CEAT AKKHAN LTD.

Report and financial statements as at and for the period ended 31 March 2024

Independent Auditor's Report
To the Shareholders of CEAT AKKHAN LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of CEAT AKKHAN LTD. ("the Company"), which comprise the statement of financial position as at 31 March 2024, and the statement of profit or loss and 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 material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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 e International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. 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 3 to the financial statements where management explains that the going concern basis of preparing the financial statements has not been used as the Company intends to cease operations. Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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

Independent auditor's report (continued)

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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, 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 Company so far as it appeared from our examination of these books; and

c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns

Tazul

Md. Tazul Islam, Partner, Enrolment number: 1296
Rahman Rahman Huq, Chartered Accountants
Firm Enlistment Number: CAF 001-080

Dhaka, 25 APR 2024

DVC: 2404251296AS748272

CEAT AKKHAN LTD.

Statement of financial position

In Taka	*Note*	31 March 2024	31 March 2023
Assets			
Cash and cash equivalents	13	158,337,299	40,842,047
Fixed deposit receipt	12	200,000	200,000
Trade and other receivables	10	121,469,876	124,992,847
Inter company receivables	10.1	27,356,820	26,128,253
Advances, deposits and prepayments	11	148,155,526	293,211,539
Inventories	9	206,412,421	195,029,064
Deferred tax assets	8	-	16,404,922
Intangible assets	7	1,805	36,328
Assets held-for-sale	6	620,800,676	792,521,122
Current assets		1,282,734,423	1,489,366,121
Total assets		1,282,734,423	1,489,366,121
Equity			
Share capital	14	1,500,000,000	1,500,000,000
Retained earnings		(910,699,037)	(588,669,290)
Total equity		589,300,963	911,330,710
Liabilities			
Bank overdraft	15	167,560,887	190,516,426
Short term loans	16	303,587,933	157,583,344
Trade and other payables	17	127,932,179	93,644,520
Inter company payable	21	38,668,173	36,931,620
Accruals	18	50,326,333	44,448,489
Defined benefit obligation	19	1,261,975	25,538,206
Current tax liabilities	22	4,095,980	2,680,292
Provisions	20	-	26,692,514
Current liabilities		693,433,460	551,342,897
Total liabilities		693,433,460	578,035,410
Total equity and liabilities		1,282,734,423	1,489,366,121

The notes on pages 7 to 39 are an integral part of these financial statements.

Chairman/
Director

Managing Director/
Director

Company Secretary

As per our report of same date

Auditor

Md. Tazul Islam, Partner
Enrolment Number: 1296
Rahman Rahman Huq
Chartered Accountants
KPMG in Bangladesh
Firm Enlistment Number: CAF-001-080

Dhaka, 25 APR 2024

DVC: 2404251296AS748272

CEAT AKKHAN LTD.

Statement of profit or loss and other comprehensive income

For the year ended 31 March

In Taka	*Note*	2024	2023
Revenue	*23*	**1,572,887,251**	1,628,839,852
Cost of sales	*24*	**(1,346,498,120)**	(1,399,243,543)
Gross profit		**226,389,131**	229,596,309
Gross profit%		14.39%	14.10%
General and administrative expenses	*25*	**(198,477,838)**	(244,840,782)
Operating profit/(loss)		**27,911,293**	(15,244,473)
Finance income	*26*	**517,032**	511,468
Finance expenses	*27*	**(38,202,577)**	(32,620,159)
Net finance costs		**(37,685,545)**	(32,108,691)
Other income/(loss)	*28*	**(227,897,411)**	(21,124,889)
Profit/(loss) before contribution to WPPF		**(237,671,663)**	(68,478,053)
Contribution to WPPF		-	-
Profit before tax		**(237,671,663)**	(68,478,053)
Income tax expenses	*29*	**(84,358,084)**	(55,630,884)
Profit/(loss) for the year		**(322,029,747)**	(124,108,937)
Other comprehensive income		-	-
Total comprehensive income/(loss)		**(322,029,747)**	(124,108,937)

The notes on pages 7 to 39 are an integral part of these financial statements.

Chairman/
Director

Managing Director/
Director

Company Secretary

As per our report of same date.

Dhaka, 25 APR 2024

Auditor
Md. Tazul Islam, Partner
Enrolment Number: 1298
Rahman Rahman Huq
Chartered Accountants
KPMG in Bangladesh
Firm Enlistment Number: CAF-001-080

DVC: 2404251298AS748272

CEAT AKKHAN LTD.
Statement of changes in equity

For the year ended 31 March 2023

In Taka	Share capital	Retained earnings	Total equity
	Attributable to owners of the Company		
Balance at 1 April 2022	1,500,000,000	(464,560,353)	1,035,430,647
Profit/(loss) for the year	-	(124,108,937)	(124,108,937)
Other comprehensive income	-		-
Total comprehensive income/(loss)	-	(124,108,937)	(124,108,937)
Balance at 31 March 2023	1,500,000,000	(588,669,290)	911,330,710

For the period ended 31 March 2024

In Taka	Share capital	Retained earnings	Total equity
	Attributable to owners of the Company		
Balance as at 1 April 2023	1,500,000,000	(588,669,290)	911,330,710
Profit/(loss) for the year	-	(322,029,747)	(322,029,747)
Other comprehensive income	-	-	-
Total comprehensive income/(loss)	-	(322,029,747)	(322,029,747)
Balance at 31 March 2024	1,500,000,000	(910,699,037)	589,300,963

The notes on pages 7 to 39 are an integral part of these financial statements.

CEAT AKKHAN LTD.

Statement of cash flows

For the year ended 31 March *In Taka*	*Note*	2024	2023
Cash flows from operating activities			
Profit before tax		(237,671,663)	(68,178,053)
Adjustment for :			
Adjustment for impairment	*6*	170,945,846	
Depreciation	*6*	515,690	756,216
Amortisation	*7*	34,519	68,105
Gain/(loss) on disposal of property, plant and equipment	*28*	175,355	16,003
		(65,999,253)	(67,459,673)
Changes in			
Inventories	*9*	(11,383,357)	76,464,723
Trade and other receivables	*10 & 10.1*	(23,833,849)	(22,789,291)
Advances, deposits and prepayments	*11*	143,488,382	65,347,799
Trade and other payables	*17*	34,287,659	(76,160,698)
Accruals	*19*	(18,398,387)	3,673,213
Provisions	*20*	(26,692,514)	2,978,600
Inter company payable	*21*	27,864,806	1,934,240
Cash generated from/(used in) operating activities		59,333,488	(16,511,489)
Income tax paid		(64,969,821)	(66,010,026)
Net cash used in operating activities		(5,636,333)	(82,521,515)
Cash flows from investing activities			
Acquisition of property, plant and equipment	*6*	(155,875)	(7,900)
Acquisition of intangible assets	*7*	-	-
Proceeds from disposal of property, plant and equipment		238,410	94,487
Net cash generated from investing activities		82,535	86,587
Cash flows from financing activities			
Proceeds from/(repayment of) short term loan & bank overdraft	*15*	123,049,050	60,102,309
Net cash flows from financing activities		123,049,050	60,102,309
Net increase/(decrease) in cash and cash equivalents		117,495,252	(22,332,620)
Cash and cash equivalents as at 1 April		40,842,047	63,174,667
Cash and cash equivalents as at 31 March	*13*	158,337,299	40,842,047

The notes on pages 7 to 39 are an integral part of these financial statements.

