



17th AGM

Annual Reports 2021-22

UNITED AIRWAYS (BD) LIMITED



Ref: UAB/Admin/01/Gen/Vol-16/agm/017 Date : 11 December 2022

NOTICE OF THE 17th ANNUAL GENERAL MEETING

Notice is hereby given that 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 17th Annual General Meeting (AGM) for the year 2022 of the Company will be held on Tuesday, 03 January 2023 at 12.30 PM 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 2022;
2. To declare dividend for the year ended 30th June, 2022;
3. To elect/re-elect Director (s), if any;
4. To appoint Statuary Auditor for the year 2023 and to fix their remuneration;
5. **Special Agenda:** Asset Restructuring and Capital Restructuring including asset buying, selling and capital reduction.
6. 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 17th 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 2022 will be sent to contact email address of the Shareholders and available in the Website of the Company at: 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



NEW BOARD OF DIRECTORS

Bangladesh Securities and Exchange Commission (BSEC) vide its letter ref SEC/SRMIC/94-231/51-34/69 dated 28 February, 2021 appoints a new Board of Directors

Mr. Kazi Wahidul Alam
Independent Director
(Chairman)



Prof. Dr. M Sadiqul Islam
Independent Director



Prof. Md. Maksudur Rahman Sarker
Independent Director



Mr. ATM Nazrul Islam, Ph.D, psc
Independent Director
Managing Director (Current In charge)



Prof Dr. Md. Badruzzaman Bhuiyan
Independent Director



Mr. Mohammed Younus
Independent Director



Mohammad Shah Newaz
Independent Director



Syed Ershad Ahmed
Independent Director



Acting Company Secretary: Ashraf Mahmud



CHAIRMAN'S MESSAGE

Dear Shareholders,

On behalf of the Board of Independent Directors, I am happy to welcome you to the 17th Annual General Meeting of United Airways (BD) Limited.



You are aware of that unfortunately the company could not conduct its AGMs after 2015. You know over a few non-compliance and misappropriation issues The Securities & Exchange Commission suspended the previous Board of Directors by a letter dated 28 February 2021 and formed a new Board of Directors by appointing 8 (eight) independent Directors. I was entrusted with the responsibility of the Chairman of the Board and We have unanimously nominated ATM Nazrul Islam as the Acting Managing Director. The new Board took over the responsibilities on 4 March, 2021.

We regret to inform you that the new Board did not get any cooperation from the previous Board or Management, hence we had to start almost from 'Zero' without the necessary company documents and funds.

Despite all these challenges we decided to hold pending annual general meetings as the company rules demand. I on behalf of all members of the Board, express sincere thanks to the Acting Managing Director and his team for their relentless efforts to make it happen. Special thanks and gratitude to the Chairman and all members of BSEC, Managing Director DSE, Managing Director CSE, Managing Director CDBL, Artisan Audit firm and SATCOM for their sincere support and cooperation during all these days.

The main challenges that we have been facing are (a) fund Crisis, (b) non-availability of documents, (c) CAAB issues (d) technical conditions of aircraft and stores (e) no entry for UABDL staff to CAAB premises where our aircraft and stores are located (f) huge liabilities (g) bank dues (h) legal issues, and (i) all the airline's assets and offices including aircraft are under the custody of CAAB.

The Air operating Certificate and Aircraft Maintenance Organization certificates also expired long back; virtually there is no existence of the company to CAAB. After lots of persuasion, we could hold a meeting with CAAB in August 2021 where a few decisions were taken in order to revive the airline. The main issues are to have a government decision on CAAB dues and to conduct a technical assessment of the existing aircraft and technical stores. The principal amount of CAAB dues was only Tk. 56 crores but the total dues with surcharges now stand at approximately Tk.400 core. We applied through BSEC to The Ministry of Civil Aviation and Tourism and The Ministry of Finance to waive CAAB dues.

Special permission has been obtained from BSEC to prepare accounts for these years and hold pending AGMs. We also have obtained approval from the Honorable High Court to conduct pending AGMs. Accordingly, we have prepared accounts for five years since the financial year 2017-18 and got the audit done by M/s Artisan Chartered Accountants firm.

The audit company has conducted a technical assessment of the aircraft and technical stores. They have assessed tear-down values of the existing resources which are indicated in 2022 accounts.

The new Board also has conducted a few meetings with Islami Bank Bangladesh Ltd. and State Bank of India to find out any possible solution regarding their dues and legal cases. Board has also managed to find out few potential investors. However, due to the delay in Government decisions on waiving off dues, they lost their interest. Moreover, Ukraine- Russia war has made it more difficult.

As a part of reviving the airlines, we have a comprehensive business plan which may be materialized during the period 2022-2025. The preconditions for executing the plan are the government's decision on waiving the CAAB dues, clearances from CAAB, and fruitful negotiation with banks. Until and unless the assets are handed over to the airline, we cannot execute our plans. The main features of our plan are:

- a. As per the recommendation of the Technical Assessment Board we can create a fund by selling off the existing unserviceable fleet, subject to the approval from BSEC, CAAB and other agencies, and execute our first phase of operations.
- b. In the first phase we target domestic & international cargo operations.
- c. In the second phase subject to the availability of additional funds, domestic and International passenger services may be launched.

Finally, I express my cordial gratitude to all the members of the Board of Directors, our shareholders, regulators, banks, customers, well-wishers, employees, media and other stakeholders of the company for their support and cooperation in our endeavor to revive the airline.

Thanking you all.

Wishing you all the best.

Regards

Kazi Wahidul Alam
Chairman



DIRECTORS' REPORT 2022

Bismillahir Rahmanir 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 2022, 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 by the previous Management and BODs. 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. The new 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 AGM of 2022 on 3rd January 2023 on online virtual platform. The Directors Reports explaining the present situation and Audited Financial Statements along with the Auditors' Report thereon for the year ended on 30th June 2022 have been stated herein.

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. APPOINTING NEW BOARD OF DIRECTORS

Bangladesh Securities and Exchange Commission (BSEC) vide its letter ref 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 AND STEPS TAKEN BY PRESENT BOARD OF DIRECTORS

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 had 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:

1. The Air Operating Certificate had expired on 30 May 2016.
2. The Aircraft Maintenance Organization Certificate had expired on 30 September 2016.
3. 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.
4. The offices inside the HSIA, Dhaka had been locked down by the CAAB authority on 18 May 2019 due to huge CAAB dues.
5. CAAB de-registered UABDL's all aircraft on 20 February 2020. They also filed case against company.
6. There was no fund available at the bank or cash to run the day to day business.
7. 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.
8. No UABDL personnel were allowed to enter CAAB premises to take care of stores, offices and aircrafts inside the HSIA.
9. 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.
10. Huge amount of claimed were seen on Air navigational charges from different countries.
11. Many legal issues remained unattended. Islami Bank Ltd and State Bank of India filed arth rin cases against UABDL and some of the previous Directors. A company named Vector aerospace also filed case at company matters for recovery of their engine.
12. Company was placed at OTC market.

b. Closure of Office : 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. Once the new Board of Directors (BODs) has started preparing pending accounts the owner (previous MD) locked down the house on 20 July 2022 to deny the entry of new management. Most of the sensitive documents including accounting and administrative files remained out of reach for the new management. A GD entry has been logged in the Airport Thana and BSEC is informed through a letter. At present there is no office for the company.



c. Fund: There was no fund available at the time of taking over the charges by the new BODs. Dhaka Stock Exchange has kindly granted Tk. 20 lacs as loan to carry out some tasks. Some personal loans have been taken from new chairman of the company.

d. Meeting with CAAB: New BODs conducted formal meeting with CAAB board on 11 August 2021 and few directives/conditions were given by CAAB to apply for Air operating Certificate (AOC). The AOC of the airline was expired on 30 May 2016. All aircraft also were deregistered by CAAB on 20 February 2020. The main conditions have been to conduct a technical assessment of the aircrafts and technical stores and to get a government decision on pending arrears before applying for AOC.

e. Technical Assessment of the Aircraft and Stores:

A technical assessment of the aircraft and technical stores has been conducted by the new BOD to assess the present situation of the aircrafts and technical stores. The constraints to conduct Technical assessment and outcome of the assessment have been furnished below:

- i. Qualified man power: The qualified man power was not available in the airlines. Foreign experts were charging huge amount to conduct the assessment. Finally, a Technical Assessment Team (TAT) with two foreign experts has been formed to conduct the assessment.
- ii. Entry to UABDL Airport Facilities: All the UABDL airport facilities were under lock and key by the civil aviation (locked on 18 May 2019) and no passes were available for UABDL team. It took about five months (12 Sept 2021) to obtain permission to enter in the technical offices in the airport.
- iii. Assessment done: Technical assessment have been conducted successfully and submitted to BSEC on 13 June 2022.
- iv. Recommendations of TAT: Technical Assessment committee recommends disposing of the existing aircrafts as is conditions as these are beyond economic repair/technical repair (BER/BTR). TAT also found a tear down value for the existing aircraft and spares which is indicated approximately 10.6 m USD

f. Fund: Company did not have any fund available to continue even small office works. However, With the recommendation of Security & Exchange Commission, Dhaka Stock Exchange provided an amount of Tk twenty lac as loan to the company for conducting essential tasks like technical assessment, accounts, etc.

