023	4.51%	4.98%
10001 to 20000	358	4,794,204	4.77%	4.64%
200001 to 30000	104	2,529,764	2.52%	2.48%
300001 to 40000	46	1,592,352	1.58%	1.34%
400001 to 50000	24	1,076,846	1.07%	1.68%
500001 to 100000	62	4,263,537	4.24%	4.12%
1000001 to 1000000	46	11,763,337	11.70%	12.49%
Above 1000000	16	58,721,000	58.42%	55.38%
Total	18,869	100,519,043	100%	100%

7.02 Share Premium	1,925,858,339	1,925,858,339
This is made up as follows:		
Net Premium up to 2006	250,191,730	250,191,730
Net Premium up to 2010	1,675,666,609	1,675,666,609
	1,925,858,339	1,925,858,339
7.03 Reserves	67,338,231	67,338,231
This is made up as follows:		
Tax Holiday Reserve	12,338,231	12,338,231
Dividend Equalization Fund	4,000,000	4,000,000
General Reserve	51,000,000	51,000,000
	67,338,231	67,338,231

The company enjoyed tax holiday facility for body building unit for the period of five years with effect from 5th May, 1997 and the dated was expired 5th May, 2002.

	Amount (Tk.) 30.06.2022	Amount (Tk.) 30.06.2021
7.04 Retained Earnings	2,518,356,396	2,591,845,473
This is made up as follows:		
Opening Balance	2,591,845,473	2,812,199,738
Add: Profit during the year	1,092,907	(185,514,274)
	2,592,938,380	2,626,685,464
Less: Adjustment for application of IFRS 16 (Lease)	6,790,102	1,334,118
	2,599,728,482	2,625,351,346
Less: Cash Dividend	33,505,875	33,505,875
Less: Stock Dividend	47,866,211	-
	2,518,356,396	2,591,845,473
8.00 Non-Current Liabilities	3,042,713,295	2,804,342,521
This is made up as follows:		
8.01 Loan and Deferred Liabilities (Unsecured)	25,310,440	25,310,440
8.02 Long Term Loan-Non-Current Maturity	3,046,622,430	2,753,835,081
8.03 Deferred Tax Liability	(64,754,175)	22,599,405
8.04 Lease Liability	35,534,600	2,597,595
	3,042,713,295	2,804,342,521
8.01 Loan and Deferred Liabilities (Unsecured)	25,310,440	25,310,440
Long Term interest free loan from sponsors is carried forward since 1982.		
8.02 Long Term Loan-Non-Current Maturity	3,046,622,430	2,753,835,081
This is made up as follows:		
Agrani Bank Ltd.	872,943,420	815,694,493
Meghna bank Ltd.	-	15,564,604
SBAC bank Ltd.	107,889,953	127,823,026
Mutual trust bank Ltd.	194,782,844	154,486,327
Midland Bank Ltd.	61,738,603	32,213,507
Peoples Leasing	146,203,874	146,203,874
One Bank Ltd.	416,183,884	385,634,495
NCC Bank Ltd.	116,211,197	105,350,059
Bay Leasing	130,213,424	113,317,371
GSP Finance	346,380,000	275,120,449
Midas financing	50,951,203	47,671,963
Union Capital	149,202,177	130,320,000
BD Finance Ltd.	58,159,744	50,462,530
Phoenix Finance	835,105,359	740,741,344
Modhumoti bank Ltd.	576,197,558	531,176,066
	4,062,163,240	3,671,780,108
Less: Long Term Loan-Current Maturity	1,015,540,810	917,945,027
Long Term Loan-Net of Non-Current Maturity	3,046,622,430	2,753,835,081

Brief Terms & Condition of above Loan

- (i) Loan amount represent the amounts which would be due for repayment after 12 (twelve) months from the date of statement of financial position as on 30th June, 2022.
- (ii) The loan was taken from the above mentioned banks and financial institutions against mortgage of 5420.55 Decimals of land and 537094.8 square feet factory building located at Fouzdarhat, Chittagong to import capital machinery and other purposes.
- (iii) Currently all of the company's all types of loan are classified as standard / sub standard by the Bank.

	Amount (Tk.) 30.06.2022	Amount (Tk.) 30.06.2021
8.03 Deferred Tax Liability	(64,754,175)	22,599,405
This is made up as follows:		
Associate Company	81,216,589	76,317,341
Assembling Unit, Body Unit & Motor Cycle Unit (AAL) (A) (B)	(145,970,764)	(53,717,936)
Investment Valuation Surplus in Share	-	-
	(64,754,175)	22,599,405
Calculation of Deferred Tax:		
A Associate Company	81,216,589	76,317,341
This is made up as follows:		
Opening Balance	76,317,342	73,824,021
Add: Provision during the year	4,899,247	2,493,320
Investment in Associate Balance as on 30.06.2022	81,216,589	76,317,341
	-	-
Investment Valuation Surplus in Share	-	-
	(145,970,764)	(53,717,936)
B Assembling Unit, Body Unit & Motor Cycle Unit (AAL)	(145,970,764)	(53,717,936)
This is made up as follows:		
WDV on PPE as per Accounting Calculation	1,448,743,529	1,116,872,429
Less:WDV on PPE as per Taxable Calculation	1,300,410,260	982,172,132
Less:Unabsorbed Depreciation	(73,529,712)	45,427,963
Less: Unused Tax Loass	(75,078,155)	198,126,501
Temporary Difference	296,941,136	(108,854,167)
Deferred Tax 22.5% on Difference (B1)	66,811,756	(24,492,188)
Opening Deferred Tax 01.07.2021	(24,492,188)	31,360,314
Deferred Tax Expenses during the year (B2)	(91,303,943)	(55,852,502)
C Bad Debts:		
Bad Debts as per Accounting Base	134,109,481	129,892,217
Bad Debts as per Tax Base	-	-
Temporary Difference	(134,109,481)	(129,892,217)
Deferred Tax 22.5% on Difference (C1)	(30,174,633)	(29,225,749)
Opening Deferred Tax 01.07.2021	(29,225,749)	(31,647,259)
Deferred Tax Expnses during the year (C2)	(948,884)	2,421,510
Deferred Tax Liability on regular income (B1+C1)	36,637,122	(53,717,936)
Deferred Tax Expenses during the year on regular income	(92,252,828)	(53,430,991)
NB: Deferred Tax on Bad Debts has been considered only from last year.		
Opening Balance	(53,717,936)	(286,945)
Add: During the year (PIAC)	(92,252,828)	(53,430,991)
Closing Balance	(145,970,764)	(53,717,936)
Movement of Deferred Tax:		
Opening Balance	22,599,404	73,537,075
Add: During the year (PLAC)	(92,252,828)	(53,430,991)
Add: During the year (Associate Company)	4,899,247	2,493,320
Add: During the year (OCI)	-	-
Closing Balance	(64,754,177)	22,599,404
8.04 Lease Liability	35,534,600	2,597,595
At Cost:		
Opening Balance	2,597,595	9,826,360
Add: Addition during the year	33,323,537	-
	35,921,132	9,826,360
Add: Finance Charge	2,214,626	544,882
Less: Payment during the year	2,601,158	7,773,647
Closing Balance	35,534,600	2,597,595
Less: Transferred to current maturity	-	-
	35,534,600	2,597,595

		Amount (Tk.) 30.06.2022	Amount (Tk.) 30.06.2021
Brief Terms & Conditions of above Liability:			
(i) The company has four leases against its Rentals;			
(ii) Lease period up to 31st Dec., 2021, 31st Jan. 2022 , 31st Sept. 2021 and 31st Dec 2026.			
(iii) Monthly total rental payment is Tk. 15,32,960/-;			
(iv) Advance total amount paid Tk. 44,324,250/-;			
(v) Monthly total adjustment Tk. 840,167/-.			
9.00	Current Liabilities	10,118,171,703	9,453,503,046
This is made up as follows:			
8.02 Long Term Loan-Current Maturity		1,015,540,810	917,945,027
9.01 Short Term Loan		7,736,155,276	7,416,288,305
9.02 Accrued and Other Current Liabilities		1,270,559,076	1,027,661,641
9.03 Unclaimed Dividend Account		95,916,541	91,608,073
		10,118,171,703	9,453,503,046
9.01	Short Term Loan	7,736,155,276	7,416,288,305
This is made up as follows:			
Agrani Bank Ltd.		1,638,674,293	1,511,299,908
Bank Asia Ltd.		1,050,999,986	971,705,182
Standard Bank Ltd.		111,778,468	109,175,503
NRB Commercial Ltd.		526,904,402	486,882,254
BRAC Bank Ltd.		-	20,615,467
Dhaka Bank Ltd.		447,404,408	400,286,319
Mercantile Bank Ltd.		249,812,274	241,536,903
The City Bank Ltd.		77,836,412	84,463,596
Midland Bank Ltd.		-	29,645,684
Prime Bank Ltd.		49,650,245	54,088,437
SBAC bank Ltd.		30,834,564	185,126,997
Mutual trust bank Ltd.		-	62,083,517
Southeast Bank Ltd.		245,766,259	269,468,902
Dutch-Bangla Bank Ltd.		596,240,935	537,705,642
IFIC Bank Ltd.		2,710,253,030	2,451,998,593
Jamuna Bank Ltd.		-	205,401
		7,736,155,276	7,416,288,305
Brief Terms & Condition of above Loan			
(i) Loan amount represent the amounts which would be due for repayment within 12 (twelve) months from the date of statatement of financial position as on 30th June, 2022.			
(ii) Short term loan is repayable with in twelve months.			
(iii) Currently all of the company's short term loans are classified as standard / sub standard by the banks.			
9.02	Accrued and Other Current Liabilities	1,270,559,076	1,027,661,641
This is made up as follows:			
For Goods Supplied		379,130,020	130,541,013
For Expenses (Including Salary, PF, GF, WF & Others)	9.02.1	136,709,893	131,786,205
For Income Tax		656,277,338	653,892,116
For Workers Profit Participation Fund		16,696,432	24,607,570
For Other Finance		79,050,850	84,140,195
For Bond Liabilities		2,694,543	2,694,543
		1,270,559,076	1,027,661,641
9.02.1	For Expenses (Including Salary, PF, GF, WF & Others) :		
Salary:		8,126,921	4,230,846
Providend Fund:		202,119	300,127
Gratuity Fund:		6,153,630	1,633,242
Welfare Fund:		350,438	352,788
Other Expenses		121,876,785	125,269,202
		136,709,893	131,786,205

	Amount (Tk.) 30.06.2022	Amount (Tk.) 30.06.2021
9.03 Unclaimed Dividend Account	95,916,541	91,608,073
Unclaimed Dividend	95,916,541	91,608,073
	95,916,541	91,608,073
The aging of Unclaimed Dividend are as follows:		
Unclaimed for less than 3 year's	35,690,520	36,643,229
Unclaimed for more than 3 year's	60,226,021	54,964,844
	95,916,541	91,608,073
10.00 Revenues (Net Sales)	421,726,379	747,914,378
This is made up as follows:		
Aftab Automobiles Ltd.	375,040,000	346,690,000
Bus Body Building Unit	35,653,771	137,750,500
Motor Cycle Unit	11,032,608	263,473,878
	421,726,379	747,914,378

Particulars	Quantity 2022	Quantity 2021	Amount (Tk.) 30.06.2022	Amount (Tk.) 30.06.2021
Hino Bus	78	71	375,040,000	346,690,000
Bus Body Building	37	92	35,653,771	137,750,500
Motor Cycle	87	2,084	11,032,608	263,473,878

The quantities of sales during the year are hino bus chassis 78 units, Body Bus-37 Units and 87 Units of Motor Cycle.

11.00 Cost of Goods Sold		329,045,565	585,419,156
This is made up as follows:			
Opening Stock of Direct Raw Materials		47,937,887	156,323,533
Purchase of Direct Raw Materials		247,225,554	311,428,456
Direct Raw Materials available for Consumption		295,163,441	467,751,989
Closing Stock of Direct Raw Materials		67,984,198	47,937,887
Raw Materials Consumed		227,179,243	419,814,102
Add: Opening Work in Progress		2,935,300	6,516,267
		230,114,543	426,330,369
Less: Closing WIP		19,335,041	2,935,300
		210,779,502	423,395,069
Indirect Materials		1,614,953	-
Total Consumption		212,394,455	423,395,069
Factory Overhead	11.01	73,242,431	91,778,851
Cost of Production		285,636,886	515,173,920
Opening Finished Products		486,499,861	556,745,097
		772,136,747	1,071,919,017
Closing Finished Products		443,091,182	486,499,861
		329,045,565	585,419,156
11.01 Factory Overhead		73,242,431	91,778,851
This is made up as follows:			
Salary and Allowances (Including PF)		39,325,977	46,464,078
Liveries and Uniform		500	180,221
Telephone, Fax and Mobile		72,208	21,495
Fuel and Lubricants		-	885,707
Travelling and Conveyance		68,950	92,898
Gratuity		743,076	
Entertainment		59,887	335,146
Office Expenses		39,424	346,135

	Amount (Tk.) 30.06.2022	Amount (Tk.) 30.06.2021
Maintenance Expenses	557,033	1,630,874
Electric Expenses	3,098,094	5,074,168
Fees & Registration	298,972	-
Duty and Allowances	-	3,900
Canteen Subsidies	332,244	-
Eid Greetings	261,086	98,398
Rent, Rates & Taxes	3,728,628	3,145,532
Insurance	1,296,187	2,921,588
Gas	493,966	-
Welfare Expenses	150,101	132,555
Carrying & Handling	9,950	406,711
Newspaper and Periodicals	3,960	-
General Charges	-	21,000
Repairs and Maintenance (Vehicle)	637,105	303,205
Security Expenses	495,597	-
Chemicals	-	739,109
Printing & Stationery	37,294	40,993
Depreciation	21,532,192	28,935,138
	73,242,431	91,778,851

(a) The number of employees employed in the factory throughout the year who received aggregate remuneration less than Tk. 36,000.

