PRIVATE & CONFIDENTIAL

BANGLADESH ROAD TRANSPORT CORPORATION (BRT
PARIBAHAN BHABAN,
21, RAJUK Avenue,
DHAKA-1000,BANGLADESH.

INDEPENDENT AUDITORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

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BANGLADESH ROAD TRANSPORT CORPORATION (BRTC)

PARIBAHAN BHABAN,
21, RAJUK Avenue,
DHAKA-1000,BANGLADESH.

INDEPENDENT AUDITORS' REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

Independent Auditors' Report
To
Bangladesh Road Transport Corporation (BRTC)
Report on The Audit of The Consolidated Financial Statements

Opinion

We have audited the Consolidated Financial Statements of **Bangladesh Road Transport Corporation (BRTC)** and its divisions, as well as the Individual financial statements of **Bangladesh Road Transport Corporation (BRTC) – Bus Division and Bangladesh Road Transport Corporation (BRTC) – Truck Division,** which comprise the Consolidated and Individual Statement of Financial Position as at June 30, 2022, the Consolidated and Individual Statement of Profit or Loss and Other Comprehensive Income for the year ended, Consolidated and Individual Statement of Changes in Equity for the year ended, Consolidated and Individual Statement of Operating Surplus for the year ended, and Notes to the Consolidated and Individual Financial Statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements presents fairly in all material respects of the Consolidated Statement of Financial Position of **Bangladesh Road Transport Corporation (BRTC)** as on June 30, 2022, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and comply with the Companies Act 1994, Bangladesh Road Transport Corporation Ordinance No 7, 1961, dated February 4, 1961 and Act 2020 dated February 17, 2020.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Going Concern

We are required to report if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of the financial statements. We have nothing to report in these respects

Other Information

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

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.

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

Management and Those Charged with Governance are responsible for the preparation of the financial statements in accordance with International Financial Reporting Standards (IFRSs) and comply with the relevant laws and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and those charged with governance are responsible for assessing the Corporation ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intend to liquidate the Corporation or to cease operations, or have no realistic alternative but to do so.

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 the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation 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 Corporation to cease to continue as a going concern.

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

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

Report on Other Legal and Regulatory Requirements

As required by law, we also report the following:

a) we have obtained all the information and explanation 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 account as required by law have been kept by the organization so far as it appeared from our examination of those books and

c) the Corporation consolidated statement of financial position and statement of profit and loss and comprehensive income dealt with by the report are in agreement with the books of account,

d) the expenditure incurred and payments made were for the purpose of the Corporation business,

e) the information and explanation required by us have been received and found satisfactory.

Date: 27 February, 2023
Dhaka

Md Iqbal Hossain, FCA
Senior Partner
Enrolment No.: 0596
Zoha Zaman Kabir Rashid & Co.
Chartered Accountants
DVC: 2302280596AS469571

Bangladesh Road Transport Corporation (BRTC)
Statement of Financial Position
As at June 30, 2022

