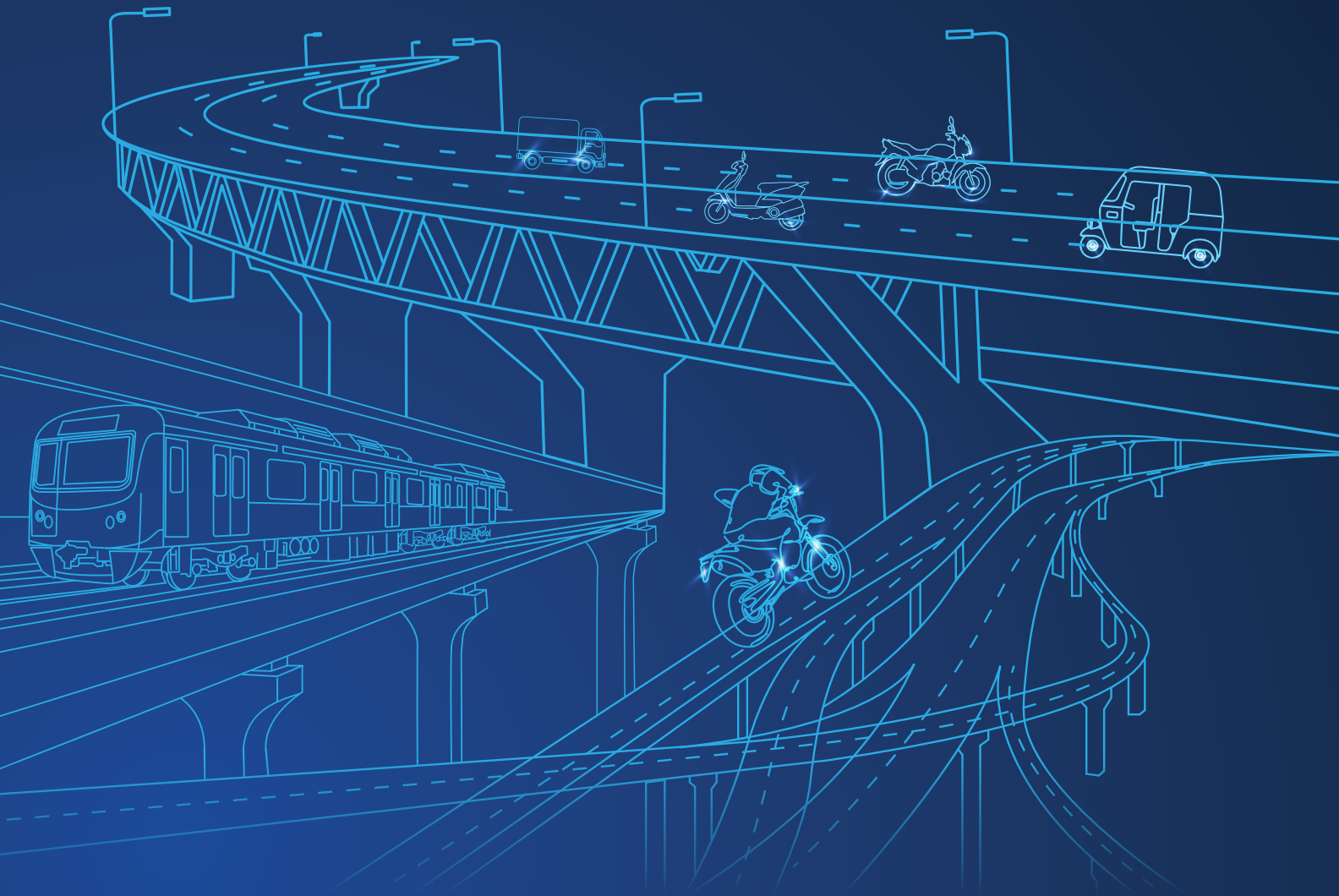


RUNNER[®]

Annual Report **2023-2024**
RUNNER AUTOMOBILES PLC



STRENGTHENING FOUNDATIONS
BUILDING RESILIENCE

ABOUT **THIS REPORT**

WELCOME TO OUR INTEGRATED REPORT FOR THE YEAR ENDED 30TH JUNE 2024

About Runner Automobiles

Runner Automobiles PLC (“Runner” or “the company”) is one of the leading automotive companies of Bangladesh. Our primary goal is to provide industry-leading mobility solutions in 2-wheelers and 3-wheelers which will underpin sustained value creation for all our stakeholders.

We are committed to reporting transparently to our broad range of stakeholders. Our reporting suite is available on our website <https://runnerautomobiles.com>

Reporting Principles

This report has been developed in accordance with the framework of the IIRC. It is a Global Reporting Initiative referenced report and also aligns with the requirements of the Bangladesh Securities and Exchange Commission (BSEC). The financial and statutory data disclosed in the statutory sections of this report meet the requirements of the Companies Act, 1994, including the rules made thereunder, and other applicable regulations.

Reporting Period, Scope and Boundary

The disclosures in this report are for the financial year from 1 July 2023 to 30 June 2024. It provides an overview of Runner’s operations in Bangladesh. Discussion on the company’s subsidiaries, namely Runner Motors Limited and Freedom Motors Limited are also included in the scope of this report.

Approach to Materiality

The contents of this report are based on issues that are material to Runner and its stakeholders. Material ESG (Environmental, Social and Governance) issues have been arrived at through ongoing engagement with stakeholders, followed by prioritisation of topics of importance. We have

incorporated these matters in our long-term planning and strategy development to ensure sustainable growth and value creation.

Management Responsibility

The contents of this report have been reviewed by Runner’s management. They ensure the integrity of the information and, to the best of their knowledge, they believe that the report provides a complete and true picture of our value creation endeavours and captures all relevant material issues transparently.

Feedback

We are committed to listening to the viewpoint of all our stakeholders, including feedback on our reporting. We look forward to hearing from you and invite you to write to us with your feedback and suggestions at ral.cstd@gmail.com

Forward-Looking Statements

The report makes use of certain statements related to the company’s business operations, industry, objectives, strategy, management plans and expectations. These forward-looking statements can be denoted by words such as ‘anticipates’, ‘believes’, ‘estimates’, ‘expects’, ‘intends’, ‘may’, ‘outlook’, ‘plans’, ‘will’ and other similar words that imply future operating or financial performance of the company. Since forward-looking statements are reliant on assumptions, the company’s actual results could be affected by various factors, risks and uncertainties and could vary materially from the projections indicated by the forward-looking statements. The company is not under any obligation to update or revise any forward-looking statements in case of future events.



**We are listed on the DSE
and CSE**



**The year 2023-24 was the
first full year of operations
of our state-of-the-art
greenfield 3-wheeler plant
in Mymensingh, Bhaluka**



**Taking decisions
considering ESG principles
is important to us and it is
what sets us apart**



REFLECTIONS FROM **OUR CHAIRMAN**

A Precious Institution with a Prized Legacy



Esteemed Shareholders

It is my great pleasure to present to you the performance review of Runner Automobiles PLC for the financial year 2023-24.

This past year has been one of resilience, growth and strategic transformation. Despite an extraordinarily challenging business environment, the company delivered a commendable performance, marking a swing-back from a net loss of BDT 696 million in 2022-23 to a net profit of BDT 22 million in 2023-24.

This attests to our tireless hard work, determination and persistence to achieve performance. Today, the experience and long-term vision gained over the years keeps us firmly on track as we continue to pursue a far-sighted and innovative approach to growth and value creation.

As we reflect on our achievements, our success of over 24 years is driven by our commitment to taking society together and creating shared value, which remains at the heart of our strategy. The company was born to address the societal need of mobility for the masses, which was driven by national priority. Since then, it has been ingrained in our culture to align our strategies with national priorities and societal needs.



Net Profit of
BDT 22 Million
in 2023-24



Issued
267.50 Cr
Sustainability

Over time, the company has introduced relevant products which has helped motorise Bangladesh and established a robust manufacturing ecosystem and value chain, thereby creating substantial social value. Directly and indirectly, our operations have generated thousands of jobs as automotive manufacturing has a long value chain with significant interlinkages with almost all the sectors of the economy.

We have always resorted to maximising local production and localisation, believing in the Bangladeshi capability for innovation, creativity and improvisation. Increased localisation benefits society through both social and economic impacts, such as more jobs, capability development of human resources, opportunities for local entrepreneurs to become competitive, more and more people to enjoy personal mobility due to affordability, and also many individuals accessing small livelihood opportunities. Many of our business practices align with the UN Sustainable Development Goals (SDGs) and in the true spirit of industry, we strive to give our best to the society and address national priorities.

Throughout our journey, we have taken along our employees and business partners across the value chain, providing them with the support and opportunities necessary to grow and prosper. By nurturing strong relationships with them, we have built a robust ecosystem that drives mutual success. We are proud of our role in creating employment opportunities too, enhancing the quality of life for many and contributing to nation-building.

Let me now delve into a major highlight of the year 2023-24, which is the first full year of operations of our new state-of-the-art autorickshaw manufacturing plant. Established in technical collaboration with Bajaj, the plant exemplifies the complementary strengths of the unique global capabilities of Bajaj and the deep local manufacturing competencies of Runner.

As a company founded on local industry principles, we took on the responsibility of domestic manufacturing of a product that is vital in the overall automotive space of Bangladesh. Autorickshaws are important not only in last-mile transportation but are also an effective solution to

congestion as, being compact, they can pass through small spaces and narrow lanes. For customers they are a cost-effective source of transportation. Many in the country depend on autorickshaws for their livelihood too. We are confident that our new three-wheeler product will revitalise the segment as we are the only domestic manufacturer with a portfolio that boasts of multi-fuel and multi-feature options. This enables us to cater to a broader range of customer requirement.

In pursuit of continuously enhancing customer convenience and adding more engagement touchpoints, we continued to expand our autorickshaw sales network, establishing 15 new dealerships to take the total network to 45 at the close of the financial year. As the conditions around bank LCs and product imports improve, we are convinced that our sales figure would substantially improve in the current year.

I must give credit to the management, the finance team and all associated stakeholders for attaining success in the mobilisation of BDT 267.50 crore via a sustainability bond. This form of fund mobilisation has created history as it is the first of its kind in Bangladesh and embodies finance-led social and economic impacts in the transportation sector. We have utilised around 90 per cent of the total fund proceeds to support sales-driven initiatives that strengthen our market presence, while the balance will be deployed for setting up a 4MW rooftop solar plant, contributing to our sustainability goals.

The story of pivoting our other business segments, namely electric 2-wheelers and ICE 2-wheelers continued to progress to satisfaction as we focused on restructuring with factors such as rejuvenating the portfolio to make it more customer-centric, tying up with reputed global brands to expand and modernise our portfolio, enhancing operational efficiency, and taking out costs through strategic downsizing and reform. We believe in the long-term prospects of these businesses and will ensure judicious capital allocation towards revival and scale-up.

I would like to close by extending my heartfelt thanks to all our stakeholders for their support, cooperation and belief in the company. We will do everything possible to return the company to its full potential.

Best wishes,
HAFIZUR RAHMAN KHAN
Chairman

TABLE OF CONTENTS

Our Annual Report provides an opportunity to share our strategic priorities and progress as we continue to work on building a future-ready business by **Strengthening Foundations and Building Resilience**.