1 Reporting entity

1.1 Company profile

CEAT AKKHAN LTD. ("the Company") is a public limited company incorporated under the Companies Act, 1994 vide incorporation no. C-102115/12 dated 30 May 2012. The address of the Company's registered office is 802 Shanta Western Tower, 186 Tejgaon I/A, Dhaka-1208. The Company changed its name from CEAT Bangladesh Limited to CEAT AKKHAN LTD. in accordance with a resolution adopted by the shareholders of the Company at an Extra-ordinary General Meeting held on 6 November 2014 and subsequently endorsed by the Assistant Registrar of Joint Stock Companies & Firms vide their certificate no. C-102115 dated 24 November 2014.

1.2 Nature of business

The main objective of the Company is to carry on the business of [illegible], developing, constructing, producing, repairing, purchasing, selling, importing, exporting and generally dealing in tyres, semi-tyres, tubes and flaps for all types of vehicles used in heavy, medium and light passenger transports, cars, scooters, motorcycles and other two and three wheel vehicles. Manufacturing operation of the Company is yet to be started. To date, the Company has been importing tyres from CEAT Ltd., India and selling the same.

1.3 Future plan

The Management has decided to discontinue its import and trading operation in Bangladesh due to significant challenges which include high AIT deducted or collected at the import stage that cannot be carried forward or adjusted with operations that could not be passed on to Customers in the form of price. Additionally, current high exchange rate for USD to BDT and difficulties in opening LCs due to a shortage of dollars have further complicated the import operations. These factors have led to a continuous increase in the operating cost leading to losses. As a result, it has taken measures to reduce the manpower and closing regional offices at the year end as the infrastructure was created based on local manufacturing model.

The above decisions have been ratified by a board of directors resolution at the board meeting held on 25 April 2024. The Company would take additional steps in the coming year in line with the above.

2 Basis of accounting

2.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and the Companies Act, 1994.

2.2 Authorisation for issue

The financial statements were authorised for issue by the Board of Directors [illegible]

2.3 **Reporting period**

The financial period of the Company covers twelve months from 1 April to 31 March and is followed consistently

Details of the Company's accounting policies including changes during the year are included in notes 35 and 36

3 **Basis of preparation**

In light of the above decision (note 1.3) to terminate trading operations, the management has determined that the going concern basis is no longer an appropriate basis of preparation for the financial statements. Hence, these financial statements have been prepared on a basis other than going concern. Accordingly, the non-current assets and liabilities were reclassified as current and presented in order of liquidity. Where assets were deemed to be financially impaired or additional financial obligation arose as a result of the decision to terminate operations, the Company has written down assets and recognised liabilities accordingly

The financial statements have been prepared based on accrual basis of accounting except the statement of cash flows.

4 **Functional and presentation currency**

The financial statements are presented in Bangladesh Taka (Taka/Tk/BDT), which is the Company's functional currency. All financial information are presented in Taka and have been rounded off to the nearest Taka unless otherwise indicated.

5 **Use of estimates and judgements**

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimates and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in these financial statements are stated in the following notes

Note 7 and 3 Intangible assets
Note 8 and 3 Deferred tax assets
Note 20 and Provisions
Note 22 and Current tax liabilities

6 Assets held-for-sale

See accounting policies in Note 35 A

In Taka	*Note*	Land and Land development*	Furniture and fixtures	Office equipment	IT equipment	Electrical equipment	Capital work-in-progress (note 5.1)	Total
Cost								
Balance at 1 April 2022		-	3,023,604	2,795,256	6,355,167	1,111,148	790,721,911	804,007,086
Additions/transferred to PPE		607,145,478	-	7,900	-	-	(607,145,478)	7,900
Disposals		-	(31,661)	(296,040)	(1,836,217)	-	-	(2,163,918)
Balance at 31 March 2023		607,145,478	2,991,943	2,507,096	4,518,950	1,111,148	183,576,433	801,851,048
Balance at 1 April 2023		607,145,478	2,991,943	2,507,096	4,518,950	1,111,148	183,576,433	801,851,048
Additions/transferred to PPE		12,630,587	-	-	155,875	-	(12,630,587)	155,875
Adjustment for impairment**	28	-	-	-	-	-	(170,945,846)	(170,945,846)
Disposals			(843,712)	(582,155)	(833,819)	(575,351)	-	(2,835,037)
Balance at 31 March 2024		619,776,065	2,148,231	1,924,941	3,841,006	535,797	-	628,226,040
Accumulated depreciation								
Balance at 1 April 2022		-	2,362,353	2,253,361	5,484,738	546,628	-	10,647,080
Depreciation for the year	25	-	259,812	88,527	335,091	52,780	-	736,210
Adjustment for disposals		-	(27,719)	(281,238)	(1,744,406)		-	(2,053,364)
Balance at 31 March 2023		-	2,594,446	2,060,650	4,075,423	599,408	-	9,329,926
Balance at 1 April 2023		-	2,594,446	2,060,650	4,075,423	599,408	-	9,329,926
Depreciation for the year	25	-	157,131	88,735	220,321	50,503	-	516,690
Adjustment for disposals		-	(781,147)	(535,998)	(767,131)	(336,976)	-	(2,421,253)
Balance at 31 March 2024		-	1,970,430	1,613,387	3,528,613	312,934	-	7,425,364
Carrying amounts								
At 1 April 2022		-	661,251	541,875	870,429	564,520	790,721,911	793,359,986
At 31 March 2023		607,145,478	397,497	446,446	443,527	511,740	183,576,433	792,521,122
At 31 March 2024		619,776,065	177,801	311,554	312,393	222,863	-	620,800,676

*See note 31c contingent Liabilities for details of a title dispute over a portion of the Company's land

**Following management's decision to terminate the Company's operations (see note 1.3), capitalised project development costs relating to planned plant set up have been written down

CEAT AKKHAN LTD.

Report and financial statements as at and for the period ended 31 March 2024

Independent Auditor's Report
To the Shareholders of CEAT AKKHAN LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of CEAT AKKHAN LTD. ("the Company"), which comprise the statement of financial position as at 31 March 2024, and the statement of profit or loss and 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 material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 March 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), 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 3 to the financial statements where management explains that the going concern basis of preparing the financial statements has not been used as the Company intends to cease operations. Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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 the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, 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 Company so far as it appeared from our examination of these books; and

c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns.

Md. Fazul Islam, Partner, Enrolment number: 1296
Rahman Rahman Huq, Chartered Accountants
Firm Enrolment Number: CAF-001-080

Dhaka

Date

ℓℓH

6.1 Capital work-in-progress

In Taka	Land cost	Other project cost	Total
Balance at 1 April 2022	[illegible]	[illegible]	[illegible]
Additions			
Transfer to property, plant and equipment	[illegible]	[illegible]	[illegible]
Balance at 31 March 2023		[illegible]	[illegible]
Balance as at 1 April 2023	-	183,576,433	183,576,433
Additions	-	-	-
Transfer to property, plant and equipment	(12,630,587)		(12,630,587)
Adjustment for impairment	-	(170,945,846)	(170,945,846)
Balance at 31 March 2024	(12,630,587)	12,630,587	-

7 Intangible assets

See accounting policies in Note [illegible]

