



**11th AGM**

# **Annual Reports 2015-16**

**UNITED AIRWAYS (BD) LIMITED**



Ref: UAB/Admin/01/Gen/Vol-16/agm/011

Date : 11-12-2022

## NOTICE OF THE 11th ANNUAL GENERAL MEETING

Notice is hereby given that pursuant to the Order dated 01 September 2022 passed by the Honorable Company Bench of the High Court Division, Supreme Court of Bangladesh in Company Matter No. 89/2022, the Board of Directors of United Airways (BD) Limited in its 15th Meeting held on 10th December 2022 at 3:00 p.m. decided that the 11th Annual General Meeting (AGM) (pending AGM for the year 2016) of the Company will now be held on Tuesday, 03 January 2023 at 11.00 AM by using Online Digital Platform to transact the following business:

### Agenda:

1. To receive, consider and adopt the directors' report and auditors' report to the shareholders, accompanied by audited financial statements for the year ended 30th June 2016;
2. To declare dividend for the year ended 30th June, 2016;
3. To elect/re-elect Director (s), if any;
4. To appoint Statutory Auditor for the year 2017 and to fix their remuneration;
5. To transact any other business with permission of the Chair.

By order of the Board of Directors

**Ashraf Mahmud**  
Acting Company Secretary

11 December 2022

### Notes:

- i. The "Record Date" fixed at 22nd December, 2022. The shareholders whose names would appear in the Register of Shareholders of the company and/or in the Depository on the 'Record Date' will be eligible to attend the 11th AGM.
- ii. A Member entitled to attend and vote at the General Meeting may appoint a Proxy to attend and vote in his/her stead. The Proxy Form, duly stamped, must be deposited at the Registered Office of the Company, not later than 48 hours before the time fixed for the meeting.
- iii. Annual Report for the year 2016 will be sent to contact email address of the Shareholders and available in the Website of the Company at: [www.uabdl.com](http://www.uabdl.com)
- iv. The Shareholders will join the Virtual AGM through the link <https://unitedair.bdvirtualagm.com> The Shareholders will be able to submit their questions/comments and vote electronically 48 (Forty-eight) hour before commencement of the AGM and also during the AGM. For logging into the system, the Shareholders need to put their 16-digit Beneficial Owner (BO) ID/Folio Number and other credential as proof by visiting the said link.
- v. We encourage the Shareholders to login into the system prior to the meeting. Please allow ample time to login and establish your connectivity. For any IT related guidance, Shareholders may contact vide email : [info@uabdl.com](mailto:info@uabdl.com)



# DIRECTORS' REPORT 2016

BismillahirRahmanir Rahim



**Dear Shareholders,**

On behalf of all members of the new Board of Directors of United Airways I welcome you in the Annual General Meeting of 2016, of United Airways (BD) Ltd. It is really unfortunate for any public listed company not to hold AGMs on time. The operations of the airline were declared closed on 05 March 2016. Since then the previous **Board of Directors did not conduct any AGM**. On 28 February 2021 BSEC reconstituted a new Board of Directors with 8 Independent Directors. Since then the new Board of Directors has taken few steps to meet the required compliances. Now that pursuant to the Order dated 01 September 2022 passed by the Honorable Company Bench of the High Court Division, Supreme Court of Bangladesh in Company Matter No. 89/2022, the Board of Directors of United Airways (BD) Limited in its 15th meeting held on 10th December 2022 at 3:00 p.m. decided to hold the pending AGM of 2016. We are going to present before you the Directors Reports explaining the present situation and Audited Financial Statements along with the Auditors' Report thereon for the year ended on 30th June 2016.

The new Board as a part of continuation of the company has taken up few measures as a part of fulfilling the compliances of regulatory bodies in order to revive the airline.

## 1. SUSPENSION OF PREVIOUS BOARD OF DIRECTORS

Bangladesh Securities and Exchange Commission (BSEC) to protect the interest of the shareholders vide its letter ref SEC/SRMIC/94-231/51-34/69 dated 28 February, 2021 showing the following reasons, suspended the board of directors and barred them to involve in any business of UABDL:

- a. Company was placed to Z-category wef 05 Sep 2016 and Board of Directors failed to improve it.
- b. Company failed to declare cash dividend for a period of 10 years from 2010.
- c. Company failed to hold AGM within stipulated time (since 2015 no AGM was held).
- d. Joint holding of shares by sponsors and directors were less than 5 % of paid up capital.

Commission alleged the board of directors that these are detrimental to the interest of the 95% of the shareholders and undesirable to the commission, thereby, suspending previous board of directors a new board has been constituted.

## 2. APPOINTMENT of NEW BOARD OF DIRECTORS

Bangladesh Securities and Exchange Commission (BSEC) vide its ref letter SEC/SRMIC/94-231/51-34/69 dated 28 February, 2021 constituted a new Board of Directors with 8 independent Directors. The newly Constituted Board has taken over the responsibility on 4 March 2021. Board conducted few meetings and identified some problems to restart the operations. The Board in its 6th Board meeting held on 5th May 2021 removing previous Managing Director appointed Mr. ATM Nazrul Islam as its new Managing Director (Current in Charge).



### 3. SITUATION ANALYSIS

a. Corporate Status and Background: The Company was incorporated on 28th June 2005 as a private Limited Company and turned into Public Limited in 8th May 2006. The company was listed in the Dhaka and Chittagong stock market as only airline of the country in 12 July 2010. United Airways has been issued with Civil Aviation Operating License on 8th July 2007 to operate passenger and cargo services both in International and domestic routes.

The Airline launched its first flight on 10th July 2007 with only one 37-seat Dash 8-100 aircraft. From one aircraft it has eleven (11) aircrafts. Since 10th of July 2007 United Airways had flown over 65000 flights in domestic & International sectors. It operated to all domestic airports of Bangladesh and also operated 11 prestigious International destinations like London, Jeddah, Medina, Dubai, Doha, Muscat, Singapore, Malaysia, Thailand, Karachi, & Kolkata. The Company started with only Tk. 10 crore paid up capital back in 2005, and present paid up capital is Tk. 8280.98 crore.

The previous management closed down its operations on 05 March 2016. The previous Board of Directors also failed to ensure the compliances of Bangladesh Securities and Exchange Commission (BSEC) and CAAB. Following that BSEC has suspended its previous board of Directors and reconstituted a new board of Directors appointing 8 independent Directors in order to revive the operations of United Airways in order to protect the interest of its huge number of shareholders.

The new Board of Directors after having few meetings finds that:

- a. The Air Operating Certificate had expired on 30 May 2016.
- b. The Aircraft Maintenance Organization Certificate had expired on 30 September 2016.
- c. The corporate office of the company had been moved out from its registered address at 1 Jasimuddin Avenue, Sec 3, Uttara to a residential house at Road no. 12 of Sector 1 of Uttara owned by the previous Managing Director some time in 2019.
- d. The offices inside the HSIA, Dhaka had been locked down by the CAAB authority on 18 May 2019 due to huge CAAB dues.
- e. CAAB de-registered UABDL's all aircraft on 20 February 2020.
- f. There was no fund available at the bank or cash to run the day to day business.
- g. The accounts of 2016 had been prepared and audited by MahfelHuq & co, Chartered Accountants.
- h. No AGM was conducted for the year 2016. Last AGM was held in 2015.
- i. There were no technical, operation or skilled staffs available to run the airlines. Only few admin staffs were there to look after office and few documents.
- j. No UABDL personnel were allowed to enter CAAB premises to take care of stores, offices and aircrafts inside the HSIA.
- k. Two aircraft found stranded outside the country, one MD 83 at Raipur Airport, India and another at Karachi, Pakistan. UABDL owes huge amount with them. Both concerned parties' files legal cases against UABDL.
- l. Huge amount of claimed were seen on Air navigational charges from different countries.
- m. Many legal issues remained unattended
- n. Company was placed at OTC Market.



#### 4. FINANCIAL POSITION OF THE COMPANY :

Previous management prepared the accounts for year ended June 2016 and got audited.

- a. Non-Current Assets: The total non- current assets was shown Tk.8,511,490,526
- b. Current Assets (advances, deposits and prepayments): Current Assets shown Tk.3,870,540,017.
- c. Liabilities: Total liabilities shown as per year ending June 2016 were Tk.5,601,632,949.
- d. Operational Revenue: Operational revenue 1,199,812,091.
- e. Operational Expenses: Tk. 1,620,730,552.
- f. Operating and Net Profit: Loss stands to (1,287,361,053)
- g. Net asset value shown 8.75
- h. The pattern of Shareholdings: The authorized capital of the company was Tk. 11,000.00 million. The paid up capital of the company was Tk. Tk.7,752,896,800. The share holding pattern as on 30 June 2016 is shown in Annex (iv)
- i. Dividend: No dividend was given.