Particulars	Notes	Amount in Taka Bus 30.06.2022	Truck 30.06.2022	Total 30.06.2022	30.06.2021
EQUITY & LIABILITIES:					
Authorized Capital:		10,000,000,000	-	10,000,000,000	10,000,000,000
1,000,000,000 Ordinary shares of 10.00 each					
Equity :					
Paid up Capital:		540,000,000	-	540,000,000	540,000,000
54,000,000 Ordinary Shares @ Tk.10.00 each					
Reserve & Surplus:					
Capital Reserve		217,146,385	-	217,146,385	217,146,385
Share Money Deposit		22,096,190	-	22,096,190	22,096,190
Grant in Aid		119,368,029	-	119,368,029	119,368,029
Revenue Gain (Sale of Condemn Vehicle)		507,902	-	507,902	507,902
Government Grants	4.00	-	324,759,305	324,759,305	324,759,305
Donation from UNROB	5.00	-	27,129,114	27,129,114	27,129,114
Retained Earnings		(20,986,324,304)	(1,335,014,761)	(22,321,339,065)	(20,798,127,896)
		(20,627,205,798)	**(983,126,342)**	**(21,610,332,141)**	**(20,087,120,971)**
UNDP/ILO AID					
Aid against machinery of training institute		-	48,974,000	48,974,000	48,974,000
Unutilized money of options		-	7,474,734	7,474,734	7,474,734
		-	**56,448,734**	**56,448,734**	**56,448,734**
LONG TERM LOAN:					
LONG TERM LOAN (Interest Free)	6.00	54,663,000	-	54,663,000	54,663,000
LONG TERM LOAN (Interest Bearing):	7.00				
ADP Loan		2,526,192,433	-	2,526,192,433	2,538,192,433
NDF LOAN		955,556,953	-	955,556,953	955,556,953
EDCF Loan		2,095,222,298	-	2,095,222,298	2,095,222,298
IDCL Loan		2,961,241,599	-	2,961,241,599	2,961,241,599
Indian Credit(Old)		84,188,665	-	84,188,665	84,188,665
INDIAN Credit(D/D) New		749,573,589	-	749,573,589	749,573,589
U.K Credit		1,900,000	-	1,900,000	1,900,000
Italian Credit		7,059,568	-	7,059,568	7,059,568
IDA Credit		3,659,626	-	3,659,626	3,659,626
Swedish Credit		590,950,460	-	590,950,460	590,950,460
Salary & gratuity Got Loan (Interest Free)		210,000,000	-	210,000,000	210,000,000
LOC Loan (Bus 600) / (Truck 500)		3,997,780,628	1,157,250,000	5,155,030,628	5,155,030,628
EDCF Grant		1,170,271	-	1,170,271	1,170,271
Updating Training Institute (GOVT Loan)		235,878,657	-	235,878,657	235,878,657
Gratuity Govt Loan (Interest Free)		100,000,000	-	100,000,000	100,000,000
Construction of BRTC Training Institute Tong		94,262,469	-	94,262,469	94,262,469
Govt. Loan		180,000,000	114,692,000	294,692,000	294,692,000
		14,794,637,216	**1,271,942,000**	**16,066,579,216**	**16,078,579,216**
UNSECURED LOAN (HO)		59,289,788	-	59,289,788	59,289,788
		14,908,590,004	**1,271,942,000**	**16,180,532,004**	**16,192,532,004**

ZOHA ZAMAN KABIR RASHID & CO. Chartered Accountants

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CURRENT LIABILITIES :					
Interest payable to Govt.	8.00	7,640,571,893	328,994,699	7,969,566,593	7,189,495,753
Creditors for Goods Supply & Other Finance	9.00	4,230,350,646	1,473,241,125	5,703,591,771	5,634,976,817
Creditors for Goods Supply (Unit)	10.00	287,339,026	-	287,339,026	289,512,438
Non Operating A/C		30,969,368	-	30,969,368	26,158,920
Loan from CPF (Bus Division)		-	3,483,867	3,483,867	3,483,867
BRTC Indemnity Fund		-	100,394	100,394	100,394
		12,189,230,933	**1,805,820,086**	**13,995,051,019**	**13,143,728,189**
TOTAL EQUITY & LIABILITIES		**7,010,615,139**	**2,151,084,478**	**9,161,699,617**	**9,845,587,956**
ASSETS & PROPERTIES:					
Fixed Assets (WDV)- Annexure- A	11.00	**4,527,285,682**	**598,914,190**	**5,126,199,873**	**5,838,145,314**
INVESTMENT	12.00	**128,395,568**	**-**	**128,395,568**	**82,796,143**
CURRENT ASSETS:					
Stock & Stores	13.00	698,498,585	65,578,913	764,077,498	789,123,000
Advance, Deposit & Prepayment	14.00	66,382,073	381,817,186	448,199,259	549,211,925
Sundry Debtors	15.00	844,568,336	922,897,530	1,767,465,866	1,665,815,332
Cash & Bank Balance	16.00	745,484,895	133,031,962	878,516,857	871,451,544
Inter Division current account (Bus Division)		-	49,044,697	49,044,697	49,044,697
		2,354,933,889	**1,552,370,288**	**3,907,304,177**	**3,924,646,499**
TOTAL ASSETS & PROPERTIES		**7,010,615,139**	**2,151,284,478**	**9,161,899,617**	**9,845,587,956**

Sign in term of our separate report of even date annex.