In Taka	Note	SAP Software	Office Software	PIRS Software	Office Pro with Visio	Payroll Management Software	Wagpro 10 SNGL OLP Software	Total
Cost								
Balance at 1 April 2022		3,877,205	661,000	958,358	707,200	134,375	[illegible]	[illegible]
Additions				-	-			
Disposals								
Balance at 31 March 2023		3,877,205	661,000	958,358	707,200	134,375	[illegible]	[illegible]
Balance as at 1 April 2023		3,877,205	661,000	958,358	707,200	134,375	142,300	6,480,438
Additions		-	-	-	-	-	-	-
Disposals		-	-	-	-	-	-	-
Balance at 31 March 2024		3,877,205	661,000	958,358	707,200	134,375	142,300	6,480,438
Accumulated amortisation								
Balance at 1 April 2022		3,877,205	661,000	958,358	707,200	[illegible]	[illegible]	[illegible]
Amortisation for the year		-	-	-	-	10,671	[illegible]	[illegible]
Adjustment for disposals		-	-	-	-	-	-	-
Balance at 31 March 2023		3,877,205	661,000	958,358	707,200	134,374	[illegible]	[illegible]
Balance as at 1 April 2023		3,877,205	661,000	958,358	707,200	134,374	105,976	6,444,113
Amortisation for the year	25	-	-	-	-	-	34,519	34,519
Adjustment for disposals		-	-	-	-	-	-	-
Balance at 31 March 2024		3,877,205	661,000	958,358	707,200	134,374	140,495	6,478,632
Carrying amounts								
At 1 April 2022		-	-	-	-	[illegible]	[illegible]	[illegible]
At 31 March 2023		-	-	-	-	-	[illegible]	[illegible]
At 31 March 2024		-	-	-	-	-	1,805	1,805

8 **Deferred tax assets**

See accounting policies in Note 35.L

In Taka	*Note*	March 2024	March 2023
Balance at 1 April		16,404,944	9,036,587
Income/(expense) recognised during the year:			
Charge to profit and loss	*8.1*	(16,404,944)	7,368,357
Charge to other comprehensive income		-	-
Balance at 31 March		-	16,404,944

31 March 2024

In Taka	Carrying amount at reporting date	Tax Base	(Taxable)/ deductible temporary difference
Property, plant and equipment (excluding CWIP) and intangible assets	-	-	-
Provision for doubtful debt	-	-	-
Provision for warranty	-	-	-
Provision for advances	-	-	-
Provision for inventories	-	-	-
Net temporary difference			-
Applicable tax rate			30.0%
Deferred tax assets			-

31 March 2023

In Taka	Carrying amount at reporting date	Tax Base	(Taxable)/ deductible temporary difference
Property, plant and equipment (excluding CWIP) and intangible assets	1,835,533	5,846,091	4,010,558
Provision for doubtful debt	(420,730)	-	420,730
Provision for warranty	(26,692,514)	-	26,692,514
Provision for advances	(23,179,605)	-	23,179,605
Provision for inventories	(379,667)	-	379,667
Net temporary difference			54,683,074
Applicable tax rate			30.0%
Deferred tax assets			16,404,922

8.1 **Deferred tax income/(expense)**

In Taka	March 2024	March 2023
Deferred tax assets as at 1 April	16,404,944	9,036,587
Deferred tax assets as at 31 March	-	16,404,944
Deferred tax income/(expense)	(16,404,944)	7,368,357

Given that the decision to terminate the Company's operations, it is no longer probable that tax benefits relating to brought forward deferred tax assets will be realized. As such no deferred tax asset is recognised as at reporting date.

9 Inventories

See accounting policies in Note 35.G

In Taka	Note	March 2024	March 2023
Inventories in hand	9.1	166,357,309	120,199,330
Inventories in transit		40,298,223	75,209,401
Less: Provision for inventories		(243,110)	(379,657)
		206,412,421	[illegible]

9.1 Inventories in hand

In Taka	March 2024	March 2023
Tyre (In Set)	166,357,309	120,199,330
	166,357,309	120,199,330

10 Trade and other receivables

See accounting policies in Note 35.D

In Taka	March 2024	March 2023
Trade receivables	121,725,399	125,332,423
Less: Provision for doubtful debt	(296,458)	(420,730)
	121,428,941	124,911,693
Other receivable	40,935	81,154
	121,469,876	124,992,847

Other receivables include interest receivable from fixed deposits and short notice deposits with bank.

10.1 Inter company receivables

In Taka	March 2024	March 2023
CEAT Limited, India	27,356,820	26,128,253
	27,356,820	26,128,253

11 Advances, deposits and prepayments

See accounting policies in Note 35.D

In Taka	Note	March 2024	March 2023
Advances			
Advance to employees		145,044	196,463
Advance to suppliers	11.1	8,466,135	70,825,294
Advance VAT		96,709,231	91,657,359
		105,320,410	162,679,116
Deposits			
Security deposit		24,741,139	[illegible]
LC margin		16,677,000	[illegible]
		41,418,139	[illegible]
Prepayments			
Rent		959,406	[illegible]
Insurance		318,115	[illegible]
Software license		139,455	[illegible]
		1,416,977	[illegible]
		148,155,526	[illegible]

11.1 Advance to suppliers

In Taka	March 2024	March 2023
Advance to suppliers	92,395,740	[illegible]
Less: Provision for doubtful advance	(83,929,605)	(23,179,605)
	8,466,135	76,825,294

The Company has BDT 83,929,605 advance outstanding with a contractor Magnum Engineering & Construction. The Company had attempted to recover part of this advance by encashing BDT 60,750,000 bank guarantees pledged by the contractor but the latter obtained court injunction to prevent encashment.

Previously, BDT 23,179,605 of the advance amount which was in excess of the bank guarantee amount was provided for. As at reporting date, following its decision to terminate the Company's operations, management has reassessed the recoverability of the advance outstanding and deemed it prudent to provide for the entire BDT 83,929,605 advance outstanding.

12 Fixed deposit receipt

See accounting policies in Note 35.D

In Taka	March 2024	March 2023
Eastern Bank Limited	200,000	200,000
	200,000	200,000

13 Cash and cash equivalents

See accounting policies in Note 35.D

In Taka	*Note*	March 2024	March 2023
Cash in hand		149,127	238,083
Cash at bank			
Fixed deposit receipt		8,663,907	8,421,597
Short term deposits and current accounts	13.1	149,524,265	32,182,367
		158,188,172	40,603,964
Cash and cash equivalents in the statement of financial position		158,337,299	40,842,047

13.1 Short term deposits and current accounts

In Taka	March 2024	March 2023
AB Bank Limited	1,606,819	9,538,607
Standard Chartered Bank	602,245	1,117,423
The City Bank Limited	193,637	649,443
Eastern Bank Limited	344,230	10,103,583
United Commercial Bank Ltd	132,823	9,486,138
Shahjalal Islami Bank	21,453	20,023
Prime Bank Limited	688,394	834,132
State Bank of India	11,665,023	[illegible]
Commercial Bank of Ceylon PLC	134,269,641	[illegible]
	149,524,265	32,182,367

14 Share capital

See accounting policies in Note 35.E

In Taka	March 2024	March 2023
Authorised:		
150,000,000 ordinary shares of Taka 10 each	1,500,000,000	1,500,000,000
	1,500,000,000	1,500,000,000
Issued, subscribed and paid-up:		
150,000,000 ordinary shares of Taka 10 each	1,500,000,000	1,500,000,000
	1,500,000,000	1,500,000,000

14.1 Shareholding position

	March 2024		March 2023	
Name of shareholders	Number of shares	Value (Taka)	Number of shares	Value (Taka)
CEAT Limited, India	104,999,994	1,049,999,940	104,999,994	1,049,999,940
A.K. KHAN & Co. Limited, Bangladesh	45,000,000	450,000,000	45,000,000	450,000,000
Mr. Harsh Vardhan Goenka	1	10	1	10
Mr. Anant Vardhan Goenka	1	10	1	10
Mr. Suresh Mathew	1	10	1	10
Mr. Tom Thomas	1	10	1	10
Mr. Paras Kumar Chowdhury	1	10	1	10
Mr. Jyotibrata Banerjee	1	10	1	10
	150,000,000	1,500,000,000	150,000,000	1,500,000,000

