

ANNUAL REPORT 2021

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aftab automobiles limited

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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-2021

Dear Sir(s),

Please find herewith Annual Report-2021 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 2021 alongwith notes there on for your kind information.

Sincerely yours,



(Mohammad Jaman Khan FCS)
Company Secretary



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CORPORATE INFORMATION

BOARD OF DIRECTORS

CHAIRMAN

Shafiu Islam

MANAGING DIRECTOR

Saiful Islam

DIRECTORS

Khaleda Islam
Sajedul Islam
Farhana Islam

INDEPENDENT DIRECTORS

Md. Kausar Alam FCMA
Dr. Melita Mehjabeen

COMPANY SECRETARY

Mohammad Jaman Khan FCS

CHIEF FINANCIAL OFFICER

Sharmin Hossain

HEAD OF INTERNAL AUDIT AND COMPLIANCE

Abdur Razzak

PLANT

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. Kausar Alam FCMA- Chairperson
Sajedul Islam-Member
Dr. Melita Mehjabeen-Member

NOMINATION AND REMUNERATION COMMITTEE

Dr. Melita Mehjabeen - Chairperson
Sajedul Islam-Member
Md. Kausar Alam FCMA -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

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 and 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 Bangladesh Ltd. (CDBL)	2005
Renewal of Membership Certificate from Bangladesh Association of Publicly Listed Companies (BAPLC)	2021
Face value per share	TK. 10/-
Authorized Capital	TK. 3,000,000,000/-
Paid-up Capital	TK. 957,324,220/-
Number of Shares	95,732,422

NOTICE OF THE 41st ANNUAL GENERAL MEETING

Notice is hereby given that the 41st Annual General Meeting (AGM) of the Shareholders of Aftab Automobiles Limited will be held on Thursday, 30 December 2021 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 2021 together with Auditors' Reports and Directors' Reports thereon.
02. To declare Dividend for the year ended 30 June 2021.
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 2022 and fix their remuneration.
06. To appoint Corporate Governance Compliance Auditors of the Company for the year 30 June 2022 and fix their remuneration.
07. Any other business with the permission of the Chair.

By Order of the Board



(Mohammad Jaman Khan FCS)
Company Secretary

Dated: Dhaka
06 December 2021

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., 17 November 2021 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-2021 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-2021 will also be available in the Company's website at: www.aftabautomobiles.com.

MESSAGE FROM THE CHAIRMAN



Dear Shareholders,
Assalamu Alaikum,

I take the opportunity to welcome you warmly to the 41st Annual General Meeting of Aftab Automobiles Limited under digital platform and place before you a summarized statement of activities of the Company for the financial year ended on 30 June 2021. It is also the second successive year we are holding Annual General Meeting virtually because of the COVID 19 pandemic.

Hope you are acquainted that the transport sector in our country is very competitive and obstructs the business due to the global effect of Covid-19 epidemics. We believe the present impact on the business is temporary. We predicted to overcome the current environment within the next year.

The Assembling Unit of the Company has assembled 64 Units of non-air conditioned Hino Diesel Bus chassis.

The Bus Body Fabrication Unit of the Company has fabricated 92 Units of Hino Buses.

Navana Batteries Limited, subsidiary of Aftab Automobiles Limited, has produced various types of Batteries.

Finally, the success we have achieved so far in our journey would not have been possible without the support of all our business partners, suppliers, shareholders, regulatory authorities and other concern. I expect support from them will continue in the years to come.


(Shafiul Islam)
Chairman

চেয়ারম্যান এর বিবৃতি



প্রিয় শেয়ারহোল্ডারবন্দ,
আসসালামু আলাইকুম।

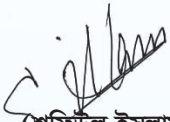
আমি আফতাব অটোমোবাইলস্ লিমিটেড এর ৪১তম বার্ষিক সাধারণ সভায় আপনাদেরকে আন্তরিকভাবে স্বাগত জানাই। Covid-১৯ মহামারীর কারণে গত বছরের মত এ বছরেও digital platform এ বার্ষিক সাধারণ সভার আয়োজন করা হয়েছে। ৩০ শে জুন ২০২১ তারিখে সমাপ্ত বছরে কোম্পানির কার্যক্রম এর একটি সংক্ষিপ্ত বিবরণী আপনাদের সামনে পেশ করছি।

আপনারা অবগত আছেন যে, আমাদের দেশে Transport Sector টি খুবই প্রতিযোগিতাপূর্ণ। Covid-১৯ মহামারীর কারণে সারা বিশ্বের ন্যায় আমাদের দেশেও ব্যবসা বাধাগ্রস্ত হয়েছে। আমরা বিশ্বাস করি বর্তমান ব্যবসার প্রভাব সাময়িক সময়ের জন্য। বর্তমান ব্যবসায়িক মন্দা অবস্থা আগামী দিনে সহজেই কাটিয়ে উঠতে পারবো বলে আমরা আশাবাদ ব্যক্ত করছি।

আপনারা আরো অবগত আছেন যে, কোম্পানির যানবাহন সংযোজন ইউনিটে ৬৪ টি non-airconditioned হিনো ডিজেল বাস চেসিস সংযোজিত হয়েছে এবং বাস-বডি নির্মাণ ইউনিটে ৯২ টি হিনো-বাস বডি তৈরী করা হয়েছে।

আফতাব অটোমোবাইলস্ লিমিটেড এর সাবসিডিয়ারী কোম্পানি Navana Batteries Limited বিভিন্ন ধরনের ব্যাটারী উৎপাদন করেছে।

পরিশেষে, আমি ধন্যবাদ জ্ঞাপন করছি যাদের সহযোগিতা ছাড়া আমাদের এ অর্জন সম্ভব হতো না যথা- আমাদের ব্যবসায়িক সহযোগী, সরবরাহকারী, শেয়ারহোল্ডার, নিয়ন্ত্রক কর্তৃপক্ষ এবং অন্যান্য সংস্থাসমূহ। আমি আশা করি আগামীতেও আপনাদের এই সহযোগিতা ও সমর্থন অব্যাহত থাকবে।


(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 41st 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 2021 together with the Auditors' Report and Directors' Report thereon, for your valuable guidance, opinion and consideration.

You are aware that during the year business in transport sector in our Country was hindered and badly effected due to COVID-19 pandemic prevailing in the country and worldwide.

Principal Activities

It may be mentioned that due to global impact in business for COVID-19 pandemic, the business of the company was not as assumed in the last year. 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 71 chassis of Hino Diesel Bus were sold. The Unit has contributed an amount of Tk. 34.67 crore to the Company's turn-over.

Bus Body Fabrication Unit

Bus Body Fabrication Unit sold total of 92 units Hino non-air-conditioned bus body. An amount of Tk.13.78 crore has been contributed to the sales of the Company.

Motorcycle Unit

This Unit has assembled 2084 units of motorcycles and added an amount of Tk.26.34 crore to the Company's sales.

Navana Batteries Limited

Various types of batteries produced during the year. An amount of Tk. 50.61 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 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 35 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 2021	30 June 2020
Revenues (Turnover)	1,254,020,565	1,947,024,768
Cost of goods sold	947,011,382	1,431,542,977
Gross profit	307,009,183	515,481,791
Net profit for the year after tax	(185,517,205)	8,409,449

Margin Analysis

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

Particulars	30 June 2021	30 June 2020
Gross Profit	24.48%	26.47%
Net Profit	(14.79)%	0.43%

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 2021 which is shown on page no. 19 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 therefrom 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.

Significant Variance deviations from the Last year's Operating Result

Significant decrease in profit compared to the previous year due to a decrease in sales revenue. Reasons for dropping the sales are due to COVID-19 epidemic prevailing in the country and worldwide.

Five Years key Operating and Financial Data

The Key operating and financial data for the last five years have been disclosed at page no. 15

Declaration by the Managing Director and the CFO

Declaration by the Managing Director and CFO has been given on Annexure- A (page no. 19)

Consolidated Financial Result and Appropriation of Profit:

The consolidated financial results for the year ended 30 June 2021 is given hereunder comparing with the previous year ended on 30 June 2020.

Amount in taka

Particulars	30 June 2021	30 June 2020
Retained Earnings Brought Forward	2,846,109,920	2,906,222,668
Add: Net Profit for the year after tax	(185,514,274)	8,411,576
Recommended for appropriations:		
2021 2020		
Cash Dividend @ 5% 10%	(33,505,875)	(68,524,324)
Stock Dividend @ 5% --	(47,866,211)	--
Un appropriated profit carried forward	2,579,223,560	2,846,109,920

Aftab Automobiles Limited (AAL)

The operating results of AAL for the year ended 30 June 2021 is given hereunder compared to the previous year ended on 30 June 2020.

Amount in taka

Particulars	30 June 2021	30 June 2020
Turnover	747,914,378	1,411,377,402
Gross Profit	162,495,222	375,158,709
Net Profit for the year after tax	(185,514,274)	8,411,575
Earnings Per Share (EPS)	(1.94)	0.09
Net Assets Value Per Share (NAVPS)	57.89	60.20
Net Operating Cash Flow Per Share (NOCFPS)	6.31	(6.56)

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 2021 comparing with previous year ended on 30 June 2020 are given below:

Amount in taka

Particulars	30 June 2021	30 June 2020
Turnover	506,106,187	535,647,366
Gross Profit	144,513,961	140,323,081
Net Profit After Tax	(5,387,042)	(3,907,971)
Earnings Per Share (EPS)	(0.29)	(0.21)
Net Assets Value Per Share (NAVPS)	40.92	41.21

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 2020 stood at Tk. 2.54 and Tk. 65.32 per share respectively.

Board of Directors Meetings

Total 18 (eighteen) meetings held by the Board of Directors during the year 30 June 2021.

Name of Directors	Position	Board Meeting attended
Mr. Shafiul Islam	Chairman	12
Mrs. Khaleda Islam	Director	12
Mr. Saiful Islam	Managing Director	12
Mr. Sajedul Islam	Director	18
Ms. Farhana Islam	Director	10
Mr. Syed Masud Hasan	Independent Director	2
Mr. Md. Kausar Alam FCMA	Independent Director	-
Dr. Melita Mehjabeen	Independent Director	-

- Mr. Syed Masud Hasan, Independent Director has resigned on 03.01.2021
- Mr. Md. Kausar Alam FCMA and Dr. Melita Mehjabeen appointed as Independent Director on 04.01.2021. But they did not attend in the Board Meeting during the above period.

Independent Directors

Mr. Md. Kausar Alam FCMA appointed as Independent Director of Aftab Automobiles Limited vide Board resolution dated 04.01.2021 for three years up to 03.01.2024, subject to approval by the shareholders in the ensuing Annual General Meeting.

Mr. Md. Kausar Alam, M.Com. (AIS, DU), MBA (IBA), FCS, FCCA (UK), ACA (England & Wales), FCMA, is the Chief Financial Officer and Company Secretary of Seven Circle Cement (Bangladesh) Limited. He is a Fellow member of The Institute of Cost and Management Accountant of Bangladesh, an Associate member of the Institute of Chartered Accountants in England and Wales, a Fellow member of the Institute of Chartered Secretaries of Bangladesh and a Fellow member of the Association of Chartered Certified Accountant of United Kingdom. He has done his Masters in Accounting from the University of Dhaka and MBA from the Institute of Business Administration, University of Dhaka. He has about 25 years professional experience in global multinational, British American Tobacco and large business group, Rahimafrooz Bangladesh in top level finance positions as

Head of Manufacturing Finance and Group CFO respectively. He holds vast knowledge in managing Finance and Accounts functions of large manufacturing, trading, retail and distribution businesses. He is a General Body Member of FBCCI for the year 2019-21 as a representative from IPAB. He is a member of Standard Setters Working group (SSWG), Financial Reporting Council (FRC) of Bangladesh. He is also one of the founding members of Intellectual Property Association of Bangladesh (IPAB) and current Executive Board Member and Treasurer of IPAB. He is an honorary Finance and Governance advisor of a reputed Non-Profit Organization, ARK Foundation, working in economic research and social development sectors of Bangladesh. Further, He is a life member of Bangladesh AOTS-HIDA and Bangladesh Japan Training Institute (BJTI). He is a part time faculty member in ICSB, ICMA and in government and private Universities and contributors in professional Journals.

Dr. Melita Mehjabeen appointed as Independent Director of Aftab Automobiles Limited vide Board resolution dated 04.01.2021 for three years up to 03.01.2024 subject to approval by the shareholders in the ensuing Annual General Meeting.

Dr. Melita Mehjabeen, is an Associate Professor of the Institute of Business Administration (IBA), University of Dhaka. She was the Manager of Global Transaction Services, Citibank, N.A. She has done her MBA from the Institute of Business Administration (IBA), University of Dhaka and PhD from The University of Manchester, UK. She bears 11+ years of experience as an academia in teaching, research work and consultancy coupled with five years' experience in the corporate sector.

Mr. Syed Masud Hasan, Independent Director has resigned on 03-01-2021 from the Board.

Remuneration paid to Directors and Independent Directors

An amount of Tk. 3,20,000/- paid to Directors and TK. 10,000/-paid to Independent Directors for attending at Board of Directors meeting held during the financial year ended on 30 June 2021.

Recommendations for Re-election

In terms of Article 125 and 126 of the Articles of Association of the Company, Mr. Sajedul Islam and Ms. Farhana Islam, Directors retire by rotation from the Board in the 41st 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. Sajedul Islam

Mr. Sajedul Islam joined Navana Group in 1998. He is very active in the management and operation of the Navana Group flagship Company, Navana Limited and other Companies.

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

Navana Limited, Navana Real Estate Limited, Navana Construction Ltd., Navana CNG Limited, Navana Engineering Limited, Navana Welding Electrode Limited, Navana LPG Limited, Navana Foods Ltd., Navana Building Products Ltd., Navana Electronics Ltd., Navana Furniture Ltd., Navana Interlinks Ltd. and Navana Logistics Limited. Membership in committees of the Board -Audit Committee and NRC.

Ms. Farhana Islam

Ms. Farhana Islam a BBA is a young enthusiastic entrepreneur of the country, joined the Navana Group in 2007. In the early years, she gained valuable experience by being involved in the management of the Group's diversified business operations. She took various business-related professional courses at home and abroad. She traveled to many countries in the world.

Names of companies in which Ms. Farhana Islam also holds the directorship:

Navana Limited, Navana Batteries Ltd., Navana Real Estate Limited, Navana Construction Ltd., Navana Foods Ltd.,

Navana Electronics Ltd., Navana Engineering Limited, Navana Welding Electrode Limited, Navana LPG Limited, Navana Furniture Ltd., Navana Interlinks Ltd., Navana Logistics Ltd., Navana Renewable Energy Ltd. and Navana Building Products Limited.

Corporate Governance Compliance

The Company complies with the requirements of Corporate Governance Code.

- a. Compliance Certificate on Corporate Governance Code in page no. 20 (Annexure-B)
- b. Corporate Governance Compliance Report in page no. 21 (Annexure-C)
- c. Pattern of shareholding in page no 14.

Future Prospect

Aftab Automobiles Limited did not achieve its target as expected due to COVID -19 pandemic. However, the management of the Company has taken plan to grow its business significantly.

The Board of Directors of Aftab Automobiles Limited in its meeting held on 26 October 2021 has recommended dividend as follows:

- a. 5% Cash Dividend for the general shareholders only excluding Sponsors and Directors. The Sponsors and Directors are holding 2,87,20,673 shares out of total 9,57,32,422 shares of Aftab Automobiles Limited. Total Dividend amount payable to the general shareholders only is Tk. 3,35,05,874.50 for 6,70,11,749 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., 17, November 2021 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 30 December 2021.

Appointment of External Auditors

Existing External Auditors A. Haque & Co., Chartered Accountants (Panel Auditors of BSEC) have completed their work as Auditors for the year ended 30 June 2021. Being eligible they have shown their interest to continue as External Auditors of the Company for the year 30 June 2022, which is to be placed for approval in the ensuing Annual General Meeting scheduled to be held on 30 December 2021.


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 2021. They have shown their interest to continue as Corporate Governance Compliance Auditor for the year 30 June 2022, which is to be placed for approval in the ensuing Annual General Meeting scheduled to be held on 30 December 2021.

Acknowledgement

On behalf of the Company, we wish to express sincere appreciation to all 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 and confidence even in this situation of COVID-19 pandemic.

On behalf of the Board of Directors


(Shafiul Islam)
Chairman

The pattern of shareholdings of the Directors and others as on 30 June 2021 are as follows:

Namewise Details		No. of Shares held
i.	Parent/Subsidiery/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	18,626,415
	Mr. Saiful Islam - Managing Director	2,543,464
	Mrs. Khaleda Islam - Director	3,082,130
	Mr. Sajedul Islam - Director	2,466,741
	Ms. Farhana Islam - Director	1,988,078
	Mr. Md. Kausar Alam FCMA - Independent Director	Nil
	Dr. Melita Mehjabeen - Independent Director	Nil
	Chief Financial Officer, Company Secretary and Head of Internal Audit & Compliance and their spouse and minor children:	Nil
		Nil
iii.	Executives	
iv.	Shareholders holding ten percent (10 %) or more voting interest in the company:	
	Mr. Shafiul Islam	18,626,415

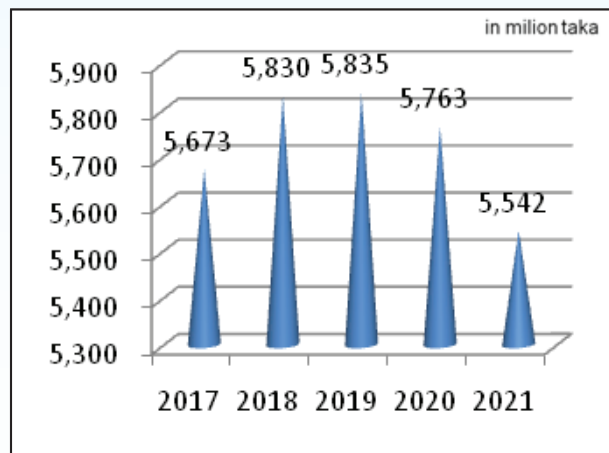
HIGHLIGHTS of FINANCIAL and KEY OPERATING DATA
[Consolidated]

(Amount in '000 Taka)

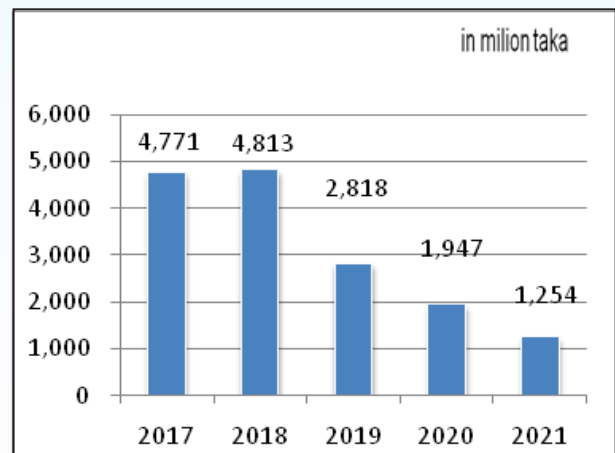
Particulars	2021	2020	2019	2018	2017
Authorized capital	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Paid-up capital	957,324	957,324	957,324	957,324	957,324
Face Value Per Share	Tk. 10/-	Tk. 10/-	Tk.10/-	Tk.10/-	Tk.10/-
Shareholders' equity	5,542,366	5,762,720	5,834,726	5,829,520	5,673,466
Fixed asset	1,885,081	1,936,566	2,048,456	2,012,035	1,742,323
Turnover (Net)	1,254,021	1,947,025	2,818,043	4,813,708	4,771,209
Gross profit	307,009	515,482	702,217	944,861	1,064,989
Net profit after tax	(185,517)	8,409	120,087	256,474	394,535
Total comprehensive income for the period/year	(185,517)	8,409	120,087	249,297	396,736
Operating cash flow per share	6.65	(6.02)	3.74	(4.24)	1.32
Book value per share	57.89	60.20	60.95	60.89	59.26
Earnings per share	(1.94)	0.09	1.25	2.68	4.12
Cash dividend	5% (Recommended)	10%	10%	12%	16%
Stock dividend	5% (Recommended)	-	-	-	-
Number of shareholders	20,177	21,182	21,902	22,682	25,898

GRAPHICAL PRESENTATIONS

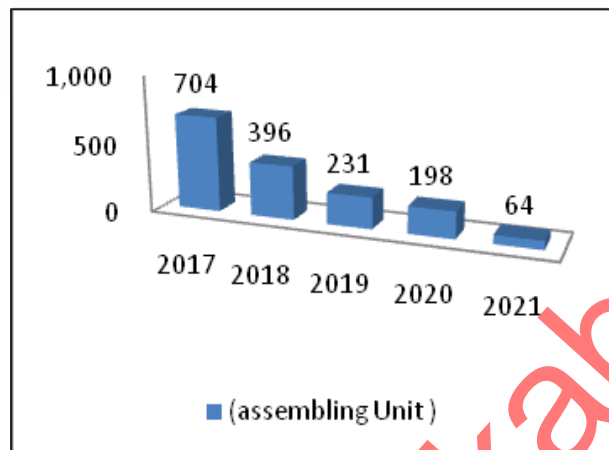
SHAREHOLDERS EQUITY



SALE



PRODUCTION



DIVIDEND

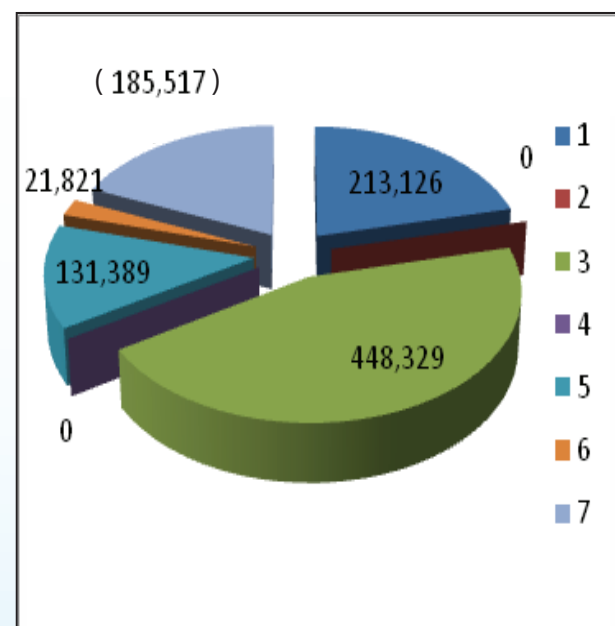


VALUE ADDED STATEMENT

For the Period ended June 30, 2021

	Amount in '000' Taka	%
Sale/ Turnover	1,254,020	
Bought in- Material & Service	624,872	
Value Added	629,148	
Application		
to National Exchequer	213,126	33.88
to Providers of Loan		
as Interest & Charges	448,329	71.26
to Providers Emp. Salaries		
Wages & other benefits	131,389	20.88
to Providers of Capital- as Dividend	21,821	3.47
Reserve & Surplus / (Loss)	(185,517)	(29.49)
	629,148	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

Companies Act, 1994 and BSEC notification on Corporate Governance Code 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, may be extended for 1 (one) more tenure only, the Company also follows all relevant rules and regulations.

Independent Directors

The Board of Directors appointed Md. Kausar Alam FCMA and Dr. Melita Mehjabeen as Independent Director of the Company w.e.f. 04-01-2021. 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.

Md. Kausar Alam FCMA one of the Independent Director are fellow member of The Institute of Cost and Management Accountant of Bangladesh (ICMAB), The Institute of Chartered Secretaries of Bangladesh (ICSB) and an Associate member of the Institute of Chartered Accountants in England and Wales (ICAEW).

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. Kausar Alam FCMA, 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 3 (three) members of the Board including 2 (two) Independent Directors. Dr. Melita Mehjabeen is the Chairperson of the NRC. The Nomination and Remuneration Committee is responsible to the Board and to the Shareholders.

Company Secretary

Mohammad Jaman Khan FCS is the Company Secretary 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

Sharmin Hossain has been appointed as the Chief Financial Officer of the Company. She 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 shareholders of the Company in ensuing Annual General Meeting.

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

Declaration by Managing Director and Chief Financial Officer

26 October 2021

The Board of Directors
Aftab Automobiles Limited

Subject: Declaration on Financial Statements for the year ended on 30 June 2021.

Dear Sirs,

Pursuant to the condition No 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/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 2021 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 2021 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



(Sharmin Hossain)
Chief Financial Officer



AHMED ZAKER & Co.
CHARTERED ACCOUNTANTS

Head Office :

89 Kakrail, Green City Edge (Level 10), Dhaka 1000, Bangladesh
Website: www.ahmed-zaker.com Email: aitchbangladesh@ahmed-zaker.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, 2021. 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
November 10, 2021


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

[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 or 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	✓		
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.	✓		
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 one 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	✓		
1 (5)(xxv)(d)	Compare such financial performance or results and financial position as well as	✓		

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	✓		
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	✓		
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 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			
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. Kausar Alam FCMA	Independent Director	Chairperson
Dr. Melita Mehjabeen	Independent Director	Member
Mr. Sajedul Islam	Non-Executive Director	Member

The Audit Committee attended the meeting of Audit Committee during the year ended on 30 June 2021. Mr. Mohammad Jaman Khan FCS, 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 2021 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 2021 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 2021 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. Kausar Alam FCMA)

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:

Dr. Melita Mehjabeen	Independent Director	Chairperson
Mr. Md. Kausar Alam FCMA	Independent Director	Member
Mr. Sajedul Islam	Non-Executive Director	Member

Mr. Mohammad Jaman Khan FCS, 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, transfer or replacement and promotion criteria.

Melita Mehjabeen

(Dr. Melita Mehjabeen)
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.