**5. Risk Management: Risk management has not been discussed as the operations were closed down.**

#### 6. Acknowledgement

On behalf of all members of the newly constituted Board of Directors, I express my heartiest thanks to all our valued shareholders, Bangladesh Securities and Exchange Commission, Ministry of Civil Aviation & Tourism, Ministry of Finance, Civil Aviation Authority (CAAB), DSE, CSE, CDBL, SATCOM, Audit Firm, Media and other concerned sectors. I also give thanks to the valued passengers, travel agents, employees and suppliers those who had worked with and supported United Airways in the past and I expect that the United Airways will receive same support and cooperation from them in the days to come.

Finally, again on behalf of all members of the Board I seek your continuous and constructive advice for making this Annual General Meeting a success.

Let Allah be with all of us.

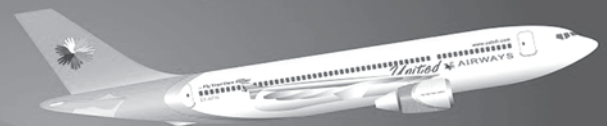
A handwritten signature in blue ink, appearing to read 'Nazrul Islam', is written over a vertical line.

**Wg. Cdr. ATM Nazrul Islam, psc (Retd)**  
Managing Director (Acting)  
On behalf of Board of Directors



**AUDITORS' REPORT & FINANCIAL STATEMENTS  
OF  
UNITED AIRWAYS (BD) LIMITED  
FOR THE YEAR ENDED JUNE 30, 2016**





Estd. 1974

## Mahfel Huq & Co.

Chartered Accountants

The first registered accounting firm in independent Bangladesh



An independent member firm of AGN International

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### INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS Of United Airways (BD) Limited

#### Report on the Financial Statements

We have audited the accompanying Financial Statements of UNITED AIRWAYS (BD) Limited, which comprise the statement of financial position as at June 30, 2016 and 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 a summary of significant accounting policies and other explanatory notes to the financial statements.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act, 1994, the Securities and Exchanges Rules, 1987 and other applicable laws and regulations, and for such control internal control relevant as management determines is necessary to enable the preparation and fair presentation of Financial Statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of the material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.



**Mahfel Huq & Co.**  
Chartered Accountants  
An independent member firm of AGN International



### Basis for Qualified Opinion

United Airways (BD) Limited carried in its statement of financial position stocks and spares of Tk. 1,239,798,265 as at 30 June, 2016 made up of aircraft tools and parts and catering materials. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of the stocks and spares (except a list of items) and consequently, we were unable to determine whether any adjustments to these were necessary.

### Qualified Opinion

In our opinion, except for the possible effects of the matters described in the basis for qualified Opinion paragraph, the financial statements present fairly, in all material respects the financial position of United Airways (BD) Limited, as at June 30, 2016 and of its performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards and comply with the Companies Act 1994, Securities and Exchanges Rules 1987 and other applicable laws and regulations.

### Emphasis of Matter

We draw attention to following notes to the financial statements without qualifying our report in these matters:

1. The financial statements have been prepared on the assumption that the entity is a going concern and will continue its business for the foreseeable future. During the year the entity has incurred net loss of Tk. (1,287,361,053) and the accumulated loss as on June 30, 2016 stood at Tk. (1,382,410,205). This is partly due to the fact that the commercial flight operation of the company is stopped from 07th March, 2016 due to ongoing technical problems. However, the management plans and are in talks with the potential financiers and stakeholders to raise appropriate finance to run the company as going concern. The management of the entity do not have any intention to liquidate or curtail materially the scale of its operation at present (Note 1.03).
2. As per board of director's decision, deferred tax liabilities from prior year (Tk. 200,000,000) has been adjusted against retained earnings in the current year (Note 11).
3. Bangladesh Securities and Exchange Commission (BSEC) has given consent for increasing the share capital of United Airways (BD) Limited through issuance of 400,808,800 ordinary shares of Tk. 10 each against which an allotment of 88,000,000 was made before the year end and the rest allotment was made after the year end (Note 28.0).





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### Report on Other Legal and Regulatory Requirements

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- ii) In our opinion, proper books of account as required by law have been kept by United Airways (BD) Limited so far as it appeared from our examination of those books;
- iii) The Companies Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows dealt with by the report are in agreement with the books of accounts and returns thereof; and
- iv) The expenditure incurred and payment made thereof during the year was for the purpose of the Entity's business.

Dhaka, Bangladesh  
Dated: 16<sup>th</sup> November, 2017

  
Mahfel Huq & Co.  
Chartered Accountants



**Mahfel Huq & Co.**  
Chartered Accountants  
An independent member firm of AGN International



**UNITED AIRWAYS (BD) LIMITED**  
**Statement of Financial Position**  
As at June 30, 2016

Particulars	Notes	Amount in Taka	
		30-Jun-16	30-Jun-15
<b>Assets</b>			
<b>Total Non-Current Assets</b>		<b>8,511,490,526</b>	<b>9,023,154,837</b>
Property, Plant and Equipment	2.00	8,320,490,526	8,672,154,837
Investment in Fixed Deposit	3.00	191,000,000	351,000,000
<b>Total Current Assets</b>		<b>3,870,540,017</b>	<b>4,283,864,483</b>
Advances, Deposits & Prepayments	4.00	1,698,405,325	1,615,263,390
Stocks and Spares	5.00	1,239,798,265	1,297,369,046
Accounts Receivable	6.00	926,119,128	1,265,564,798
Cash and Cash Equivalents	7.00	6,217,299	105,667,249
<b>Total Assets</b>		<b>12,382,030,544</b>	<b>13,307,019,320</b>
<b>Equity and Liabilities:</b>			
<b>Total Equity</b>		<b>6,780,406,595</b>	<b>7,387,767,648</b>
Share Capital	8.00	7,752,896,800	6,248,088,000
Share Premium		409,920,000	409,920,000
Retained Earnings	9.00	(1,382,410,205)	729,759,648
<b>Total Non-current Liabilities</b>		<b>2,776,162,225</b>	<b>3,200,871,554</b>
Term Loan	10.00	1,053,064,237	1,763,778,974
Deferred Tax Liability	11.00	1,505,053,391	1,219,047,983
Share Holders Loan Account	12.00	218,044,597	218,044,597
<b>Total Current Liabilities</b>		<b>2,825,461,724</b>	<b>2,718,380,118</b>
Accounts Payable & Accruals	13.00	1,423,342,937	1,194,561,798
Unearned Revenue		24,965,911	102,138,778
Provision for Taxation	14.00	217,901,260	216,983,225
Un-collected Subscription	15.00	49,513	21,192,184
Short Term Loan	16.00	1,159,202,104	1,183,504,133
<b>Total Liabilities</b>		<b>5,601,623,949</b>	<b>5,919,251,672</b>
<b>Total Equity and Liabilities</b>		<b>12,382,030,544</b>	<b>13,307,019,320</b>
<b>Net Asset Value Per Share</b>		<b>8.75</b>	<b>11.82</b>

The annexed notes (1-28) form an integral part of these financial statements.

Chairman & Managing Director

Director

Act. Company Secretary

Signed as per our separate report of same date.

Dhaka  
Dated: November 16, 2017

Mahfel Huq & Co.  
Chartered Accountants



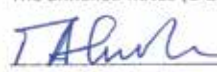
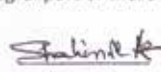
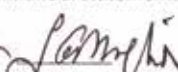

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**UNITED AIRWAYS (BD) LIMITED**  
**Statement of Profit or Loss and Other Comprehensive Income**  
**For the year ended June 30, 2016**

Particulars	Notes	Amount in Taka	
		30-Jun-16	30-Jun-15
Revenue (Sales) (A)		1,199,812,091	3,657,742,304
Flown revenue (Sale)		858,105,648	2,656,400,295
Add: Cargo sale	17	205,567,563	640,398,342
Add: EB sale		136,138,880	360,943,668
<b>Less: Operating Expenses: (B)</b>		<b>1,620,730,552</b>	<b>2,695,511,393</b>
Aircraft fuel		325,816,621	1,240,854,281
Air craft maintainance	18	292,035,597	196,644,111
Air navigation,overflying,aeronautical bills & others		195,543,257	240,950,619
Lease Rent		181,301,760	181,301,760
Catering expenses	19	16,522,220	37,534,227
Flying allowance		6,344,372	16,615,817
Aircraft insurance		67,903,068	119,045,617
Depreciation for air craft & spare parts		535,263,657	662,564,961
<b>Gross Profit: C= (A-B)</b>		<b>(420,918,461)</b>	<b>962,230,913</b>
<b>Less: Administrative Exp. (D)</b>		<b>575,123,644</b>	<b>489,769,092</b>
General and administrative expenses	20	503,049,397	361,775,178
Selling expenses	21	72,074,247	127,993,914
<b>Operating profit: E=(C-D)</b>		<b>(996,042,105)</b>	<b>472,461,820</b>
Non-operating income (F)	22	8,805,853	28,217,664
Financial Expenses (G)	23	204,719,057	250,875,697
<b>Net Profit before tax H = (E+F)-G</b>		<b>(1,191,955,309)</b>	<b>249,803,788</b>
<b>Less.Provision for tax :</b>		<b>95,405,743</b>	<b>55,520,973</b>
Current Tax	24	9,400,336	62,450,947
Deferred Tax		86,005,408	(6,929,974)
<b>Net profit/(Loss) after tax</b>		<b>(1,287,361,053)</b>	<b>194,282,815</b>
<b>Basic Earnings Per Share</b>	25	<b>(1.66)</b>	<b>0.31</b>
<b>Weighted Earning Per Share</b>	26	<b>(2.05)</b>	<b>0.31</b>

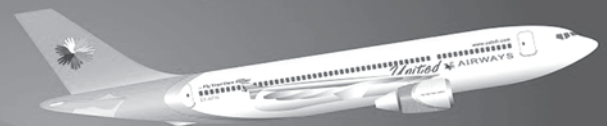
The annexed notes (1-28) form an integral part of these financial statements.