(b) The number of employees employed in the factory for part of the year who received aggregate remuneration less than Tk. 3,000 per month.

12.00 Administrative Expenses

This is made up as follows:

	37,610,386	53,863,805
Salary and Allowances (Including PF)	20,463,227	37,977,135
Welfare Expenses	5,160	33,065
Medical Expenses	-	112,850
Directors Remuneration	4,200,000	-
Entertainment	230,046	397,447
AGM Expenses	50,000	138,182
TA and Conveyance	365,892	759,483
Gratuity	1,592,148	-
Car Maintenance	535,139	897,649
Stationery	238,071	342,533
Fees and Registration	180,711	409,222
Telephone	520,044	967,386
Electrical Expenses	-	235,289
Electricity	409,590	-
Rent, Rates and Taxes	74,750	2,560,050
Insurance Premium	159,571	161,962
Bank Charges	2,096,071	1,742,845
Audit Fees	509,000	471,500
Duty Allowance	-	10,000
Newspapers & Periodicals	7,208	8,360
Printing	67,086	459,779
Postage & Telegram	10,380	76,043
Night Allowances	3,160	52,090
Advertisement and Publicity	19,373	-
Directors Fee	253,000	275,000
Office Maintenance	16,200	588,657
Maintenance Expenses	-	256,418
General Expenses	260,030	-
WASA Bill	51,509	12,715
Gas	91,315	181,842
CDBL Fee	725,454	404,312
Consultancy Fees/Professional Fee	438,615	-
Renewal Fee	138,875	-

	Amount (Tk.) 30.06.2022	Amount (Tk.) 30.06.2021
Office Cleaning	231,222	-
Canteen Subsidy	608,074	435,574
Security Expenses	460,492	-
Promotion Expenses	-	78,610
Fuel and Lubricants	161,021	200,915
Membership Fee & Others	1,241,719	-
Depreciation	1,196,233	3,616,892
	37,610,386	53,863,805

(a) The number of employees employed in the administration department throughout the year who received aggregate remuneration less than Tk. 36,000.

(b) The number of employees employed in the administration department for part of the year who received aggregate remuneration less than Tk. 3,000 per month.

13.00 Selling and Distribution Expenses	6,619,965	32,564,593
This is made up as follows:		
Salary and Allowances (Including PF)	-	10,942,291
Transit Insurance	102,800	338,588
Delivery Expenses	-	2,060,622
Rent, Rates & Taxes	-	1,863,264
Conveyance	-	533,309
Entertainment	-	2,081
Stationery	-	13,463
Telephone	-	508,028
Publicity Expenses	418,035	681,640
Fees & Registration	-	156,648
Car Maintenance	-	584,312
Postage & Telegram	-	170,770
Showroom Expenses	-	251,136
Bad Debts	4,217,264	3,303,180
Depreciation of Right Use Asset	685,633	7,538,369
Depreciation	1,196,233	3,616,892
	6,619,965	32,564,593

(a) The number of employees employed in the selling and distribution department throughout the year who received aggregate remuneration less than Tk. 36,000.

(b) The number of employees employed in the selling and distribution department for part of the year who received aggregate remuneration less than Tk. 3,000 per month.

14.00 Financial Charges	165,028,055	330,977,558
Aftab Automobiles Limited		
This is made up as follows:		
Assembling Unit	142,684,567	266,394,399
Body Building Unit	5,002	236,273
Motor Cycle Unit	20,123,860	63,802,004
Interest on Lease Liability	2,214,626	544,882
	165,028,055	330,977,558
15.00 Non-Operating Income	13,357,514	17,312,132
This is made up as follows:		
Interest on FDR & SND	10,880,696	17,312,132
Profit on Sales of Shares	-	-
Profit on Sales of Car	2,476,818	-
	13,357,514	17,312,132

		Amount (Tk.) 30.06.2022	Amount (Tk.) 30.06.2021
16.00	Income Tax Expenses	(84,968,357)	(46,093,973)
	This is made up as follows:		
	Current Tax	2,385,223	4,843,698
	Deferred Tax	(87,353,580)	(50,937,671)
		(84,968,357)	(46,093,973)
16.01	Current Tax Expenses	(123,308,221)	(243,554,463)
	This is made up as follows:		
	Operating Profit	(116,577,591)	(254,910,734)
	Other Income	13,357,514	17,312,132
	Contribution to WPPF	-	-
	Bad Debts	4,217,264	3,303,180
	Add: Accounting Depreciation	23,924,658	36,168,922
	Less: Tax Depreciation	(48,230,067)	(45,427,963)
	Last year Adjustment	-	-
	Taxable Profit	(123,308,221)	(243,554,463)
	Corporate Tax Rate	22.50%	22.50%
	Less: Tax Rebate	-	-
	Net Tax Rate	22.50%	22.50%
	Current Tax	(27,744,350)	(54,799,754)
	Minimum Tax on Gross Receipt @ 0.6%	2,385,223	4,843,698
	Current Tax Liabilities (whichever is Higher)	2,385,223	4,843,698
16.02	Deferred Tax Expenses	(87,353,580)	(50,937,671)
	This is made up as follows:		
	Deferred Tax on Regular Income	(92,252,828)	(53,430,991)
	Deferred Tax on Share of Profit of Associate	4,899,247	2,493,320
		(87,353,580)	(50,937,671)
17.00	Net Assets Value Per Share (NAVPS)	54.88	57.89
	Net Assets	5,516,907,104	5,542,366,263
	Number of Ordinary Shares	100,519,043	95,732,422
	Net Assets Value Per Share (NAVPS)	54.88	57.89
	Note: Net Asset Value has been decreased due to increase in number of ordinary share due to declaration of stock dividend.		
18.00	Earning Per Share (EPS)	0.01	(1.85)
	Profit Attributable to Ordinary Equity Shareholders	1,092,907	(185,514,274)
	Number of Ordinary Share	100,519,043	100,519,043
	Earnings per Share (EPS)	0.01	(1.85)
	Note: Earning per Share (EPS) has been increased compared with that of previous year because of decrease in administrative expenses and financial charges.		
19.00	Net Operating Cash Flows Per Share (NOCFPS)	2.02	6.31
	Net Cash Generated by Operating Activities	202,728,631	604,410,284
	Number of Ordinary Shares	100,519,043	95,732,422
	Net Operating Cash Flows Per Share (NOCFPS)	2.02	6.31
	Note: During the year Net Operating Cash Flows per share has been decreased compared with that of previous years due to decrease in collection from customers and the increase in number of share for declaration of stock dividend.		

	Amount (Tk.) 30.06.2022	Amount (Tk.) 30.06.2021
20.00 Reconciliation of Cash Flows from Operating Activities under Indirect Method:	202,728,631	(628,082,804)

Clause No. 5(2) (e) of notification No. BSEC/CMRRCD/2006-158/208/Admin/81, Dated:20 June 2019: Reconciliation of net operating Cash flow under indirect method

Net Profit/(Loss) before Interest & Income Tax during the year	35,092,950	92,286,820
Adjustments to reconcile Net Income to Net Cash provided by Operating Activities:		
Depreciation	24,610,291	43,707,291
Payment of Lease Liability	2,601,158	(9,107,765)
Interest on Lease Liability	2,214,626	544,882
Payment of WPPF		(4,021,328)
Income Tax Paid	(12,029,982)	(20,662,594)
Changes in Current Assets and Liabilities:		
Decrease/(Increase) in Inventories	(19,597,745)	471,116,188
Decrease/(Increase) in Advance and Pre-payments	(41,653,803)	(10,998,049)
Decrease/(Increase) in Payables & Accruals	249,037,945	(511,670)
Decrease/(Increase) in Trade Receivables	(37,546,809)	42,056,508
Net Cash Flow from Operating Activities	202,728,631	604,410,284

21.00 Information about Reportable Segments

Information related to each reportable segment is set out below:

21.01 Segment wise Financial Position as at 30th June, 2022

Particulars	Assembling Unit	Motor Cycle Unit	Body Unit	Total
Assets				
Non-Current Assets				
Property, Plant & Equipment	759,421,815	-	411,535,283	1,170,957,097
Non Current Assets Held For Sale & Discontinued Operation		277,786,431		277,786,430
Capital Work-in-Progress	566,958,334	-	86,265,256	653,223,590
Investment in Subsidiary and Associates	1,200,547,577	-	-	1,200,547,577
Receivable-Non-Current Maturity	2,108,330,759	144,852,310	58,597,057	2,311,780,126
Right of Use Assets	3,788,615	-	54,850,608	58,639,223
Total of Non-Current Assets	4,639,047,100	422,638,741	611,248,204	5,672,934,043
Current Assets:				
Receivable-Current Maturity	2,256,490,570	265,105,225	80,765,684	2,602,361,479
Stock and Stores	388,104,000	138,987,182	90,946,246	618,037,428
Current Account with Navana Batteries Ltd.	947,982,468	-	-	947,982,468
Current Account with Navana Group Companies	3,422,131,912	-	-	3,422,131,912
Current Account with Motor Cycle Unit	662,372,313	-	-	-
Current Account with Body Building Unit	428,422,400	-	-	-
Advances, Deposits and Pre-Payments	4,990,499,096	-	77,918,639	5,068,417,735
Cash and Bank Balances	339,195,607	-	6,567,719	345,763,326
Total Current Assets	13,435,198,366	404,092,407	256,198,288	13,004,694,348
Total Assets	18,074,245,466	826,731,148	867,446,492	18,677,628,391
Equity and Liabilities:				
Shareholders' Equity:				
Share Capital	1,005,190,431	-	-	1,005,190,431
Share Premium	1,925,858,339	-	-	1,925,858,339
Reserves	44,332,689	-	23,005,542	67,338,231
Retained Earnings	2,264,410,680	(9,969,146)	263,914,862	2,518,356,396
Total Shareholders' Equity	5,239,792,139	(9,969,146)	286,920,404	5,516,743,397
Non-Current Liabilities:				
Loan and Deferred Liabilities (Unsecured)	25,310,440	-	-	25,310,440
Long Term Loan - Non-Current Maturity	3,046,622,430	-	-	3,046,622,430
Deferred Tax Liability	(49,712,524)	(23,864,325)	8,822,674	(64,754,175)
Lease Liability	9,826,360	-	25,708,240	35,534,600
Total Non-Current Liabilities	3,032,046,706	(23,864,325)	34,530,914	3,042,713,295
Current Liabilities:				
Long Term Loan-Current Maturity	1,015,540,810	-	-	1,015,540,810
Short Term Loan	7,537,962,967	198,192,309	-	7,736,155,276
Accrued and Other Current Liabilities	1,152,986,301	-	117,572,775	1,270,559,076
Current Account with Assembling Unit	-	662,372,313	428,422,400	
Unclaimed Dividend Account	95,916,541	-	-	95,916,541
Total Current Liabilities	9,802,406,619	860,564,622	545,995,175	10,118,171,703
Total Liabilities	12,834,453,325	836,700,297	580,526,089	13,160,884,998
Total Equity and Liabilities	18,074,245,464	826,731,149	867,446,493	18,677,628,391

- 21.02 Segment profit from operation is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

Segment wise Profit or Loss and Other Comprehensive Income for the year ended 30th June, 2022

Particulars	Assembling Unit	Motor Cycle Unit	Body Unit	Total
Sales Revenue	375,040,000	11,032,608	35,653,771	421,726,379
Less: Cost of Goods Sold	290,418,741	8,812,679	29,814,144	329,045,564
Gross Profit (a)	84,621,259	2,219,929	5,839,627	92,680,815
Less: Operating Expenses:				
Administrative Expenses	26,846,614	-	10,763,773	37,610,387
Selling & Distribution Expenses	4,869,373	110,326	1,640,265	6,619,964
Financial Charges	156,573,153	6,268,102	2,186,800	165,028,055
Total Operating Expenses (b)	188,289,140	6,378,428	14,590,838	209,258,406
Operating Profit (c) = (a-b)	(103,667,881)	(4,158,499)	(8,751,211)	(116,577,591)
Non-Operating Income:				
Other Income	10,845,492	-	2,512,022	13,357,514
Less: Foreign Exchange Loss	-	-	-	-
Add: Share of Profit from Associate Company	24,496,234	-	-	24,496,234
Total Non-Operating Income (d)	35,341,726	-	2,512,022	37,853,748
Profit before Contribution to WPPF (e)=(c+d)	(68,326,155)	(4,158,499)	(6,239,189)	(78,723,843)
Less: Contribution to WPPF	-	-	-	-
Profit after Contribution to WPPF	(68,326,155)	(4,158,499)	(6,239,189)	(78,723,843)
Add: Share of Profit from Subsidiaries	(5,151,609)	-	-	(5,151,609)
Net Profit before Tax (f)	(73,477,764)	(4,158,499)	(6,239,189)	(83,875,452)
Less: Income Tax Expenses				
Current Tax	1,422,767	536,420	426,035	2,385,222
Deferred Tax	(68,805,738)	(19,961,602)	1,413,760	(87,353,580)
Total Income Tax Expenses (g)	(67,382,971)	(19,425,182)	1,839,795	(84,968,358)
Profit after Tax (h) = (f-g)	(6,094,793)	15,266,683	(8,078,984)	1,092,906
Other Comprehensive Income for the year:				
Investment Valuation Surplus in Share				
Revaluation Gain/(Loss) on Investment in Share	-	-	-	-
Deferred Tax	-	-	-	-
Total Investment Valuation Surplus in Share (i)	-	-	-	-
Total Comprehensive Income for the year (j)=(h+i)	(6,094,793)	15,266,683	(8,078,984)	1,092,906

22.00 Related Party Transactions

In accordance with paragraph 19 of IAS 24 Related Party Disclosures, the following matters has been disclosed in the following sequential order:

(i) **Parent and Ultimate Controlling Party**

There is no such parent company as well as ultimate holding company / controlling party of the company.