g. Accounts: The accounts of the company had not been done since financial year 2017 -2018. While conducting the accounts the previous Managing Director locked down the office claiming the due rents and served us a legal notice. As we did not have proper accounting documents as a result the accounts was conducted basing on last audited accounts of 2017. The previous management did not cooperate at all to provide any proper documents of accounts.. As a result some doubts have been raised by the conducting accountants and internal and external audit teams on financial transactions and appropriation of fund. Keeping these in place the pending accounts have been prepared including year ended 2022.

h. Board Meeting: New Board of Directors conducted 15 Board meetings till so far.

i. Appointment of Audit Firm: M/s Artisan Chartered Accountants firm have been appointed to audit the company accounts for the year 2022 as per decision of 10th Board meeting held on 25th November 2021 and 14th Board meeting held on 9th August 2022.

j. Appointing Internal Audit Committee: Board of Directors in their 14th Board meeting held on 9th August 2022 formed an internal audit committee comprising following members:

Audit Committee

- | | | |
|------|--------------------------------|----------|
| i. | Prof. Dr M Sadiqul Islam | Chairman |
| ii. | Mr. Md. Maksudur Rahman Sarker | Member |
| iii. | Mr. Mohammad Shah Newaz | Member |

The committee has made a pre audit internally for accounts for the years 2018, 2019, 2020, 2021 and 2022 before placing to Board meeting for approval.



k. Pending Annual General Meetings : AGMs had not been conducted since 2015. After obtaining approval from BSEC to conduct pending AGMs, an application have been filed to Honorable High Court to allow to conduct pending AGMs. Company bench of High Court has given a verdict in favor. Accordingly AGMs dates have been fixed on 3rd January 2023 in 15th board meeting held on 10 December 2022.

l. Accounts: Accounts for the years 2022 have been approved by the Board of Directors in their 15th meeting held on 10th December 2022.

m. CAAB Dues: CAAB claimed huge arrears approximately TK. 356 crore as of August 2021 against aeronautical and non-aeronautical charges though the principal amount is only approximately 57 crore taka. UABDL applied to waive of these dues through BSEC to Ministry of Civil Aviation and Tourism. The company also applied to Ministry of Finance for the same cause. Chairman BSEC has kindly forwarded letters recommending waiving of the arrears to both MOCT and Finance Ministry The appeal for waiving of CAAB arrear dues has been kept pending for about a year by the concerned Ministry (MOCT). The fate of the applications is yet to know. Without resolving CAAB arrears it would be difficult to proceed further.

n. Potential Investors: New BODs had few meetings with group of investors who took interest to invest in UABDL and also had sent financial proposal but due to long delay in decision on CAAB dues they lost interest. Moreover, Russia-Ukraine war made it more difficult to get foreign investors now.

o. Legal Issues: Some legal issues have been raised recently by different parties on issues created by previous management. The money suit cases filed by two banks are also to be followed up. These are required to be addressed. Company does not have any fund to effort to appoint any legal practitioner.

p. Operations of The Company: The operations of the company had been ceased since 2016. Company failed to meet compliances of the regulatory bodies. Company placed at OTC market.

q. Plans to meet the Liabilities: Letters have been written to Ministry of Civil Aviation and Tourism and Finance Division to exempt the dues of CAAB. New Board of Directors had few meetings with concerned banks and will negotiate with them to pay their dues on installments after the operations starts. The dues of foreign Civil Aviation and IATA will be addressed gradually after negotiating with them.

r. Revival Plan: New Board has prepared a new Business plan to revive the airlines. Highlights of Business plan has been given in clause 11.

s. Constraints to execute revival plan

- a. Government decision on CAAB dues
- b. Arrangement of fund
- c. Banks loan and obtaining clearances for disposing hypothecated aircrafts
- d. Dues of foreign civil aviation
- e. Dues of IATA
- f. Dues of local creditors

4. OBJECTIVES OF THE NEWLY CONSTITUTED BOARD

The newly reconstituted Board of Directors has taken decision to revive the airline to fulfill the desire of Securities and Exchange Commission. As per the recommendation of Technical Assessment Team, The Board is in the opinion of selling the existing aircrafts to raise fund for initial revival plan. The Board also has decided to raise a fund of Tk. 200 crore through placement of bonds immediately subject to approval of SEC after the starts of small scale operations. It is expected that investors will be interested to invest and support Board to revive the United Airways. Though there are some challenges and risks but these can be mitigated through unique board leadership and experienced executive management. The board has set company's objectives, projected risks factors and planned way forward to revive the company.



a. Company Mission : The new board of Directors of United Airways (BD) Ltd has set the mission to reorganize the airline into an effective airline in the passenger and cargo sectors both in domestic and International routes.

b. Company Objectives:

- To revive the operations of the airline
- Establish new sector of Cargo services both domestic and International sectors
- Reviving operation in Domestic sector
- By second year commencement of International passenger services.
- To regain confidence of stakeholders including share holders
- To create job opportunity
- To regain at least 30% domestic market share and to build capacity in international market.

5. INDUSTRY ANALYSIS : Board prepared a re-launching plan and analyzed the Industry and Risk management. These are depicted below:

a. The rise of private airlines in Bangladesh is the result of some changes in the government policy in 1992. Some entrepreneurs, in 1991 put forwarded the concept of private Airlines to Bangladesh government. After having series of meeting with Ministry of Civil Aviation, a proposal was sent to the government for Short take off and landing (STOL) aircraft operation and to amend the 1991 industry policy. In 1992 the industry policy was amended releasing domestic air transportation business from reserved list. It took another couple of years to finalize the procedures, criteria, and finally issuance of gazette for this operation. Civil Aviation allowed private operators to fly only within the STOL ports without giving any entry to domestic airport especially where Biman operates. Finally, in 1995 Aero Bengal became the pioneer to fly as first private airlines in Bangladesh and it was followed by Airparabat in the following year. . Within very short time it was felt that operating within the STOL airports was not economically viable and after about two years the government opened all other airport for private operators. However, both Aero Bengal and Air Parabat had to close down not because of the commercial reason but for poor management, fund crisis and wrong aircraft selection. The GMG Airline started its operations in 1998 and it was closed down in 2013.

b. United Airways started its operation on 10th July 2007. United Airways had become the largest private airlines of the country. It had own 11 aircraft in its fleet and operated in all domestic airports and 11 international destinations. United Airways is the only airline managed to enter in the Capital Market of Bangladesh since 2010. After operating over 65000 flights till March 2016, United Airways suspended its operations on 05 March 2016 .

c. Regent Air Started its domestic operation in 2010-11 with 2 used Dash 8 -300, after starting its operation, for first two and half years they only operated to a few domestic sectors & gradually started International flight to Kolkata with 50 seats Dash 8 aircraft. During the last three years Regent has inducted by leasing 2 X B737-700 & 4 X 737-800 for International operations to KUL, CCU, KTM, DOH, BKK, SIN, MCT & DMM. Regent Air recently closed its operations due to various reasons.

d. Novo Air Started operation in 2012 with 3 ERJ 145. Novo after three years of operation understood its mistake in aircraft selection and switched over to ATR 72-500 to operate in domestic sectors. The sustainability of NOVO Air looks firm.

e. US Bangla Airline started its operation in 2013 with 3 Dash 8-400s in domestic sectors. This type of aircraft is not suitable for short sector operations as such they have introduced ATR 72-600 recently. US Bangla has also started to operate to International destinations with 4 x 737-800 aircraft. The growth of US Bangla is remarkable.

f. Bangladesh Biman, a Government backed airlines has been operating since 1972 both in Domestic and International sectors. The airline is playing major role in Bangladesh aviation.



g. Air Astra: A new Bangladesh Airlines are scheduled to start its operation by the end of 2022. They have already procured 1xATR aircraft for domestic operations. Another aircraft is likely to join soon.

h. Present situation: At present only three local airlines have been operating. Of these Biman and US Bangla are operating in both Domestic and International routes while Novo is operating only in Domestic sectors. Summary of the inventories of existing Airlines are as follows.

