

Annual Report
2018-2019

SUPER CNG

বাংলাদেশ অটোকারস্ লিমিটেড
BANGLADESH AUTOCARS LIMITED

BANGLADESH AUTOCARS LIMITED

NOTICE FOR THE 40TH ANNUAL GENERAL MEETING

Notice is hereby given to the shareholders of Bangladesh Autocars Ltd. that the 40th ANNUAL GENERAL MEETING of the Company to be held on 15th December 2019 at 11.00 am at the Company's Registered Office at 110, Tejgaon I/A, Dhaka-1208. All shareholders are requested to attend the meeting in time. The following business shall be transacted in the meeting.

AGENDA

1. To read and confirm the minutes of the 39th Annual General Meeting of the Company which was held on November 29, 2018.
2. To accept and adopt the Audited Balance Sheet and Accounts of the Company for the year ended 30th June, 2019 along with the detail Directors report and Auditors report thereon.
3. To fix and approve cash Dividend instead of 15% Stock Dividend for each share of Tk.10/- as recommended by the Board of Directors for the year ended 30th June 2019, to comply with the SEC press release reference no. বিএসইসি/মুখপাত্র (৩য়খণ্ড)/২০১১/১২৯ dated 02nd October, 2019.
4. To elect Directors in terms of Articles of Association of the Company and appoint the Independent Directors as per Corporate Governance Code of BSEC Notification for next one year.
5. To appoint the Auditors of the Company for year 2019-2020 and fix their remuneration.
6. To appoint the Compliance Auditors of the Company for year 2019-2020 and fix their remuneration.
7. Miscellaneous (if any required)

Dated: November 13, 2019.

On behalf and by order of the
Board of Directors of the company
Sd/-

Bimal Kumar Paul
Acting Company Secretary.

NOTES:

1. The Record date of the Company was on November 13, 2019 and the name of shareholders in the Register of the Company or CDBL on the Record date will be eligible to attend the meeting.
2. A member eligible to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf.
3. That person/ body to be entitled as shareholders of the Company who shall be recorded his/her name in the Company before the date Book closing.
4. If any Shareholder wants to appoint his/her Proxy then the 'PROXY FORM' must be submitted to the Registered Office of the Company at 110, Tejgaon I/A, Dhaka at least 48(Forty Eight) hours before the meeting with revenue Stamp of Tk.10/- (Ten) to be affixed on the proxy form

CORPORATE DIRECTORY

Board of Directors

- | | |
|----------------------------|----------------------|
| 1. Mr. Mohammad Murad | Chairman |
| 2. Mrs. Rina Momtaj | Managing Director |
| 3. Mrs. Rehmat Banu | Director |
| 4. Ms. Fahra Murad | Director |
| 5. Mr. Rahim Murad | Director |
| 6. Mr. Rafiqul Islam Dablu | Independent Director |

Management Team

- | | |
|---------------------------|--------------------------|
| 1. Mr. Mohammad Murad | Chairman |
| 2. Mrs. Rina Momtaj | Managing Director |
| 3. Mrs. Rehmat Banu | Director |
| 4. Mr. Md. Mostaque Ahmed | Chief Financial Officer |
| 5. Mr. Bimal Kumar Paul | Acting Company Secretary |
| 6. Mr. Gopal Chandra Dhar | Head of Internal Auditor |

Other Information

Auditors

Shiraz Khan Basak & Co.
Chartered Accountants,
R.K Tower (Level -10)
86, Bir Uttam C.R Datta Road
(312, Sonargaon Road) Dhaka-1205

Compliance Auditors

Malek Siddiqui Wali
Chartered Accountants,
9-G, Motijheel C/A, Dhaka-1000

Company Lawyers

The Lawyers & Jurists
Barristers, Advocates & Legal Consultants
Aligarh House(5th Floor),146, Motijheel C/A, Dhaka-1000

Main Banker

Southeast Bank Ltd.
Bangladesh

Registered Office

110 Tejgaon I/A, Dhaka-1208
Phone : 880 2 8870467 / 8870468
Fax : 880 2 887069 web: www.bdautocars.com
Email:info@bdautocars110.com

REPORT OF THE BOARD OF DIRECTORS

Dear Shareholders,

It is my proud privilege to welcome you all, once again, to the 40th Annual General Meeting of your Company and to present before you my statement on affairs of the Company along with Auditors report & Audited Accounts for the year ended on 30th June 2019 and its future plan.

Industry outlook and prospect:

Over the years, Bangladesh achieved considerable economic growth (GDP more than 7 percent) with the stable unemployment rate and a rise in foreign investments. As a result, the purchasing power of individuals has risen along with the demand for cars, motorbikes and commercial vehicles. The demand ranges from luxury inter-district buses to small sedans. To meet these demands, Bangladesh has to depend on imported vehicles as they are not manufactured in Bangladesh. A huge number of vehicles are imported every year. It is desired by the most of the imported car owner for conversion into CNG driven fuel car due to low cost and environment friendly fuel.

Compressed natural gas (CNG) as a vehicle fuels was first introduced to Bangladesh in 1982 through a World Bank pilot project. In 1999, four private companies obtained permission to set up about CNG refilling stations. Since the inception, the demand for CNG fuel is increasing trend. The major concern of this sector (CNG refuelling station) is uninterrupted gas supply from government. The cost of natural gas has been increased may be reluctant to vehicle conversation to CNG driven fuel.

The Board of Directors of the company decided in the board meeting dated 26.09.2018 to implement installation of LPG facilities in the existing premises or any other suitable location from our own resources to reduce the dependency on existing business. For this purposes, the company is planning to raise capital from the existing shareholders by issuing right share at the ratio of 1:1 at a premium of Tk. 100 per share subject to the approval of BSEC.

Business Performance:

Currently, the company has two segment of product line. During the year, by the grace of Allah, the performance of the company was better than the previous year. We, board of directors of the company, is desire to present summary of performace over the year is shown below:

SL	Segment name	Sales performance	Gross Profit	Profit after tax	(%)
		In Value (BDT)			
01	CNG conversion service	17,512,050	7,550,410	3,634,871	55.02%
02	CNG Sale	79,139,944	5,783,384	2,971,8 69	44.98%
Total		96,651,994	13,333,794	6,606,741	

Risk management:

The Board of Directors has overall responsibility for the establishment and oversight of the Company's financial risk management. The responsibility also includes developing and monitoring the Company's risk management policies. To assist the Board in discharging its oversight responsibility, management has been made responsible for identifying, monitoring and managing the Company's financial risk exposures. The Company's exposure to the risks and the risk management policies and procedures are summarized as follows:

Credit risk:

Credit risk is the risk that when one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. Credit risk of the Company arises principally from trade debts, loans and advances, and bank balances. The carrying amount of financial assets represents the maximum credit exposure.

Management assesses the credit quality of the customers, taking into account their financial position, past experience and other factors before allowing them (customer) credit facility. As at the balance sheet date, there are no past due Accounts Receivable balances. Advances are made to statutory authority and hence secured. For bank balances, financial institutions with strong credit ratings are accepted. Credit risk on bank balances is limited as these are placed with banks having good credit ratings.

Liquidity risk:

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. This arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or would have difficulty in raising funds to meet commitments associated with financial liabilities as they fall due.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages liquidity risk by maintaining sufficient cash and bank balances according to the treasury plan and availability of financing through banking arrangements like overdraft facility.

Market risk:

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices 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 while optimizing returns.

Price risk:

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or

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currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The company does have not any financial instrument that exposes the price risk.

Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate risk arises from long and short-term borrowings from financial institutions.

Currency risk:

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly where receivables and payables exist due to transactions entered in foreign currencies. The Company is exposed to foreign currency risk on sales, purchases and Foreign Currency loan, which, are entered in a currency other than BDT. The company's currency risk is limited to very few import spare parts or capital machinery. Moreover, the transaction is settled by USD which is not fluctuating significantly, hence the company is facing very low risk in this respect.

Industry risk:

The Company's refueling station is totally depending on regular gas supply from Titas Gas Transmission & Distributing Co. Ltd. Without supply of natural gas from Titas Gas Transmission & Distributing Co. Ltd. the company will be unable to run its operation. Moreover, the increased trend of price of natural gas will pose further risk. However, none of the condition is not under the control of the company.

Political risk:

Political risk refers to the risk that an entity's returns could suffer as a result of political unrest, sudden change of government, changes in governance procedure. However, the political is extremely difficult to quantify or control.

SL	Item	CNG Refueling			CNG conversion service		
		2019	2018	Change (%)	2019	2018	Change (%)
1	Sales Revenue	79,139,944	92,995,680	(14.90)	17,512,050	16,225,516	7.35
2	Cost of sales	71,589,534	83,196,263	(13.95)	11,728,666	12,641,797	(7.22)
3	Gross profit	7,550,410	9,799,417	(22.95)	5,783,384	3,583,719	38.03
4	Profit after tax	2,971,869	3,959,018	(24.93)	3,634,871	1,931,120	46.87
5	Other comprehensive income	nil	nil	nil	nil	nil	nil
6	Gross profit margin	9.54%	10.53%	(9.40)	33.02%	22.08%	33.13
7	Net profit margin	3.76%	4.26%	(11.74)	20.76%	11.90%	42.68

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Extra ordinary activity:

The long term loan from Mr. Giullano Vallini of Tk. 10,157,761 has been adjusted during the year as the lender gave up his claim. However, the effect of such loan adjustment did not affect the profit for the year rather it has been adjusted directly with changes in equity by restating the financial statements in accordance with IAS 8.

Transaction with related party:

During the year, the company, in normal course of business, has carried out following transactions with other entities that fall within the definition of related party contained in International Accounting Standard 24: "Related Party Disclosures". All transactions involving related parties arising in normal course of business are conducted on an arm's length basis at commercial rates on the same terms and conditions as applicable to the third parties. The detail of related transaction during the year is given below:

Name of the party	Natuere of relationship	Nature of transaction	Transaction during the year		Balance	
			Dr.	Cr.	Dr./Asset	Cr./Liability
Mr. Mohammad Murad	Chairman	Rent	276,000	276,000		

Analysing the quartely performance:

Report based on analysis of quaterly performance.

SL	Name of the directors	1st Quarter	2nd Quarter	3rd Quarter	Total
1	Sales Revenue	27,099,520	22,073,560	23,825,740	72,998,820
2	Cost of sales	23,458,154	19,988,831	20,560,369	64,007,354
3	Gross profit	3,641,366	2,084,729	3,265,371	8,991,466
4	Profit after tax	1,937,072	824,579	1,789,360	4,551,014
5	Other comprehensive income	NIL	NIL	NIL	NIL

IPO Proceeds utilisation:

During the year, the company did not raise any capital through IPO or RPO or Right share offering or Direct listing. So, further discussion is not required in this respect.

Performance after utilisation of IPO or RPO or Right share offering or Direct listing:

During the year, the company did not raise any capital through IPO or RPO or Right share offering or Direct listing. So, further discussion is not required in this respect.