General Manager (Finance)

Deputy General Manager (Finance)

Accounts Officer (Finance)

Md Iqbal Hossain FCA
Partner, Enrolment no: 596 (ICAB)
Zoha Zaman Kabir Rashid & CO.
Chartered Accountants
DVC: 2302280596AS469571

Dated: Dhaka
27 February, 2023

ZOHA ZAMAN KABIR RASHID & CO. Chartered Accountants

Bangladesh Road Transport Corporation (BRTC)
Statement of Profit & Loss and Other Comprehensive Income
For the year ended June 30, 2022

Particulars		Notes	Amount in Taka			
			Bus	Truck	Total	Total
			30.06.2022	30.06.2022	30.06.2022	30.06.2021
A	**Operating Revenue**	17.00	2,836,202,892	1,367,061,879	4,203,264,771	3,583,120,078
B	**Operating Expenditure**					
	Maintenance Expenses	18.00	389,864,529	69,620,002	459,484,531	298,532,374
	Operating Expenses	19.00	1,630,977,555	1,097,957,289	2,728,934,844	2,254,369,657
	Terminal Expenses	20.00	844,373,077	121,860,481	966,233,558	476,672,504
	Training Institute Expenses	21.00	-	68,923,719	68,923,719	45,785,178
	Depreciation on Vehicles		596,462,500	119,639,311	716,101,811	884,640,455
			3,461,677,661	**1,478,000,802**	**4,939,678,463**	**3,960,000,168**
C	**Gross Profit & Loss (A-B)**		**(625,474,769)**	**(110,938,923)**	**(736,413,692)**	**(376,880,090)**
D	**Miscellaneous Income**	22.00	157,291,999	1,224,798	158,516,797	142,502,855
E	**Income from Training Institute**		-	78,565,504	78,565,504	42,115,213
F	**Operating Profit & Loss (C+D+E)**		**(468,182,770)**	**(31,148,621)**	**(499,331,391)**	**(192,262,022)**
G	**Administrative & General Expenses:**					
	Administrative & General Expenses	23.00	223,376,087	-	223,376,087	195,230,545
	Non-Commercial Car Expense	24.00	8,162,381	-	8,162,381	4,076,797
	Interest on Govt. & Foreign Loan	25.00	735,805,139	44,140,765	779,945,904	780,545,906
	Depreciation on other than Vehicles		11,304,038	966,429	12,270,467	12,145,018
			978,647,645	**45,107,194**	**1,023,754,839**	**991,998,266**
H	**Net Profit & Loss (F-G)**		**(1,446,830,414)**	**(76,255,815)**	**(1,523,086,230)**	**(1,184,260,288)**

Sign in term of our separate report of even date annex.

General Manager (Finance) | **Deputy General Manager (Finance)** | **Accounts Officer (Finance)**

Md Iqbal Hossain FCA
Partner, Enrolment no: 596 (ICAB)
Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

Dated: Dhaka
27 February, 2023

ZOHA ZAMAN KABIR RASHID & CO. Chartered Accountants

Bangladesh Road Transport Corporation (BRTC)
Statement of Changes Equity
For the year ended June 30, 2022

Bus Division

[Amount in Taka]