GLIMPSES OF 40TH ANNUAL GENERAL MEETING



PHOTOGRAPH OF HINO BUSES



Hino AK 1 JMKA Bus



Seat Plan



Hino Rm-2 Air Conditioned Bus

FACTORY PHOTOS OF NAVANA BATTERIES LIMITED



Batteries Plant



Batteries Production at Plant



Battery Delivery on Process

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, 2021, 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 59 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, 2021 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, 2021 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.

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 1,254,020,565 for the year ended 30th June, 2021.</p> <p>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 21.00 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. * 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.

Key Audit Matters	How our audit addressed the key audit matters
	<ul style="list-style-type: none"> * 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 Inventory	How our audit addressed the key audit matters
<p>The Company had inventory of Taka 1,627,627,080 at 30th June, 2021 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 9.00 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, 2021 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 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. 7,676,342.</p> <p>At the year end the company reported total income tax expense (Current Tax) of BDT. 7,676,342 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. 3.14(a) and 27.01 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. 78,004,754 as at 30th June, 2021.</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. 3.14 (b) and 28.00 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.</p> <p>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	
<p>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 amounting to Tk. 300,127, for gratuity fund amounting to Tk. 1,633,242, for workers profit participation fund amounting to Tk. 24,259,482 and for welfare fund amounting to Tk. 348,088 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. 26,540,939.</p> <p>Liability for the following funds is provided at the following rates:</p> <p>(i) CPF @ 10% of basic salary;</p> <p>(ii) GF @ 1 no. of basic salary;</p> <p>(iii) WPPF @ 5% on net profit after charging such charge;</p> <p>(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. 3.16 and 19.00 to the financial statements.</p>	<p>Our audit procedures included updating our understanding of the business processes followed by the company for accounting and valuing their defined benefit plan.</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. gathering evidence appropriate to the specific consolidation adjustments made necessary by financial reporting standards, including, for example: <ul style="list-style-type: none"> 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, 1987, 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 : 26.10.2021
Place : Dhaka, Bangladesh



(A.K.M. Aminul Hoque, FCA)
Enrolment No. 407
DVC-2111040407AS546851
A. Hoque & Co.
Chartered Accountants

AFTAB AUTOMOBILES LIMITED AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2021

Particulars	Notes	Amount in Taka	
		30.06.2021	30.06.2020
Assets:			
Non-Current Assets:			
Property, Plant & Equipment	4.00	1,885,081,744	1,936,566,137
Capital Work-in-Progress	5.00	979,271,904	979,271,904
Investment in Securities & Associate Company	6.00	429,982,462	417,515,861
Receivables - Non-Current Maturity	7.00	2,275,000,786	2,280,851,484
Right of Use Assets	8.00	48,901,533	61,452,448
		5,618,238,429	5,675,657,834
Current Assets:			
Receivables-Current Maturity	7.00	3,303,632,351	3,305,839,273
Stock and Stores	9.00	1,627,627,080	2,058,799,168
Current Account with Navana Group of Companies		4,941,369,238	3,656,207,754
Advances, Deposits & Pre-Payments	10.00	6,650,017,057	5,181,882,189
Cash and Cash Equivalents	11.00	351,934,524	299,822,733
		16,874,580,250	14,502,551,117
Total Assets		22,492,818,679	20,178,208,951
Shareholders' Equity and Liabilities			
Shareholders' Equity:			
Share Capital	12.00	957,324,220	957,324,220
Share Premium	13.00	1,925,858,339	1,925,858,339
Reserve	14.00	67,338,231	67,338,231
Retained Earnings	15.00	2,591,845,473	2,812,199,739
Equity Attributable to Owners of the Company		5,542,366,263	5,762,720,529
Non-Controlling Interest		409,157	412,088
Non-Current Liabilities:			
Loan and Deferred Liabilities (Unsecured)	32.00	25,310,440	25,310,440
Long Term Loan-Non Current Maturity	16.00	4,467,280,547	3,894,754,151
Deferred Tax Liability	28.00	78,004,754	127,922,821
Lease Liability	17.00	50,684,891	53,892,054
		4,621,280,632	4,101,879,466
Current Liabilities:			
Long Term Loan-Current Maturity	16.00	1,489,093,516	1,298,251,384
Short Term Loan	18.00	9,490,070,048	7,674,755,610
Accrued and Other Current Liabilities	19.00	1,257,990,990	1,260,265,693
Unclaimed Dividend Account	20.00	91,608,073	79,924,183
		12,328,762,627	10,313,196,870
Total Liabilities		16,950,043,258	14,415,076,335
Total Equity & Liabilities		22,492,818,679	20,178,208,951
Net Assets Value (NAV) per Share	29.00	57.89	60.20

The annexed notes from 1 to 59 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 2021 and were signed on its behalf by:


Chief Financial Officer


Company Secretary


Director


Director


Managing Director


(A.K.M Aminul Hoque, FCA)
Enrolment No. 407
DVC-2111040407AS546851
A. Hoque & Co.
Chartered Accountants

Place: Dhaka
Dated: 26-10-2021

AFTAB AUTOMOBILES LIMITED AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE, 2021

Particulars	Note	Amount in Taka	
		01.07.2020 to 30.06.2021	01.07.2019 to 30.06.2020
Revenue (Net)	21.00	1,254,020,565	1,947,024,768
Less: Cost of Goods Sold	22.00	947,011,382	1,431,542,977
Gross Profit (a)		307,009,183	515,481,791
Less: Operating Expenses:			
Administrative Expenses	23.00	62,791,881	47,389,331
Selling and Distribution Expenses	24.00	52,333,401	58,557,807
Financial Charges	25.00	448,329,428	423,004,138
Total Operating Expenses (b)		563,454,710	528,951,275
Operating Profit/(Loss) (c) = (a-b)		(256,445,527)	(13,469,484)
Non-Operating Income			
Other Income	26.00	17,312,132	17,194,330
Less: Foreign Exchange Loss		(1,092,135)	(514,305)
Share of Profit from Associate Company	6.02	12,466,601	13,032,898
Profit/(Loss) before Contribution to WPPF		(227,758,929)	16,243,438
Less: Contribution to WPPF		-	1,068,553
Net Profit/(Loss) before Tax (f)		(227,758,929)	15,174,885
Less: Income Tax Expenses			
Current Tax	27.01	7,676,342	7,554,545
Deferred Tax	27.02	(49,918,066)	(789,109)
Total Income Tax Expenses (g)	27.00	(42,241,724)	6,765,436
Net Profit/(Loss) after Tax attributable to equity holders (h) = (f-g)		(185,517,205)	8,409,449
Attributable to:			
Equity Holders of the Company		(185,514,274)	8,411,576
Non-Controlling Interests		(2,931)	(2,126)
Profit for the period/year		(185,517,205)	8,409,450
Consolidated Earnings per Share	30.00	(1.94)	0.09

The annexed notes from 1 to 59 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 2021 and were signed on its behalf by:


Chief Financial Officer


Company Secretary


Director


Director


Managing Director


(A.K.M Aminul Hoque, FCA)
Enrolment No. 407
DVC-2111040407AS546851
A. Hoque & Co.
Chartered Accountants

Place: Dhaka
Dated: 26-10-2021

AFTAB AUTOMOBILES LIMITED AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30TH JUNE, 2021

Particulars	Share Capital	Share Premium	Reserve	Retained Earnings	Attributable to Equity holders of the Company	Non-Controlling Interest	Total
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
Balance at 1st July, 2019	957,324,220	1,925,858,339	67,338,231	2,884,205,752	5,834,726,542	414,214	5,835,140,755
Adjustment for the Application of IFRS-16 (Lease)	-	-	-	(11,893,264)	(11,893,264)	-	(11,893,264)
Cash Dividend	-	-	-	(68,524,324)	(68,524,324)	-	(68,524,324)
Transfer Comprehensive Income for the year	-	-	-	8,411,576	8,411,576	(2,126)	8,409,450
Balance at 30th June, 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

The annexed notes from 1 to 59 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 2021 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-2111040407AS546851
A. Hoque & Co.
Chartered Accountants

Place: Dhaka
Dated: 26-10-2021

AFTAB AUTOMOBILES LIMITED AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE, 2021

Particulars	Note	Amount in Taka	
		Amount (Tk.) 30.06.2021	Amount (Tk.) 30.06.2020
Cash Flows from Operating Activities:			
Cash Receipts from Customers		1,262,078,185	1,241,896,552
Cash Receipts of Other Income		17,312,132	17,194,330
Foreign Exchange Loss		(1,092,135)	(514,305)
Payments to Suppliers and Employees		(611,509,175)	(1,771,040,259)
Cash Generated from Operations		666,789,007	(512,463,682)
Income Tax Paid		(30,622,795)	(63,421,663)
Net Cash Generated from Operating Activities		636,166,212	(575,885,345)
Cash Flows from Investing Activities:			
Acquisition of Property, Plant and Equipment		(18,356,108)	(21,394,693)
Advance for capital assets		(1,459,938,060)	(2,250,000,000)
Payments for Capital Work in Progress		-	(382,149,677)
Net Cash used in Investing Activities		(1,478,294,168)	(2,653,544,370)
Cash Flows from Financing Activities:			
Receipts /(Repayments) of Bank Loan		2,582,704,568	3,844,821,783
Inter Company Receipts / (Payments)		(1,241,620,072)	(125,358,499)
Bank Interest Paid		(448,329,428)	(423,004,138)
Dividend Paid		(21,821,985)	(52,767,047)
Net Cash Provided in Financing Activities		870,933,083	3,243,692,099
Net Changes in Cash and Cash Equivalents		52,111,793	14,262,384
Cash and Cash Equivalents at the Beginning of Year		299,822,731	285,560,347
Cash and Cash Equivalents at the End of Year		351,934,524	299,822,731
Net Operating Cash Flows Per Share	31.00	6.65	(6.02)

The annexed notes from 1 to 60 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 2021 and were signed on its behalf by:


Chief Financial Officer


Company Secretary


Director


Director


Managing Director


(A.K.M Aminul Hoque, FCA)
Enrolment No. 407
DVC-2111040407AS546851
A. Hoque & Co.
Chartered Accountants

Place: Dhaka
Dated: 26-10-2021

AFTAB AUTOMOBILES LIMITED AND ITS SUBSIDIARY
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2021
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 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, 2021;
- * Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June, 2021;
- * Consolidated Statement of Changes in Equity for the year ended 30th June, 2021;
- * Consolidated Statement of Cash Flows for the year ended 30th June, 2021;
- * 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 2019-2020 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 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, 2020 to 30th June, 2021.

2.14 Approval of Financial Statements

The financial statements have been approved by the Board of Directors on the 26th day of October 2021.

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 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.

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 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 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 Equipments	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 Equipments 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.

Financial Assets

The company initially recognises receivables 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 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.

Financial assets include cash and cash equivalents, trade and other receivables and investment in subsidiary.

Cash and Cash Equivalents

Cash and cash equivalents comprise 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.

Trade and Other Receivables

Trade 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.

Investment

Investment comprises of fixed deposit maturity of more than three months which are available for use by the company without any restriction. The company has positive intent and ability to hold investment in fixed deposit receipts-FDRs investment to maturity, and such financial assets are classified as held to maturity. These assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using effective interest method.

Investment in Subsidiary

Investment in subsidiary represents investment in the equity of Navana Batteries Limited.

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.

Financial liabilities include trade and other payables, and other non-current liabilities.

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below.

Classification and measurement of financial assets and financial liabilities

The adoption of IFRS 9 has not had a significant effect on the company's accounting policies related to financial liabilities. The impact of IFRS 9 on the classification and measurement of financial assets is set out below.

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; Fair value through Other Comprehensive Income (FVOCI)-debt investment; Fair Value through Other Comprehensive Income (FVOCI) - equity investment; or Fair Value Through Profit or Loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- (a) it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- (b) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

On initial recognition of an equity investment that is not held for trading, the company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets.

Financial Assts at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognition in profit or loss.

Financial Assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest Income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss. Trade receivables are classified as financial assets measured at amortized cost.

Debt Investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On de-recognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity Investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Impairment of Financial Assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.

The financial assets at amortised cost consist of trade receivables, cash and cash equivalents, and corporate debt securities. The company measures loss allowances at an amount equal to ECL from trade receivables.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

The company considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the company in full, without recourse by the company to actions such as realizing security (if any is held).

Measurement of Expected Credit Losses (ECL)

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Presentation of Impairment

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is recognised in OCI, instead of reducing the carrying amount of the asset.

Impairment losses related to trade receivables and others, including contract assets, are presented separately in the notes to the financial statement.

3.11 Impairment

i) Financial Assets

The company recognizes loss allowances for Expected Credit Losses ECLs on:

- * financial assets measured at amortised cost;
- * debt investments measured at FVOCI; and
- * contract assets.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. Loss allowances measured at an amount equal to lifetime ECLs, except for the following, which are measured at 12 months ECLs:

- * debt securities that are determined to have low credit risk at the reporting date; and
- * other debt securities and bank balances for which credit risk (i.e., the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the company considers reasonable and supportable information that is relevant and available without undue cost or effort.

This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and including forward-looking information.

ii) Non-Financial Assets

The carrying amounts of the company's non-financial assets (other than inventories) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the 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 of 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.

3.12 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.

3.13 Leases

IFRS 16 provides a single lease 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 lease 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 is recognition exemption for short-term leases and leases of low value items.

Changes to the company's accounting policies have been made as required in accordance with the transitional provisions in the respective IFRS 16 Leases.

The Company adopted IFRS 16: Leases using the modified retrospective method of adoption with the date of initial application of 1st January, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application. The company elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease 1st July, 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying IAS 17 at the date of initial application.

The IFRS 16 requires to recognise the present value of minimum lease payment under the agreement as assets and liability namely "Right to Use of Asset" and "Lease Liability" respectively. The Right to Use of Asset is added by the balance of advance payment at initial application of IFRS 16, which was 1st January, 2019. However, IFRS 16 also allows the Company to recognise the lease payment as expenses in respect of short-term lease agreement and lease for which the underlying asset is of short term (temporary) lease and low value. One lease agreement of the company is fallen in second category. As such, lease (rental) payment was recognised as expenses in the Profit or Loss Statement, when they incurred, for short term (temporary) lease and low value lease agreement.

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 of Assets:

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

3.14 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.

3.15 Dividend

10% Cash Dividend has been paid for the year 2020.

3.16 Employment Benefits

The company maintains both defined contribution plan and defined benefit plan for its eligible permanent employees. The eligibility is determined accordingly to the terms and conditions set forth in the respective trust deeds and rules. Both of the plans are funded and the contribution plan (provident fund) has been recognized / approved under Income Tax Ordinance, 1984 from National Board of Revenue (NBR). The company maintains the following benefits plans:

(a) Defined Contribution Plan (Provident Fund)

The company operates a contributory provident fund scheme for its permanent employees. The company's contribution to the fund is charged off as revenue expenditure during the year to which the contribution relates. The fund is operated by a Board of Trustees consisting 5 (Five) members. All confirmed employees of the company are contributing 10% of their basic salary as subscription to the fund. The company also contributes equal amount of the employees' contribution. Interest earned from the investments is credited to the members account on yearly basis.

(b) Defined Benefit Plan (Gratuity)

A defined benefit plan is a post-employment benefit plan other than defined contribution plan. The employee gratuity plan is considered and defined benefit plan as meets the recognition criteria.

The company operates an unfunded gratuity scheme, provision in respect of which is made annually for the company's permanent eligible employees as per IAS-19, "Employee Benefits".

(c) Workers Profit Participation Fund (WPPF) and Worker Welfare Fund

Provision for Workers Profit Participation Fund (WPPF) has been made @ 5% on net profit after charging such charge as per provision of The Bangladesh Labour Law, 2006 (amended 2018) and payable to workers as defined in the said law.

Worker Welfare Fund has been made @ Tk. 50 per worker.

3.17 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.

3.18 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.

3.19 Segment Reporting

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	Operations
Assembling Unit	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.
Motor Cycle Unit	The company has setup a motor cycle unit.
Body 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.

3.20 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.

3.21 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".

3.22 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.

3.23 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.

3.24 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 dependant 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.

3.25 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 as per International Accounting Standards IAS-10 : "Event after the Reporting Period".

All Material events occurring after the balance sheet date have been considered where necessary, adjusted for or disclosed.

3.26 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**.

3.27 General

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

		Amount in Taka	
		30.06.2021	30.06.2020
4.00 Consolidated Property, Plant & Equipment's		1,885,081,744	1,936,566,137
This is made up as follows:			
Land and Land Development		1,148,608,502	1,148,608,502
Building		240,856,492	246,383,331
Shades		9,332,582	11,665,728
Plant & Machinery		295,198,640	317,351,981
Tools & Equipment		32,317,015	37,030,336
Office Equipment		36,803,130	39,312,796
Furniture & Fixture		23,921,601	25,269,651
Transport Vehicles		30,982,433	38,026,375
Electric Line Installation		10,482,352	10,333,642
Office Decoration		44,466,991	49,126,011
Gas Line Installation		12,112,006	13,457,784
		1,885,081,744	1,936,566,137
The details of shown in Annexure - A.			
5.00 Consolidated Capital Work-In-Progress		979,271,904	979,271,904
This is made up as follows:			
Opening Balance		979,271,904	597,122,227
Add: Addition during the year		-	382,149,677
		979,271,904	979,271,904
Less: Transfer to Property, Plant and Equipment		-	-
Closing Balance		979,271,904	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.			
6.00 Investment in Securities and Associate Company		429,982,462	417,515,861
This is made up as follows:			
Investment in Marketable Securities	6.01	28,395,758	28,395,758
Investment in Associate	6.02	401,586,704	389,120,103
		429,982,462	417,515,861
6.01 Investment in Marketable Securities		28,395,758	28,395,758
This is made up as follows:			
Invest in Share Money Deposits	6.1a	28,395,758	28,395,758
		28,395,758	28,395,758
6.1a 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.

		Amount in Taka	
		30.06.2021	30.06.2020
6.02	Investment in Associate	401,586,704	389,120,103
	The details are stated below:		
	Share Investment in NREL at cost 6.3	20,000,000	20,000,000
	Share of Equity from Associate		
	Opening Balance	369,120,103	356,087,205
	Share of Equity from Associate		
	Net Income after Deferred Tax (PLAC)	9,973,281	10,426,318
	Provision for Deferred Tax 28.1 a	2,493,320	2,606,580
		12,466,601	13,032,898
	Closing Balance	381,586,704	369,120,103
	Total Investment in Associate	401,586,704	389,120,103
NB: Share of Profit from Associate Company (NREL) has been taken for one year for Financial Year 2020-2021.			
6.3	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
7.00	Consolidated Receivables - Non-Current Maturity	5,578,633,137	5,586,690,757
	Receivable Non-Current (Maturity Over 12 Months)	2,404,893,003	2,407,440,521
	Less: Provision for Bad Debts	129,892,217	126,589,037
		2,275,000,786	2,280,851,484
	Receivables Current (Maturity less than 12 Months)	3,303,632,351	3,305,839,273
		5,578,633,137	5,586,690,757
	Ageing Schedule of Receivables:	5,578,633,137	5,586,690,757
	Duration		
	1-30 days	342,664,946	342,893,857
	31-60 days	349,232,661	349,465,958
	61-90 days	528,144,676	528,497,492
	91-180 days	1,021,534,420	1,022,216,835
	181-365 days	1,062,055,648	1,062,765,132
	Over 365 days	2,275,000,786	2,280,851,484
		5,578,633,137	5,586,690,757
	(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.		
8.00	Consolidated Right of Use Assets	48,901,533	61,452,448
	This is made up as follows:		
	At Cost		
	Opening Balance	78,895,130	60,702,954
	Addition during the year	-	18,192,176
	Disposal / Adjustment during the year	-	-
		78,895,130	78,895,130
	Less: Accumulated Depreciation:		
	Opening Balance	17,442,682	11,873,186
	Add: Charged during the year	12,550,915	5,569,496
	Disposal / Adjustment during the year	-	-
		29,993,597	17,442,682
	Written Down Value (WDV)	48,901,533	61,452,448
	The details of which have been shown in Annexure-B		

		Amount in Taka	
		30.06.2021	30.06.2020
9.00	Consolidated Stock and Stores	1,627,627,080	2,058,799,168
	This is made up as follows:		
	Finished Products	638,723,501	761,439,047
	Raw Materials	361,788,394	510,514,721
	Work-in-Process	398,790,237	279,243,833
	Stores and Spares 9.1	2,397,439	2,627,415
	Goods in Transit	225,927,509	504,974,152
		1,627,627,080	2,058,799,168
9.01	Stores and Spares	2,397,439	2,627,415
	This is made up as follows:		
	Opening Balances	2,627,415	2,963,915
	Less: Consumption during the year	(229,976)	(336,500)
	Closing Balance	2,397,439	2,627,415
	(i) Value of Stock of Finished Product & Raw Materials inclusive of 73 units hino bus 1 unit RM2 bus chassis and 269 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.		
10.00	Consolidated Advances, Deposits & Pre-payments	6,650,017,057	5,181,882,188
	This is made up as follows:		
	Advance to Suppliers	714,019,951	727,987,256
	Advance to Employees	44,973,832	45,219,388
	Advance to Others	481,584,061	479,516,205
	Current Account with VAT	97,052,058	102,564,939
	Deposits	395,707,471	400,475,573
	Advance for Capital Assets	3,709,938,063	2,250,000,000
	Advance Income Tax 10.1	1,206,741,621	1,176,118,827
		6,650,017,057	5,181,882,188
	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.		
10.01	Consolidated Income Tax Deducted at Source	1,206,741,621	1,176,118,827
	This is made up as follows:		
	Opening Balance	1,176,118,827	1,112,697,165
	Add: Addition during the year	30,622,795	63,421,662
		1,206,741,621	1,176,118,827
	Adjustment made during the year	-	-
	Closing Balance	1,206,741,621	1,176,118,827
	Ageing Schedule of Advance to Suppliers, Advance to Others and Deposits:		
11.00	Consolidated Cash and Cash Equivalents	351,934,524	299,822,733
	This is made up as follows:		
	Cash in Hand	5,634,752	6,063,368
	Cash at Banks 11.01	346,299,772	293,759,365
		351,934,524	299,822,733

11.01 Cash at Bank

The details break up of Cash at Banks:

Amount in Taka		
	30.06.2021	30.06.2020
	346,299,772	293,759,363
IFIC Bank Ltd.	39,944,967	30,728,233
Agrani Bank Ltd.	6,571	6,517
Pubali Bank Ltd.	44,481	44,481
IFIC Bank Ltd. (Federation)	589,646	16,487
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.	2,243,412	5,885
Janata Bank Ltd.	812	812
The Oriental Bank Ltd.	39,670	39,670
Bank Alfalah Ltd.	360,114	360,114
IFIC Bank Ltd.	15,323	15,323
City Bank Ltd.	1,711,428	60,771
The Oriental Bank Ltd.	32,040	32,040
NCC Bank Ltd.	1,499	1,499
Mutual Trust Bank Ltd.	360,710	498,824
Islami Bank BD Ltd. (F.Ex.Br)	479,486	381,517
Jamuna Bank Ltd.	3,651,545	19,503
One Bank Ltd.	75,868	75,868
Agrani Bank Ltd. (F.EX)	176,505	404,991
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	725
IFIC Bank Ltd.	97,000	97,000
Al-Arafah Islami Bank Ltd.	377,350	65,344
United Commercial Bank Ltd.	199,305	199,305
Pubali Bank Ltd.	14,441	14,441
Dhaka Bank Ltd.	58,897	103,897
Standard Bank Ltd.	3,000,880	1
Exim Bank Ltd.	14,428	14,428
One Bank Ltd.	31,020	31,020
IFIC Bank Ltd.	2,183,976	27,498
AB Bank Ltd.	100,000	100,000
Standard Bank Ltd.	417,362	645,676
IFIC Bank Ltd. (Federation)	95,006	95,006
NCC Bank Ltd. (Sayamoli)	338,893	1,356,314
IFIC Bank Ltd. (Gulshan)	18,082,411	98,040
Meghna Bank Ltd. (Gulshan)	119,998	3,338,295
Prime Bank Ltd. (Baridhara)	67,356	235
Bank Asia Ltd.	4,752,967	194,518
NRB Commercial Bank Ltd.	17,359	6,123
The City Bank Ltd. (Banani)	89,448	89,448
Midland bank Ltd.	86,931	88,656
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.
Mercantile Bank Ltd.
Southeast Bank Ltd.
Sahajalal Islamic Bank Ltd.
BRAC Bank Ltd.
First Security Islamic Bank Ltd.
Pubali Bank Ltd.
Rupali Bank Ltd. (Local)
AB Bank Ltd.
One Bank Ltd. (Gulshan)
Islami Bank Bangladesh Ltd. (Gulshan)
Dutch Bangla Bank Ltd.
United Commercial Bank Ltd. (Tejgaon)
Modhumoti Bank Ltd. (Gulshan)
National Bank Ltd., CD-15927, NBL, Dhaka
Uttara Bank Ltd. (Bhola)
Agrani Bank Ltd. (FDR-ID # 10583162)
Agrani Bank Ltd. (FDR-ID # 10583151)
Agrani Bank Ltd. (FDR-ID # 10583159)
Agrani Bank Ltd. (FDR-ID # 10583160)
Bank Asia Ltd. (FDR # 00855012111)
City Bank Ltd. (FDR # 4192-5651001)
One Bank Ltd. (FDR # 4120005867)
One Bank Ltd. (FDR # 4120006495)
One Bank Ltd. (FDR # 4120006600)
One Bank Ltd. (FDR # 4120008537)
One Bank Ltd. (FDR # 4120008592)
One Bank Ltd. (FDR # 4120008606)
Phoenix Finance Ltd. (FDR)

Amount in Taka	
30.06.2021	30.06.2020
996,610	996,610
-	820
115,622	238,158
1,701,433	16,931
-	50,490
154,005	154,005
400,000	400,000
10,000	10,000
10,000	10,000
9,770	10,000
1,160,817	617,716
7,401,297	390,854
93,490	94,180
1,484,731	5,204,770
7,245	610,761
47,524	876,509
12,179,387	11,568,975
12,302,727	11,686,132
18,474,610	17,548,689
12,165,861	11,556,127
50,798,315	49,558,713
14,146,603	13,421,825
845,709	810,582
540,608	518,351
132,280	126,643
492,306	471,578
486,272	465,658
239,842	229,128
128,414,000	125,247,777
346,299,772	293,759,365

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:

Name of Bank	Account No.	Amount (Tk.)
Agrani Bank Ltd.	7465-9	6,517
Pubali Bank Ltd.	128	44,481
Eastern Bank Ltd.	3371	58,214
United Commercial Bank Ltd.	326	16,507
Commercial Bank of Ceylon Ltd.		24,750
AB Bank Ltd. (Motijheel)	071420	2,619
Sonali Bank Ltd. (Local)	12116	15,101
Janata Bank Ltd.	9321	1,500
Amirecan Express Bank Ltd.	293	21,540
Arab Bangladesh Bank Ltd.	1361	7,213
Janata Bank Ltd.	78	812
The Oriental Bank Ltd.	2758	39,670
Bank Al-Falah Ltd.	8-001	360,114
IFIC Bank Ltd.	81734	15,323
The Oriental Bank Ltd.	04290	32,040
NCC Bank Ltd.	17704	1,499
Islami Bank BD Ltd. (Foreign Exchange Branch)	5016	99,565
Jamuna Bank Ltd.	1820	15,232
One Bank Ltd.	7008	75,868
Mercantile Bank Ltd.	20178	123,168
BRAC Bank Ltd.	23001	3,353

Name of Bank	Account No.	Amount (Tk.)
Standard Bank Ltd. (Principal Branch)	7992	869,282
Sahjahal Islami Bank Ltd.	8504	169,806
IFIC Bank Ltd. (Federation Branch)	0041	725
IFIC Bank Ltd.	87525	97,000
United Commercial Bank Ltd.	3144	199,305
Pubali Bank Ltd.	9826	14,441
EXIM Bank Ltd.	5651	14,428
One Bank Ltd.	6006	31,020
AB Bank Ltd.	43-000	100,000
Standard Bank Ltd.	1815	394,782
IFIC Bank Ltd. (Federation Branch)	Share A/C	95,006
The City Bank Ltd. (Banani)	90001	89,448
BD Commerce Bank Ltd.	832	100,000
NRB Bank Ltd.		97,435
Premier Bank Ltd.	0268	98,390
Al-Arafah Islami Bank Ltd.	16815	996,610
Shahjalal Islami Bank Ltd.	12906	9,310
First Security Islami Bank Ltd.	19713	154,005
Pubali Bank Ltd.	5678	400,000
Rupali Bank Ltd. (Local)	0216	10,000
AB Bank Ltd.	36000	10,000
Total		4,916,077

12.00

Shareholders' Equity and Liabilities
Share Capital

Authorized Capital:

120,000,000 Ordinary Shares of Tk. 10/- each.