Remuneration paid to the directors:

No remuneration and board meeting fees is paid to the directors, during the year. Appropriate tax and VAT deduction has been made and deposited to the government authority accordingly. The details of board meeting fees is given below:

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SL	Name of the directors	No. of meeting held by the company	Present in meeting by concerned director	Fee per meeting	Total
	Mr. Mohammad Murad	4	4	Nil	
	Mrs. Rina Momtaj	4	4	Nil	
	Mrs. Rehmat Banu	4	3	Nil	
	Mr. Rahim Murad	4	1	Nil	
	Ms. Fahra Murad	4	Nil	Nil	
	Mr. Rafiqul Islam Dablu	4	4	Nil	
Total					

Preparation of the financial statements fairly and in accordance with International Accounting Standards and other applicable laws and regulations:

The financial statements of the company have been prepared in accordance with International Accounting Standards (IASs)/ International Financial Reporting Standards (IFRSs) and complying with the requirement of relevant schedule of the Companies Act 1994 and other applicable laws and regulations. We further assure you, to the best of our knowledge, that the financial statements are present fairly in the state of the company's affairs, the result of its operations, cash flows and the changes in equity.

Maintenance of records:

The company has maintained adequate records in following respect:

- All assets associated with title or acquisition documents that belongs to the company.
- Maintenance of fixed assets register.
- All liability that are obligation for the company.
- Residual interest of the shareholders.
- All sums of money received and expended by the company and the matters in respect of which the receipt and expenditure take place;
- All sales and purchases of goods by the company;
- The assets and liabilities of the company; and
- All vouchers and ledger associated with supporting documents are kept/preserved in good order.

Accounting policy used for the preparation of the financial statements:

We have followed the International Accounting Standards (IASs)/ International Financial Reporting Standards (IFRSs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) and complying with the requirement of relevant schedule of the Companies Act 1994 and other applicable laws and regulations. During the year, ICAB has decided to adopt full IAS/IFRS instead of BAS/BFRS. However, there has nothing difference between this two. The accounting polices that adopted by the company are consistently applied during the year.

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The preparation of financial statements in conformity with IASs/IFRSs that requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

Systems of internal control:

The company has robust system of internal control to manage risk to a reasonable level of failure to achieve expected results and strategic objectives of the company. The internal control system of the company is consisted of the policies and procedures established to provide reasonable assurance that specific entity objectives will be achieved. At least once a year, the board of directors review the system of internal control whether it is sufficient to achieve the company's objectives.

Protection of the rights of interest of minority shareholders:

All material decision taken by the Board of Directors of the company are being well informed to the shareholders through the publishing the news of price sensitive information. Such information is also available to the DSE website. Moreover, the Board of Directors are desire to hear the voice of each shareholders in AGM or correspondence by the honorable shareholders to the company. Based on their suggestion, we made our work plan accordingly.

Going concern:

It is assumed that the company is going concern and it has ability to continue its operation for foreseeable future. On the other hand, the management has no plan to discontinue its operation. The board of directors assures you that there is no material uncertainty of the company for continuity of the company as going concern.

Significant variance of financial statements:

No significant variation occurred between quarterly and final results of the Company during the year ended June 30, 2019.

Performance of the company over the year:

SL	Item	Amount in BDT		
		2019	2018	Change (%)
1	Sales Revenue	96,651,994	109,221,196	(11.51)
2	Cost of sales	83,318,200	95,838,059	(13.06)
3	Net operating Cash Flows	9,805,339	8,090,654	21.19
4	Gross profit	13,333,794	13,383,137	(0.37)
5	Profit after tax	6,606,741	5,890,139	10.85
6	Other comprehensive income	0	0	0
7	Gross profit margin	13.80%	12.25%	11.23
8	Net profit margin	6.84%	5.39%	21.20
9	EPS	1.53	1.52	0.65

BANGLADESH AUTOCARS LIMITED**Key operating and financial data over last five years:**

SL	Item	Amount in BDT ,000				
		2019	2018	2017	2016	2015
1	Sales Revenue	96,651	109,221	101,412	89,313	77,813
2	Cost of sales	83,318	95,838	89,429	80,768	67,147
3	Net operating Cash Flows	9,805	8,090	10,199	9,751	16,456
4	Gross profit	13,333	13,383	11,983	8,544	10,665
5	Profit after tax	6,606	5,890	3,549	1,477	1,276
6	Other comprehensive income	0	0	0	0	0
7	Gross profit margin	13.80%	12.25%	11.82%	9.57%	13.71%
8	Net profit margin	6.84%	5.39%	3.50%	1.65%	1.64%
9	Total asset	70,619	69,155	72,297	79,830	86,046
10	Total liability	38,416	42,407(restated)	61,597	56,247	63,893
11	Total equity	32,203	26,747(restated)	10,700	23,582	22,153

Dividend:

The Board of Directors of the company has decided to declare cash nil and 15% stock dividend, however compliance to the latest press release reference no. বিএসইসি/মুখপত্র (৩য়খণ্ড)/২০১১/১২৯ dated 02nd October, 2019 of BSEC will be considered at the 40th AGM of our Company. Except that fact, no other dividend, such as interim dividend, has been declared or paid by directors during the year.

Board Meeting:

The company issues meeting notice to each director well before meeting held. The Board of Directors meets 4 (four) times during the year and the following Directors were attend those meetings as their following attendance:

Name	Title	Attended by concerned director
Mr. Mohammad Murad	Chairman	In the 4 meeting
Mrs. Rina Momtaj	Managing Director	In the 4 meeting
Mrs. Rehmat Banu	Director	In the 3 meeting
Mr. Rahim Murad	Director	In the 1 meeting
Ms. Fahra Murad	Director	Nil
Mr. Rafiqul Islam Dablu	Independent Director	In the 4 meeting

Status of paid up share capital:

At the year end, the paid up capital of the company was Tk.43,260,130 and details of the shareholding is presented under:

- 1) Shareholdings position by directors/individual shareholders, who hold more than 10% of total share outstanding:

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No.	Name	Position in the company	No. of share holding		% of shareholdings	
			2019	2018	2019	2018
	Shareholding by parent	N/A	N/A	N/A	N/A	N/A
	Shareholding by Directors, CEO, CS, CFO, HOI and their spouse:					
1	Mr. Mohammad Murad	Chairman	396,070	353,635	9.16	9.16
2	Mrs. Rina Momtaj	Managing Director/CEO	87,435	78,067	2.02	2.02
3	Mrs. Rehmat Banu	Director	246,606	329,470	5.70	8.53
4	Mr. Rahim Murad	Director	96,802	86,432	2.24	2.24
	Spouse :	N/A				
5	Ms. Fahra Murad	Director	206,447	184,328	4.77	4.77
	Spouse :	N/A				
6	Mr. Rafiqul Islam Dablu	Independent Director	Nil	Nil	Nil	Nil
	Spouse Name: Farida Yasmin		Nil	Nil	Nil	Nil
7	Mrs. Rozina Murad Ali Lakhani	Sponsor	224,645	200,576	5.19	5.19
	Spouse Name: Karim Lakhani		Nil	Nil	Nil	Nil
8	Late. Mrs. Shirin Banu	Sponsor	45,097	40,266	1.04	1.04
9	Late. Habib Charania	Sponsor	45,097	40,266	1.04	1.04
10	Late. Murad Ali Habib	Sponsor	184,495	164,728	4.26	4.26
11	Mr. Bimal Kumar Paul	Acting Company Secretary	Nil	Nil	Nil	Nil
	Spouse Name: Tanusree Paul		Nil	Nil	Nil	Nil
12	Md. Mostaque Ahmed	CFO	Nil	Nil	Nil	Nil
	Spouse Name: Nilufar Yasmin		Nil	Nil	Nil	Nil
13	Gopal Chandra Dhar	Head of Internal Audit	Nil	Nil	Nil	Nil
	Spouse Name:	N/A				
14	Insert the name of shareholders with 10% or more holdings, if any.	Nil	Nil	Nil	Nil	Nil
15	Others		2,793,319	2,384,744	64.57	61.75
	Total		43,26,013	38,62,512	100	100

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Please note that:

1. Honorable Chairman and Managing Director of the company are the spouse of each other.
2. Honorable Director Mrs. Rehmat Banu and Sponsor Late. Murad Ali Habib of the company are the spouse of each other.
3. Honorable Sponsor Late Shirin Banu and Sponsor Late. Habib Charania of the company are the spouse of each other.

Retirement of directors and their reappointment:

During the year, Mr. Rahim Murad and Ms. Fahra Murad has been retired from the board of directors as by rotation as per the companies act, 1994 and eligible for re-appointment. The brief resume and nature of expertise of them is given page no. 14.

Appointment of Auditors:

The tenure of the Auditors, of M/S Shiraz Khan Basak & Co. Chartered Accountants, R.K Tower, 86, Bir Uttam C.R Datta Road (312, Sonargaon Road) Dhaka-1205 expires at the 40th Annual General Meeting and Malek Siddiqui Wali, Chartered Accountants, 9-G, Motijheel C/A, Dhaka-1000 and M/S Shiraz Khan Basak & Co. Chartered Accountants, R.K Tower, 86, Bir Uttam C.R Datta Road (312, Sonargaon Road) Dhaka-1205 has offered for appointment as Auditor of the Company for the year 2019-2020. It is here by requested to shareholders to appoint one Auditors, as Auditors of the Company and fixes their remuneration for the year 2019-2020.

Accounting policy adopted by the company:

Accounting policies are the rules used by an entity to ensure that transactions are recorded properly and financial statements produced correctly. These policies ensure that accounting activities are handled consistently over time.

The institute of Chartered Accountants of Bangladesh (ICAB) has recently adopted the full IAS/IFRS. The preparation of the financial statements of the company is based on those applicable IAS/IFRS. Our accounting policy has been designed in compliance with those IAS/IFRS as well as taking into accounts of relevant schedule or section of the Companies Act 1994, the Bangladesh Securities and Exchanges Commission Rules, 1987 and other applicable laws and regulations, where applicable.

The accounting policies adopted by the company are consistently used on year by year. Any changes thereon must be made in accordance with IAS 8 with adequate disclosure in the financial statements as required concerned IAS.

The financial statements of the company is contain with comparative information in respect of preceding period for all amounts reported in the current period's of financial statements. Such comparative information may include narrative and descriptive information if is considered relevant for understanding the current period's financial statements.

Risk and concern:

The financial risk and concern was adequately described in earlier of this report that, we believe, was sufficient in this circumstances.

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Future plan of the company: The Company has recommended purchase of land at Cumilla for business expansion and possibility to implement installation of LPG facilities in the existing premises or any other suitable location.

Compliance with the code of corporate governance:

The status of the Compliance of Securities & Exchange Commission's Notification No-SEC/CMRRCD/2006-158/134/ADMIN/44 dated 07.08.2012 (subsequently amended dated June 3, 2010) is attached with annual Report for kind information of valued shareholders & other holders. An independent report on such compliance status has also been attached with the annual report of the company.

Compliance the board minutes with Bangladesh Secretarial Standards (BSS) as adopted by ICSB: Complied.

Acknowledgement:

The success was only possible to achieve because of the collective effort of the valuable Shareholder, Employees of the Company, Financial Institution, Government Agencies, Regulatory Bodies, the general people-buyer of our product and everyone of the company interacting in conducting the business. We are grateful to our shareholders for extending at all times the invaluable support and co-operation to bring the Company to the level it has reached today.