SL No.	Name	Origin	No. of Aircraft
1	Biman Bangladesh Airline	Bangladesh	5x Dash 8 400+ 4 x B777+ 6x737 + 6 x B787=21
2	Novo Air	Bangladesh	7 x ATR 72-500
3	US Bangla Airline	Bangladesh	3 x Dash 8-400 + 7 x ATR 72-600+ 4 x B 737= 14
	Air Astra	Bangladesh: Likely to start operation by Nov' 22	1X ATR

i. In addition to local airlines almost 35 International airlines have been operating in Bangladesh. The major foreign airlines are increasing their frequencies of flight almost every year considering additional load factors. There have been quite a good number of dedicated cargo airlines as well.

j. The aviation sector was worst affected due to Covid pandemic.. However the aviation is regaining its pre-covid situation, in fact in some routes it has been surpassed the covid situation. Moreover, Dhaka has become one of the highest revenue yield stations. Most of the airlines have increased their flights. Unfortunately, Bangladeshi airlines are still far away from increasing minimum capacity to compete with foreign airlines.

k. Market Share: During 2019, pre covid period, the passenger movement was about 8.5 million and cargo movement was .35 million metric tons. Unfortunately Bangladeshi airlines has approximately 25% market share only and unable to increase their capacity in passenger seat or cargo. The share percentage will further decrease with the additional capacity of foreign carriers after the commissioning of 3rd terminal of HSIA. That's mean huge amount of foreign currency in dollar will be flown away by foreign airlines every year from Bangladesh.

l. Conclusion and Comment: It may be concluded from the above scenario that there is a requirement of airlines with strong footing to enhance Bangladeshi seat and cargo capacity as soon as possible. Accordingly, United Airways (BD) Ltd may be revived to catch up the present need of the country.

6. RISK MANAGEMENT

Any investment always associates with some risk factors and among the factors some can be averted, other are beyond control. The management of United Airways (BD) Ltd. considers some risk factors involving their business which are described as under:

a. Interest rate risks:

Interest/financial charges are paid against any kind of borrowed fund. Volatility in money market and increased demand for loan presses interest rate structure to be fixed at high. Raising of interest rate increases the cost of fund for a company, which was borrowed fund, and consequently profit is squeezed.

b. Exchange Rate Risk

The aircraft is purchased & insurance is maintained in foreign exchange (USD). Exchange rate between BDT & USD have been fluctuating since beginning of 2022 and this may cause financial loss.



c. Operational Risk

If company goes into operations some risk will be there. However, the technology and maintenance risk can be addressed by recruiting and maintaining quality human resources.

d. Financial Risk

Financial risks are associated with risks that arise from outside the project. One such risk is that higher fuel prices. This risk can be mitigated by adjusting prices of the product.

7. FINANCIAL POSITION OF THE COMPANY

a. Non-Current Assets: The total non-current assets of last audited report is Tk. 1,980,186,111. This significant change (reduction) occurred due to the impairment impact has been given in the accounts.

b. Current Assets (advances, deposits and prepayments): Current Assets stands to 2,951,123,024. This change has been occurred due to the impact shown in receivable that comes from PIA and US Bangla.

b. Receivable: The total receivable shown is Tk. 714,504,362. Most of the receivables carried forward from the previous accounts of 2016 and 2017.

This may be mentioned here that the previous Management feedback in respect to accounts receivables in 2016 and 2017 (Clause j of 1.03 “significant accounting policies and relevant information”) appears to be contradictory and doubtful. In 2016 previous management claimed that receivables are good and fully realizable whereas in 2017 it claimed that these are not fully realizable. There were no significant efforts seen by previous management to recover the receivables.

c. Share Holder’s capital: There are no changes in Share-holder’s capital.

d. Liabilities: Total liabilities shown as per year ending June 2022 were Tk. 7,336,888,539. The amount has been increased due to imposition of surcharges and bank interest and other costs.

e. Operational Revenue: There is no operational revenue since 2016.

f. Operational Expenses: There were no operational expenses except impairment cost and some old charges claimed by some previous creditors. These are shown in profit and loss accounts.

g. Operating and Net Profit : Loss stands to Tk. (3,411,277,976)

h. Net asset value stood at (2.90)

i. The pattern of Shareholdings: The authorized capital of the company is Tk. 11,000.00 million. The paid up capital of the company is Tk. 8,280.98 million. The share holding pattern as on 30 June 2022 is shown in Annex (iv)

j. Dividend: Company is not in a position to offer any dividend.

8. CORPORATE GOVERNANCE

Corporate governance is to be set as per the processes, customs, policies, laws, and institution affecting the way a corporation is directed, administered or controlled. Corporate governance also includes the relationships among the many stakeholders involved and the goals for which the corporation is governed. The principal stakeholders are the shareholders, management and the board of directors. Other stakeholders include employees, clients creditors, suppliers, regulators, and the community at large. However, compliance Status had not been prepared as the operations of the company was closed since 2016 and company placed in OTC.



9. AUDIT BY EXTERNAL AUDITORS

The external auditors audited the financial statements of the company and gave report thereon. They discussed some issues with the management on various compliances. And those have been given due consideration and are implemented by the management.

10. CORPORATE AND FINANCIAL REPORTING FRAMEWORK

The Directors, in accordance with SEC Notification No. SEC/CMRRCD/2006-158/admin/02-08-dated February 20, 2006, confirm compliance with the financial reporting framework for the following:

- a) The financial statement prepared by the management of the company presents fairly its state of affairs, the result of its operations; cash follows and changes in equity.
- b) Proper books of accounts of the company have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of the financial statements and any departure there from has been adequately disclosed.
- d) The system of internal control is sound in design and has been effectively implemented and monitored.
- e) There are no significant doubts upon the Company's ability to continue as a going concern.

11. PROPOSED BRIEF BUSINESS PLAN

Phase wise plan has been chalked out including a pre phase plan for the period of 2021-2025:

(A) PRE PHASE PLAN: March 2021 to September 2022 (Already done)

- (1) Conducted meeting with CAAB on 11 August 2021 and actions being taken to the minutes of the meeting.
- (2) Have written letters to Ministry of Civil Aviation & Tourism and Finance Division through BSEC to waive off CAAB dues.
- (3) Technical Assessment has been conducted
- (4) Conducting Annual General Meeting. Verdict from Honorable High Court has been obtained to conduct pending Annual General meeting.
- (5) Accounts for 2017 to 2022 , five years, had been completed.
- (6) Conducted meeting with possible investors for investing in the company. The constraints to obtain investors are:
 - i. Huge liabilities
 - ii. CAAB restrictions on the existing assets
 - iii. Aircraft hypothecated to Banks
 - iv. Unrealistic CAAB surcharge rate (72% per year)
- (7) Conducted meeting with banks regarding their loans.
- (8) Written letters to India and Pakistan for our aircraft stranded there.

(B) FIRST PHASE

The execution of first phase may take place subject to the clearance from Civil Aviation (exempting the liabilities) and successful negotiation with liabilities of other parties. The fund for liabilities has not been considered in this plan. However, initially approximately Tk. 100 crore may be required to meet some portion of the liabilities of Banks, foreign Civil Aviation and IATA to continue the operations. Subject to obtaining fund first phase may be executed.



The following programs will be undertaken in first phase for obtaining AOC.

- a. **MRO on EASA certification Part 145:** MRO will be established under EASA certification to extend line maintenance services to the foreign airlines.
- b. **Revalidation/Renewal of AOC & AMO under CAAB:** The Air Operating Certificate (AOC) and AMO of UABDL had been expired and it is to be revalidated along with its AMO as per CAAB Part145.
- c. **Fund Arrangement in first phase:** At least Tk 50 crore will be required for this phase. Some fund may be raised from selling the BER/BTR assets of the company as recommended by the Technical Assessment Team.
- d. **Fleet:** In first phase the following aircraft may be procured:
 - i. 2X ATR 72-212 for Cargo Services
 - ii. 4X ATR 72-600 for pax services

(C) SECOND PHASE

Second Phase starts after successful launching of first phase. Second phase may be executed subject to obtaining fund.

a. Proposed Fleet Plan:

Type of Acft	1 st year	2 nd year	3 rd year	4 th year	5 th year	Total
ATR 72-600 Pax	4		2	1		7
ATR72-212 Cargo	2					2
Air Bus 320/B 737 Pax		2	1		2	5
Airbus 320 Cargo		2				2
Total	6	4	3	1	2	16

b. Fund Requirement: Approximately BDT 200 crores will be required for executing this phase.

12. 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.

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, 2022**



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF UNITED AIRWAYS (BD) LTD.

Qualified Opinion

We have audited the financial statements of United Airways (BD) Limited. ("the Company"), which comprise the Statement of Financial Position as at 30th June, 2022 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 a summary of significant accounting policies.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying Financial Statements present fairly in all material respects, the Financial Position of the United Airways (BD) Limited as at 30th June, 2022 and of the results of its operations and its Cash Flows for the year then ended in accordance with IFRS.