Particulars	CAPITAL RESERVE	Share Money Deposit	Grant in Aid	Revenue Gain	Retained Earnings	Total Equity
Balance as on 01.07.2021	217,146,385	22,096,190	119,368,029	507,902	(19,539,493,890)	(19,180,375,384)
Excess of Expenditure over Income	-	-	-		(1,446,830,414)	(1,446,830,414)
Balance as on 30.06.2022	**217,146,385**	**22,096,190**	**119,368,029**	**507,902**	**(20,986,324,304)**	**(20,627,205,798)**
Balance as on 01.07.2020	217,146,385	22,096,190	119,368,029	507,902	(18,158,543,271)	(17,799,424,765)
Excess of Expenditure over Income	-	-		-	(1,380,950,619)	(1,380,950,619)
Balance as on 30.06.2021	**217,146,385**	**22,096,190**	**119,368,029**	**507,902**	**(19,539,493,890)**	**(19,180,375,384)**

Truck Division

[Amount in Taka]

Particulars	Government Grants	Donation from UNROB	Aid against machinery of training institute	Unutilized money of options	Retained Earnings	Total Equity
Balance as on 01.07.2021	324,759,305	27,129,114	48,974,000	7,474,734	(1,258,758,945)	(850,421,793)
Excess of Income over Expenditure	-	-	-		(76,255,815)	(76,255,815)
Balance as on 30.06.2022	**324,759,305**	**27,129,114**	**48,974,000**	**7,474,734**	**(1,335,014,761)**	**(926,677,608)**
Balance as on 01.07.2020	324,759,305	27,129,114	48,974,000	7,474,734	(1,455,324,340)	(1,046,987,187)
Excess of Expenditure over Income	-	-	-	-	196,565,395	196,565,395
Balance as on 30.06.2021	**324,759,305**	**27,129,114**	**48,974,000**	**7,474,734**	**(1,258,758,945)**	**(850,421,793)**

Sign in term of our separate report of even date annex.

General Manager (Finance)

Deputy General Manager (Finance)

Accounts Officer (Finance)

Md Iqbal Hossain FCA
Partner, Enrolment no: 596 (ICAB)
Zoha Zaman Kabir Rashid & CO.
Chartered Accountants

Dated, Dhaka
27 February, 2023

ZOHA ZAMAN KABIR RASHID & CO. ★ Chartered Accountants

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Bangladesh Road Transport Corporation (BRTC)
Statement of Operating Surplus
For the year ended June 30, 2022

Particulars	Notes	Amount in Taka			Amount in Taka
		Bus	Truck	Total	Total
		30.06.2022	30.06.2022	30.06.2022	30.06.2021
A Income					
Operating Revenue	17.00	2,836,202,892	1,367,061,879	4,203,264,771	3,583,120,078
Misc. Income	22.00	157,291,999	1,224,798	158,516,797	142,502,855
Income from Training Institute		-	78,565,504	78,565,504	42,115,213
		2,993,494,891	**1,446,852,181**	**4,440,347,072**	**3,767,738,146**
B Expenditure					
Maintenance Expenses	18.00	389,864,529	69,620,002	459,484,531	298,532,374
Operating Expenses	19.00	1,630,977,555	1,097,957,289	2,728,934,844	2,254,369,657
Terminal Expenses	20.00	844,373,077	121,860,481	966,233,558	476,672,504
Training Institute Expenses	21.00	-	68,923,719	68,923,719	45,785,178
Administration & General Expenses	23.00	223,376,087	-	223,376,087	195,230,545
Non-Commercial Car Expense	24.00	8,162,381	-	8,162,381	4,076,797
		3,096,753,629	**1,358,361,491**	**4,455,115,120**	**3,274,667,055**
C Operating Surplus (A-B)		**(103,258,738)**	**88,490,690**	**(14,768,048)**	**493,071,091**

Sign in term of our separate report of even date annex.