I avail this opportunity to express my sincere thanks to all concerned and look forward for the continued support and co-operation in the future as well.

Dhaka
November 02, 2019

On behalf of the Board
Sd/
Mr. Mohammad Murad
Chairman



Board of Directors

Mr. Mohammad Murad
Chairman

Mr. Mohammad Murad is the Chairman & Sponsor Shareholder of Bangladesh Autocars Limited, born on October 10th, 1962, the eldest son of Late Murad Ali Habib and Mrs. Rehmat Banu.

Mr. Mohammad Murad established the Company's ongoing CNG Refuelling & Conversion Centre at Tejgaon, Dhaka in 2003. He has gathered vast experience in the CNG sector.

Mr. Mohammad Murad completed his Graduation from King's, Gloucester, UK in 1982 and traveled extensively to European countries, North & South American countries, Australia and Asian countries for business purposes and dealt successfully with many reputed Companies.



Mrs. Rina Momtaj
Managing Director

Mrs. Rina Momtaj is the Managing Director and Shareholder of Bangladesh Autocars Limited, eldest daughter of Late Mohammad Abdul Bari Miah and Late Amina Bari.

Mrs. Rina Momtaj, a National Bangla Newscaster on BTV, and Bangladesh Radio participated in many State level and International conferences as Master of Ceremony. She has also worked with BBC external service in London.

Mrs. Rina Momtaj completed her M.Com in Management from Dhaka University. She has travelled to many Countries and earned business experience.



Mrs. Rehmat Banu
Director

Mrs Rehmat Banu, Director and Sponsor Shareholder of Bangladesh Autocars Limited, wife of Late Murad Ali Habib, daughter of Late Ibrahim Bhai and Late Gulbanu Bhai Firasta.

Mrs. Rehmat Banu has more than 50 years of business experience and traveled extensively to many Countries. She has also served as an executive member of Agakhan Supreme Council, Bangladesh

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Ms. Fahra Murad
Director

Ms. Fahra Murad is the Director & Sponsor Shareholder of Bangladesh Autocars Limited, the youngest daughter of Late Murad Ali Habib and Mrs. Rehmat Banu.

Ms. Fahra completed her Bachelor of Business degree from Mount Holyoke, Boston, USA. She has work experience with Scotiabank and CIBC in Toronto at Managerial Level. She travelled to many countries and earned many business and banking experiences.



Mr. Rahim Murad
Director

Mr. Rahim Murad is the Director and Shareholder of Bangladesh Autocars Limited, son of Mohammad Murad and Mrs. Rina Momtaz, born on March 6th, 1988.

Mr. Rahim completed his Bachelor of Business degree from EDITH COWAN University, Perth, Australia. He has work experience with Australian Companies marketing their products online and from retail outlets.

He has travelled extensively and attended many Exhibitions to earn business experience.



Mr. Rafiqul Islam Dablu
Independent Director

Mr. Rafiqul Islam Dablu, son of Late Abdur Rahim and Rokeya Akter Begum, born on March 1st, 1963, was appointed as the Independent Director of Bangladesh Autocars Ltd for the year 2018-19 at the Company's 39th AGM.

He has 20 years of Business experience and manages his own business in Khulna.



মালেক সিদ্দিকী ওয়ালী, চার্টার্ড একাউন্টেন্টস

৯-জি, মতিঝিল বাণিজ্যিক এলাকা, ঢাকা-১০০০

Malek Siddiqui Wali
CHARTERED ACCOUNTANTS

9-G, Motijheel C/A, 2nd Floor, Dhaka-1000, Bangladesh.
Extension Office : Property Heights, 1st Floor
12, R.K. Mission Road, Dhaka-1000.

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Web: www.msw-bd.com

**Report to the Shareholders of
Bangladesh Autocars Limited**
On compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by **Bangladesh Autocars Limited** for the year ended on June 30, 2019. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 under section 2CC of the Bangladesh Security Exchange 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 to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by 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:

- 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;
- 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;
- 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
- The Governance of the company is highly satisfactory.

Place: Dhaka
Date: November 12, 2019

Malek Siddiqui Wali
Chartered Accountants


Md. Waliullah, FCA
Managing Partner

Compliance Report on Corporate Governance Policy

The Securities & Exchange Commission Vide Notification No. SEC/CMRRCD/2006-158/134 Admin/44 dated 07.08.2012 and Admin/44 dated 07.08.2012 advised to Public Limited Company and as per said notification. Our explanation is given below:

Board Size: As per above mentioned Notification the Company has been reformed its Board size and as a result the existing Board size as follows:

Sl. no	Name of Director	Designation
1	Mr. Mohammad Murad	Chairman
2	Mrs. Rina Momtaj	Managing Director
3	Mrs. Rehmat Banu	Director
4	Mr. Rahim Murad	Director
5	Ms. Fahra Murad	Director
6	Mr. Mr. Rafiqul Islam Dablu	Independent Director

Independent Director: As per BSEC Notification and for fulfill the Compliance of Corporate Governance Policy, the Company to appoint Mohammad Musa Meah as a independent Director for a period of one year which is subject to confirmation from the shareholders in the next Annual General Meeting.

Chairman & CEO: Mr. Mohammad Murad and Mrs.Rina Momtaj will continued their responsibilities as Chairman and Managing Director/ CEO of the Company respectively.

CFO, Head of Internal Audit & Company Secretary: Mr. Mostaque Ahmed, Mr. Gopal Chandra Dhar & Mr. Bimal Kumar Paul will continued their responsibilities as CFO, Head of Internal Audit & as the Company Secretary respectively.

Audit Committee: The Company has formed the following Audit Committee through the Board of Directors Meeting on 26.12.2018:

Audit Committee :

- | | |
|---|---------------------------------|
| (1) Mr. Rafiqul Islam Dablu
(Independent Director) | Chairman of the Audit Committee |
| (2) Ms. Fahra Murad
(Director) | Member of the Audit Committee |
| (3) Mr Rahim Murad
(Director) | Member of the Audit Committee |

Constitution of Audit Committee: As per Board of Director's Meeting of the Company on 13.09.2018 and as per Notification No. SEC/CMRRCD/2006-158/134 Admin/44 dated 07.08.2012 and New Corporate Governance Code, 3 June 2018, the Audit Committee has been formed by the Company which is described above.

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Chairman of the Audit Committee: Mr. Rafiqul Islam Dablu executed the responsibilities of the Chairman of the Audit Committee.

Scope of work of Audit Committee: Audit Committee works as a sub-committee of the Board of Directors. The 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 ensure a good monitoring system within the business and they will be responsible to the Board of Directors. The Chairman of the Audit Committee shall remain present in the Annual General Meeting.

Terms of Reference (ToR) of Audit Committee: Audit Committee terms of reference as follows :

- (i) Formulating 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 followings:
 - (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motive suitable directors to run the company successfully;
 - (b) the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (c) remuneration to director, 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 goal.
- (ii) devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality.
- (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;
- (iv) formulating the criteria for evaluation of performance of independent directors and the Board;
- (v) identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and
- (vi) developing, recommending, and reviewing, annually the company's human resources and training policies.

Review of financial statements by the Audit Committee: Audit Committee reviewing the annual financial statements for the year ended 30th June 2019 and placed its recommendation to the Board of Directors.

Role of Audit Committee: As per New Corporate Governance Code, 3 June 2018 Duties / Responsibility and Role of audit committee shall include the following:

- i) 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;
- ii) The Audit Committee shall:
 - (a) Oversee the financial reporting process;
 - (b) Monitor choice of accounting policies and principles;
 - (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

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- the internal Audit and Compliance report;
- (d) Oversee hiring and performance of external auditors;
 - (e) Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption.
 - (f) Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval
 - (g) Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval;
 - (h) Review the adequacy of internal audit function;
 - (i) Review the management discussion and analysis before disclosing in the annual report;
 - (j) Review statement of significant related party transactions submitted by the management;
 - (k) Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors;
 - (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
 - (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.

Provide that the management shall disclose to the Audit Committee about the use or applications of the proceeds by major category (capital expenditure, sales & marketing expenses, working capital etc.) on a quarterly basis, as a part of their quarterly declaration of financial results.

Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee

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Internal Control and Compliance:

The Board has the ultimate responsibility for establishing an effective system of internal control. The internal control system holds all business risks, including financial, operational and strategic risks.

REPORT ON COMPLIANCE OF BSEC'S NOTIFICATION ON CORPORATE GOVERNANCE

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 Issued under section 2CC of the Securities and Exchange Ordinance, 1969:

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 shall not be less than 5 and more than 20			
1(2)	Independent Directors			
1(2)(a)	Independent Director(s) - at least one fifth (1/5) of the total number of directors	✓		One independent director out of 6 board member.
1(2)(b)(i)	Independent director does not hold any share or holds less than one percent (1%) shares of total paid up capital	✓		No share hold
1(2)(b)(ii)	Independent director is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities 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 or her family members also shall not hold above mentioned shares in the company	✓		
1(2)(b)(iii)	Independent director has not been an executive of the company in immediately preceding 2 (two) financial years	✓		
1(2)(b)(iv)	Independent director does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies	✓		
1(2)(b)(v)	Independent director is not member or TREC holder, director or officer of any stock exchange	✓		
1(2)(b)(vi)	Independent director 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)	Independent director 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)	Independent director is not independent director in more than 5 (five) listed companies	✓		
1(2)(b)(ix)	Independent director 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 (NBFI)	✓		
1(2)(b)(x)	Independent director 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 AGM	✓		
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 days	✓		No such event occurred during the year.
1(2)(e)	The tenure of office of an Independent Directors shall be for a period of 3 (three) years which may be extended for 1 (one) tenure only			
1(3)	Qualification of Independent Director			

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Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(3)(a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business			
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			N/A
1(3)(b)(ii)	Corporate Leader who is or was a top level 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			N/A
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law			N/A
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law			N/A
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification			N/A
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b)	✓		
1(3)(d)	In special cases, the above qualifications or experiences 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 or Chief Executive Officer			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals	✓		
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) 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 and/or Chief Executive Officer	✓		
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.			No such incident was occurred.
1(5)	The Directors' Report to Shareholders			
1(5)(i)	An industry outlook and possible future developments in the industry	✓		
1(5)(ii)	The Segment-wise or product-wise performance	✓		

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Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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 extraordinary activities and their implications (gain or loss)	✓		
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 other instruments	✓		
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.	✓		
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements			N/A
1(5)(x)	A statement of remuneration paid to the directors including independent directors	✓		
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity	✓		
1(5)(xii)	A statement that proper books of account of the issuer company 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)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed	✓		
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	✓		

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Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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)(xci)	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)(xci)	The total number of Board meetings held during the year and attendance by each director	✓		
1(5)(xcii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:			
1(5)(xcii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details)			N/A
1(5)(xcii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details)	✓		
1(5)(xcii)(c)	Shareholding pattern of Executives	✓		
1(5)(xcii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details)			No one hold 10% share
1(5)(xciv)	In case of appointment or re-appointment of a Director, a disclosure on the following information to the Shareholders:			
1(5)(xciv)(a)	A brief resume of the director	✓		
1(5)(xciv)(b)	Nature of his or her expertise in specific functional areas	✓		
1(5)(xciv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board	✓		
1(5)(xcv)	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)(xcv)(a)	Accounting policies and estimation for preparation of financial statements	✓		
1(5)(xcv)(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			N/A
1(5)(xcv)(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)(xcv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario	✓		
1(5)(xcv)(e)	Briefly explain the financial and economic scenario of the country and the globe			
1(5)(xcv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company	✓		
1(5)(xcv)(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)(xcvi)	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	✓		