180,000,000 Cum. Redeemable Preference Shares of Tk. 10/- each.

Ordinary Shares Capital:

Issued, Subscribed and Paid up

95,732,422 Ordinary Shares @ Tk. 10/- each.

Sponsors

General Public

Amount in Taka	
30.06.2021	30.06.2020
1,200,000,000	1,200,000,000
1,800,000,000	1,800,000,000
3,000,000,000	3,000,000,000
957,324,220	957,324,220
287,206,730	272,080,980
670,117,490	685,243,240
957,324,220	957,324,220

The position of Ordinary Shareholders as on 30th June, 2021 was as follows:

Particulars	No. of Investors	No. of Shares-2021	Shareholding % 2021	Shareholding % 2020
Sponsors	6	28,720,673	30.00%	28.42%
Financial Institutions including ICB	238	33,871,051	35.38%	38.70%
General Public	19933	33,140,698	34.62%	32.88%
Total	20177	95,732,422	100%	100%

The Classification of Shareholders by holding as on 30th June, 2021 was as follows:

Particulars	No. of Investors	No. of Shares-2021	% of Shares Holding 2021	Number of Shares 2020
1 to 500	12,627	1,983,025	2.07%	2,129,842
501 to 5000	6,301	10,342,080	10.80%	10,010,940
5001 to 10000	652	4,770,657	4.98%	4,413,592
10001 to 20000	315	4,438,192	4.64%	3,642,349
200001 to 30000	96	2,376,181	2.48%	2,453,877
300001 to 40000	37	1,284,598	1.34%	1,196,945
400001 to 50000	35	1,612,342	1.68%	1,585,212
500001 to 100000	56	3,948,262	4.12%	3,753,495
1000001 to 1000000	44	11,958,582	12.49%	14,325,741
Above 10000000	14	53,018,503	55.38%	52,220,429
Total	20177	95,732,422	100%	95,732,422

		Amount in Taka	
		30.06.2021	30.06.2020
13.00	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
14.00	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.			
15.00	Retained Earnings	2,591,845,473	2,812,199,739
	This is made up as follows:		
	Opening Balance	2,812,199,739	2,884,205,752
	Add: Profit during the year	(185,514,274)	8,411,576
		2,626,685,465	2,892,617,328
	Less: Adjustment for application of IFRS 16 (Lease)	1,334,118	11,893,264
		2,625,351,347	2,880,724,064
	Less: Cash Dividend	33,505,875	68,524,324
	Less: Stock Dividend	-	-
		2,591,845,473	2,812,199,739
16.00	Consolidated Long Term Loan-Non-Current Maturity	4,467,280,547	3,894,754,151
	This is made up as follows:		
	Agrani Bank Ltd.	1,716,211,451	1,684,759,884
	Meghna Bank Ltd.	15,564,604	22,314,977
	SBAC Bank Ltd.	127,823,026	120,793,318
	Mutual Trust Bank Ltd.	154,486,327	140,932,292
	Prime Bank Ltd.	-	11,653,515
	Midland Bank Ltd.	32,213,507	29,400,536
	Peoples Leasing & Financial Services Ltd.	146,203,874	143,325,391
	One Bank Ltd.	385,634,495	64,656,771
	NCC Bank Ltd.	142,365,137	123,860,226
	Bay Leasing	113,317,371	102,517,921
	GSP Finance	275,120,449	249,204,434
	Midas Financing	47,671,963	40,980,611
	Union Capital	130,320,000	119,022,682
	BD Finance Ltd.	50,462,530	47,200,218
	Phoenix Finance	740,741,344	626,046,793
	Trust Bank Ltd.	413,534,908	411,323,083
	Dutch-Bangla Bank Ltd.	865,451,010	686,040,284
	Social Islami Bank Ltd.	68,076,000	61,285,348
	Modhumoti Bank Ltd.	531,176,066	507,687,250
		5,956,374,062	5,193,005,534
	Less: Long Term Loan-Current Maturity	1,489,093,516	1,298,251,384
	Long Term Loan-Net of Non-Current Maturity	4,467,280,547	3,894,754,151

(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, 2021.

Amount in Taka	
30.06.2021	30.06.2020

(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, Chittagonj & Z. H. Sikder Shopping Complex to import capital machinery and other purposes....

(iii) Lease finance is repayment in 647,804/- monthly equal installment.

(iv) Currently all of the company's all types of loan are classified as standard/sub standard by the bank.

17.00	Lease Liability	50,684,891	53,892,054
	At Cost:		
	Opening Balance	53,892,054	41,077,111
	Add: Addition during the year	-	15,389,191
		53,892,054	56,466,302
	Add: Fianance Charge	5,958,048	13,374,663
	Less: Payment during the year	9,165,211	15,948,911
	Closing Balance	50,684,891	53,892,054
	Less: Transferred to Current Maturity	-	-
		50,684,891	53,892,054

Brief Terms & Conditions of above Liability:

- (i) The company has four leases against its Rentel;
- (ii) Lease period up to 31st Dec., 2021, 31st Jan. 2022, 1st Mar., 2021 & 31st Sept. 2021;
- (iii) Monthly total rental payment is Tk. 647,804/-;
- (iv) Advance total amount paid Tk. 19,796,250/-;
- (v) Monthly total adjustment Tk. 223,750/-.

18.00	Consolidated Short Term Loan	9,490,070,048	7,674,755,610
	This is made up as follows:		
	Agrani Bank Ltd.	1,511,299,908	630,585,708
	Bank Asia Ltd.	971,705,182	884,744,037
	Standard Bank Ltd.	109,175,503	96,996,631
	NRB Commercial Bank Ltd.	486,882,254	447,643,218
	BRAC Bank Ltd.	20,615,467	40,991,042
	NCC Bank Ltd.	51,151,896	50,387,922
	Dhaka Bank Ltd.	400,286,319	343,896,638
	Mercantile Bank Ltd.	513,295,768	466,753,873
	The City Bank Ltd.	84,463,596	75,206,530
	Midland Bank Ltd.	29,645,684	31,702,004
	Prime Bank Ltd.	54,088,437	52,806,214
	One Bank Ltd.	-	282,913,641
	SBAC Bank Ltd.	185,126,997	168,652,806
	Mutual Trust Bank Ltd.	62,083,517	55,618,726
	Southeast Bank Ltd.	1,068,545,120	958,559,517
	Janata Bank Ltd.	505,690,186	-
	Dutch-Bangla Bank Ltd.	537,705,642	487,340,721
	Al-Arafah Islami Bank Ltd.	71,649,981	71,234,641
	IFIC Bank Ltd.	2,451,998,593	2,217,261,858
	Jamuna Bank Ltd.	205,401	186,906
	Shahjalal Islami Bank Ltd.	168,454,597	166,036,111
	Modhumoti Bank Ltd.	206,000,000	145,236,866
		9,490,070,048	7,674,755,610

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, 2021.
- (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 in Taka			
		30.06.2021	30.06.2020		
19.00	Consolidated Accrued and Other Current Liabilities	1,257,990,990	1,260,265,693		
This is made up as follows:					
	For Goods Supplied	134,886,485	138,836,368		
	For Examples	149,951,958	150,120,276		
	For Income Tax	852,390,776	844,714,435		
	For Workers Profit Participation Fund and WF	24,607,570	28,628,898		
	Provision for Bad Debts	4,154,941	5,176,851		
	For Other Finance	89,304,717	90,094,323		
	For Bond Liabilities	2,694,543	2,694,543		
	Long Term Loan-Net of Current Portion	1,257,990,990	1,260,265,693		
20.00	Consolidated Unclaimed Dividend Account	91,608,073	79,924,183		
	Unclaimed Dividend	91,608,073	79,924,183		
		91,608,073	79,924,183		
21.00	Consolidated Revenue	1,254,020,565	1,947,024,768		
This is made up as follows:					
	Aftab Automobiles Ltd.	747,914,378	1,411,377,402		
	Navana Batteries Ltd.	506,106,187	535,647,366		
		1,254,020,565	1,947,024,768		
The break up of the above is as follows:					
		Quantity	Quantity	2020-2021 Amount (Tk.)	2019-2020 Amount (Tk.)
	Aftab Automobiles Ltd.:				
	Hino Bus	71	188	346,690,000	910,117,914
	Bus Body Building	92	95	137,750,500	127,566,000
	Motor Cycle	2,084	3,067	263,473,878	373,693,488
The quantities of sales during the year are hino bus chassis 71 units, RM2 AC Bus 0 Unit, Hino RN8J 0 unit body building 92 and 2084 units of Motor Cycle.					
22.00	Consolidated Cost of Goods Sold	947,011,382	1,431,542,977		
This is made up as follows:					
	Opening Stock of Direct Raw Materials	510,514,721	655,156,845		
	Purchase of Direct Raw Materials	624,872,544	1,360,678,168		
	Direct Raw Materials available for Consumption	1,135,387,265	2,015,835,013		
	Closing Stock of Direct Raw Materials 8	361,788,394	510,514,721		
	Raw Materials Consumed	773,598,871	1,505,320,292		
	Add: Opening Work in Progress	279,243,833	150,417,975		
		1,052,842,704	1,655,738,267		
	Less: Closing WIP 8	398,790,237	279,243,833		
		654,052,467	1,376,494,434		
	Indirect Materials	-	554,638		
	Total Consumption	654,052,467	1,377,049,072		
	Factory Overhead 22.1	170,243,369	199,525,425		
	Cost of Production	824,295,836	1,576,574,497		
	Opening Finished Products	761,439,047	616,407,527		
		1,585,734,883	2,192,982,024		
	Closing Finished Products 8	638,723,501	761,439,047		
		947,011,382	1,431,542,977		

		Amount in Taka	
		30.06.2021	30.06.2020
22.01	Factory Overhead	170,243,369	199,525,425
	This is made up as follows:		
	Salary and Allowances	63,379,010	77,814,714
	Liveries and Uniform	180,221	89,663
	Telephone, Fax and Mobile	163,115	179,175
	Fuel and Lubricants	1,111,795	1,583,700
	Travelling and Conveyance	163,876	363,787
	Entertainment	352,744	496,974
	Office Expenses	387,731	299,776
	Maintenance Expenses	1,689,424	3,289,831
	Electric Expenses	25,898,646	29,955,244
	Duty and Allowances	403,650	906,398
	Canteen Subsidies	807,771	1,121,226
	Eid Greetings	98,398	87,450
	Rent Rates & Taxes	3,145,532	2,624,092
	Insurance	4,405,930	4,599,172
	Gas	751,267	1,130,379
	Welfare Expenses	135,000	118,007
	Carrying & Handling	502,021	326,955
	Newspaper and Periodicals	21,000	47,830
	Repairs and Maintenance (Vehicle)	391,630	835,051
	Security Expenses	1,383,287	1,683,378
	Chemicals	837,993	88,080
	Stores & Spares	-	346,794
	Annual Picnic	-	224,850
	Printing & Stationery	40,993	163,831
	Screen Printing	11,689	11,780
	Labour Charges	50,833	87,398
	Laboratory Expenses	132,485	138,312
	Generator Maintenance	14,425	33,899
	Fire Extinguisher	32,055	53,405
	Depreciation	63,750,848	70,824,274
		170,243,369	199,525,425

(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.

23.00	Consolidated Administrative Expenses	62,791,881	47,389,331
	This is made up as follows:		
	Salary & Allowances	44,806,405	27,546,360
	Welfare Expenses	33,065	12,075
	Medical Expenses	112,850	25,975
	Entertainment	421,585	473,839
	AGM Expenses	138,182	606,074
	TA and Conveyance	811,527	765,981
	Car Maintenance	915,349	625,222
	Stationery	346,863	305,177
	Fees and Registration	434,222	521,589
	Telephone	1,207,386	1,072,856
	Electrical Expenses	235,289	180,943
	Rent, Rates and Taxes	3,136,050	2,292,107
	Insurance Premium	161,962	156,418

	Amount in Taka	
	30.06.2021	30.06.2020
Liveries and Uniform	-	23,737
Bank Charges	1,742,845	2,530,435
Bank Guarantee & Charge Documents	18,635	14,874
Audit Fees	535,389	464,000
Duty Allowance	10,000	100,000
Newspapers & Periodicals	8,360	50,859
Postage & Telegram	466,229	533,957
Publicity	76,043	186,657
Night Allowances	52,090	52,090
Advertisement and Publicity	-	142,999
Directors Fee	275,000	365,500
Office Maintenance	609,897	472,889
Maintenance Expenses	263,462	401,747
General Expenses	-	52,408
WASA Bill	12,715	40,227
Gas	181,842	125,551
CDBL Fee	404,312	830,120
Canteen Subsidy	435,574	528,508
Security Expenses	-	268,550
Promotion Expenses	78,610	126,954
ISO	268,653	274,557
Fuel and Lubricants	200,915	339,576
Guest House Maintenance	-	300
Depreciation	4,390,575	4,878,221
	62,791,881	47,389,331

(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.

24.00 Consolidated Selling and Distribution Expenses	52,333,401	58,557,807
This is made up as follows:		
Salary & Allowances	23,204,754	28,196,273
Fuel and Lubricants	171,152	197,078
Transit Insurance	338,588	555,779
Promotional Expenses	130,829	431,784
Delivery Expenses	2,756,849	2,763,483
Rent, Rates & Taxes	3,378,711	2,090,030
Conveyance	578,468	1,142,492
Entertainment	96,785	236,002
Stationery	62,630	63,363
Telephone	568,283	494,059
Publicity Expenses	681,640	893,514
Fees & Registration	242,224	112,708
Maintenance	60,000	94,583
Car Maintenance	704,712	488,546
Electrical Expenses	638,695	987,591
Postage & Telegram	228,098	178,203
Newspaper & Periodicals	9,330	25,903
Bank Charges	36,762	45,643
Security Guard Salary	459,000	604,835
Office Maintenance	53,280	82,321
Showroom Expenses	311,387	221,803
Utility Bill (WASA)	2,984	61,428
Gift & Donation	6,092	76,859

Amount in Taka	
30.06.2021	30.06.2020
3,303,180	4,089,037
14,092	10,750
-	62,582
44,885	29,487
7,538,369	6,865,192
6,711,622	7,456,478
52,333,401	58,557,807

(a) The number of employees employed in the selling and distribution department throughout the year who received aggregate remuneration less than Tk. 36,0000.

(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.

25.00	Consolidated Financial Charges		448,329,428	423,004,138
	This is made up as follows:			
	Aftab Automobiles Ltd.		330,977,558	305,920,124
	Navana Batteries Ltd.		117,351,870	117,084,014
			448,329,428	423,004,138
26.00	Consolidated Other Income		17,312,132	17,194,330
	This is made up as follows:			
	FDR Interest		17,312,132	17,194,330
	Profit on Sale of Shares		-	-
	Profit on Sales of Car		-	-
			17,312,132	17,194,330
27.00	Consolidated Income Tax Expenses		(42,241,724)	6,765,436
	This is made up as follows:			
	Current Tax	27.01	7,676,342	7,554,545
	Deferred Tax	27.02	(49,918,066)	(789,109)
			(42,241,724)	6,765,436
27.01	Current Tax		7,676,342	7,554,545
	Aftab Automobiles Ltd.	27.1.a	4,843,698	4,334,781
	Navana Batteries Ltd.	27.1.b	2,832,644	3,219,764
			7,676,342	7,554,545
27.1.a	Current Tax - Aftab Automobiles Ltd.		4,843,698	4,334,781
	This is made up as follows:			
	Operating Profit		(254,910,735)	(7,485,257)
	Other Income		17,312,132	17,194,330
	Contribution to WPPF		-	(1,082,951)
	Bad Debts		3,303,180	4,089,037
	Add: Accounting Depreciation		36,168,923	40,188,013
	Less: Tax Depreciation		(45,427,963)	(52,726,152)
	Last year Adjustment		-	-
	Taxable Profit		(243,554,463)	177,021
	Corporate Tax Rate 22.50%		22.50%	25.0%
	Current Tax		(54,799,754)	(6,091,270)
	Minimum Tax on Gross Receipt @ 0.6%		4,843,698	4,334,781
	Current Tax Liabilities (which ever higher)		4,843,698	4,334,781

		Amount in Taka	
		30.06.2021	30.06.2020
27.1.b	Current Tax - Navana Batteries Ltd.	2,832,644	3,219,764
	This is made up as follows:		
	Profit before Tax	(1,534,792)	(6,196,172)
	Add: Accounting Depreciation	38,684,124	42,970,959
	Less: Tax Depreciation	(46,249,960)	(55,653,326)
	Taxable Profit	(9,100,628)	(18,878,539)
	Corporate Tax Rate 30%	30.00%	32.50%
	Current Tax	(2,730,188)	(6,135,525)
	Minimum Tax on Gross Receipt @ 0.6%	2,832,644	3,219,764
	Current Tax Liabilities (which ever higher)	2,832,644	3,219,764
	Consolidated Income Tax Expenses		
27.02	Deferred Tax Expenses	(49,918,066)	(789,109)
	Aftab Automobiles Ltd.	(50,937,671)	4,718,856
	Navana Batteries Ltd.	1,019,605	(5,507,965)
		(49,918,066)	(789,109)
28.00	Deferred Tax Liability	78,004,754	127,922,821
	This is made up as follows:		
	Aftab Automobiles Ltd.	22,599,404	73,537,075
	Navana Batteries Ltd.	55,405,350	54,385,745
		78,004,754	127,922,821
	This is made up as follows:	22,599,404	73,537,075
	Associate Company	76,317,340	73,824,020
	Assembling Body Unit & Motor Cycle Unit	(53,717,936)	(286,945)
	Investment Valuation Surplus in Share	-	-
		22,599,404	73,537,075
28.01.a	Calculation of Deferred Tax Associate Company	76,317,340	73,824,020
	This is made up as follows:		
	Opening Balance	73,824,020	71,217,441
	Add: Provision during the year	2,493,320	2,606,580
		76,317,340	73,824,020
	Investment in Associate Balance as on 30.06.2020	-	-
	Investment Valuation Surplus in Share	76,317,340	73,824,020
	B Aftab Automobiles Ltd.	(53,717,936)	(286,945)
	This is made up as follows:		
	Depreciation:		
	WDV on PPE as per Accounting Calculation	1,116,872,429	1,142,638,625
	Less: WDV on PPE as per Taxable Calculation	982,172,132	1,017,197,369
	Less: Unabsorbed Depreciation	45,427,963	-
	Less: Unused Tax Losses	198,126,501	-
	Temporary Difference	(108,854,167)	125,441,256
	Deferred Tax 22.50% on Difference (B1)	(24,492,188)	31,360,314
	Opening Deferred Tax	31,360,314	28,225,779
	Deferred Tax Expense during the year (B2)	(55,852,502)	3,134,535
	C Bad Debts as per Accounting Base	129,892,217	126,589,037
	Bad Debts as per Tax Base	-	-
	Deductible Temporary Difference	(129,892,217)	(126,589,037)
	Deferred Tax Liabilities 22.50% on Difference (C1)	(29,225,749)	(31,647,259)

		Amount in Taka	
		30.06.2021	30.06.2020
Opening Deferred Tax		(31,647,259)	(30,625,000)
Deferred Tax Expenses during the year (C2)		2,421,510	(1,022,259)
Deferred Tax Liabilities on Regular Income (B1+C1)		(53,717,936)	(286,945)
Deferred Tax Expenses during the year on Regular Income (B2+C2)		(53,430,991)	2,112,276
D Navana Batteries Ltd.			
This is made up as follows:			
WDV on PPE as per Accounting Calculation		813,322,235	844,052,976
Less: WDV on PPE as per Taxable Calculation		619,537,107	657,833,684
Less: Unabsorbed Depreciation		46,249,959	-
Less: Unused Tax Loss		(37,149,331)	-
Temporary Difference		184,684,500	186,219,292
Deferred Tax 30.00% of difference		55,405,350	60,521,270
Less: Unabsorbed Depreciation		-	6,135,525
Deferred Tax Liabilities 30.00% on Difference after Unabsorbed		55,405,350	54,385,745
Opening Deferred Tax		54,385,745	60,737,923
Deferred Tax Expenses during the year		1,019,605	1,696,697
Movement of Deferred Tax			
A Aftab Automobiles Ltd.			
Opening Balance		(286,945)	(2,399,221)
Add: During the year (PLAC)		(53,430,991)	2,112,276
Closing Balance		(53,717,936)	(286,945)
Opening Balance		73,537,075	68,818,220
Add: During the year (PLAC)		(53,430,991)	2,112,276
Add: During the year (Associate Co.)		2,493,320	2,606,580
Add: During the year (OCI)		-	-
Closing Balance		22,599,404	73,537,075
B Navana Batteries Ltd.			
Opening Balance		54,385,745	59,893,710
Add: During the year (PLAC)		1,019,605	(5,507,965)
Closing Balance		55,405,350	54,385,745
Total Deferred Tax Expenses (PL AC)		(50,937,671)	4,718,856
Total Deferred Tax Liabilities (FS AC)		78,004,754	127,922,821
29.00	Consolidated Net Assets Value Per Share (NAVPS)	57.89	60.20
Net Assets		5,542,366,263	5,762,720,529
Ordinary Shares (Paid up Capital)		95,732,422	95,732,422
Net Assets Value Per Share (NAVPS)		57.89	60.20
Net asset value has been decreased due to impact of declaration of dividend payment.			
30.00	Consolidated Earning Per Share (EPS)	(1.94)	0.09
Profit Attributable to the Equity holders		(185,514,274)	8,411,576
No. of Shares		95,732,422	95,732,422
Consolidated Earnings per Share (EPS)		(1.94)	0.09

Amount in Taka	
30.06.2021	30.06.2020

Note:

Note: 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.

31.00	Consolidated Net Operating Cash Flows Per Share (NOCFPS)	6.65	(6.02)
	Consolidated Net Cash Generated by Operating Activities	636,166,212	(575,885,345)
	Ordinary Shares (Paid up Capital)	95,732,422	95,732,422
	Consolidated Net Operating Cash Flows Per Share (NOCFPS)	6.65	(6.02)

Note:

During the year net operating cash flow per share has been increased that of previous year.

32.00	Loan and Deferred Liabilities (Unsecured)	25,310,440	25,310,440
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Long Term interest free loan from sponsors is carried forward since 1982.