01 INTRODUCTION	About this Report	01
	Reflections from Our Chairman	02
	Our Journey	06
	Business Framework	08
	Corporate Directory	10
	Our New Annual Report 2023-24	11
	A Year of Purpose	12
	Glimpse of 23 rd Annual General Meeting	14
	Letter of Transmittal	15
	Notice of the 24 th Annual General Meeting	16
	Strengthening Foundations, Building Resilience	20
	Company Portrait	21
	Financial Highlights	22
02 PURPOSE	Our Philosophy	24
	Accelerating Production in 3W through Sustainable Financing	25
	Our Value Adding Business Model	26
	Leadership in Action: Our Board of Directors	29
	Board Profile	30
	Management Team	37
	Message from Our Vice Chairman	44
	Business Review by Our Managing Director & CEO	46
	Statement from Our Chief Financial Officer	48
	Our Portfolio	51
03 STRATEGY	Report on Runner Auto Sustainability Bond	60
	Capitals Dashboard	61
	Financial Capital	62
	Human Capital	63
	Manufactured Capital	64
	Intellectual Capital	65
	Social and Relationship Capital	66
	Natural Capital	67
04 PEOPLE	People-Powered Excellence	70
	Unlocking Potential Elevating Excellence	71
	Celebration in Runner	74
	Employee Engagement & Training	75

OVERVIEW OF GOVERNANCE

05

Certificate of Due Diligence by CEO & CFO	78
Directors' Report to Shareholders	79
Management's Discussion and Analysis	94
Pattern of Shareholding	97
Shareholders Information	98
Statement of Corporate Governance	100

COMPLIANCE AND OVERSIGHT

06

Organization Structure	124
Audit Committee	125
Report of the Audit Committee (AC)	126
Nomination and Remuneration Committee (NRC)	131
Report of the Nomination and Remuneration Committee	132
Redress of Investor Complaints	136
Statement on Risk Management and Internal Control	137
Principles on Disclosure of PSI and MI	143
Dividend Distribution Policy	148
Certificate of Compliance	151
Checklist of Compliance of Corporate Governance	152
Key Financial Highlights (Consolidated)	164
Key Financial Highlights (Standalone)	167
Value Added Statement	168
Market Value Added Statement	169
Economic Value Added (EVA) Statement	170

MEDIA HIGHLIGHTS & HONORS

07

ISO Certification	172
Media Highlights	173
Awards and Accolades	174

FINANCIAL STATEMENTS

08

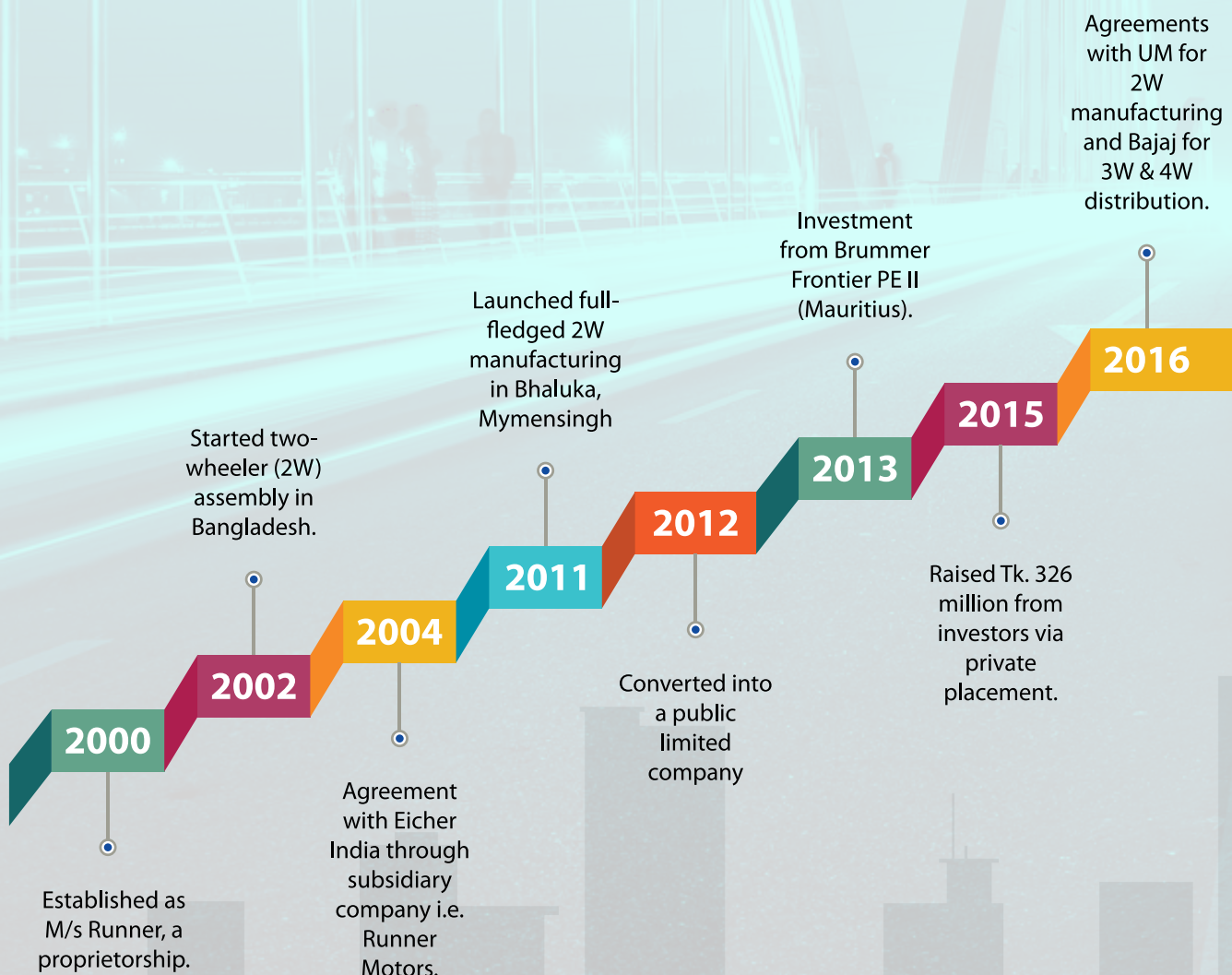
Consolidated Financial Statements of Runner Automobiles PLC	176
Standalone Financial Statements of Runner Automobiles PLC	224
Financial Statements of Runner Motors Ltd.	271
Financial Statements of Freedom Motors Ltd.	278

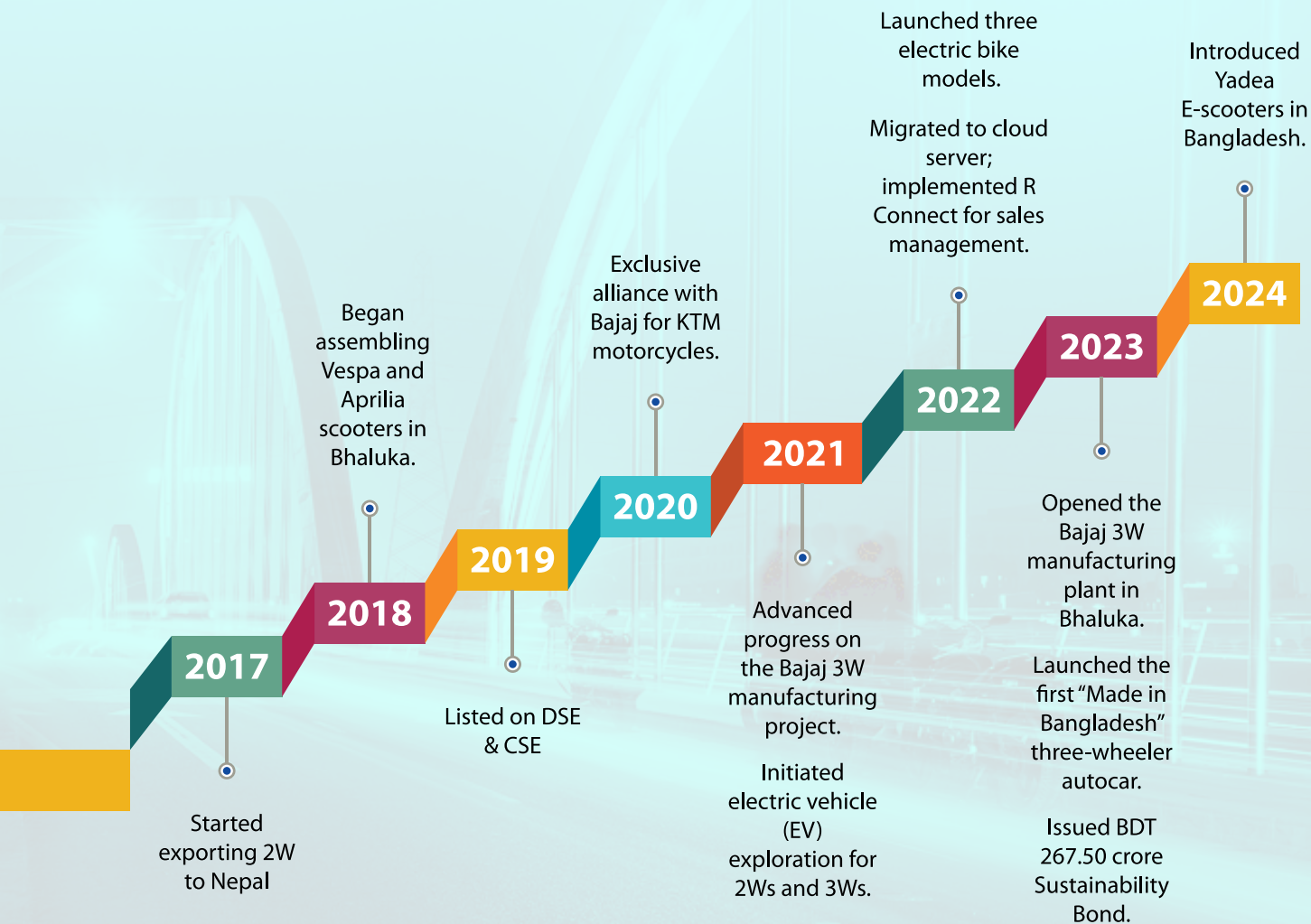
SHAREHOLDER SERVICES

09

24 th Annual General Meeting's Information	286
Proxy Form	289

OUR JOURNEY





BUSINESS **FRAMEWORK**

In the Lens of the SDGs

We at Runner firmly believe that in order to contribute to the fulfillment of the Sustainable Development Goals (SDGs), the organization must work in a collaborative way with its stakeholders, while always striving for operational excellence. Therefore, the company is fully committed to its strategic priorities to design and implement effective and sustainable actions that enable this contribution.

In order to steer the management and ensure the significance of its contributions, Runner has prioritized several SDGs and its goals by focusing on them in terms

of corporate actions and assessment. We focus our management activities on nine SDGs, contributing to their achievement by means of the organization's strategic priorities in terms of sustainability and by working jointly with all stakeholders.

The following comprises the alignment of Runner's priorities with the SDGs, as well as the main indicators that exhibit the progress achieved in the journey towards the fulfillment of the 2030 goals.





BDT 395 mn
Paid as salary and employee benefits

BDT 11 mn
Contribution to the WPPF and Welfare Fund



3,863 Units in total IC engine 2W portfolio (80-165 cc)

825 Units in total electric 2W portfolio

7,362 Units in total 3W portfolio



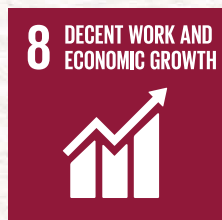
Promoting a healthy and balanced lifestyle



24 Years of experience in the automotive industry

Pioneer of "Made in Bangladesh" 2W

BDT 1,790 mn Contribution as taxes to exchequer



1,110 Total employees

79 New employees hired

2.17 Training hours per employee (avg)



Partnerships for amplification of CSR impact

1 strategic alliances with global OEMs, thus bolstering the domestic automotive industry i.e **YADEA**



CORPORATE DIRECTORY

BOARD OF DIRECTORS

Mr. Hafizur Rahman Khan, Chairman
Md. Mozammel Hossain, Vice Chairman
Mr. Subir Kumar Chowdhury, Managing Director & CEO
Mr. Muallem A Choudhury FCA, Nominee Director
Mr. Mohammad Ali Deen, Director
Mr. Md. Jahurul Alam, Director
Mr. Taslim Uddin Ahmed, Director
Mr. Amid Sakif Khan, Nominee Director
Dr Muhammad Abdul Mazid, Independent Director
Prof. Maksudur Rahman Sarker, Independent Director

NOMINATION AND REMUNERATION COMMITTEE

Dr Muhammad Abdul Mazid, Chairman
Md. Mozammel Hossain, Member
Mr. Muallem A Choudhury FCA, Member
Mr. Mohammad Ali Deen, Member
Mr. Taslim Uddin Ahmed, Member

AUDIT COMMITTEE

Prof. Maksudur Rahman Sarker, Chairman
Dr Muhammad Abdul Mazid, Member
Mr. Muallem A Choudhury FCA, Member
Mr. Mohammad Ali Deen, Member
Mr. Md. Jahurul Alam, Member

LEADERSHIP TEAM

Subir Kumar Chowdhury, Managing Director & CEO
Ms. Rudaba Tazin, Director-HR & Administration
Sanjay V Bhalerao, Head of 2W, 3W Manufacturing Plant
Mohammad Abul Kalam, COO-3W & 4W Commercial Vehicle Division
Shah Md. Rijvi Rony, Chief Human Resources Officer
Mohammad Abu Hanif, Chief Business Officer-2W Sales
Lt. Col. M M Golam Mohaimen psc, G+ (Retd)
Head of Administration
Md. Aminur Rahman, Head of Corporate Affairs,
Commercial & Vehicles Registration Operations