Preface of the appointment of Auditors:

United Airways (BD) Limited couldn't hold/ arrange the Annual General Meeting (AGM) for the last 6 (six) years since 2016 to 2021. To hold all pending Annual General Meeting of the Company a directive was vested to the present (formulated vide Ref. # SEC/SRMIC/94231/51-34/69 dated 28/02/2021) management from Bangladesh Securities and Exchange Commission (BSEC). Thereafter ARTISAN, Chartered Accountants were appointed to complete the Audit of accounts of United Airways (BD) Limited for all the 4 years (from 2017-2018 to 2020-2021) vide appointment letter dated 16.01.2022 and subsequently for the year 2021-2022.

Basis for Qualified Opinion

1. Going Concern Issue:

The Management prepared the Financial Statements that the company is going concern.

The examples of condition furnished below indicate that a material uncertainty exists that cast significant doubt on the company's ability to continue as a going concern. The Financial Statements do not disclose this matter.

- Company did not prepare cash book, ledger and Trial Balance for the year ended 30th June, 2022.
- Non Compliance with Laws & Regulations of Bangladesh Securities and Exchange Commission.
- Directors hold only 2.50% shares instead of 30% holdings.
- United Airways (BD) Limited become inoperative from 05th March, 2016 due to fund crises.
- The company failed to declare cash dividend for a period of 10 years from 2010.
- The Air Operating Certificate had expired on 30 May 2016.
- The Aircraft Maintenance Organization Certificate had expired on 30 September 2016.
- The Registered office was shifted to a residential house sometime on 2019 owned by the then Managing Director without taking proper measures.
- The offices inside the HSIA, Dhaka had been locked down by the CAAB authority on 18 May 2019 denying the excess of UABDL employees.
- CAAB de-registered UABDL's all aircraft on 20 February 2020.
- We draw attention to profit or loss Statement in the Financial Statements, which indicates that the company incurred a net loss of Tk. 3,411,277,976 during the year ended 30th June 2022 and the accumulated loss as on 30th June 2022 stood at Tk. 11,096,484,204.



2. Advance, Deposits and Prepayments:

We refer to the note number 6.00 of the Financial Statements, it is notable that the amount has been brought forward from last year. There are no changes for adjustment/realization.

It indicates that there is doubt about adjustability of the advances.

3. Stocks and Spares:

The Company's inventories are carried in the statement of financial position at Tk. 1,068,318,760 which is brought forward from last year. Management has stated inventories are reported at the lower of cost and net realizable value but reported them solely at cost, which constitutes a departure from IAS-2 (Inventories).

The life of the spare parts is expired. The life could be extended if recertification is made from expert of foreign country. There is huge amount of cost be involved for recertification. If management comply with IAS-2, a substantial amount would have been required to write the inventories down to their net realizable value. Accordingly, net income would have been reduced.

Huge number of spare parts were found missing at the time of physical verification of technical assessment.

4. Accounts Receivable:

We draw attention on to note 5 of the financial statements, in our judgment the amount is not collectible. No amount has been collected during the year under audit. If Management determines collectible amount a substantial amount would have been required to write the accounts receivable down. Accordingly, net income would have been reduced.

5. Accounts Payable:

Details of Accounts Payable are furnished in Annexure iii, Accounts Payable was increased by Tk. 63,370,686 during the year under audit. If Management determines payable amount a substantial amount would have been required to write back to the account. Accordingly, net income would have been increased.

Emphasis of Matter:

We note that Company Could not provide any explanation regarding Unearned revenue of Tk. 8,465,911.

We refer to note no. 2 of the financial statements. Management has given the impact of impairment of Aircraft as per assessment of technical assessment committee. Tk. 3,944,706,393 was debited to statement of profit or loss.

Other information

Management is responsible to disclose other information. The other information comprises all of the information included in the Annual Report other than the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



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 (IFRSs) 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 International Standards on Auditing (ISAs) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

As part of an audit in accordance with International Standards on Auditing (ISAs), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

If we conclude that a 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.
- Obtain Sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.



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

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

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

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

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules 1987, we also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts as required by law have not been kept by the Company;
- 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 accounts that are prepared from bank statement, creditors invoices & other records; and
- d) The expenditure incurred was for the purposes of the company's business.

A handwritten signature in black ink, appearing to read "Md. Selim Reza", is written over a circular stamp or seal.

Md. Selim Reza, FCA FCS

Enroll: 0939

ARTISAN

Chartered Accountants

Place: Dhaka

Date: 7 December, 2022.

DVC: 2212190939AS375264



UNITED AIRWAYS (BD) LIMITED

House # 7, Road # 12, Sector # 01

Uttara, Dhaka-1230.

Statement of Financial Position

As at June 30, 2022.

Particulars	Notes	Amount in Taka	
		30.06.22	30.06.21
Assets			
Total Non-Current Assets		1,980,186,111	6,262,070,403
Property, Plant and Equipment	2.00	1,978,149,981	6,260,034,273
Investment in Fixed Deposit	3.00	2,036,130	2,036,130
Total Current Assets		2,951,123,024	2,950,104,171
Stocks and Spares	4.00	1,068,318,760	1,068,318,760
Accounts Receivable	5.00	714,504,362	714,504,362
Advance, Deposits & Prepayments	6.00	1,165,261,177	1,165,261,177
Tax Deducted at source		304,930	304,930
Cash and Cash Equivalents	7.00	2,733,795	1,714,942
Total Assets		4,931,309,135	9,212,174,574
Equity and Liabilities:			
Total Equity		(2,405,579,404)	1,005,698,572
Share Capital	8.00	8,280,984,800	8,280,984,800
Share Premium		409,920,000	409,920,000
Retained Earnings	9.00	(11,096,484,204)	(7,685,206,228)
Total Non-current Liabilities		676,197,703	1,609,155,852
Term Loan	10.00	102,809,669	102,809,669
Deferred Tax Liability	11.00	365,343,437	1,298,301,586
Shareholders Loan Account	12.00	208,044,597	208,044,597
Total Current Liabilities		6,660,690,836	6,597,320,150
Accounts Payable & Accruals	13.00	5,114,027,775	5,050,657,089
Unearned Revenue		8,465,911	8,465,911
Provision for Taxation	14.00	218,465,267	218,465,267
Un-collected Subscription	15.00	49,513	49,513
Short Term Loan	16.00	1,319,682,370	1,319,682,370
Total Liabilities		7,336,888,539	8,206,476,002
Total Equity and Liabilities		4,931,309,135	9,212,174,574
Net Asset Value Per Share	21.00	(2.90)	1.21

The annexed notes (1-24) form an integral part of these financial statements.

Chairman
 Managing Director
 Director
 Director
 Company Secretary (Acting)

Signed as per our separate report of same date.

Dhaka
Dated : 7 December, 2022.

ARTISAN
 Chartered Accountants





UNITED AIRWAYS (BD) LIMITED


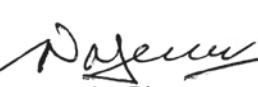
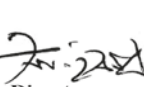
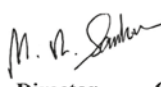
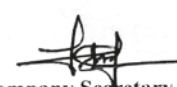
House # 7, Road # 12, Sector # 01
Uttara, Dhaka-1230.

Statement of Profit or Loss and Other Comprehensive Income

For the year ended June 30, 2022.

Particulars	Notes	Amount in Taka	
		30.06.22	30.06.21
Revenue (Sales) (A)		-	-
Flown revenue (Sale)	17.00	-	-
Add: Cargo sale		-	-
Add: EB sale		-	-
Less: Operating Expenses: (B)		4,321,651,567	3,853,664,406
Aircraft fuel		-	-
Aircraft maintainance & others		-	3,962,655
Airnaviagation/overflying/aeronautical & others		50,923,392	3,454,602,359
Lease Rent & others		-	-
Catering expenses		-	-
Aircraft Impairment Expenses		3,944,706,393	-
Depreciation for aircraft & spare parts		326,021,782	395,099,392
Gross Profit: C=(A-B)		(4,321,651,567)	(3,853,664,406)
Less: Administrative Exp. (D)		22,584,559	15,396,610
General and administrative expenses	18.00	22,584,559	15,396,610
Selling expenses		-	-
Operating profit: E=(C-D)		(4,344,236,125)	(3,869,061,016)
Non-operating Income (F)	19.00	-	149,628,338
Non-operating Loss		-	-
Financial Expenses (G)		-	-
Net Profit before tax H = (E+F)-G		(4,344,236,125)	(3,719,432,678)
Less.Provision for tax :		(932,958,149)	(198,509,144)
Current Tax	20.00	-	1,096
Deferred Tax		(932,958,149)	(198,510,240)
Net profit/(loss) after tax		(3,411,277,976)	(3,520,923,534)
Basic Earnings Per Share	22.00	(4.12)	(4.25)

The annexed notes (1-24) form an integral part of these financial statements.

 Chairman
  Managing Director
  Director
  Director
  Company Secretary (Acting)

Signed as per our separate report of same date.

Dhaka
Dated : 7 December, 2022.


ARTISAN
 Chartered Accountants




UNITED AIRWAYS (BD) LIMITED

House # 7, Road # 12, Sector # 01

Uttara, Dhaka-1230.