(ii) **Entities with joint control of, or significant influence over**

There is no joint control of, or significant influence over the company.

(iii) **Subsidiaries**

Navana Batteries Limited is a subsidiary company of which 99.95% shares owned by the entity (company).

(iv) **Associates**

Navana Real Estate Limited is an Associate Company of the entity (company).

(v) **Joint Venture in which the Entity is a Joint Venturer**

The Company has not entered into Joint Venture Agreement in which the Company is a Joint Venturer.

(vi) **Transactions with Key Management Personnel and their Compensation**

(a) **Loans to Director**

During the year, no loan was given to the directors of Company

(b) **Key Management Personnel and their Compensation**

There is no compensation for Chairman, Director and Managing Director except Board Meeting fee but there are following categories of compensation in accordance with the paragraph 17 of IAS 24: Related Party Disclosures:

Particulars	Amount (Tk.) 30.06.2022	Amount (Tk.) 30.06.2021
Salary (including PF)	59,789,204	4,230,846
Directors Remuneration	4,200,000	
Provision for Gratuity	2,335,224	1,633,242
Board Meeting Attendance Fee	-	40,000
Provision for Post Employment Benefits	-	24,787,312
	<u>66,324,428</u>	<u>30,691,400</u>

Company's key management personnel includes the Company's directors. Compensation includes salary, non-cash benefits and contributions to a post employment defined benefits plan.

(vii) **Other Related Party Transactions**

During the period, the company carried out a number of transactions with related parties in the normal course of business. The name of the related parties, nature of transaction and transaction value have been set out in accordance with the provisions of IAS 24: Related Party Disclosure are as follows:

Name of Related Party	Relationship	Nature of Transaction	Transaction for the year		Outstanding / Receivable	
			2022	2021	2022	2021
Navana Limited	Alliance Companies	Interest on loan	272,895,203	838,753,776	32,340,202,203	2,967,307,000
Navana Real Estate Ltd.	Alliance Companies	Interest on loan	10,017,437	10,766,296	130,487,733	116,470,296
Navana Engineering Ltd.	Alliance Companies	Interest on loan	6,980,446		64,980,676	
Navana LPG Ltd.	Alliance Companies	Interest on loan	27,500,000	-	5,650,000	58,000,230

Inter Company Receivables/Payables

Name of Party	Relationship	Nature of Transaction	Transaction for the year		Outstanding / Receivable	
			2022	2021	2022	2021
Navana Welding Electrode Ltd.	Alliance Companies	Interest on loan	11,300	-	19,188,700	19,200,000
Navana LPG Ltd.	Alliance Companies	Interest on loan	-	42,100,000.00	-	21,850,000

23.00 **Amount due by Directors**

There is no advance in the name of the directors or associates undertaking of the company.

24.00 **Number of Employees**

During the year total number of employees/workers for the company was 221 who drawing Tk. 8,000 or more per month.

25.00 **Significant Disclosure**

Sales amount has been fallen down but gross profit (GP) ratio increased due to decreases of production cost by ceasing workers, management employees and monitoring production strictly.

26.00 **Capital Expenditure Commitment**

There was no commitment for capital expenditure and also not incurred or provided for the year ended 30th June, 2022.

27.00 **Contingent Assets**

There was no contingent assets as on 30th June, 2022.

28.00 **Remittance of Dividend**

As there were no non-resident shareholders, no dividend was remitted to or received from abroad.

29.00 **Credit Facility not Availed**

There was no credit facility available to the Company under any contract and also not availed as on 30th June, 2022 other than trade credit available in the ordinary course of business.

30.00 **Attendance Status of Board Meeting of Directors**

During the year there was 10 Board Meetings were held. The attendance status of all the meetings is as follows:

Name of the Directors	Position	Meeting Held		Attended	
		2022	2021	2022	2021
Shafiqul Islam	Chairman	10	14	10	8
Khaleda Islam	Director	10	14	5	12
Saiful Islam	Managing Director	10	14	8	8
Sajedul Islam	Director	10	14	8	14
Farhana Islam	Director	10	14	3	6
Mian Saleem Sheikh	Alternate Director	10	-	2	-
Md.Kausar Alam	Independent Director	10	14	5	-
Dr. Melita Mehjabeen	Independent Director	10	14	5	-

Mian Saleem Sheikh appointed as Alternate Director on behalf of Farhana Islam on 27.04.2022.

31.00 **Auditors fees for service rendered**

As per schedule XI, part II, para 6 of Companies Act, 1994, auditors are only paid audit fees (including VAT) of Tk. 350,000. No other service has been taken from auditor hence other then this no other fees given to auditor.

32.00 **Disclosures as per Requirement of Schedule XI, Part II of the Companies Act, 1994**

(Employee Position as on 30th June, 2022)

(A) Disclosure as per requirement of Schedule XI, Part II, Notes 5 of Para 3

Monthly Salary Range	Head Office	Factory	No. of Employee
Above 5000	20,463,227	39,325,977	213
Below 5000	Nil	Nil	Nil

(B) Disclosure as per requirement of Schedule XI, Part II, Para 4

Payment/Perquisites to Directors and Officers

Name of the Directors	Position	Remu- neration	Festival Bonus	AIT Deduction	Net Amount
Shafiu Islam	Chairman	-	-	-	-
Khaleda Islam	Director	-	-	-	-
Saiful Islam	Managing Director	42,00,000	-	4,20,000	37,80,000
Sajedul Islam	Director	-	-	-	-
Farhana Islam	Director	-	-	-	-
Mian Saleem Sheikh	Alternate Director	-	-	-	-
Md.Kausar Alam	Independent Director	-	-	-	-
Dr. Melita Mehjabeen	Independent Director	-	-	-	-

Mian Saleem Sheikh appointed as Alternate Director on behalf of Farhana Islam on 27.04.2022.

Period of payment to Directors is from 1st July, 2021 to 30th June, 2022.

The above Directors of the Company did not take any benefit from the Company other than the remuneration and festival bonus.

- Expenses reimbursed to the managing agent: Nil.
- Commission or other remuneration payable separately to a managing agent or his associate: Nil.
- Commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into such concerns with the company: Nil.
- The money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial year: Nil.
- Any other perquisites or benefit in cash or in kind stating: Nil.
- Other allowances and commission including guarantee commission: Nil.
- Pensions: Nil.
- Gratuities: Nil.
- Payments from Provident Fund: Nil.
- Compensation for Loss of Office: Nil.
- Consideration in connection with retirement from office: Nil.

33.00 Disclosure as per requirement of Schedule XI, Part II, Para 3

Requirements under Condition No.	Compliance status of Disclosure of Schedule XI, Part II, Para 3
3(i)(a) The Turnover	421726379
3(i)(b) Commission Paid to Selling Agents (Incentive)	N/A
3(i)(c) Brokerage and discount of Sales, Other than the usual trade discount	Nil
3(i)(d)(i) The value of the raw materials consumed, giving item-wise as possible	227179243
3(i)(d)(ii) The opening and closing stocks of goods produced	p 247,225,554 OB 47,937,887, CB 67,984,198
3(i) (e) In the case of companies, the purchase made and the opening and closing stocks	N/A

Requirements under Condition No.	Compliance status of Disclosure of Schedule XI, Part II, Para 3
3(i)(f) In the case of companies rendering or supplying services, the gross income derived from services rendered or supplied	92,680,814
3(i)(g) Opening and closing stocks, purchases, sales and consumption of raw materials with value and quantity break up for the Company, which falls under one or more categories i.e. manufacturing and/or trading	Complied
3(i)(h) In the case of other companies, the gross income derived under different heads	37,853,748
3(i)(i) Work-in-progress, which have been completed at the commencement and at the end of the accounting period	OB 895,066,923, CB 653,223,590
3(i)(i) Provision for depreciation, renewals or diminution in value of fixed assets	N/A
3(i)(k) Interest on the debenture paid or payable to the Managing Director, Managing Agent and the Manager	N/A
3(i)(l) Charge for income tax and other taxation on profits	84,968,357
3(i)(m) Reserved for repayment of share capital and repayment of loans	Nil
3(i)(n)(i) Amount set aside or proposed to be set aside, to reserves, but not including provisions made to meet any specific liability, contingency or commitment, known to exist at the date as at which the balance sheet is made up	Nil
3(i)(n)(ii) Amount withdrawn from above mentioned reserve	Nil
3(i)(o)(i) Amount set aside to provisions made for meeting specific liabilities, contingencies of commitments.	Nil
3(i)(o)(i) Amount withdrawn from above mentioned provisions, as no longer required.	Nil
3(i)(p) Expenditure incurred on each of the following items, separately for each item:	
(i) Consumption of stores and spare parts	227,179,243
(ii) Power and Fuel	3,098,094
(iii) Rent	3728628
(iv) Repairs of Buildings	537105
(v) Repairs of Machinery	
(vi) Other include:	
(1) Salaries, wages and bonus	39325977
(2) Contribution to provident and other funds	20219
(3) Workmen and staff welfare expenses to the extent not adjusted from any previous provision or reserve.	350438
	P 136,709,894 R 67,338,231

34.00 Information regarding Accounts Receivables, Advance in line with Schedule XI

i. Disclosure in line with 4(a) of Part I of Schedule XI

The details of trade receivable are given below:

Sl. No.	Particulars	Amount (Tk.) 30.06.2022	Amount (Tk.) 30.06.2021
1	Within 3 Months	955,855,922	960,777,216
2	Within 6 Months	799,485,854	804,453,264
3	Within 12 Months	847,019,701	836,363,529
4	More than 12 Months	2,311,780,126	2,275,000,786
	Total	4,914,141,604	4,876,594,795

ii. Disclosure in line with 4(b) of part I of Schedule XI

There are no debts outstanding in this respect.

35.00 Disclosure in line with Instruction of Part of Schedule XI

In regard to sundry debtors the following particulars shall be given separately:

(i) Debt considered good in respect of which the company is fully secured

Within six months trade debtors occurred in the ordinary course of business are considered good but no security given by the debtors.

(II) Debt considered good for which the company holds no security other than the debtors' personal security

Within six months trade debtors have arisen in the ordinary course of business in good faith as well as market reputation of the company for the above mentioned reasons no personal security taken from debtors.

(III) Debt considered doubtful or bad

The company considered more than one year debts are doubtful and provision is created for Tk. 134,109,481.

(IV) Debt due by directors or other officers of the Company

There is no debt due by directors or other officers of the company.

(V) Debt due by common management

There is no debt under common management.

(VI) The maximum amount due by directors or other officers of the Company

There is no such debt in this respect.

36.00 Disclosure as per requirement of Schedule XI, Part II, Para 7

Details of Production Capacity Utilization:

Particulars	Assembling	Body	Motor Cycle	Total (AAL)
Production Capacity (Vehicle/Battery)	2400	400	10000	12,800
Production during the year	72	37	0	109
Capacity Utilization (%)	3.00%	9.25%	0.00%	0.85%

The production capacity of the company is 2400 units Toyota & hino vehicles in assembling unit under three shifts and 400 units hino buses in body building unit. Actual production for the year 72 units bus assembled in assembling unit 37 units body fabrication in body building unit.

The production capacity of the company is 10,000 units motor cycle in motor cycle units under three shifts. Actual production for the period is nil in motor cycle unit.