CHIEF FINANCIAL OFFICER

Mr. Shanat Datta FCA

COMPANY SECRETARY

Mr. Md. Mizanur Rahman

HEAD OF INTERNAL AUDIT AND COMPLIANCE

Mr. Mohammad Ibrahim

STOCK INFORMATION

Dhaka Stock Exchange PLC.
Chittagong Stock Exchange PLC.
Sector: Engineering

DATE OF INCORPORATION

July 4, 2000

STATUTORY AUDITORS

A. Qasem & Co.
Chartered Accountants

COMPLIANCE AUDITOR

Jasmin & Associates
Chartered Secretaries

VALUER

Hoda Vasi Chowdhury & Co, Chartered Accountants

CREDIT RATING COMPANY

Credit Rating Agency of Bangladesh Limited (CRAB)

LEGAL ADVISOR

Barrister Shaikh Mohammad Zakir Hossain

TAX ADVISOR

MM Hossain & Co.
Chartered Accountants

REGISTERED OFFICE

138/1, Tejgaon Industrial Area, Dhaka-1208

INVESTOR'S RELATION

Mob: 01730405232
Phone: +8870160
Fax: +8870173
Email: ral.cstd@gmail.com



RUNNER

OUR NEW ANNUAL REPORT 2023-24

RUNNER

Products

Investors

About Us

Compliance

Corporate

Overseas

Services

News & Events

Contact Us



Annual Reports



As part of our commitment to reducing our environmental impact, we have limited the printing of hard copy reports. Stakeholders are encouraged to access this report on our website at www.runnerautomobiles.com under the 'Investors' tab. The complete Annual Financial Statements including the auditor's report along with all supplementary presentations, are also available on our corporate website.

Visit our website to download
a copy of this report



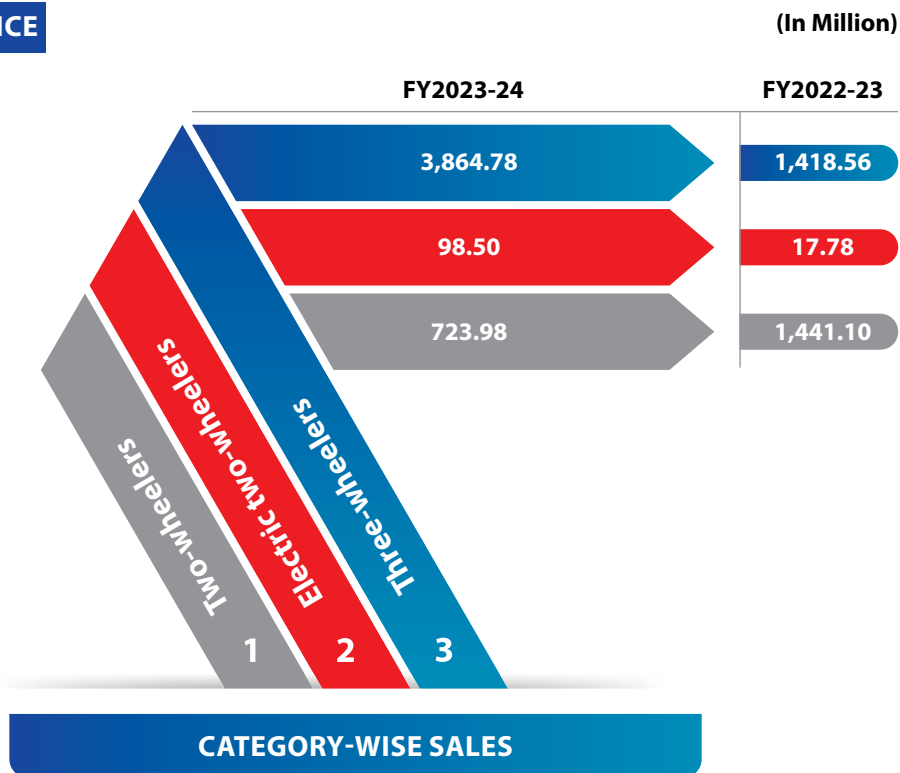
www.runnerautomobiles.com

Scan this QR code with
your smart device to
download a digital copy of
our Annual Report.



A YEAR OF **PURPOSE**

2023-24 AT A GLANCE



Market Trends – 2Ws

Bangladesh's two-wheeler industry is currently navigating new challenges and opportunities. Emerging segments such as electric vehicles and higher cc engine motorcycles are creating growth potential, trends that are similar to other countries moving up the economic ladder. However, the overall motorcycle market is experiencing a decline in Bangladesh due to unstable economic and political factors since the automotive industry has a direct correlation to the economy.

Notably, the 150cc segment, which is a premium motorcycle category, is performing well, bolstered by enhanced customer preference, improved after-sales service, and overall better perceived price-value proposition.

These trends are significantly shaping the motorcycle and scooter market. We provide hereunder a breakdown of each trend for a clearer perspective:

■ Launch of higher cc models

Manufacturers are introducing higher engine displacement (cc) models to cater to consumers seeking more power and performance from their motorcycles. Although initial sales may be slow, future models could stimulate consumer interest, particularly as riders seek more capable bikes for touring or sports riding.

■ Emergence of electric scooters

The electric scooter or e-scooter market is poised for growth as more manufacturers enter the business. With increasing environmental awareness and government incentives, consumer interest is likely to rise. Furthermore, innovations in battery technology and charging infrastructure will play a crucial role in shaping this market. As brands offer more models, consumers will have diverse choices that could accelerate adoption.



■ **Shift towards premium and lifestyle brands**

The urban youth's inclination towards premium motorcycles indicates a discernible shift in consumer behaviour. These motorbikes are viewed not just as transportation but as lifestyle choices. Many global brands are tapping into this trend in the country, offering features and aesthetics that appeal to younger consumers. This trend may continue as marketing strategies evolve to resonate with lifestyle aspirations.

■ **Aftermarket services**

The growing focus on maintenance and aftermarket services signifies a maturing market, where consumers are looking for value beyond the initial purchase. Enhanced service offerings, warranties and customisation options can improve customer satisfaction and loyalty. As vehicles become more sophisticated, consumers are likely to invest in aftermarket solutions to maintain performance and aesthetics of their bikes, thus giving a fillip to the spares and services business of automotive companies.

Market Trends – 3Ws

■ **Increasing network-led demand**

The demand for the three-wheeler segment is increasing, driven by expansion in the dealer network, although supply has not kept pace due to external economic factors, thus creating a demand-supply gap that itself represents a huge forward opportunity.

■ **Shift to electric options**

Customers are facing challenges regarding price affordability in the three-wheeler ICE (Internal Combustion Engine) segment, leading to a perceptible shift towards electric three-wheelers. This trend will only accelerate in the future.

■ **Limited new vehicle permissions**

This past year, the trend of new vehicle permissions has been limited, including replacements, which has affected market dynamics. However, this situation will likely improve with regulatory sanctions, thus ensuring significant buoyancy in volumes due to emergence of pent-up demand.

■ **Reliance on Bajaj as a reputed and dependable brand**

Target customers continue to rely on Bajaj for product quality as well as for the availability of spare parts and workshop services, thus reinforcing brand loyalty in a competitive market.

Market Context

In financial year 2023-24, the motorcycle industry in Bangladesh experienced a sharp 16% decline, with Runner facing a significant 46% market de-growth.

However, the 150-165 cc motorcycle segment saw marginal growth due to many favourable factors, as indicated above. One of the key factors however was growing preference for consumers for this product, indicating a gradual shift in the use of motorbikes from just transportation to lifestyle transformation. Even in this scenario, Runner remains optimistic about future market growth and performance, anticipating a positive response from its upcoming portfolio transformation initiatives and existing fast-moving models to capture consumer interest and regain market share.

Considering the favourable trends in the e-2W market and as a means to set the long-term growth direction in terms of adoption of e-2Ws, the company launched two new models during the year in review, comprising Yadea T5 and Yadea M6. These products received a good response from the market.

The company was also successful in stabilising production at its new 3W plant through many initiatives such as localisation, network expansion and customer engagement. The company was also generally successful in solving LC challenges imposed in the face of import restrictions. However, these are transient in nature and will be lifted once the economy regains strength. The company sold a total of 7,362 units autocar during the year, which is a creditable achievement in the face of manifold challenges.

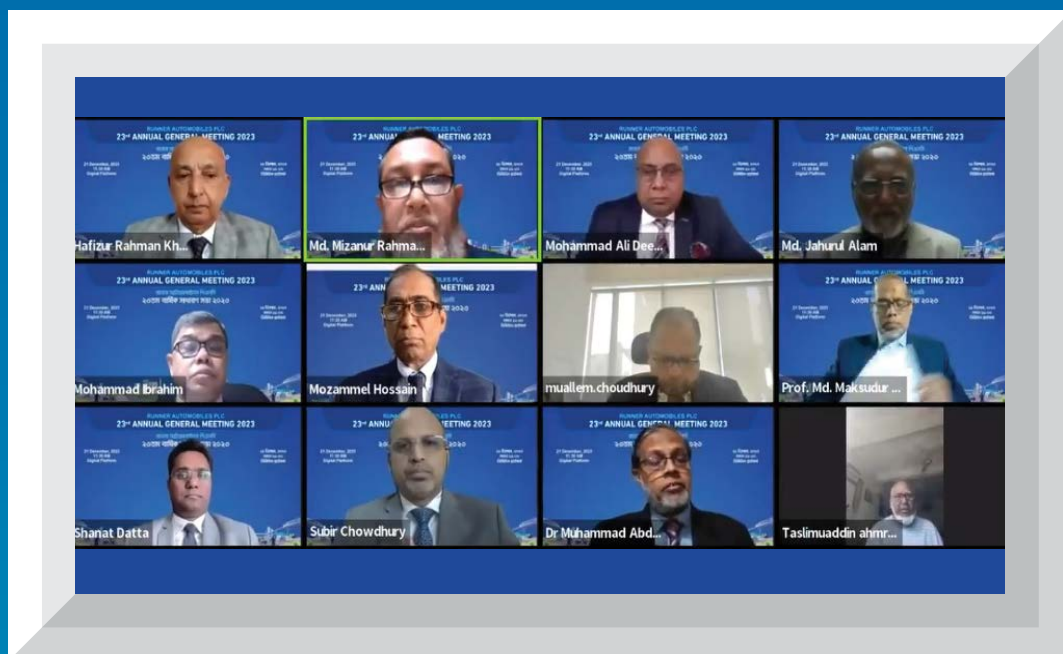
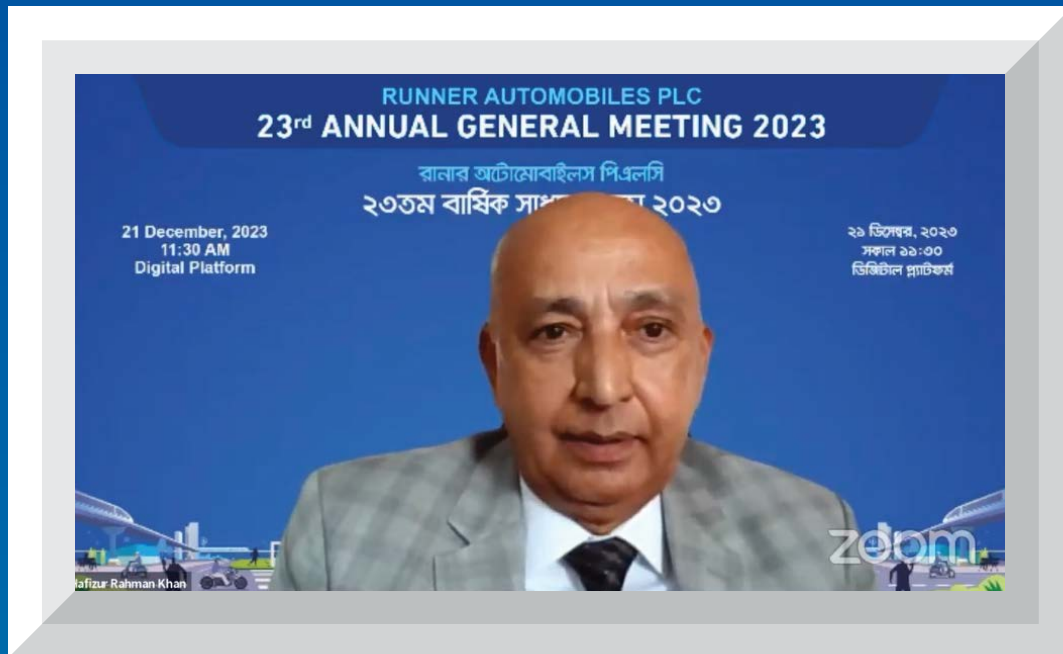
Competitor Behaviour

Recently, a trend has been observed where brands have increasingly started to recognise after-sales service as a core customer requirement. Companies have set exemplary standards by enhancing after-sales services, helping customers build long-term loyalty and trust. Runner is also focusing on this crucial pillar and has an advantage here through its strong legacy and experience in the business.