  
 Chairman & Managing Director      Director      Director      Acting Company Secretary  
 Signed as per our separate report of same date.

Dhaka

  
 Mahfel Huq & Co.  
 Chartered Accountants





**Mahfel Huq & Co.**  
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**UNITED AIRWAYS (BD) LIMITED**  
**Statement of Changes in Equity**  
**For the year ended June 30, 2016**

Particulars	Share Capital	Share Premium	Retained Earnings	Amount in Taka
				Total
Balane as on 01.07.2015	6,248,088,000	409,920,000	729,759,648	7,387,767,648
Conversion of bonus share to equity	624,808,800	-	-	624,808,800
Allotment of Share to TAC Aviation Ltd.	400,000,000	-	-	400,000,000
Allotment of Share to Phoenix Leasing PTE Ltd.	480,000,000	-	-	480,000,000
Adjustment for Bonus Share	-	-	(624,808,800)	(624,808,800)
Adjustment of Deferred Tax	-	-	(200,000,000)	(200,000,000)
Net Profit for the period	-	-	(1,287,361,053)	(1,287,361,053)
<b>Balance as on 30.06.2016</b>	<b>7,752,896,800</b>	<b>409,920,000</b>	<b>(1,382,410,205)</b>	<b>6,780,406,595</b>

**For the period ended June 30, 2015**

Particulars	Share Capital	Share Premium	Retained Earnings	Amount in Taka
				Total
Balane as on 01.07.2014	5,680,080,000	409,920,000	756,236,163	6,846,236,164
Conversion of bonus share to equity	568,008,000	-	-	568,008,000
Adjustment for Bonus Share	-	-	(568,008,000)	(568,008,000)
Adjustment (provision for tax)	-	-	447,248,670	447,248,670
Net Profit for the period	-	-	194,282,815	194,282,815
Adjustment of Deferred Tax	-	-	(100,000,000)	(100,000,000)
<b>Balance as on 30.06.2015</b>	<b>6,248,088,000</b>	<b>409,920,000</b>	<b>729,759,648</b>	<b>7,387,767,648</b>

The annexed notes (1-28) form an integral part of these financial statements.

  
Chairman & Managing Director

  
Director

  
Director

  
Acting Company Secretary

Signed as per our separate report of same date.

Dhaka  
Dated: November 16, 2017

  
Mahfel Huq & Co.  
Chartered Accountants





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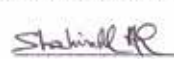


**UNITED AIRWAYS (BD) LIMITED**  
**Statement of Cash Flows**  
**For the year ended June 30, 2016**

Particulars	Amount in Taka	
	June 30, 2016	June 30, 2015
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Collection from Ticket Sales, Cargo, Service & Others	1,470,890,747	3,380,525,762
Payment to Suppliers, employees, tax & Others	(1,038,950,600)	(2,702,703,442)
Financial Expenses	(204,719,057)	(250,875,697)
<b>Net Cash Flow/(Used in) Operating Activities</b>	<b>227,221,089</b>	<b>426,946,623</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Acquisition of Fixed Assets	(210,511,601)	(306,986,983)
Investment in FDR	160,000,000	45,959,021
<b>Net Cash/ (Used in) Investing Activities</b>	<b>(50,511,601)</b>	<b>(261,027,962)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Un-collected Subscription	(21,142,672)	(360,959)
Short term loan	(24,302,029)	119,006,638
Term loan	(230,714,737)	(307,183,988)
<b>Net Cash Provided by Financing Activities</b>	<b>(276,159,438)</b>	<b>(188,538,309)</b>
<b>D. Net Cash Flow/(Outflow) (A+B+C)</b>	<b>(99,449,950)</b>	<b>(22,619,649)</b>
<b>E. Cash &amp; cash equivalents at the beginning of the year</b>	<b>105,667,249</b>	<b>128,286,898</b>
<b>F. Cash &amp; cash equivalents at the end of the period</b>	<b>6,217,299</b>	<b>105,667,249</b>
<b>Operating Cash Flow Per Share</b>	<b>0.29</b>	<b>0.68</b>

The annexed notes (1-28) form an integral part of these financial statements.

  
Chairman & Managing Director

  
Director

  
Director

  
Act. Company Secretary

Signed as per our separate report of same date.

  
Mahfel Huq & Co.  
Chartered Accountants

Dhaka  
Dated: November 16, 2017





## UNITED AIRWAYS (BD) LIMITED

### NOTES TO THE ACCOUNTS For the year ended June 30, 2016

#### 1.00 LEGAL STATUS OF THE COMPANY AND ITS OPERATION

##### 1.01 LEGAL FORM OF THE COMPANY:

**United Airways (BD) Limited** was registered as a private Limited company with the Registrar of Joint Stock Companies and Firms vide registration no. C-57883 (4566)/05 dated June 28, 2005. Subsequently the Company was transformed into a public limited company effective May 08, 2006. The company was listed with Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) as public listed company dated July 12, 2010.

##### Registered Address of the Company

The registered office of the company is located at Uttara Tower (5<sup>th</sup> floor), Sector 03, 1 Jasimuddin Road, Uttara Model Town, Dhaka -1230, Bangladesh.

##### Nature of Business and Consolidation:

The Principal activities of the company is to carrying passengers, lease of aircraft, providing air transport including cargos, mail, charter and training (basic and commercial) both locally & internationally.

##### 1.02 BASIS OF ACCOUNTING:

The financial statements have been prepared in accordance with the Bangladesh Financial Reporting Standards (BFRS) and accordingly included such test checks of accounting records as were considered necessary under the circumstances.

##### 1.03 SIGNIFICANT ACCOUNTING POLICIES AND RELEVANT INFORMATION

###### a. Measurement base used in the preparation of Financial Statements

All the elements of the financial statements have been measured on "Historical Cost" basis which is one of the most commonly adopted base as provided in "The frame work for the preparation and presentation of financial statements" issued by the International Financial Reporting Standards (IFRS) now Bangladesh Financial Reporting Standard (BFRS).

###### b. Responsibility for preparation and presentation of financial statement

The Board of Directors of the Company is responsible for the preparation and presentation of financial statements under section 183 of the Companies Act 1994 and as per the provision of "The Framework for the Preparation and Presentation of Financial Statements" issued by the International Accounting Standards Committee (IASC).





#### f. Stocks and Stores

Inventories comprise of catering materials, spare parts and others. They are stated at the lower of cost and net realizable value in accordance with BAS-2 "Inventories" after making due allowance for any obsolete or slow moving item. The costs of inventories are assigned by using weighted average cost. The Company management has carried out the physical inventory of the Stock and Stores as on 30.06.2015. The stock and stores were valued and certified by the management with a significant remark that there is no obsolete and slow moving stock and stores items.

#### g. Issuance of Right Shares

During the financial year of 2011-2012 the company issued 1:1 Right Share @ Tk. 15 (Including a premium of Tk. 5/-) for capital raising after receiving of consent letter dated July 26, 2011 from Bangladesh Securities and Exchange Commission (BSEC).

#### h. Share Premium:

With the consent of the Bangladesh Securities and Exchange Commission (BSEC), the company issued Rights Shares @Tk. 15.00 including a premium of Tk.5.00 per share on the basis of 1: 1R in 2011. Total number of Rights shares issued 210,000,000 at an issue price of Tk. 15.00 per shares, totaling Tk. 3,150,000,000.00.

The company deposited of Tk. 31,500,000 as 3% Tax at source on the total premium amount of Tk. 1,050,000,000 in the year 2011 and disburses of Tk. 608,580,000 as stock dividend for the financial year 2012-2013 from the share premium reserve.

#### i. Financial Instruments:

##### Derivative:

According to BFRS 7: "Financial Instruments: Disclosures", derivative contracts (financial instruments) are forward exchange contracts, currency swap agreement or contract to hedge currency exposure related to import of capital machinery to be leased to lessee in future.

##### Non-Derivative:

Non-derivative financial instruments comprise of accounts and other receivable, borrowings and other payables and are shown at transaction cost as per BAS 39 "Financial Instruments: Recognition and Measurement".

#### j. Accounts Receivable

These are considered good and are fully realizable as certified by the management. No amount was written off as bad debts and no debt was considered doubtful of recovery as per management report.