Statement of Changes in Equity

For the year ended June 30, 2022.

Particulars	Amount in Taka			
	Share Capital	Share Premium	Retained	Total
Balane as on 01.07.2021	8,280,984,800	409,920,000	(7,685,206,228)	1,005,698,572
Net Profit for the Year			(3,411,277,976)	(3,411,277,976)
Balance as on 30.06.2022.	8,280,984,800	409,920,000	(11,096,484,204)	(2,405,579,404)

Statement of Changes in Equity

For the year ended June 30, 2021.

Particulars	Amount in Taka			
	Share Capital	Share Premium	Retained	Total
Balane as on 01.07.2020	8,280,984,800	409,920,000	(4,164,282,694)	4,526,622,106
Net Profit for the Year	-	-	(3,520,923,534)	(3,520,923,534)
Balance as on 30.06.2021.	8,280,984,800	409,920,000	(7,685,206,228)	1,005,698,572

The annexed notes (1-24) form an integral part of these financial statements.


Chairman


Managing Director


Director


Director


Company Secretary (Acting)

Signed as per our separate report of same date.

Dhaka
Dated : 7 December, 2022.


ARTISAN
Chartered Accountants





UNITED AIRWAYS (BD) LIMITED

House # 7, Road # 12, Sector # 01
Uttara, Dhaka-1230.

Statement of Cash Flows For the year ended June 30, 2022.

Particulars	Amount in Taka	
	30.06.22	30.06.21
A. CASH FLOWS FROM OPERATING ACTIVITIES:		
Collection from Ticket Sales, Cargo, Service & Others		454,822
Payment to Suppliers, employees, tax & Others	(1,278,004)	(919,813)
Interest Received		182,648
Net Cash Flow/(Used in) Operating Activities	(1,278,004)	(282,343)
B. CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of Fixed Assets		-
Investment in FDR		(164,383)
Receipts from FDR		-
Net Cash/ (Used in) Investing Activities		(164,383)
C. CASH FLOWS FROM FINANCING ACTIVITIES:		
Un-collected Subscription		-
Shareholder Loan Account		-
Short term loan		-
Term loan		-
Loan from DSE	2,000,000	
Loan from M D	95	
Loan from Chairman	296,762	100,000
Net Cash Provided/(used in) Financing Activities	2,296,857	100,000
D. Net Cash Flow/(Outflow) (A+B+C)	1,018,853	(346,726)
E. Cash & cash equivalents at the beginning of the year	1,714,942	2,061,668
F. Cash & cash equivalents at the end of the period	2,733,795	1,714,942
Operating Cash Flow Per Share		(0.0003)

The annexed notes (1-24) form an integral part of these financial statements.

Chairman
 Managing Director
 Director
 Director
 Company Secretary (Acting)

Signed as per our separate report of same date.

Dhaka
Dated : 7 December, 2022.

ARTISAN
 Chartered Accountants





UNITED AIRWAYS (BD) LIMITED

NOTES TO THE ACCOUNTS For the year ended June 30, 2022

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 (5th floor), Sector 03, 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. The flight operations has been suspended since 05 March 2015.

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 framework 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 statements:

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).



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.

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 at different time with Phoenix Aircraft Leasing Pte ltd., Singapore as finance lease having terms and conditions. The cost of the aircraft 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 15th December, 2012 for 2 (Two) MD-83 as operating lease which is effective from 1' July, 2013 to 06 January, 2017.

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 not carried out the physical inventory of the Stock and Stores in the year under audit.



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 share, 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 IFRS 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 IAS 39 "Financial Instruments: Recognition and Measurement".

j. Accounts Receivables:

These are not fully realizable be believed by the management. Hence sufficient provision for doubtful receivable is being made process .

k. Cash Flow Statement:

Cash flow statement is prepared principally in accordance with IAS-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 turnover made as per income tax ordinance in compliance with BAS- 12 "Income Taxes".

Deferred taxation:

Calculation of deferred tax has been made according to IAS-12 "Income Taxes".



n. Components of the Financial Statements:

According to IAS-1 “Presentation of Financial Statements” the complete set of financial statement includes the following components:

- i) Statement of financial position as at June 30, 2022.
- ii) Statement of comprehensive Income for the year ended June 30, 2022.
- iii) statement of changes in Equity for the year ended June 30, 2022.
- iv) Statement of Cash Flow for the year ended Jun 30, 2022.
- v) Notes to the Accounts for the year ended June 30, 2022.
- 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).

In addition, The company is also required to The company with the following IAS :

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

In accordance with the provision of “IAS-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.



s. Revenue Recognition:

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

t. Cash and Cash Equivalent:

In accordance to IAS-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 IAS-7 and IAS-1, cash in hand and cash at bank balances have been considered as cash and cash equivalents.

u. Employees Benefit Plan:

The company has not introduced any employees benefit plan.

Number of Employees:

The average number of employees stood at 5 during the year.

v. 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.

w. Earnings per share:

The calculated Earning per Share (EPS) in accordance with IAS-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 22.

x. 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 IAS-21 "Foreign Currency Transactions".

y. Reporting Period:

Financial statements of the company cover one financial year from July 01,2021 to June 30, 2022.

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 IAS-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 and Others: The company has made an agreement with TAC Aviation Ltd. dated 15th December, 2012 for 2(Two) MD 83 as operating lease which is effective from 1st July,2013 to 06 January 2017. During the year lease rent outstanding amount is Tk. 266,407,109.



ab. Foreign Currency Transaction:

There is no foreign currency transaction made have 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 IAS-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 IAS-1 “Presentation of Financial Statements” and comparative figures are presented for the statement of financial position as of June 30, 2021 and for the statement of comprehensive income, statement of changes in equity and Statement of cash flows for the year ended June 30, 2022.

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 Statements.

Re-statements:

In finalizing the financial statements for the year ended June 30, 2022 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 .

General:

1. Previous year’s figures have been rearranged wherever considered necessary to conform 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. 1,978,149,981

This is made up as follows :

Particulars	Amount in Taka			
	Balance As on 01.07.2021	Addition during the year	Disposal during the year	Balance As on 30.06.2022
Land	-	-	-	-
Air craft: Note-2.00	8,201,209,631	-	(7,170,709,631)	1,030,500,000
Spare parts for air craft: Note-2.01	3,034,111,418	-	-	3,034,111,418
Office equipment	91,013,022	-	-	91,013,022
Furniture and fixture	44,296,753	-	-	44,296,753
Interior decoration	63,691,685	-	-	63,691,685
Machinery	77,021,705	-	-	77,021,705
Car & vehicle: Note-2.03	86,700,995	-	-	86,700,995
Total Cost Value	11,598,045,209	-	(7,170,709,631)	4,427,335,578
Less: Accumulated depreciation				2,449,185,597
Total written down value				1,978,149,981

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

2.00 Aircraft: Tk. 8,201,209,631

This is made up as follows :

	Amount in Taka	
	30.06.2022	30.06.2021
Balance as on 01.07.2021	8,201,209,631	8,201,209,631
Addition during the year	0	-
Less: Impairment impact at cost	(7,170,709,631)	-
Balance as on 30.06.2022	1,030,500,000	8,201,209,631

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

Particulars	Amount in Taka	
	30.06.2022	30.06.2021
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	455,637,276	455,637,276
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
Aircraft - 10: MD-83 - 4th	324,044,000	324,044,000
Aircraft - 11: MD-83 - 5th	324,044,000	324,044,000
Engines (MD-83, DASH-08, ATR-72, A-310)	421,997,090	421,997,090
Total Cost of Aircraft	8,201,209,631	8,201,209,631
Less: Impairment impact at cost	(7,170,709,631)	-
	1,030,500,000	8,201,209,631



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. Flight Operations has been suspended since 05 March 2016 and AOC expired on 30 May 2016.

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

Details Disclosure of Aircraft- ATR-72-212, Reg: S2-AFN

Purchase Price of Aircraft	695,637,276
Less: Accomulated Depreciation Up to 30	(199,194,544)
Written Down Value as on 30 June, 2017	<u>496,442,732</u>
Less: Damage of Aircraft for accident	(240,000,000)
Book Value of this	<u>146,442,732</u>

The above mentioned Aircraft was involved in an accident on 20 July, 2014 at about 6 PM on runway of Cox's Bazar Airport due to heavy landing by the pilot. The Aircraft sustained severe damage due to shearing of the nose landing gear and other damages. The matter was under investigation and the aircraft was 1.5 years under the custody of Civil Aviation Authority of Bangladesh.