GLIMPSE OF 23RD ANNUAL GENERAL MEETING



LETTER OF TRANSMITTAL

To

All Esteemed Members
Bangladesh Securities and Exchange Commission
Registrar of Joint Stock Companies & Firms
Dhaka Stock Exchange PLC
Chittagong Stock Exchange PLC

Subject: Submission of Annual Report for the Year Ended June 30, 2024 of Runner Automobiles PLC.

Dear Sir/Madam,

We are pleased to submit the Annual Report for the year ended June 30, 2024, of Runner Automobiles PLC. The report includes the Auditor's Report along with the Audited Financial Statements: Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement for your kind review and record. Additionally, it contains the Directors' Report, Management Discussion & Analysis and the Compliance Report on the Corporate Governance Code.

Thanking you,

Faithfully yours,

For and on behalf of Runner Automobiles PLC



Md. Mizanur Rahman
Company Secretary
Runner Automobiles PLC



RUNNER AUTOMOBILES PLC
138/1, Tejgaon Industrial Area, Dhaka-1208

NOTICE OF THE 24TH ANNUAL GENERAL MEETING

Notice is hereby given that the 24th Annual General Meeting of the Shareholders of **Runner Automobiles PLC** will be held through hybrid system in combination of physical presence of shareholders at the venue **Kurmitola Golf Club, Dhaka Cantonment, Dhaka** and by using Digital Platform through the link <https://runnerauto.bdvirtualagm.com> on **Monday, 23 December 2024 at 11.30 a.m.** (BD Time) (Pursuant to the Bangladesh Securities and Exchange Commission's Order No. BSEC/ICAD/SRIC/2024/318/09 dated January 16, 2024) to transact the following businesses:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 30 June 2024 together with the Reports of the Directors' and the Auditors' thereon.
2. To approve Dividend for the financial year ended 30 June 2024.
3. To elect/ re-elect Directors.
4. To approve the voluntary resignation together with appointment of new Managing Director & CEO of Runner Automobiles PLC.
5. To approve the appointment of Amid Sakif Khan, Nominee Director from Runner Lube & Energy Ltd. in the Board of Runner Automobiles PLC.
6. To appoint the Statutory Auditors for the year 2024-25 and fix up their remuneration.
7. To appoint the Compliance Auditors for the year 2024-25 and fix up their remuneration.

By order of the Board



Md. Mizanur Rahman
Company Secretary

Dated: Dhaka
28 November 2024

Notes

- The shareholders whose name would appear in the Central Depository System/ Register of Members of the company on the Record Date i.e., 17 November 2024 shall be eligible to attend/participate in the AGM through Digital Platform.
- A shareholder entitled to attend and vote at the AGM may appoint a proxy to attend and vote in his/ her behalf. The "Proxy Form", duly filled and stamped with a revenue stamp of Tk.100 must be sent through email to Company's Share Office at ral.cstd@gmail.com / submitted at the Registered Office of the Company by 11.30 a.m. of 21 December 2024.
- The Corporate Shareholders need to send their authorization letter through e-mail (ral.cstd@gmail.com) or submitted at the Registered Office of the Company to join the meeting by 11.30 a.m. of 21 December 2024.
- Link for joining in AGM through Digital Platform: (Short Link: <https://runnerauto.bdvirtualagm.com>). Shareholders can join virtual AGM from Laptop, PC, Mobile or Tab putting 16-Digit BO ID and other credentials as a proof of their identity. For virtual AGM guidance, the concerned shareholders may contact at the number 01730405232.
- Pursuant to the Bangladesh Securities and Exchange Commission (BSEC) Notification No. BSEC/CMRRCD/2009-193/75/PRD150 Dated: 20 February 2024, soft copy of the Annual Report has been sent to the E-mail address of the Honorable Shareholders mentioned in their respective BO accounts maintained with the Depository.
- Soft copy of the Annual Report for the year ended on 30 June 2024 is available in Investors Section of the Company's website at www.runnerautomobiles.com.
- The concerned Merchant Banks and all Depository Participants (DPs) are requested to provide the copies of the list of margin clients along with the bank details for entitlement of dividend on or before 15 December 2024 as per the following:
 - a) Hard copy: Registered mail or courier to Share Office,
Company Affairs & Share Department
Runner Group
138/1, Tejgaon Industrial Area, Dhaka-1208.
 - b) Soft copy: Email to ral.cstd@gmail.com
- In compliance with the Circular No. SEC/CMRRCD/2009-193/154 dated 24 October 2013 issued by BSEC, no benefit in cash or kind shall be offered to the members during the Annual General Meeting.



রানার অটোমোবাইলস্ পিএলসি

১৩৮/১, তেজগাঁও শিল্প এলাকা, ঢাকা-১২০৮

২৪ তম বার্ষিক সাধারণ সভার বিজ্ঞপ্তি

এতদ্বারা জানানো যাচ্ছে যে, রানার অটোমোবাইলস্ পিএলসি-এর শেয়ারহোল্ডারগণের ২৪তম বার্ষিক সাধারণ সভা নিম্নলিখিত আলোচ্যসূচী সম্পাদনকল্পে আগামী ২৩ ডিসেম্বর ২০২৪, রোজ সোমবার ১১.৩০ মিঃ (বাংলাদেশী সময়) শেয়ারহোল্ডারগণের সরাসরি উপস্থিতির সমন্বয়ে হাইব্রিড সিস্টেমের মাধ্যমে (in hybrid system) কুর্মিটোলা গফ্ ক্লাব, ঢাকা সেনানিবাস, ঢাকাতে অনুষ্ঠিত হবে (সূত্রঃ বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশনের অর্ডার নং: বিএসইসি/আইসিএডি/এসআরআইসি/২০২৪/৩১৮/০৯, তারিখ: ১৬ জানুয়ারি, ২০২৪)। উক্ত বার্ষিক সাধারণ সভার ডিজিটাল প্ল্যাটফর্মের লিংক (<https://runnerauto.bdvirtualagm.com>).

আলোচ্যসূচী

১. ৩০ জুন ২০২৪ তারিখে সমাপ্ত অর্থবছরের নিরীক্ষিত আর্থিক বিবরণী, পরিচালক মণ্ডলীর প্রতিবেদন এবং নিরীক্ষকবৃন্দের প্রতিবেদন গ্রহণ, বিবেচনা এবং অনুমোদন।
২. ৩০ জুন ২০২৪ তারিখে সমাপ্ত অর্থবছরের লভ্যাংশের অনুমোদন।
৩. পরিচালকবৃন্দের নির্বাচন/পুনঃ নির্বাচন।
৪. রানার অটোমোবাইলস্ পিএলসি-এর বর্তমান ব্যবস্থাপনা পরিচালক ও সিইও এর ইস্তফা প্রদান ও নতুন ব্যবস্থাপনা পরিচালক ও সিইও এর নিয়োগ অনুমোদন।
৫. রানার লুভ এন্ড এনার্জি কর্তৃক মনোনীত পরিচালক জনাব আমিদ সাকিফ খান এর নিয়োগ অনুমোদন।
৬. ২০২৪-২৫ অর্থবছরের জন্য বিধিবদ্ধ নিরীক্ষক নিয়োগ এবং তাদের পারিশ্রমিক নির্ধারণ।
৭. ২০২৪-২৫ অর্থবছরের জন্য কমপ্লায়েন্স নিরীক্ষক নিয়োগ এবং তাদের পারিশ্রমিক নির্ধারণ।

বোর্ডের সিদ্ধান্তক্রমে



মোঃ মিজানুর রহমান
কোম্পানী সচিব

তারিখ : ঢাকা

২৮ নভেম্বর ২০২৪

দ্রষ্টব্য

- যে সকল শেয়ারহোল্ডারগণের নাম সেন্ট্রাল ডিপোজিটরি সিস্টেম/কোম্পানি সদস্য বহিতে রেকর্ড তারিখে (১৭ নভেম্বর ২০২৪) বৈধভাবে লিপিবদ্ধ থাকবেন, উক্ত শেয়ারহোল্ডারগণ বার্ষিক সাধারণ সভায় ডিজিটাল প্ল্যাটফর্মের মাধ্যমে যোগদান/অংশগ্রহণ করতে পারবেন।
- শেয়ারহোল্ডারগণ এই সাধারণ সভায় উপস্থিত থাকতে এবং ভোট প্রদান করতে পারবেন অথবা তার পক্ষে উপস্থিত থাকতে এবং ভোট দানের জন্য অন্য একজন প্রতিনিধি নিয়োগ করতে পারবেন। প্রক্সি ফর্ম নিয়মানুযায়ী টাকা ১০০/- স্ট্যাম্প সহকারে পূরণ করতঃ কোম্পানীর শেয়ার বিভাগে ই-মেইল ঠিকানায় (ral.cstd@gmail.com) অথবা কোম্পানীর রেজিস্টার্ড অফিসে ২১ ডিসেম্বর ২০২৪, সকাল ১১.৩০মিঃ তারিখের মধ্যে জমা দিতে হবে।
- কর্পোরেট শেয়ারহোল্ডারদের বার্ষিক সাধারণ সভা শুরু হওয়ার কমপক্ষে ৪৮ ঘন্টা আগে কোম্পানির সভায় যোগদানের জন্য তাদের প্রতিনিধির অনুমোদন পত্র কোম্পানীর শেয়ার বিভাগের ই-মেইল ঠিকানায় (ral.cstd@gmail.com) পাঠাতে হবে অথবা কোম্পানীর রেজিস্টার্ড অফিসে ২১ ডিসেম্বর ২০২৪, সকাল ১১.৩০মিঃ তারিখের মধ্যে জমা দিতে হবে।
- বার্ষিক সাধারণ সভায় যোগদানের জন্য লিংক: (<https://runnerauto.bdvirtualagm.com>).
- শেয়ারহোল্ডারগণ ১৬ ডিজিট বিও আইডি এবং তাদের পরিচয়ের প্রমাণ হিসাবে অন্যান্য কাগজপত্র ব্যবহার করে Laptop, PC, Mobile or Tab এর মাধ্যমে বার্ষিক সাধারণ সভায় যোগদান করতে পারবেন। যেকোন ধরনের দিকনির্দেশনার জন্য শেয়ারহোল্ডারগণ ০১৭৩০৪০৫২৩২ নম্বর এ যোগাযোগ করতে পারবেন।
- বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশনের (বিএসইসি) বিজ্ঞপ্তি নং: বিএসইসি সিএমআরআরসিডি/২০০৯-১৯৩/৭৫/পিআরডি১৫০, তারিখ: ২০ ফেব্রুয়ারী ২০২৪ অনুযায়ী, বার্ষিক প্রতিবেদনের সফট কপি সম্মানীয় শেয়ারহোল্ডারদের বিও এ্যাকাউন্টে উল্লেখিত ই-মেইল ঠিকানায় পাঠানো হয়েছে।
- ৩০ জুন ২০২৪ তারিখে সমাপ্ত অর্থবছরের বার্ষিক প্রতিবেদন এর সফট কপি কোম্পানীর ওয়েবসাইটের বিনিয়োগকারী বিভাগে পাওয়া যাবে www.runnerautomobiles.com
- সংশ্লিষ্ট মার্চেন্ট ব্যাঙ্কগুলি এবং সমস্ত ডিপোজিটরি অংশগ্রহণকারীদের (ডিপি) নিম্নলিখিত অনুসারে ১৫ ডিসেম্বর ২০২৪ তারিখে বা তার আগে লভ্যাংশ পাওয়ার জন্য ব্যাঙ্কের বিবরণ সহ মার্জিন ক্লায়েন্টদের তালিকার অনুলিপি সরবরাহ করার জন্য অনুরোধ করা হচ্ছে:
 - ক) হার্ড কপি: শেয়ার অফিসে নিবন্ধিত মেইল বা কুরিয়ার,
শেয়ার বিভাগ
রানার অটোমোবাইলস্ পিএলসি
১৩৮/১, তেজগাঁও শিল্প এলাকা, ঢাকা-১২০৮
 - খ) সফট কপি: ral.cstd@gmail.com এ ইমেল করুন
- বিএসইসি দ্বারা জারি করা সার্কুলার নং এসইসি/সিএমআরআরসিডি/২০০৯-১৯৩/১৫৪, তারিখ: ২৪ অক্টোবর ২০১৩ অনুযায়ী, বার্ষিক সাধারণ সভা চলাকালীন সদস্যদের নগদ বা কোনো ধরনের সুবিধা দেওয়া হবে না।



www.runnerbd.com

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BRANDS OF **RUNNER**[®]



- ▶ Pioneer Motorcycle Manufacturer and exporter having 100,000+ capacity per year in Bangladesh
- ▶ First ever Three-Wheeler Manufacturing Plant in Bangladesh having 30,000+ Capacity per year
- ▶ Started Assembly for commercial vehicles for the local Market

 Network Point 806  Happy Customer 470,000+

► INTRODUCTION





STRENGTHENING FOUNDATIONS BUILDING RESILIENCE

RUNNER AUTOMOBILES PLC WAS ESTABLISHED WITH THE DREAM OF BURNISHING THE BANGLADESHI SPIRIT AND INGENUITY OF AUTOMOTIVE MANUFACTURING AND BRINGING THE JOY OF MOBILITY TO MILLIONS OF PEOPLE AROUND THE COUNTRY.