14.2 Percentage of shareholdings

Name of shareholder	March 2024	March 2023
CEAT Limited, India	69.999996%	69.999996%
A.K. KHAN & Co. Limited, Bangladesh	30.000000%	30.000000%
Mr. Harsh Vardhan Goenka	0.000001%	0.000001%
Mr. Anant Vardhan Goenka	0.000001%	0.000001%
Mr. Suresh Mathew	0.000001%	0.000001%
Mr. Tom Thomas	0.000001%	0.000001%
Mr. Paras Kumar Chowdhury	0.000001%	0.000001%
Mr. Jyotibrata Banerjee	0.000001%	0.000001%
	100.000000%	100.000000%

15 Bank overdraft

See accounting policies in Note 35 D

In Taka	March 2024	March 2023
The City Bank Limited (CBL)	2,588,291	37,707,041
State Bank of India (SBI)	163,320,426	[illegible]
Eastern Bank Limited (EBL)	1,652,170	-
Commercial Bank of Ceylon PLC	-	[illegible]
	167,560,887	[illegible]

The Company enjoys the following omnibus facilities from different banks to cover overdraft, short term loan, letter of credit and guarantee on normal course of business under the following terms and conditions

The City Bank Limited

a) **Sight LC (SLC)**

Amount	120,000,000
Limit Usage	Outer
Purpose	To import/procure tyre related raw materials and finished goods
Tenor	At sight
Margin	Nil or as per prevailing circular Bangladesh bank regarding LC Margin
Pricing/Commission	0.25% per quarter
Source of repayment	Through Revolving LATR - Import Loan

b) **Import Loan**

Amount	120,000,000
Limit Usage	(Sub limit of facility 1)
Purpose	To retire the sight LC documents.
Tenor	120 day(s) each
Interest	SMART+3.75% per annum on quarterly rest subject to revision from bank time to time
Source of repayment	From daily sales proceeds or client's own sources

c) **Revolving Short Term Loan (Duty/VAT)**

Amount	80,000,000
Limit Usage	(Sub limit of facility 2)
Purpose	To pay duty, VAT and other related payments to release of imported goods
Tenor	120 day(s) each
Interest	SMART+3.75% per annum on quarterly rest subject to revision from bank time to time
Source of repayment	From daily sales proceeds or borrowers own sources
Mode of disbursement	Through P.O. / DD / Bangladesh Bank Cheque/ bonafide banking channels for duty VAT other taxes

d) **Revolving Short Term Loan 2 (Selling, Distribution and other overhead Expenses)**

Amount	10,000,000
Limit Usage	(Sub limit of facility 2)
Purpose	To make payment against marketing, advertising and other promotional expenses
Tenor	120 days each
Interest	SMART+3.75% per annum on quarterly rest subject to revision from bank time to time
Source of repayment	From daily sales proceeds or client's own sources

e) **Bank Guarantee (BG)**

Amount	[illegible]
Limit Usage	(Sub limit of facility 1)
Purpose	To issue BG favouring different Govt. bodies [illegible]
Tenor	Max 5 year(s)
Margin	[illegible] 10% in cash and for open ended: 100% cash / FDR
Commission	0.25% per quarter
Mode of repayment	On return of original guarantee [illegible] source of the borrower [illegible]

f) **Overdraft**

Amount	40,000,000
Limit Usage	(Sub limit of facility 2)
Purpose:	To meet the overhead and operational expenses
Tenor	N/A
Interest	SMART+3.75% per annum on quarterly rest subject to revision from bank time to time
Source of repayment	Through sales proceeds or internal cash generation or own sources

Security
- 1st charge with RJSC on floating assets of the Company on pari passu basis with the existing lenders
  Insurance coverage
- Standard charge documents

State Bank of India

a) **Letter of Credit**

Amount:	300,000,000
Limit Usage	Outer
Purpose:	For procurement of trading stocks & import of raw materials
Tenor:	1 year(s) from the date of sanction i.e. up to 05.12.2023
Margin:	75% as per extent regulatory norms
Commission:	Sight: 0.35% per quarter and Deferred 0.50% per quarter or minimum BDT 5,000 per quarter for Sight / usance / deferred LC

b) **Cash Credit**

Amount:	285,000,000
Limit Usage	Sub Limit on NFBLC
Purpose:	To meet working capital requirements of the Company
Tenor:	1 year from the date of sanction i.e. up to 06.12.2023
Interest	SMART+3.75% per annum with quarterly rests
Repayment:	Payable on demand

c) **Working Capital Demand Loan**

Amount	225,000,000
Limit Usage	Sub Limit on NFBLC
Purpose:	To meet working capital requirement of the Company
Tenor	180 Days
Interest	SMART+3.75% per annum with quarterly rests
Repayment	Payable on demand

d) **Bank Guarantee**

Amount	120,000,000
Limit Usage	Sub Limit of NFBLC
Purpose	For participating tenders/ extending guarantee for utility
Tenor	1 year from the date of sanction i.e. up to 09.12.2021
Margin	10%
Commission.	0.50% per quarter or minimum USD100 per quarter

Security
- Hypothecation charge on all present and future stocks of the Company including stocks of raw materials, packing materials, finished goods, stock in transit, book debts/receivables of the Company situated at plant and other [illegible] receivables, bills, claims, all documents of titles and all contracts situated anywhere in Bangladesh [illegible] company's [illegible] sale proceeds thereof, all insurance and proceeds of insurance thereon on Pari Passu basis with [illegible]

Eastern Bank Limited

a) **Sight Letter of Credit**

Amount:	30,000,000
Nature of Facility:	Outer Limit (Regular)
Purpose:	To import finished products [illegible] purpose and raw materials for tyre production
Tenor:	180 day(s)
Margin:	Nil
Interest:	0.15% per quarter or part thereof
Retirement:	Upon receipt of shipping documents, SLC liability will be switched over to Import Loan Liability under LC credit line

b) **Import Loan**

Amount:	50,000,000
Nature of Facility:	Inner Limit (Regular)
Purpose:	To retire import documents under line 1 above.
Tenor:	120 day(s)
Interest:	SMART+3.25% p.a.
Retirement:	Out of sale proceeds or from other sources on or before expiry of individual import loan contract

c) **Letter of guarantee**

Amount:	10,000,000
Nature of Facility:	Outer Limit of LC
Purpose:	To provide Bid Bond, PG, APG to different authority as and when required
Tenor:	1-5 year(s)
Margin:	10% cash or FDR
Interest:	0.25% per quarter
Retirement:	Margin and or Internal Cash Generation upon claim. In case of insufficient cash in borrower's account, required amount would be settled through creation of forced loan which would be settled by the borrower immediately.

d) **Demand Loan**

Amount:	50,000,000
Nature of Facility:	Outer Limit (Revolving)
Purpose:	To meet day to day operating expense and for payment of duty TAX, VAT etc. against import
Tenor:	90 day(s) (Operating expenses and 120 days (Custom Duty and Taxes)
Interest:	SMART+3.25% p.a.
Retirement:	Out of sale proceeds or from other sources on or before expiry

e) **Overdraft**

Amount:	20,000,000
Nature of Facility:	Outer Limit (Regular)
Purpose:	To meet day to day sales, general and administration expense of the Company
Tenor:	1 year(s)
Interest:	SMART+3.25% p.a.
Retirement:	Out of sale proceeds or from other sources on or before expiry of overdraft

Security
- Registered Hypothecation (1st charge) on pari passu basis with The City Bank Ltd, State Bank of India & CBC on entire inventory & Book debts
- Insurance coverage on inventories
- Beneficiary: EBL, SBI, The City Bank Ltd. & CBC
- Insurance Amount: Last six months average value of the stocks
- Perils to be covered: Fire, Flood, RSD, Theft & Burglary