37.00 Disclosure as per requirement of Schedule XI, Part II, Para 8(b) during the year under audit.

Details of import on CIF basis

i. Raw Materials, Spare Parts, Packing Materials

Items	Purchase in Taka			Consumption in Taka	Percentage
	Import	Local	Total		
Raw Materials & Chemicals	237,892,662	9,332,892	247,225,554	212,394,455	86%
Packing Material	-	-	-	-	-
Spare Parts	-	-	-	-	-
Total	237,892,662	9,332,892	247,225,554	212,394,455	

The value of imported material is calculated on CIF Basis.

ii. The Company has not incurred any expenditure in foreign currency for the period from 1st July, 2021 to 30th June, 2022 on account of royalty, know-how, professional fee, consultancy fees and interest.

iii. The Company has not earned any foreign exchanges for royalty, know-how, professional fees and consultancy fees.

iv. The value of export from the period from 1st July, 2021 to 30th June, 2022.

38.00 Schedule XI, Part II, Para 8(b) & Para 8(d) Foreign Currencies remitted during the year

During the year under review the company did not remit any amount as dividend, technical know-how, royalty, professional consultation fees, interest and other matters either its shareholder or others.

39.00 Disclosure for purchase in foreign currency during the year

Disclosure as per Para 8 of Schedule XI (cm) of the Companies Act, 1994 regarding purchase made in foreign currency during the year are as follows:

Type of Expenditure	Amount in Foreign Currency	Amount in BDT.
Import of Raw Material (Hino Bus Chassis CKD)	¥ 150,234,194	199,673,304
Import of Raw Material (Mahindra Motor Cycle SKD)	US\$ 265706	20,990,742
Total		220,664,046

40.00 Financial Instrument-Fair Values and Risk Management

40.01 Accounting Classifications and Fair Values

The following table shows the carrying amounts of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value as the carrying amount is a reasonable approximation of fair value.

Reconciliation of Carrying Amount	Carrying Amount Tk. '000							
	Note	Fair Value Hedging Instruments	Mandatory at FVTPL-Others	FVOCI-debt instruments	FVOCI-equity instruments	Financial assets at amortized cost	Other Financial Liabilities	Total Amount
30.06.2022		-	-	-	-	-	-	-
Financial Assets measured at Fair Value:		-	-	-	-	-	-	-
Equity Securities								
Financial Assets not measured at Fair Value:								
Receivables	5.05	-	-	-	-	4,914,142	-	4,914,142
Advance, Deposits & Prepayments	6.04	-	-	-	-	5,068,418	-	5,068,418
Investment in Securities & Associate Company	5.04	-	-	-	-	1,200,548	-	1,200,548
Cash and Cash Equivalents	6.05	-	-	-	-	345,763	-	345,763
Total		-	-	-	-	11,528,870	-	11,528,870
Financial Liabilities measured at fair value:								
Financial Liabilities not measured at fair value:								
Loan and Deferred Liabilities (Unsecured)	8.01	-	-	-	-	-	25,310	25,310
Long Term Loan	8.02	-	-	-	-	-	4,062,163	4,062,163
Deferred Tax Liability	8.03	-	-	-	-	-	(64,754)	(64,754)
Lease Liabilities	8.04	-	-	-	-	-	35,535	35,535
Short Term Loan	9.01	-	-	-	-	-	7,736,155	7,736,155
Accrued & Other Current Liabilities	9.02	-	-	-	-	-	1,270,559	1,270,559
Unclaimed Dividend Account	9.03	-	-	-	-	-	95,917	95,917
Total		-	-	-	-	-	13,160,885	13,160,885
30.06.2021								
Financial Assets measured at Fair Value:		-	-	-	-	-	-	-
Equity Securities								
Financial Assets not measured at Fair Value:								
Receivables	5.05	-	-	-	-	4,876,595	-	4,876,595
Advance, Deposits & Prepayments	6.04	-	-	-	-	4,702,545	-	4,702,545
Investment in Securities & Associate Company	5.04	-	-	-	-	1,181,203	-	1,181,203
Cash and Cash Equivalents	6.05	-	-	-	-	343,612	-	343,612
Total		-	-	-	-	11,103,955	-	11,103,955
Financial Liabilities measured at fair value:								
Financial Liabilities not measured at fair value:								
Loan and Deferred Liabilities (Unsecured)	8.01	-	-	-	-	-	25,310	25,310
Long Term Loan	8.02	-	-	-	-	-	3,671,780	3,671,780
Deferred Tax Liability	8.03	-	-	-	-	-	22,599	22,599
Lease Liabilities	8.04	-	-	-	-	-	2,598	2,598
Short Term Loan	9.01	-	-	-	-	-	7,416,288	7,416,288
Accrued & Other Current Liabilities	9.02	-	-	-	-	-	1,027,662	1,027,662
Unclaimed Dividend Account	9.03	-	-	-	-	-	91,608	91,608
Total		-	-	-	-	-	12,257,846	12,257,846

Advances, deposits and prepayments are not included in the financial assets.

The company has not disclosed the fair values for financial instruments such as receivables, advance, deposits & prepayments, investment in securities & associate company and cash & cash equivalents, loan and deferred liabilities (unsecured), long term loan, deferred tax liability, lease liabilities, short term loan, accrued & other current liabilities and unclaimed dividend account because of their carrying amount are a reasonable approximation of fair value.

40.02 Financial Risk Management Framework

The Company's 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 and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Company has exposure to the following risks from its use of financial instruments:

40.02.1 Credit Risk, 40.02.2 Liquidity Risk 40.02.3 Market Risk.

40.02.1 Credit Risk

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivable.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of customer, including the default risk of the industry and financial strength of the customer, as these factors may have an influence on credit risk. Geographically there is no concentration of credit risk.

The debtors management review committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the company's payment and delivery terms and conditions are offered. Credit limits are established for each customer, which represents the maximum outstanding amount of credit sale without requiring approval from the committee; these limits are reviewed as per guideline of Nava CNG Limited in each quarter. Customers that fail to meet the company's benchmark creditworthiness may transact with the company only on a cash / deposit scheme basis.

Management has a credit policy in place and the exposure to credit risk is monitor on an ongoing basis. As at 30th June, 2022, substantial part of the receivables are as follows and subject to insignificant credit risk. Risk exposure from other financial assets, i.e. Cash at bank and other external receivables are also nominal.

(i) 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:

	Amount in Taka	
	30.06.2022	30.06.2021
Non-Derivative Financial Assets:		
Receivables	4,914,141,604	4,876,594,795
Inter Company Transactions	4,370,114,380	4,082,088,894
Advance to Suppliers	589,609,578	564,054,608
Advance to Employees	10,712,922	10,089,601
Advance to Others	422,783,408	401,670,649
Security Deposits	352,250,239	352,250,239
Cash at Bank	344,522,916	341,736,348
Cash in Hand	1,240,411	1,875,947
	11,005,375,458	10,630,361,081

At 30th June, 2022 the maximum exposure to credit risk for trade and other receivables by geographic regions was as follows:

	Amount in Taka	
	30.06.2022	30.06.2021
Domestic	4,914,141,604	4,876,594,795
Foreign Receivable	-	-
	4,914,141,604	4,876,594,795

Ageing Schedule of Receivables:

	4,914,141,604	4,876,594,795
Duration		
1-30 days	264,721,819	269,846,938
31-60 days	280,304,834	275,018,979
61-90 days	410,829,270	415,911,299
91-180 days	799,485,854	804,453,264
181-365 days	847,019,701	836,363,529
Over 365 days	2,311,780,126	2,275,000,786
	4,914,141,604	4,876,594,795

To mitigate the credit risk against trade receivables and others, the company has a system of specific credit line period to the customers. This outstanding period and amount are regularly monitored. The company endeavors to cover the credit risks on all other receivables, where possible, by restricting credit facility and stringent monitoring.

40.02.2 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 (cash and cash equivalents) is to ensure, as far possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. Typically, 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, prepaid based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity / fund to make the expected payment within due date.

Exposure to Liquidity Risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements. The carrying amount of financial liabilities represent the maximum exposure to liquidity risk. The maximum exposure to liquidity risk as at 30th June, 2022.

30th June, 2022

					Contractual Cash Flows		
In Taka	Note	Carrying Amount	Total		2 months or less	2-12 months	1-5 years
Non-Derivative Financial Liabilities:							
Loan and Deferred Liabilities (Unsecured)	8.01	25,310,440	25,310,440		2,531,044	7,593,132	15,186,264
Long Term Loan-Non-Current Maturity	8.02	3,046,622,430	3,046,622,430		304,662,243	913,986,729	1,827,973,458
Deferred Tax Liability	8.03	(64,754,175)	(64,754,175)		(6,475,418)	(19,426,253)	(38,852,505)
Lease Liability	8.04	35,534,600	35,534,600		-	14,213,840	21,320,760
Long Term Loan-Current Maturity	8.02	1,015,540,810	1,015,540,810		-	406,216,324	609,324,486
Short Term Loan	9.01	7,736,155,276	7,736,155,276		773,615,528	2,320,846,583	4,641,693,166
Accrued and Other Current Liabilities	9.02	1,270,559,076	1,270,559,076		127,055,908	381,167,723	762,335,446
Unclaimed Dividend Account	9.03	95,916,541	95,916,541		9,591,654	28,774,962	57,549,925
		13,160,884,998	13,160,884,998		1,210,980,959	4,053,373,040	7,896,530,999
Derivative Financial Liabilities							
		-	-		-	-	-
		13,160,884,998	13,160,884,998		1,210,980,959	4,053,373,040	7,896,530,999

30th June, 2021

	Contractual Cash Flows					
In Taka	Note	Carrying Amount	Total	2 months or less	2-12 months	1-5 years
Non-Derivative Financial Liabilities:						
Loan and Deferred Liabilities (Unsecured)	8.01	25,310,440	25,310,440	2,531,044	7,593,132	15,186,264
Long Term Loan-Non-Current Maturity	8.02	2,753,835,081	2,753,835,081	275,383,508	826,150,524	1,652,301,049
Deferred Tax Liability	8.03	22,599,405	22,599,405	2,259,941	6,779,822	13,559,643
Lease Liability	8.04	2,597,595	2,597,595	-	1,039,038	1,558,557
Long Term Loan-Current Maturity	8.02	917,945,027	917,945,027	-	367,178,011	550,767,016
Short Term Loan	9.01	7,416,288,305	7,416,288,305	741,628,831	2,224,886,492	4,449,772,983
Accrued and Other Current Liabilities	9.02	1,027,661,642	1,027,661,642	102,766,164	308,298,493	616,596,985
Unclaimed Dividend Account	9.03	91,608,073	91,608,073	9,160,807	27,482,422	54,964,844
		12,257,845,567	12,257,845,567	1,133,730,295	3,769,407,934	7,354,707,341
Derivative Financial Liabilities						
		-	-	-	-	-
		12,257,845,567	12,257,845,567	1,133,730,295	3,769,407,934	7,354,707,341

40.02.3 Market Risk

Market risk is the risk that any change in market price, such as foreign exchange rates and interest rates will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

(i) Interest Rate Risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. Exposure to fair value movement relates to fixed rate instrument subject to fair value accounting and exposure to cash flow fluctuation relates to variable rate instruments. The company is primarily exposed to cash flow fluctuation arising from variable rate borrowings. The objective of interest rate management for the Aftab Automobiles Limited is to reduce financial cost and ensure predictability.

(ii) Currency Risk

The company is exposed to currency risk on certain revenues and purchases such as revenue from foreign customers and import of raw material, machineries and equipment. Majority of the company's foreign currency transactions are denominated in USD and relate to procurement of raw materials, machineries and equipment from abroad.

41.00 Capital Management

Capital management refers to implementing policies and measures to maintain sufficient capital, assessing company's internal capital adequacy to ensure company's operation as a going concern. Capital consists of share capital, general reserve and revaluation reserve. All major investment and operational decisions with exposure to certain amount are evaluated and approved by the board. The board of directors monitors the level of dividends to ordinary shareholders.

42.00 Event after the Reporting Period

The directors in the meeting held on 26th day of October, 2022 recommended 5% proposed cash dividend for general shareholders only excluding sponsors and directors and 5% stock dividend for all shareholders including sponsors and directors whose name will be appeared in the shareholders' registers at the date of book closure which is subject to shareholders' approval at the forthcoming 42nd annual general meeting to be held on 28th December, 2022.

"Except the fact stated above, no circumstances have been arisen since the balance sheet date which would require adjustment or disclosure in the financial statements or notes thereto."