Over the years, the company has remained true to this ethos, focusing on customer excellence and demonstrating agility to adapt to the changing times. This has been made possible by the company through leveraging its unique institutional strengths in providing feature-rich, safe and eco-friendly products, delivering top-notch quality at an affordable price.

This approach has helped the company to be a meaningful player in the Bangladeshi automotive industry while significantly contributing to economic and social development. The company has partnered with various stakeholders towards creating a large local and a competitive ecosystem for automotive manufacturing, thus creating a vibrant supply chain that is skilled and adept at manufacturing, logistics, sales, distribution, etc. The company's value creation focus is firmly anchored on equitable, inclusive, transparent and collaborative stakeholder practices.

Given that automotive manufacturing has a long value chain with significant links with almost all the sectors of the economy, the actions taken by the company has not only helped grow and prosper its stakeholders who have directly contributed to the automobile business but has created an indirect impact too in terms of jobs creation.

For decades, Runner's emphasis on innovation, understanding of customer needs and unparalleled technical expertise, deepened through its partnerships with top global automotive players, have helped it pioneer mobility solutions for diverse categories of customers. From fuel-efficient, affordable two- and three-wheelers, to safe, comfortable and cost-effective electric two-wheelers, to racing and lifestyle-inspired motorbikes, the company's products have met and exceeded customer expectations with their design, advanced safety features and reliability.

Runner vehicles are everyday companions to hundreds of thousands of users across the country, many of them being women, who value the ease and convenience that have been the major focus areas of product design. The company's vision is to constantly improve the quality of life of its customers and redefine mobility through technology, safety and cutting-edge design.

To execute this vision, the company remains at the forefront of two-wheeler portfolio upgradation and modernisation, while reinforcing competencies in three-wheeler manufacturing through its technological and technical collaboration with Bajaj, one of the leaders in the global automotive industry.

The company's partnership with Yadea, the world's largest electric two-wheeler maker with global sales of 14 million units (in 2022), seeks to drive the goal of mass adoption of EV mobility in Bangladesh, thus providing a whole new transportation option and solution to customers around the country. Through its products that promote green journeys, commitment to sustainability, environmental stewardship and inclusivity, the company is truly paving the way for a more sustainable and safe future of mobility.

Runner has embarked on an ambitious path in terms of transformation, while simultaneously transitioning towards a sustainable route to performance recovery and profitability. As the company strengthens its foundations and builds resilience, this period marks a new and exciting phase in the journey of the company and thus in the automotive industry of Bangladesh.



HAVING USHERED A “MAKE IN BANGLADESH” AUTOMOTIVE REVOLUTION, RUNNER CONTINUES TO CATER TO THE EVER-EVOLVING NEEDS OF CUSTOMERS WITH ITS PORTFOLIO COMPRISING NON-ELECTRIC AND ELECTRIC TWO-WHEELERS AND MULTI-FUEL THREE-WHEELERS. THE COMPANY’S COMMITMENT TO INNOVATION, TECHNOLOGY AND CUSTOMER SATISFACTION REMAINS UNWAVERING, MAKING IT A TRUSTED CHOICE FOR AUTOMOTIVE BUYERS ACROSS THE NATION.



Runner Automobiles is the flagship company of the Runner group and was incorporated in the year 2000. With the vision of becoming the first automaker in Bangladesh manufacturing indigenous products, the company enjoys strong credentials in automobile manufacturing, assembly and sales, with the “Runner” brand of motorcycles becoming synonymous with mobility.

The company’s principal activities comprise manufacturing, distribution and financing of two-wheeler and three-wheeler vehicles in Bangladesh. The company also enjoys the credentials of being the only manufacturer in the country to export locally-made motorcycles to Nepal and Bhutan. Currently, the company has **90%+ market shares** in the sub-100 CC motorcycle category and a significant **34%+ market share** in the 3-wheeler segment, while being the market leader in the small scooter segment.

Runner’s manufacturing and assembly plant is located in Mymensingh, Bhaluka, about 75-km from Dhaka. The company has a modern and integrated manufacturing setup with advanced equipment, tools and processes and trained and skilled manpower. The company enjoys cordial industrial relations and has a number of welfare and wellbeing initiatives that seek to create a safe and healthy environment for all workers and shopfloor staff.

As on 30 June 2024, the company had **80 active dealers** and **200 sales centers** operated by trained dealer staff, along with **37 own operational showrooms for 2W business**. The company also has **60 exclusive showrooms for 3Ws** and looks forward to expanding this network to cover almost all corners of the country in the coming years.

In addition to pioneering two-wheeler manufacturing in Bangladesh, the company also made history by inaugurating the country’s first ‘Made in Bangladesh’ three-wheeler autorickshaw plant. In this three-wheeler production line, as many as 70-75 per cent of the components are procured from local sources and suppliers, while the rest of the components are procured from India from Bajaj. In case of local sourcing of the parts too, the company has created a technical collaboration with Bajaj. Located adjacent to the company’s 2W plant in Mymensingh, Bhaluka, the annual production capacity of the 3W plant is around **30,000 autocar** per annum.

The company has two subsidiaries: Runner Motors Ltd, which imports and markets “Eicher” (manufactured by VE Commercial Vehicles Ltd., India)-branded trucks, pickups and tractors, and Freedom Motors Ltd whose business activities comprise sales and trading activities for automotive and mechanical parts, etc.

FINANCIAL HIGHLIGHTS

WE ARE PLEASED TO REPORT SIGNIFICANT GROWTH IN REVENUE AND PROFITABILITY FOR FY 2023-24, REFLECTING OUR STRONG OPERATIONAL PERFORMANCE AND CONTINUED PROGRESS IN ENHANCING FINANCIAL RESULTS.

DETAILS	STANDALONE		CONSOLIDATED	
	2023-24	2022-23	2023-24	2022-23
 Revenue BDT CRORE	438.78	252.62	836.36	662.96
 Gross profit BDT CRORE	137.84	63.10	271.69	211.57
 Operating profit BDT CRORE	79.42	-4.71	151.85	48.21
 Net profit BDT CRORE	2.18	-69.56	-4.50	-96.08

BDT 1,790 mn Contribution to National Exchequer



PURPOSE



OUR PHILOSOPHY

OUR VISION

We will establish RUNNER as a trusted brand through satisfying customers' needs, offering desired products and services at an affordable price.



OUR MISSION

- Our Mission is to establish our brand image by meeting customer requirements through environment-friendly technology and taking care of the return on investment of stakeholders.
- We will materialize our vision with effective and efficient human resources using a lean manufacturing process with high productivity.
- We will exceed customers' perceived value to make this world a better place.

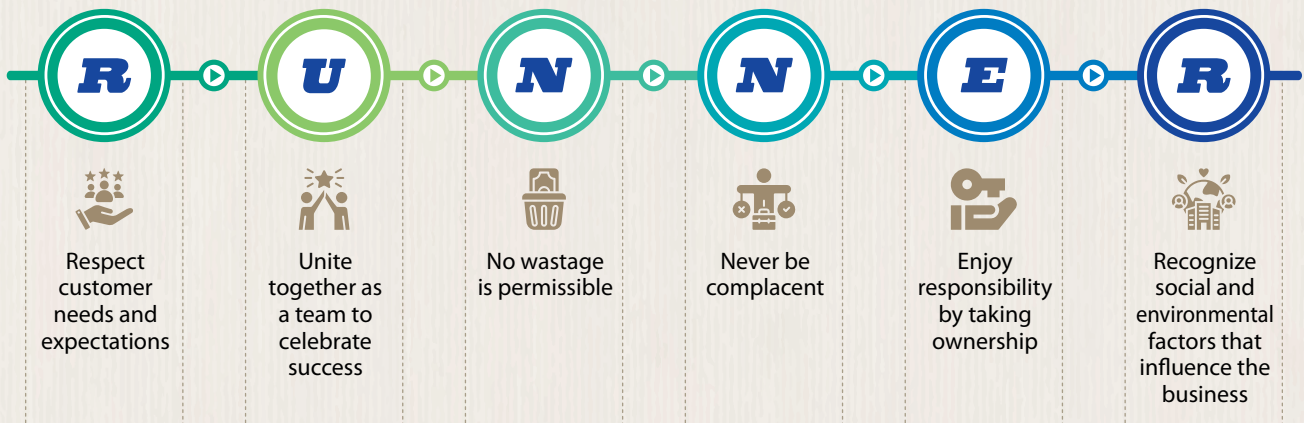


BRAND VALUES

Runner embodies innovation and quality, establishing a strong presence in the motorcycle industry. Our extensive after-sales service network ensures exceptional support across Bangladesh and beyond. Celebrated for superior quality and technological excellence, our motorcycles reflect our commitment to craftsmanship. Dedicated to creating jobs and enhancing mobility, Runner contributes to our nation's progress and the future of transportation.

OUR VALUES

We define our values with regards to each alphabet of our Company name: "RUNNER"



ACCELERATING PRODUCTION IN 3W THROUGH SUSTAINABLE FINANCING

Runner Automobiles PLC made history by issuing Bangladesh's first Internationally Certified "Runner Auto Sustainability Bond", a pioneering initiative that was honored as South Asia's Best Sustainable Finance Deal by FinanceAsia, underscoring our leadership in sustainability and innovation.



RAPLC Green Factory



3W Manufacturing Plant



Plan to install Solar Panel



Received South Asia Award

	Guarantor	GuarantCo Ltd
	Issue Size	BDT 267.5 Crore
	Percentage of Subscription	American Life Insurance Company 96.3% & Green Delta Insurance PLC 3.7%
	Basic Features	Unsecured, Guaranteed, Redeemable and Non-Convertible

OUR VALUE ADDING BUSINESS MODEL

INPUTS

FINANCIAL CAPITAL

Disciplined management of cash generated by our operational activities, and judicious project financing that are key to sustaining our business and creating value for stakeholders.

HUMAN CAPITAL

Our values-driven culture supported by diverse, skilled and committed employees who have appropriate knowledge and experience to drive our business objectives.

MANUFACTURED CAPITAL

Our fixed assets, including property, plant, equipment and other assets that are essential to enabling production and delivery of 2Ws and 3Ws.

INTELLECTUAL CAPITAL

Our licences, operational and control processes, procedures and protocols, reputation as well as R&D initiatives that support our competitive advantage.

SOCIAL AND RELATIONSHIP CAPITAL

Our partnerships with various stakeholders that enrich our know-how and proficiencies. It also comprises our social contributions for community uplift.

NAUTURAL CAPITAL

The direct and indirect use of resources and raw materials that are fundamental to our business.