**c. Fixed Assets & Depreciation:**

**Property, Plant and Equipment:**

All fixed assets are stated at cost less accumulated depreciation as per BAS-16 "Property, Plant and Equipment". The cost of acquisition of an asset comprises of its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties, Insurance and non-refundable taxes.

The Company recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefit embodied with the item will flow to and the cost of the item can be measured reliably. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance is normally charged off as revenue expenditure in the year in which it is incurred.

Depreciation has been charged on Fixed Assets at the following rates on reducing balance method & Depreciation has been charged on addition of assets during the year.

Category of Fixed Assets	Rate of Depreciation
Air Craft	5%
Spare Parts	10%
Office Equipment	15%
Furniture & Fixture	10%
Interior Decoration	10%
Machinery	15%
Car & Vehicles	20%

**d. Leasing**

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases as per BAS 17.

**e. Leased assets:**

**Finance Lease:**

The company with a bid to acquire a few air craft under its umbrella of fleet, have executed a lease cum purchase agreement on different time with Phoenix Aircraft Leasing Pte Ltd., Singapore as finance lease having terms and conditions. The cost of the air craft purchased has been accounted for and treated as company's Fixed Asset.

**Operating Lease:**

The company has made an agreement with TAC Aviation Ltd. dated 15<sup>th</sup> December, 2012 for 2 (Two) MD-83 as operating lease which is effective from 1<sup>st</sup> July, 2013.







#### k. Cash Flow Statement

Cash flow statement is prepared principally in accordance with BAS-7 "Cash Flow Statement" and in the cash flow the operating activities have been presented under direct method.

#### l. Liabilities

Liabilities are recorded at the amount payable on settlement.

#### m. Provision for taxation

##### Current taxation

Provision for current income tax has been made @ .60% as prescribed in the Finance Act, 2016 on the accounting profit made as per income tax ordinance in compliance with BAS-12 "Income Taxes".

##### Deferred taxation:

The company calculates deferred tax assets and liabilities as per BAS-12 "Income Taxes".

#### n. Components of the Financial Statements

According to BAS-1 "Presentation of Financial Statements" the complete set of financial statement includes the following components

- i) Statement of financial position as at June 30, 2016.
- ii) Statement of comprehensive income for the year ended June 30, 2016.
- iii) Statement of Changes in Equity for the year ended June 30, 2016.
- iv) Statement of Cash Flow for the year ended June 30, 2016.
- v) Notes to the Accounts for the year ended June 30, 2016.
- vi) Accounting Policies and Explanatory Notes.

#### o. Accounting Records

The air lines have been maintaining all the required books of accounts as are necessary for the purpose of the business.

#### p. Compliance with International Accounting Standards:

The financial statements have been prepared in compliance with requirements of the International Accounting Standards (IAS) approved by the International Accounting Standard Committee (IASC) and as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB).

For a proper understanding of the financial statements, these accounting policies are set out below in one place as prescribed by the BAS-1 "Presentation of Financial Statements". The recommendations of BAS-1 relating the format of financial statements were also taken into full consideration for fair presentation. In addition, the Company is also required to comply with the following BAS-1

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a.	BAS 1	Presentation of Financial Statements
b.	BAS 2	Inventories
c.	BAS 7	Statement of Cash Flows
d.	BAS 8	Accounting Policies Changes in Accounting Estimate and Errors
e.	BAS 10	Events After the Reporting Period
f.	BAS 12	Income Taxes
g.	BAS 16	Property Plant & Equipment
h.	BAS 17	Leases
i.	BAS 18	Revenues
j.	BAS 19	Employees Benefits
l.	BAS 21	Foreign Currency Transactions
m.	BAS 23	Borrowing Cost
o.	BAS 24	Related Party Disclosure
p.	BAS 33	Earnings Per Share
q.	BAS 36	Impairment of Assets
r.	BAS-37	Provisions, Contingent Liabilities and Contingent Assets,

**q. Compliance with Local Laws:**

The financial Statements have been prepared in compliance with requirements of the Companies Act, 1994, Securities and Exchange Ordinance 1969, Securities and Exchange Rules 1987 and other applicable laws and regulations.

**r. Going Concern**

The financial statements have been prepared on the assumption that the entity is a going concern and will continue its business for the foreseeable future. During the year the entity has incurred net loss of Tk. (1,287,361,053) and the accumulated loss as on June 30, 2016 stood at Tk. (1,382,410,205). This is partly due to the fact that the commercial flight operation of the company is stopped from 07<sup>th</sup> March, 2016 due to ongoing technical problems. However, the management plans and is in talks with the potential financiers and stakeholders to raise appropriate finance to run the company as going concern. The management of the entity does not have any intention to liquidate or curtail materially the scale of its operation at present.

**s. Impairment**

In accordance with the provision of "BAS-36" Impairment of assets, the carrying amount of non financial assets other than Inventories are reviewed to determine whether there is any indication of impairment. No such indication of impairment has been raised.







**t. Revenue Recognition**

The revenue during the year was recognized at the time of ticket issue from the sales counter and the passengers availed the tickets as flown, which satisfied the conditions for the revenue recognition as provided in BAS-18 "Revenue Recognition"

**u. Cash and Cash Equivalent**

In accordance to BAS-7 "Cash Flow Statement" cash comprises cash in hand and bank deposit and cash equivalent are the short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to a insignificant risk of changes in value.

But it is mentionable that the amount of IPO subscription collection money has been included in the balance of cash and cash equivalent which is refundable to depositors. Considering the provision of BAS-7 and BAS-1, cash in hand and cash at bank balances have been considered as cash and cash equivalents.

**v. Employees Benefit Plan**

The company has not introduced any employees benefit plan.

**Number of Employees**

The average number of employees stood at 650 during the year.

**w. Borrowing Cost**

The borrowing cost relating to the entities loan sanctioned against CC Loan and Term Loan are charged as expenses as per BAS-23 during the year.

**x. Earnings per share:**

The calculated Earning per Share (EPS) in accordance with BAS-33 "Earning per Share" which has been shown on the face of the Profit and Loss account and the computation of EPS is elaborated in Note-25.

**y. Reporting Currencies**

Financial statements have been prepared in Bangladesh Local Currency (Taka). Transactions in foreign currencies are converted into Bangladesh taka at the exchange rate prevailing on the date of transaction and rounded off to the nearest Taka as per BAS-21 "Foreign Currency Transactions".

**z. Reporting Period:**

Financial statements of the company cover one financial year from July 01, 2015 to June 30, 2016.





**aa. Related Party Disclosure:**

Related party is considered if the party is related to the company and exerts significant influence over the day to day transactions of company as per BAS-24.

**1. Loan and Advances from Directors:** The Company has taken loans from the directors and shareholders under a written agreement executed between both the parties.

**2. Lease Rent:** The company has made an agreement with TAC Aviation Ltd. dated 15<sup>th</sup> December, 2012 for 2 (Two) MD-83 as operating lease which is effective from 1<sup>st</sup> July, 2013. During the year lease rent outstanding amount is Tk. 216,580,129.00.

**ab. Foreign Currency Transaction:**

There is no foreign currency transaction made save only the foreign sponsors who have dealt with their custodian bank in course of payment for acquisition of the air craft providing fund to the company as interest free unsecured loan.

**ac. Events after the reporting period:**

As per BAS-10 "Event after the Reporting Period" are those event favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue.

**ad. Comparative Information:**

Financial statements are presented as per BAS-1 "Presentation of Financial Statements" and comparative figures are presented for the statement of financial position as of June 30, 2015 and for the statement of comprehensive income, statement of changes in equity and Statement of cash flows for the year ended June 30, 2015.

Comparative information have been disclosed in respect of the previous years for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current year's financial statements.

**Re-arrangement**

Previous year's figure has been re-arranged whenever considered necessary to ensure better comparability with the current year's presentation without causing any impact on the profit and value of assets and liability as reported in the Financial Statement.

**Re-Statement**

In finalizing the financial statements for the year ended June 30, 2015 some figures of previous year were restated to conform the provisions in accordance with BAS-8: "Accounting Policies, Changes in Accounting Estimates and Errors".





**ae. Authorization Date:**

The Board of Directors of the company has authorized and approved in issuing financial statement in the Board Meeting held on November 16, 2017.

**General**

1. Previous year's figures have been rearranged wherever considered necessary to confirm the current year's presentation.
2. Figures appearing in the Financial Statements have been rounded off to the nearest Taka.