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Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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)	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the 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 Code	✓		
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		✓	Formation of NRC is under process, management will introduce NRC in upcoming accounting year.
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			N/A The company does not hold 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	✓		

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Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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)			No such event occurred during the year.
3(2)	Requirement to attend Board of Directors' Meetings The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board	✓		
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; and	✓		
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 subcommittees:			
4(i)	Audit Committee; and	✓		
4(ii)	Nomination and Remuneration Committee.			Formation of NRC is under process, management will introduce NRC in coming accounting year.
5.	Audit Committee			
5(1)	Responsibility to the Board of Directors			
5(1)(a)	Audit Committee as a sub-committee of the Board	✓		
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.	✓		

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Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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 nonexecutive directors of the company excepting Chairperson of the Board 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)	Casual Vacancy of the Audit Committee fill up immediately or not later than 1 (one) month from the date of vacancy			No such incident was occurs.
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			No such incident was occurs.
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.			No such incident was occurs.
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.	✓		
5.5	Role of Audit Committee			
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 or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		
5(5)(f)	Review along with the management, the annual financial statements before submission to the board for approval	✓		

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Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
5(5)(g)	Review along with the management, 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 submitted by the management	✓		
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors	✓		
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;	✓		
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 No such event occur during the year.
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 interest			
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;			No such incident was occurs.
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations;			
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	✓		
5(6)(b)	Reporting to the Authorities If any report which has material impact on the financial condition and results of operation and which has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			No such matter arisen during the year.
5(7)	Reporting to the Shareholders and General Investors Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	✓		
6.	Nomination and Remuneration Committee (NRC)			

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Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board;		✓	Formation of NRC is under process, management will introduce NRC in coming accounting year.
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;		✓	Formation of NRC is under process, management will introduce NRC in coming accounting year.
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;		✓	
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;		✓	
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;		✓	Formation of NRC is under process, management will introduce NRC in coming accounting year.
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;		✓	
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;		✓	Formation of NRC is under process,

BANGLADESH AUTOCARS LIMITED

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;		✓	
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;		✓	Development of role and responsibility of NRC is under process and will published in upcoming year.
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:		✓	
6(5)(b)(i)	Formulating 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;		✓	
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 or Statutory 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;	✓		

BANGLADESH AUTOCARS LIMITED

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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;	✓		
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.	✓		
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-Attached, in the directors' report whether the company has complied with these conditions or not.	✓		

1.5 (xxiii) (c) List of Executive:

SL. No	Name	Designation
1	Mr. Md. Mostaque Ahmed	CFO
2	Mr. Bimal Kumar Paul	Acting Company Secretary
3	Mr. Gopal Chandra Dhar	Internal Auditor
4	Mr. Shariful Islam	Office Executive
5	Mr. Jenarul Islam	Asst. Engineer

BANGLADESH AUTOCARS LIMITED

(d) List of 10% above Share of the Company as under:

SL. No	Name	Share position
	Nil	Nil

1.5 (xxiv) Appointment of the Independent Director:- As per BSEC Notification and for fulfilling the Compliance of Corporate Governance Policy, the Company to be appointed Mr. Md. Towhidul Islam Azad and Mohammad Musa Meah as a independent Directors of for a period of one year which is subject to confirmation from the shareholders in the next Annual General Meeting. The brief resume is given below:



Md. Towhidul Islam Azad
Date of Birth: 28 February 1960.
Nationality : Bangladeshi.
Academic Qualification: Graduate (Bachelor of Commerce).

PROFESSIONAL EXPERIENCE

The Azad Engineers (Khulna, Bangladesh) 1985 - Present
Chairman and Managing Director
Alhamdulillah Traders (Khulna, Bangladesh) 1985 - Present
Proprietor

ADDITIONAL INFORMATION

- Commercially Important Person (CIP) for Highest Taxpayer CIP - 2016
- Board of Trustee of North Western University, Khulna 2013 - Present
- Best Taxpayer Award By NBR Assessment Year : 2012-13 to 2015-16



Mohammad Musa Meah
Date of Birth: 05 March 1953.
Nationality : Bangladeshi.
Academic Qualification: Graduate (Bachelor of Commerce).

PROFESSIONAL EXPERIENCE

Kuliarchar Seafood Limited (Cox's Bazar, Bangladesh) 2003 - Present
Chairman and Managing Director
Global Airways Limited (Dhaka, Bangladesh) 2012 -Present
Proprietor
Kuliarchar Cold Storage Limited (Kuliarchar, Bangladesh) 1986 - Present
Chairman and Managing Director
Mars Universal (Dhaka, Bangladesh) 2013- Present
Managing Director

ADDITIONAL INFORMATION

- Commercially Important Person (CIP) for excellent export performance 1990 - Present
- Sponsor Director of Continental Insurance Company Limited 1999 - Present

BANGLADESH AUTOCARS LIMITED

1(5)(xxvi) Certificate of Chief Executive Officer and Chief Financial Officer to the Board:

**Annexure-A
Declaration by CEO and CFO**

The Board of Directors
Bangladesh Autocars Limited
110 Tejgaon I/A, Dhaka-1208.

Subject: Declaration on Financial Statements for the year ended on 30 June, 2019.

Dear Sirs,

Pursuant to the condition No. 1(5) (xxvi) imposed vide the Commission's notification No. BSEC/CMRRCD/2006-158/134/Admin/44, Dated 07 August 2012 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of Bangladesh Autocars Limited for the year ended on 30 June, 2019, 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, 2019 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

Sd/
Mrs Rina Momtaj
Chief Executive Officer (CEO)

Sd/
Md. Mostaque Ahmed
Chief Financial Officer (CFO)

BANGLADESH AUTOCARS LIMITED

Meeting of the Audit Committee:

The Audit Committee met 4(four) times during the year 30 June, 2019. All the members were present in all meetings of the committee. The details of attendance of each member at the Audit Committee meetings during the year 30 June 2019 are as follows

Name	Title	Attended
Mr. Rafiqul Islam Dablu	Chairman	In the 4 meeting
Ms. Fahra Murad	Member	In the 4 meeting
Mr. Rahim Murad	Member	In the 4 meeting

Audit Committee

Date: September 13, 2019

To
The Board of Directors
Bangladesh Autocars Limited
110 Tejgaon I/A
Dhaka

Subject: Audit Committee Report.

The Committee reviewed and discussed the procedure and task of the internal audit, financial report preparation and the external auditor's observations in their reports on the financial statements of the Company for the year ended 30th June 2019. The Committee found adequate arrangement to present a true and fair view of the financial status of the Company and did not find any material deviation, discrepancies or any advance finding in the areas of reporting.

Sd/
Rafiqul Islam Dablu
Chairman
Audit Committee

BANGLADESH AUTOCARS LIMITED



SHIRAZ KHAN BASAK & CO.
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT
To the shareholders of
Bangladesh Autocars Limited

Report on the Audit of the Financial Statements.

Opinion

We have audited the financial statements of Bangladesh Autocars Limited (the Company), which comprise the Statement of Financial Position as at 30 June 2019, and Statement of profit or loss & other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give true and fair view, in all material respects, of the financial position of the company as at 30 June 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), the Companies Act 1994, the securities and Exchange Rules 1987 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 Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 29 of the financial statements, which describes the events after reporting period regarding declaration of stock dividend @ 15% for the financial year June 30, 2019 on company's Board meeting held on 20.10.2019. According to বিএসইসি/মুখপত্র (৩৪৮৪)/২০১১/১২৯, dated 02nd October, 2019 & BSEC/CMRRCD/2009-193/222/Admin/91, dated 23rd May 2019 the recommendation declaration of stock dividend is not in line of these regulations of the Bangladesh Securities & Exchange Commission (BSEC). Upon inquiry it regulations of the Bangladesh Securities & Exchange Commission (BSEC). Upon inquiry it was identified that the Board of Directors were not aware of the regulations and the recommendation of stock dividend and not in line with the regulation was unintentional. The decision made by the Board in this regard is to be rescind by the shareholders in the Annual General Meeting of the company and resolution will be passed in line with the regulation at the Annual General Meeting. Our decision is not modified in respect of this matter.

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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 period. 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.

Risk	Our response to the risk
Revenue Recognition	
<p>At year end the reported total revenue of Tk. 96,651,994.</p> <p>The company generates revenue from sale of goods to local Customer.</p> <p>We identified revenue recognition as key audit matter as it is one of the key performance indicators of the Company, which give rise to an inherent risk of the existence and the accuracy of the revenue.</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none">➤ Obtaining an understanding of and assessing the design and operating effectiveness of controls designed to ensure that revenue is recognised in the appropriate accounting period.➤ Segregation of duties in invoice creation and modification and timing of revenue recognition.➤ Assessing the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with applicable accounting standards.➤ Obtain supporting documentation for sale transaction recorded either side of year end to determine whether revenue was recognized in the current period.➤ Comparing a sample of revenue transactions recognized during the year with the sale invoices and other relevant underlying documentation.➤ Critically assessing manual journals posted to revenue to identify unusual or irregular items, and finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.
See Note No.16.00 to the statement of profit or loss & other comprehensive income.	

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Valuation of Property, Plant and Equipment	
<p>The carrying value of the PPE amounted to Tk. 40,653,118 at 30 June, 2019. The valuation of PPE was identified as a key audit matter due to the significance of this balance to the financial statements. Expenditures are capitalized if they create new or enhance the existing assets, and expensed if they relate to repair or maintenance of the assets. Classification of the expenditures involves judgment. The useful lives of PPE items are based on management's estimates regarding the period during which the asset or its significant components will be used. The estimates are based on historical experience and market practice and take into consideration the physical condition of the assets.</p>	<p>Our audit included the following procedures:</p> <ul style="list-style-type: none">➤ We assessed whether the accounting policies in relation to the capitalization of expenditures are in compliance with IFRS and found them to be consistent.➤ We obtained a listing of capital expenditures incurred during the year and, on a sample basis, checked whether the items were procured based on internal purchase order that had been properly approved by the responsible individuals.➤ We inspected a sample of invoices and L/C documents to determine whether the classification between capital and operating expenditure was appropriate.➤ We evaluated whether the useful lives determined and applied by the management were in line with historical experience and the market practice.➤ We checked whether the depreciation of PPE items was commenced timely, by comparing the date of the reclassification from capital in progress to ready for use, with the date of the act of completion of the work.
See Note No. 2.00 to the financial statements	

Other Information

Management is responsible for the other information. The other information comprises all of the information in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

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 and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

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

BANGLADESH AUTOCARS LIMITED



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Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. 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 no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional 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 circumstances.
- 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 accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and event in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements we are responsible for the direction, supervision and performance of the company audit. We solely responsible for our audit opinion.