Annexure-A

AFTAB AUTOMOBILES LIMITED
Schedule of Property, Plant and Equipment as on 30th June, 2022

Particulars	Cost			Rate of Dep.	Depreciation			Written Down Value as on 30.06.2022	Written Down Value as on 30.06.2021
	Opening Balance 01.07.2021	Addition during the year	Adjustment/ Disposal during the year		Total as on 30.06.2022	Charged during the year	Adjustment/ Disposal during the year		
Land and Land Development	745,334,299	-	-	0%	-	-	-	745,334,299	745,334,299
Building	163,444,179	169,968,614	-	2.5%	333,412,793	2,924,211	-	50,136,021	116,232,370
Shed	38,078,882	179,597,844	-	20%	217,676,726	6,229,461	-	34,975,761	9,332,582
Plant & Machinery	386,201,158	19,080	-	10%	386,220,238	10,002,516	-	241,511,164	154,692,509
Tools & Equipment	44,695,428	51,650	-	20%	44,747,078	1,541,451	-	35,323,026	10,913,854
Office Equipment	37,383,462	78,850	-	10%	37,462,312	799,531	-	20,750,045	17,432,948
Furniture & Fixture	25,433,442	1,352,827	-	10%	26,786,269	743,933	-	13,745,967	12,431,409
Transport Vehicles	86,824,209	4,726,894	-	20%	91,551,103	1,683,554	-	68,999,091	19,508,672
Electric Line Installation	3,187,752	-	-	10%	3,187,752	1,050,591	-	2,137,161	2,137,161
Office Decoration	47,114,352	-	-	10%	47,114,352	18,257,728	-	28,856,624	28,856,624
total	1,577,697,163	355,795,759	-		1,933,492,922	23,924,658	-	1,448,743,529	1,116,872,428

Depreciation charged to:	Total Tk.
Cost of Goods Sold (Factory (O/H))	21,532,192
Profit & Loss Accounts (Admin)	1,196,233
Profit & Loss Accounts (Selling)	1,196,233
Total	23,924,658

Annexure-B

Schedule of Right Use of Assets as on 30th June, 2022

Particulars	Cost			Rate of Dep.	Depreciation				Carrying amount	
	As at 01.07.21	Add./ (Adj.) Dur. the year	Adj. D. the Year		As at 01.07.21	Add./ (Adj.) Dur. the year	Adj. D. the Year	As at 30.06.22	As at 30.06.21	As at 30.06.21
Motor Cycle	18,192,176	55,536,240	-		14,403,561	685,633	-	58,639,222	58,639,222	3,788,615
Total	18,192,176	55,536,240	-		6,865,192	685,633	-	58,639,222	58,639,222	3,788,615

INDEPENDENT AUDITOR'S REPORT To

The Shareholders of NAVANA BATTERIES LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of NAVANA BATTERIES LIMITED, which comprise the Statement of Financial Position as at June 30, 2022, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, June 30, 2022 and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the financial position of the company as at June 30, 2022, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and other applicable laws and regulations.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters were addressed in the context of our audit of the financial statement as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have nothing to report on going concern

We are required to report if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of the financial statements. We have nothing to report in these respects.

Other Matter

- a) Previous year financial figure was audited by ASHRAF UDDIN & CO., Chartered Accountants;
- b) Management should develop their secretarial part of the company.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls:

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

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

Those charged with governance are responsible for overseeing the entity's financial reporting process.

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

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that

may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on other Legal and Regulatory Requirements:

In accordance with the Companies Act, 1994 and relevant notifications issues by, we also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the Company so far as it appeared from our examinations of those books;
- c) The Financial Statements of the company together with the annexed notes dealt with by the report are in agreement with the books of account and returns.



Mohammed Enamul Haque Khan FCA
Enrolment No: 1567
Partner
Kazi Zahir Khan & Co.
Chartered Accountants

Place: Dhaka
Dated: 09 November, 2022
DVC: 2211091567AS462755

NAVANA BATTERIES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE, 2022

PARTICULARS	NOTE NO.	BALANCE AS ON 30.06.2022	BALANCE AS ON 30.06.2021
Assets :			
Non-Current Assets:	5.00	874,927,205	897,527,215
Property, Plant and Equipment	5.01	753,585,039	768,209,317
Right use of assets	5.02	40,601,626	45,112,918
Capital Work-In-Progress	5.03	80,740,540	84,204,981
Current Account with Navana Group Companies		2,292,192,070	1,840,641,712
Current Assets:	6.00	3,612,976,566	3,687,019,779
Receivables-Current Maturity	6.01	650,150,256	702,038,342
Stock and Stores	6.02	961,999,714	1,029,187,397
Advances, Deposits and Pre-payments	6.03	1,999,051,032	1,947,471,808
Cash and Cash Equivalents	6.04	1,775,564	8,322,232
Total Assets		6,780,095,841	6,425,188,706
Equity and Liabilities:			
Authorized Capital:	7.00	500,000,000	500,000,000
50,000,000 Ordinary Shares of Tk. 10/- each			
Equity Attributable to Equity Holders	8.00	746,478,037	751,629,645
Share Capital	8.01	183,702,690	183,702,690
Retained Earnings	8.02	562,775,347	567,926,955
Non Current Liabilities:	9.00	1,932,440,222	1,816,938,113
Deferred Tax Liability	9.01	45,998,555	55,405,350
Long Term Loan-Non Current Maturity	9.02	1,845,810,765	1,713,445,466
Lease Liability	9.03	40,630,902	48,087,297
Current Liabilities:	10.00	4,101,177,582	3,856,620,949
Long Term Loan-Current Maturity	10.01	615,270,255	571,148,489
Short Term Loan	10.02	2,311,924,627	2,073,781,743
Inter Company Liabilities (Aftab Automobiles Ltd.)	10.03	947,982,468	981,361,368
Accrued and Other Current Liabilities	10.04	226,000,232	230,329,349
Total Current Liabilities		6,033,617,804	5,673,559,061
Total Equity and Liabilities		6,780,095,841	6,425,188,706
Net assets value per share (NAVPS)	16.00	40.64	40.92


These financial statements were approved by the Board of Directors on October , 2022 and were signed on it's behalf by.


Director


Director


Company Secretary

Signed in terms of our separate report of even date annexed.


Mohammed Enamul Haque Khan FCA
Enrolment No: 1567
Partner
Kazi Zahir Khan & Co.
Chartered Accountants

Place: Dhaka
Dated: 09 November 2022
DVC : 2211091567AS402755

NAVANA BATTERIES LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE 30TH JUNE, 2022

Particulars	Note	Amount (Tk.) 30.06.2022	Amount (Tk.) 30.06.2021
Sales Revenue	11.00	288,864,921	506,106,187
Less: Cost of Goods Sold	12.00	207,375,037	361,592,226
Gross Profit (a)		81,489,884	144,513,961
Less: Operating Expenses: (b)		94,005,113	146,048,754
Administrative Expenses	13.00	8,241,955	8,928,076
Selling & Distribution Expenses	14.00	11,729,546	19,768,808
Financial Charges		74,033,613	117,351,870
Operating Profit/(Loss) (c) = (a-b)		(12,515,229)	(1,534,793)
Non-Operating Income:			
Other Income			-
Less: Foreign Exchange Loss			-
Total Non-Operating Income (d)			-
Profit/(Loss) before Contribution to WPPF (e)=(c+d)		(12,515,229)	(1,534,793)
Less: Contribution to WPPF			-
Profit/(Loss) after Contribution to WPPF		(12,515,229)	(1,534,793)
Net Profit/(Loss) before Tax (f)		(12,515,229)	(1,534,793)
Less: Income Tax Expenses			
Current Tax	15.00	2,043,175	2,832,644
Deferred Tax		(9,406,796)	1,019,605
Total Income Tax Expenses (g)		(7,363,621)	3,852,249
Profit/(Loss) after Tax attributable to equity holders (h)=(f-g)		(5,151,608)	(5,387,042)
Other Comprehensive Income for the year:			
Investment Valuation Surplus in Share:			
Revaluation Gain/(Loss) on Investment in Share			-
Deferred Tax			-
Total Investment Valuation Surplus in Share (i)			
Total Comprehensive Income/(Loss) for the year (j)=(h+i)		(5,151,608)	(5,387,042)
Earning Per Share (EPS)	17.00	(0.28)	(0.29)

The annexed notes form an integral part of these financial statements.



Director


Director


Company Secretary

Signed in terms of our separate report of even date annexed.

Place: Dhaka
Dated: 09 November 2022
DVC : 2211091567AS402755


Mohammed Enamul Haque Khan FCA
Enrolment No: 1567
Partner
Kazi Zahir Khan & Co.
Chartered Accountants

NAVANA BATTERIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE, 2022

Particulars	Share Capital	Retained Earnings	Total Equity
Balance as on July 1, 2021	183,702,690	567,926,955	751,629,645
Surplus for the year	-	(5,151,608)	(5,151,608)
Balance as on June 30, 2022	183,702,690	562,775,347	746,478,037
Balance as on July 01, 2020	183,702,690	573,313,997	757,016,687
Surplus for the year	-	(5,387,042)	(5,387,042)
Balance as on June 30, 2021	183,702,690	567,926,955	751,629,645

The annexed notes form an integral part of these financial statements.


Director


Director


Company Secretary

NAVANA BATTERIES LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE, 2022

Particulars	Note	Amount in Taka	
		2021-2022	2020-2021
Cash Flows from Operating Activities			
Cash Collection from Sales		340,529,140	472,107,299
Receipts from other Income		-	-
Cash Paid to Suppliers and Employees		(186,306,040)	(430,391,170)
Cash generated from operations		154,223,100	41,716,129
Income tax Paid		(1,475,402)	(9,960,201)
Net Cash generated from operations		152,747,698	31,755,928
Cash Flows from Investing Activities			
Acquisition of Property, Plant & Equipment		(26,114,144)	(7,953,382)
Advance for Capital Asset		(61,964,533)	(228,611,218)
Payments for Capital Work in Progress		6,540,131	-
Net Cash used in Investing Activities		(81,538,546)	(236,564,600)
Cash Flows from Financing Activities			
Proceeds from Bank Loan		407,173,556	998,893,984
Inter Company Transaction		(33,378,900)	(350,000,000)
Current Account with Navana Group Companies		(451,550,358)	(393,541,411)
Bank Interest Paid		-	(117,351,870)
Net Cash provided by Financing Activities		(77,755,702)	138,000,703
Net Changes in Cash & Cash Equivalents		(159,294,248)	40,107
Cash & Cash Equivalents at Beginning of the year		8,322,232	8,282,123
Cash & Cash Equivalents at End of the year		1,775,564	8,322,232
Net operating cash flows per share (NOCFPS)	18	8.31	1.73

The annexed notes form an integral part of these financial statements.


Director


Director


Company Secretary

NAVANA BATTERIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2022 FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

1.00 Reporting Entity

1.01 Company Profile

Navana Batteries Limited is a private limited company which was incorporated on the 21st April, 2009, Vide Registration number C-76441/2009 of Registrar of Joint Stock Companies and Firms, Dhaka, Bangladesh under the Companies Act, 1994.

The Registered Office of the Company is located at 125/A, Motijheel Commercial Area, (4th Floor), Dhaka-1000.

1.02 Other Corporate Information

(i) Trade License: TRAD/DSCC/080216/2019 dated: 08.08.2022

(ii) e-TIN No.: 719565739465 dated: 30.08.2014

(iii) VAT Registration No.: 000793558-0203 dated: 14.11.2017

1.03 Nature of Business

The principal activities of the Company are manufacturing of automotive, industrial and solar batteries in the plant located at Fouzdarhat Industrial Area, Chattagram, Bangladesh.

1.04 Presentation of Financial Statements

The presentation of these financial statements is in accordance with the guidelines provided by IAS 1: Presentation of financial statements. The financial statements comprise of:

- * Statement of Financial Position as at 30th June, 2022;
- * Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June, 2022;
- * Statement of Changes in Equity for the year ended 30th June, 2022;
- * Statement of Cash Flows for the year ended 30th June, 2022;
- * Notes comprising summary of significant accounting policies and other explanatory information.

1.05 Operating Segments

No operating segment is applicable for the Company as required by IFRS 8: Operating Segments as the Company has only one operating segment and the operation of Company is within the geographical territory in Bangladesh.

2.00 Basis of Preparation of Financial Statements

2.01 Statement on Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and International Accounting Standard (IAS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), the Companies Act, 1994, Securities and Exchange Rules, 1987 and other relevant laws as applicable.

2.02 Other Regulatory Compliances

The Company is also required to comply with the following major legal provisions in addition to Companies Act, 1994 and other applicable laws and regulations:

- The Income Tax Ordinance, 1984;
- The Income Tax Rules, 1984;
- The Value Added Tax and Supplementary Duty Act, 2012;
- The Value Added Tax Rules, 1991;
- The Stamp Act, 1899;
- The Bangladesh Securities and Exchange Commission Act, 1993;
- The Bangladesh Securities and Exchange Rules, 1987;
- The Securities and Exchange Ordinance, 1969;
- Bangladesh Labor Act, 2006 (as amended to 2013)

2.03 Compliance with Financial Reporting Standards as applicable in Bangladesh

The Company as per para-12 of Securities & Exchange Rule, 1987, the following International Accounting Standards (IAS's) and International Financial Reporting Standards (IFRS's) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) has followed in preparing the financial statements.