General Manager (Finance) | **Deputy General Manager (Finance)** | **Accounts Officer (Finance)**

Md Iqbal Hossain FCA
Partner, Enrolment no: 596 (ICAB)
Zoha Zaman Kabir Rashid & CO.
Chartered Accountants

Dated: Dhaka
27 February, 2023

ZOHA ZAMAN KABIR RASHID & CO. Chartered Accountants

Bangladesh Road Transport Corporation (BRTC)

Notes comprising a summary of significant accounting polices and other explanatory information

For the year ended June 30, 2022

1.00 Background:

Bangladesh Road Transport Corporation (BRTC) is a state-owned transport corporation of Bangladesh. The Bangladesh Road Transport Corporation (BRTC) established under the Bangladesh Road Transport Corporation Ordinance No 7 of 1961 (ORD VII of 1961), Dated February 4, 1961.

1.01.1 Address of the Registered & Head Office and depot:

The registered office is situated in its own premises BRTC Building, 21, RAJUK Avenue, Motijheel, Dhaka-1000.

BRTC has 22 Bus depot in different intercity including dhaka city. Motijhell, Juarsara, Kallyanpur, Mirpur ,Mohammadpur, Jatrabary, Gabtoli, Gazipur, Narayangonj, Narsgindi Comilla, Sonapur, Chittagong, Sylhet,Tongipara, Bogura, Pabna, Rangpur, Khulna, Barishal, Dinajpur and Mymensingh. The two main truck depots are located at Dhaka and Chittagong.

BRTC's main driver training institute is located in Joydevpur, Gazipur District, about forty kilometres north of Dhaka. It also has several other training institutes located in Chittagong, Bogra, Khulna, and Jhenaidah. Through these institutes, BRTC provides training in basic car operation and repair.

1.01.2 Nature of Corporation Activities

BRTC provides both passenger and cargo transport services.it operates inter-district bus services through its bus depots in Chittagong, Bogra, Comilla, Pabna, Rangpur, Barisal, and Sylhet. It also operates intra-city bus services in many major cities of the country.
Number of Bus running in Dhaka city in 723 of which giving service as public transport are 483, Staff Bus are 235, School Bus are 06 and Mohila Bus 17
Number of Bus running in outside of Dhaka city in 363 of which giving service as public transport are 302, Staff Bus are 56 and Mohila Bus 03.

Providing bus service as lease total 96 Buses.

For transportation of cargo, BRTC operates a fleet of 170 trucks. About twenty percent of the government food transport uses BRTC's trucks.

1.01.3 Vision & Mission of BRTC

- To build safe and modern state road transport system;
- To Increase passenger transport facilities;Adding modern vehicles to the depot fleet.
- Adding modern vehicles to the depot fleet;
- To create skilled manpower in the transport sector;
- To build reliable transport system and play a role in the socio-economic development of the country.

ZOHA ZAMAN KABIR RASHID & CO. Chartered Accountants

1.02 Summary of Significant Accounting & Valuation Principles:

1.02.1 Basis of Preparation & Presentation of the Financial Statements

The financial statements have been prepared and the disclosures of information were made in accordance with International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs) and practice in Bangladesh, in compliance with the Bangladesh Road Transport Corporation Ordinance 1961. International Accounting Standards (IASs) & International Financial Reporting Standards (IFRSs) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB). The Statement of Financial Position and Statement of Comprehensive Income have been prepared according to IAS-1 "Presentation of Financial Statements" based on accrual basis of accounting following going concern assumption under generally accepted accounting principles and practices in Bangladesh.

1.02.2 Accounting Convention & Assumption:

The financial statements are prepared under the historical cost convention.

1.02.3 Principal Accounting Policies:

The specific accounting policies have been selected and applied by the Corporations management for significant transactions and events that have a material effect within the framework for preparation and presentation of the financial statements. Financial statements have been prepared and presented in compliance with IAS-1 "Presentation of Financial Statements". The previous year's figures were formulated according to the same accounting principles. Compared to the previous year, there were no significant changes in the accounting and valuation policies affecting the financial position and performance of the Company. However, changes made to the presentation are explained in the note for each respective item. Accounting and valuation methods are disclosed for reasons of clarity. The Corporation's classified the expenses using the function of expenses method as per IAS-1.