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

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

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

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, and the Securities and Exchange Rules 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts, records and other statutory books as required by law have been kept by the company so far as it appeared from our examinations of those books;
- c) The statement of Financial Position, Statement of profit or loss & other Comprehensive Income and Statement of Changes in Equity and Statement of Cash Flows of the Company dealt with by the report are in agreement with the books of account and returns; and
- d) The expenditure was incurred for the purpose of the Company's business.

Dhaka, 20 October, 2019

Ramendra Nath Basak, FCA
Partner
Shiraz Khan Basak & Co.
Chartered Accountants

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Bangladesh Autocars Limited
Statement of Financial Position As at 30 June 2019

Particulars	Notes	Unit - 2	Unit - 3	Restated*		
				Amount in Taka		
				30.06.2019	30.06.2018	30.06.2017
ASSETS						
Non-Current Assets		24,836,504	15,816,614	40,653,118	44,391,456	48,503,303
Property, Plant & Equipment	2	24,836,504	15,816,614	40,653,118	44,391,456	48,503,303
Current Assets		13,887,370	16,078,796	29,966,166	24,763,340	23,794,191
Inventories	3	3,135,090	4,669,621	7,804,711	7,884,783	8,117,555
Trade debtors	4	250,977	-	250,977	430,017	605,467
Advance, deposits and pre-payments	5	6,511,931	10,567,673	17,079,604	14,009,237	12,336,566
Cash and Cash equivalents	6	3,989,372	841,502	4,830,874	2,439,303	2,734,603
Total Asset		38,723,874	31,895,410	70,619,284	69,154,796	72,297,494
Equity and Liabilities						
Equity		19,198,771	13,004,211	32,202,982	26,747,995	20,857,857
Share capital	7	5,596,760	37,663,370	43,260,130	38,625,120	37,500,120
General reserve		-	9,944,188	9,944,188	9,944,188	9,944,188
Tax holiday reserve		5,230,968	1,353,011	6,583,979	6,583,979	6,583,979
Retained earning	8	8,371,043	(35,956,358)	(27,585,315)	(28,405,292)	(33,170,431)
Non-Current Liabilities		4,182,374	4,318,294	8,500,668	10,180,524	11,645,563
Long Term Loan	9	631,377	701,000	1,332,377	2,720,585	3,946,450
Temporary Loan	10	-	-	-	-	-
Deferred Tax	11	3,550,997	3,617,294	7,168,291	7,459,939	7,699,113
Current Liabilities		18,695,819	11,219,817	29,915,634	32,226,276	39,794,074
Liabilities for expenses	12	7,525,719	465,202	7,990,921	7,867,790	10,946,884
Others liabilities	13	4,856,537	1,864,333	6,720,870	5,918,275	5,130,545
Provision for income tax	14	4,925,356	4,694,098	9,619,453	7,982,017	6,098,361
Bank Overdraft	15	-	4,196,182	4,196,182	9,232,330	6,782,970
Finance Lease- Current maturity	9.1	1,388,208	-	1,388,208	1,225,865	10,835,314
Inter Unit Balance		(3,353,089)	3,353,089	-	-	-
Total Equity and Liabilities		38,723,874	31,895,410	70,619,284	69,154,796	72,297,494
Net Assets Value (NAV) per share	24			7.44	6.93	5.56

*Note: The details of restatement were presented in note # 21.

The accounting policies and other explanatory notes form an integral part of these financial statements.

The financial statements were approved by the Board of Directors as on 20 October 2019 and were signed on its behalf by:

Sd/
Director

Sd/
Managing Director

Sd/
Chairman

Signed as per our separate report of even date annexed.

Sd/
Shiraz Khan Basak & Co.
Chartered Accountants

Dhaka, 20 October, 2019

BANGLADESH AUTOCARS LIMITED



SHIRAZ KHAN BASAK & CO.
CHARTERED ACCOUNTANTS

(An associate firm of D. N. Gupta & Associates)

R. K. TOWER (Level-10)
86, Bir Uttam C.R. Datta Road
(312, Sonargaon Road), Dhaka-1205
Tel : 88-02-9635139, 88-02-9673597
Mobile : 01552-638228, 01711-520770
01922-117370, 01757-941837
E-mail : shirazkhanbasak@yahoo.com

Bangladesh Autocars Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended on 30 June 2019

Particulars	Notes	Unit - 2	Unit - 3	Restated	
				Amount in Taka	
				30.06.2019	30.06.2018
Sales Revenue	16	79,139,944	17,512,050	96,651,994	109,221,196
Cost of goods sold	17	(71,589,534)	(11,728,666)	(83,318,200)	(95,838,059)
Gross Profit		7,550,410	5,783,384	13,333,794	13,383,137
Administrative expenses	18	(2,656,390)	(970,689)	(3,627,079)	(3,835,533)
Financial expenses	19	(733,445)	(132,142)	(865,587)	(1,636,254)
Net Profit / (Loss) before WPPF and Tax		4,160,575	4,680,553	8,841,128	7,911,350
Provision for WPPF		(198,123)	(222,883)	(421,006)	(376,731)
Net Profit/(Loss) before Tax		3,962,452	4,457,670	8,420,122	7,534,619
Income Tax Expenses					
Current Tax Provision		(990,613)	(1,114,417)	(2,105,030)	(1,883,656)
Deferred Tax		29	291,619	291,648	239,176
Net Profit/(Loss) after Tax		2,971,869	3,634,871	6,606,741	5,890,139
Other Comprehensive Income		-	-	-	-
Total Comprehensive Income		2,971,870	3,634,871	6,606,741	5,890,139
Earning Per Share (EPS)	23			1.53	1.52

The accounting policies and other explanatory notes form an integral part of these financial statements.

The financial statements were approved by the Board of Directors as on 20 October 2019 and were signed on its behalf by:

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Director

Sd/
Managing Director

Sd/
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Dhaka, 20 October, 2019

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Bangladesh Autocars Limited
Statement of Changes in Equity For the year ended 30 June 2019

Particulars	Share capital	General reserve	Tax holiday reserve	Retained earning	Total
Balance (01.07.2018)	38,625,120	9,944,188	6,583,979	(28,405,292)	26,747,995
Net profit/(loss) for this year	-	-	-	6,606,741	6,606,741
Cash Dividend (2017-18)	-	-	-	(1,151,754)	-
Bonus Share	4,635,010	-	-	(4,635,010)	-
Balance (30.06.2019)	43,260,130	9,944,188	6,583,979	(27,585,315)	33,354,736

Bangladesh Autocars Limited
Statement of Changes in Equity For the year ended 30 June 2018

Particulars	Share capital	General reserve	Tax holiday reserve	Restated*	
				Retained earning	Total
Balance (01.07.2017)	37,500,120	9,944,188	6,583,979	(43,328,192)	10,700,095
Prior year Adjustment (Note-21)	-	-	-	10,157,761	10,157,761
Restated opening balance	37,500,120	9,944,188	6,583,979	(33,170,431)	20,857,856
Net profit/(loss) for this year	-	-	-	5,890,139	5,890,139
Bonus Share	1,125,000	-	-	(1,125,000)	-
Balance (30.06.2018)	38,625,120	9,944,188	6,583,979	(28,405,292)	26,747,995

*Note: The details of prior year adjustment is presented in note # 21.

The accounting policies and other explanatory notes form an integral part of these financial statements.

The financial statements were approved by the Board of Directors as on 20 October 2019 and were signed on its behalf by:

Sd/
Director

Sd/
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Sd/
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Signed as per our separate report of even date annexed

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Bangladesh Autocars Limited
Statement of Cash Flows For the year ended on 30 June 2019

	Notes	Amount in Taka	
		30.06.2019	30.06.2018
Cash Flows From Operating Activities:			
Collection from sale and other income		96,621,034	109,176,196
Payments against purchases, supplies, employees & others		(82,551,395)	(98,701,121)
Finance cost paid		(865,587)	(1,636,254)
Tax paid		(3,398,714)	(923,617)
Net cash generated/(used) in operation	25.1	9,805,339	8,090,654
Cash Flows From Investment Activities:			
Acquisition of Property, Plant & Equipment		-	-
Net cash generated/(used) in investing activity		-	-
Cash flows From Financing Activities:			
Bank Overdraft		(5,036,148)	2,449,360
Dividend Paid		(1,151,754)	-
Loans & advance received/(Repaid)		(1,225,865)	(10,835,314)
Net cash generated/(used) financing activity		(7,413,767)	(8,385,954)
Net Cash Inflow / (Outflow) for the year		2,391,572	(295,300)
Opening Cash and Cash equivalents		2,439,303	2,734,603
Closing Cash and Cash equivalents		4,830,875	2,439,303
Net operating cash flow per share (NOCFPS)	25	2.27	2.09

The accounting policies and other explanatory notes form an integral part of these financial statements.

The financial statements were approved by the Board of Directors as on 20 October 2019 and were signed on its behalf by:

Sd/
Director

Sd/
Managing Director

Sd/
Chairman

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

Dhaka, 20 October, 2019

Sd/
Shiraz Khan Basak & Co.
Chartered Accountants

BANGLADESH AUTOCARS LIMITED

Bangladesh Autocars Limited

Notes to the financial statements For the year ended on 30 June 2019

1.0 Significant accounting policies and other material information:

1.1 Legal form of Enterprise:

The Bangladesh Autocars Ltd. was incorporated on 01 August, 1979 in Bangladesh as a Public Limited Company under the Companies Act, 1913 (subsequently replaced in 1994) and its shares are listed in the Dhaka Stock Exchange Ltd.

1.2 Nature of Business Activities:

The Company was engaged in producing Three Wheelers Auto Tempo (two strokes) under technical collaboration with Piaggio & C s.p.a. (manufacturer of world famous Vespa Brand). The company had to stop production of Three Wheelers Auto Tempo (two strokes) since 1999 due to imposition of ban in producing such vehicles in Bangladesh by the Government. Now, the company has been only carrying out the business of CNG Conversion and CNG Refueling of Vehicles.

1.3 Basis of Accounting:

These accounts have been prepared on going concern basis under generally accepted accounting principles based on International Financial Reporting Standard (IFRS) and relative interpretation concern there to.

1.4 Responsibility for preparation and presentation of financial Statement:

The Board of Director is responsible for the preparation and presentation of financial Statements in compliance with the Companies Act 1994, the Securities and Exchange Rules 1987, Listing Regulation of Dhaka Stock Exchange Limited (DSE), International Accounting Standard (IAS), International Financial Reporting Standard (IFRS) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).

1.5 Risk and uncertainties for use of estimates in preparation of financial statement:

The preparation of financial statements in conformity with the International Accounting Standard requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities on the date of financial statements and revenues and expenses. Actual results could differ from those estimates which are used for certain items, such as, long term contracts, depreciation, taxes, reserves, contingencies etc.

1.6 Components of the Financial Statements:

According to the International Accounting Standard (IAS) 1 "Presentation of Financial Statement" the complete set of Financial Statement includes the following components:

- i. Statement of Financial Position as at 30 June 2019.
- ii. Statement of Profit or Loss and Other Comprehensive Income for the year end 30 June 2019.

Bangladesh Autocars Limited

Notes to the financial statements For the year ended on 30 June 2019

- iii. Statement of Cash Flows for the year ended 30 June 2019.
- iv. Statement of Changes in Equity for the ended 30 June 2019.
- v. Accounting policies and Explanatory notes.