Sl. No.	IAS No.	IAS Title	Compliance Status
1	1	Presentation of Financial Statements	Complied
2	2	Inventories	Complied
3	7	Statement of Cash Flows	Complied
4	8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
5	10	Events after the Reporting Period	Complied
6	11	Construction Contracts	N/A
7	12	Income Taxes	Complied
8	16	Property, Plant and Equipment	Complied
9	17	Leases	N/A
10	19	Employee Benefits	N/A
11	20	Accounting for Govt. Grants and Disclosure of Govt. Assistance	N/A
12	21	The Effects of Changes in Foreign Exchange Rates	N/A
13	23	Borrowing Costs	Complied
14	24	Related Party Disclosures	Complied
15	26	Accounting and Reporting by Retirement Benefit Plan	N/A
16	27	Separate Financial Statements	N/A
17	28	Investment in Associated and Joint Venture	N/A
18	29	Financial Reporting in Hyperinflationary Economics	N/A
19	31	Interest in Joint Ventures	N/A
20	32	Financial Instruments: Presentation	Complied
21	33	Earnings per Share	Complied
22	34	Interim Financial Reporting	Complied
23	36	Impairment of Assets	Complied
24	37	Provisions, Contingent Liabilities and Contingent Assets	Complied
25	38	Intangible Assets	N/A
26	40	Investment Property	N/A
27	41	Agriculture	N/A

Sl. No.	IFRS No.	IFRS Title	Compliance Status
1	1	First-time adoption of International Financial Reporting Standards	Complied
2	2	Share based Payment	N/A
3	3	Business Combinations	N/A

Sl. No.	IFRS No.	IFRS Title	Compliance Status
4	4	Insurance Contracts	N/A
5	5	Non-current Assets held for Sale and Discontinued Operations	N/A
6	6	Exploration for and Evaluation of Mineral Resources	N/A
7	7	Financial Instruments: Disclosures	Complied
8	8	Operating Segments	Complied
9	9	Financial Instrument	Complied
10	10	Consolidated Financial Statements	N/A
11	11	Joint Arrangements	N/A
12	12	Disclosure of Interests in Other Entities	Complied
13	13	Fair Value Measurement	Complied
14	14	Regulatory Deferral Accounts	N/A
15	15	Revenue from Contracts with Customers	Complied
16	16	Leases	Complied

2.04 Basis of Measurement

The financial statements have been prepared based on the accrual basis of accounting and prepare under the historical cost convention except for the revaluation of certain non current assets which are stated either at revaluated amount or fair market value as explained in the accompanying notes.

2.05 Accrual basis of Accounting

The Company prepares its financial statements, except for cash flow information, using the accrual basis of accounting. Since the accrual basis of accounting is used, the company recognizes items as assets, liabilities, equity, income and expenses (the elements of financial statements) when they satisfy the definitions and recognition criteria for those elements in the IFRS conceptual Framework.

2.06 Functional and Presentation Currency

Functional and presentation currency items included in these financial statements are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). These financial statements are presented in Bangladesh Taka ("BDT") which is also the functional currency of the company. The amounts in these financial statements have been rounded off to the nearest BDT except otherwise indicated.

2.07 Key Accounting Estimates and Judgments in Applying Accounting Policies

The preparation of financial statements in conformity with International Financial Reporting Standards including IAS's requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and for contingent assets and liabilities that require disclosure during and at the date of the financial statements.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected as required by IAS 8: "Accounting Policies, Changes in Accounting Estimates and Errors".

In particular, the key areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include accrued expenses, inventory valuation and other payables.

2.08 Materiality, Aggregation and Off Setting

Each material item as considered by management significant has been displayed separately in the financial statements. No amount has been set off unless the Company has legal right to set off the amounts and intends to settle on net basis. Income and expenses are presented on a net basis only when permitted by the relevant accounting standards.

The values of assets or liabilities as shown in the statement of financial position are not off-set by way of deduction from another liability or asset unless there exist a legal right therefore. No such incident existed during the year.

2.09 Going Concern Assumption

The financial statements are prepared on the basis of going concern assumption. As per management assessment there is no material uncertainties related to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern.

2.10 Comparative Information

Comparative information has been disclosed in respect of 2021-2022 in accordance with IAS-1 "Presentation of Financial Statements" for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current periods of financial statements. Prior year figure has been re-arranged wherever considered necessary to ensure comparability with the current period.

2.11 Events after the Reporting Period

Where necessary all the material events after the reporting period have been considered and appropriate adjustment/disclosure have been made in the financial statements.

2.12 Responsibility for Preparation and Presentation of Financial Statements

The Board of Directors is responsible for the preparation and presentation of the financial statements as per requirements of Companies Act, 1994.

2.13 Reporting Period

The reporting period of the Company covers one year from 1st day of July, 2021 to 30th June, 2022.

2.14 Approval of Financial Statements

The financial statements have been approved by the Board of Directors on the 26th October, 2022

3.00 Accounting Principles and Policies

The accounting principles and policies in respect of material items of financial statements set out below have been applied consistently to all periods presented in these financial statements:

Assets and Basis of their Valuation**3.01 Property, Plant and Equipments****3.01.1 Recognition and Measurements**

These are capitalized at cost of acquisition and subsequently stated at cost less accumulated depreciation in compliance with the benchmark treatment of IAS 16 "Property, Plant and Equipment". The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

In a situation where it can clearly be demonstrated that expenditure has resulted in an increase in future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an additional cost of the assets.

Cost also includes initial estimate of the costs of dismantling, removing the item and restoring this site (generally called asset retirement obligation) are recognized and measured in accordance with IAS 37: Provision, Contingent Liabilities and Contingent Assets.

On retirement or otherwise disposal of fixed assets, the cost and accumulated depreciation are eliminated and any gain or loss on such disposal is reflected in the statement of comprehensive income which is determined with reference to the net book value of assets and the net sales proceeds.

3.01.2 Maintenance Activities

Expenditure incurred after the assets have been put into operation, such as repairs & maintenance is normally charged off as revenue expenditure in the year in which it is incurred.

3.01.3 Subsequent Cost

The Cost of replacing part of an item of property, plant & equipment is recognized in the carrying amount of the item if it is possible that the future economic benefits embodied within the part will flow to the company and its cost measured reliably. The cost of the day to day servicing of property and equipment are recognized in the Statement of Profit or Loss and Other Comprehensive Income as repairs and maintenance where it is incurred.

3.01.4 Depreciation on Tangible Fixed Assets

As required in Paragraph 43 of IAS-16 Property and Equipments, depreciation in respect of all fixed assets is provided to amortize the cost of the assets after commissioning, over their expected useful economic lives in accordance with the provision of IAS 16 "Property, Plant and Equipment".

Depreciation on all fixed assets excepting land and land development is computed using diminishing balance method in amount sufficient to write-off depreciable assets over their estimated useful life.

Depreciation has been charged on additions and when it is used. Expenditure for maintenance and repairs are expenses; major replacements, renewals and betterment are capitalized.

The cost and accumulated depreciation of depreciable assets retired or otherwise disposed off are eliminated from the assets and accumulated depreciation and any gain or loss on such disposal is reflected in the comprehensive income statement for the year ended. The annual depreciation rates applicable to the principal categories are:

Category of Fixed Assets	Rate of Depreciation
Land & Land Development	--
Building	2.50%
Plant & Machinery	10%
Tools & Equipments	20%
Office Equipments	10%
Furniture & Fixtures	10%
Transport Vehicles	20%
Electric Line Installation	10%
Office Decoration	10%
Gas Line Installation	10%

3.01.5 Impairment

The carrying amounts of property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated to determine the extent of the impairment loss, if any, impairment loss is recorded on judgmental basis, for which provision may differ in the future years based on the actual experience.

3.01.6 Disposal of Property, Plant and Equipment

An item of Property, Plant and Equipment is removed from the statement of financial position when it is disposed off or when no future economic benefits are expected from its use or disposal. The gain or loss on the disposal of an item of Property, Plant and Equipment is included in the statement of income of the period in which the de-recognition occurs.

3.02 Inventories

Inventories consisting of raw materials, work-in-process and finished goods are valued at a lower of cost and net realizable value. Cost of inventories include expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Cost of inventories is determined by using the weighted average cost formula. Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying amount of inventories to the lower of cost and net realizable value. Net realizable value is best on estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Category of Inventories	Basis of Valuation
Raw Materials	Weighted Average Cost Method
Work-in-Progress	Weighted Average Cost Method
Finished Goods	Weighted Average Cost Method

3.03 Revenue Recognition

In compliance with the requirements of IFRS 15 "Revenue" is recognized to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured.

The Company recognizes as revenue the amount that reflects the consideration to which the Company expects to be entitled in exchange for goods or services when (or as) it transfers control to the customer. To achieve that core principle, this standard establishes a five-step model as follows:

- * Identify the contract with a customer;
- * Identify the performance obligations in the contract;
- * Determine the transaction price;
- * Allocate the transaction price to the performance obligations in the contract; and
- * Recognize revenue when (or as) the entity satisfies a performance obligation.

Considering the five steps model, the company recognizes revenue when (or as) the Company satisfies a performance obligation by transferring a promised goods to a customer. Goods is considered as transferred when (or as) the customer obtains control of that goods. Revenue from sale of goods is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts, rebates and Value Added Tax (VAT).

3.04 Financial Assets & Liabilities and Basis of their Valuation

3.04.1 Financial Instruments

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

3.04.2 Financial Assets

The Company initially recognizes receivables, advances, deposits and pre-payments on the date that they are originated. All other financial assets are recognized initially on the date at which the company becomes a party to the contractual provisions of the transaction.

The company derecognizes a financial asset when the contractual rights or probabilities of receiving the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Financial asset includes accounts receivables, advances, deposits & pre-payments, cash and cash equivalents.

(a) Accounts Receivables

Accounts receivable are created at original invoice amount less any provision for bad and doubtful debts. Provisions are made where there is evidence of a risk of non payment, taking into account ageing, previous experience and general economic

conditions. Where accounts receivables are determined to be uncollectible it is written off, firstly against any provision available and than to the statement of profit or loss and other comprehensive income. Subsequent recoveries of the amounts previously provided for are credited to the statement of profit or loss and other comprehensive income.

(b) Advance, Deposits and Pre-payments

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads. Deposits are measured at payment value. Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to profit & loss account.

(c) Cash and Cash Equivalents

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash in hand and bank balances represents cash and cash equivalents considering the **IAS 1 "Presentation of Financial Statements"** and **IAS 7 "Statement of Cash Flow"** which provide, that cash and cash equivalents are readily convertible to known amounts of cash and are subject to an in significant risks of changes in value and are not restricted as to use.

3.04.3 Financial Liability

The company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognized initially on the transaction date at the company

becomes a party to the contractual provision of the liability. The company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial liabilities include loans and borrowing, accounts payables, provisions and other payables.

(a) Loans and Borrowings

Principal amounts of the loans and borrowings are stated at their amortized amount. Borrowings repayable after twelve months from the date of statement of financial position are classified as non-current liabilities whereas the portion of borrowings repayable within twelve months from the date of statement of financial position, unpaid interest and other charges are classified as current liabilities.

(b) Accounts Payables

The company recognizes a financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.

(c) Provisions

A provision is recognized on the statement of financial position date if, as a result of past events, the Company has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.05 Going Concern Assumption

The financial statements are prepared on the basis of going concern assumption. As per management assessment there is no material uncertainties related to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern.

3.06 Cash and Cash Equivalents

For the purposes of the Statement of Financial Position and Cash Flows, cash in hand and bank balances represents cash and cash equivalents considering the *IAS 1 "Presentation of Financial Statements"* and *IAS 7 "Cash Flow Statement"* which provide, that cash and cash equivalents are readily convertible to known amounts of cash and are subject to an insignificant risks of changes in value and are not restricted as to use.

3.07 Statement of Cash Flows

The Statement of Cash Flow has been prepared in accordance with the requirements IAS 7: Statement of Cash Flows. The cash generated from operating activities has been reported using the Direct Method as prescribed by the Securities and Exchange Rules, 1987 and considering the provisions of Paragraph 19 of IAS 7 which provided that "Enterprises are Encouraged to Report Cash Flow from Operating Activities Using the Direct Method".

3.08 Taxation

Income Tax expense comprises current and deferred taxes. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity in accordance with IAS 12: Income Tax.

(a) Current Tax:

Current Tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

The applicable tax rate of the company of Navana Batteries Ltd. is 30% as the companies are qualified as a publicly traded company and private limited company respectively.

(b) Deferred Tax:

Deferred income tax is provided using the deferred method on temporary differences. Deferred tax assets and liabilities are recognized for all temporary differences, except:

Where the deferred tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction affects neither the accounting profit nor taxable profit or loss;

In respect of temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled by the company and it is probable that the temporary differences will not reverse in the foreseeable future; and

In respect of deductible temporary differences and carry-forward of unused tax credits and unused tax losses, if it is not probable that taxable profit will be available against which the deductible temporary differences and carry forward of unused tax credits and unused tax losses can be utilized.

(c) Value Added Tax:

Revenues, expenses and assets are recognized net of the amount of Value Added Tax except:

Where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

Receivable and payables that are stated with the amount of value added tax included.

The net amount of value added tax recoverable from, or payable to, taxation authority is included as part of receivables or payables in the statement of financial position.

3.09 Related Party Disclosure

As per International Accounting Standard, IAS-24: 'Related Party Disclosures', parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties. Related party disclosures have been given in Note 16.

3.10 Borrowing Costs

In compliance with the requirements of IAS 23 "Borrowing Costs" borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Borrowing costs are recognized as expenses in the period in which they incurred and capitalized the same that incurred before commencement of commercial operation.