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

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

Particulars

	Amount in Taka	
	30.06.2022	30.06.2021
Balance as on 01.07.2021	3,034,111,418	3,034,111,418
Add. Addition	-	-
Balance as on 30.06.2022	<u>3,034,111,418</u>	<u>3,034,111,418</u>

2.02 Car & Vehicles: Tk. 86,700,995

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

Particulars

Balance as on 01.07.2021	86,700,995	86,700,995
Balance as on 30.06.2022	<u>86,700,995</u>	<u>86,700,995</u>

3.00 Investment in Fixed Deposit: Tk. 2,036,130

This is made up as follows :

Bank & Branch Name

IFIC Bank Ltd. (Uttara Branch, Dhaka. A/C No:1024140083200)	2,036,130	2,036,130
Total:	<u>2,036,130</u>	<u>2,036,130</u>



4.00 Stocks and Spares: Tk 1,068,318,760

Amount in Taka	
30.06.22	30.06.21

Particulars

Catering Materials	13,192,120	13,192,120
Aircraft Tools & Parts (Movable)	1,055,126,640	1,055,126,640
Total:	1,068,318,760	1,068,318,760

5.00 Accounts Receivable: Tk. 714,504,362

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

Particulars

Receivable from Travel Agents	562,330,117	562,330,117
Corporate Customers	152,174,245	152,174,245
Total:	714,504,362	714,504,362

(A) The details of the accounts receivable from the Travel Agents and corporate Customer are shown in **Annexure-(ii)**

(B) There was no amount due by Directors including Managing Director, Managers and other officers of the company and any of them severally or jointly with other person.

(C) Collected amount adjusted to repay liability, expenses and others.

6.00 Advance, Deposits and Pre-payments: Tk. 1,165,261,177

6.01 Advances Tk. 1,165,261,177

Advance office rent	22,996,465	22,996,465
Advance tax	3,581,880	3,581,880
Advance for aircraft engine & Technical Assistance	197,962,808	197,962,808
Advance against salary	2,075,517	2,075,517
Advance for aircraft Spare parts and Technical support	369,769,037	369,769,037
Deposits (4.01.01)	50,625,065	50,625,065
Other advances (4.01.02)	518,250,405	518,250,405
Total:	1,165,261,177	1,165,261,177

6.01.01 Deposits Tk. 50,625,065

Security deposits	43,563,605	43,563,605
Bank Guarantee	1,204,035	1,204,035
Other deposit	5,857,425	5,857,425
Total:	50,625,065	50,625,065

6.01.02 Other Advances Tk. 518,250,405

Particulars

Advance to Staff	4,950,150	4,950,150
Advance to Supplier	67,715,870	67,715,870
Advance for aircraft fuel	87,278,189	87,278,189
Advance for Expenses	89,692,541	89,692,541
Advance to overseas offices	268,613,655	268,613,655
Total:	518,250,405	518,250,405



7.00 Cash and Bank: TK. 2,733,795

Particulars

Cash in Hand (7.01)

Cash at Bank (7.02)

Total:

Amount in Taka	
30.06.22	30.06.21
40,062	36,572
2,693,733	1,678,370
2,733,795	1,714,942

7.01 Cash In Hand: TK. 40,062

Details are given below:

Head Office

All Domestic Office

All Outstation Office

Total:

40,062	36,572
-	-
-	-
40,062	36,572

7.02 Cash at Bank: Tk. 2,693,733

Bank details are given below:

Name of Bank

Account No.

IFIC Bank Ltd. Uttara Branch

1042136316001

1,090,087

36,724

IFIC Bank Ltd. Uttara Branch

1024140083041

4

4

State Bank of India, Gulshan Br.

5420022020001

791,542

791,542

State Bank of India, Gulshan Br.

5420022020002

28,313

28,313

State Bank of India, Gulshan Br.

5420022020003

1,835

1,835

Sonali Bank Limited, Air Port Br.

CD-33002712

5,265

5,265

Branch Current Account

672,995

672,995

Dutch Bangla Bank Ltd. Uttara Br.

71106561

1,639

39,639

Standard Bank Ltd. Principle Branch

CD- 1484

6,800

6,800

Standard Bank Ltd. Principle Branch

STD-1819

11,577

11,577

Standard Bank Ltd. Uttara Branch

1536000261

12,331

12,331

Islami Bank Bangladesh Ltd.-A/c-AWCA

205020701-430609

12,063

12,063

Islami Bank Bangladesh Ltd. Uttara Br.

MSND-900005615

19,324

19,324

Islami Bank Bank Bangladesh Ltd. Uttara Br

FCA-1100006811

343

343

BRAC Bank

STD-377001

39,615

39,615

Total

2,693,733

1,678,370

8.00 Share Capital : Tk 8,280,984,800

Details are shown in Annexure -(iv)

9.00 Retained Earnings: Tk. -11,096,484,204

This is made up as follows:

Particulars

Opening Balance

(7,685,206,228) (4,164,282,694)

Add: Net profit during the period

(3,411,277,976) (3,520,923,534)

(11,096,484,204) (7,685,206,228)

Less: Adjustment for Bonus Share

-

Less : Prior Year Deferred Tax

-

Total

(11,096,484,204) (7,685,206,228)

10.00 Term Loan: Tk. 102,809,669

Particulars

Phoenix Aircraft Leasing Pte Ltd (Note-10.01)

102,809,669

102,809,669

Total

102,809,669

102,809,669

Note: Long term/ term loan from bank has become current liability due to the end of repayment period



		Amount in Taka	
		30.06.22	30.06.21
10.01 Phoenix Aircraft Leasing Pte Ltd.: Tk. 102,809,669			
Particulars			
This is made up as follows :			
Opening Balance	102,809,669	102,809,669	
Addition during the period			
	102,809,669	102,809,669	
Less: Adjustment during the period by share			
Less: Adjustment during the period			
Less: Adjustment against insurance claim (ATR-72, S2-AFN, MSN:379)			
Total outstanding for Aircraft	102,809,669	102,809,669	
The above outstanding amount represents the payable against Purchase of Aircraft.			
Note: ATR-72 Aircraft, Reg: S2-AFN, MSN:379 was involved in an accident at Cox's Bazar Airport on 20th July 2014 due to heavy landing by pilot. The Aircraft sustained severe damage due to shearing of the nose landing gear and other damages. The Aircraft was insured by the insurance company. The insurance company directly paid USD 3,000,000 (Three million) to Phoenix Aircraft Leasing PTE Ltd., which has been adjusted against liabilities to Phoenix Aircraft Leasing Pte Ltd, Singapore in the financial year 2016-2017.			
11.00 Deferred Tax Liability: Tk. 365,343,437			
Particulars			
This is made up as follows :			
Opening Balance	1,298,301,586	1,496,811,826	
Deferred Tax Asset	(932,958,149)	(198,510,240)	
Total	365,343,437	1,298,301,586	
12.00 Shareholders Loan Account : Tk. 208,044,597			
This is made up as follows :			
Particulars			
Opening Balance	208,044,597	208,044,597	
Adjustment (Increase/Decrease)		-	
Total:	208,044,597	208,044,597	
13.00 Accounts Payable & Accruals: Tk. 5,114,027,775			
The details of the accounts payable to various party are shown in Annexure- (iii) .			
Contingent Liabilities			
There is a possibility that Liabilities may arise for using different Airports.			
The management is not certain about amount and timing of that liabilities. It is not probable that this liabilities will be required to settle.			
14.00 Provision for Taxation: Tk. 218,465,267			
This is made up as follows :			
Opening Balance	218,465,267	218,464,171	
Addition during the year	-	1,096	
	218,465,267	218,465,267	
Less: Adjustment (Provision for tax)	-	-	
Less: Paid During the year	-	-	
Closing Balance	218,465,267	218,465,267	
15.00 Un-collected Subscription: Tk. 49,513			
This is made up as follows:			
Particulars			
Standard Bank Limited, STD A/C No. 1819	303,653	303,653	
Islami Bank Bangladesh Ltd. A/C- 2070900005615	23,949	23,949	
	327,602	327,602	
Less: Interest Earned	(278,089)	(278,089)	
Total	49,513	49,513	



Amount in Taka	
30.06.22	30.06.21

16.00 Short Term Loan: Tk. 1,319,682,370

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	103,040,766	103,040,766
Islami Bank Bangladesh Ltd. Murabaha TR	548,136,749	548,136,749
Islami Bank Bangladesh Ltd. Musharaka A/C No. 001408, 001509	35,152,908	35,152,908
Islami Bank Bangladesh Ltd. QTDR A/c No- 4401,5705 & 8203	-	-
State Bank Of India A/c.No.05420022060202	42,727,000	42,727,000
State Bank Of India A/c.No.05420022060203	62,117,999	62,117,999
Islami Bank Bangladesh Ltd. A/C No. 5980	472,774,413	472,774,413
Islami Bank Bangladesh Ltd. A/C No. 5990	55,732,535	55,732,535
Total	1,319,682,370	1,319,682,370