KEY FOCUS & UPDATED

- Funds raised by way Bangladesh's first ever sustainability bonds to the tune of BDT 267 crore
- Equity share capital of BDT 113.539 crore

- Focus on training and upskilling
- Emphasis on occupational health and safety
- Enhancing employer value proposition for attracting and retaining talent

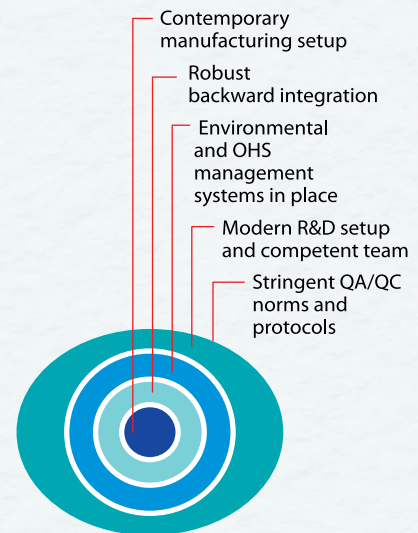
- Commencement of commercial production of Bajaj 3Ws in a state-of-the-art factory located in Mymensingh, Bhaluka

- Focus on optimising and rejuvenating product portfolio
- Strong R&D setup with focus on product and process innovation
- Brand-driven partnership led approach to portfolio enhancement

- Partnership oriented approach with value chain suppliers, etc. to drive innovation, cost control, etc.

- Emphasis on lowering material intensity and enhancing output per unit of input
- Multiple efficiency enhancement programs underway

Our capitals support our strategy through our value accretive business activities that create long-term value for our stakeholders



MEETING STAKEHOLDER EXPECTATIONS

- Transparency and governance
- Clear growth pillars and strategy
- Effective financial mobilisation
- Operational excellence
- People skilling and training
- Execution on ESG parameters

KEY RISKS

- Importance of high cost inventory liquidation and de stocking to ensure cash conversion
- Increased pricing pressure due to influx of many competitor products

MANAGING KEY RISKS

- Ensured significant inventory clean-up that led to freeing of working capital
- Strengthened cost position of existing products through process optimization and operational excellence

OUTCOMES	OUTPUTS	SDGs IMPACTED
BDT 4,388 mn Revenue BDT 1,378 mn Gross profit BDT 22 mn Net profit	We generated value by satisfying our customer base and achieving a stronger product-market fit.	3 GOOD HEALTH AND WELL-BEING 
1,110 Total workforce 7 years Avg. organizational age	We strongly believe that employee value translates into customer value. Our people are our vital assets in enabling our strategy and materialising our value creation objectives.	4 QUALITY EDUCATION 
12,050 Total 2W and 3W products sold during the year	We continued with our focus on developing world-class “Made in Bangladesh” 3Ws at our new manufacturing operations.	5 GENDER EQUALITY 
4 Models expected to enter market in FY 2024-25	Through our innovation and R&D capabilities, we ensure high standards of quality control and assurance.	6 CLEAN WATER AND SANITATION 
Rooftop solar power installation planned at new 3W manufacturing facility	We focus on forging effective partnerships with our supply chain that aim to take our product and market expansion strategy forward.	8 DECENT WORK AND ECONOMIC GROWTH 
	We strive to work towards the 3P philosophy where planet sustainability is prioritised through our actions and initiatives.	Runner contributes to 5 of the UN SDGs, which are global goals to be achieved by the year 2030.

RUNNER
motorcycles



TURBO V2



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LEADERSHIP IN ACTION: OUR BOARD OF DIRECTORS

This team is successfully navigating Runner Automobiles through challenging times with remarkable resilience.



OUR BOARD OF DIRECTORS

HAFIZUR RAHMAN KHAN
Chairman

MD. JAHURUL ALAM
Director

MR. AMID SAKIF KHAN
Nominee Director

MD. MOZAMMEL HOSSAIN
Vice Chairman

MUALLEM A CHOUDHURY FCA
Nominee Director

DR. MUHAMMAD ABDUL MAZID
Independent Director

SUBIR KUMAR CHOWDHURY
Managing Director & CEO

MOHAMMAD ALI DEEN
Director

PROF. MD. MAKSUDUR RAHMAN SARKER, FCMA
Independent Director

TASLIM UDDIN AHMED
Director

**Hafizur Rahman Khan**

Chairman

Mr. Hafizur Rahman Khan, a visionary leader in the automotive industry in Bangladesh, serves as the Chairman of Runner Automobiles PLC, a company he founded in 2000. He holds a Bachelor of Commerce (Honours) and a Master of Commerce in Management from the University of Rajshahi, showcasing his strong academic foundation in business and management.

Mr. Khan began his professional journey at Farmland Engineering Limited in 1978, where he worked until 1983. He then joined HS Enterprise Limited as Director of Operations, serving in that capacity until 1999. With extensive expertise in the automotive sector, he is recognized as a leading industrialist and was rewarded by the Government of Bangladesh as a Commercially Important Person (CIP) under Heavy Industry category for his humongous contribution to industrialization and national economy for the years of 2013 and 2014, consecutively.

Under his leadership, Runner Automobiles has expanded from automobile manufacturing and assembling (two-wheelers, three-wheelers, four-wheelers) into diverse other sectors like construction equipment, oil and gas, lubricants and energy, real estate etc. His contributions have earned numerous accolades including the Bangladesh President's Award in 2016 in the category of Small-Scale Industry, Enterprise of the Year at the 18th Bangladesh Business Award in 2019 as well as the Bangladesh President's Industry Development Award in 2020 under Large Industry Category (Steel & Engineering). In addition, Runner Automobiles was awarded the ICMAB Best Corporate Gold Award in the trading and assembly category, the Excellence Performance Award from Piaggio, India, in 2018, and the prestigious Superbrands Bangladesh Status for 2020-21. Most recently, the company won the Bangabandhu Industrial Award in 2022, securing first place in the large industries category.

Despite encountering challenges, Runner Automobiles is determined to recover and maintain its pioneering status in Bangladesh's automotive industry. Mr. Khan's vision inspires the company to pursue innovation and resilience as it works to overcome current obstacles and effectively serve the domestic market.



Md. Mozammel Hossain

Vice Chairman

Mr. Md. Mozammel Hossain, born in 1955, brings a wealth of experience and expertise to Runner Automobiles PLC. He completed his Bachelor of Commerce (Hons) and Master of Commerce in Marketing from the University of Dhaka, laying a strong foundation for his career in business.

Mr. Hossain began his professional journey in 1980 at Singer Bangladesh Limited where he developed his expertise until 1985. He then joined HS Enterprise Limited, serving as General Manager of Marketing from 1985 to 1999. His extensive experience in the automobile and electronics sectors has positioned him as one of the most respected industrialists in Bangladesh. As a recognition of his outstanding contribution to industrial development and national economy, Mr. Hossain was rewarded with the accolade of a Commercially Important Person (CIP) in the years of 2015 and 2016, consecutively.

Today, Mr. Hossain is actively involved in the strategic direction and operations of Runner Automobiles, guiding the company in conquering different market challenges while reinforcing its status as a market leader in Bangladesh's automobile industry. His vision and leadership continue to drive the company forward in fulfilling its mission to deliver excellence in every aspect of its business.





Subir Kumar Chowdhury

Managing Director & CEO

Subir Kumar Chowdhury is the Managing Director and Chief Executive Officer of Runner Automobiles PLC. Mr. Chowdhury began his career with British American Tobacco Bangladesh (BAT Bangladesh) in 1994 after completing his BSc (Honours) and MSc degrees in Economics with excellent academic records from Jahangirnagar University. In BAT he progressed through diverse sales & marketing roles both locally and internationally and ended a very successful journey as head of marketing & sales, BAT Cambodia. Subsequently, he took over a challenging role as Chief Operating Officer at Rahimafrooz Batteries Ltd. and led the flagship business unit of the group to greater heights.

Before joining Runner Automobiles, Mr. Chowdhury was Director of Sales & Customer Marketing at Hemas Manufacturing (Pvt) Ltd in Sri Lanka and also contributed as an Independent Director on the Board of Hemas Consumer Brands (Pvt.) Ltd in Bangladesh. During his long tenure of service with Hemas, he had remarkable achievements under extremely difficult circumstances.

Currently under his leadership, Runner Automobiles is navigating through challenging financial times and striving to achieve stability. Despite these hurdles, Mr. Chowdhury's strategic vision and dedication to excellence are focused on steering the company towards recovery and long-term growth. His strategic initiatives include the issuance of the Runner Auto Sustainability Bond, aimed at fostering financial stability and driving significant growth of the 3W business. Signing of agreement with Yadea, the world leading electric 2W company, ensured early entry into this high prospect future segment to secure long-term growth. He has also taken major efforts in revamping the 2W ICE business with leaner team and rationalized portfolio while opening up new opportunities by reaching agreements with major international player like Keeway-Benelli. All these are pivotal in reinforcing the company's business with clear focus on key segments and positioning it for future success in the competitive automotive industry.



Md. Jahurul Alam

Director

Mr. Md. Jahurul Alam, a Director at Runner Automobiles PLC, was born in 1948 and post graduated in Applied Chemistry from the University of Dhaka. With over 37 years of experience in dealership operations, Mr. Alam offers a deep understanding of both sales and services and a valuable dealer's perspective.

He serves on the Audit Committee where his expertise in finance, taxation and the automobile sector significantly contributes to strategic oversight. In addition to his professional role, Mr. Alam is actively engaged in various social and CSR initiatives, reflecting his commitment to community impact.





Mohammad Ali Deen

Director

Mr. Mohammad Ali Deen is a Shareholder-Director at Runner Automobiles PLC and serves on the company's Audit Committee. Mr. Deen, born in 1956, earned his BSc in 1978 and brings over 40 years of experience in the automobile industry and other business sectors in Bangladesh. He is the Chairman of Deen Impex and Deen Real Estate (Pvt.) Limite and is elected President of the Commonwealth of Independent States-Bangladesh Chamber of Commerce & Industry (CIS-BCCI) and a Director at the International Business Forum of Bangladesh (IBFB). Mr. Deen also serves on the Board of Directors of the India-Bangladesh Chamber of Commerce & Industry (IBCCI).

Previously, he was President of the Naogaon Chamber of Commerce & Industry (2012-16) and Chartered President of the Rotary Club of Naogaon (1994). He is active in sports and cultural activities as Former First Vice President of the Bangladesh Tennis Federation, Vice President of the Naogaon Tennis Club, and Executive Member of the Bangladesh Olympic Association. He is also a Board Trustee of Varendra University, Rajshahi and General Secretary of the Bangladesh Automobile Assemblers and Manufacturing Association (BAAMA).



Muallem A Choudhury FCA

Nominee Director

Mr. Muallem A Choudhury is a Chartered Accountant by profession. He completed his chartered accountancy articleship from a member firm of KPMG, KPMG Rahman Huq.

Being qualified as a Chartered Accountant, he started his career with British American Tobacco Bangladesh and served for 20 long years. His second phase of career started with Advanced Chemical Industries (ACI), a large conglomerate with multinational heritage and interests in pharmaceuticals, FMCG products, agri business and retail. He was the first Finance Director and CFO of the ACI Group and handled the supply chain portfolio. He served ACI for 7 years.

Currently he is the CEO of Brummer & Partners (Bangladesh) Ltd- a firm look after the interests of Frontier Funds in Bangladesh. Frontier Fund is dedicated for investing in private enterprises of Bangladesh.

Mr. Muallem was appointed as Nominee Director of Runner Automobiles in 2016.





Taslim Uddin Ahmed

Director

Mr. Taslim Uddin Ahmed, born in 1948, is an alumnus of Dinajpur Polytechnic Institute, where he specialized in Science. He brings over 42 years of distinguished experience in 2W marketing and sales, having been a pivotal figure in the growth and success of Runner Automobiles PLC. His extensive industry knowledge and strategic insights have significantly advanced the company's position in the automobile sector since its inception.

Notably, Mr. Ahmed also played a significant role as a frontline freedom fighter during the Liberation War of Bangladesh in 1971, contributing to Sector 7's efforts.

In addition to his role at Runner Automobiles PLC, Mr. Ahmed is a member of the Bangladesh Red Crescent Society and the Station Club of Dinajpur. He previously served as a member of the Federation of Bangladesh Chambers of Commerce & Industry from 2011 to 2013 and was Senior Vice President of the Dinajpur Chamber of Commerce & Industry from 1982 to 1993.