33.00	Reconciliation of Consolidated Cash Flows from Operating Activities under Indirect Method:	636,166,212	(575,885,345)
	Net Profit/(Loss) before Interest & Income Tax during the year	208,103,896	426,214,678

Adjustments to reconcile Net Income to Net Cash provided by Operating Activities:

Depreciation	82,391,415	90,024,165
Payment of Lease Liability	(9,107,765)	(21,277,756)
Interest on Lease Liability	544,882	1,018,675
Payment of WPPF	(4,021,328)	2,751,541
Income Tax Paid	(30,622,795)	(63,421,662)
Changes in Current Assets and Liabilities:		
Decrease/(Increase) in Inventories	431,172,089	(92,765,644)
Decrease/(Increase) in Advance and Pre-payments	(44,422,086)	1,043,265
Decrease/(Increase) in Payables & Accruals	(5,929,716)	(214,344,391)
Decrease/(Increase) in Trade Receivables	8,057,620	(705,128,216)
Consolidated Net Cash Flow from Operating Activities	636,166,212	(575,885,345)

34.00 Information about Reportable Segments

Information related to each reportable segment is setout below:

34.01 Segment wise Financial Position as at 30th June, 2021

Particulars	Assembling Unit	Motor Cycle Unit	Body Unit	Total
Assets				
Non-Current Assets				
Property, Plant & Equipment	430,964,670	277,786,431	408,121,328	1,116,872,429
Capital Work-in-Progress	160,880,536	648,719,452	85,466,935	895,066,923
Investment in Subsidiary and Associates	1,181,202,950	-	-	1,181,202,950
Receivable-Non-Current Maturity	2,043,568,218	158,255,827	73,176,741	2,275,000,786
Right of Use Assets	-	3,788,615	-	3,788,615
Total of Non-Current Assets	3,816,616,374	1,088,550,325	566,765,004	5,471,931,703
Current Assets:				
Receivable-Current Maturity	2,172,495,531	330,072,446	99,026,032	2,601,594,009
Stock and Stores	384,942,780	160,029,763	53,467,140	598,439,683
Current Account with Navana Batteries Ltd.	981,361,368	-	-	981,361,368
Current Account with Navana Group Companies	2,136,453,411	964,274,115	-	3,100,727,526
Current Account with Motor Cycle Unit	639,372,313	-	-	-
Current Account with Body Building Unit	423,993,709	-	-	-
Advances, Deposits and Pre-Payments	4,064,840,775	574,475,730	63,228,740	4,702,545,245
Cash and Bank Balances	161,961,762	144,729,304	36,921,228	343,612,294
Total Current Assets	10,965,421,649	2,173,581,358	252,643,140	12,328,280,126
Total Assets	14,782,038,023	3,262,131,683	819,408,144	17,800,211,829
Equity and Liabilities:				
Shareholders' Equity:				
Share Capital	957,324,220	-	-	957,324,220
Share Premium	1,925,858,339	-	-	1,925,858,339
Reserves	44,332,689	-	23,005,542	67,338,231
Retained Earnings	2,352,032,892	(25,235,830)	265,048,411	2,591,845,473
Total Shareholders' Equity	5,279,548,140	(25,235,830)	288,053,953	5,542,366,263
Non-Current Liabilities:				
Loan and Deferred Liabilities (Unsecured)	25,310,440	-	-	25,310,440
Long Term Loan - Non-Current Maturity	2,120,444,000	633,391,081	-	2,753,835,081
Deferred Tax Liability	19,093,213	(3,902,723)	7,408,914	22,599,405
Lease Liability	-	2,597,595	-	2,597,595
Total Non-Current Liabilities	2,164,847,653	632,085,953	7,408,914	2,804,342,521
Current Liabilities:				
Long Term Loan-Current Maturity	706,814,667	211,130,360	-	917,945,027
Short Term Loan	5,662,487,432	1,753,595,471	205,402	7,416,288,305
Accrued and Other Current Liabilities	876,732,060	51,183,416	99,746,166	1,027,661,642
Current Account with Assembling Unit	-	639,372,313	423,993,709	-
Unclaimed Dividend Account	91,608,073	-	-	91,608,073
Total Current Liabilities	7,337,642,232	2,655,281,560	523,945,277	9,453,503,047
Total Liabilities	9,502,489,885	3,287,367,513	531,354,191	12,257,845,568
Total Equity and Liabilities	14,782,038,023	3,262,131,683	819,408,144	17,800,211,829

34.02 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, 2021

Particulars	Assembling Unit	Motor Cycle Unit	Body Unit	Total
Sales Revenue	346,690,000	263,473,878	137,750,500	747,914,378
Less: Cost of Goods Sold	266,585,167	210,322,724	108,511,265	585,419,156
Gross Profit (a)	80,104,833	53,151,154	29,239,235	162,495,222
Less: Operating Expenses:				
Administrative Expenses	27,138,269	15,768,421	10,957,115	53,863,805
Selling & Distribution Expenses	1,685,180	29,797,433	1,081,980	32,564,593
Financial Charges	266,394,399	64,346,886	236,273	330,977,558
Total Operating Expenses (b)	295,217,848	109,912,740	12,275,368	417,405,956
Operating Profit (c) = (a-b)	(215,113,015)	(56,761,586)	16,963,867	(254,910,734)
Non-Operating Income:				
Other Income	6,132,025	3,166,223	8,013,884	17,312,132
Less: Foreign Exchange Loss	1,092,135	-	-	1,092,135
Add: Share of Profit from Associate Company	12,466,601	-	-	12,466,601
Total Non-Operating Income (d)	17,506,491	3,166,223	8,013,884	28,686,598
Profit before Contribution to WPPF (e)=(c+d)	(197,606,524)	(53,595,363)	24,977,751	(226,224,136)
Less: Contribution to WPPF	-	-	-	-
Profit after Contribution to WPPF	(197,606,524)	(53,595,363)	24,977,751	(226,224,136)
Add: Share of Profit from Subsidiaries	(5,384,111)	-	-	(5,384,111)
Net Profit before Tax (f)	(202,990,635)	(53,595,363)	24,977,751	(231,608,247)
Less: Income Tax Expenses				
Current Tax	2,109,934	1,784,250	949,514	4,843,698
Deferred Tax	(43,393,691)	(12,965,205)	5,421,225	(50,937,671)
Total Income Tax Expenses (g)	(41,283,757)	(11,180,955)	6,370,739	(46,093,973)
Profit after Tax (h) = (f-g)	(161,706,878)	(42,414,408)	18,607,012	(185,514,274)
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)	(161,706,878)	(42,414,408)	18,607,012	(185,514,274)

35.00 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.) 30.06.2021	Amount (Tk.) 30.06.2020
Salary	6,688,476	12,080,540
Provision for Gratuity	1,633,242	2,080,834
Board Meeting Attendance Fee	40,000	45,000
Short Term Employee Benefits	-	-
Provision for Post Employment Benefits	24,907,697	-
Other Long Term Benefits	-	-
Termination Benefits	-	-
	<u>33,269,415</u>	<u>14,206,374</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 Disclosures are as follows:-

Name of Related Party	Relationship	Nature of Transaction	Transaction for the year		Outstanding / Receivable	
			2021	2020	2021	2020
Loan from Chairman	Director	Interest free loan				
Navana Group of Company	Alliance Companies	Interest free loan	393,541,411	546,757,958	1,840,641,712	1,447,100,300
Navana Limited	Alliance Companies	Interest free loan	838,753,776	245,849,459	2,967,307,000	2,128,553,224
Navana Reale Estate Ltd.	Alliance Companies	Interest free loan	10,766,296	72,000,000	116,470,296	105,704,000
Navana Engineering Ltd.	Alliance Companies	Interest free loan	-	9600000	58000230	58,000,230

Inter Company Receivables/Payables

Name of Party	Relationship	Nature of Transaction	Transaction for the year		Outstanding / Receivable	
			2021	2020	2021	2020
Navana Welding Electrode Ltd.	Alliance Companies	Interest free loan	-	-	19,200,000	19,200,000
Navana LPG Ltd.	Alliance Companies	Interest free loan	42100000	93950000	21850000	63,950,000

36.00 Payment/Perquisites to Directors

No amount of money was spent by the company for compensating any member of the Board for services rendered other than Board Meeting Fee.

37.00 Foreign Earning

During the year under audit the company incurred a foreign exchange loss of Tk. 1,092,135/- against foreign exchange.

38.00 Brokerage Commission

No brokerage or discount other than usual trade discount against sales was paid during the year. As there was no sales agent, commission therefor was not paid.

39.00 Acknowledgment of Claim and Refund

There were aggregating claims of Tk. 44,842,631/- In respect of assessment years 2009-2010, 2010-2011, 2011-2012, 2012-2013, 2013-2014, 2014-2015, 2015-2016, 2016-2017, 2017-2018, 2018-2019, 2019-2020 and 2020-2021 respectively against the company for income tax and there were aggregating refund in favor of the company for income tax in different years but no asset or liability was recognized for the claims are refundable. The company filed income tax reference case with high court division of the supreme court & appeals remained pending and have applied for adjustment for remaining cases.

40.00 Amount due by Directors

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

41.00 Amount Paid to Directors

The Directors have been paid only the meeting attendance fee during the year.

42.00 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.

43.00 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.

44.00 Remuneration

Salary & Allowances		Amount (Tk.)
Managing Director/Director	5	-
Managers	34	34,264,320
Officers	146	49,887,399

No amount of money was spent by the company for the directors except board meeting attendance fee.

45.00 Capital Expenditure Commitment

There was no commitment for capital expenditure and also not incurred or provided for the year ended 30th June, 2021.

46.00 Contingent Assets

There was no contingent assets as on 30th June, 2021.

47.00 Remittance of Dividend

As there were no non-resident shareholders, no dividend was remitted to or received from abroad.

48.00 Credit Facility not Availed

There was no credit facility available to the Company under any contract and also not availed as on 30th June, 2021 other than trade credit available in the ordinary course of business

49.00 Attendance Status of Board Meeting of Directors

During the year there was 18 Board Meetings were held. The attendance status of all the meetings is as follows:

Name of the Directors	Position	Meeting Held	Attended
Shafiul Islam	Chairman	18	12
Khaleda Islam	Director	18	12
Saiful Islam	Director	18	12
Sajedul Islam	Director	18	18
Farhana Islam	Director	18	10
M. Obaidur Rahman	Independent Director	18	-
Syed Masud Hasan	Independent Director	18	2
Md. Kausar Alam	Independent Director	18	-
Dr. Melita Mehjabeen	Independent Director	18	-

i) Syed Masud Hasan, Independent Director has resigned on 03.01.2021.

ii) Md. Kausar Alam & Dr. Melita Mehjabeen appointed as Independent Director on 04.01.2021. But they don't attended in the Board meeting during the above period.

50.00 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 than this no other fees given to auditor.

51.00 Disclosures as per Requirement of Schedule XI, Part II of the Companies Act, 1994 (Employee Position as on 30th June, 2021)

(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 3000	68,011,158	63,379,010	517
Below 3000	Nil	Nil	Nil

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

Name	Position	Per Meeting Attendance	No. of Meeting	Amount (Tk.)
Shafiul Islam	Chairman	5,000	12	60,000
Khaleda Islam	Director	5,000	12	60,000
Saiful Islam	Director	5,000	12	60,000
Sajedul Islam	Director	5,000	18	90,000
Farhana Islam	Director	5,000	10	50,000
M. Obaidur Rahman	Independent Director	5,000	-	-
Syed Masud Hasan	Independent Director	5,000	2	10,000
Md. Kausar Alam	Independent Director	5,000	-	-
Dr. Melita Mehjabeen	Independent Director	5,000	-	-

i) Syed Masud Hasan, Independent Director has resigned on 03.01.2021.

ii) Md. Kausar Alam & Dr. Melita Mehjabeen appointed as Independent Director on 04.01.2021. But they don't attended in the Board meeting during the above period.

During the year under Review:

(i) No compensation was allowed by the company to the Chief Executive Officer of the company who is also a Director;

(ii) The rate at which Directors have drawn Board Meeting attendance fees @ Tk. 5,000/- per Director per meeting. The total Board Meeting attendance fee incurred during the year under review was Tk. 363,000/- including VAT;

(iii) No amount of money was spent by the company for compensating any member of the board for special services rendered.

52.00 **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.) 30.06.2021	Amount (Tk.) 30.06.2020
1	Within 3 Months	1,220,042,283	947,148,141
2	Within 6 Months	1,021,534,420	815,648,663
3	Within 12 Months	1,062,055,648	848,003,015
4	More than 12 Months	2,275,000,786	2,948,890,938

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

There are no debts outstanding in this respect.

53.00 **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. 129,892,217/-

(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.

54.00 **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	64	92	2,084	2,240
Capacity Utilization (%)	2.67%	23.00%	20.84%	17.50%

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 64 units bus assembled in assembling unit 92 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 2084 Units bikes assembled in motor cycle unit.

55.00 **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.

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

Disclosure as per Para 8 of Schedule XI (kh) 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)	106,466,400	138,671,337
Total		138,671,337

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57.00 Financial Instrument-Fair Values and Risk Management

57.01 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 appro

Reconciliation of Carrying Amount	Carrying Amount Tk. '000								
	Note	Held for Trading	Designated at Fair Value	Fair Value Hedging Instruments	Held to Maturity	Loans and Receivables	Available for Sale	Other Financial Liabilities	Total Amount
30.06.2021		-	-	-	-	-	-	-	-
Financial Assets measured at Fair Value:		-	-	-	-	-	-	-	-
Equity Securities									
Financial Assets not measured at Fair Value:									
Trade and Other Receivables		-	-	-	-	3,303,632	-	-	3,303,632
Investment in FDR		-	-	-	-	251,219	-	-	251,219
Tender/Security Deposit		-	-	-	-	-	-	-	-
Cash and Cash Equivalents		-	-	-	-	100,716	-	-	100,716
Investment in Securities & Associate Company		-	-	-	-	-	429,982	-	429,982
		-	-	-	-	3,655,567	-	-	4,085,549
Financial Liabilities measured at fair value:		-	-	-	-	-	-	-	-
Financial Liabilities not measured at fair value:									
Employment Benefit									
Short Term interest bearing loans									
Long Term interest bearing loans									
Finance Lease Liabilities		-	-	-	-	-	-	1,349,599	1,349,599
Trade and other payables		-	-	-	-	-	-	4,609,259	4,609,259
Other Non-Current Liabilities		-	-	-	-	-	-	-	-
Bank Overdraft		-	-	-	-	-	-	-	-
		-	-	-	-	-	-	5,958,858	5,958,858
30.06.2020									
Financial Assets measured at Fair Value:		-	-	-	-	-	-	-	-
Equity Securities									
Financial Assets not measured at Fair Value:									
Trade and Other Receivables		-	-	-	-	3,305,840	-	-	3,305,840
Investment in FDR		-	-	-	-	-	-	-	-
Tender/Security Deposit		-	-	-	-	-	-	-	-
Cash and Cash Equivalents		-	-	-	-	299,823	-	-	299,823
Investment in Securities & Associate Company		-	-	-	-	-	417,516	-	417,516
		-	-	-	-	3,605,663	-	-	4,023,179
Financial Liabilities measured at fair value:		-	-	-	-	-	-	-	-
Financial Liabilities not measured at fair value:									
Employment Benefit									
Short Term interest bearing loans									
Long Term interest bearing loans									
Finance Lease Liabilities		-	-	-	-	-	-	1,340,190	1,340,190
Trade and other payables		-	-	-	-	-	-	4,090,864	4,090,864
Other Non-Current Liabilities		-	-	-	-	-	-	-	-
Bank Overdraft		-	-	-	-	-	-	-	-
		-	-	-	-	-	-	5,431,054	5,431,054

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

The company has not disclosed the fair values for financial instruments such as trade and other receivables, cash and cash equivalents, investment in subsidiaries, investment, trade/security deposit, employment benefits, short term interest bearing loans,

57.02 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:

57.02.1 Credit Risk, 57.02.2 Liquidity Risk 57.02.3 Market Risk.

57.02.1 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 credit worthiness 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 credit worthiness 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, 2021, 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:

Non-Derivative Financial Assets:

Receivables-Current Assets
Inter Company Transactions
Advance to Suppliers
Advance to Employees
Advance to Others
Security Deposits
Cash at Bank
Cash in Hand

Amount in Taka	
30.06.2021	30.06.2020
5,578,633,137	5,586,690,758
4,941,369,238	3,656,207,754
714,019,951	727,987,256
44,973,832	45,219,388
481,584,061	479,516,205
395,707,471	400,475,573
346,299,772	293,779,365
5,634,752	6,063,368
12,508,222,214	11,195,939,667

At 30th June, 2021 the maximum exposure to credit risk for trade and other receivables by geographic regions was as follows:

	Amount in Taka	
	30.06.2021	30.06.2020
Domestic	5,578,633,137	5,586,690,758
Foreign Receivable	0	0
	5,578,633,137	5,586,690,758
Ageing Schedule of Receivables:	5,578,633,137	5,586,690,758

Duration

1-30 days	342,664,946	342,893,857
31-60 days	349,232,661	349,465,958
61-90 days	528,144,676	528,497,492
91-180 days	1,021,534,420	1,022,216,835
181-365 days	1,062,055,648	1,062,765,132
Over 365 days	2,275,000,786	2,280,851,484
	5,578,633,137	5,586,690,758

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.

57.02.2 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.

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CHARTERED ACCOUNTANTS

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 fina

30th June, 2021

In Taka	Note	Carrying Amount	Total	Contractual Cash Flows			
				2 months or less	2-12 months	1-5 years	
Non-derivative financial liabilities:							
Interest Free Loan (Unsecured)	32.00	25,310,440	25,310,440	2,531,044	7,593,132	15,186,264	
Short Term interest bearing loans	18.00	9,490,070,048	9,490,070,048	4,270,531,522	5,219,538,526		
Long Term interest bearing loans-Non-Current Portion	16.00	4,467,280,547	4,467,280,547	1,340,184,164	1,786,912,219	1,340,184,164	
Deferred Tax Liability	28.00	78,004,754	78,004,754		23,401,426	54,603,328	
Long Term interest bearing loans-Current Portion	16.00	1,489,093,516	1,489,093,516	-	1,042,365,461	446,728,055	
Lease liabilities	17.00	50,684,891	50,684,891	-	2,597,595	48,087,296	
Accrued and Other Current Liabilities	19.00	1,257,990,990	1,257,990,990	125,799,099	251,598,198	880,593,693	
Unclaimed Dividend Account	20.00	91,608,073	91,608,073	9,160,807	18,321,615	64,125,651	
Bank Overdraft		-	-	-	-	-	
		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	

30th June, 2020

In Taka	Note	Carrying Amount	Total	Contractual Cash Flows			
				2 months or less	2-12 months	1-5 years	
Non-derivative financial liabilities:							
Interest Free Loan (Unsecured)	32.00	25,310,440	25,310,440	2,531,044	7,593,132	15,186,264	
Short Term interest bearing loans	18.00	7,674,755,610	7,674,755,610	3,607,135,137	4,067,620,473	-	
Long Term interest bearing loans-Non-Current Portion	16.00	3,894,754,151	3,894,754,151	1,168,426,245	1,557,901,660	1,168,426,245	
Deferred Tax Liability	28.00	127,922,821	127,922,821	25,584,564	38,376,846	63,961,411	
Long Term interest bearing loans-Current Portion	16.00	1,298,251,384	1,298,251,384	-	908,775,968	389,475,415	
Lease liabilities	17.00	53,892,054	53,892,054	-	9,826,359	44,065,695	
Accrued and Other Current Liabilities	19.00	1,260,265,693	1,260,265,693	126,026,569	252,053,139	882,185,985	
Unclaimed Dividend Account	20.00	79,924,183	79,924,183	7,992,418	15,984,837	55,946,928	
Bank Overdraft		-	-	-	-	-	
		14,415,076,335	14,415,076,335	4,937,695,978	6,858,132,414	2,619,247,943	
Derivative financial liabilities							
		-	-	-	-	-	
		14,415,076,335	14,415,076,335	4,937,695,978	6,858,132,414	2,619,247,943	

57.02.3 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.

58.00 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.

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

The directors in the meeting held on 26th day of October 2021 recommended 5% proposed dividend for the shareholders & 5% cash dividend for the shareholders excluding sponsor shareholders whose name will be appeared in the shareholders' registers at the date of book closure which is subject to shareholders' approval at the forthcoming annual general meeting to be held on 30th day of December 2021.

"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."

A. HOQUE & CO.

CHARTERED ACCOUNTANTS

Annexure-A

AFTAB AUTOMOBILES LIMITED AND ITS SUBSIDIARIES Schedule of Property, Plant and Equipment as on 30th June, 2021

Particulars	Cost			Rate of Dep.	Depreciation				Written Down Value as on 30.06.2021	Written Down Value as on 30.06.2020
	Opening Balance 01.07.2020	Addition during the year	Adjustment/Disposal during the year		Total as on 30.06.2021	Charged during the year	Adjustment/Disposal during the year	Total as on 30.06.2021		
Land and Land Development	1,148,608,502	-	-	0%	-	-	-	0	1,148,608,502	1,148,608,502
Building	318,569,448	638,061	-	2.50%	72,186,117	6,164,900	-	78,351,017	240,856,492	246,383,331
Shades	38,078,882	-	-	20%	26,413,154	2,333,146	-	28,746,300	9,332,582	11,665,728
Plant & Machinery	727,737,820	9,976,930	-	10%	410,385,840	32,130,270	-	442,516,110	295,198,640	317,351,981
Tools & Equipment	130,274,520	2,894,345	-	20%	93,244,184	7,607,666	-	100,851,850	32,317,015	37,030,336
Office Equipment	78,569,696	1,482,315	-	10%	39,256,900	3,991,982	-	43,248,881	36,803,130	39,312,796
Furniture & Fixtures	47,099,720	1,240,104	-	10%	21,830,069	2,588,153	-	24,418,222	23,921,601	25,269,651
Transport Vehicles	137,543,650	623,703	-	20%	99,517,275	7,667,645	-	107,184,920	30,982,433	38,026,375
Electric Line Installation	17,154,757	1,236,276	-	10%	6,820,115	1,087,566	-	7,908,681	10,482,352	10,333,642
Office Decoration	73,015,416	264,374	-	10%	23,889,405	4,923,394	-	28,812,799	44,466,991	49,126,011
Gas Line Installation	21,670,370	-	-	10%	8,212,586	1,345,778	-	9,558,364	12,112,006	13,457,784
Total	2,738,322,781	18,356,108	-		801,756,645	69,840,500	-	871,597,145	1,885,081,744	1,936,566,138

Depreciation charged to:	Total Tk.
Cost of Goods Sold (Factory (O/H))	63,750,848
Profit & Loss Accounts (Admin)	4,390,575
Profit & Loss Accounts (Selling)	6,711,622
Total	74,853,045

Annexure-B

Schedule of Right Use of Assets as on 30th June, 2021

Particulars	Cost			Rate of Dep.	Depreciation				Carrying Amount	
	As at 01.07.20	Add./ (Adj.) Dur. the year	Adj. D. the Year		Add./ (Adj.) Dur. the year	Adj. D. the Year	As at 30.06.21	As at 30.06.21	As at 30.06.20	As at 30.06.20
Right Use of Assets	78,895,130	-	-		12,550,915	-	29,993,597	48,901,533	61,452,448	61,452,448
Total	78,895,130	-	-		12,550,915	-	29,993,597	48,901,533	61,452,448	61,452,448

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, 2021 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 59 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, 2021 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.

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>The Company has reported a revenue of Taka 747,914,378 for the year ended 30th June, 2021.</p> <p>Following the application of the revenue recognition standard (IFRS 15, Revenue from Contracts with Customers), the Company adopted its accounting policies.</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>

Key Audit Matters	How our audit addressed the key audit matters
<p>Revenue</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 21.00 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. • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.