3.11 Accruals, Provisions and Contingencies**(a) Accruals**

Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amounts due to employees. Accruals are reported as part of trade and other payables.

(b) Provisions

A provision is recognized in the statement of financial position when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the reporting date. Where the company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually

certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. During the reporting year the company has made sufficient provisions where applicable.

(c) Contingencies

A 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 company; or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

A 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 company. At the reporting date the company does not have any contingent asset.

Contingent liabilities and assets are not recognized in the statement of financial position of the company.

3.12 Earnings per Share (EPS)

Earnings Per Share (EPS) are calculated in accordance with the International Accounting Standard IAS-33 "Earnings Per Share".

Basic Earnings Per Share

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary equity holders of the entity by the weighted average number of ordinary shares outstanding during the year. The Basic EPS of previous year has been restated to adjust the effect of bonus issue of shares during the year.

Diluted Earnings Per Share

For the purpose of calculating diluted earnings per shares, an entity adjusts profit or loss attributable to each ordinary equity holders of the entity, and weighted average number of shares outstanding, for the effects of all dilutive potential ordinary shares. Diluted EPS is only calculated where the company has commitment to issue ordinary shares in future at reporting date. No such commitment is hold by company at reporting date.

4.00 General

These notes form an integral part of the financial statements and accordingly are to be read in conjunction therewith. Figures shown in the accounts have been rounded off to the nearest taka.

		Amount in Taka	
		30.06.2022	30.06.2021
5.00 Non-Current Assets		874,927,205	897,527,215
This is made up as follows:			
5.01 Property, Plant & Equipments		753,585,039	768,209,317
5.02 Right Use of Assets		40,601,626	45,112,918
5.03 Capital Work-In-Progress		80,740,540	84,204,981
		874,927,205	897,527,215
5.01 Property, Plant and Equipment		753,585,039	768,209,317
This is made up as follows:			
Land & Land Development		413,278,775	403,274,203
Building		121,734,911	124,624,122
Plant & Machinery		130,704,373	140,506,131
Tools & Equipments		17,667,848	21,403,162
Office Equipment		17,612,445	19,370,181
Furniture & Fixture		10,436,583	11,490,194
Transport Vehicles		9,179,008	11,473,760
Electric line Installation		7,510,672	8,345,191
Office Decoration		14,416,494	15,610,367
Gas line Installation		11,043,931	12,112,006
		753,585,039	768,209,317
5.02 Right use of assets		40,601,626	45,112,918
Plant & Machinery		40,601,626	45,112,918
This is made up as follows:			
At Cost			
Opening Balance		60,702,954	60,702,954
Addition during the year			0
Disposal / Adjustement during the year			0
		60,702,954	60,702,954
Less: Accumulated Depreciation			
Opening Balance		15,590,036	10,577,490
Add: Charged during the year		4,511,292	5,012,546
Disposal / Adjustement during the year			0
		20,101,328	15,590,036
Written Down Value (WDV)		40,601,626	45,112,918
The details of which have been shown in Annexure No. A			
5.03 Capital work in progress		80,740,540	84,204,981
This is made up as follows:			
Opening balance		84,204,981	84,204,981
Add : Addition made during the period/ year		6,540,131	0
		90,745,112	84,204,981
Less: Transferred to Property ,plant & equipment		10,004,572	0
		80,740,540	84,204,981

Capital work-in-progress represents Land and Land Development, civil constructions etc.

		Amount in Taka	
		30.06.2022	30.06.2021
Current Assets		3,612,976,566	3,687,019,779
This is made up as follows:			
6.01 Receivables -Current Maturity		650,150,256	702,038,342
6.02 Stock and Stores		961,999,714	1,029,187,397
6.03 Advances, Deposits & Pre-payments		1,999,051,032	1,947,471,808
6.04 Cash and Cash Equivalents		1,775,564	8,322,232
		3,612,976,566	3,687,019,779
6.01 Receivables -Current Maturity		650,150,256	702,038,342
This is made up as follows:			
Receivable Current (Maturity less than 12 Months)		650,150,256	702,038,342
		650,150,256	702,038,342
6.02 Stock and Stores		961,999,714	1,029,187,397
This is made up as follows:			
Finished Goods		167,925,050	152,223,640
Raw Materials		339,664,213	313,850,507
Work-in-Process		361,160,758	395,854,937
Goods in Transit		93,249,694	167,258,313
		961,999,714	1,029,187,397
6.03 Advances, Deposits & Pre-payments		1,999,051,032	1,947,471,808
This is made up as follows:			
Advance to Suppliers		119,982,676	149,965,342
Advance to Employees		34,884,231	34,884,231
Advance to Others		79,913,412	79,913,412
Deposits		43,457,232	43,457,232
Current Account with VAT		75,785,713	101,047,068
Advance for Capital Asset		1,283,959,061	1,178,611,218
Income Tax Deducted at Source (Note- 6.03.a)		361,068,707	359,593,305
		1,999,051,032	1,947,471,808
6.03.a Income Tax Deducted at Source		361,068,707	359,593,305
This is made up as follows:			
Opening balance		359,593,305	349,633,105
Add: during the year		1,475,402	9,960,200
		361,068,707	359,593,305
Less: Adjustment		0	0
		361,068,707	359,593,305
The above amount was deducted at the import point as well as from the Bills in different times at advance paid to suppliers against work order and considered good. Advance to employees against expenses, salary releasable on production of documents and monthly salary respectively are considered good. Deposits consist of utility deposits, security money.			
6.04 Cash & Cash Equivalents		1,775,564	8,322,232
This is made up as follows:			
Cash in Hand Factory		228,794	797,531
Cash Balance of Sales Center		423,491	2,961,278
Cash at Bank		1,123,279	4,563,423
		1,775,564	8,322,232

		Amount in Taka	
		30.06.2022	30.06.2021
7.00	Authorized Capital	500,000,000	500,000,000
	50,000,000 Ordinary Shares of Tk. 10/- each.		
8.00	Equity Attributable to Equity Holders	746,476,693	751,629,645
	This is made up as follows:		
	8.01 Share Capital	183,702,690	183,702,690
	8.02 Retained Earnings	562,774,003	567,926,955
		746,476,693	751,629,645
8.01	Share Capital	183,702,690	183,702,690
	This is made up as follows:		
	Ordinary Shares 18,370,269 Shares of Taka 10/- each.		
	Aftab Automobiles Ltd.	183,602,690	183,602,690
	Non-Controlling Interest (Sponsors)	100,000	100,000
		183,702,690	183,702,690
8.02	Retained Earnings	562,774,003	567,926,955
	This is made up as follows:		
	Opening Balance	567,926,955	573,313,997
	Add: during the year	(5,529,511)	(5,387,042)
		562,774,004	567,926,955
	Less: Adjustment	0	0
		562,774,003	567,926,955
9.00	Non-Current Liabilities	1,932,440,222	1,816,938,113
	This is made up as follows:		
	9.01 Deferred Tax Liability	45,998,555	55,405,350
	9.02 Long Term Loan-Non-Current Maturity	1,845,810,765	1,713,445,466
	9.03 Lease Liability	40,630,902	48,087,297
		1,932,440,222	1,816,938,113
9.01	Deferred Tax Liability	(9,406,796)	1,019,605
	This is made up as follows:		
	Accounting WDV	794,186,665	813,322,235
	Less: Tax WDV	596,512,378	619,537,107
	Less: Unabsorbed Depreciation	85,384,259	46,249,959
	Less: Unused Tax Loss	(41,038,489)	(37,149,331)
	Temporary Timing Defference	153,328,516	184,684,500
	Deferred Tax 30% of difference	45,998,555	55,405,350
	Less: Unabsorbed Depreciation	0	0
	Deferred Tax Liabilities 30% on difference after Unabsorbed	45,998,555	55,405,350
	Opening Deferred Tax	55,405,350	54,385,745
	Deferred Tax Expense	(9,406,796)	1,019,605
		1,845,810,765	1,713,445,466
9.02	Long Term Loan-Non-Current Maturity	1,845,810,765	1,713,445,466
	This is made up as follows:		
	Trust Bank Ltd.	428,400,000	413,534,908
	Dutch-Bangla Bank Ltd.	926,200,553	865,451,010
	Social Islami Bank Ltd.	72,743,041	68,076,000
	Agrani Bank Ltd.	972,937,427	900,516,958
	NCC Bank Ltd.	60,800,000	37,015,078
		2,461,081,020	2,284,593,954
	Less: Long Term Loan-Current Portion	615,270,255	571,148,489
	Long Term Loan-Net of current portion	1,845,810,765	1,713,445,466

		Amount in Taka	
		30.06.2022	30.06.2021
9.03 Lease Liability		40,630,902	48,087,297
Hajj Finance Company Ltd.		40,630,902	48,087,297
At Cost:			
Opening Balance	48,087,297	44,065,694	
Add: Addition during the year		0	
	48,087,297	44,065,694	
Add: Fianance Charge	632,497	5,413,166	
Less: Payment during the year	8,088,892	1,391,563	
Less: Transferred to Current Maturity	0	0	
Closing Balance	40,630,902	48,087,297	
Brief Terms & Conditions of above Liability:			
(i) The company has lease against its Finance			
10.00 Current Liabilities		4,101,178,926	3,856,620,949
This is made up as follows:			
10.01 Long Term Loan-Current Maturity	615,270,255	571,148,489	
10.02 Short Term Loan	2,311,924,627	2,073,781,743	
10.03 Inter Company Liabilities-Aftab Automobiles Ltd.	947,982,468	981,361,368	
10.04 Accrued and Other Current Liabilities	226,001,575	230,329,349	
	4,101,178,926	3,856,620,949	
10.01 Long Term Loan-Current Maturity		615,270,255	571,148,489
This is made up as follows:			
Trust Bank Ltd.	428,400,000	413,534,908	
Dutch-Bangla Bank Ltd.	926,200,553	865,451,010	
Social Islami Bank Ltd.	72,743,041	68,076,000	
Agrani Bank Ltd.	972,937,427	900,516,958	
NCC Bank Ltd.	60,800,000	37,015,078	
	2,461,081,020	2,284,593,954	
Less: Long Term Loan-Current Portion	615,270,255	571,148,489	
Long Term Loan-Net of current portion	1,845,810,765	1,713,445,466	
10.02 Short Term Loan		2,311,924,627	2,073,781,743
This is made up as follows:			
NCC Bank Ltd.	51,153,790	51,151,896	
Mercantile Bank Ltd.	295,900,000	271,758,865	
Southeast Bank Ltd.	860,756,481	799,076,218	
Janata Bank Limited	524,867,527	505,690,186	
Modhumoti Bank Ltd.	186,500,538	206,000,000	
Al-Arafah Islami Bank Ltd.	68,155,622	71,649,981	
Shahjalal Islami bank Ltd.	217,561,268	168,454,597	
Islamic Finance & Investment Ltd.	29,733,243		
Phoenix Finance & Investments Ltd.	77,296,158		
	2,311,924,627	2,073,781,743	
10.03 Inter Company Liabilities-Aftab Automobiles Ltd.		947,982,468	981,361,368
The above amount is payable against Inter Company transactions.			

		Amount in Taka	
		30.06.2022	30.06.2021
10.04	Accrued and Other Current Liabilities	226,001,595	230,329,349
	This is made up as follows:		
	For Goods Supplied	2,275,302	4,345,472
	For Expenses	15,041,439	18,165,753
	For Income Tax	200,543,179	198,498,661
	For Bad Debts	4,101,643	4,154,941
	For Other Finance	4,040,012	5,164,522
		226,001,575	230,329,349
11.00	Revenue	288,864,921	506,106,187
	This is made up as follows:		
		288,864,921	506,106,187
		288,864,921	506,106,187
12.00	Cost of Goods Sold	207,375,037	361,592,226
	This is made up as follows:		
	Raw Materials Consumed	114,899,350	345,972,226
	Direct Materials	3,090,837	7,812,543
	Total Consumption	117,990,187	353,784,769
	Add: Opening WIP	395,854,937	272,727,565
		513,845,124	626,512,334
	Less: Closing WIP	361,160,758	395,854,937
		152,684,366	230,657,397
	Factory Overhead	70,392,080	78,464,519
	Cost of Production	223,076,446	309,121,916
	Finished Products (Opening)	152,223,640	204,693,950
		375,300,086	513,815,866
	Finished Products (Closing)	167,925,050	152,223,640
		207,375,037	361,592,226
12.01	Raw Materials Consumed	114,899,350	345,972,226
	This is made up as follows:		
	Opening stock	313,850,507	354,191,188
	Purchases	140,713,055	305,631,545
		454,563,562	659,822,733
	Closing stock	339,664,213	313,850,507
		114,899,350	345,972,226
12.02	Factory Overhead	70,392,080	78,464,519
	This is made up as follows:		
	Salary and Allowances	14,210,359	16,914,932
	Liveries & Uniform	0	0
	Telephone & Mobile	111,308	141,620
	Fuel & Lubricants for Generator	189,564	226,088
	Travelling & Conveyance	131,521	70,978
	Entertainment	32,127	17,598
	Office Expenses	29,261	41,598
	Repairs & Maintenance	32,405	58,550
	Electricity Expenses	20,171,679	20,824,478
	Night Allowance	219,773	399,750
	Canteen Subsidy	556,740	807,771
	Eid Gratia	0	0
	Insurance Expenses	884,634	1,484,342
	Gas Bill	614,911	751,267
	Welfare Expenses	1,491	2,525
	Carrying & Handling	74,734	95,310
	Car Maintenance	59,257	88,425