Amid Sakif Khan

Nominee Director

Mr. Amid Sakif Khan did his bachelor's in business administration (BBA) with major in Marketing from BRAC University. Later, he studied and was rewarded with Grade 1st Class in M.A. in Strategic Marketing from the University of Greenwich, London, UK. He joined Runner Family in the year of 2013 and served in different positions for implementing different marketing and development strategies inside the organization. Currently, he is leading the International Brands (KTM & Vespa) team and BYD EV Team. He has been contributing to the settlement of different strategies through his visionary approaches and leadership capacity.





Dr Muhammad Abdul Mazid

Independent Director

Dr. Muhammad Abdul Mazid is an Independent Director of Runner Automobiles PLC. Born in 1953, he obtained BA (Hons) in English from Rajshahi University, MA from the Dhaka University, and a PhD in Social Science from the Victoria University, Delaware, USA.

Dr. Muhammad Abdul Mazid, is a retired Secretary to the Government of Bangladesh, former Chairman of the National Board of Revenue (NBR) and Chairman of Chittagong Stock Exchange (CSE) and served as Commercial Counsellor at the Bangladesh Embassy in Tokyo. At present, Dr. Mazid is the Chairman of the Social Development Foundation (SDF) of the Ministry of Finance.

Dr. Mazid has extensive corporate experience. He was an advisor to A K Khan and Company Limited and International Business Forum of Bangladesh (IBFB). Dr. Mazid has authored 46 books on literature and a researcher on socio-economic-cultural diplomacy. He is a member of the Governing Board of Human Development Foundation, Bangladesh NGO Foundation, Bangladesh Diabetic Samiti and Under-privileged Children Education Program (UCEP). Dr. Mazid is a former and incumbent Treasurer of the Asiatic Society of Bangladesh.



Prof. Md. Maksudur Rahman

Sarker, FCMA

Independent Director

Prof. Md. Maksudur Rahman Sarker, FCMA, an Independent Director of Runner Automobiles PLC, is a renowned academic and Professor at the Department of Accounting & Information Systems, University of Dhaka. He holds a Bachelor's and Master's degree in Accounting with outstanding scholastic records. He also enriched his academic credentials with an MBA from the University of New Brunswick, Canada with a Canadian Commonwealth Scholarship.

Prof. Sarker has also been working as Independent Director of South Bangla Agriculture and Commerce (SBAC) Bank PLC. He worked as the Chairman of Rating Committee of WASO Credit Rating Company (Bangladesh) Limited. He was the Director of both BBA and MBA programs of Faculty of Business Administration of American International University - Bangladesh. Prof. Sarker is also a Fellowship Member of the Institute of Cost & Management Accounts of Bangladesh (ICMAB). His extensive academic and professional experience highlights his expertise in accounting, finance and management, contributing significantly to both educational and corporate sectors.



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MANAGEMENT TEAM

In 2023-24, the automotive industry faced numerous global and domestic challenges. During this pivotal time, Runner Automobiles navigated these difficulties by refocusing on stabilizing operations and positioning for future growth. Our Management Team played a crucial role in driving this initiative forward.



Md. Mizanur Rahman
Company Secretary

Mr. Md. Mizanur Rahman is an esteemed professional with a strong background in finance and corporate governance. He holds a BCom (Hons) and MCom from Dhaka University, an MBA in Finance, a Post-Graduate Diploma in Financial Management and an LLB. Starting his career with an articleship at KM Hasan and Co. (Chartered Accountants) in 1993, Mr. Rahman then served as Internal Audit Manager at HS Enterprise Limited from 1996 to 1999. He has been with Runner Automobiles PLC since 2000 serving as a diversified functional head in areas such as accounting, finance, VAT, taxation, compliance and corporate secretarial matters.

Recognized for his expertise in share management, regulatory compliance and corporate governance, Mr. Rahman has played a key role in enhancing the company's governance practices within the compliance framework. Under his stewardship, Runner Automobiles PLC has achieved exceptional organizational efficiency and compliance, setting a standard for robust governance and effective risk management.



Shanat Datta FCA
Chief Financial Officer

Shanat Datta, born in 1987 in Tangail, is a seasoned finance professional and Fellow Chartered Accountant (FCA). He has been with Runner Automobiles PLC since 2015 and took on the role of Chief Financial Officer in 2020. He completed his graduation and post-graduation in Accounting and is a Fellow Member of the Institute of Chartered Accountants of Bangladesh (ICAB).

Shanat began his career with an articleship at Hoda Vasi Chowdhury & Co. As CFO, he is responsible for the financial, accounting, and reporting practices of the company. His role includes developing financial and operational strategies, as well as implementing control systems to safeguard company assets and maximize shareholder equity. Known for his strategic insights and dedication to financial excellence, Shanat has been instrumental in driving the financial success and growth of Runner Automobiles PLC.





Mohammad Ibrahim
Head of Internal Audit and Compliance

Mr. Mohammad Ibrahim is the fellow member of the Institute of Chartered Accountants of Bangladesh (ICAB). He completed Chartered Accountancy Articleship from Hoda Vasi Chowdhury & Co., a leading Chartered Accountancy firm in Bangladesh, in 1996 and he worked there till 1998 as Senior Audit Supervisor.

Mr. Ibrahim started career at ACI Limited, a renowned Bangladeshi conglomerate in 1999 as Assistant Manager, Finance & Accounts and served successfully for 6.5 years in areas of financial accounting, financial reporting, banking credit facility and treasury management, internal auditing, etc. He subsequently joined Integrated Services Ltd (ex-owner of Sheba Telecom Pvt. Ltd) as Senior Manager, Finance & Accounts, in May 2005 and worked there for 3 years. Thereafter, he joined Pragati Insurance Ltd, a leading general insurance company in Bangladesh in April 2008 and worked there up to May 2013 as Senior Vice President, Internal Audit. He later worked at Bengal Brands Management Bangladesh Ltd as Financial Controller and F.B. Footwear Ltd as Chief Financial Officer (CFO).

Mr. Ibrahim started his career with Runner Group in July 2017 and continued his journey as Group Finance Controller till April 2023. After that, he rejoined Runner Automobiles PLC as Head of Internal Audit and Compliance (HIAC) in May 2023.



Rudaba Tazin
Director, HR and Administration Division

Ms. Rudaba Tazin, an MBA graduate in International Business from the University of Greenwich, London and a BBA alumna of BRAC University, brings a wealth of expertise across HR, administration, QEHS, taxation, and finance. Her leadership has been pivotal in seamlessly integrating strategic HR initiatives with efficient administrative practices, fostering a collaborative and high-performance organizational culture.

Ms. Tazin excels in enhancing employee engagement, talent development and operational efficiency, ensuring alignment with organizational goals. Her forward-thinking approach and adaptive expertise drive growth and innovation, enabling the organization to remain agile and responsive to evolving business demands. Her strategic vision continues to build a resilient, dynamic team, positioning the organization for ongoing success.





Sanjay V Bhalerao
Head of 2W,3W Manufacturing Plant

Mr. Sanjay V Bhalerao is having vast experience of 38 years in Automobile Industry. Prior to joining RAPLC as Head of Plant, he was working with Bajaj Auto Ltd, India. He has wide experience of working in different domains of Automobile Industry like Manufacturing, Materials, International Business, Overseas facilities set up & Overseas Service in various capacities. He has done his Post Diploma in Auto Engineering from VJTI Mumbai with MMS from Pune University, India. His wife is an Artist & they have two daughters. Elder daughter is an Architect & younger one is Doctor pursuing MD in Anesthesia.



Mr. Mohammad Abul Kalam
COO, 3W & 4W Commercial Vehicle Division

Mohammad Abul Kalam is a result oriented versatile business catalyst and multi-faceted leader proficient in driving organization's growth through creative and innovative business strategies. He joined with Runner Automobiles PLC as Chief Operating Officer on May 2023 for 3-Wheeler & 4-Wheeler commercial vehicles business operation. He has 22 years multi-dimensional & sustainable business leadership journey with diversified industries – FMCG, Cement, Automotive after markets, Steel, Electrical Appliances, LPG, Electronics. He has working experience with renowned MNC & local organizations like Unilever, Heidelberg Cement, Rahimafrooz, KDS Group, SSG, OMERA LPG & Jamuna Group.

His passion is to put solid milestone for the assigned business operation through strategic & transformational process as per desired matrix. He completed MBA in International Business and Post-Graduation in Management.





Mr. Shah Md. Rijvi Rony
Chief Human Resources Officer

Studied at HARVARD University (Executive Education), Shah Md. Rijvi Rony is a distinguished HR, OD, and L&D professional. He is currently working as the Chief Human Resources Officer (CHRO) of RUNNER Group. He brings with him over a decade of experience in Human and Business Performance Improvement through Strategic HR practices, Talent Development program and Organization Development initiatives. Prior to joining RUNNER, he served Evercare Hospital and ACI Logistics Ltd. (SHWAPNO) as the Head of Human Resources and Administration. He also served Apex Footwear Ltd., ReliSource Technologies Ltd., and Dhaka Ahsania Mission in various capacities.

Mr. Rijvi holds a Master's Degree in Human Resource Management from Dhaka University (first class first) and a BBA in Finance from IUBAT. He is also a qualified trainer from the University of Cambridge (UK). As a lifelong Learner, among the professional degrees, he attained Human Resource Business Partner (HRBP Advanced), Management 3.0, Certified Competency Mapping Expert, Train The Trainers, QMS (ISO 9001:2005), Cognitive Behavior Therapy etc. to mention a few.

Mr. Rijvi has been awarded from Kormo by Google and BSHRM for his unwavering contribution to the HRD field in Bangladesh.



Mr. Mohammad Abu Hanif
Chief Business Officer, 2W Sales

With 25 years of experience, Mr. Mohammad Abu Hanif possesses extensive knowledge in the areas of Two-Wheeler Sales, Marketing, Branding, Strategic Business Planning, Crisis Management, Channel Management, Pricing, and Positioning. He worked with TVS Auto Bangladesh Ltd., Uttara Motors Ltd. Aftab Automobiles Ltd. and Jamuna Group of Companies before accepting the position of Chief Business Officer at RAPLC. He is a growth-centric company leader with a mixed track record of managing difficult enterprises through relationship-building, establishing distribution channels, and persuading and carrying out strategic business development to meet the end goal. He has done MBA in marketing B.Com. (Hons.), M. Com. Major accounting and has taken part in multiple national and international leadership development programs.





Md. Aminur Rahman
Head of Corporate Affairs, Commercial
& Vehicles Registration Operations

Mr. Md. Aminur Rahman is the Head of Corporate Affairs, Commercial & Vehicles Registration Operations at Runner Automobiles. With over a decade of experience in business development, government relations, he has established himself as a key figure in the automotive sector. A postgraduate in Geology & Mining from Rajshahi University, Mr. Rahman is known for his dedication, integrity, and strategic leadership. He plays a pivotal role in shaping industry policies, having contributed to the development of the Automobile Industry Development Policy-2021, Motorcycle Industry Development Policy-2018, Electric Vehicle Movement and Registration Policy-2023 and other key regulations in collaboration with various government departments.



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ইউএসবি পোর্ট



গিয়ার ডিসপ্লে



ফ্যুয়েল সেগর মিটার





MESSAGE FROM OUR VICE CHAIRMAN



TRANSFORMING OUR BUSINESS TO MAXIMIZE VALUES

Respected Shareholders

Welcome to Runner's Integrated Annual Report for the financial year 2023-24.

Change and transformation have been significant aspects of my life and I have always been energised by the intrinsic potential of our business and the opportunities of tomorrow. Inspired by time-tested principles, we have built Runner on the unwavering foundation of financial discipline, innovation and customer-centricity, with the organisation embodying measured risk-taking, honesty of purpose and transparency in all our dealings. Such a foundation has enabled us to effectively deal with challenges that have come our way and this current phase will strengthen us to emerge even more resilient.

Bangladesh's automotive sector is closely linked to the overall economy. During the high-growth pre-Covid years, the market was on an upswing that attracted a number of players into the business. However, the signs of a slowdown became visible after Covid, as consumer spending tightened with soaring inflation and with manufacturers being forced to raise prices. The overall 2W market in the country has shrunk by about 40% over the last two years, significantly impacting the lower-end motorcycle market, which has nearly disappeared, reflecting affordability issues for buyers. Runner, the company that was always very strong in this category, has been disproportionately affected by this decline in demand.

The management's full focus now is on reviving the 2W business. We are doing this on the strength of our legacy and expertise in the business. At our peak, we achieved annual sales of 4,688 2Ws, and I am confident that we can replicate this success again. We are putting efforts into restructuring our dealership, optimising the workforce, reducing costs, and ensuring capital allocation to products with the greatest potential.