Valuation of Inventory	How our audit addressed the key audit matters
<p>The Company had inventory of Taka 598,439,683 at 30th June, 2021 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 9.00 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, 2021 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>Current Tax provision amounting Tk. 4,843,698.</p> <p>At the year end the company reported total income tax expense (Current Tax) of BDT. 4,843,698 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 to be a key audit matter, due to the complexity in income tax provisioning.</p> <p>See note no. 3.14(a) and 27.01 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>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. 22,599,405 as at 30th June, 2021. 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. 3.14 (b) and 28.00 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.</p> <p>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
<p>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 Tk. 179,742, for gratuity fund amounting to Tk. 1,633,242, for workers profit participation fund amounting to Tk. 24,259,482, for welfare fund amounting to Tk. 348,088 which in total are significant in the context over all financial position.</p> <p>At the year end the company reported a net defined benefit scheme liability of Tk. 26,420,554.</p> <p>Liability for the following funds is provided at the following rates:</p> <ul style="list-style-type: none"> (i) CPF @ 10% of basic salary; (ii) GF @ 1 no. basic of salary; (iii) WPPF @ 5% on net profit after charging such charge; (iv) WF @ Tk. 50 per worker. <p>Therefore, valuation of benefits payable provision is considered as a key audit matter.</p> <p>See note no. 3.16 and 19.00 to the financial statements.</p>	<p>Our audit procedures included updating our understanding of the business processes followed by the company for accounting and valuing their defined benefit plan.</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>

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, 1987, 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 : 26.10.2021
Place : Dhaka, Bangladesh


(A.K.M. Aminul Hoque, FCA)
Enrolment No. 407
DVC-2111040407AS546851
A. Hoque & Co.
Chartered Accountants

AFTAB AUTOMOBILES LIMITED
STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2021


Particulars	Notes	Amount in Taka	
		30.06.2021	30.06.2020
Property and Assets			
Non-Current Assets:			
Property, Plant & Equipment	4.00	1,116,872,429	1,142,638,625
Capital Work-in-Progress	5.00	895,066,923	895,066,923
Investment in Subsidiary and Associates	6.00	1,181,202,950	1,174,120,460
Receivables-Non-Current Maturity	7.00	2,275,000,786	2,280,851,484
Right of Use Assets	8.00	3,788,615	11,326,984
		5,471,931,703	5,504,004,476
Current Assets:			
Receivables-Current Maturity	7.00	2,601,594,009	2,637,799,819
Stock and Stores	9.00	598,439,683	1,069,555,871
Current Account with Navana Batteries Ltd.		981,361,368	1,331,361,368
Current Account with Navan Group Companies		3,100,727,526	2,209,107,454
Advances, Deposits and Pre-payments	10.00	4,702,545,245	3,439,557,761
Cash and Bank Balances	11.00	343,612,295	291,540,609
		12,328,280,126	10,978,922,882
Total Property and Assets		17,800,211,829	16,482,927,358
Shareholders' Equity and Liabilities			
Shareholders' Equity:			
Share Capital	12.00	957,324,220	957,324,220
Share Premium	13.00	1,925,858,339	1,925,858,339
Reserves	14.00	67,338,231	67,338,231
Retained Earnings	15.00	2,591,845,473	2,812,199,739
Total Equity Attributable to Equity holders		5,542,366,263	5,762,720,529
Non-Current Liabilities:			
Loan and Deferred Liabilities (Unsecured)	32.00	25,310,440	25,310,440
Long Term Loan-Non-Current Maturity	16.00	2,753,835,081	2,417,561,232
Deferred Tax Liability	28.00	22,599,405	73,537,076
Lease Liability	17.00	2,597,595	9,826,359
		2,804,342,521	2,526,235,107
Current Liabilities:			
Long Term Loan-Current Maturity	16.00	917,945,027	805,853,744
Short Term Loan	18.00	7,416,288,305	6,280,842,853
Accrued and Other Current Liabilities	19.00	1,027,661,642	1,107,275,125
Unclaimed Dividend Account	20.00	91,608,073	79,924,183
		9,453,503,047	8,273,895,905
Total Liabilities		12,257,845,568	10,720,206,829
Total Shareholders' Equity & Liabilities		17,800,211,829	16,482,927,358
Net Assets Value (NAV) per Share	29.00	57.89	60.20

The annexed notes from 1 to 59 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 2021 and were signed on its behalf by:


Chief Financial Officer


Company Secretary


Director


Director


Managing Director


(A.K.M Aminul Hoque, FCA)
Enrolment No. 407
DVC-2111040407AS546851
A. Hoque & Co.
Chartered Accountants

Place: Dhaka
Dated: 26-10-2021

AFTAB AUTOMOBILES LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE, 2021

Particulars	Note	Amount in Taka	
		01.07.2020 to 30.06.2021	01.07.2019 to 30.06.2020
Sales Revenue	21.00	747,914,378	1,411,377,402
Less: Cost of Goods Sold	22.00	585,419,156	1,036,218,693
Gross Profit (a)		162,495,222	375,158,709
Less: Operating Expenses:			
Administrative Expenses	23.00	53,863,805	40,388,586
Selling & Distribution Expenses	24.00	32,564,593	36,123,312
Financial Charges	25.00	330,977,558	305,920,124
Total Operating Expenses (b)		417,405,956	382,432,022
Operating Profit/(Loss) (c) = (a-b)		(254,910,734)	(7,273,313)
Non-Operating Income:			
Other Income	26.00	17,312,132	17,194,330
Less: Foreign Exchange Loss		1,092,135	514,305
Add: Share of Profit from Associate Company	6.03	12,466,601	13,032,898
Total Non-Operating Income (d)		28,686,598	29,712,923
Profit/(Loss) before Contribution to WPPF (e)=(c+d)		(226,224,136)	22,439,610
Less: Contribution to WPPF		-	1,068,553
Profit/(Loss) after Contribution to WPPF		(226,224,136)	21,371,057
Add: Share of Profit from Subsidiaries		(5,384,111)	(3,905,845)
Net Profit/(Loss) before Tax (f)		(231,608,247)	17,465,212
Less: Income Tax Expenses			
Current Tax	27.01	4,843,698	4,334,781
Deferred Tax	27.02	(50,937,671)	4,718,856
Total Income Tax Expenses (g)	27.00	(46,093,973)	9,053,637
Profit/(Loss) after Tax attributable to equity holders (h)=(f-g)		(185,514,274)	8,411,575
Total Comprehensive Income/(Loss) for the year (j)=(h+i)		(185,514,274)	8,411,575
Earnings per Share	30.00	(1.94)	0.09

The annexed notes from 1 to 59 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 2021 and were signed on its behalf by:


Chief Financial Officer


Company Secretary


Director


Director


Managing Director

Place: Dhaka
Dated: 26-10-2021


(A.K.M Aminul Hoque, FCA)
Enrolment No. 407
DVC-2111040407AS546851
A. Hoque & Co.
Chartered Accountants

AFTAB AUTOMOBILES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE, 2021

Particulars	Share Capital	Proposed Dividend	Share Premium	Reserves	Retained Earnings	Total
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
Balance at 1st July, 2019	957,324,220	-	1,925,858,339	67,338,231	2,884,205,751	5,834,726,541
Adjustment the Application of IFRS-16 (Lease)	-	-	-	-	(11,893,264)	(11,893,264)
Cash Dividend	-	-	-	-	(68,524,324)	(68,524,324)
Total Comprehensive Income for the year	-	-	-	-	8,411,575	8,411,575
Balance at 30th June, 2020	957,324,220	-	1,925,858,339	67,338,231	2,812,199,738	5,762,720,529

The annexed notes from 1 to 59 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 2021 and were signed on its behalf by:


Chief Financial Officer


Company Secretary


Director


Director


Managing Director

Place: Dhaka
Dated: 26-10-2021


(A.K.M Aminul Hoque, FCA)
Enrolment No. 407
DVC-2111040407AS546851
A. Hoque & Co.
Chartered Accountants

AFTAB AUTOMOBILES LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE, 2021

Particulars	Amount in Taka	
	Amount (Tk.) 30.06.2021	Amount (Tk.) 30.06.2020
Cash Flows from Operating Activities:		
Cash Receipts from Customers	789,970,886	705,269,214
Cash Receipts of Other Income	17,312,132	17,194,330
Payments for Suppliers and Employees	(181,118,005)	(1,305,189,412)
Foreign Exchange Loss	(1,092,135)	(514,305)
Cash Generated from Operations	625,072,878	(583,240,173)
Income Tax Paid	(20,662,594)	(44,842,631)
Net Cash Generated from Operating Activities	604,410,284	(628,082,804)
Cash Flows from Investing Activities:		
Acquisition of Property, Plant and Equipment	(10,402,726)	(5,224,848)
Advance for capital assets	(1,197,820,967)	(1,300,000,000)
Investment in Share Money Deposits	-	-
Payments for Capital Work in Progress	-	(379,080,682)
Net Cash used in Investing Activities	(1,208,223,693)	(1,684,305,530)
Cash Flows from Financing Activities:		
Received of Bank Loan	1,583,810,584	3,212,760,086
Inter Company Receipts/(Payments)	(891,620,072)	421,399,459
Inter Company Payments	350,000,000	(949,700,000)
Bank Interest Paid	(330,977,558)	(305,920,124)
Dividend Paid	(21,821,985)	(52,767,047)
Net Cash Provided in Financing Activities	689,390,969	2,325,772,374
Net Changes in Cash and Cash Equivalents for the year	52,071,687	13,384,041
Cash and Cash Equivalents at the Beginning of Year	291,540,608	278,156,567
Cash and Cash Equivalents at the End of Year	343,612,295	291,540,608
Net Operating Cash Flows Per Share 31.00	6.31	(6.56)

The annexed notes from 1 to 59 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 2021 and were signed on its behalf by:


Chief Financial Officer


Company Secretary


Director


Director


Managing Director


(A.K.M Aminul Hoque, FCA)
Enrolment No. 407
DVC-2111040407AS546851
A. Hoque & Co.
Chartered Accountants

Place: Dhaka
Dated: 26-10-2021

AFTAB AUTOMOBILES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2021
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 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, 2021;
- * Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June, 2021;
- * Statement of Changes in Equity for the year ended 30th June, 2021;
- * Statement of Cash Flows for the year ended 30th June, 2021;
- * 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 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
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 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 2019-2020 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 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.

2.12 Reporting Period

The reporting period of the Company covers one year from 1st day of July, 2020 to 30th June, 2021.

2.13 Approval of Financial Statements

The financial statements have been approved by the Board of Directors on the 26th day of October 2021.

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 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.

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 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 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 Equipments	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.

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.

Financial Assets

The company initially recognises receivables 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 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.

Financial assets include cash and cash equivalents, trade and other receivables and investment in subsidiary.

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.

Trade and Other Receivables

Trade 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.

Investment

Investment comprises of fixed deposit maturity of more than three months which are available for use by the company without any restriction. The company has positive intent and ability to hold investment in fixed deposit receipts-FDRs investment to maturity, and such financial assets are classified as held to maturity. These assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using effective interest method.

Investment in Subsidiary

Investment in subsidiary represents investment in the equity of Navana Batteries Limited.

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.

Financial liabilities include trade and other payables, and other non-current liabilities.

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments : Recognition and Measurement.

The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below.

Classification and Measurement of Financial Assets and Financial Liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

The adoption of IFRS 9 has not had a significant effect on the company's accounting policies related to financial liabilities. The impact of IFRS 9 on the classification and measurement of financial assets is set out below.

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value through Other Comprehensive Income (FVOCI) - debt investment; Fair Value through Other Comprehensive Income (FVOCI)-equity investment ; or Fair Value Through Profit or Loss (FVTPL).

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- a. it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- b. its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

On initial recognition of an equity investments that is not held for trading, the company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets.

Financial Assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial Assets at Amortised Cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest Income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss. Trade receivables are classified as financial assets measured at amortized cost.

Debt Investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognised in OCI. On de-recognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity Investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Impairment of Financial Assets

IFRS 9 replaces the 'incurred loss' model in IAS-39 with on 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.

The financial assets at amortised cost consist of trade receivables, cash and cash equivalents, and corporate debt securities. The company measures loss allowances at an amount equal to ECL from trade receivables.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on The Company's historical experience and informed credit assessment and including forward-looking information.

The company considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the company in full, without recourse by The company to actions such as realising security (if any is held).

Measurement of Expected Credit Losses (ECL)

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Presentation of Impairment

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is recognized in OCI, instead of reducing the carrying amount of the asset.

Impairment losses related to trade receivables and others, including contract assets, are presented separately in the notes to the financial statement.

3.11 Impairment

(i) Financial Assets

The company recognizes loss allowances for Expected Credit Losses ECLs on:

- * financial assets measured at amortised cost;
- * debt investments measured at FVOCI; and
- * contract assets.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. Loss allowances measured at an amount equal to lifetime ECLs, except for the following, which are measured at 12 month ECLs:

- * debt securities that are determined to have low credit risk at the reporting date; and
- * other debt securities and bank balances for which credit risk (i.e. the risk default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and including forward-looking information.

(ii) Non-Financial Assets

The carrying amounts of the Company's non-financial assets (other than inventories) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the 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.

3.12 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.

3.13 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 assets has 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.

Changes to the company's accounting policies have been made as required in accordance with the transitional provisions in the respective IFRS 16 Leases.

The Company adopted IFRS 16 : Leases using the modified retrospective method of adoption with the date of initial application of 1st January, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application. The company elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease 1st July, 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying IAS 17 at the date of initial application.

The IFRS 16 requires to recognise the present value of minimum lease payment under the agreement as assets and liability namely "Right to Use of Asset" and "Lease Liability" respectively. The Right to Use of Asset is added by the balance of advance payment at initial application of IFRS 16, which was 1st January, 2019. However, IFRS 16 also allows the Company to recognise the lease payment as expenses in respect of short term lease agreement and lease for which the underlying asset is of short term (temporary) lease and low value.

One lease agreement of the company are fallen in second category. As such, lease (rental) payment was recognised as expenses in the Profit or Loss Statement, when they incurred, for short term (temporary) lease and low value lease agreement.

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 of Assets:

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

3.14 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.

3.15 Dividend

10% Cash Dividend has been paid for the year 2020.

3.16 Cost of Post Employment Benefits

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

Both of the plans are funded and the contribution plan (provident fund) has been recognized / approved under Income Tax Ordinance, 1984 from National Board of Revenue (NBR). The company maintains the following benefits plans:

(a) Defined Contribution Plan (Provident Fund)

The company operates a contributory provident fund scheme for its permanent employees. The company's contribution to the fund is charged off as revenue expenditure during the year to which the contribution relates. The fund is operated by a Board of Trustees consisting 5 (Five) members. All confirmed employees of the company are contributing 10% of their basic salary as subscription to the fund. The company also contributes equal amount of the employees' contribution. Interest earned from the investments is credited to the members account on yearly basis.

(b) Defined Benefit Plan (Gratuity)

A defined benefit plan is a post-employment benefit plan other than defined contribution plan. The employee gratuity plan is considered and defined benefit plan as meets the recognition criteria.

The company operates an unfunded gratuity scheme, provision in respect of which is made annually for the company's permanent eligible employees as per IAS-19, "Employee Benefits".

(c) Workers Profit Participation Fund (WPPF) and Worker Welfare Fund (WWF)

Provision for Workers Profit Participation Fund (WPPF) has been made @ 5% on net Profit after charging such charge Contribution to WPPF as per provision of The Bangladesh Labour Law, 2006 (amended 2018) and payable to workers as defined in the said law. Worker Welfare Fund has been made @ 50 Tk. per worker.

3.17 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.

3.18 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.

3.19 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

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.

Motor Cycle Unit
Body Unit

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.

3.20 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.

3.21 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".

3.22 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.

3.23 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.

3.24 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 dependant 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.

3.25 Events after the Reporting Period

As per IAS-10 events after the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. Two types of events can be identified:

- (i) those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and
- (ii) those that are indicative of conditions that arose after the reporting period (no adjusting events after the reporting period).

These financial statements were authorized for issued by the Board of Directors on 26th day of October 2021. No material events had occurred after the balance sheet date of issue of these statements, which could affect the values stated in the financial statements.

3.26 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**.

3.27 General

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

Amount in Taka	
30.06.2021	30.06.2020

4.00 **Property, Plant & Equipment's**

1,116,872,429 **1,142,638,625**

This is made up as follows:

Land and Land Development	745,334,299	745,334,299
Building	116,232,370	119,212,687
Shed	9,332,582	11,665,728
Plant & Machinery	154,692,509	165,730,939
Tools & Equipment	10,913,854	12,362,491
Office Equipment	17,432,948	18,654,821
Furniture & Fixture	12,431,409	12,555,399
Transport Vehicles	19,508,672	23,684,175
Electrical Line Installation	2,137,161	1,551,815
Office Decoration	28,856,624	31,886,271
	1,116,872,429	1,142,638,625

The break up PPE are shown in **Annexure - A.**

5.00 **Capital Work-In-Progress**

895,066,923 **895,066,923**

This is made up as follows:

Opening Balance	895,066,923	515,986,241
Add: Addition during the year	-	379,080,682
	895,066,923	895,066,923
Less: Transfer to Property, Plant and Equipment	-	-
Closing Balance	895,066,923	895,066,923

6.00 **Investment in Subsidiary and Associate**

1,181,202,950 **1,174,120,460**

This is made up as follows:

Investment in Subsidiary	6.01	751,220,488	756,604,599
Investment in Securities	6.02	28,395,758	28,395,758
Investment in Associate	6.03	401,586,704	389,120,103
		1,181,202,950	1,174,120,460

6.01 **Investment in Subsidiary**

751,220,488 **756,604,599**

Navana Batteries Limited:

This is made up as follows:

Opening Balance	756,604,599	760,510,444
Add: Profit during the year	(5,384,111)	(3,905,845)
Closing Balance	751,220,488	756,604,599

Navana Batteries Limited is a 99.95% owned subsidiary company. During the year under audit incurred / enjoyed a loss of Tk. 5,384,111/-

6.02 **Investment in Securities**

28,395,758 **28,395,758**

Amount in Taka	
30.06.2021	30.06.2020

6.03 Investment in Associate

The details are stated below:

Share Investment of NREL at cost

Share of Equity from Associates:

Opening Balance:

Share of Equity from Associates:

Net Income after Deferred Tax (PLAC)

Provision for Deferred Tax 23.02

Closing Balance

Total Investment in Associates

401,586,704	389,120,103
20,000,000	20,000,000
369,120,103	356,087,205
9,973,281	10,426,318
2,493,320	2,606,580
12,466,601	13,032,898
381,586,704	369,120,103
401,586,704	389,120,103

NB: Share of profit from Associate Company (NREL) has been taken for one year for the financial year 2020-2021.

6.3(a) Acquisition Quantity of Shares of Navana Real Estate Ltd.

Opening Balance

Number of Shares Purchased

Number of Bonus Shares received during the year

Total Number Shares

20,000,000	20,000,000
20,000,000	20,000,000
6,000,000	6,000,000
-	-
-	-
6,000,000	6,000,000

7.00 Receivables Non-Current Maturity

Receivables Non-Current (Maturity Over 12 Months)

Less: Provision for Bad Debts

Receivables non-current Maturity

Receivables Current (Maturity less than 12 Months)

4,876,594,795	4,918,651,303
2,404,893,003	2,407,440,521
129,892,217	126,589,037
2,275,000,786	2,280,851,484
2,601,594,009	2,637,799,819
4,876,594,795	4,918,651,303

Ageing Schedule of Receivables:

Duration:

1-30 days

31-60 days

61-90 days

91-180 days

181-365 days

Over 365 days

4,876,594,795	4,918,651,303
269,846,938	273,602,338
275,018,979	278,846,358
415,911,299	421,699,445
804,453,264	815,648,663
836,363,529	848,003,015
2,275,000,786	2,280,851,484
4,876,594,795	4,918,651,303

(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 in Taka	
		30.06.2021	30.06.2020
8.00	Right of Use Assets	3,788,615	11,326,984
	This is made up as follows:		
	At Cost		
	Opening Balance	18,192,176	
	Addition during the year	-	18,192,176
	Disposal / Adjustment during the year	-	-
		18,192,176	18,192,176
	Less: Accumulated Depreciation		
	Opening Balance	6,865,192	6,865,192
	Add: Charged during the year	7,538,369	-
	Disposal / Adjustment during the year	-	-
		14,403,561	6,865,192
	Written Down Value (WDV)	3,788,615	11,326,984
	The details of which have been shown in Annexure-B		
9.00	Stock and Stores	598,439,683	1,069,555,871
	This is made up as follows:		
	Finished Products	486,499,861	556,745,097
	Raw Materials	47,937,887	156,323,533
	Work-in-Process	2,935,300	6,516,267
	Stores and Spares 9.01	2,397,439	2,627,415
	Goods in Transit	58,669,196	347,343,559
		598,439,683	1,069,555,871
9.01	Stores and Spares	2,397,439	2,627,415
	This is made up as follows:		
	Opening Balances	2,627,415	2,963,915
	Less: Consumption during the year	229,976	336,500
	Closing Balance	2,397,439	2,627,415
	(i) Value of Stock of Finished Product & Raw Materials inclusive of 73 units hino bus 1 unit RM2 hino bus chassis and 269 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.		
10.00	Advances, Deposits & Pre-payments	4,702,545,245	3,439,557,761
	This is made up as follows:		
	Advance to Suppliers	564,054,608	559,420,902
	Advance to Employees	10,089,601	9,431,125
	Advance to Others	401,670,649	392,754,903
	Current Account with VAT	(3,995,010)	(659,131)
	Deposits	352,250,239	352,124,239
	Advance fo Capital Assets	2,531,326,841	1,300,000,000
	Advance Income Tax 10.1	847,148,317	826,485,723
		4,702,545,245	3,439,557,761
	Advance paid to suppliers against work orders are considered good. Advance to employees against expenses, salary etc. which are realisable 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.		

		Amount in Taka	
		30.06.2021	30.06.2020
10.01	Advance Income Tax	847,148,317	826,485,723
	This is made up as follows:		
	Opening Balance	826,485,723	781,643,092
	Add: Addition during the year	20,662,594	44,842,631
		847,148,317	826,485,723
	Adjustment made during the year	-	-
	Closing Balance	847,148,317	826,485,723
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 2011-2012 to 2017-2018 is pending. Adjustment of any amount therefrom is subject to decision of Hon'ble High Court.			
11.00	Cash and Bank Balances	343,612,295	291,540,609
	This is made up as follows:		
	Cash in Hand	1,875,947	2,387,163
	Cash at Banks	341,736,348	289,153,446
		343,612,295	291,540,609
FDR amounting to Tk. 251,218,520 is under lien against loan from various banks out of total cash at bank balance of Tk. 341,736,348.			
11.01	Cash at Banks	341,736,348	289,153,446
	This is made up as follows:		
	IFIC Bank Ltd.	39,944,967	30,728,233
	Agrani Bank Ltd.	6,571	6,517
	Pubali Bank Ltd.	44,481	44,481
	IFIC Bank Ltd. (Federation)	589,646	16,487
	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.	2,243,412	5,885
	Janata Bank Ltd.	812	812
	The Oriental Bank Ltd.	39,670	39,670
	Bank Al-Falah Ltd.	360,114	360,114
	IFIC Bank Ltd.	15,323	15,323
	City Bank Ltd.	1,711,428	60,771
	The Oriental Bank Ltd.	32,040	32,040
	NCC Bank Ltd.	1,499	1,499
	Islami Bank BD Ltd. (Foreign Exchange Branch)	99,565	99,565
	Jamuna Bank Ltd.	3,651,545	19,503
	One Bank Ltd.	75,868	75,868
	Agrani Bank Ltd. (Foreign Exchange)	176,505	404,991
	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	725
	IFIC Bank Ltd.	97,000	97,000
	All-Arafah Islami Bank Ltd.	27,409	28,099
	United Commercial Bank Ltd.	199,305	199,305

	Amount in Taka	
	30.06.2021	30.06.2020
Pubali Bank Ltd.	14,441	14,441
Dhaka Bank Ltd.	58,897	103,897
Standard Bank Ltd.	3,000,880	1
EXIM Bank Ltd.	14,428	14,428
One Bank Ltd.	31,020	31,020
IFIC Bank Ltd.	2,183,976	27,498
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)	36,159	192
IFIC Bank Ltd. (Gulshan)	18,082,411	98,040
Meghna Bank Ltd. (Gulshan)	119,998	3,338,295
Prime Bank Ltd. (Baridhara)	67,356	235
Bank Asia Ltd.	4,752,967	194,518
NRB Commercial Bank Ltd.	17,359	6,123
The City Bank Ltd. (Banani)	89,448	89,448
Midland Bank Ltd.	86,931	88,656
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
Mercantile Bank Ltd.	-	820
Southeast Bank Ltd.	40,063	51,291
Shahjalal Islami Bank Ltd.	9,310	9,310
BRAC Bank Ltd.	-	50,490
First Security Islami Bank Ltd.	154,005	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	10,000
Islami Bank BD Ltd. (Gulshan Branch)	1,160,817	617,716
Dutch-Bangla Bank Ltd.	7,401,297	51,191
United Commercial Bank Ltd. (Tejgaon)	93,490	94,180
Modhumati Bank Ltd. (Gulshan)	159,644	5,045,310
Agrani Bank Ltd. (FDR ID # 10583162)	12,179,387	11,568,975
Agrani Bank Ltd. (FDR ID # 10583151)	12,302,727	11,686,132
Agrani Bank Ltd. (FDR ID # 10583159)	18,474,610	17,548,689
Agrani Bank Ltd. (FDR ID # 10583160)	12,165,861	11,556,127
Bank Asia Ltd. (FDR ID # 00855012111)	50,798,315	49,558,713
City Bank Ltd. (FDR ID # 4192-5651001)	14,146,603	13,421,825
One Bank Ltd. (FDR ID # 4120005867)	845,709	810,582
One Bank Ltd. (FDR ID # 4120006495)	540,608	518,351
One Bank Ltd. (FDR ID # 4120006600)	132,280	126,643
One Bank Ltd. (FDR ID # 4120008537)	492,306	471,578
One Bank Ltd. (FDR ID # 4120008592)	486,272	465,658
One Bank Ltd. (FDR ID # 4120008606)	239,842	229,128
Phoenix Finance Ltd. (FDR)	128,414,000	125,247,777
	341,736,348	289,153,446

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, 2021 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.)
Agrani Bank Ltd.	7465-9	6,517
Pubali Bank Ltd.	128	44,481
Eastern Bank Ltd.	3371	58,214
United Commercial Bank Ltd.	326	16,507
Commercial Bank of Ceylon Ltd.		24,750
AB Bank Ltd. (Motijheel)	071420	2,619
Sonali Bank Ltd. (Local)	12116	15,101
Janata Bank Ltd.	9321	1,500
Amirecan Express Bank Ltd.	293	21,540
Arab Bangladesh Bank Ltd.	1361	7,213
Janata Bank Ltd.	78	812
The Oriental Bank Ltd.	2758	39,670
Bank Al-Falah Ltd.	8-001	360,114
IFIC Bank Ltd.	81734	15,323
The Oriental Bank Ltd.	04290	32,040
NCC Bank Ltd.	17704	1,499
Islami Bank BD Ltd. (Foreign Exchange Branch)	5016	99,565
Jamuna Bank Ltd.	1820	15,232
One Bank Ltd.	7008	75,868
Mercantile Bank Ltd.	20178	123,168
BRAC Bank Ltd.	23001	3,353
Standard Bank Ltd. (Principal Branch)	7992	869,282
Sahjahal Islami Bank Ltd.	8504	169,806
IFIC Bank Ltd. (Federation Branch)	0041	725
IFIC Bank Ltd.	87525	97,000
United Commercial Bank Ltd.	3144	199,305
Pubali Bank Ltd.	9826	14,441
EXIM Bank Ltd.	5651	14,428
One Bank Ltd.	6006	31,020
AB Bank Ltd.	43-000	100,000
Standard Bank Ltd.	1815	394,782
IFIC Bank Ltd. (Federation Branch)	Share A/C	95,006
The City Bank Ltd. (Banani)	90001	89,448
BD Commerce Bank Ltd.	832	100,000
NRB Bank Ltd.		97,435
Premier Bank Ltd.	0268	98,390
Al-Arafah Islami Bank Ltd.	16815	996,610
Shahjalal Islami Bank Ltd.	12906	9,310
First Security Islami Bank Ltd.	19713	154,005
Pubali Bank Ltd.	5678	400,000
Rupali Bank Ltd. (Local)	0216	10,000
AB Bank Ltd.	36000	10,000
Total		4,916,079

Shareholders' Equity and Liabilities

12.00 Share Capital

Authorized Capital:

120,000,000 Ordinary Shares of Tk. 10/- each.

180,000,000 Cum. Redeemable Preference Shares of Tk. 10/- each.