Commercial Bank of Ceylon PLC

a) **Overdraft**

Amount:	50,000,000
Nature of Facility	Outer Limit
Purpose:	Only for operational cost, payment of salaries and other expenses
Tenor:	1 year(s)
Interest:	SMART+ 3.75% p.a.

b) **Sight Letter of Credit**

Amount:	250,000,000
Nature of Facility	Outer Limit
Purpose:	To import different types of tyre, tube and flaps for all types of vehicle approved by the Bank. Bills at Sight. Bills will be settled from clients own source or by creating LTR
Commission:	0.15% per quarter
Retirement:	Bills at sight. Bills will be settled from clients own source or by creating LTR

c) **Loan against Trust Receipts (LTR)**

Amount:	250,000,000
Nature of Facility	Sub Limit
Purpose:	To retire import documents
Tenor:	120 day(s)
Interest:	SMART+ 3.75% p.a.
Retirement:	Throught sales proceeds / internal cash generation / own sources

d) **Short Term Loan (STL)**

Amount:	2,50,000,000
Nature of Facility	Sub Limit
Purpose:	Only for payment of duty, taxes VAT & C & F cost etc
Tenor:	120 day(s)
Interest:	SMART+ 3.75% p.a.
Retirement:	Throught sales proceeds / internal cash generation / own sources

e) **Letter of guarantee**

Amount:	100,000,000
Nature of Facility	Sub Limit
Purpose:	Only for Bid/Performance Boands of participate tender, customs guarantee to release goods in favor of different organizations
Margin:	10% cash
Interest:	1.20% per annum
Retirement:	On return of original guarantee related liability will be reversed/to be adjusted from own source of the borrower if revoked.

Security

- Registered Hypothecation 1st charge over present and future stock and book debts of the Company on a pari-passu basis with all other existing lenders. CBCs share being BDT 300 million

15 **Short term loans**

See accounting policies in Note 35 D

in Taka	March 2024	March 2023
State Bank of India	-	35,532,0[illegible]
The City Bank Limited	-	[illegible]
Eastern Bank Limited	-	[illegible]
Commercial Bank of Cylon	303,587,933	[illegible]
	303,587,933	[illegible]

17 Trade and other payables

See accounting policies in Note 35 D

In Taka	Note	March 2024	March 2023
Trade payables	17.1	5,652,488	48,030,417
Advance received from dealors		120,018,556	43,063,528
Withholding tax payable		1,553,306	1,923,577
Withholding VAT payable		707,829	626,998
		127,932,179	93,644,525

17.1 Trade payables

In Taka	March 2024	March 2023
Trade payables		
CEAT Limited, India	-	44,522,945
AKKHAN & Co.	3,298,300	2,500,711
Other trade payables	2,354,188	1,006,761
	5,652,488	48,030,417

18 Accruals

In Taka	March 2024	March 2023
Salaries and allowances	18,836,327	8,724,517
Promotional and advertisement expenses	163,234	259,761
Discounts	2,099,853	16,956,880
Consultancy and legal expenses	19,615,300	1,544,300
Audit fee	977,500	787,750
Travelling expenses - Foreign	850,900	106,300
Selling and distribution expenses payable	597,850	4,242,948
Interest payable against bank loan	155,179	426,374
Network, communication, utilities and others	3,474,272	2,742,960
PF, WPPF, earned leave	4,155,918	6,656,681
	50,326,333	44,448,469

19 Defined benefit obligation

See accounting policies in Note 36.H

In Taka	March 2024	March 2023
Gratuity	1,261,975	25,538,206
	1,261,975	25,538,206

Defined benefit obligation		
Short Term Obligation	1,261,975	1,977,896
Long Term Obligation		23,560,310
	1,261,975	25,538,206

The Company obtained an independent actuarial valuation of its defined benefit obligations as at reporting date.

19.1 Defined benefit obligation charged to profit or loss

	Note	March 2024	March 2023
Balance at 1 April			
Service cost			
Charged under profit or loss		34,906,745	[illegible]
Charged under other comprehensive income/(loss)		-	
Benefit paid/transferred/adjusted		33,644,770	[illegible]
Balance as at 31 March		1,261,975	25,538,206

19.2 Actuarial assumptions

The following were the principal assumptions at the reporting date

	March 2024	March 2023
Discount rate	9%	9%
Future salary growth	9%	9%

20 Provisions

See accounting policies in Note 35 I

In Taka	March 2024	March 2023
Provision for warranty	-	26,692,514
Total Provisions	-	26,692,514
Non-Current	-	7,346,344
Current	-	19,346,170
Total Provisions	-	26,692,514

21 Inter company payable

See accounting policies in Note 35 D

In Taka	March 2024	March 2023
CEAT Limited, India	38,668,173	36,931,620
	38,668,173	36,931,620

Inter company payable includes amount payable for project implementation, and plant commissioning services and bank guarantee

22 Current tax liabilities

See accounting policies in Note 35 L

In Taka	*Note*	March 2024	March 2023
Provision for tax	22.1	67,641,736	64,658,417
Advance income tax	22.2	(63,545,756)	(61,978,125)
		4,095,980	2,680,292

22.1 Provision for tax

In Taka	*Note*	March 2024	March 2023
Balance as at 1 April		64,658,417	67,669,224
Provision made during the year	29	67,953,140	62,999,219
		132,611,557	130,668,443
Adjustment for completion of assessment		(64,969,821)	(66,010,026)
Balance as at 31 March		67,641,736	64,658,417

22.2 Advance income tax

In Taka	March 2024	March 2023
Opening balance	61,978,125	62,575,577
Additions	63,545,756	61,978,125
Adjustment for completion of assessment of prior year	(61,978,125)	(62,575,577)
Closing balance	63,545,756	61,978,125

23 Revenue

See accounting policies in Note 35 K

In Taka	March 2024	March 2023
Sales revenue	1,572,887,251	[illegible]
	1,572,887,251	[illegible]

23.1 *In units*

In units	March 2024	March 2023
Sale of		
Tyre	125,425	146,492
	125,425	[illegible]

24 Cost of sales

In Taka	March 2024	March 2023
Opening inventories	195,029,064	[illegible]
Purchase during the year	1,357,881,478	1,390,243,643
Closing inventories	(206,412,421)	(195,029,064)
	1,346,498,120	[illegible]

25 General and administrative expenses

In Taka	Note	March 2024	March 2023
Salaries and allowances		103,612,084	122,552,289
Audit fees		982,100	787,750
Govt. Fees		(714,463)	1,696,932
Consultancy & Legal Expenses		31,101,956	22,576,199
Car rent expenses		6,099,621	6,662,753
Fuel, Gas & Toll fees expenses		2,659,895	2,981,283
Network and communication		2,014,102	1,956,444
Depreciation	6	516,690	736,210
Amortization	7	34,519	66,103
Entertainment		1,172,547	678,879
Insurance		5,457,885	5,917,341
Provision for Doubtful Debts		(837,484)	-
Travelling expenses - local		3,249,779	3,612,015
Travelling expenses - foreign		2,456,563	1,305,669
Claim Loss on Replacement of Defective products		(21,387,749)	10,005,855
Interest on SDS Deposits - Dealers		3,991,355	4,673,555
Selling, distribution and sales related obligation		15,027,741	[illegible]
Promotional and advertisement expenses		2,205,580	808,460
Health & Safety / Medical Expenses		20,470	[illegible]
Security and cleaning charges		9,758,955	9,210,157
Books & Periodical		16,326	14,637
Repair and maintenance		1,591,289	[illegible]
Rent		22,590,831	[illegible]
Utilities		906,958	[illegible]
Foreign exchange (gain)/loss		537,986	[illegible]
Bank charges		5,240,501	[illegible]
		198,477,838	[illegible]