17.00 Net Revenue: Tk. 0

Particulars

Total revenue	-	-
Less: Tax, fees and others	-	-
Total:	-	-

18.00 Genenal and Administrative Expenses: TK. 22,584,559

Particulars

Salary & allowance	1,086,500	481,600
Office rent	-	960,000
Electric expenses	31,805	105,000
Repair & maintenance	10,000	38,028
Vehicles maintenance	36,000	-
Internet charges	19,000	-
Mobile expenses	-	6,000
Printing and stationery	4,480	-
Bonus allowance	-	-
Bank charge & Commission	910	5,603
Conveyance	410	12,100
Entertainment	1,612	7,500
Aircraft Engine oil for Maintenance	-	77,217
Water supply	-	12,200
License, Registration & Renewal	39,827	-
Audit Fees	250,000	250,000
Legal Expenses	30,000	-
Legal Expenses	4,026,526	-
Annual Fees (DSE)	4,309,636	-
Airport Security Pass	10,860	-
CDBL Anual Listing	-	-
Honorarium for Board Meeting	264,000	376,000
MD's Honorarium	600,000	100,000
Service Charge	95,548	-
Office expenses	61,142	-
Casual Labour	5,310	-
Advertisement	48,875	-
Depreciation as per Fixed Asset schedule (Annexure- i)	11,156,118	12,965,362
Technical Assessment Expenses	490,000	-
Web Hosting Charge	6,000	-
Total	22,584,559	15,396,610



Amount in Taka	
30.06.22	30.06.21

19.00 Non - Operating Income: TK. 0

This is made up as follows

Particulars

Interest Received from FDR	-	182,648
Interest Received from others A/C.	-	-
Engine & Tractor Rental income	-	149,445,690
Total	-	149,628,338

20.00 Provision for Current Tax: Tk. 0

Particulars

The Computation of current tax is given below:

Net Loss Before Tax		
Non-Operating Income		
Turnover Tax @ 0.60%	-	1,096
Current tax	-	1,096

21.00 Net Asset Value(NAV) per share (2.90)

Particulars

The Computation of NAV is given below:

a) Net Asset	(2,405,579,404)	1,005,698,572
b) Number of Shares	828,098,480	828,098,480
Net Asset Value(NAV)	(2.90)	1.21

22.00 Earning Per Share: Tk. (4.12)

Particulars

The Computation of EPS is given below:

a) Net Profit(Loss) during the period	(3,411,277,976)	(3,520,923,534)
b) Number of Shares	828,098,480	828,098,480
Earnings per share(PAR value Tk.10)	(4.12)	(4.25)

23.00 Net Operating Cash Flow Per Share TK. (0.0015)

Particulars

The Computation of NOCFPS is given below:

a) Net cash generated by operating activities	(1,278,004)	(282,343)
b) Number of Shares	828,098,480	828,098,480
Net Operating Cash Flow Per Share	(0.0015)	(0.0003)

24.00 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.

UNITED AIRWAYS (BD) LIMITED

House # 7, Road # 12, Sector # 01
Uttara, Dhaka-1230.

Property, Plant & Equipment

As on June 30, 2022.

Annexure - (i)

Sl. No.	Particular	Cost Value			Rate of Dep.	Depreciation			WDV 30.06.2022
		As on 01.07.2021	Addition	Disposal/ Impairment		Total Cost	As on 01.07.2021	Depreciation	
1	Land	-	-	-	0%	-	-	-	-
2	Air Craft	8,201,209,631	-	(7,170,709,631)	20%	1,030,500,000	206,100,000	-	206,100,000
3	Spare Parts for Air Craft	3,034,111,418	-	-	10%	3,034,111,418	119,921,782	(3,226,003,238)	1,954,815,385
4	Office Equipment	91,013,022	-	-	15%	91,013,022	2,827,937	-	74,988,044
5	Furniture and Fixture	44,296,753	-	-	10%	44,296,753	1,750,057	-	28,546,238
6	Interior Decoration	63,691,685	-	-	10%	63,691,685	2,365,287	-	42,404,102
7	Machinery	77,021,705	-	-	15%	77,021,705	2,723,716	-	61,587,313
8	Car & Vehicle	86,700,995	-	-	20%	86,700,995	1,489,120	-	80,744,515
	As on 30.06.2022	11,598,045,209	-	(7,170,709,631)		4,427,335,578	337,177,899	(3,226,003,238)	2,449,185,597
	As on 30.06.2021	11,598,045,209	-	-		11,598,045,209	408,064,754	-	5,338,010,936

Allocation of Depreciation: Direct Operating Expenses 326,021,782
General & Administrative Expenses 11,156,118
Total: 337,177,899





UNITED AIRWAYS (BD) LIMITED
Receivable Status as on June 30, 2022.

Annexure - (ii)

Domestic	Currency	Amount	Rate	30.06.2022			30.06.21
				Before Bad Debt	After Debt	Bad	
Dhaka	BDT	107,513,052	1.00	107,513,052	103,363,052		103,513,052
Chittagong	BDT	94,750,110	1.00	94,750,110	91,150,110		91,250,110
Sylhet	BDT	8,888,023	1.00	8,888,023	7,338,023		7,388,023
Jessore/Khulna	BDT	17,233,358	1.00	17,233,358	13,758,384		13,813,206
Rajshahi/Syedpur	BDT	14,314,207	1.00	14,314,207	11,764,207		11,814,207
Coxesbazar	BDT	14,769,061	1.00	14,769,061	12,719,062		12,769,062
Cargo	BDT	80,766,163	1.00	80,766,163	80,766,163		80,766,163
Total		338,233,975		338,233,975	320,859,001		321,313,823
Out Station							
Kualalumpur	MYR	58,267,304	20.50	58,267,304	58,267,304		58,267,304
Dubai	AED	40,433,577	21.13	40,433,577	40,433,577		40,433,577
Kolkata	INR	7,818,436	1.27	7,818,436	7,818,436		7,818,436
Saudi	SR	36,320,775	22.50	36,320,775	36,320,775		36,320,775
Oman	OMR	51,167,603	198.98	51,167,603	51,167,603		51,167,603
BSP	SAR	24,851,364	20.68	24,851,364	24,851,364		24,851,364
BKK	THB	3,774,329	2.36	3,774,329	3,774,329		3,774,329
United Kingdom	GBP	10,594,262	120.43	10,594,262	10,594,262		10,594,262
Singapore	SND	7,505,681	58.61	7,505,681	7,505,681		7,505,681
Qatar	QAR	737,785	21.31	737,785	737,785		737,785
Sub Total		241,471,116		241,471,116	241,471,116		241,471,116
		(A)		579,705,091	562,330,117		562,784,939

Receivable from Corporate Customer

Name of Corporate Customer	Amount in Taka	
	30.06.22	30.06.21
SGS Bangladesh Limited	38,204	38,204
ITS LABTEST BANGLADESH Ltd	196	196
Karnaphuli Fertilizer Company Limited	2,439	2,439
Heidelberg Cement	47,944	47,944
Kaltimex Energy	54,088	54,088
Bank Aisa	79,552	79,552
Agility Limited	112,788	112,788
Promoda	54,991	54,991
IDLC Finance	846	846
Save the Children	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
GEMCON GROUP	96,362	96,362
Banglalink Digital Communications Ltd	14,848	14,848
Hotel Royal Palace Pvt Ltd	55,810	55,810
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
Sea Pearl	78,992	78,992
ENA Properties	73,158	73,158
Total Dues of DAC	1,750,053	151,195,743



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	142,892	142,892
Premier Towels (BD) Ltd	142,892	142,892
Pakistan International Airlines	148,194,876	148,194,876
US Bangla Airlines Ltd.	1,250,814	1,250,814
Well park	159,335	159,335
Total Dues of CGP	150,424,192	150,424,192
Grand Total (B)	152,174,245	152,174,245
Total Accounts Receivable (A+B)	714,504,362	714,504,362

UNITED AIRWAYS (BD) LIMITED
Accounts Payable As on June 30, 2022.