1,200,000,000	1,200,000,000
1,800,000,000	1,800,000,000
3,000,000,000	3,000,000,000

Ordinary Shares Capital:

Issued, Subscribed and Paid up

95,732,422 Ordinary Shares @ Tk. 10/- each.

Sponsors

General Public

957,324,220	957,324,220
287,206,730	272,080,980
670,117,490	685,243,240
957,324,220	957,324,220

The position of Ordinary Shareholders as on 30th June, 2021 was as follows:

Particulars	No. of Investors	No. of Shares-2021	Shareholding % 2021	Shareholding % 2020
Sponsors	6	28,720,673	30.00%	28.42%
Financial Institutions including ICB	238	33,871,051	35.38%	38.70%
General Public	19,933	33,140,698	34.62%	32.88%
Total	20,177	95,732,422	100%	100%

The Classification of Shareholders by holding as on 30th June, 2021 was as follows:

Particulars	No. of Investors	No. of Shares-2021	% of Shares Holding 2021	% of Shares Holding 2020
1 to 500	12,627	1,983,025	2.07%	2,129,842
501 to 5000	6,301	10,342,080	10.80%	10,010,940
5001 to 10000	652	4,770,657	4.98%	4,413,592
10001 to 20000	315	4,438,192	4.64%	3,642,349
200001 to 30000	96	2,376,181	2.48%	2,453,877
300001 to 40000	37	1,284,598	1.34%	1,196,945
400001 to 50000	35	1,612,342	1.68%	1,585,212
500001 to 100000	56	3,948,262	4.12%	3,753,495
1000001 to 1000000	44	11,958,582	12.49%	14,325,741
Above 10000000	14	53,018,503	55.38%	52,220,429
Total	20,177	95,732,422	100%	95,732,422

13.00 Share Premium

This is made up as follows:

Net Premium up to 2006
Net Premium up to 2010

Amount in Taka	
30.06.2021	30.06.2020

1,925,858,339 **1,925,858,339**

250,191,730 250,191,730
1,675,666,609 1,675,666,609
1,925,858,339 **1,925,858,339**

14.00 Reserves

This is made up as follows:

Tax Holiday Reserve
Dividend Equalization Fund
General Reserve

30.06.2021	30.06.2020
67,338,231	67,338,231
12,338,231	12,338,231
4,000,000	4,000,000
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.

15.00 Retained Earnings

This is made up as follows:

Opening Balance
Add: Profit during the year

Less: Adjustment for application of IFRS 16 (Lease)

Less: Cash Dividend
Less: Stock Dividend

2,591,845,473	2,812,199,738
2,812,199,738	2,884,205,751
(185,514,274)	8,411,575
2,626,685,464	2,892,617,326
1,334,118	11,893,264
2,625,351,346	2,880,724,062
33,505,875	68,524,324
-	-
2,591,845,473	2,812,199,738

16.00 Long Term Loan-Non-Current Maturity

This is made up as follows:

Amount in Taka		
	30.06.2021	30.06.2020
	2,753,835,081	2,417,561,232
Agrani Bank Ltd.	815,694,493	881,180,673
Meghna bank Ltd.	15,564,604	22,314,977
SBAC bank Ltd.	127,823,026	120,793,318
Mutual trust bank Ltd.	154,486,327	140,932,292
Prime bank Ltd.	-	11,653,515
Midland Bank Ltd.	32,213,507	29,400,536
Peoples Leasing	146,203,874	143,325,391
One Bank Ltd.	385,634,495	64,656,771
NCC Bank Ltd.	105,350,059	116,497,594
Bay Leasing	113,317,371	102,517,921
GSP Finance	275,120,449	249,204,434
Midas financing	47,671,963	40,980,611
Union Capital	130,320,000	119,022,682
BD Finance Ltd.	50,462,530	47,200,218
Phoenix Finance	740,741,344	626,046,793
Modhumoti bank Ltd.	531,176,066	507,687,250
	3,671,780,108	3,223,414,976
Less: Long Term Loan-Current Maturity	917,945,027	805,853,744
Long Term Loan-Net of Non-Current Maturity	2,753,835,081	2,417,561,232

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, 2021.
- (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) Lease finance is repayable in 647,804 monthly equal installment.
- (iv) Currently all of the company's all types of loan are classified as standard / sub standard by the Bank.

17.00 Lease Liability

At Cost:

	2,597,595	9,826,360
Opening Balance	9,826,360	-
Add: Addition during the year	-	15,389,191
	9,826,360	15,389,191
Add: Finance Charge	544,882	1,018,675
Less: Payment during the year	7,773,647	6,581,506
Closing Balance	2,597,595	9,826,360
Less: Transferred to current maturity	-	-
	2,597,595	9,826,360

Brief Terms & Condition of above Liability:

- (i) The company has four leases against its rental;
- (ii) Lease period upto 31st Dec. 2021, 31st Jan. 2022, 1st Mar. 2021 and 31st Sept. 2021;
- (iii) Monthly total rental payment is Tk. 647,804;
- (iv) Advance total amount paid Tk. 19,796,250;
- (v) Monthly total adjustment Tk. 223,750.

			Amount in Taka	
			30.06.2021	30.06.2020
18.00	Short Term Loan		7,416,288,305	6,280,842,853
	This is made up as follows:			
	Agrani Bank Ltd.		1,511,299,908	630,585,708
	Bank Asia Ltd.		971,705,182	884,744,037
	Standard Bank Ltd.		109,175,503	96,996,631
	NRB Commercial Ltd.		486,882,254	447,643,218
	BRAC Bank Ltd.		20,615,467	40,991,042
	Dhaka Bank Ltd.		400,286,319	343,896,638
	Mercantile Bank Ltd.		241,536,903	220,536,339
	The City Bank Ltd.		84,463,596	75,206,530
	Midland Bank Ltd.		29,645,684	31,702,004
	Prime bank Ltd.		54,088,437	52,806,214
	One Bank Ltd.		-	282,913,641
	SBAC bank Ltd.		185,126,997	168,652,806
	Mutual trust bank Ltd.		62,083,517	55,618,726
	Southeast Bank Ltd.		269,468,902	243,759,834
	Dutch-Bangla Bank Ltd.		537,705,642	487,340,721
	IFIC Bank Ltd.		2,451,998,593	2,217,261,858
	Jamuna Bank Ltd.		205,401	186,906
			7,416,288,305	6,280,842,853
	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, 2021.			
	(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.			
19.00	Accrued and Other Current Liabilities		1,027,661,642	1,107,275,125
	This is made up as follows:			
	For Goods Supplied		130,541,013	132,993,879
	For Expenses (Including Salary, PF & GF)		131,786,205	129,055,505
	For Income Tax		653,892,116	649,048,418
	For Workers Profit Participation Fund and WF		24,607,570	28,628,898
	For Other Finance		84,140,195	84,929,699
	For Bond Liabilities		2,694,543	2,694,543
			1,027,661,642	1,107,275,125
20.00	Uncliamed Dividend Account		91,608,073	79,924,183
	Uncliamed Dividend		91,608,073	79,924,183
			91,608,073	79,924,183
21.00	Revenues (Net Sales)		747,914,378	1,411,377,402
	This is made up as follows:			
	Aftab Automobiles Ltd.		346,690,000	910,117,914
	Bus Body Building Unit		137,750,500	127,566,000
	Motor Cycle Unit		263,473,878	373,693,488
			747,914,378	1,411,377,402
		Quantity	Quantity	
		2021	2020	
	Hino Bus	71	188	910,117,914
	Bus Body Building	92	95	127,566,000
	Motor Cycle	2,084	3,067	373,693,488
				263,473,878

The quantities of sales during the year are hino bus chassis 71 units, Bus body 92 Units and 2084 Units of Motor Cycle.

		Amount in Taka	
		30.06.2021	30.06.2020
22.00	Cost of Goods Sold	585,419,156	1,036,218,693
	This is made up as follows:		
	Opening Stock of Direct Raw Materials	156,323,533	206,403,045
	Purchase of Direct Raw Materials	311,428,456	996,008,865
	Direct Raw Materials available for Consumption	467,751,989	1,202,411,910
	Closing Stock of Direct Raw Materials 9.00	47,937,887	156,323,533
	Raw Materials Consumed	419,814,102	1,046,088,377
	Add: Opening Work in Progress	6,516,267	5,799,936
		426,330,369	1,051,888,313
	Less: Closing WIP 9.00	2,935,300	6,516,267
		423,395,069	1,045,372,046
	Indirect Materials	-	554,638
	Total Consumption	423,395,069	1,045,926,684
	Factory Overhead 22.01	91,778,851	120,251,653
	Cost of Production	515,173,920	1,166,178,337
	Opening Finished Products	556,745,097	426,785,453
		1,071,919,017	1,592,963,790
	Closing Finished Products 9.00	486,499,861	556,745,097
		585,419,156	1,036,218,693
22.01	Factory Overhead	91,778,851	120,251,653
	This is made up as follows:		
	Salary and Allowances (Including PF)	46,464,078	69,813,321
	Liveries and Uniform	180,221	89,663
	Telephone, Fax and Mobile	21,495	28,991
	Fuel and Lubricants	885,707	1,320,700
	Travelling and Conveyance	92,898	308,231
	Entertainment	335,146	477,885
	Office Expenses	346,135	248,851
	Maintenance Expenses	1,630,874	3,247,259
	Electric Expenses	5,074,168	4,640,136
	Duty and Allowances	3,900	475,848
	Canteen Subsidies	-	247,769
	Eid Greetings	98,398	87,450
	Rent, Rates & Taxes	3,145,532	2,624,092
	Insurance	2,921,588	2,729,292
	Welfare Expenses	132,555	115,357
	Carrying & Handling	406,711	130,835
	Newspaper and Periodicals	-	47,830
	General Charges	21,000	-
	Repairs and Maintenance (Vehicle)	303,205	742,551
	Chemicals	739,109	-
	Annual Picnic	-	224,850
	Printing & Stationery	40,993	163,831
	Stores & Spares	-	336,500
	Depreciation	28,935,138	32,150,411
		91,778,851	120,251,653

(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.

23.00 **Administrative Expenses**

This is made up as follows:

Amount in Taka		
	30.06.2021	30.06.2020
	53,863,805	40,388,586
Salary and Allowances (Including PF)	37,977,135	22,958,067
Welfare Expenses	33,065	12,075
Medical Expenses	112,850	25,975
Entertainment	397,447	449,539
AGM Expenses	138,182	606,074
TA and Conveyance	759,483	685,785
Car Maintenance	897,649	609,315
Stationery	342,533	300,472
Fees and Registration	409,222	490,639
Telephone	967,386	821,456
Electrical Expenses	235,289	180,943
Rent, Rates and Taxes	2,560,050	1,670,000
Insurance Premium	161,962	156,418
Liveries and Uniform	-	23,737
Bank Charges	1,742,845	2,530,435
Audit Fees	471,500	414,000
Duty Allowance	10,000	100,000
Newspapers & Periodicals	8,360	48,222
Printing	459,779	533,957
Postage & Telegram	76,043	186,657
Night Allowances	52,090	52,090
Advertisement and Publicity	-	142,999
Directors Fee	275,000	235,750
Office Maintenance	588,657	458,689
Maintenance Expenses	256,418	364,597
General Expenses	-	52,408
WASA Bill	12,715	40,227
Gas	181,842	125,551
CDBL Fee	404,312	830,120
Canteen Subsidy	435,574	528,508
Security Expenses	-	268,550
Promotion Expenses	78,610	126,954
Fuel and Lubricants	200,915	339,576
Depreciation	3,616,892	4,018,801
	53,863,805	40,388,586

(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.

24.00 **Selling and Distribution Expenses**

This is made up as follows:

	32,564,593	36,123,312
Salary and Allowances (Including PF)	10,942,291	15,101,740
Transit Insurance	338,588	555,778
Delivery Expenses	2,060,622	2,005,217
Rent, Rates & Taxes	1,863,264	438,743
Conveyance	533,309	1,068,272
Entertainment	2,081	100,828

Amount in Taka	
30.06.2021	30.06.2020
Stationery	13,463
Telephone	508,028
Publicity Expenses	681,640
Fees & Registration	156,648
Car Maintenance	584,312
Postage & Telegram	170,770
Showroom Expenses	251,136
Bad Debts	3,303,180
Depreciation of Right Use Asset	7,538,369
Depreciation	3,616,892
32,564,593	36,123,312

(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.

25.00	Financial Charges	330,977,558	305,920,124
	Aftab Automobiles Limited		
	This is made up as follows:		
	Assembling Unit	266,394,399	250,210,973
	Body Building Unit	236,273	18,502
	Motor Cycle Unit	63,802,004	54,671,974
	Interest on Lease Liability	544,882	1,018,675
		330,977,558	305,920,124
26.00	Non-Operating Income	17,312,132	17,194,330
	This is made up as follows:		
	Interest on FDR & SND	17,312,132	17,194,330
	Profit on Sales of Shares	-	-
	Profit on Sales of Car	-	-
		17,312,132	17,194,330
27.00	Income Tax Expenses	(46,093,973)	9,053,637
	This is made up as follows:		
	Current Tax	4,843,698	4,334,781
	Deferred Tax	(50,937,671)	4,718,856
		(46,093,973)	9,053,637
27.01	Current Tax Expenses	4,843,698	4,334,781
	This is made up as follows:		
	Operating Profit	(254,910,734)	(7,787,618)
	Other Income	17,312,132	17,194,330
	Contribution to WPPF	-	(1,068,553)
	Bad Debts	3,303,180	4,089,037
	Add: Accounting Depreciation	36,168,922	40,188,013
	Less: Tax Depreciation	(45,427,963)	(52,726,152)
	Last year Adjustment	-	-
	Taxable Profit	(243,554,463)	(110,943)

		Amount in Taka	
		30.06.2021	30.06.2020
	Corporate Tax Rate	22.50%	25.00%
	Less: Tax Rebate	-	-
	Net Tax Rate	22.50%	25.00%
	Current Tax	(54,799,754)	(27,736)
	Minimum Tax on Gross Receipt @ 0.6%	4,843,698	4,334,781
	Current Tax Liabilities (whichever is Higher)	4,843,698	4,334,781
27.02	Deferred Tax Expenses	(50,937,671)	4,718,856
	This is made up as follows:		
	Deferred Tax on Regular Income	(53,430,991)	2,112,276
	Deferred Tax on Share of Profit of Associate	2,493,320	2,606,580
		(50,937,671)	4,718,856
28.00	Deferred Tax Liability	22,599,405	73,537,076
	This is made up as follows:		
	Associate Company (A)	76,317,341	73,824,021
	Assembling Unit, Body Unit & Motor Cycle Unit (AAL) (B)	(53,717,936)	(286,945)
	Investment Valuation Surplus in Share	-	-
		22,599,405	73,537,076
	Calculation of Deferred Tax:		
	A Associate Company	76,317,341	73,824,021
	This is made up as follows:		
	Opening Balance	73,824,021	71,217,441
	Add: Provision during the year	2,493,320	2,606,580
	Investment in Associate Balance as on 30.06.2021	76,317,341	73,824,021
	Investment Valuation Surplus in Share	-	-
	B Assembling Unit, Body Unit & Motor Cycle Unit (AAL)	(53,717,936)	(286,945)
	This is made up as follows:		
	WDV on PPE as per Accounting Calculation	1,116,872,429	1,142,638,625
	Less: WDV on PPE as per Taxable Calculation	982,172,132	1,017,197,369
	Less: Unabsorbed Depreciation	45,427,963	0
	Less: Unused Tax Loss	198,126,501	0
	Temporary Difference	(108,854,167)	125,441,256
	Deferred Tax 22.5% on Difference (B1)	(24,492,188)	31,360,314
	Opening Deferred Tax 01.07.2020	31,360,314	28,225,779
	Deferred Tax Expenses during the year (B2)	(55,852,502)	3,134,535
	C Bad Debts:		
	Bad Debts as per Accounting Base	129,892,217	126,589,037
	Bad Debts as per Tax Base	-	-
	Temporary Difference	(129,892,217)	(126,589,037)
	Deferred Tax 22.5% on Difference (C1)	(29,225,749)	(31,647,259)
	Opening Deferred Tax 01.07.2020	(31,647,259)	(30,625,000)
	Deferred Tax Expenses during the year (C2)	2,421,510	(1,022,259)
	Deferred Tax Liability on regular income (B1+C1)	(53,717,936)	(286,945)
	Deferred Tax Expenses during the year on regular income	(53,430,991)	2,112,276
	NB: Deferred Tax on Bad Debts has been considered only from last year.		
	Opening Balance	(286,945)	(2,399,221)
	Add: During the year (PIAC)	(53,430,991)	2,112,276
	Closing Balance	(53,717,936)	(286,945)

Amount in Taka	
30.06.2021	30.06.2020

Movement of Deferred Tax:

Opening Balance	73,537,075	68,818,220
Add: During the year (PLAC)	(53,430,991)	2,112,276
Add: During the year (Associate Company)	2,493,320	2,606,580
Add: During the year (OCI)	-	-
Closing Balance	22,599,404	73,537,075

29.00 Net Assets Value Per Share (NAVPS)

Net Assets	5,542,366,263	5,762,720,529
Number of Ordinary Shares	95,732,422	95,732,422
Net Assets Value Per Share (NAVPS)	57.89	60.20

Note: Net Asset Value has been decreased due to impact of declaration of dividend payment.

30.00 Earning Per Share (EPS)

Profit Attributable to Ordinary Equity Shareholders	(185,514,274)	8,411,575
Number of Ordinary Share	95,732,422	95,732,422
Earnings per Share (EPS)	(1.94)	0.09

Note: 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.

31.00 Net Operating Cash Flows Per Share (NOCFPS)

Net Cash Generated by Operating Activities	604,410,284	(628,082,804)
Number of Ordinary Shares	95,732,422	95,732,422
Net Operating Cash Flows Per Share (NOCFPS)	6.31	(6.56)

Note: During the year Net Operating Cash Flow per share has been increased that of previous year.

32.00 Loan and Deferred Liabilities (Unsecured)

Long Term interest free loan from sponsors is carried forward since 1982.

33.00 Reconciliation of Cash Flows from Operating Activities under Indirect Method:

Net Profit/(Loss) before Interest & Income Tax during the year	92,286,820	315,326,835
Adjustments to reconcile Net Income to Net Cash provided by Operating Activities:		
Depreciation	43,707,291	47,053,206
Payment of Lease Liability	(9,107,765)	(21,277,756)
Interest on Lease Liability	544,882	1,018,675
Payment of WPPF	(4,021,328)	2,751,541
Income Tax Paid	(20,662,594)	(44,842,631)
Changes in Current Assets and Liabilities:		
Decrease/(Increase) in Inventories	471,116,188	(36,123,235)
Decrease/(Increase) in Advance and Pre-payments	(10,998,049)	18,122,405
Decrease/(Increase) in Payables & Accruals	(511,670)	(204,003,656)
Decrease/(Increase) in Trade Receivables	42,056,508	(706,108,188)
Net Cash Flow from Operating Activities	604,410,284	(628,082,804)

34.00 Information about Reportable Segments

Information related to each reportable segment is setout below:

34.01 Segment wise Financial Position as at 30th June, 2021

Particulars	Assembling Unit	Motor Cycle Unit	Body Unit	Total
Assets				
Non-Current Assets				
Property, Plant & Equipment	430,964,670	277,786,431	408,121,328	1,116,872,429
Capital Work-in-Progress	160,880,536	648,719,452	85,466,935	895,066,923
Investment in Subsidiary and Associates	1,181,202,950	-	-	1,181,202,950
Receivable-Non-Current Maturity	2,043,568,218	158,255,827	73,176,741	2,275,000,786
Right of Use Assets	-	3,788,615	-	3,788,615
Total of Non-Current Assets	3,816,616,374	1,088,550,325	566,765,004	5,471,931,703
Current Assets:				
Receivable-Current Maturity	2,172,495,531	330,072,445	99,026,032	2,601,594,009
Stock and Stores	384,942,780	160,029,763	53,467,140	598,439,683
Current Account with Navana Batteries Ltd.	981,361,368	-	-	981,361,368
Current Account with Navana Group Companies	2,136,453,411	964,274,115	-	3,100,727,526
Current Account with Motor Cycle Unit	639,372,313	-	-	-
Current Account with Body Building Unit	423,993,709	-	-	-
Advances, Deposits and Pre-Payments	4,064,840,775	574,475,730	63,228,740	4,702,545,245
Cash and Bank Balances	161,961,762	144,729,304	36,921,228	343,612,294
Total Current Assets	10,965,421,649	2,173,581,358	252,643,140	12,328,280,126
Total Assets	14,782,038,023	3,262,131,683	819,408,144	17,800,211,829
Equity and Liabilities:				
Shareholders' Equity:				
Share Capital	957,324,220	-	-	957,324,220
Share Premium	1,925,858,339	-	-	1,925,858,339
Reserves	44,332,689	-	23,005,542	67,338,231
Retained Earnings	2,352,032,892	(25,235,830)	265,048,411	2,591,845,473
Total Shareholders' Equity	5,279,548,140	(25,235,830)	288,053,953	5,542,366,263
Non-Current Liabilities:				
Loan and Deferred Liabilities (Unsecured)	25,310,440	-	-	25,310,440
Long Term Loan - Non-Current Maturity	2,120,444,000	633,391,081	-	2,753,835,081
Deferred Tax Liability	19,093,213	(3,902,723)	7,408,914	22,599,405
Lease Liability	-	2,597,595	-	2,597,595
Total Non-Current Liabilities	2,164,847,653	632,085,953	7,408,914	2,804,342,521
Current Liabilities:				
Long Term Loan-Current Maturity	706,814,667	211,130,360	-	917,945,027
Short Term Loan	5,662,487,432	1,753,595,471	205,402	7,416,288,305
Accrued and Other Current Liabilities	876,732,060	51,183,416	99,746,166	1,027,661,642
Current Account with Assembling Unit		639,372,313	423,993,709	-
Unclaimed Dividend Account	91,608,073			91,608,073
Total Current Liabilities	7,337,642,232	2,655,281,560	523,945,277	9,453,503,047
Total Liabilities	9,502,489,885	3,287,367,513	531,354,191	12,257,845,568
Total Equity and Liabilities	14,782,038,023	3,262,131,683	819,408,144	17,800,211,829

34.02 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, 2021

Particulars	Assembling Unit	Motor Cycle Unit	Body Unit	Total
Sales Revenue	346,690,000	263,473,878	137,750,500	747,914,378
Less: Cost of Goods Sold	266,585,167	210,322,724	108,511,265	585,419,156
Gross Profit (a)	80,104,833	53,151,154	29,239,235	162,495,222
Less: Operating Expenses:				
Administrative Expenses	27,138,269	15,768,421	10,957,115	53,863,805
Selling & Distribution Expenses	1,685,180	29,797,433	1,081,980	32,564,593
Financial Charges	266,394,399	64,346,886	236,273	330,977,558
Total Operating Expenses (b)	295,217,848	109,912,740	12,275,368	417,405,956
Operating Profit (c) = (a-b)	(215,113,015)	(56,761,586)	16,963,867	(254,910,734)
Non-Operating Income:				
Other Income	6,132,025	3,166,223	8,013,884	17,312,132
Less: Foreign Exchange Loss	1,092,135	-	-	1,092,135
Add: Share of Profit from Associate Company	12,466,601	-	-	12,466,601
Total Non-Operating Income (d)	17,506,491	3,166,223	8,013,884	28,686,598
Profit before Contribution to WPPF (e)=(c+d)	(197,606,524)	(53,595,363)	24,977,751	(226,224,136)
Less: Contribution to WPPF	-	-	-	-
Profit after Contribution to WPPF	(197,606,524)	(53,595,363)	24,977,751	(226,224,136)
Add: Share of Profit from Subsidiaries	(5,384,111)	-	-	(5,384,111)
Net Profit before Tax (f)	(202,990,635)	(53,595,363)	24,977,751	(231,608,247)
Less: Income Tax Expenses				
Current Tax	2,109,934	1,784,250	949,514	4,843,698
Deferred Tax	(43,393,691)	(12,965,205)	5,421,225	(50,937,671)
Total Income Tax Expenses (g)	(41,283,757)	(11,180,955)	6,370,739	(46,093,973)
Profit after Tax (h) = (f-g)	(161,706,878)	(42,414,408)	18,607,012	(185,514,274)
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)	(161,706,878)	(42,414,408)	18,607,012	(185,514,274)

35.00 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.) 30.06.2021	Amount (Tk.) 30.06.2020
Salary	4,230,846	9,235,220
Provision for Gratuity	1,633,242	2,080,834
Board Meeting Attendance Fee	40,000	45,000
Provision for Post Employment Benefits	24,787,312	-
	30,691,400	11,361,054

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	
			2021	2020	2021	2020
Navana Limited	Alliance Companies	Interest free loan	838,753,776	245,849,459	2,967,307,000	2,128,553,224
Navana Real Estate Ltd.	Alliance Companies	Interest free loan	10,766,296	72,000,000	116,470,296	105,704,000
Navana Engineering Ltd.	Alliance Companies	Interest free loan	-	9,600,000	58,000,230	58,000,230

Inter Company Receivables/Payables

Name of Party	Relationship	Nature of Transaction	Transaction for the year		Outstanding / Receivable	
			2021	2020	2021	2020
Navana Welding Electrode Ltd.	Alliance Companies	Interest free loan	-	-	19,200,000	19,200,000
Navana LPG Ltd.	Alliance Companies	Interest free loan	42,100,000	93,950,000	21,850,000	63,950,000

36.00 Payment/Perquisites to Directors

No amount of money was spent by the company for compensating any member of the Board for services rendered other than Board Meeting Fee.

37.00 Foreign Earning

During the year under audit the company incurred a foreign exchange loss of Tk. 1,092,135 against foreign exchange.

38.00 Brokerage Commission

No brokerage or discount other than usual trade discount against sales was paid during the year. As there was no sales agent, commission therefor was not paid.