26 Finance income

See accounting policies in Note 35 N

In Taka	March 2024	March 2023
Interest on fixed and short term deposits	517,032	[illegible]
	517,032	[illegible]

27 Finance expenses

See accounting policies in Note 35 N

In Taka	March 2024	March 2023
Interest on short term loans	38,202,577	32,020,159
	38,202,577	32,020,159

28 Other income/(loss)

In Taka	Note	March 2024	March 2023
Gain/(loss) on disposal of property, plant and equipment		(221,713)	(34,440)
Scraps and other sales		4,020,148	2,099,156
Provision for doubtful advance (see Note 11.1)*		(60,750,000)	(23,179,605)
Factory project related Exp**	6	(170,945,846)	-
		(227,897,411)	(21,124,000)

*An advance amount for BDT 6,07,50,000 is written down due to delay in construction against Magnum Engineering & constuction

**Following management's decision to terminate the Company's operations (see note 1.3), capitalised project development costs relating to planned plant set up have been written down

29 Income tax expenses

See accounting policies in Note 35 L

In Taka	Note	March 2024	March 2023
Current tax expense			
For current year		67,641,736	64,658,417
Adjustment on completion of assessment for prior year		311,404	(1,659,198)
		67,953,140	62,999,219
Deferred tax (income)/expense	8.1	16,404,944	(7,368,335)
		84,358,084	55,630,884

30 Financial risk management

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board oversees how management monitors compliance with risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risks faced by the Company. The Company has exposures to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

30.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk is mainly attributable to trade and other receivables. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of the customers. Receivables are normally paid within very short time from when they are invoiced and credit risk from these receivables is very minimal.

The Company normally provides goods and services to their customers on credit basis. The Company has established and implemented standard credit management policies, processes, IT systems, and credit risk evaluation models. In addition, The Company has established a dedicated credit management function in the organisation. The company uses the credit risk evaluation models to determine customer credit ratings and credit limits, and has implemented various risk control points over key processes along the end-to-end sales cycle. The Company's Credit Management Department regularly evaluates credit risk exposures, estimates potential losses, and allocates bad debt provisions as appropriate. In the event that the credit risk for a specific customer or outstanding trade receivable becomes inappropriately high, a special handling process is initiated to mitigate the risk.

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

a) Exposure to credit risk

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

In Taka	*Note*	March 2024	March 2023
Trade and other receivables	10	121,469,876	124,992,847
Deposits	11	41,418,139	125,909,642
		162,888,015	250,902,489

b) Ageing of trade receivables

At 31 March, the ageing of trade receivables that were not impaired were as follows:

In Taka	March 2024	March 2023
Not past due	59,728,150	[illegible]
Past due 0-30 days	55,717,128	[illegible]
Past due 31-90 days	6,631,148	[illegible]
Past due 91-180 days	(234,052)	[illegible]
Past due over 180-365 days	(73,738)	[illegible]
Past due over 365 days	(43,237)	[illegible]
Less: Provision for doubtful debt	(296,458)	[illegible]
	121,428,941	[illegible]

[illegible]

28.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. 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 ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, based on time line of payment of financial obligations and accordingly arrange for sufficient liquidity/fund to make the expected payments within due dates. Moreover, the Company has short term credit facilities with scheduled commercial banks to ensure payment of obligation in the event that there is insufficient cash to make the required payment. The requirement is determined in advance through cash flow projections and credit lines with banks are negotiated accordingly.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

31 March 2024

			Contractual cash flows					
In Taka	Note	Carrying amount	Total	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
Bank overdraft	15	167,560,887	(167,560,887)	(167,560,887)	-	-	-	-
Short term loans	16	303,587,933	(303,587,933)	(303,587,933)	-	-	-	-
Trade and other payables	17	127,932,179	(127,932,179)	(127,932,179)	-	-	-	-
Accruals	18	50,326,333	(50,326,333)	(50,326,333)	-	-	-	-
Defined benefit obligation	19	1,261,975	(1,261,975)	-	(1,261,975)	-	-	-
Inter company payable	21	38,668,173	(38,668,173)	-	(38,668,173)	-	-	-
		689,337,480	(689,337,480)	(649,407,332)	(39,930,148)	-	-	-

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

31 March 2023

			Contractual cash flows					
In Taka	Note	Carrying amount	Total	6 months or less	6 - 12 months	1 - 2 years	2 - 5 years	More than 5 years
Bank overdraft	15	190,516,426	(190,516,426)	(190,516,426)	-	-	-	-
Short term loans	16	157,583,344	(157,583,344)	(157,583,344)	-	-	-	-
Trade and other payables	17	93,644,520	(93,644,520)	(93,644,520)	-	-	-	-
Accruals	18	44,448,489	(44,448,489)	(44,448,489)	-	-	-	-
Defined benefit obligation	19	25,538,206	(25,538,206)	-	(25,538,206)	-	-	-
Deferred payment obligation	20	20,692,514	(20,692,514)	-	(20,692,514)	-	-	-
Inter company payable	21	10,803,367	(10,803,367)	-	(10,803,367)	-	-	-
		[illegible]	[illegible]	(486,192,779)	[illegible]	-	-	-

30.3 Market risk

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

a) Currency risk

The Company is exposed to currency risk relating to purchases and other transactions which are denominated in foreign currencies. The Company's foreign currency transactions are denominated in United States Dollar (USD).

Exposure to currency risk

The Company's exposure to foreign currency risk was as follows based on notional amounts

	As at 30 March 2024		As at 31 March 2023	
	Taka	USD	Taka	USD
Foreign currency denominated assets	-	-		-
	-	-	-	-
Foreign currency denominated liabilities				
Inter company payable	38,668,173	351,529	36,931,620	428,193
	38,668,173	351,529	36,931,620	428,193
Net exposure	38,668,173	351,529	36,931,620	428,193

The following exchange rates are applied at reporting date

	March 2024	March 2023
USD	110.00	86.25

Source: Eastern Bank Ltd. TT OD rate

Sensitivity analysis

A reasonably possible strengthening (weakening) of foreign currency against Taka at 31 March would have effected the measurement of financial instruments denominated in a foreign currency and increased (decreased) equity and profit or loss by the amounts shown in the following table. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

In Taka	Strengthening *profit or (loss)*	Weakening *profit or (loss)*
31 March 2024		
USD (5 percent movement)	1,933,409	(1,933,409)
	1,933,409	(1,933,409)
31 March 2023		
USD (3 percent movement)	1,107,949	(1,107,949)
	1,107,949	(1,107,949)

b) Interest rate risk

Interest rate risk is the risk that arises due to changes in interest rates on borrowings. The Company [illegible]

30.3 Market risk (continued)

c) Accounting classifications and fair values

The following table shows the carrying amounts and fair values, where applicable, of financial assets and financial liabilities of the Company, including their levels in the fair value hierarchy.