**Notes to the Financial Statement:**

**2.0 Property, Plant and Equipment: Tk. 8,320,490,526**

This is made up as follows :

Particulars	Balance As on 01.07.2015	Addition during the year	Amount in Taka
			Balance As on 30.06.2016
Land	96,551,567	-	96,551,567
Air craft: Note- 2.1	7,793,121,631	-	7,793,121,631
Spare parts for air craft: Note- 2.2	2,845,746,863	188,364,555	3,034,111,418
Office equipment	89,777,158	1,235,864	91,013,022
Furniture and fixture	41,268,071	3,028,682	44,296,753
Interior decoration	57,191,685	6,500,000	63,691,685
Machinery	65,639,205	11,382,500	77,021,705
Car & vehicle: Note- 2.3	86,700,995	-	86,700,995
<b>Total Cost Value</b>	<b>11,075,997,175</b>	<b>210,511,601</b>	<b>11,286,508,776</b>
Less: Accumulated depreciation			2,966,018,250
<b>Total written down value</b>			<b>8,320,490,526</b>

Details schedule of fixed assets has been shown in attached schedule Annexure -(i).

**2.1 Air craft: Tk. 7,793,121,631**

This is made up as follows :

	Amount in Taka	
	June 30, 2016	June 30, 2015
Balance as on 01.07.2015	7,793,121,631	7,793,121,631
<b>Total</b>	<b>7,793,121,631</b>	<b>7,793,121,631</b>

The above amount represents the purchase price of air craft as per air craft sale and- purchase agreement executed with the Phoenix Aircraft Leasing PTE Ltd., 20-04 Wisma Atria no. 435 Orchard Road, Singapore-23877. The Aircraft value includes the C&F charge & duty, insurance, painting, training, design, tools and other cost.

Particulars		
<b>Balance As on 01.07.2015</b>		
Aircraft - 1: DASH-08	459,924,082	459,924,082
Aircraft - 2: MD-83 -1st	790,625,887	790,625,887
Aircraft - 3: MD-83 - 2nd	814,057,110	814,057,110
Aircraft - 4: Airbus A-310 -1st	944,365,110	944,365,110
Aircraft - 5: ATR-72 - 1st	693,675,942	693,675,942
Aircraft - 6: ATR-72 - 2nd	695,637,276	695,637,276
Aircraft - 7: Air Bus A-310 - 2nd	1,400,000,000	1,400,000,000
Aircraft - 8: MD-83 - 3rd	643,085,465	643,085,465
Aircraft - 9: ATR-72 - 3rd	929,753,669	929,753,669
Engines (MD-83, DASH-08, ATR-72, A-310)	421,997,090	421,997,090
<b>Total Value of Aircraft</b>	<b>7,793,121,631</b>	<b>7,793,121,631</b>

As per rules and regulations of Civil Aviation Authority of Bangladesh all the documents of the Aircraft were physically inspected by Civil Aviation Authority of Bangladesh. After satisfactory inspection and functionality checked by the Civil Aviation Authority they have issued technical clearance certificate, Air worthness certificate, Certificate of registration, Permission to operate domestic and international flight as per designation.

The aircrafts were also duly inspected by the Engineering department of the company and concurred the approval for purchase of the Aircraft.







Amount in Taka	
June 30, 2016	June 30, 2015

**2.2 Spare Parts for aircraft: Tk. 3,034,111,418**

The amount represents the value of spare parts for all the air craft . Details are given below;

<u>Particulars</u>		
Balance as on 01.07.2015	2,845,746,863	2,556,182,280
Add. Addition	188,364,555	289,564,583
	<u>3,034,111,418</u>	<u>2,845,746,863</u>

**2.3 Car & Vehicles: Tk. 86,700,995**

The amount represents the value for all the car & vehicles . Details are given below;

<u>Particulars</u>		
Balance as on 01.07.2015	86,700,995	86,700,995
	<u>86,700,995</u>	<u>86,700,995</u>

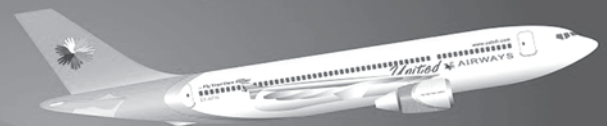
**3.0 Investment in Fixed Deposit: Tk. 191,000,000**

This is made up as follows :

<u>Bank &amp; Branch Name</u>		
State Bank of India (Gulshan Branch, Gulshan, Dhaka)	60,000,000	100,000,000
Islami Bank Bangladesh Limited (Uttara Branch, Dhaka)	130,000,000	250,000,000
IFIC Bank Ltd. (Uttara Branch, Dhaka)	1,000,000	1,000,000
<b>Total:</b>	<u>191,000,000</u>	<u>351,000,000</u>







	Amount in Taka	
	June 30, 2016	June 30, 2015
<b>4.0 Advances, Deposits and Pre-payments: Tk. 1,698,405,325</b>		
This is made up as follows :		
<b>4.01 Advances Tk. 1,698,405,325</b>		
Advance office rent	31,041,514	36,477,668
Advance tax	3,440,904	2,973,836
Advance for aircraft engine & Technical Assistance	311,716,239	271,730,000
Advance against salary	2,525,517	2,525,832
Advance for aircraft Spare parts and Technical support	499,251,688	430,952,938
Deposits (4.01.01)	80,249,630	79,421,030
Other advances (4.01.02)	770,179,833	791,182,086
<b>Sub Total:</b>	<b>1,698,405,325</b>	<b>1,615,263,390</b>

**4.01.01 Deposits Tk. 80,249,630**

Security deposits	73,563,605	73,563,605
Bank Guarantee	828,600	-
Other deposit	5,857,425	5,857,425
<b>Sub Total:</b>	<b>80,249,630</b>	<b>79,421,030</b>

**4.01.02 Other Advances Tk. 770,179,833**

This is made up as follows :

Particulars

Advance to Staff	5,450,150	4,450,800
Advance to Supplier	114,215,870	115,675,070
Advance for aircraft fuel	177,772,896	196,743,646
Advance for Expenses	154,690,784	150,210,672
Advance to overseas offices	318,050,133	324,101,898
<b>Total:</b>	<b>770,179,833</b>	<b>791,182,086</b>

**5.0 Stocks And Spares: Tk. 1,239,798,265**

Particulars

Catering Materials	13,192,120	13,238,467
Aircraft Tools & Parts(Movable)	1,226,606,145	1,284,130,579
<b>Total:</b>	<b>1,239,798,265</b>	<b>1,297,369,046</b>

**6.0 Accounts Receivable: Tk. 926,119,128**

The break-up of the above amount is as follows:

Particulars

Receivable from Travel Agents	923,390,574	1,262,877,499
Corporate Customers	2,728,554	2,687,299
<b>Total:</b>	<b>926,119,128</b>	<b>1,265,564,798</b>

(A) The details of the accounts receivable from the Travel Agents and corporate Customer are shown in Annexure-(ii). These are considered good and collectible within one year from the reporting date.

Chief Managing Director, Managers and other officers of



7.0 Cash and Cash Equivalents: Tk. 6,217,299

This above is made up as follows :

**Particulars**

	Amount in Taka	
	June 30, 2016	June 30, 2015
Cash in Hand (7.01)	2,764,371	23,597,882
Cash at Bank (7.02)	3,452,928	82,069,367
<b>Total:</b>	<b>6,217,299</b>	<b>105,667,249</b>

7.01 Cash in Hand: Tk. 23,597,882

Details are given below:

Head Office	420,563	4,892,800
All Domestic Office	815,499	11,640,082
All Outstation Office	1,528,309	7,065,000
<b>Total:</b>	<b>2,764,371</b>	<b>23,597,882</b>

7.02 Cash at Bank: Tk. 3,452,928

Bank details are given below:

Name of Bank	Account No.		
IFIC Bank Ltd. Uttara Branch	CD-04804	-	9,246,990
IFIC Bank Ltd. Uttara Branch	CD-06395	-	626,269
IFIC Bank Ltd. Uttara Branch	STD-0239	-	457,761
State Bank of India, Gulshan Br.	5420022020001	559	30,276
State Bank of India, Gulshan Br.	5420022020002	29,537	30,263
State Bank of India, Gulshan Br.	5420022020003	3,035	3,595
Sonali Bank Limited, Air Port Br.	CD-33002712	9,237	1,638,490
Branch Current Account		1,914,795	33,405,485
Dutch Bangla Bank Ltd. Uttara Br.	71106561	402,443	113,805
Sonali Bank Limited, Dhaka Cantt.Corp. Br.	33093784	-	5,000
The City Bank Limited, Uttara Br.	1101110535001	-	246,151
Standard Bank Ltd. Principle Branch	CD- 1484	212,235	214,115
Standard Bank Ltd. Principle Branch	STD-1819	303,653	19,354,511
Standard Bank Ltd. Principle Branch	FC-436	-	1,786,673
Standard Bank Ltd. Principle Branch	FC-437	-	101,891
Standard Bank Ltd. Principle Branch	FC-438	-	36,787
Standard Bank Ltd. Uttara Branch	1536000261	353,909	9,787,522
Islami bank-A/c-AWCA	205020701-430609	11,699	912,598
Islami Bank Ltd. Uttara Br.	MSND-900005615	23,950	3,883,459
Islami Bank Ltd. Uttara Br.	FCA-1100006811	343	28,282
BRAC Bank	STD-377001	187,533	159,444
<b>Total</b>		<b>3,452,928</b>	<b>82,069,367</b>