Annexure - (iii)

Name of Parties	June 30,2022	June 30,2021
Salary & allowance with MD's remuneration	11,256,324	11,256,324
Outstanding Salary	1,095,100	443,700
Internet charges	208,720	208,720
Printing & stationery	250,552	250,552
Printing & press	286,350	286,350
Office rent	37,465,315	37,465,315
Advertisement expenses	570,592	570,592
Electricity expenses	763,520	763,520
Telephone expenses	195,005	195,005
Rent-a-car (Rental exps.)	325,000	325,000
Mobile expenses	84,512	84,512
Utility expenses	143,520	143,520
Flying allowance	411,300	411,300
Due remuneration	733,333	733,333
Audit fee	1,250,000	1,000,000
Fees & Others	698,354	698,354
Other Liability	134,203,735	134,203,735
Emberkation fee	77,576,287	77,576,287
Air Navigation, Aeronoticals bill & others	3,553,689,752	3,553,689,752
Catering cost	922,000	922,000
Air-craft maintenance	759,174	759,174
Lease Rent (Two MD-83) & Others	266,407,109	266,407,109
Aircraft Insurance	86,831,806	86,831,806
Interest on Loan	288,832,152	288,832,152
DSE	6,419,212	2,109,576
CSE	4,746,342	4,746,342
CDBL	106,001	106,001
BAPLC	90,000	90,000
Crab	100,000	100,000
Additional Expe/Extra Duty	5,000	5,000
Gas & Fuel	125,116	125,116
Generator expenses	85,319	85,319
Inflight Newspaper	29,943	29,943
Lay Over	455,650	455,650
Office Stationary	8,457	8,457
Security Cost	17,000	17,000
Airflight Charges	2,650,577	2,650,577
Unclaimed Provision	287,522	287,522
EGM Expense	56,140	56,140
Aeronautical Charge-PCAA	117,097,950	117,097,950
PIA (C-Check Expense)	11,328,800	11,328,800
Singapore Component Solutions Pte. Ltd.	3,962,655	3,962,655
AIRBIZ	398,238,758	347,315,366
Air Navigation Chagr IAA	74,520,000	74,520,000
AAI Raipur	20,925,563	20,925,563
Honorarium for attending Board Meeting	640,000	376,000
MD's Honorarium	700,000	100,000
Loan From M D	95	
Cash From DSE	2,000,000	
Legal Fees	4,026,526	
Loan from Chairman	445,637	100,000
Total Accounts Payable	5,114,027,775	5,050,657,089



Annexure - (iV)

Share capital

Authorized capital.

1,100,000,000 ordinary shares of Taka 10 each 11,000,000,000 11,000,000,000

Issued,subscribed and fully paid up capital.

568,008,000 Ordinary shares of Taka 10 each 6,248,088,000 6,248,088,000

56,800,800 Ordinary shares of Taka 10 each issued as bonus share in 2014 624,808,800 624,808,800

Allotment of Share in 2016 880,000,000 880,000,000

Allotment of Share in 2017 528,088,000 1,100,000,000

8,280,984,800 7,752,896,800

Percentage of shareholdings at the closing date.

SL	Category	30.06.2022		30.06.2021	
		No. of shares	%	No. of shares	%
1	Directors	20,702,462	2.500	20,702,462	4.160
2	General public	672,995,635	81.270	672,995,635	56.700
3	Institutions	91,670,502	11.070	91,670,502	26.960
4	Foreign Investment	42,729,882	5.160	42,729,882	12.180
Total:		828,098,480	100	828,098,480	100

2 Classification of shareholders by holding.

SL	Class interval	No of shareholder		Percentage of Total Shareholding	
		30.06.2022	30.06.2021	30.06.2022	30.06.2021
1	Less than 100	18941	18941	0.0897	0.0897
2	101-500	15904	15904	0.4767	0.4767
3	501-1,000	12054	12054	1.1355	1.1355
4	1,001-5,000	30757	30757	8.5032	8.5032
5	5,001-10,000	6979	6979	6.2041	6.2041
6	10,001-20,000	4666	4666	8.6270	8.6270
7	20,001-30,000	1755	1755	5.2578	5.2578
8	30,001-40,000	934	934	3.9429	3.9429
9	40,001-50,000	578	578	3.2099	3.2099
10	50,001-1,00,000	1047	1047	8.9945	8.9945
11	1,00,001-70,00,000	743	743	28.9655	28.9655
12	Over 70,00,000	6	6	24.5933	24.5933
Total		94,364	94,364	100	100

Note: Alloted From RJSC number of 52,808,800 shares issued on 29.01.2017 by through consent obtained from vide letter no.BSEC/CI/CPLC-115/06/724 dated:21 December,2016. The alloted 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.

UNITED AIRWAYS (BD) LIMITED

House # 7, Road # 12, Sector # 01
Uttara, Dhaka-1230.

Calculation of Deferred Tax Expense/ (Income).

As on June 30, 2022.

Particulars	Annexure - (v)									
	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022		
Carrying Value	8,672,154,837	8,320,490,526	8,087,849,153	7,579,113,803	7,106,876,683	6,668,099,027	6,260,034,273	1,978,149,981		
Tax Base	2,995,962,906	2,300,276,964	1,876,631,310	1,333,697,314	951,001,335	680,851,722	489,805,004	354,401,373		
Temporary Taxable Difference	5,676,191,931	6,020,213,562	6,211,217,843	6,245,416,489	6,155,875,349	5,987,247,305	5,770,229,269	1,623,748,608		
Tax Rate	25%	25%	25%	25%	25%	25%	25%	22.50%		
DTL Required	1,419,047,983	1,505,053,391	1,552,804,461	1,561,354,122	1,538,968,837	1,496,811,826	1,298,301,586	365,343,437		
Less: Opening Balance	1,425,977,956	1,419,047,983	1,505,053,391	1,552,804,461	1,561,354,122	1,538,968,837	1,496,811,826	1,298,301,586		
Deferred Tax Expense/ (Income)	(6,929,974)	86,005,408	47,751,070	8,549,661	(22,385,285)	(42,157,011)	(198,510,240)	(932,958,149)		
Accumulated Deferred Tax	1,419,047,983	1,505,053,391	1,552,804,461	1,561,354,122	1,538,968,837	1,496,811,826	1,298,301,586	365,343,437		



UNITED AIRWAYS (BD) LIMITED

House # 7, Road # 12, Sector # 01
Uttara, Dhaka-1230.

Deferred tax calculation

Tax Base

As on June 30, 2022.

Sl. No.	Particular	Cost Value		Rate of Dep	Depreciation		WDV
		As on 01.07.21	Addition / Disposal		Total Cost	As on 01.07.21	
1	Land	-	-	0%	-	-	-
2	Air Craft	269,412,602	-	30%	80,823,781	80,823,781	188,588,821
3	Spare Parts for Air Craft	150,391,000	-	30%	45,117,300	45,117,300	105,273,700
4	Office Equipment	16,415,973	-	15%	2,462,396	2,462,396	13,953,577
5	Furniture and Fixture	16,646,603	-	10%	1,664,660	1,664,660	14,981,943
6	Interior Decoration	20,522,707	-	10%	2,052,271	2,052,271	18,470,436
7	Machinery	9,725,793	-	20%	1,945,159	1,945,159	7,780,634
8	Car & Vehicle	6,690,326	-	20%	1,338,065	1,338,065	5,352,261
		489,805,004	-	-	135,403,631	135,403,631	354,401,373

Deferred tax calculation

Tax Base

As on June 30, 2021.

Sl. No.	Particular	Cost Value		Rate of Dep	Depreciation		WDV
		As on 01.07.20	Addition / Disposal		Total Cost	As on 01.07.20	
1	Land	-	-	0%	-	-	-
2	Air Craft	384,875,146	-	30%	115,462,544	115,462,544	269,412,602
3	Spare Parts for Air Craft	214,844,286	-	30%	64,453,286	64,453,286	150,391,000
4	Office Equipment	19,312,909	-	15%	2,896,936	2,896,936	16,415,973
5	Furniture and Fixture	18,496,225	-	10%	1,849,622	1,849,622	16,646,603
6	Interior Decoration	22,803,008	-	10%	2,280,301	2,280,301	20,522,707
7	Machinery	12,157,241	-	20%	2,431,448	2,431,448	9,725,793
8	Car & Vehicle	8,362,907	-	20%	1,672,581	1,672,581	6,690,326
		680,851,722	-	-	191,046,718	191,046,718	489,805,004





Some of the Activities in pictures by the new Board of Directors



Meeting with Hon'ble State Minister of Civil Aviation & Tourism Ministry



Handing over the Technical Assessment Report to Hon'ble Chairman, BSEC



Meeting with Foreign Investor



BOD's Inspecting Aircrafts at HSIA



Technical Assessment Team handing over the Technical Report to BODs



Maintenance work going on at HSIA, Dhaka



Dolonchapa,
 Flat#2A, House#7, Road- 17, Sector#1, Uttara,Dhaka-1230
 E-mail: info@uabdl.com, web: www.uabdl.com

Revenue Stamp
 Tk. 20.00

PROXY FORM

I/We.....

Of.....being a shareholder of United Airways (BD) Limited, do hereby appoint Mr./Mrs.....

.....Of.....

as my/our proxy, to attend and vote for me/us on my/our behalf at the 11th to 17th Annual General Meeting of the Company to be held virtually by using Digital Platform through the link <https://unitedair.bdvirtualagm.com> , 03 **January 2023 at 11:00 AM and** any adjournment thereof.

In witness my hand thisday of2022

(Signature of the Member)

No. of Share Held

Note:

Signature of the Shareholder should agree with the Specimen Signature registered with the Company.

Member's BO/ Folio No.

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

(Signature of the Proxy)

Note:

Proxy can be given only to the person who is a member (Shareholder) of the Company. The Proxy Form should reach the Company not later than 72 hours before the time fixed for the meeting.