1.02.4 Critical Accounting Estimates, Assumptions & Judgments:

The preparation of the financial statements is in conformity with IAS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Corporation's accounting policies.

1.02.5 Going Concern:

The Corporation has adequate resources to continue in operation for the foreseeable future. For this reasons the directors continue to adopt going concern basis in preparing the financial statements. The current credit facilities and resources of the Corporation provides sufficient fund to meet the present requirements of existing business.

2.00 Fixed Assets and Depreciation:

No depreciation is charged on land, Consistently, depreciation is provided on diminishing balance method based on written down value at which the asset is carried in the books of account. Depreciation continues to be provided until such time as the written down value is reduced to Taka one.

Each item of PPE is depreciated when it is available for use i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with IFRS 5 and the date that the asset is derecognized.

ZOHA ZAMAN KABIR RASHID & CO. Chartered Accountants

The depreciation/amortization rate(s) are as follows:

Category of Fixed Assets	Rate %
Building & Shelter	2.50%
Shop Garage Equipment	2.50%
Tube-well	2.50%
Machineries	10%
Furniture & Fixture	6%
Computer & Printer HO	15%
Type Writer, TV, Computer. etc.	15%
Petrol Pump	15%
Metal Detector	15%
Fire Extinguisher	15%
Tools & Equipment's	25%
Bus	20-25%
Mobile Crane	10%

2.01 Retirements and Disposals:

An asset is derecognized on disposal or when no future economic benefits are expected from its use and subsequent disposal. Gains or losses arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized as gain and loss from disposal of asset under other income in the Statement of Profit or Loss and Other Comprehensive Income.

2.02 Impairment of Assets:

All assets have been reviewed according to IAS-36 and it was confirmed that no such assets have been impaired during the year and for this reason no provision has been made for impairment of assets.

3.00 Inventories

Inventories are carried at the lower of cost and net realizable value as prescribed by IAS2: inventories. Cost is determined using weighted average method. The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in the normal course of business in bringing the inventories to their present location and condition. Costs of conversion include all direct costs excluding interest expense. Net realizable value is based on estimated selling price less any further cost expected to be incurred to make the sale.

3.01 Cash & Cash Equivalents:

Cash & cash equivalents include cash in hand, cash at banks, term deposits which are available for use by the Company without any restrictions. There is an insignificant risk of change in value of the same.

ZOHA ZAMAN KABIR RASHID & CO. Chartered Accountants

3.02 Scope of Audit:

We conducted our Audit in accordance with International Standards on Auditing (ISAs), which are consistent in all material respects with Bangladesh Accounting Standards and International Accounting Standards/ International Financial Reporting Standards IASs/ IFRSs as adopted in Bangladesh. Those standard require that, we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examine on a test basis evidence supporting the amounts and disclosures in the financial statements.

3.03 Comparative:

Financial statements are presented as IAS-1 "Presentation of Financial Statements" and Comparative information has been disclosed in respect of the previous year for all numerical information in the current financial statement.

3.04 Reporting Period:

The financial statements cover twelve months from 01 July, 2021 to 30 June, 2022.

3.05 Events after the Balance Sheet Date

All material events occurring after the Balance Sheet date are adjusted where considered necessary.

3.06 Post Balance Sheet Events

No material events occurring after the Balance Sheet date came to our notice, which would materially affect the amounts or disclosures in these financial statements.

3.07 General:

-The figures in the financial statements represent Bangladeshi currency taka, which has been rounded off to the nearest taka.

- Comparative information has been shown in respect of the year 2022 and 2021 for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current year's financial statements.

- Figures of the year 2021 have been rearranged whenever considered necessary to ensure comparability with the current year 2022.

ZOHA ZAMAN KABIR RASHID & CO. Chartered Accountants