1.7 Comparative information:

Comparative information has been disclosed in respect of the year 2018- 2019 for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current periods financial statements. Figures of the year 2018- 2019 have been rearranged/restated whenever considered necessary to ensure comparability with the current period.

1.8 Reporting currency and precision:

The figures in the financial statements represent Bangladesh Currency (Taka), which have been rounded off to the nearest Taka except where indicates otherwise.

1.9 Foreign Currency:

Foreign currencies are translated into Bangladesh Taka currency at the rates prevailing on the date of transaction and the balances in hand at the close of business at the rate prevailing on the cut-off date.

1.10 Statement of Cash Flows:

The cash flow statement has been presented under direct method following the provisions of respective IAS 7.

1.11 Recognition of Property, Plant and Equipment and Depreciation:

Property, Plant and Equipment are stated at cost less accumulated depreciation in accordance with respective IAS. Cost represents cost of acquisition of construction and include purchases price and other directly attributable costs for bringing the assets to working conditions for its intended use, but do not include any capitalized borrowing cost. No depreciation was charged on land and land development.

Expenditure for major replacements, renewals and betterment are capitalized. Depreciation has been charged on assets, where applicable, at the rates varying from 6% to 20% applying reducing balance method excepting the additions from the date of its operation which is allocated to Factory Overhead and Administrative Expenses proportionately.

Impairment losses/gains of assets are not provided, as these have been performing as per intended use of such assets assessed by the management. The annual depreciation rates are applied on principal category of assets as below:

Item	Rate of Depreciation	Item	Rate of Depreciation
Plant and Machinery	8% and 10%	Transport and Vehicles	10%
Office Equipments	10%	Furniture and Fixtures	6%
Electrical Equipment	20%		

Bangladesh Autocars Limited

Notes to the financial statements For the year ended on 30 June 2019

1.12 Lease:

The company's policy is to account for lease payment in accordance the requirement of IAS 17 Lease. The operating lease rental payment charged to the Profit or Loss statement when they arise. No asset is recognized in the financial statements asset acquired under operating lease.

Asset acquired under finance lease agreement is included in non current asset of the financial statement and depreciated over the economic life of asset. Present value of minimum lease payment is recognized as finance lease liability at the inception of the lease. Financial expense is charged to the Profit or Loss statement at the lessor's interest rate charged to this finance lease agreement.

1.13 Inventories:

Inventories are valued at lower of average cost and net realizable value on 30 June 2019.

1.14 Trade Debtors and Advance, Deposits and Prepayments:

These are recognized at original invoice amount, but remain unsecured. The amounts are considered good and collectible/adjustable.

1.15 Loan to/from Inter Units:

These are recognized as inter unit transaction within the company.

1.16 Cash and Cash Equivalents:

Cash in hand, bank current accounts, other bank deposits have been considered as cash and cash equivalents in accordance with the provisions of respective IAS.

1.17 Liabilities for Expenses:

These are recognized for the amounts to be paid in the future for goods and services received whether or not billed.

1.18 Other Liabilities:

These are recognized for the amounts to be paid or refunded in future for keeping security deposit, finance expenses and others.

1.19 Revenue Recognition:

Revenue is shown net off return in ward, discount and VAT. Sales revenue is recognized as per IAS 18 "Revenue" on accrual basis as and when significant risk and reward relating to the sold goods passes to buyer and it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable in the normal course of business.

1.20 Current Tax:

Tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income, because it excludes items of

BANGLADESH AUTOCARS LIMITED

Bangladesh Autocars Limited

Notes to the financial statements For the year ended on 30 June 2019

income or expenses that are taxable or deductible in other years and it further excluded items that are never taxable or deductible. Current tax is usually applicable at the rate applicable for public limited company in accordance with the provisions of ITO 1984.

1.21 Deferred Tax Assets/Liabilities:

The entity is suppose to recognize the deferred tax on the differences between the carrying amount of assets and liabilities in the financial statements and the corresponding carrying amount at tax bases.

1.22 Transaction with related parties:

The company has been operating CNG plant unit-2 and unit-3 and paid Tk. 240,000 as rent to Mr. Mohammad Murad against uses his premises at 110 Tejgaon Dhaka. There has been no other transaction with related parties in the normal course of business during the year.

1.23 Earning Per Share:

Basic EPS

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS

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

	Unit-2	Unit-3	Amount in Taka	
			30.06.2019	30.06.2018
2 Property, Plant & Equipment Cost				
Opening Balance 01.07.2018	61,591,995	42,335,861	103,927,856	103,927,856
Add: Addition during the year	-	-	-	-
Total Cost	61,591,995	42,335,861	103,927,856	103,927,856
Less: Accumulated Depreciation				
Opening Balance 01.07.2018	34,391,406	25,144,993	59,536,399	55,424,552
Add: Charged during the year	2,364,085	1,374,254	3,738,339	4,111,847
Closing balance 30.06.2019	36,755,491	26,519,247	63,274,738	59,536,399
Written down value as on 30.06.2019	24,836,504	15,816,614	40,653,118	44,391,456

Details are shown in Annexure- A

BANGLADESH AUTOCARS LIMITED

Bangladesh Autocars Limited
Notes to the financial statements For the year ended on 30 June 2019

				Amount in Taka	
		Unit-2	Unit-3	30.06.2019	30.06.2018
3 Inventories					
Spare parts and Raw Materials	Note-3.1	3,135,090	4,669,621	7,804,711	7,884,783
		<u>3,135,090</u>	<u>4,669,621</u>	<u>7,804,711</u>	<u>7,884,783</u>

Inventories are valued at average cost price and net realizable value whichever is less. Physical Inventory of UNIT – 2 and 3 was carried out at the reporting date of year end by the inventory verification team and found in order.

3.1 Inventory: (Unit-2)	Qty	Amount
Gas Generator Spare parts	230	1,162,292
Others Spare parts	936	1,972,798
	<u>1,166</u>	<u>3,135,090</u>
Inventory: (Unit-3)	702	4,669,621
Total	<u>1,868</u>	<u>7,804,711</u>

4 Trade Debtors

Details are shown in Note- 4.1 This is arrived at as below:

Opening balance	430,017	605,467
Add: Addition during the year	4,697,318	6,384,900
	<u>5,127,335</u>	<u>6,990,367</u>
Less: Received/Adjusted during the year	4,876,358	6,560,350
	<u>250,977</u>	<u>430,017</u>

It is relevant to note that the balances remain unsecured, but considered good.

4.1 Trade debtors

DPDCL		-	-	31,497
P.W.D	42,558	-	42,558	47,128
RTV		-	-	13,859
Best Clean		-	-	31,270
Continental Insurance Co. Ltd.	10,534	-	10,534	14,433
Karnafuli Gas Dis. Company Limited	18,872	-	18,872	96,515
GDS Chemical	112,022	-	112,022	68,716
Mr. Lutfor Rahman (Bay Leasing)	49,366	-	49,366	60,855
Berger Paints		-	-	52,488
Uniqlo	17,625	-	17,625	13,256
Total	<u>250,977</u>	<u>-</u>	<u>250,977</u>	<u>430,017</u>

BANGLADESH AUTOCARS LIMITED

Bangladesh Autocars Limited
Notes to the financial statements For the year ended on 30 June 2019

	Unit-2	Unit-3	Amount in Taka	
			30.06.2019	30.06.2018
4.2 Maturity Analysis				
Within 30 Days			148,519	230,975
More than 30 Days			42,558	47,128
Within 60 to 90 days			59,900	60,855
More than 90 Days			-	91,059
			250,977	430,017

The directors of the company assessed that the above balance good and collectable in due time.
There is no security is maintained other than personal security.

5 Advance, deposits and pre-payments

Advances :

Advance against VAT	-	1,264,436	1,264,436	1,264,436
Advance against income tax	4,976,994	6,693,059	11,670,053	8,738,933
Advance against capital expenditure	183,631	-	183,631	183,631
Advance against security bill	79,457	-	79,457	79,457
Advance against Salary	250,000	95,000	345,000	341,000
Advance against raw materials purchase	-	2,268,178	2,268,178	2,132,931

Deposit :

Security deposit - CDDBL	50,000	50,000	100,000	100,000
Security deposit -T&T	-	11,000	11,000	11,000
Security deposit- Titas Gas	354,173	-	354,173	354,173
Deposit with PDB	-	1,000	1,000	1,000
Deposit for demand note - ISD line	-	85,000	85,000	85,000
Bank guarantee margin - Titas Gas	517,676	-	517,676	517,676
Security Money for office rent	100,000	100,000	200,000	200,000
	6,511,931	10,567,673	17,079,604	14,009,237

Maturity Analysis

Adjustable/realizable within 12 Months		2,613,178	1,025,942
Adjustable/realizable after 12 Months		14,466,426	12,983,295
		17,079,604	14,009,237

- i. Deposits are lying with the statutory authorities being security.
- ii. No amount was due by the Directors and other officers of the company or by any associated undertaking.
- iii. Advance against VAT and Income Tax represents amount paid at the time of import of 3-wheeler vehicles for UNIT - 1 . Refund was claimed from the respective authorities vide letter dated 28.11.2007 and 22.07.2008 which is yet to be settled.

6 Cash and Cash equivalents

Cash in hand	308,547	141,385	449,932	486,077
Cash at bank :				
Pubali Bank Limited-1531	2,835,126	-	2,835,126	1,696,390
Agrani Bank - A/c CD — 33001870	44,940	-	44,940	44,940
Mutual Trust Bank Limited - A/c No. -9190	-	17,726	17,726	17,726
Prime Bank Limited - A/c-14378	-	17,935	17,935	17,935
United Commercial Bank Limited A/C-637	-	62,546	62,546	62,546
Al-Falah Islami Bank Ltd A/c- 200891-201	-	42,512	42,512	42,512
Southeast Bank Ltd. CD A/C - 30355	-	559,398	559,398	6,722
Southeast Bank Ltd., Gulshan br.13532	793,795	-	793,795	57,491
Shahjalal Islami Bank Ltd. CD A/C - 1911	6,964	-	6,964	6,964
	3,989,372	841,502	4,830,874	2,439,303

- i. Physical cash in hand was counted and bank balances were reconciled at the year end and found in order.

BANGLADESH AUTOCARS LIMITED

Bangladesh Autocars Limited
Notes to the financial statements For the year ended on 30 June 2019

	Unit-2	Unit-3	Amount in Taka	
			30.06.2019	30.06.2018
7 Share capital				
Authorized: 10,000,000 ordinary shares of taka 10 each			<u>100,000,000</u>	<u>100,000,000</u>
Issued, subscribed and paid-up				
43,26,013 shares of Tk. 10 each			<u>43,260,130</u>	<u>38,625,120</u>
			<u>43,260,130</u>	<u>38,625,120</u>
Composition of share holding as on 30.06.2019				
Sponsors and Director			35.43%	38.25%
Investment corporation of Bangladesh			9.49%	7.46%
ICB capital management			0.15%	0.19%
Public shareholders			54.93%	54.10%
			<u>100.00%</u>	<u>100.00%</u>

Face value of share has been converted into Tk 10 from Tk 100 on 04 December 2011 as per SEC order no SEC/CMRRCD/2009-193/109 dated 15.09.2011.