In Taka	Note	Carrying amount: Fair value - hedging instruments	FVTPL – others	FVOCI – debt instruments	FVOCI – equity instruments	Financial assets at amortised cost	Other financial liabilities	Total
31 March 2024								
Financial assets not measured at fair value*								
Trade and other receivables	10	-	-	-	-	121,469,876	-	121,469,876
Advances, deposits and prepayments	11	-	-	-	-	148,155,526	-	148,155,526
Fixed deposit receipt	12	-	-	-	-	200,000	-	200,000
Cash at bank	13	-	-	-	-	158,188,172	-	158,188,172
		-	-	-	-	428,013,574	-	428,013,574
Financial liabilities not measured at fair value*								
Bank overdraft	15	-	-	-	-	-	167,560,887	167,560,887
Short term loans	16	-	-	-	-	-	303,587,933	303,587,933
Trade and other payables	17	-	-	-	-	-	127,932,179	127,932,179
Inter company payable	21	-	-	-	-	-	38,668,173	38,668,173
		-	-	-	-	-	637,749,172	637,749,172
31 March 2023								
Financial assets not measured at fair value*								
Trade and other receivables	10	-	-	-	-	124,992,847	-	124,992,847
Advances, deposits and prepayments	11	-	-	-	-	293,211,539	-	293,211,539
Fixed deposit receipt	12	-	-	-	-	200,000	-	200,000
Cash at bank	13	-	-	-	-	40,503,964	-	40,503,964
		-	-	-	-	[illegible]	-	[illegible]
Financial liabilities not measured at fair value*								
Bank overdraft	15	-	-	-	-	-	190,518,428	190,518,428
Short term loans	16	-	-	-	-	-	157,583,344	157,583,344
Trade and other payables	17	-	-	-	-	-	31,644,520	31,644,520
Inter company payable	21	-	-	-	-	-	10,903,367	10,903,367
		-	-	-	-	-	[illegible]	[illegible]

*The Company has not disclosed financial assets and liabilities at fair value where their carrying amounts are considered to be a reasonable approximation of such fair values.

31 Commitments and Contingencies

a) Capital commitments as at reporting date

		As at 31 March 2024		As at 31 March 2023	
Supplier name	Type of work	USD	Taka	USD	Taka
CEAT Limited, India	Project implementation and plant commissioning	667,000	73,370,000	667,000	70,075,000
Auto Power, BD	Power contractor	-	1,111,110	-	1,111,110
Magnum, BD	Civil	-	327,733,799	-	327,733,799
Development Design	Civil work supervision	-	3,098,234	-	3,098,234
		667,000	405,313,143	667,000	402,018,143

b) Credit facilities availed as at reporting date

The Company had contractual commitments at the reporting date in respect of letter of credit (LC) for import of tyres at following Banks

In Taka	March 2024	March 2023
Eastern Bank Limited	125,994	6,766,098
State Bank of India	22,183,941	40,314,660
The City Bank Limited	-	-
CBC	11,306,852	55,788,559
	33,616,787	102,869,317

c) Contingent liabilities

Land dispute:

Of the 28.24 acres of land acquired by the Company in Bhaluka, Mymensingh, 0.62 acres is subject to dispute whereby the Company's mutation of the said portion of land was cancelled. The Bangladesh Forest Department had filed two cases claiming the title of the land, both cases were disposed in favour of the Company at district court level. The Forest Department has subsequently filed an appeal before District Judge Court Mymensingh against such order but proceedings yet to be started.

Based on the circumstances, supported by external legal opinion, management is confident that any appeal will be ruled on in the Company's favour.

The Company has bank guarantees amounted to:

In Taka	March 2024	March 2023
Beneficiary		
Green Delta Life Insurance Company Ltd	-	1,000,000
Union Insurance Limited	-	1,000,000

32 Related parties

a) Parent and ultimate controlling party

The immediate and ultimate parent of the Company is CEAT Ltd, incorporated in India.

b) Key management personnel compensation

Key management personnel compensation comprised the following:

In Taka	2024	2023
Salaries and allowances	**22,691,672**	31,653,050
	22,691,672	31,653,050

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, including directors (executive and non-executive), members of the Executive Committee and Company Secretary.

c) Other related party transactions

In Taka	Relationship	Transaction values for the year ended 31 March 2024	2023	Receivable/(Payable) outstanding as at 31 March 2024	2023
CEAT Limited, India	**Parent company**				
Purchase of tyre		**1,100,195,966**	1,071,361,024	**-**	(44,522,945)
Bank guarantee		**(91,532)**	(348,527)	**(2,038,172)**	(1,946,640)
Claim for tyre replacement		**1,228,570**	4,678,013	**27,356,819**	26,128,249
Project implementation and plant commissioning services*		**(1,645,020)**	(6,263,730)	**(36,630,000)**	(34,984,980)
A.K. KHAN & Co. Limited	**Shareholder**				
C&F Agent		**(797,589)**	(818,144)	**(3,298,300)**	(2,500,711)

*Pursuant to a Technology, Trade Mark and Trade Name License Agreement between CEAT Limited, India and CEAT AKKHAN LTD. dated 23 January 2013.

33 Subsequent events

In accordance with IAS 10: Events after the Reporting Period, amounts recognised in the financial statements are adjusted for events after the reporting period that provide additional evidence of conditions that existed at the end of the reporting period. No adjustment is given in the financial statements for events after the reporting period that are indicative of conditions that arose after the reporting period except below.

The Company had no other significant events after the reporting period except above that might require adjustment or disclosure in the financial statements.

34 Other disclosure

34.1 Particulars of employees

During the year under audit or part thereof, number of employees receiving remuneration of Taka 36,000 or more in the year ended 31 March 2024 was 28 (2023: 49).

34.2 Remittance in foreign currency

In Taka Name of the party	Nature of transaction	Currency	2024	2023
CEAT India Ltd	Import of Tyre	USD	**5,958,643**	10,389,456
CEAT India Ltd	Import of Tyre	EUR	**3,738,592**	
Yash Technologies Private Ltd	Payment for SAP Annual Maintenance Charge	USD	-	-

34.3 Going concern

As discussed in notes 1.3 and 3, following management's decision to terminate the Company's trading operations, the going concern basis is no longer an appropriate basis of preparation for the financial statements. Hence, these financial statements have been prepared on a basis other than going concern.

35 Material accounting policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements.

Set out below is an index of the material accounting policies, the details of which are available on the following pages:

A	Property, plant and equipment
B	Assets held-for-sale
C	Intangible assets
D	Financial instruments
E	Share capital
F	Impairment
G	Inventories
H	Employee benefits
I	Provisions
J	Contingencies
K	Revenue
L	Income tax
M	Foreign currency transactions
N	Finance income and expenses
O	Statement of cash flows
P	Comparatives and rearrangement
Q	Leases

A Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Capital work-in-progress represents the cost incurred for acquisition and/or construction of items of property, plant and equipment that are not ready for use which is measured at cost.

ii Subsequent expenditure

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of profit or loss and other comprehensive income as incurred.

iii. Depreciation

Depreciation is recognised in the statement of profit or loss and other comprehensive income on a straight-line basis over the estimated useful lives of each item of property, plant and equipment. The Company considers 5% of the costs as salvage value for each category of assets. Capital work-in-progress is not depreciated.

Depreciation on newly acquired asset is charged from the month of acquisition. On deletion or disposal of an asset depreciation is charged up to the month prior to the deletion/disposal.

The rates of depreciation vary according to the estimated useful lives of each particular class of property, plant and equipment, as follows:

Category	Useful life in years	Rate of depreciation
Furniture and fixtures	10	9.50%
Office equipment	5	19%
IT equipment	3	31.67%
Electrical equipment	20	4.75%

Depreciation method, useful lives and residual values are reviewed at each reporting date and adjusted as appropriate.

iv. Retirements and disposals

An item of property, plant and equipment is derecognised on disposal or when no further economic benefits are expected from its use. Gain or loss on disposal of an item of property, plant and equipment is determined as the difference of net disposal proceeds and the carrying amount of an item of property, plant and equipment and is recognised as gain or loss from disposal of asset under other income in the statement of profit or loss and other comprehensive income.

v. Capital work-in-progress

Capital work-in-progress represents the cost incurred for acquisition and/or construction of items of property, plant and equipment that are not ready for use which is measured at cost. Capital work-in-progress consists of acquisition costs of land, plant and machinery, capital components of other equipment and related installation costs incurred until the date placed in service.