8.0 Share Capital : Tk7,752,896,800

Details are shown in Annexure -(iv)





**9.0 Retained Earnings: Tk. -1,382,410,205**

This is made up as follows:

**Particulars**

	Amount in Taka	
	June 30, 2016	June 30, 2015
Opening Balance	729,759,648	756,236,164
Add: Net profit during the period	(1,287,361,053)	194,282,815
Add : Adjustment of provision for tax	-	447,248,670
	<u>(557,601,405)</u>	<u>1,397,767,648</u>
Less: Adjustment for Bonus Share	(624,808,800)	(568,008,000)
Less : Prior Year Deferred Tax	(200,000,000)	(100,000,000)
<b>Total</b>	<b><u>(1,382,410,205)</u></b>	<b><u>729,759,648</u></b>

**10.0 Term Loan: Tk. 1,053,064,237**

This is made up as follows:

**Particulars**

State Bank Of India A/c.No.05420022060202	-	34,956,481
State Bank Of India A/c.No.05420022060203	-	55,150,000
Islami bank Bangladesh Ltd. A/C No. 5990	30,642,911	-
Islami bank Bangladesh Ltd. A/C No. 5980	319,611,657	340,862,825
Phoenix Air Craft Leasing Pte Ltd (Note-10.01)	702,809,669	1,332,809,669
<b>Total</b>	<b><u>1,053,064,237</u></b>	<b><u>1,763,778,974</u></b>

**10.01 Phoenix Air Craft Leasing Pte Ltd.: Tk. 702,809,669**

**Particulars**

This is made up as follows :

Opening Balance	1,332,809,669	1,359,321,169
Add. Addition during the period	-	-
	<u>1,332,809,669</u>	<u>1,359,321,169</u>
Less: Adjustment during the period by share	(480,000,000)	(26,511,500)
Less: Adjustment during the period against receivables	(150,000,000)	-
<b>Total outstanding for Air craft</b>	<b><u>702,809,669</u></b>	<b><u>1,332,809,669</u></b>

The above outstanding amount represents the payable against Purchase of Aircraft.

**11.0 Deferred Tax Liability: Tk. 1,505,053,391**

**Particulars**

This is made up as follows :

Opening Balance	1,219,047,983	1,125,977,956
Deferred tax (Previous year adjustment)	200,000,000	100,000,000
Add. Addition during the period	86,005,408	(6,929,974)
<b>Total</b>	<b><u>1,505,053,391</u></b>	<b><u>1,219,047,983</u></b>

As per board of director's decision, deferred tax liabilities from prior year (Tk. 200,000,000) has been adjusted against retained earnings in the current year.





Amount in Taka	
June 30, 2016	June 30, 2015

**12.0 Share Holders Loan Account : Tk. 218,044,597**

This is made up as follows :

**Particulars**

Opening Balance	218,044,597	218,044,597
<b>Total:</b>	<b>218,044,597</b>	<b>218,044,597</b>

**13.0 Accounts Payable & Accruals: Tk. 1,423,342,937**

The details of the accounts payable to various party are shown in **Annexure- (iii)**. These are considered payable within one year from the reporting date.

**14.0 Provision for Taxation: Tk. 217,901,260**

This is made up as follows :

Opening Balance	216,983,225	606,780,948
Add. Addition during the year	9,400,336	62,450,947
	<u>226,383,561</u>	<u>669,231,895</u>
Less: Adjustment (Provision for tax)	-	(447,248,670)
Less: Paid During the year	(8,482,301)	(5,000,000)
<b>Closing Balance</b>	<b>217,901,260</b>	<b>216,983,225</b>

**15.0 Un-collected Subscription: Tk. 49,513**

This is made up as follows:

**Particulars**

Standard Bank Limited, STD A/C No. 1819	303,653	19,354,511
Standard Bank Limited, FC A/C No. 436	-	1,786,673
Standard Bank Limited, FC A/C No. 437	-	101,891
Standard Bank Limited, FC A/C No. 438	-	36,787
Islami Bank Ltd. A/C- 2070900005615	23,950	3,883,459
	<u>327,603</u>	<u>25,163,320</u>
Less: Interest Earned	(278,089)	(3,971,136)
<b>Total</b>	<b>49,513</b>	<b>21,192,184</b>

**16.0 Short Term Loan: Tk. 1,159,202,104**

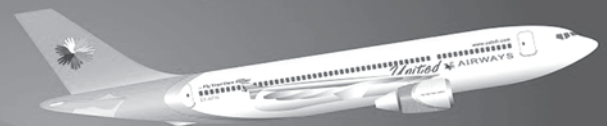
The above represents cash credit loan received from the State Bank of India, Gulshan Branch, Dhaka and Islami Bank Bangladesh Ltd, Uttara Branch, Dhaka for various purpose which are given below:-

**Particulars**

State Bank of India A/c. No.054-20022040001	167,909,738	179,949,348
Islami Bank Ltd. Murabaha TR	562,982,079	578,735,814
Islami Bank Ltd. Musharaka	35,152,908	40,000,000
Islami Bank Ltd. QTDR A/c No- 4401,5705,8203	110,000,000	140,010,460
State Bank Of India A/c.No.05420022060202	42,757,000	20,000,000
State Bank Of India A/c.No.05420022060203	62,147,999	19,000,000
Islami bank Bangladesh Ltd. A/C No. 5990	153,162,756	59,734,903
Islami bank Bangladesh Ltd. A/C No. 5980	25,089,624	146,073,608
<b>Total</b>	<b>1,159,202,104</b>	<b>1,183,504,133</b>







**17.0 Net Revenue: Tk. 1,199,812,091**

Particulars

	Amount in Taka	
	June 30, 2016	June 30, 2015
Total revenue	1,266,854,624	2,787,908,779
Less: Tax, fees and others	(67,042,533)	(131,508,484)
<b>Total:</b>	<b>1,199,812,091</b>	<b>2,656,400,295</b>

**18.0 Air-Craft maintenance: Tk. 292,035,597**

This is made up as follows :

Particulars

Tools and parts (Opening balance)	1,284,130,579	951,005,078
Add: Addition during the period	234,511,163	529,769,612
Tools and parts available for use	<u>1,518,641,742</u>	<u>1,480,774,690</u>
Less: Closing stock	<u>1,226,606,145</u>	<u>1,284,130,579</u>
<b>Total</b>	<b>292,035,597</b>	<b>196,644,111</b>

**19.0 Catering expenses: Tk. 16,522,220**

This is made up as follows :

Particulars

Catering inventory (Opening balance)	13,238,467	7,162,500
Add: Purchased during the period	16,475,873	43,610,194
Catering inventory available for use	<u>29,714,340</u>	<u>50,772,694</u>
Less: Closing stock	<u>13,192,120</u>	<u>13,238,467</u>
<b>Total</b>	<b>16,522,220</b>	<b>37,534,227</b>

**20.0 General and Administration Expenses: Tk. 503,049,397**

This is made up as follows :

Particulars

This is made up as follows :

Particulars

Salary & allowance	110,634,726	198,749,354
Electric bill	1,524,801	2,388,032
Tours & travelling expenses (Overseas training )	386,136	539,264
Office rent	23,515,597	18,568,571
Postage and courier	150,395	2,080
Telephone & fax	244,157	696,871
IP Telephone	88,169	-
Office expenses	14,969,882	2,235,574
Repair & maintenance	990,467	1,354,934
Vehicles maintenance	1,116,906	1,784,473
Legal fees	640,700	156,041
Miscellaneous expenses	6,715,208	218,122
Internet charge	683,631	1,389,172
Mobile bill	1,072,782	1,666,804
Mobile set	1,050	-
Printing and stationery	1,095,124	991,001
Printing and press	406,170	509,965





	Amount in Taka	
	June 30, 2016	June 30, 2015
Bonus allowance	1,818,010	3,255,034
Bank charge & Commission	82,767	89,360
Books and Periodicals	125,375	524,395
Conveyance bill	294,635	571,213
Entertainment	132,958	167,267
Fuel consumption	3,793,636	5,867,955
Rental expenses	6,673,000	9,028,000
AGM Expenses	226,280	2,370,340
EGM Expenses	56,140	-
Utility bill	412,090	1,052,361
Water supply	59,801	118,540
Uniform	-	609,142
License, Registration & Renewal	-	695,413
Visa fees	179,670	678,488
Audit Fees	250,000	229,328
Medical fees	8,683	8,850
Wages	41,140	69,180
Consultancy Fees	1,024,922	500,000
Insurance Expenses	1,254,877	197,266
Clearing and forwarding Cost	-	-
Security expenses	126,300	168,000
Accommodation bill	-	297,640
Security Pass(CAAB)	110,439	230,703
ID card cost	16,420	23,750
Air freight	7,449,843	6,134,455
Indoor plant	10,500	19,500
Donation & Fund	-	230,000
News paper & Books	14,820	517,539
Simulator training expenses	7,472,995	13,151,758
Managing Director Remuneration	6,000,000	6,000,000
Workshop, Seminar etc. expenses	18,000	1,744,756
Fees and others	4,120,838	2,930,490
Branch Office expenses (Note-20.01 & 20.02)	33,868,277	18,778,239
Business promotional expenses	825,000	4,003,483
Depreciation as per Fixed Asset schedule (Annexure-I)	26,912,255	50,232,474
Additional exp/Extra duty	902,500	-
Advertisement exp.	1,108,317	-
Generator exp.	590,573	-
Hotel bill	1,156,892	-
house rent	207,753	-
Inflight newspaper	171,432	-
Laundry bill	47,375	-
TA/DA	401,340	-
Bad Debt	230,847,643	-
<b>Total</b>	<b>503,049,397</b>	<b>361,775,178</b>