		Amount in Taka	
		30.06.2022	30.06.2021
	Security Expenses	1,083,214	1,383,205
	Chemicals	71,911	98,884
	Store & Spares	0	0
	Foreign Technician Remuneration	0	0
	Annual Picnic	0	0
	Screen Printing	12,655	11,689
	Labour Charges	54,005	50,833
	Laboratory Expenses	83,201	132,485
	Generator Maintenance	17,659	14,425
	Fire Extinguisher	29,046	32,055
	Depreciation	31,720,628	34,815,711
		70,392,080	78,464,519
13.00	Administrative Expenses	8,241,955	8,928,076
	This is made up as follows:		
	Salary and Allowances	6,379,253	6,829,270
	Entertainment	97,102	24,138
	TA and Conveyance	95,145	52,045
	Car Maintenance	7,531	17,700
	Stationery	4,106	4,330
	Fees and Registration	24,752	25,000
	Telephone	160,000	240,000
	Office Rent	576,000	576,000
	Bank Guarantee & Charge Documents	11,911	18,635
	Audit Fees	65,000	63,889
	Postage & Telegram	5,933	6,450
	Directors Fees	92,000	0
	Office Maintenance	12,653	21,240
	Maintenance	5,667	7,044
	ISO Audit	0	268,653
	Depreciation	704,903	773,682
		8,241,955	8,928,076
14.00	Selling and Distribution Expenses	11,729,546	19,768,808
	This is made up as follows:		
	Salary & Allowance	6,161,251	12,262,463
	Fuel & Lubricant	111,140	171,152
	Promotional Expenses	71,118	130,829
	Delivery Expenses	402,160	696,227
	Rent (Showrooms)	915,447	1,515,447
	Conveyance	40,072	45,160
	Entertainment	62,784	94,704
	Stationery	45,853	49,167
	Telephone	51,187	60,254
	Fees & Registration	54,028	85,576
	Maintenance	31,707	60,000
	Car Maintenance	100,620	120,400
	Electrical Expenses	273,617	638,695
	Postage & Telegram	43,454	57,328
	Papers & Periodicals	8,456	9,330
	Bank Charges	25,245	36,762
	Security Guard Salary	389,000	459,000
	Office Maintenance	43,962	53,280
	Acid Purchases	57,090	60,251
	Utility Bill (WASA)	2,782	2,984
	Gift & Donation	3,771	6,092
	Chemical Expenses	15,191	14,092
	Others	0	44,885
	Depreciation	2,819,611	3,094,730
		11,729,546	19,768,808
15.00	Income Tax Expenses	2,044,518	2,832,644

Amount in Taka	
30.06.2022	30.06.2021

This is made up as follows:

Profit before Tax	(12,515,229)	(1,534,792)
Add: Accounting Depreciation	35,245,142	38,684,124
Less: Tax Depreciation	(39,134,300)	(46,249,960)
Adjusted Profit for tax calculation	(16,404,387)	(9,100,628)
Tax @ 30 % (transferred to Compreh. Income statement)	(4,921,316)	(2,730,188)
Normal Tax liability @ 30% on profit before tax		0
Minimum Tax liabilities @ 0.6% on gross received	2,044,518	2,832,644
Current Tax Liabilities (whichever is higher)	2,044,518	2,832,644
Net profit after tax	(5,152,951)	(5,387,041)

16.00 Net Asset Value Per Share (NAVPS)

41

41

This made up as follows:

Net Assets	746,476,693	751,629,645
Number of Ordinary Shares	18,370,269	18,370,269
Net Assets Value Per Share (NAVPS)	41	41

17.00 Earning Per Share (EPS)

(0)

(0)

This made up as follows:

Profit/(Loss) Attributable to Ordinary Equityholders	(5,152,951)	(5,387,042)
Number of Ordinary Shares	18,370,269	18,370,269
Earning Per Share (EPS)	-28%	-29%

18.00 Net Operating Cash Flows Per Shares (NOCFPS)

8.33

1.73

This made up as follows:

Net Cash Generated /(Used) by Operating Activities	152,971,565	31,755,928
Number of Ordinary Shares	18,370,269	18,370,269
Net Operating Cash Flows Per Shares (NOCFPS)	8.33	1.73

19.00 Cash Flows from Operating Activities

Net profit/(loss) before interest & income tax during the year	61,518,384	115,817,078
Adjustment to reconcile net income to net		
Depreciation	35,245,142	38,684,124
Income tax expenses	(1,475,402)	(9,960,201)
Changes in current assets and liabilities		
Advance,deposits & prepayments	(55,244,021)	(33,424,038)
Trade Receivables	51,888,086	(33,998,888)
Inventories	67,187,683	(39,944,101)
Accrued and other liabilities	(6,372,292)	(5,418,046)
Net cash flow from operating activities	152,747,580	31,755,928

No Long Term Loan has been given by the sponsors during the year under audit.

21.00 Contingent Assets

There was no Contingenet Assets as on 31th March, 2022.

22.00 Contingent Liabilities

There was no Contingenet Liabilities as on 31th March, 2022.

23.00 Claim against the Company

There was no claim as on 31th March, 2022.

24.00 Securities of the Company owned by the top an ten salaried officers and all other officers as a group:

No securities owned by the top an ten salaried officers and all other officers as a group.

25.00 Amount due by Directors

There is no advance in the name of the directors or associates undertaking of the company.

26.00 Capital Expenditure Commitment

There was no commitment for capital expenditure and also.

27.00 Related Party Transactions

In accordance with paragraph 19 of IAS 24 Related Party Disclosures, the following matters has been disclosed in the following sequential order:

(i) Transactions with Key Management Personnel and their Compensation**(a) Loans to Director**

During the year, no loan was given to the directors of Company

(b) Key Management Personnel and their Compensation

There is no compensation for Chairman, Director and Managing Director except Board Meeting fee but there are following categories of compensation in accordance with the paragraph 17 of IAS 24: Related Party Disclosures:

Particulars	Amount (Tk.) 30.06.2022	Amount (Tk.) 30.06.2021
Salary		2,457,630
Gratuity		-
Board Meeting Attendance Fee		-
Short Term Employee Benefits		-
Post Employment Benefits:		
Employee Provident Fund		-
Workers Profit Participation Fund	-	-
Other Long Term Benefits	-	-
Termination Benefits	-	-
	-	2,457,630

Company's key management personnel includes the Company's directors. Compensation includes salary, non-cash benefits and contributions to a post employment defined benefits plan.

(ii) Other Related Party Transactions

There are no Related Party Transactions during the year under audit.

Inter Company Receivables/Payables

The break up of the above is as follows:

Name of Party	Relationship	Nature of Transaction	Transaction for the year		Outstanding/Receivables	
			2022	2021	2022	2021
Navana Limited	Alliance Companies	Interest free loan	393,541,412			1,840,641,712
Aftab Automobiles Ltd.(Motor Cycle Unit)	Alliance Companies	Interest free loan	1,562,040			2,194,883
Aftab Automobiles Ltd.	Alliance Companies	Interest free loan	350,000,000			(981,361,368)

28.00 Subsequent Events-Disclosures under IAS-10 "Events After the Reporting Period".

There was no adjusting post statement of Financial Position events of such importance, non-disclosure of which would affect the ability of the users of financial statements to make proper evaluation and decisions.

NAVANA BATTERIES LIMITED
SCHEDULE OF PROPERTY, PLANT AND EQUIPMENTS AS AT 30TH JUNE, 2022

Annexure- A

Particulars	Cost			Rate of Dep.	Depreciation			Carrying amount	
	As at 01.07.21	Add./ (Adj.) Dur. the year	Adj. D. the Year		As at 30.06.22	Charged the period	Adj. D. the Year	As at 31.03.22	As at 30.06.21
Land & Land Development	403,274,203	10,004,572	-	-	413,278,775	-	-	413,278,775	403,274,203
Building	155,763,330	229,016	-	2.50%	155,992,346	3,118,227	-	121,734,911	124,624,122
Plant & Machinery	351,513,592	4,452,949	-	10%	355,966,541	14,254,707	-	130,704,373	140,506,131
Tools & Equipments	88,473,437	600,350	-	20%	89,073,787	4,335,665	-	17,667,848	21,403,163
Office Equipment	42,668,549	187,894	-	10%	42,856,443	1,945,630	-	25,243,998	19,370,181
Furniture & Fixture	22,906,382	99,991	-	10%	23,006,373	1,153,602	-	10,436,583	11,490,194
Transport Vehicles	51,343,144	-	-	20%	51,343,144	2,294,752	-	42,164,136	11,473,760
Electric Line Installation	15,203,281	-	-	10%	15,203,281	834,519	-	7,692,609	8,345,191
Office Decoration	26,165,438	384,800	-	10%	26,550,238	1,578,673	-	14,416,494	15,610,367
Gas Line Installation	21,670,370	150,000	-	10%	21,820,370	1,218,076	-	11,043,931	12,112,006
Total	1,178,981,726	16,109,572	-		1,195,091,298	30,733,851	-	753,585,039	768,209,317

Depreciation Charged to:

Amount (Tk. 30,733,851+ 3,383,469)

Cost of Goods Sold (Factory O/H)	35,245,142
Administrative	31,720,628
Selling & Distribution	704,903
	2,819,611
	35,245,142

Schedule of Right use of assets as on 30th June, 2022

Particulars	Cost			Rate of Dep.	Depreciation			Carrying amount	
	As at 01.07.21	Add./ (Adj.) Dur. the year	Adj. D. the Year		As at 30.06.22	Charged the period	Adj. D. the Year	As at 31.03.22	As at 30.06.21
Plant & Machinery	60,702,954	-	-	10%	60,702,954	4,511,292	-	40,601,626	45,112,918
Total	60,702,954	-	-		60,702,954	4,511,292	-	40,601,626	45,112,918

NAVANA BATTERIES LIMITED
SCHEDULE OF PROPERTY, PLANT AND EQUIPMENTS AS AT 30TH JUNE, 2022

TAX BASE

Annexure- B

Particulars	Cost			Rate of Dep.	Depreciation			Carrying amount	
	As at 01.07.21	Add./ (Adj.) Dur. the year	Adj. D. the Year		As at 30.06.22	Charged the period	Adj. D. the Year	As at 31.03.22	As at 30.06.21
Land & Land Development	403,274,203	10,004,572		-	413,278,775	0	-	413,278,775	403,274,203
Building	155,763,330	229,016		20%	155,992,346	6,914,474	-	27,781,947	34,467,405
Plant & Machinery	412,216,546	4,452,949		20%	416,669,495	18,609,719	-	339,818,606	91,007,658
Tools & Equipments	88,473,437	600,350		20%	89,073,787	4,335,665	-	71,405,939	21,403,163
Office Equipment	42,668,549	187,894		10%	42,856,443	1,945,630	-	25,243,998	19,370,181
Furniture & Fixture	22,906,382	99,991		10%	23,006,373	1,153,602	-	12,569,791	11,490,193
Transport Vehicles	51,343,144	0		20%	51,343,144	2,294,752	-	42,164,136	11,473,760
Electric Line Installation	15,203,281	0		20%	15,203,281	901,532	-	11,597,152	4,507,661
Office Decoration	26,165,438	384,800		10%	26,550,238	1,578,673	-	12,133,745	15,610,367
Gas Line Installation	21,670,370	150,000		20%	21,820,370	1,400,253	-	16,138,107	6,932,516
Total	1,239,684,680	16,109,572			1,255,794,252	39,134,300	0	596,512,378	619,537,106



aftab automobiles limited

125/A, Motijheel C/A, Dhaka-1000

Proxy Form

I/We.....of
.....being
a member of Aftab Automobiles Limited do hereby appoint Mr./Mrs.
of
as my/our proxy to attend and vote for me/us and on my/our behalf at the 42nd Annual General Meeting of the
Company to be held on Wednesday, 28 December, 2022 at 10:00 a.m. under Digital Platform and at any
adjournment thereof.

Revenue Stamp
Taka 20.00

Name of ShareholderName of Proxy

No. of Shares held.....Signature of Proxy

Folio No.Date:

B.O. A/C. No.

--	--	--	--

--	--	--	--	--	--

--	--	--	--	--	--	--	--	--	--

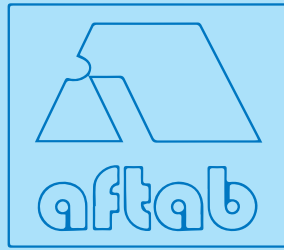
Signature of ShareholderCell:

Signature Verified

Authorized signatory

Note :

A member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote in his/her behalf. The Proxy Form, duly stamped must be deposited at the Registered Office of the Company atleast 48 hours before the meeting.



aftab automobiles limited

Registered Office : Islam Chamber
125/A, Motijheel C/A. Dhaka, Bangladesh.