Category-wise shareholding in number and percentage is as follows:

Holdings	Total holding	Percentage
Less than and equal 50 shares	70,883	1.64%
51 shares to 100 shares	95,932	2.22%
101 shares to 500 shares	411,605	9.51%
501 shares to 1000 shares	387,649	8.96%
1001 shares to 10000 shares	1,218,898	28.17%
10001 shares to 20000 shares	204,198	4.72%
20001 shares to 30000 shares	96,709	2.23%
Over 30000 shares	1,840,139	42.55%
	<u>4,326,013</u>	<u>100.00%</u>

BANGLADESH AUTOCARS LIMITED

Bangladesh Autocars Limited
Notes to the financial statements For the year ended on 30 June 2019

7.1 Year wise breakup of Paid up capital issued

Allotment	No. of Shares	Face Value Taka	Amount Taka	Amount in Taka	
				30.06.2019	30.06.2018
1st on 01st August 1979 (during incorporation)	5,000	100	500,000		
2nd on 28th September 1981	6,100	100	610,000		
3rd on 2nd November 1981	6,900	100	690,000		
4th on 1st May 1982	10,945	100	1,094,500		
5th on 15th April 1985	23,055	100	2,305,500		
6th on 25th June 1985	14,000	100	1,400,000		
7th on 13th October 1985	9,500	100	950,000		
8th on 30th October 1985	11,250	100	1,125,000		
9th on 30th October 1986	4,800	100	480,000		
10th on 30th October 1989	82,950	100	8,295,000		
11th on 30th December 1991 (Issued right Shares)	149,255	100	14,925,500		
12th on 19th December 2010	16,188	100	1,618,800		5% Bonus share approved on 31st AGM based on the Financial Statements June 30, 2010
13th on 29th December 2011	169,971	10	1,699,710		5% Bonus share approved on 32nd AGM based on the Financial Statements June 30, 2011
14th on 27th December 2012	71,388	10	713,880		2% Bonus share approved on 33rd AGM based on the Financial Statements June 30, 2012
15th on 15th December 2016	109,223	10	1,092,230		3% Bonus share approved on 37th AGM based on the Financial Statements June 30, 2016
16th on 10th December 2017	112,500	10	1,125,000		3% Bonus share approved on 38th AGM based on the Financial Statements June 30, 2017
17th on 29th November 2018	463,501	10	4,635,010		12% Bonus share approved on 39th AGM based on the Financial Statements June 30, 2018

8 Retained earning

Opening Balance	6,147,833	(34,553,125)	(28,405,292)	(43,328,192)
Net profit/(loss) for this year	2,971,870	3,634,871	6,606,741	5,890,139
Prior year adjustment	-	-	-	10,157,761
Cash Dividend (2017-18)	(149,008)	(1,002,747)	(1,151,755)	-
Bonus Share (2017-18)	(599,652)	(4,035,357)	(4,635,009)	(1,125,000)
Closing Balance	8,371,043	(35,956,358)	(27,585,315)	(28,405,292)

BANGLADESH AUTOCARS LIMITED

Bangladesh Autocars Limited
Notes to the financial statements For the year ended on 30 June 2019

	Unit-2	Unit-3	Amount in Taka	
			30.06.2019	30.06.2018
9 Long term loan : (Non- Current Maturity)				
Customs Debenture:	-	701,000	701,000	701,000
Lease Finance Note-9.02	-	-	-	-
Lease Finance Note-9.03	631,377	-	631,377	2,019,585
	<u>631,377</u>	<u>701,000</u>	<u>1,332,377</u>	<u>2,720,585</u>
9.1 Maturity analysis				
Current Maturity (within 1 year)	1,388,208	-	1,388,208	1,225,865
Non-Current Maturity (within 2 to 5 year)	-	631,377	631,377	2,019,585
	<u>1,388,208</u>	<u>631,377</u>	<u>2,019,585</u>	<u>3,245,450</u>
9.2 Lease Finance (1750)				
Opening balance				9,752,794
Prior year Adjustment			-	-
Restated balance			-	9,752,794
Add. Interest for the year				462,686
Unrecognized delinquent charge			-	-
Less. Paid during the year				10,215,480
Closing Balance				<u>-</u>
9.3 Lease Finance (2297)				
Opening balance			3,245,450	4,327,970
Addition during the year			-	-
Sub-Total			<u>3,245,450</u>	<u>4,327,970</u>
Add: Interest for the year			337,022	480,368
Less: Paid during the year			1,562,904	1,562,904
Closing Balance			<u>2,019,585</u>	<u>3,245,450</u>
Maturity analysis of above loan				
Current Maturity (within 1 year)			1,388,208	1,225,865
Non-Current Maturity (within 2 to 5 year)			631,377	2,019,585
			<u>2,019,585</u>	<u>3,245,450</u>

i. Custom debenture was issued for custom duty of imported machinery of UNIT - 1.

ii. Lease Finance was taken for CNG generator's spare parts.

iii. Brief terms & conditions for the long term loan :

Long term loan description	Finance Lease 1750	Finance Lease 2297
Name of the loan holder		Bay Leasing & Investment Ltd.
Payment Term		Monthly installment
Rate of Interest	Fully adjusted	12.50%
Installment size		130,242
Security		Directors personal property
Total and outstanding installment		Total 48 and Outstanding 17

10 Temporary loan				
Outstanding balance	-	-	-	-
Balance	-	-	-	-
Adjustment	-	-	-	-
Non-Current maturity	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

This represents the interest free temporary loan taken against repayment of BSRS loan.

Details are shown in Note- 21

BANGLADESH AUTOCARS LIMITED

Bangladesh Autocars Limited
Notes to the financial statements For the year ended on 30 June 2019

	Unit-2	Unit-3	Amount in Taka	
			30.06.2019	30.06.2018
11 Deferred Tax				
Property, Plant & Equipment at Tax base	10,632,516	1,347,438	11,979,954	14,551,701
Property, Plant & Equipment at accounts base	24,836,504	15,816,614	40,653,118	44,391,456
	(14,203,988)	(14,469,176)	(28,673,164)	(29,839,755)
Tax Rate	25%	25%	25%	25%
Deferred Tax	3,550,997	3,617,294	7,168,291	7,459,939
Deferred tax income/expenses during the year	29	291,619	291,648	239,176
12 Liabilities for expenses				
Salaries and allowances	168,947	56,316	225,263	208,238
Telephone and mobile bill	1,529	510	2,038	1,738
CNG gas bill	6,130,112	-	6,130,112	6,231,459
Electricity bill	1,619	540	2,158	2,217
Generator gas bill	954,670	318,223	1,272,893	1,100,224
Audit fees	86,250	28,750	115,000	115,000
DSE listing fees	37,500	12,500	50,000	50,000
Security Bill	59,593	19,864	79,457	158,914
Office Rent	85,500	28,500	114,000	-
	7,525,719	465,202	7,990,921	7,867,790

- Liabilities for expenses represents the amount payable in respect of various outstanding expenses as on 30 June 2019
- No current liabilities are due for more than 12 months.
- In the opinion of the Directors, no liabilities in the Statement of Financial Position at a value equal to the amount which are payable on the Statement of Financial Position.

13 Others liabilities				
Unclaimed dividend	2,691,965	472,251	3,164,216	2,572,626
Jumana bridge levy	-	192,909	192,909	192,909
Development levy	-	240,169	240,169	240,169
Income tax deduction	-	194,253	194,253	194,253
TDS - payable	-	9,930	9,930	9,930
WPPF	1,759,845	754,821	2,514,666	2,093,661
Security for trade Debtors	404,727	-	404,727	614,727
	4,856,537	1,864,333	6,720,870	5,918,275

- Jumana bridge levy and development levy represents the amount deducted from dividend from 1987 - 88 to 1990 - 91 and one portion deposited into Government Treasury and other portion not deposited on due time.
- Income tax deduction represents the amount deducted @ 10% from dividend of 1990 - 91 and the amount was yet to deposit to Government Treasury on due time.
- Security for trade debtors represents amount taken from customer being security against credit sale of CNG gas.

14 Provision for income tax				
Opening balance	4,402,337	3,579,679	7,982,017	6,098,361
Less: Adjustment/paid during the year	467,595	-	467,595	-
Add: Addition during the year	990,613	1,114,418	2,105,031	1,883,656
	4,925,356	4,694,098	9,619,453	7,982,017

BANGLADESH AUTOCARS LIMITED

Bangladesh Autocars Limited
Notes to the financial statements For the year ended on 30 June 2019

	Unit-2	Unit-3	Amount in Taka	
			30.06.2019	30.06.2018
15 Bank Overdraft				
Balance outstanding at the year end	-	4,196,182	4,196,182	9,232,330
	-	4,196,182	4,196,182	9,232,330

Brief terms & conditions for the above loan:

Name of lender	Southeast Bank Ltd.
Sanction facility	.60 core
Mode of facility	Overdraft
Rate of Interest	0.09
Repayment term	Based on fund availability
Security	Personal guarantee of Directors

16 Sales Revenue				
Sale of goods and services	79,139,944	17,512,050	96,651,994	109,221,196
Sales represent the sale of CNG refueling station and CNG materials and services.				

17 Cost of goods sold :				
Opening stock	4,035,162	3,849,621	7,884,783	8,117,555
Purchase - import and local	-	7,416,556	7,416,556	7,729,118
Gas bill (CNG)	63,828,514	-	63,828,514	74,753,621
	67,863,676	11,266,177	79,129,853	90,600,294
Factory overhead	6,860,948	5,132,110	11,993,058	13,122,548
	74,724,624	16,398,287	91,122,911	103,722,842
Closing stock	(3,135,090)	(4,669,621)	(7,804,711)	(7,884,783)
Total	71,589,534	11,728,666	83,318,200	95,838,059

17.1 Factory overhead				
Wages and salaries	1,443,958	481,319	1,925,277	2,047,715
Bonus to workers	123,131	41,044	164,175	167,530
Electric bill	9,115	9,115	18,230	31,356
Diesel Mobile, Oil fuel, and lubricants	6,000	6,000	12,000	11,000
Repairs and maintenance	2,799	41,840	44,639	49,514
Gas bill (generator)	3,384,677	3,384,676	6,769,353	7,320,360
Depreciation	1,891,268	1,168,116	3,059,384	3,495,073
	6,860,948	5,132,110	11,993,058	13,122,548

* Gas bill on CNG sales has been recognized as purchase.