39.00 Acknowledgment of Claim and Refund

There were aggregating claims of Tk. 44,842,631. In respect of assessment years 2009-2010,2010-2011,2011-2012,2012-2013,2013-2014,2014-2015,2015-2016,2016-2017,2017-2018,2018-2019. 2019-2020 and 2020-2021 respectively against the company for income tax and there were aggregating refund in favour of the company for income tax in different years but no asset or liability was recognized for the claims are refundables. The company filed income tax reference case with high court division of the supreme court & appeals remained pending and have applied for adjustment for remaining cases.

40.00 Amount due by Directors

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

41.00 Amount Paid to Directors

The Directors have been paid only the meeting attendance fee during the year.

42.00 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.

43.00 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.

44.00 Remuneration

Salary & Allowances	Number of Person	Amount (Tk.)
Managing Director/Director	5	-
Managers	17	20,125,977
Officers	87	28,019,038

No amount of money was spent by the company for the directors except board meeting attendance fee.

45.00 Capital Expenditure Commitment

There was no commitment for capital expenditure and also not incurred or provided for the year ended 30th June, 2021.

46.00 Contingent Assets

There was no contingent assets as on 30th June, 2021.

47.00 Remittance of Dividend

As there were no non-resident shareholders, no dividend was remitted to or received from abroad.

49.00 Credit Facility not Availed

There was no credit facility available to the Company under any contract and also not availed as on 30th June, 2021 other than trade credit available in the ordinary course of business.

49.00 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
Shafiul Islam	Chairman	14	8
Khaleda Islam	Director	14	12
Saiful Islam	Managing Director	14	8
Sajedul Islam	Director	14	14
Farhana Islam	Director	14	6
M. Obaidur Rahman	Independent Director	14	0
Syed Masud Hasan	Independent Director	14	2
Md. Kausar Alam	Independent Director	14	0
Dr. Melita Mehjabeen	Independent Director	14	0

i) Syed Masud Hasan, Independent Director has resigned on 03.01.2021.

ii) Md. Kausar Alam & Dr. Melita Mehjabeen appointed as Independent Director on 04.01.2021. But they don't attended in the Board meeting during the above period.

50.00 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 than this no other fees given to auditor.

51.00 Disclosures as per Requirement of Schedule XI, Part II of the Companies Act, 1994

(Employee Position as on 30th June, 2021)

(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 3000	48,919,225	46,464,078	441
Below 3000	Nil	Nil	Nil

(B) Disclosure as per requirement of Schedule XI, Part II, Para 4

Payment/Perquisites to Directors and Officers

Name	Position	Per Meeting Attendance Fee	No. of Meeting	Amount (Tk.)
Shafiul Islam	Chairman	5,000	8	40,000
Khaleda Islam	Director	5,000	12	60,000
Saiful Islam	Managing Director	5,000	8	40,000
Sajedul Islam	Director	5,000	14	70,000
Farhana Islam	Director	5,000	6	30,000
M. Obaidur Rahman	Independent Director	5,000	-	-
Syed Masud Hasan	Independent Director	5,000	2	10,000
Md. Kausar Alam	Independent Director	5,000	-	-
Dr. Melita Mehjabeen	Independent Director	5,000	-	-

i) Syed Masud Hasan, Independent Director has resigned on 03.01.2021.

ii) Md. Kausar Alam & Dr. Melita Mehjabeen appointed as Independent Director on 04.01.2021. But they don't attended in the Board meeting during the above period.

During the year under Review:

(i) No compensation was allowed by the company to the Managing Director of the company who is also a Director;

- (ii) The rate at which Directors have drawn Board Meeting attendance fees @ Tk. 5,000/- per Director per meeting. The total Board Meeting attendance fee incurred during the year under review was Tk. 2,75,000/- including VAT;
- (iii) No amount of money was spent by the company for compensating any member of the board for special services rendered.

52.00 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.) 30.06.2021	Amount (Tk.) 30.06.2020
1	Within 3 Months	960,777,216	974,148,141
2	Within 6 Months	804,453,264	815,648,663
3	Within 12 Months	836,363,529	848,003,015
4	More than 12 Months	2,275,000,786	2,280,851,484

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

There are no debts outstanding in this respect.

53.00 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. 129,892,217.

(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.

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

Details of Production Capacity Utilization:

Particulars	Assembling	Body	Mortory Cycle	Total (AAL)
Production Capacity (Vehicle/Battery)	2400	400	10000	12,800
Production during the year	64	92	2084	2,240
Capacity Utilization (%)	2.67%	23.00%	20.84%	17.50%

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 64 units bus assembled in assembling unit 92 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 2084 Units bikes assembled in motor cycle unit.

55.00 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.

56.00 Disclosure for purchase in foreign currency during the year

Disclosure as per Para 8 of Schedule XI (kh) 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)	¥106466400	138,671,337
Import of Raw Material (Mahindra Motor Cycle SKD)	-	-
Total		138,671,337

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57.00 Financial Instrument-Fair Values and Risk Management

57.01 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 appro

Reconciliation of Carrying Amount	Carrying Amount Tk. '000								
	Note	Held for Trading	Designated at Fair Value	Fair Value Hedging Instruments	Held to Maturity	Loans and Receivables	Available for Sale	Other Financial Liabilities	Total Amount
30.06.2021		-	-	-	-	-	-	-	-
Financial Assets measured at Fair Value:		-	-	-	-	-	-	-	-
Equity Securities		-	-	-	-	-	-	-	-
Financial Assets not measured at Fair Value:		-	-	-	-	-	-	-	-
Trade and Other Receivables		-	-	-	-	2,601,594	-	-	2,601,594
Investment in FDR		-	-	-	-	251,219	-	-	251,219
Tender/Security Deposit		-	-	-	-	-	-	-	-
Cash and Cash Equivalents		-	-	-	-	92,393	-	-	92,393
Investment in Subsidiary and Associates		-	-	-	-	-	1,181,202	-	1,181,202
		-	-	-	-	2,945,206	1,181,202	-	4,126,408
Financial Liabilities measured at fair value:		-	-	-	-	-	-	-	-
Financial Liabilities not measured at fair value:		-	-	-	-	-	-	-	-
Employment Benefit		-	-	-	-	-	-	7,416,288	7,416,288
Short Term interest bearing loans		-	-	-	-	-	-	-	-
Long Term interest bearing loans		-	-	-	-	-	-	2,314,146	2,314,146
Lease Liabilities		-	-	-	-	-	-	3,788	3,788
Trade and other payables		-	-	-	-	-	-	1,119,270	1,119,270
Other Non-Current Liabilities		-	-	-	-	-	-	2,804,343	2,804,343
Bank Overdraft		-	-	-	-	-	-	-	-
		-	-	-	-	-	-	13,657,835	13,657,835
30.06.2020		-	-	-	-	-	-	-	-
Financial Assets measured at Fair Value:		-	-	-	-	-	-	-	-
Equity Securities		-	-	-	-	-	-	-	-
Financial Assets not measured at Fair Value:		-	-	-	-	-	-	-	-
Trade and Other Receivables		-	-	-	-	2,637,800	-	-	2,637,800
Investment in FDR		-	-	-	-	243,211	-	-	243,211
Tender/Security Deposit		-	-	-	-	-	-	-	-
Cash and Cash Equivalents		-	-	-	-	48,330	-	-	48,330
Investment in Subsidiary and Associates		-	-	-	-	-	1,174,120	-	1,174,120
		-	-	-	-	2,929,341	1,174,120	-	4,103,461
Financial Liabilities measured at fair value:		-	-	-	-	-	-	-	-
Financial Liabilities not measured at fair value:		-	-	-	-	-	-	-	-
Employment Benefit		-	-	-	-	-	-	-	-
Short Term interest bearing loans		-	-	-	-	-	-	6,280,843	6,280,843
Long Term interest bearing loans		-	-	-	-	-	-	2,038,442	2,038,442
Lease Liabilities		-	-	-	-	-	-	2,598	2,598
Trade and other payables		-	-	-	-	-	-	1,107,275	1,107,275
Other Non-Current Liabilities		-	-	-	-	-	-	2,526,235	2,526,235
Bank Overdraft		-	-	-	-	-	-	-	-
		-	-	-	-	-	-	11,955,393	11,955,393

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

The company has not disclosed the fair values for financial instruments such as trade and other receivables, cash and cash equivalents, investment in subsidiaries, investment, trade/security deposit, employment benefits, short term interest bearing loans,

57.02 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:

57.02.1 Credit Risk, 57.02.2 Liquidity Risk 57.02.3 Market Risk.

57.02.1 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, 2021, 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:

Non-Derivative Financial Assets:

Receivables

Inter Company Transactions

Advance to Suppliers

Advance to Employees

Advance to Others

Security Deposits

Cash at Bank

Cash in Hand

Amount in Taka	
30.06.2021	30.06.2020
4,876,594,795	4,918,651,303
4,082,088,894	3,540,468,822
564,054,608	559,420,902
10,089,601	9,431,125
401,670,649	392,754,903
352,250,239	352,124,239
341,736,348	289,153,446
1,875,947	2,387,163
10,630,361,081	10,064,391,903

At 30th June, 2021 the maximum exposure to credit risk for trade and other receivables by geographic regions was as follows:

Amount in Taka	
30.06.2021	30.06.2020
Domestic	4,876,594,795
Foreign Receivable	-
4,876,594,795	4,918,651,303

Ageing Schedule of Receivables:

	4,876,594,795	4,918,651,303
Duration		
1-30 days	269,846,938	273,602,338
31-60 days	275,018,979	278,846,358
61-90 days	415,911,299	421,699,445
91-180 days	804,453,264	815,648,663
181-365 days	836,363,529	848,003,015
Over 365 days	2,275,000,786	2,280,851,484
	4,876,594,795	4,918,651,303

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.

57.02.2 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 final

30th June, 2021

In Taka	Note	Carrying Amount	Total	Contractual Cash Flows			
				2 months or less	2-12 months	1-5 years	
Non-derivative financial liabilities:							
Long Term Interest Free Loan(Unsecured)	32.00	25,310,440	25,310,440	2,531,044	7,593,132	15,186,264	
Short Term interest bearing loans	18.00	7,416,288,305	7,416,288,305	741,628,831	2,224,886,492	4,449,772,983	
Long Term interest bearing loans-Non-Current Portion	16.00	2,753,835,081	2,753,835,081	275,383,508	826,150,524	1,652,301,049	
Long Term Interest Free Loan (Current Portion)	16.00	917,945,027	917,945,027	-	367,178,011	550,767,016	
Deferred Tax Liability	28.00	22,599,405	22,599,405	2,259,941	6,779,822	13,559,643	
Lease liabilities	17.00	2,597,595	2,597,595	-	1,039,038	1,558,557	
Accrued and Other Current Liabilities	19.00	1,027,661,642	1,027,661,642	102,766,164	308,298,493	616,596,985	
Unclaimed Dividend Account	20.00	91,608,073	91,608,073	9,160,807	27,482,422	54,964,844	
Bank Overdraft		-	-	-	-	-	
		12,257,845,568	12,257,845,568	1,133,730,295	3,769,407,933	7,354,707,341	
Derivative financial liabilities							
		-	-	-	-	-	
		12,257,845,568	12,257,845,567	1,133,730,295	3,769,407,933	7,354,707,341	

30th June, 2020

In Taka	Note	Carrying Amount	Total	Contractual Cash Flows			
				2 months or less	2-12 months	1-5 years	
Non-derivative financial liabilities:							
Long Term Interest Free Loan(Unsecured)	32.00	25,310,440	25,310,440	2,024,835	8,858,654	14,426,951	
Short Term interest bearing loans	18.00	6,280,842,853	6,280,842,853	1,633,019,142	4,647,823,711	-	
Long Term interest bearing loans-Non-Current Portion	16.00	2,417,561,232	2,417,561,232	247,580,511	725,268,370	1,474,712,352	
Long Term Interest Free Loan (Current Portion)	16.00	805,853,744	805,853,744	153,112,211	233,697,586	419,043,947	
Deferred Tax Liability	28.00	73,537,076	73,537,076	-	-	73,537,076	
Lease liabilities	17.00	9,826,359	9,826,359	-	9,826,359	-	
Accrued and Other Current Liabilities	19.00	1,107,275,125	1,107,275,125	121,800,264	287,891,533	697,583,329	
Inter Company Payables		-	-	-	-	-	
Bank Overdraft		-	-	-	-	-	
		10,720,206,829	10,720,206,829	2,127,536,963	5,913,366,212	2,679,303,654	
Derivative financial liabilities							
		-	-	-	-	-	
		10,720,206,829	10,720,206,829	2,127,536,963	5,913,366,212	2,679,303,654	

57.02.3 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.

58.00 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.

59.00 Event after the Reporting Period

The directors in the meeting held on 26th day of October 2021 recommended 5% proposed dividend for the shareholders & 5% cash dividend for the shareholders excluding sponsor shareholders whose name will be appeared in the shareholders' registers at the date of book closure which is subject to shareholders' approval at the forthcoming annual general meeting to be held on 30th day of December 2021.

"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, 2021

Particulars	Cost			Rate of Dep.	Depreciation				Written
	Opening Balance 01.07.2020	Addition during the year	Adjustment/ Disposal during the year		Total as on 30.06.2021	Charged during the year	Adjustment/ Disposal during the year	Total as on 30.06.2021	Down Value as on 30.06.2021
Land and Land Development	745,334,299	-	-	0%	-	-	-	-	745,334,299
Building	163,444,179	-	-	2.5%	44,231,492	2,980,317	-	47,211,809	116,232,370
Shed	38,078,882	-	-	20%	26,413,154	2,333,146	-	28,746,300	9,332,582
Plant & Machinery	380,375,196	5,825,962	-	10%	214,644,257	16,864,392	-	231,508,649	11,665,728
Tools & Equipment	43,557,805	1,137,623	-	20%	31,195,314	2,586,260	-	33,781,574	165,730,939
Office Equipment	36,705,978	677,484	-	10%	18,051,158	1,899,356	-	19,950,514	12,362,491
Furniture & Fixture	24,242,338	1,191,104	-	10%	11,686,938	1,315,095	-	13,002,033	18,654,820
Transport Vehicles	86,200,506	623,703	-	20%	62,516,332	4,799,205	-	67,315,537	12,555,400
Electric Line Installation	2,408,249	779,503	-	10%	856,434	194,157	-	1,050,591	23,684,174
Office Decoration	46,947,005	167,347	-	10%	15,060,734	3,196,994	-	18,257,728	1,551,815
Total	1,567,294,437	10,402,726	-		424,655,612	36,168,922	-	460,824,734	31,886,271
									28,856,624
									1,116,872,429
									1,142,638,625

Depreciation charged to:	Total Tk.
Cost of Goods Sold (Factory (O/H))	28,935,138
Profit & Loss Accounts (Admin)	3,616,892
Profit & Loss Accounts (Selling)	3,616,892
Total	36,168,922

Annexure-B

Schedule of Right Use of Assets as on 30th June, 2021

Particulars	Cost			Rate of Dep.	Depreciation			Carrying amount	
	As at 01.07.20	Add./ (Adj.) Dur. the year	Adj. D. the Year		Add./ (Adj.) Dur. the year	Adj. D. the Year	As at 30.06.21	As at 30.06.20	
Motor Cycle	18,192,176	-	-		7,538,369	-	6,865,192	11,326,984	
Total	18,192,176	-	-		7,538,369	-	6,865,192	11,326,984	



MANAGING PARTNER :
MD. ASHRAF UDDIN AHMED
LLB, CFC, FCA

PARTNERS:
ENAMUL KABIR, FCA
MD. MOHIUDDIN AHMED, FCA, CFC

Corporate Address : 142/B, Green Road (3rd & 4th Floor)
Dhaka-1215, Bangladesh.
Registered Address : Rahman Chamber (5th Floor)
Area, Dhaka-1000. Bangladesh

Independent Auditors' Report

TO THE SHAREHOLDERS OF NAVANA BATTERIES LIMITED

Opinion

We have audited the accompanying financial statements of Navana Batteries Limited which comprise the Statement of Financial Position as at 30th June, 2021 and the related Statement of Profit or Loss and Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year ended 30th June, 2021 and notes to the Financial Statements including a Summary of Significant Accounting Policies and other explanatory information as disclosed in notes 1 to 28 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, 2021 and of 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 conducted 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) 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 Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters.

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
The Company has reported a revenue of Taka 506,106,187 for the year ended 30th June, 2021. 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 3.03 and 11 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. 3.03 and 11 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. • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.

Key Audit Matters	How our audit addressed the key audit matters
	<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> <p>Evaluated the design of internal controls relating to recording of efforts incurred and estimation of efforts required to complete the performance obligations.</p> <p>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.</p> <p>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. Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.</p>
Valuation of Inventory	How our audit addressed the key audit matters
<p>The Company had inventory of Taka 1,029,187,397 at 30th June, 2021.</p> <p>Inventories consisting of raw materials, work in process, goods in transit and finished goods 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>See note no. 3.02 and 6.20 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; it was hard for us to conduct an inventory count at balance sheet due to restriction and held awareness imposed by COVID-19 pandemic situation. We also assess the competency of the management team conducted the year inventory and basis used by them as disclosed in note 3.02; 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;

Valuation of Inventory	How our audit addressed the key audit matters
	<ul style="list-style-type: none"> 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;
Current Tax Provisioning	How our audit addressed the key audit matters
<p>Current Tax provision amounting Tk. 2,832,644.</p> <p>At the year end the company reported total income tax expense (Current Tax) of BDT. 2,832,644. 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 to be a key audit matter, due to the complexity in income tax provisioning.</p> <p>Please, see note no. 3.08(a) and 15.00 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>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 Deferred Tax Liability	How our audit addressed the key audit matters
<p>The Company reported net deferred tax liability totalling Tk. 55,405,350 as at 30th June, 2021. Significant judgment 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>Please, see note no. 3.08(b) and 9.01 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.</p> <p>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>

Other Information

The previous independent auditor has expressed an unmodified report for the year ended 30th June, 2020. Management is responsible for the other information. The other information comprises all the information in the Annual Report other than 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.

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 as explain in note 2 & 3 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 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 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 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 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.

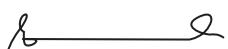
We have not come across any key audit issues for the year under audit and as such nothing is reportable.

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, 1987, 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 : 26.10.2021
Place : Dhaka, Bangladesh


(Enamul Kabir, FCA)
Enrolment No. 280
DVC-2111100280AS884412
Ashraf Uddin & Co.
Chartered Accountants

NAVANA BATTERIES LIMITED
STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2021

PARTICULARS	NOTE NO.	BALANCE AS ON 30.06.2021	BALANCE AS ON 30.06.2020
Assets :			
Non-Current Assets:	5.00	897,527,215	928,257,957
Property, Plant and Equipment	5.01	768,209,317	793,927,512
Right use of assets	5.02	45,112,918	50,125,464
Capital Work-In-Progress	5.03	84,204,981	84,204,981
Current Account with Navana Group Companies		1,840,641,712	1,447,100,300
Current Assets:	6.00	3,687,019,779	3,407,889,303
Receivables-Current Maturity	6.01	702,038,342	668,039,454
Stock and Stores	6.02	1,029,187,397	989,243,297
Advances, Deposits and Pre-payments	6.03	1,947,471,808	1,742,324,428
Cash and Cash Equivalents	6.04	8,322,232	8,282,123
Total Assets		6,425,188,706	5,783,247,561
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	751,629,645	757,016,687
Share Capital	8.01	183,702,690	183,702,690
Retained Earnings	8.02	567,926,955	573,313,997
Non Current Liabilities:	9.00	1,816,938,113	1,575,644,358
Deferred Tax Liability	9.01	55,405,350	54,385,745
Long Term Loan-Non Current Maturity	9.02	1,713,445,466	1,477,192,919
Lease Liability	9.03	48,087,297	44,065,694
Current Liabilities:	10.00	3,856,620,949	3,450,586,517
Long Term Loan-Current Maturity	10.01	571,148,489	492,397,640
Short Term Loan	10.02	2,073,781,743	1,393,912,757
Inter Company Liabilities (Aftab Automobiles Ltd.)	10.03	981,361,368	1,331,361,368
Accrued and Other Current Liabilities	10.04	230,329,349	232,914,751
Total Current Liabilities		5,673,559,061	5,026,230,874
Total Equity and Liabilities		6,425,188,706	5,783,247,561
Net assets value per share (NAVPS)	16.00	40.92	41.21

The annexed notes 1 to 28 & Annexure-A & B form an integral part of these financial statements.



Director



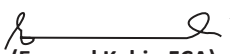
Director



Chief Financial Officer

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

Dated: 26.10.2021
Place: Dhaka, Bangladesh


(Enamul Kabir, FCA)
 Enrolment No. 280
 DVC-2111100280AS884412
 Ashraf Uddin & Co.
 Chartered Accountants

NAVANA BATTERIES LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE, 2021

Particulars	Note	Amount (Tk.) 30.06.2021	Amount (Tk.) 30.06.2020
Sales Revenue	11.00	506,106,187	535,647,366
Less: Cost of Goods Sold	12.00	361,592,226	395,324,285
Gross Profit (a)		144,513,961	140,323,081
Less: Operating Expenses: (b)		28,696,884	29,435,239
Administrative Expenses	13.00	8,928,076	7,000,745
Selling & Distribution Expenses	14.00	19,768,808	22,434,494
Operating Profit/(Loss) (c) = (a-b)		115,817,077	110,887,842
Non-Operating Income:			
Other Income		-	-
Less: Financial Charges		117,351,870	117,084,014
Less: Foreign Exchange Loss		-	-
Total Non-Operating Income/(Loss) (d)		(117,351,870)	(117,084,014)
Profit/(Loss) before Contribution to WPPF (e)=(c+d)		(1,534,793)	(6,196,172)
Less: Contribution to WPPF		-	-
Profit/(Loss) after Contribution to WPPF		(1,534,793)	(6,196,172)
Net Profit/(Loss) before Tax (f)		(1,534,793)	(6,196,172)
Less: Income Tax Expenses			
Current Tax	15.00	2,832,644	3,219,764
Deferred Tax		1,019,605	(5,507,965)
Total Income Tax Expenses (g)		3,852,249	(2,288,201)
Profit/(Loss) after Tax attributable to equity holders (h)=(f-g)		(5,387,042)	(3,907,971)
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)		(5,387,042)	(3,907,971)
Earning Per Share (EPS)	17.00	(0.29)	(0.21)

The annexed notes 1 to 28 & Annexure-A & B form an integral part of these financial statements.

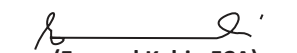

Director


Director


Chief Financial Officer

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

Dated: 26.10.2021
Place: Dhaka, Bangladesh


(Enamul Kabir, FCA)
Enrolment No. 280
DVC-2111100280AS884412
Ashraf Uddin & Co.
Chartered Accountants

NAVANA BATTERIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE, 2021

Particulars	Share Capital	Retained Earnings	Total Equity
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
Balance as on July 01, 2019	183,702,690	577,221,968	760,924,658
Surplus for the year	-	(3,907,971)	(3,907,971)
Balance as on June 30, 2020	183,702,690	573,313,997	757,016,687



Director



Director



Chief Financial Officer

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

Dated: 26.10.2021
Place: Dhaka, Bangladesh

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NAVANA BATTERIES LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE, 2021

Particulars	Amount in Taka		
	Note	June 30, 2021	June 30, 2020
Cash Flows from Operating Activities			
Cash Collection from Sales		472,107,299	536,627,338
Receipts from other Income		-	-
Cash Paid to Suppliers and Employees		(430,391,170)	(465,850,847)
Cash generated from operations		41,716,129	70,776,491
Income tax Paid		(9,960,201)	(18,579,032)
Net Cash generated from operations		31,755,928	52,197,459
Cash Flows from Investing Activities			
Acquisition of Property, Plant & Equipment		(7,953,382)	(16,169,845)
Advance for Capital Asset		(228,611,218)	(950,000,000)
Payments for Capital Work in Progress		-	(3,068,995)
Net Cash used in Investing Activities		(236,564,600)	(969,238,840)
Cash Flows from Financing Activities			
Proceeds from Bank Loan		998,893,984	632,061,697
Inter Company Transaction		(350,000,000)	949,700,000
Current Account with Navana Group Companies		(393,541,411)	(546,757,958)
Bank Interest Paid		(117,351,870)	(117,084,014)
Net Cash provided by Financing Activities		138,000,703	917,919,725
Net Changes in Cash & Cash Equivalents		40,107	878,344
Cash & Cash Equivalents at Beginning of the year		8,282,123	7,403,780
Cash & Cash Equivalents at End of the year		8,322,232	8,282,123
Net operating cash flows per share (NOCFPS)	18.00	1.73	2.84

The annexed notes 1 to 28 & Annexure-A & B form an integral part of these financial statements.



Director



Director



Chief Financial Officer

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

Dated: 26.10.2021
Place: Dhaka, Bangladesh

NAVANA BATTERIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2021
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 Joint Stock Companies & Firms, Dhaka, Bangladesh under the Companies Act, 1994. It's a Subsidiary of Aftab Automobiles Ltd. that is listed in DSE & CSE.

The Registered Office of the Company is located at 125/A, Motijheel Commercial Area, (4th Floor), Dhaka-1000.

The Corporate Office of the Company is located at Bashati Aristocrats (4th Floor), Block-SW(H) 6, Bir Uttam Mir Shawkat Sarak, Gulshan Avenue, Dhaka-1212.

1.02 Other Corporate Information

- (i) Trade License: TRAD/DSCC/080216/2019, dated 16.08.2021
- (i) e-TIN No.: 719565739465, dated 30.08.2014
- (ii) BIN 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, 2021;
- * Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June, 2021;
- * Statement of Changes in Equity for the year ended 30th June, 2021;
- * Statement of Cash Flows for the year ended 30th June, 2021;
- * 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 segments 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, 2020;
- The Securities and Exchange Ordinance, 1969;
- Bangladesh Labour Act, 2006 (as amended to 2013)

2.03 Compliance with Financial Reporting Standards as applicable in Bangladesh

The Company as per para-14(2) of Securities & 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
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 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 2019-2020 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, 2020 to 30th June, 2021.