		Amount in Taka	
		June 30, 2016	June 30, 2015
<b>20.01</b>	<b>Branch Office Expenses (Abroad): Tk. 33,092,077</b>		
	This is made up as follows :		
	<b>Particulars</b>		
	Branch Office Expenses (Dubai)	6,104,068	4,200,000
	Branch Office Expenses (Kolkata)	8,620,552	1,700,422
	Branch Office Expenses (Nepal)	-	979,152
	Branch Office Expenses (Malaysia)	6,747,172	3,157,427
	Branch Office Expenses (Jeddah)	4,941,136	6,398,829
	Branch Office Expenses (Bangkok)	-	-
	Branch Office Expenses (Oman-MCT)	3,602,149	1,490,265
	Branch Office Expenses (Qatar-Doha)	3,077,000	852,144
	Branch Office Expenses (Singapor)	-	-
	<b>Total</b>	<b>33,092,077</b>	<b>18,778,239</b>
<b>20.02</b>	<b>Branch Office Expenses: Tk. 776,200</b>		
	This is made up as follows :		
	<b>Particulars</b>		
	Printing & Stationery	215,200	800,000
	Postage and courier	105,000	497,000
	Entertainment & Free Purpose	456,000	1,073,340
	<b>Total</b>	<b>776,200</b>	<b>2,370,340</b>
<b>21.0</b>	<b>Selling Expenses: Tk. 72,074,247</b>		
	This is made up as follows :		
	<b>Particulars</b>		
	Advertisement (Local)	528,155	1,610,259
	Flight Cancellation expenses/refund	24,110,000	-
	Incentive(Agent)	-	154,865
	Travel Agent Commission	47,436,092	126,228,790
	<b>Total</b>	<b>72,074,247</b>	<b>127,993,914</b>
<b>22.0</b>	<b>Non-operating Income: Tk. 8,805,853</b>		
	This is made up as follows		
	<b>Particulars</b>		
	Interest Received from FDR	8,655,603	26,787,698
	Interest Received from others A/c.	150,250	1,429,966
	<b>Total</b>	<b>8,805,853</b>	<b>28,217,664</b>
<b>23.0</b>	<b>Financial Expenses: Tk. 204,719,057</b>		
	This is made up as follows		
	<b>Particulars</b>		
	Bank Interest on Short Term Loan	143,303,340	132,046,072
	Bank Interest on Term Loan	61,415,717	118,829,625
	<b>Total</b>	<b>204,719,057</b>	<b>250,875,697</b>





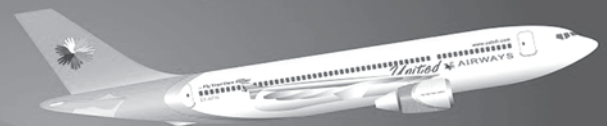
Allocation of Depreciation:  
 General & Administrative Exp. 265,125,915  
 Direct Operating Expenses 232,563,821

No. of	Particulars	As on 30.06.2012			Dep. Rate	As on 30.06.2012			MDA 30.06.2012
		As on 30.06.2012	Acquisition	Total Cost		As on 30.06.2012	Depreciation	Total	
	<b>As on 30.06.2012 Registered</b>	<b>10,169,010,125</b>	<b>306,286,883</b>	<b>11,012,926,112</b>		<b>1,691,044,804</b>	<b>115,125,432</b>	<b>5,403,845,330</b>	<b>8,315,124,831</b>
8	Car & Vehicle	86,100,982	-	86,100,982	50%	28,538,582	2,680,245	53,568,400	55,135,168
1	Machinery	62,830,502	11,383,500	74,214,002	12%	28,658,311	6,468,284	35,126,595	40,743,801
6	Interior Decoration	21,131,682	6,200,000	27,331,682	10%	12,422,468	4,128,815	16,551,283	40,066,344
2	Furniture and Fixtures	41,568,031	3,058,885	44,626,916	10%	11,435,234	3,166,846	14,602,080	58,631,313
4	Office Equipment	89,111,128	1,332,864	90,443,992	12%	41,106,800	1,416,401	42,523,201	45,488,151
3	Spare parts for Air Craft	5,842,146,883	188,384,222	6,030,531,105	10%	1,846,211,844	518,261,612	1,003,552,218	5,030,882,888
5	Air Craft	1,163,151,831	-	1,163,151,831	2%	1,428,501,886	316,682,885	1,122,861,318	6,013,532,823
1	Lease	86,221,261	-	86,221,261	0%	-	-	-	86,221,261
		<b>01.01.2012</b>							

As on June 30, 2012  
 Schedule of Fixed Assets  
**UNITED AIRWAYS (BD) LIMITED**

Annexure - (ii)





	Amount in Taka	
	June 30, 2016	June 30, 2015
<b>24.0 Current Tax: Tk.9,400,336</b>		
<b>Particulars</b>		
The Computation of current tax is given below:		
Net Loss Before Tax	(1,191,955,309)	
Total Operational Revenue	1,199,812,091	
Turnover Tax @ 0.60%	7,198,873	62,450,947
Add: Tax on Non-Operating income @ 25%	2,201,463	-
<b>Current tax</b>	<b>9,400,336</b>	<b>62,450,947</b>

**25.0 Basic Earning Per Share: Tk. (1.66)**

<b>Particulars</b>		
The Computation of EPS is given below:		
a) Net Profit(Loss) during the period	(1,287,361,053)	194,282,815
b) Number of Shares	775,289,680	624,808,800
<b>Basic Earnings per share</b>	<b>(1.66)</b>	<b>0.31</b>

**26.0 Weighted Earning Per Share:Tk.(2.05)**

a) Net Profit(Loss) during the period	(1,287,361,053)	194,282,815
b) Number of Shares	626,737,567	628,107,011
	<b>(2.05)</b>	<b>0.31</b>

**27.0 Contingent Liabilities**

There is ongoing litigation against United Airways (BD) Limited lodged by State Bank of India (SBI) and Civil Aviation Authority of Bangladesh (CAAB) due to dispute over outstanding payables, United Airways (BD) Limited has also lodged a lawsuit against Civil Aviation Authority of Bangladesh(CAAB) on various ground outcome of all those lawsuit are uncertain.

**28.0 Events After Reporting period**

Bangladesh Securities and Exchange Commission (BSEC) has given consent for increasing the share capital of United Airways (BD) Limited through issuance of 400,808,800 ordinary shares of Tk. 10 each against which an allotment of 88,000,000 was made before the year end and the rest allotment was made after the year end.





Annexure - (ii)

UNITED AIRWAYS (BD) LIMITED  
 Recivable Status as on June 30, 2016.

Domestic	Currency	Amount	Rate	June-30,2016		June-30,2015
				Before Bad Debt	After Bad Debt	
Dhaka	BDT	186,739,143	1.00	186,739,143	149,391,315	266,513,716
Chittagong	BDT	163,672,047	1.00	163,672,047	130,937,638	194,164,739
Sylhet	BDT	15,461,787	1.00	15,461,787	12,369,430	11,648,362
Jessore/Khulna	BDT	31,614,622	1.00	31,614,622	25,291,698	561,952
Rajshahi/Syedpur	BDT	27,834,699	1.00	27,834,699	22,267,759	(341,875)
Coxesbazar	BDT	26,982,908	1.00	26,982,908	21,586,326	389,175
Cargo	BDT	137,134,630	1.00	137,134,630	109,707,704	74,056,674
<b>Total</b>				<b>589,439,837</b>	<b>471,551,870</b>	<b>546,992,743</b>
<b>Out Station</b>						
Kualalampur	MYR	7,793,903	19.50	151,981,117	121,584,894	154,699,168
Dubai	AED	6,534,116	21.13	138,046,271	110,437,017	172,271,670
Kolkata	INR	10,024,870	1.22	12,216,307	9,773,045	10,985,520
Saudi	SAR	3,994,654	20.68	82,597,461	66,077,969	74,016,502
Oman	OMR	401,790	198.98	79,949,380	63,959,504	101,837,522
BSP	SAR	3,127,944	20.68	64,676,506	51,741,205	116,773,172
BKK	THB	2,504,199	2.36	5,897,389	4,717,911	5,897,389
United Kingdom	GBP	137,457	120.43	16,553,534	13,242,827	16,523,374
Singapore	SND	200,089	58.61	11,727,627	9,382,102	36,727,656
Qatar	Qar	54,086	21.31	1,152,789	922,232	26,152,784
<b>Sub Total</b>				<b>564,798,380</b>	<b>451,838,704</b>	<b>715,884,757</b>
		(A)		<b>1,154,238,217</b>	<b>923,390,574</b>	<b>1,262,877,500</b>