B Assets held-for-sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

When the sale is expected to occur beyond one year, the entity shall measure the costs to sell at their present value. Any increase in the present value of the costs to sell that arises from the passage of time shall be presented in profit or loss as a financing cost.

C Intangible assets

i. Recognition and measurement

Intangible assets are measured at cost less accumulated amortisation and accumulated impairment loss, if any. Intangible asset is recognised when all the conditions for recognition as per IAS 38: *Intangible Assets* are met. The cost of an intangible asset comprises its purchase price, import duties and non-refundable taxes after deducting trade discount and rebates, and any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the intended manner. Intangible assets include SAP, Project Information Archive System (PIAS) and other office softwares.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognised in the statement of profit or loss and other comprehensive income when incurred.

iii. Amortisation

Amortisation is recognised in the statement of profit or loss and other comprehensive income on a straight line basis over the estimated useful lives of intangible assets. The intangible asset is amortised from the month of its capitalisation. The estimated useful lives for intangible assets are three years.

D Financial instruments

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

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

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

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

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

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

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

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets.
- how the performance of the portfolio is evaluated and reported to the Company's management; the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Assessment whether contractual cash flows are Solely Payments of Principal and Interest (SPPI)

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment of an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial assets include cash and cash equivalents, trade and other receivables and receivable from related parties.

(a) Cash and cash equivalents

Cash and cash equivalents comprise of cash balances and all cash deposits with maturities of three months or less that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

(b) Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Classification and subsequent measurement of financial liability

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial liabilities include trade and other payables, borrowings, accrued expenses, etc.

(a) Trade and other payables

The Company recognises trade and other payables when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.

(b) Loans and borrowings

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

(c) Accrued expenses

Accrued expenses represent various operating expenses that are due at the reporting date which are initially measured at fair value.

iii. **Derecognition**

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

In the case the Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

iv. **Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

v. **Impairment of financial assets**

The Company measures loss allowances for trade receivables at an amount equal to lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

E Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Paid up capital represents total amount contributed by the shareholders and bonus shares, if any, issued by the Company to the ordinary shareholders. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders' meetings. In the event of a winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any residual proceeds of liquidation.

F Impairment

i. Recognition for non-financial assets

The carrying value of the non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of the asset or its cash generating unit exceeds its recoverable amount. Impairment losses, if any, are recognised in the statement of profit or loss and other comprehensive income.

ii. Calculation of recoverable amount

The recoverable amount of asset is the greater of its net selling price or its value in use. The latter is determined by discounting the estimated future cash flows to a present value using a discount rate which reflects the current market assessment of the time value of money and risk specific to the asset. For an asset that does not generate significantly independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

iii. Reversal of impairment

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

G Inventories

Inventories are measured at the lower of cost and net realisable value less allowance for obsolescence. Cost is calculated except for goods in transit on weighted average basis and includes expenditure for acquiring the inventories and bringing them to their existing location and condition.

Net realisable value is defined as the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Goods in transit are valued at cost.

H Employee benefits

i. Short-term benefits

Short term employee benefit obligations are measured on an undiscounted basis. The Company recognises expenses for the short-term employee benefits as the related service is provided and liability for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Workers' Profit Participation Fund (WPPF)

Bangladesh Labour Act 2006 (amended in 2013) requires companies to contribute 5% of the pre-tax profit to a Workers' Profit Participation Fund (WPPF). As the Company has incurred a pre-tax profit for the year, WPPF contributions have been made.

I Provisions

A provision is recognised on the reporting date if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits are required to settle the obligation, the provision are reversed.

i Provision for warranty

The estimated liability for warranty is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of obligations and management estimates regarding possible future incidence based on corrective actions on product failure. The timing of outflows will vary as and when the obligation will arise - being typically up to three years.

J Contingencies

i. Contingent liability

Contingent liability is a possible obligation that arises from past events, the existence of which can be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent liability should not be recognised in the financial statements, but may require disclosure. A provision should be recognised in the period in which the recognition criteria of provision have been met.

ii. Contingent asset

Contingent asset is a possible asset that arises from past events, the existence of which can be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

A contingent asset must not be recognised. Only when the realisation of the related economic benefits is virtually certain should recognition take place provided that it can be measured reliably because, at that point, the asset is no longer contingent.

K Revenue

Revenues from contracts with customers are recognised when the performance obligations towards customer have been met. Performance obligations are deemed to have been met when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services excluding amounts collected on behalf of third parties. The consideration promised in a contract with a customer includes fixed amounts, variable amounts or both. The Company acts as the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Sales tax/ value added tax (VAT) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

Sale of Goods

Revenue from sale of goods (Tyres, tubes and flaps) is recognised at a point in time when control of the goods is transferred to customer depending on terms of sales. The normal credit term is 30 days upon delivery.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties). In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, if any.

Variable consideration

The Company offers various forms of discounts on the goods sold to its dealers and distributors. In all such cases, accumulated experience is used to estimate and provide for the variability in revenue, using the expected value method and the revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur in future on account of refund or discounts.

Significant financing component

Generally, the Company receives advances from its customers. Using the practical expedient IFRS 15, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Sales related obligations

The Company normally provides sales related obligations for a period of three years on all its products sold, in line with industry practice. These sales related obligations are accounted for under IAS 37 Provisions, Contingent Liabilities and Contingent Assets. See Note 18 for more information. The Company does not provide any extended warranties to its customers.

Contract balances

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to note 35 C i – Financial Instruments in accounting policies.

L. Income tax

Income tax expenses comprise current and deferred tax. Income tax expense is recognised in the statement of profit or loss and other comprehensive income.

i. Current tax

Current tax is expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The Company is liable to pay tax at the rate 30% currently.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purpose. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

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

Deferred tax assets and liabilities are offset if there is legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority but they intend to settle current tax liabilities and assets on a net basis or there tax assets and liabilities will be realised simultaneously.

M Foreign currency transactions

Transactions in foreign currencies are translated to Bangladesh Taka at the rates ruling on the transaction date. All monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate prevalent at that date. Resulting exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in the statement of profit or loss and other comprehensive income as per IAS 21: *The Effects of Changes in Foreign Exchange Rates*.

N Finance income and expenses

Finance income comprises interest on financial deposits with banks. Finance income is recognised on an accrual basis and shown under statement of profit or loss and other comprehensive income. Finance costs comprise interest expense on overdraft, short term loans and bank charges.

O Statement of cash flows

Cash flows from operating activities have been presented under indirect method as per IAS 7: *Statement of Cash Flows*.

P Comparatives and rearrangement

Comparative information has been disclosed for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current financial statements.

To facilitate comparison, certain relevant balances pertaining to the previous year have been rearranged and reclassified whenever considered necessary to conform to current year's presentation.

Q Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

36 Standards issued but not yet effective

A number of new standards are effective for annual periods beginning after 1 April 2023 and earlier application is permitted. However, the Company has not early adopted the new or amended standards in preparing these financial statements.

Effective for year beginning 1 January 2024	• Amendments to IAS 1 Non current Liabilities with Covenants • Amendments to IFRS 16: Lease liability in a Sale and Leaseback • Amendments to IAS 7 and IFRS 7 Supplier Finance
Effective for year beginning 1 January 2025	• Amendments to IAS 21: Lack of Exchangeability

Management does not expect that the adoption of the above new and amended standards and the interpretation to a standard will have a significant impact on the Company's financial statements.

Rahman Rahman Huq
KPMG
DHAKA