2.14 Approval of Financial Statements

The financial statements have been approved by the Board of Directors on the 26th day of October, 2021.

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 as per ISA 2: inventory, 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 as the Board approved time to time. 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	At lower of cost or net realizable value
Work-in-Progress	At lower of cost or net realizable value
Finished Goods	At lower of cost or net realizable value
Goods in Transit	At lower of cost or net realizable value

3.02.1 Inventory Written off as an expense

In accordance with the guidelines as prescribed by IAS -2, para-36 Inventory is needed to be written off as an expense if applicable, but during the financial year any inventory were not available to be recognized as written off as an expense.

3.02.2 Inventory pledged as security for liabilities

No inventory has been pledged as security against any liabilities.

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
- * Recognise 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 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.

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 derecognises 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 in significant 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 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 assets has 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.

Changes to the company's accounting policies have been made as required in accordance with the transitional provisions in the respective IFRS 16 Leases.

The Company adopted IFRS 16 : Leases using the modified retrospective method of adoption with the date of initial application of 1st January, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application. The company elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease 1st July, 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying IAS 17 at the date of initial application.

The IFRS 16 requires to recognise the present value of minimum lease payment under the agreement as assets and liability namely "Right to Use of Asset" and "Lease Liability" respectively. The Right to Use of Asset is added by the balance of advance payment at initial application of IFRS 16, which was 1st January, 2019. However, IFRS 16 also allows the Company to recognise the lease payment as expenses in respect of short term lease agreement and lease for which the underlying asset is of short term (temporary) lease and low value.

One lease agreement of the company are fallen in second category. As such, lease (rental) payment was recognised as expenses in the Profit or Loss Statement, when they incurred, for short term (temporary) lease and low value lease agreement.

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 of Assets:

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

3.09 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.

3.10 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 27.

3.11 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.

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CHARTERED ACCOUNTANTS

3.12 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.

3.13 Cost of Post Employment Benefits

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

Both of the plans are funded and the contribution plan (provident fund) has been recognized / approved under Income Tax Ordinance, 1984 from National Board of Revenue (NBR). The company maintains the following benefits plans:

(a) Defined Contribution Plan (Provident Fund)

The company operates a contributory provident fund scheme for its permanent employees. The company's contribution to the fund is charged off as revenue expenditure during the year to which the contribution relates. The fund is operated by a Board of Trustees consisting 5 (Five) members. All confirmed employees of the company are contributing 10% of their basic salary as subscription to the fund. The company also contributes equal amount of the employees' contribution. Interest earned from the investments is credited to the members account on yearly basis.

(b) Workers Profit Participation Fund (WPPF)

Provision for Workers Profit Participation Fund (WPPF) has been made @ 5% on net profit after charging such charge as per provision of The Bangladesh Labour Law, 2006 (amended 2018) and payable to workers as defined in the said law.

Provision for workers profit participation fund (WPPF) has been restated in previous year due to consideration of share of profit from subsidiary company's income.

3.14 Earnings per Share (EPS)

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

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CHARTERED ACCOUNTANTS

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.

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		Amount in Taka	
		30.06.2021	30.06.2020
5.00	Non-Current Assets	897,527,215	928,257,957
	This is made up as follows:		
	5.01 Property, Plant & Equipments	768,209,317	793,927,512
	5.02 Right Use of Assets	45,112,918	50,125,464
	5.03 Capital Work-In-Progress	84,204,981	84,204,981
		897,527,215	928,257,957
5.01	Property, Plant and Equipment	768,209,317	793,927,512
	This is made up as follows:		
	Land & Land Development	403,274,203	403,274,203
	Building	124,624,122	127,170,644
	Plant & Machinery	140,506,131	151,621,041
	Tools & Equipments	21,403,162	24,667,846
	Office Equipment	19,370,181	20,657,975
	Furniture & Fixture	11,490,194	12,714,252
	Transport Vehicles	11,473,760	14,342,200
	Electric line Installation	8,345,191	8,781,827
	Office Decoration	15,610,367	17,239,740
	Gas line Installation	12,112,006	13,457,784
		768,209,317	793,927,512
5.02	Right use of assets	45,112,918	50,125,464
	Plant & Machinery	45,112,918	50,125,464
	This is made up as follows:		
	At Cost		
	Opening Balance	60,702,954	60,702,954
	Addition during the year	-	-
	Disposal / Adjustement during the year	-	-
		60,702,954	60,702,954
	Less: Accumulated Depreciation		
	Opening Balance	10,577,490	5,007,994
	Add: Charged during the year	5,012,546	5,569,496
	Disposal / Adjustement during the year	-	-
		15,590,036	10,577,490
	Written Down Value (WDV)	45,112,918	50,125,464
	The details of which have been shown in Annexure No. A		
5.03	Capital work in progress	84,204,981	84,204,981
	This is made up as follows:		
	Opening balance	84,204,981	81,135,986
	Add : Addition made during the period/ year	-	3,068,995
		84,204,981	84,204,981
	Less: Transferred to Property ,plant & equipment	-	-
		84,204,981	84,204,981

Capital work-in-progress represents Land and Land Development, civil constructions etc.

		Amount in Taka	
		30.06.2021	30.06.2020
6.00	Current Assets	3,687,019,779	3,407,889,302
	This is made up as follows:		
	6.01 Receivables -Current Maturity	702,038,342	668,039,454
	6.02 Stock and Stores	1,029,187,397	989,243,297
	6.03 Advances, Deposits & Pre-payments	1,947,471,808	1,742,324,428
	6.04 Cash and Cash Equivalents	8,322,232	8,282,123
		3,687,019,779	3,407,889,302
6.01	Receivables -Current Maturity	702,038,342	668,039,454
	This is made up as follows:		
	Receivable Current (Maturity less than 12 Months)	702,038,342	668,039,454
		702,038,342	668,039,454
6.02	Stock and Stores	1,029,187,397	989,243,297
	This is made up as follows:		
	Finished Goods	152,223,640	204,693,950
	Raw Materials	313,850,507	354,191,188
	Work-in-Process	395,854,937	272,727,565
	Goods in Transit	167,258,313	157,630,594
		1,029,187,397	989,243,297
6.03	Advances, Deposits & Pre-payments	1,947,471,808	1,742,324,428
	This is made up as follows:		
	Advance to Suppliers	149,965,342	168,566,354
	Advance to Employees	34,884,231	35,788,263
	Advance to Others	79,913,412	86,761,302
	Deposits	43,457,232	48,351,334
	Current Account with VAT	101,047,068	103,224,070
	Advance fro Capital Asset	1,178,611,218	950,000,000
	Income Tax Deducted at Source Note- 6.03.a)	359,593,305	349,633,105
		1,947,471,808	1,742,324,428
	The above advance for Capital Asset in respect of advances for floor purchase in gulshan area, total investment in this regard has estimated Tk. 400 Crore.		
6.03.a	Income Tax Deducted at Source	359,593,305	349,633,105
	This is made up as follows:		
	Opening balance	349,633,105	331,054,073
	Add: during the year	9,960,200	18,579,032
		359,593,305	349,633,105
	Less: Adjustment	-	-
		359,593,305	349,633,105

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.

		Amount in Taka	
		30.06.2021	30.06.2020
6.04	Cash & Cash Equivalents	8,322,232	8,282,123
	This is made up as follows:		
	Cash in Hand Factory	797,531	1,491,369
	Cash Balance of Sales Center	2,961,278	2,184,836
	Cash at Bank	4,563,423	4,605,918
		8,322,232	8,282,123
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	751,629,645	757,016,687
	This is made up as follows:		
	8.01 Share Capital	183,702,690	183,702,690
	8.02 Retained Earnings	567,926,955	573,313,997
		751,629,645	757,016,687
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	567,926,955	573,313,997
	This is made up as follows:		
	Opening Balance	573,313,997	577,221,968
	Add: during the year	(5,387,042)	(3,907,971)
		567,926,955	573,313,997
	Less: Adjustment	-	-
		567,926,955	573,313,997
9.00	Non-Current Liabilities	1,816,938,113	1,575,644,358
	This is made up as follows:		
	9.01 Deferred Tax Liability	55,405,350	54,385,745
	9.02 Long Term Loan-Non-Current Maturity	1,713,445,466	1,477,192,919
	9.03 Lease Liability	48,087,297	44,065,694
		1,816,938,113	1,575,644,358
9.01	Deferred Tax Liability	1,019,605	(5,507,965)
	This is made up as follows:		
	Accounting WDV	813,322,235	844,052,976
	Less: Tax WDV	619,537,107	657,833,684
	Less: Unabsorbed Depreciation	46,249,959	-
	Less: Unused Tax Loass	(37,149,331)	-
	Temporary Timing Defference	184,684,500	186,219,292
	Deferred Tax 30% of difference	55,405,350	60,521,270
	Less: Unabsorbed Depreciation	-	(6,135,525)
	Deferred Tax Liabilities 30% on difference after Unabsorbed	55,405,350	54,385,745
	Opening Deferred Tax	54,385,745	59,893,710
	Defferend Tax Expense	1,019,605	(5,507,965)

		Amount in Taka	
		30.06.2021	30.06.2020
9.02	Long Term Loan-Non-Current Maturity	1,713,445,466	1,477,192,919
	This is made up as follows:		
	Trust Bank Ltd.	413,534,908	411,323,083
	Dutch-Bangla Bank Ltd.	865,451,010	686,040,284
	Social Islami Bank Ltd.	68,076,000	61,285,348
	Agrani Bank Ltd.	900,516,958	803,579,211
	NCC Bank Ltd.	37,015,078	7,362,632
		2,284,593,954	1,969,590,558
	Less: Long Term Loan-Current Portion	571,148,489	492,397,640
	Long Term Loan-Net of current portion	1,713,445,466	1,477,192,919
9.03	Lease Liability	48,087,297	44,065,694
	Hajj Finance Company Ltd.	48,087,297	44,065,694
	At Cost:		
	Opening Balance	44,065,694	41,077,111
	Add: Addition during the year	-	-
		44,065,694	41,077,111
	Add: Finance Charge	5,413,166	12,355,988
	Less: Payment during the year	1,391,563	9,367,405
	Less: Transferred to Current Maturity	-	-
	Closing Balance	48,087,297	44,065,694
	Brief Terms & Conditions of above Liability:		
	(i) The company has lease against its Finance		
	(ii) Lease period up to 27th September 2022		
	(iii) Monthly Installment payment is Tk. 1,391,563/-		
10.00	Current Liabilities	3,856,620,949	3,450,586,516
	This is made up as follows:		
	10.01 Long Term Loan-Current Maturity	571,148,489	492,397,640
	10.02 Short Term Loan	2,073,781,743	1,393,912,757
	10.03 Inter Company Liabilities-Aftab Automobiles Ltd.	981,361,368	1,331,361,368
	10.04 Accrued and Other Current Liabilities	230,329,349	232,914,751
		3,856,620,949	3,450,586,516
10.01	Long Term Loan-Current Maturity	571,148,489	492,397,640
	This is made up as follows:		
	Trust Bank Ltd.	413,534,908	411,323,083
	Dutch-Bangla Bank Ltd.	865,451,010	686,040,284
	Social Islami Bank Ltd.	68,076,000	61,285,348
	Agrani Bank Ltd.	900,516,958	803,579,211
	NCC Bank Ltd.	37,015,078	7,362,632
		2,284,593,954	1,969,590,559
	Less: Long Term Loan-Current Portion	571,148,489	492,397,640
	Long Term Loan-Net of current portion	1,713,445,466	1,477,192,918

		Amount in Taka	
		30.06.2021	30.06.2020
10.02	Short Term Loan	2,073,781,743	1,393,912,757
	This is made up as follows:		
	NCC Bank Ltd.	51,151,896	50,387,922
	Mercantile Bank Ltd.	271,758,865	246,217,534
	Southeast Bank Ltd.	799,076,218	714,799,683
	Janata Bank Limited	505,690,186	-
	Modhumoti Bank Ltd.	206,000,000	145,236,866
	Al-Arafah Islami Bank Ltd.	71,649,981	71,234,641
	Shahjalal Islami bank Ltd.	168,454,597	166,036,111
		2,073,781,743	1,393,912,757
10.03	Inter Company Liabilities-Aftab Automobiles Ltd.	981,361,368	1,331,361,368
	The above amount is payable against Inter Company transactions.		
10.04	Accrued and Other Current Liabilities	230,329,349	232,914,751
	This is made up as follows:		
	For Goods Supplied	4,345,472	5,842,487
	For Expenses	18,165,753	21,064,772
	For Income Tax	198,498,661	195,666,017
	For Bad Debts	4,154,941	5,176,851
	For Other Finance	5,164,522	5,164,624
		230,329,349	232,914,751
11.00	Revenue	506,106,187	535,647,366
	This is made up as follows:		
		506,106,187	535,647,366
		506,106,187	535,647,366
12.00	Cost of Goods Sold	361,592,226	395,324,285
	This is made up as follows:		
	Raw Materials Consumed	12.01 345,972,226	451,719,171
	Direct Materials	7,812,543	7,512,744
	Total Consumption	353,784,769	459,231,915
	Add: Opening WIP	272,727,565	144,618,039
		626,512,334	603,849,954
	Less: Closing WIP	395,854,937	272,727,565
		230,657,397	331,122,389
	Factory Overhead	12.02 78,464,519	79,273,772
	Cost of Production	309,121,916	410,396,161
	Finished Products (Opening)	204,693,950	189,622,074
		513,815,866	600,018,235
	Finished Products (Closing)	152,223,640	204,693,950
		361,592,226	395,324,285
12.01	Raw Materials Consumed	345,972,226	451,719,171
	This is made up as follows:		
	Opening stock	354,191,188	448,753,800
	Purchases	305,631,545	357,156,559
		659,822,733	805,910,359
	Closing stock	313,850,507	354,191,188
		345,972,226	451,719,171

		Amount in Taka	
		30.06.2021	30.06.2020
12.02	Factory Overhead	78,464,519	79,273,772
	This is made up as follows:		
	Salary and Allowances	16,914,932	8,001,393
	Liveries & Uniform	-	-
	Telephone & Mobile	141,620	150,184
	Fuel & Lubricants for Generator	226,088	263,000
	Travelling & Conveyance	70,978	55,556
	Entertainment	17,598	19,089
	Office Expenses	41,598	50,925
	Repairs & Maintenance	58,550	42,572
	Electricity Expenses	20,824,478	25,315,108
	Night Allowance	399,750	430,550
	Canteen Subsidy	807,771	873,457
	Eid Gratia	-	-
	Insurance Expenses	1,484,342	1,869,880
	Gas Bill	751,267	1,130,379
	Welfare Expenses	2,525	2,650
	Carrying & Handling	95,310	196,120
	Car Maintenance	88,425	92,500
	Security Expenses	1,383,205	1,683,378
	Chemicals	98,884	88,080
	Store & Spares	-	10,294
	Foreign Technician Remuneration	-	-
	Annual Picnic	-	-
	Screen Printing	11,689	11,780
	Labour Charges	50,833	87,398
	Laboratory Expenses	132,485	138,312
	Generator Maintenance	14,425	33,899
	Fire Extinguisher	32,055	53,405
	Depreciation	34,815,711	38,673,863
		78,464,519	79,273,772
13.00	Administrative Expenses	8,928,076	7,000,745
	This is made up as follows:		
	Salary and Allowances	6,829,270	4,588,293
	Entertainment	24,138	24,300
	TA and Conveyance	52,045	80,196
	Car Maintenance	17,700	15,907
	Stationery	4,330	4,705
	Fees and Registration	25,000	30,950
	Telephone	240,000	251,400
	Office Rent	576,000	622,107
	Bank Guarantee & Charge Documents	18,635	14,874
	Audit Fees	63,889	50,000
	Paper & Periodicals	-	2,637
	Postage & Telegram	6,450	-
	Directors Fees	-	129,750
	Office Maintenance	21,240	14,200
	Maintenance	7,044	37,150
	ISO Audit	268,653	274,557
	Guest House Maintenance	-	300
	Depreciation	773,682	859,419
		8,928,076	7,000,745

		Amount in Taka	
		30.06.2021	30.06.2020
14.00	Selling and Distribution Expenses	19,768,808	22,434,494
	This is made up as follows:		
	Salary & Allowance	12,262,463	13,094,533
	Fuel & Lubricant	171,152	197,078
	Promotional Expenses	130,829	431,784
	Delivery Expenses	696,227	758,266
	Rent (Showrooms)	1,515,447	1,651,287
	Conveyance	45,160	74,220
	Entertainment	94,704	135,174
	Stationery	49,167	62,748
	Telephone	60,254	93,635
	Fees & Registration	85,576	77,558
	Maintenance	60,000	94,583
	Car Maintenance	120,400	187,736
	Electrical Expenses	638,695	987,591
	Postage & Telegram	57,328	79,018
	Papers & Periodicals	9,330	25,903
	Bank Charges	36,762	45,643
	Security Guard Salary	459,000	604,835
	Office Maintenance	53,280	82,321
	Acid Purchases	60,251	71,798
	Utility Bill (WASA)	2,984	61,428
	Gift & Donation	6,092	76,859
	Chemical Expenses	14,092	10,750
	Dealer Conference Expenses	-	62,582
	Others	44,885	29,487
	Depreciation	3,094,730	3,437,677
		19,768,808	22,434,494
15.00	Income Tax Expenses	2,832,644	3,219,764
	This is made up as follows:		
	Profit before Tax	(1,534,792)	(6,196,172)
	Add: Accounting Depreciation	38,684,124	42,970,959
	Less: Tax Depreciation	(46,249,960)	(556,536,326)
	Adjusted Profit for tax calculation	(9,100,628)	(18,878,539)
	Tax @ 30 % (transferred to Compreh. Income statement)	(2,730,188)	(6,135,525)
	Normal Tax liability @ 30% on profit before tax	-	-
	Minimum Tax liabilities @ 0.6% on gross received	2,832,644	3,219,764
	Current Tax Liabilities (whichever is higher)	2,832,644	3,219,764
	Net profit after tax	(5,387,041)	(3,907,971)
16.00	Net Asset Value Per Share (NAVPS)	40.92	41.21
	This made up as follows:		
	Net Assets	751,629,645	757,016,687
	Number of Ordinary Shares	18,370,269	18,370,269
	Net Assets Value Per Share (NAVPS)	40.92	41.21
17.00	Earning Per Share (EPS)	(0.29)	(0.21)
	This made up as follows:		
	Profit/(Loss) Attributable to Ordinary Equityholders	(5,387,042)	(3,907,971)
	Number of Ordinary Shares	18,370,269	18,370,269
	Earning Per Share (EPS)	(0.29)	(0.21)

		Amount in Taka	
		30.06.2021	30.06.2020
18.00	Net Operating Cash Flows Per Shares (NOCFPS)	1.73	2.84
	This made up as follows:		
	Net Cash Generated /(Used) by Operating Activities	31,755,928	52,197,459
	Number of Ordinary Shares	18,370,269	18,370,269
	Net Operating Cash Flows Per Shares (NOCFPS)	1.73	2.84
19.00	Cash Flows from Operating Activities		
	Net profit/(loss) before interest & income tax during the year	115,817,078	110,887,842
	Adjustment to reconcile net income to net cash provided by operating Activities		
	Depreciation	38,684,124	42,970,959
	Income tax expenses	(9,960,201)	(18,579,033)
	Changes in current assets and liabilities		
	Advance, deposits & prepayments	(33,424,038)	(17,079,140)
	Trade Receivables	(33,998,888)	979,972
	Inventories	(39,944,101)	(56,642,408)
	Accrued and other liabilities	(5,418,046)	(10,340,734)
	Net cash flow from operating activities	31,755,928	52,197,459
20.00	Loan and Deferred Liabilities		
	No Long Term Loan has been given by the sponsors during the year under audit.		
21.00	Contingent Assets		
	There was no Contingent Assets as on 30th June, 2021.		
22.00	Contingent Liabilities		
	There was no Contingent Liabilities as on 30th June, 2021.		
23.00	Claim against the Company		
	There was no claim as on 30th June, 2021.		
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 not incurred or provided for the year ended 30th June, 2021.		

27.00 Related Party Transactions

In accordance with paragraph 19 of IAS 24 Related Party Disclosures, the following matters have 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.) 30.06.2021	Amount (Tk.) 30.06.2020
Salary	2,457,630	2,845,320
Gratuity	-	-
Board Meeting Attendance Fee	-	-
Short Term Employee Benefits	-	-
Post Employment Benefits:		
Provision for Employee Provident Fund	120,385	-
Workers Profit Participation Fund	-	-
Other Long Term Benefits	-	-
Termination Benefits	-	-
	2,578,015	2,845,320

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	
			2021	2020	2021	2020
Navana Limited	Alliance Companies	Interest free loan	393,541,412	546,757,958	1,840,641,712	1,447,100,300
Aftab Automobiles Ltd.(Motor Cycle Unit)	Alliance Companies	Interest free loan	1,562,040	1,789,658	2,194,883	3,756,923
Aftab Automobiles Ltd.	Alliance Companies	Interest free loan	350,000,000	949,700,000	(981,361,368)	(1,331,361,368)

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, 2021

Annexure- A

Particulars	Cost				Rate of Dep.	Depreciation				Carrying amount	
	As at 01.07.20	Add./ (Adj.) Dur. the year	Adj. D. the Year	As at 30.06.21		As at 01.07.20	Charged D. the period	Adj. D. the Year	As at 30.06.21	As at 30.06.21	As at 30.06.20
Land & Land Development	403,274,203	-	-	403,274,203	-	-	-	-	-	403,274,203	403,274,203
Building	155,125,269	638,061	-	155,763,330	2.50%	27,954,625	3,184,583	-	31,139,208	124,624,122	127,170,644
Plant & Machinery	347,362,624	4,150,948	-	351,513,592	10%	195,741,584	15,265,878	0	211,007,462	140,506,131	151,621,041
Tools & Equipments	86,716,715	1,756,722	-	88,473,437	20%	62,048,869	5,021,405	-	67,070,274	21,403,163	24,667,846
Office Equipment	41,863,718	804,831	-	42,668,549	10%	21,205,743	2,092,625	-	23,298,368	19,370,181	20,657,975
Furniture & Fixture	22,857,382	49,000	-	22,906,382	10%	10,143,130	1,273,058	-	11,416,188	11,490,194	12,714,252
Transport Vehicles	51,343,144	-	-	51,343,144	20%	37,000,944	2,868,440	-	39,869,384	11,473,760	14,342,200
Electric Line Installation	14,746,508	456,773	-	15,203,281	10%	5,964,681	893,409	-	6,858,090	8,345,191	8,781,827
Office Decoration	26,068,411	97,027	-	26,165,438	10%	8,828,671	1,726,400	-	10,555,071	15,610,367	17,239,740
Gas Line Installation	21,670,370	-	-	21,670,370	10%	8,717,586	1,345,779	-	9,558,365	12,112,006	13,457,784
Total	1,171,028,344	7,953,382	-	1,178,981,726		377,100,833	33,671,577	-	410,772,396	768,209,317	793,927,512

Depreciation Charged to:

Cost of Goods Sold (Factory O/H)
Administrative
Selling & Distribution

Amount (Tk. 33,671,577+ 5,012,546)

34,815,711
773,682
3,094,730
38,684,124

Schedule of Right use of assets as on 30th June, 2021

Particulars	Cost				Rate of Dep.	Depreciation				Carrying amount	
	As at 01.07.20	Add./ (Adj.) Dur. the year	Adj. D. the Year	As at 30.06.21		As at 01.07.20	Add./ (Adj.) Dur. the year	Adj. D. the Year	As at 30.06.21	As at 30.06.21	As at 30.06.20
Plant & Machinery	60,702,954	-	-	60,702,954	10%	10,577,490	5,012,546	-	15,590,036	45,112,918	50,125,464
Total	60,702,954	-	-	60,702,954		10,577,490	5,012,546	-	15,590,036	45,112,918	50,125,464

NAVANA BATTERIES LIMITED
SCHEDULE OF PROPERTY, PLANT AND EQUIPMENTS AS AT 30TH JUNE, 2021

TAX BASE

Annexure- B

Particulars	Cost			Rate of Dep.	Depreciation				Carrying amount	
	As at 01.07.20	Add./ (Adj.) Dur. the year	Adj. D. the Year		As at 01.07.20	Charged the period	Adj. D. the Year	As at 30.06.21	As at 30.06.21	As at 30.06.20
Land & Land Development	403,274,203			-	-	-	-	-	403,274,203	403,274,203
Building	155,125,269	638,061		20%	112,785,417	8,510,508	0	121,295,925	34,467,405	42,339,852
Plant & Machinery	408,065,578	4,150,968		20%	299,235,280	21,973,608	0	321,208,888	91,007,658	108,830,298
Tools & Equipments	86,716,715	1,756,722		20%	62,048,869	5,021,405.29	0	67,070,274	21,403,163	24,667,846
Office Equipment	41,863,718	804,831		10%	21,205,743	2,092,625.17	0	23,298,368	19,370,181	20,657,975
Furniture & Fixture	22,857,382	49,000		10%	10,143,130	1,273,058.51	0	11,416,189	11,490,193	12,714,252
Transport Vehicles	51,343,144	-		20%	37,000,944	2,868,439.92	0	39,869,384	11,473,760	14,342,200
Electric Line Installation	14,746,508	456,773		20%	15,203,281	1,050,786.33	-	10,695,620	4,507,661	5,101,674
Office Decoration	26,068,411	97,027		10%	26,165,438	1,726,399.62	-	10,555,071	15,610,367	17,239,739
Gas Line Installation	21,670,370	-		20%	21,670,370	1,733,129.11	-	14,737,854	6,932,516	8,665,646
Total	1,231,731,298	7,953,382			573,897,614	46,249,960	-	620,147,574	619,537,106	657,833,684

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