BANGLADESH AUTOCARS LIMITED

	Unit-2	Unit-3	Amount in Taka	
			30.06.2019	30.06.2018
18 Administrative and selling expenses				
Salary and allowances	481,320	160,440	641,760	682,572
Bonus	41,044	13,681	54,725	55,845
Traveling and conveyance	7,799	2,600	10,398	24,704
Entertainment	1,208	403	1,610	5,613
Internet line Exp	54,000	18,000	72,000	72,000
Telephone, mobile and fax charges	19,632	6,544	26,176	26,165
Stamp, postage and telegram	2,831	944	3,775	4,946
Legal fees and expenses	9,825	3,275	13,100	18,500
Office expenses	2,642	881	3,523	15,249
Insurance	247,313	82,438	329,751	329,751
Tiffin bill for workers	28,964	9,655	38,618	39,400
Advertisement	10,200	3,400	13,600	25,347
Printing	19,500	6,500	26,000	26,000
Stationery	3,565	1,188	4,753	6,149
CDBL annual fees	36,722	12,241	48,963	31,000
CDBL line Charge	58,500	19,500	78,000	78,000
License renewal fees	47,354	15,785	63,139	61,175
Annual general meeting expenses	10,875	3,625	14,500	13,550
Medical expenses	-	-	-	1,259
Security bill	715,113	238,371	953,484	953,484
Cleaning charge	2,475	825	3,300	3,000
Listing fees - DSE	50,042	50,041	100,083	100,563
Paper bill	1,718	573	2,290	5,475
DCC Membership fees	-	-	-	9,850
BAPLC Annual fees	5,000	5,000	10,000	15,000
Miscellaneous expenses	-	-	-	2,610
Electricity expenses	4,557	1,519	6,076	10,452
Fire freighting expenses	5,625	1,875	7,500	7,000
Compliance Audit Fees	22,500	7,500	30,000	30,000
Audit fees	86,250	28,750	115,000	115,000
Office rent	207,000	69,000	276,000	276,000
Bank guarantee commission	-	-	-	173,100
Depreciation	472,817	206,138	678,955	616,774
	2,656,390	970,689	3,627,079	3,835,533
19 Financial expenses				
Lease rental interest (1750)	-	-	-	462,687
Lease rental interest (2297)	337,022	-	337,022	480,369
Bank overdraft interest	371,955	123,986	495,940	663,041
Bank charges	24,469	8,156	32,625	30,157
	733,445	132,142	865,587	1,636,254

20 Contingent Liability disclosure

The company does not hold any claim that meets definition of contingent liability in accordance with IAS 37 Provision, Contingent Liability and Contingent Asset exists at reporting date.

21 Restated Statement

The prior period financial statements of the Company contained a temporary loan of TK. 10,157,761. As per assessment of directors, the said loan does not carry obligation for the company to pay-off this loan in future. Considering the fact, the management has decided to adjust the loan. Therefore, the loan has been adjusted retrospectively and the financial statements are now restated in accordance with para 42 of IAS 8, Accounting Policies, Changes in accounting estimates and errors. The restatement is made in accordance with the Para 40B of IAS 1: Presentation of Financial Statements by presenting third statement of financial position.

BANGLADESH AUTOCARS LIMITED

Unit-2	Unit-3	Amount in Taka	
		30.06.2019	30.06.2018

22 Related Party disclosure

The company, in normal course of business, carried out following of transaction with other entities that fall within the definition of related party contained in IAS 24: Related Party Disclosures. All transactions involving related parties arising in normal course of business are conducted on an arm's length basis at commercial rates, other than. Details of transactions with related parties and balances with them as at 30 June 2019 were as follows:

Name	Nature of Relations	Nature of Transaction	Transaction		30.06.2019	30.06.2018
			Debit	Credit		
Mr. Mohammed Murad	Chairman	Rent	276,000	276,000	-	-
			<u>276,000</u>	<u>276,000</u>	-	-

23 Earning Per Share (EPS)

Basic EPS

Earning for the year		6,606,741	5,890,139
Weighted Average No. of share outstanding at year end		4,326,013	3,862,512
Earning Per Share		1.53	1.52
<u>Earning attributable of ordinary shareholders</u>	=	EPS	
<u>Weighted Average No. of share</u>			

- i. The company's sales were decrease during the year but cost minimizing strategy helps the company to boost the company's profit. Moreover, due to effect of deduction of loan liability, the finance cost of company for the year was reduced resulting profit was increased.

24 Calculation of Net Asset Value (NAV)

	30.06.2017	30.06.2019	30.06.2018
Total Equity for the period end	20,857,857	32,202,982	26,747,995
Weighted Average No. of share outstanding at period end	3,750,012	4,326,013	3,862,512
Net Asset Value (NAV)	5.56	7.44	6.93

Total Assets - Total Liabilities = NAV
No. of share outstanding at period end

25 Calculation of Net Operating Cash Flows Per Share (NOCFPS)

Net cash generated/(used) in operation for the period	9,805,339	8,090,654
No. of share outstanding at period end	4,326,013	3,862,512
Net Operating Cash Flows Per Share (NOCFPS)	2.27	2.09

25.1 Reconciliation between net profit to operating cash flows

Profit/(loss) before tax	8,420,122	7,534,619
Finance cost	865,587	1,636,254
Operating profit	9,285,709	9,170,873
Adjustment:		
Depreciation	3,738,340	4,111,848
Non cash Interest income	-	-
Changes in Working capital:		
(Increase)/Decrease of Inventory	80,072	232,773
(Increase)/Decrease of Trade debt	179,040	175,450
(Increase)/Decrease of Advance, deposit & Prepayment except AIT	(139,246)	(749,054)
Increase/(Decrease) of Liability for expenses	123,131	(3,079,094)
Increase/(Decrease) of other Liabilities	802,595	787,730
	<u>14,069,641</u>	<u>10,650,526</u>
Tax paid	(3,398,715)	(923,617)
Finance cost paid	(865,587)	(1,636,254)
	9,805,339	8,090,654

BANGLADESH AUTOCARS LIMITED

	Unit-2	Unit-3	Amount in Taka	
			30.06.2019	30.06.2018
26 Employees minimum pay				
Employees earn over or equal Tk. 3,500 but less than 5,000			-	-
Employees earn over or equal Tk. 5,000			21	21
			<u>21</u>	<u>21</u>
27 Remuneration from Directors & Executives				
	2018-2019		2017-2018	
	Directors	Executives	Directors	Executives
Remuneration	-	-	-	-
House rent	-	-	-	-
Utilities	-	-	-	-
Bonus	-	-	-	-
Conveyance	-	-	-	-
Medical	-	-	-	-
Leave encashment	-	-	-	-
	-	-	-	-
Number of person	5	-	5	-

27.1 No meeting fee has been paid to the directors during the year.

27.2 The directors are considered executive.

28 Operating Segment

28.1 All non current assets of the Company as at June 30, 2019 are located in Bangladesh.

29 Event after reporting period

The Board of Directors of the company has approved the financial statements as on 20.10.2019 and recommended cash Nil and 15% stock dividend for the financial year June 30, 2019, however compliance to the latest press release reference no. বিএসইসি/তুফপার (৩৪৬৪)/২০১১/১২৯, dated 02nd October, 2019 of BSEC will be considered at the 40th AGM of our Company. Except the fact stated above, no circumstances have arisen that to be disclosed as note or adjusted in the financial statements.

30 Compliance of Securities and Exchange Rule - 1987

- All shares have been fully called up and paid up.
- The company did not issue preference shares.
- No expenses was paid as royalty and salaries to technical experts etc. in foreign currencies as per para - 8 (KHA) of part - 11 .
- No brokerage was paid against sales during the year under audit.
- No amount was payable being contingent liabilities of the Company as on 30.06.2019.
- 4 (Four) Nos. Board Meeting were held during the year under audit.
- Auditors are paid only statutory audit fee approved by the shareholders in the last AGM.
- The company did not earn any foreign currency during the year.
- There are no non - resident shareholders of the company and hence no amount is required to be remitted being dividend.
- There is no claim against the company which is being acknowledged as debt.
- No amount was expended by the company for compensating any member of the board for special services rendered.

BANGLADESH AUTOCARS LIMITED

Annexure-A

Bangladesh Autocars Limited
Schedule of Property, Plant & Equipment
as on 30 June 2019

Particulars	Cost			Rate	Depreciation		Written Down Value (Taka) as on 30.06.2019
	As on 01.07.2018	Addition / Adjustment	As on 30.06.2019		As on 01.07.2018	Charged during the year	
(Unit - 2)							
Office equipment's	6,495,134	-	6,495,134	10%	4,247,360	224,777	2,022,997
Furniture and fixtures	2,903,438	-	2,903,438	6%	1,382,159	91,277	1,430,002
Gas line installation	3,377,613	-	3,377,613	10%	2,304,106	107,351	966,157
Electric equipment	7,605,591	-	7,605,591	20%	6,338,610	253,396	1,013,585
Plant and machinery	11,453,247	-	11,453,247	8%	5,012,793	515,236	5,925,217
Plant and machinery - Lease Assets	29,756,972	-	29,756,972	8%	15,106,378	1,172,048	13,478,547
Unit-2 Total	61,591,995	-	61,591,995		34,391,406	2,364,085	24,836,504

(Unit - 3)							
Plant and machinery	4,346,194	-	4,346,194	10%	4,137,399	20,880	4,158,278
Transport and vehicles	1,699,680	-	1,699,680	10%	1,479,816	21,986	1,501,803
Office equipment's	3,436,040	-	3,436,040	10%	2,619,948	81,609	734,483
Furniture and fixtures	3,096,975	-	3,096,975	6%	1,801,453	77,731	1,217,791
Plant and machinery - Lease Assets	29,756,972	-	29,756,972	8%	15,106,378	1,172,048	13,478,547
Unit-3 Total	42,335,861	-	42,335,861		25,144,993	1,374,254	15,816,614

Total as on 30.06.2019	103,927,856	-	103,927,856		59,536,399	3,738,339	40,653,118
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Total as on 30.06.2018	103,927,856	-	103,927,856		55,424,553	4,111,847	44,391,456
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2019 2018

Allocation of depreciation :

Administrative expenses	472,817	206,138	Total	678,955	616,774
Factory overhead	1,891,268	1,168,116	Total	3,059,384	3,495,073
Total	2,364,085	1,374,254	Total	3,738,339	4,111,847

BANGLADESH AUTOCARS LIMITED
FORM OF PROXY

I/we.....

Of.....

Being a shareholder of Bangladesh Autocars Limited here by appointed Mr/Mrs./Miss.....
another member of the Company as my/our proxy to attend and vote for me/us and on my/our behalf at
the 40th Annual General Meeting of the Company to be held on 15th December, 2019 at 11.00am and
at any adjournment of the meeting or any poll that may be taken in consequence thereof.

As witness my/our hand this Day of2019

Signature of Proxy

Signature of Shareholder

Shareholder's Folio/ BO No.....

**Affix Revenue
Stamp Tk.10/-**

NOTES :

A member entitled to attend a General Meeting is entitled to appoint a proxy to attend and vote instead of him. No person shall act as a proxy (except for a corporation) unless he is entitled to be present and vote in his own right. The instrument appointing a proxy should be signed by the member or by his attorney duly authorized in writing.

If the member is a Corporation its common seal (if any) should be affixed to the instrument.

The instrument appointing a proxy, together with the Power of Attorney (if any) under which it is signed or a naturally certified copy thereof, should be deposited at the Head Office not less than 48 hours before the time of holding the meeting.

BANGLADESH AUTOCARS LIMITED
SHAREHOLDER'S ATTENDANCE SLIP

I hereby record my presence at the 40th Annual General Meeting of Bangladesh Autocars Limited on 15th December, 2019 at 11.00 am.

Name of Shareholder

BO ID

Shareholder's FolioSignature

Name of Proxy (in block letters)

Signature of Proxy.....

Shareholders attending the meeting in person or by proxy are requested to complete the attendance slip and hand it over at the registration counter on the day of the meeting.

Running Project

SUPER CNG

FILLING STATION & CONVERSION WORKSHOP