Receivable from Corporate Customer

Name of Corporate Customer	Amount	
HSBC	-	(11,200)
Gloxo smith kline BD. Ltd.	-	(1,215)
City bank Ltd.	-	(924)
sgs bangladesh	38,204	38,204
ITS LABTEST BANGLADESH Ltd	196	196
Karnaphuli Fertilizer Company Limited	2,439	2,439
Concern universe	-	(1,236)
Sight saver int.	-	(2,769)
HeidelbergCement	47,944	47,944
Kaltimex Energy	54,088	54,088
Bank Aisa	79,552	79,551
Agility Limited	112,788	112,788
Promoda	54,991	54,991
IDLC Finance Limited	846	846
Save the Children UK	40,473	40,473
Summit Alliance Port Limited	15,183	15,183
APL Bangladesh Pvt Ltd	116,313	116,313
Youngone Hi Tech Sports Wear Ltd	19,560	19,560
Shah Cement Industries	112,561	112,561
B D S Currier Service	216,460	216,460
WaterAid Bangladesh	3,503	3,503
Medicien San	177,530	177,530
Ministry of ind.	-	(600)
GEMCON GROUP	96,362	96,362
Banglalink Digital Communications Ltd	14,848	14,848
Hotel Royal Palace Pvt Ltd	55,810	55,810





	<u>30-Jun-16</u>	<u>Annexure - (iV)</u> <u>30-Jun-15</u>
<b>Share capital</b>		
<b>Authorized capital.</b>		
1,100,000,000 ordinary shares of Taka 10 each	<u>11,000,000,000</u>	<u>10,000,000,000</u>
<b>Issued, subscribed and fully paid up capital.</b>		
56,80,08,000 Ordinary shares of Taka 10 each	6,248,088,000	5,680,080,000
5,68,00,800 Ordinary shares of Taka 10 each issued as bonus share in 2014	624,808,800	568,008,000
Allotment of Share in 2016	<u>880,000,000</u>	
	<u>7,752,896,800</u>	<u>6,248,088,000</u>

Percentage of shareholdings at the closing date.

SL	Category	30 June,2016		30 June,2015	
		No. of shares	%	No. of shares	%
1	Directors	34,537,448	4.455	44,012,868	7.04
2	General public	532,957,641	68.743	456,114,806	73.00
3	Institutions	119,794,591	15.452	124,681,126	19.96
4	Foreign Investment	88,000,000	11.351	-	0.00
	<b>Total:</b>	<b>775,289,680</b>	<b>100</b>	<b>624,808,800</b>	<b>100</b>

**1.6 Classification of shareholders by holding.**

SL	Class interval	No of shareholder		Percentage of Total Shareholding	
		30 June, 2016	30 June,2015	30 June, 2016	30 June,2015
1	Less than 100	25935	31,231	0.148	0.201
2	101-500	21016	22,957	0.736	0.908
3	501-1,000	14195	14,459	1.524	1.755
4	1,001-5,000	36856	37,247	12.897	13.01
5	5,001-10,000	7974	7,094	8.346	8.165
6	10,001-20,000	5181	4,294	10.656	9.758
7	20,001-30,000	1855	1,480	6.622	5.882
8	30,001-40,000	925	682	4.653	3.804
9	40,001-50,000	569	460	3.754	3.395
10	50,001-1,00,000	985	782	9.900	9.047
11	1,00,001-70,00,000	625	560	31.638	31.711
12	Over 70,00,000	4	6	9.125	12.362
	<b>Total</b>	<b>116,120</b>	<b>121,252</b>	<b>100</b>	<b>100</b>

Note: Alloted of total number of shares 88,000,000 issued by RJSC on 22.06.2016. The allotment of shares are not included in CDBL system at the closing date, so that those shares are not shown above mentioned Classification of Shareholders by holding statement.





Annexure - (iii)

UNITED AIRWAYS (BD) LIMITED  
Accounts Payable As on June 30, 2016.

Name of Parties	June-30,2016	June-30,2015
Salary & allowance	26,400,069	15,833,009
Internet charges	208,720	108,200
Printing & stationery	54,824	39,200
Printing & press	72,870	34,970
Office rent	2,894,891	1,698,640
Advertisement bill	120,592	20,000
Electricity bill	265,554	155,352
Telephone bill	48,007	42,201
Rent-a-car (Rental exps.)	555,000	733,000
Mobile bill	317,050	141,604
Utility bill	136,176	50,025
Flying allowance	411,300	22,000
Due remuneration	733,333	2,000,000
Audit fee	250,000	
Fees & Others	1,551,100	150,000
Other Liability	153,828,300	82,235,180
Emberkation fee	88,076,287	81,602,787
Air Navigation, Aeronoticals bill & others	462,227,633	452,814,182
Catering cost	965,000	1,300,000
Air-craft maintenance	559,174	352,788
Lease Rent (Two MD-83)	216,580,129	451,861,200
Aircraft Insurance	86,831,806	29,761,404
Interest on Loan	205,412,233	61,940,861
DSE	952,012	952,012
CSE	1,052,012	1,052,012
CDBL	195,461	195,461
BAPLC	30,000	30,000
Crab	100,000	230,000
Additional Expe/Extra Duty	5,000	115,000
Gas & Fuel	320,116	88,620
Generator Bill	70,119	82,250
Inflight Newspaper	29,943	35,064
Lay Over	455,650	427,825
Office Stationary	5,407	41,370
Security Cost	14,000	14,000
Simulator Training Expenses	-	140,000
Airflight Charge	1,632,033	-
Unclaimed Provision	287,522	8,261,581
EGM Expense	56,140	-
Aeronautical Charge-PCAA	43,505,234	-
PIA (C-Check Expense)	18,032,800	-
AIRBIZ	33,579,440	-
Air Navigation Charge IAA	74,520,000	-
<b>Total Accounts Payable</b>	<b>1,423,342,937</b>	<b>1,194,561,798</b>







Solidaridad Network Asia	2,079	2,079
First Security Islami Bank Ltd	78,943	78,943
Padma Group of Converters	32,969	32,969
Ezzy Group	65,821	65,821
Agro-Inputs Project (AIP)	113,188	113,188
Orion Group	45,258	45,258
Energy pack	-	(23,312)
sea pearl	78,992	78,992
ENA Properties	73,158	73,158
<b>Total Dues of DAC</b>	<b>1,750,053</b>	<b>1,708,797</b>
Karnaphuli Fertilizer Company Ltd	31,557	31,557
KDS Logistics Ltd	63,401	63,401
Youngone CEPZ	45,351	45,351
Abul Khair	393,073	393,073
Pacific Jeans Limited	142,892	142,892
Premier Towels (BD) Ltd	142,892	142,892
Well park	159,335	159,335
<b>Total Dues of CGP</b>	<b>978,501</b>	<b>978,501</b>
<b>Grand Total</b>	<b>(B) 2,728,554</b>	<b>2,687,298</b>
<b>Total Accounts Receivable</b>	<b>(A+B) 1,156,966,772</b>	<b>1,265,564,798</b>

**Bad Debt Calculation on Domestic and Out Station Receivables:**

Total Domestic Receivables	589,439,837
Total Outstation Receivables	564,798,380
	<u>1,154,238,217</u>
Less: Bad Debt @ 20%	230,847,643
<b>Accounts Receivable After Bad Debt</b>	<u><b>923,390,574</b></u>



## Annexure - (v)

**UNITED AIRWAYS (BD) LIMITED**  
**Calculation of Deferred Tax Expense/ Income.**  
**As on June 30, 2016**

Particulars	Amount in Taka						
	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	30.06.2016
Carrying Value	5,143,827,712	7,923,438,956	8,698,285,276	9,077,965,288	8,672,154,837	8,320,490,526	
Tax Base	3,238,654,449	4,524,014,054	4,513,296,731	3,892,590,901	2,995,962,906	2,300,276,964	
Temporary/(Deductible) Difference	1,905,173,263	3,399,424,902	4,184,988,545	5,185,374,387	5,676,191,931	6,020,213,562	
Effective Tax Rate	27.50%	27.50%	27.50%	27.50%	25%	25%	
TL/ DTA Required	523,922,647	934,841,848	1,150,871,850	1,425,977,956	1,419,047,983	1,505,053,391	
Less: Opening Balance	250,710,660	523,922,647	934,841,848	1,150,871,850	1,425,977,956	1,419,047,983	
Deferred Tax Expense/ (Income)	273,211,987	410,919,201	216,030,002	275,106,107	(6,929,974)	86,005,408	
Accumulated Deferred Tax	523,922,647	934,841,848	1,150,871,850	1,425,977,956	1,419,047,983	1,505,053,391	