More importantly, however, we are rebuilding the portfolio, focusing on two key segments like the electric or battery-operated 2W segment, and the mid-weight and higher-end ICE motorcycle segment. We have already tied up with Yadea, the world's leading electric 2W brand. This association positions us well to provide safe and superior green solutions for e-mobility to customers and also gain insights into a nascent but highly promising market. We will benefit from Yadea's innovation and into in-depth expertise in the core technologies behind electric vehicles.

We have established a total of 45 dealerships so far, comprising 37 company-owned company-operated (COCO) dealerships and 15 exclusive dealerships for Yadea. As we are a distribution-led business, expanding dealer network is our key strategy. We are already seeing significant traction in the business, with 825 e-2W units sold in the reported financial year. Notably, sales surpassed 100 units per month for the first time in September 2023.

We are also focused on revitalizing our ICE 2W business through targeted initiatives. The first key step is the strategic reorientation of our portfolio, narrowing it down to products with sustained demand. This includes scooters, 120 and 125cc motorbikes and premium 2Ws under our partnership with KTM and Vespa.

We have successfully onboarded the reputed Italian brand Benelli-Keeway, poised for an exciting launch in the upcoming financial year. Furthermore, with approximately 16,000-17,000 Benelli-Keeway vehicles estimated in Bangladesh, there is also significant potentials for providing after market services.

We have rationalized the ICE 2W COCO dealership from previous 65 to 31 by the end of FY 2023-24, focusing on maximising productivity and utilisation. We are also intensifying our efforts to liquidate old stock and recover

legacy debt to restart the business on a clean slate. We are also working to reduce credit sales and transition to a cash-and carry model for all products. There was some manpower rationalisation and re-allocation to the new 3W factory to enhance our operations.

We are confident of the performance resumption of the business as we put all the parts together and complete the ongoing work.

Amidst all the challenges, the year was memorable too, marking the first full year of operations of our new 3W plant that was set up in technical collaboration with Bajaj. The rationale for the establishment of a full-fledged 3W manufacturing facility was a hark back to our "Made in Bangladesh" motorcycles, as Runner is still the only company in the industry to earn and own this prestigious mark.

The new 3W plant had a fair run, achieving sales of 5,800 units during the year. However, this is still far from the full potential of the business and a ramp-up is essential. We have set an aggressive, yet achievable sales target for the current year and are confident of achieving the same.

This confidence spawns from several factors, including our transition from a dealer-based to a retail-centric model, keeping us close to our customers and having a direct grip on the business. The green sustainability bond, through which we raised BDT 267.50 crore served as a lifeline by providing the liquidity to maintain sales momentum. We are also developing a viable 3W spares and service business that will give a huge financial fillip in the future.

We are committed to the automotive industry, staying focused on this sector to develop our expertise, strengthen our position in the market and create new value for our stakeholders. Our pursuit of excellence is built on strong corporate governance, deep-rooted values, and high-calibre leadership. We are committed to fulfilling our growth strategy while standing as a reliable pillar for our stakeholders.

On this note, I conclude my statement and extend my gratitude to you for your support and cooperation which have been valuable to us.

Thank you.

MD. MOZAMMEL HOSSAIN
Vice Chairman

BUSINESS REVIEW BY OUR **MANAGING DIRECTOR & CEO**

BUILDING A FUTURE READY RUNNER



SUBIR KUMAR CHOWDHURY
Managing Director & CEO

Dear Shareholders

This past financial year was likely among the toughest years for the company. There were many hurdles that were compounded by a weak industry environment. Amidst high inflation and other challenges, consumer behaviour shifted dramatically that led to a continued fall in two-wheeler sales during the year.

In 2022-23, the motorcycle market declined by 26 per cent YoY. Though last year we had forecasted stability and some growth, many external events upturned this assumption as motorcycle sales dropped by another 16 per cent in 2023-24. The market is thus down by an unprecedented 40 per cent in the past two years, impaired by factors such as economic uncertainty, dollar crisis, high inflation, consumer spend re-prioritisation, political unrest and the national elections.

It is not an easy task to produce results at a time when the business environment has become far more uncertain and far less predictable than before. Yet, efforts that went in the background, along with the decisions taken in the past, generated results that were satisfactory. This apart, our deep focus on operational recuperation and setting a culture of sustainable practices also played a role in the performance for the year.

In 2023-24, the company registered a revenue growth of 74% of BDT 4,388 million, gross profit expansion of 118% to BDT 1,378 million, and net profit breakeven, from a net loss of BDT 696 million in 2022-23 to a net profit of BDT 22 million during the year. This improvement in profitability is a validation of our strategic roadmap and indicates the company is on a rotational pivot towards sustainable transformation and growth.

Of course, none of this could have been achieved without our dedicated and motivated management team and workforce, supportive business partners, and our customers' belief in our products and service.



As we fast-track recovery, our long-term strategy is anchored on three key goals:

- Achieve robust growth by reviving the Bajaj 3W market
- Ensure effective planning to exploit the immense future growth potential of battery-powered two-wheelers
- Create opportunities for sustainable growth through restructuring the two-wheeler internal combustion engine (ICE) segment

I strongly believe that our priorities and plans under these pillars are still very useful and effective for the revival of Runner. I will present a brief review on the progress achieved under these pillars.

The main hurdle in implementing our plan was the liquidity crunch. Innovation spawns from necessity and this was quite the underlying theme of our sustainability bond issue which was the first such in Bangladesh where we were able to mobilise BDT 267.50 crore. The bond program contributed to alleviating the liquidity crisis and was absolutely vital in infusing momentum to our new three-wheeler manufacturing business.

As you may already know, the bond issue was held in July 2023 and comprised the first internationally-guaranteed sustainable bond issued in Bangladesh. The key to success was to appropriately present our long-term strategy and business plans to all concerned stakeholders and earn their trust. In this regard, I appreciate the tireless hard work and efforts of all engaged in this endeavour, including the CFO and his team.

Comforted by the cushion of liquidity, we were able to initiate rapid recovery in 3W performance from Q2 by strengthening the dealer network, restructuring the internal team, and establishing competent leadership. In terms of production too, the establishment of efficient operational protocols and strict quality control norms ensured the supply of adequate vehicles as per demand. A stronger product-market fit was visible in the momentum in sales figures – from around 300 vehicles per month in 2022-23 to over 600 vehicles per month in 2023-24 despite shortage of supply.

I see a significant growth runway for our 3W business. This is due to regulatory impetus of the proposed replacement of 15-year old vehicles plying on the road, and potential issue of new permits in districts that have exhibited high demand. Further, our focus on expanding the dealership network, together with positive word-of-mouth will help convert a product-push into a customer-pull that will help lift sales too.

Our main goal for the electric battery-powered 2W business was to enter into a long-term contract with Yadea, the world's number one brand, which we successfully concluded in October 2023. We have been able to make considerable progress in our efforts to pre-establish ourselves in this segment of immense future potential. Building a small but effective team and expanding the dealer network across

the country is progressing rapidly. Along with this, work on marketing and promotions is currently underway.

While the growth of e-2W segment is slower than expected, there has been a clear improvement in QoQ sales. We believe product popularity will soon start increasing at a rapid rate and we have the right portfolio and overall readiness to capture a slice of this segment. It should be noted that last year, we managed to increase our market share to about 30%, according to import data.

We put a lot of effort in laying the foundations to meet the challenges of the 2W ICE segment. We narrowed down and sharpened the portfolio of Runner motorcycles by analysing sales patterns and product popularity. Further, our main goal was to associate with a good brand and we successfully signed a deal with Benelli-Keeway. This brand is famous for its higher cc and more powerful motorbikes, putting us in the right place to capture the consumer preference for bigger and faster bikes in Bangladesh.

This past year, we achieved success in clearing a large part of the old 2W stock, re-organised the team, and adjusted the cost structure as per market demand. We also shut down unprofitable own showrooms, hired new dealers, slashed manpower to less than half, converted more than 90% sales in cash, etc., thus enhancing productivity and cutting cost outflow.

While we are moving in the right direction and see huge potential for growth, we have to overcome some obstacles to make this a more concrete reality.

The first unexpected obstacle to the smooth progress after the bond issue was the dollar liquidity crisis. From Q2 onwards, we faced challenges in opening LCs, with limited number of banks agreeing to open LCs and that too with 100% cash margin. As a result, our cashflow challenges that we solved through bonds has come under attack once again.

We have tried to get some solutions going but due to uncertainty in the financial sector, elections and subsequent developments, our initiatives have not been fully successful yet.

This is the reason why we could not supply our products in all the quarters to meet the demand. Even models of Benelli-Keeway have not yet been launched in the market. But our efforts are being continued and I am hopeful we will be able to find a permanent solution soon.

I would like to assure our shareholders that the future prospects of Runner focusing on the three segments are promising. However, we must always be prepared to overcome the obstacles that are preventing us from achieving our desired results. Hence, we are constantly building our internal strengths and capabilities that will help solve the current constraints and enable us to shift towards sustainable growth.

I conclude by thanking you once again for your continued faith and trust in Runner.

Sincerely,
SUBIR KUMAR CHOWDHURY
Managing Director & CEO



STATEMENT FROM OUR CHIEF FINANCIAL OFFICER



SHANAT DATTA, FCA
Chief Financial Officer

Dear Shareholders

I'm happy to take you through the underlying factors governing the financial performance of Runner Automobiles for the year 2023-24.

Overview

Embarking on profitability and sustainable returns for our investors, we focused on a conservative expenditure plan and a push towards an ambitious revenue target. In this respect, the company became more stringent with operational costs, focusing on the necessities and efficient use of resources.

Consequently, a desirable financial outcome was accomplished from the 3W business this past year. Furthermore, our plan of shifting out gradually from credit to cash/advance sales also bore fruit, helping alleviate liquidity and cash flow challenges.

Key developments of the year

One of the major occurrences of the financial year under report was the "Runner Auto Sustainability Bond" in which the company mobilised a sum of BDT 267.50 crore. With the successful issuance of this bond in July 2023, the company has emerged as the first in Bangladesh to launch an internationally-certified Sustainability Bond.

The rationale of garnering the funds comprised liquidity required to expand and scale-up the 3W business and to fund a rooftop solar project. A sustainability Quality Score of "SQS3" has been assigned to this bond, which means a Good Score. Under the BSEC (Private Placement of Debt Securities) Rules 2021, this bond is qualified under the eligible sector criteria of Green Bond as it meets the



criteria of “Energy Efficiency”, “Transportation” and “Others”. Further, the bond tenure comprises a span of 7 years with a 2-year moratorium.

It is heartening to note that Runner was bestowed with the “Finance Asia 2023 Best Sustainable Finance Deal” award during the year. I would like to extend my heartfelt appreciation to all our investors and lenders who participated in the bond program and made it a success.

Although the company emerged profitable in 2023-24, which is an achievement considering the significant challenges in our operating environment, we believe there is significant further value unlocking potential in the company.

Among the major developments of the year, the company expanded its 3W business mostly on cash basis that helped augment liquidity and ease the cash flow crisis of the previous financial year. Besides, we emphasised on old 2W stock liquidation that helped reduce carrying costs and generated cash that was deployed in funding more profitable and cash-worthy new projects and also in reducing debt.

Our e-2W business with Yadea, a Chinese e-mobility giant, also got some traction during the year and we believe there will be a gradual sales pick up in line with the adoption of e-2Ws in the country. Unfortunately, our association with Benelli and Keeway, two renowned global 2W brands, could not take-off during the year. However, we believe there is significant scope here that will play a vital role in making the 2W business a profit-contributing one for the company.

During the year, we achieved success in loan rescheduling and long-term debt restructuring that reduced cash flow pressures. We also rolled-over some working capital loans to ease liquidity challenges.

Inflation and its impact

The automotive industry is influenced by consumer confidence and purchasing power that was impacted by significant inflation during the year.

Inflation in the country remained elevated at 9.73% in 2023-24, up from 9.07% in 2022-23 (Bangladesh Bureau of Statistics data), largely underpinned by rising prices of

food and fuel and exacerbated by the Russia-Ukraine and other geopolitical conflicts. The erstwhile government thus stepped in with restrictions on foreign transactions to prevent drain of the country's foreign currency reserves and ensure liquidity. In this situation, the company was required to make upfront additional investment as LC margin, which drove up finance costs. Thus, inflation and exchange rate volatility led to an increase in overall operational costs.

As consumer prices and global energy costs edge ever higher, it has become clear that this bout of inflation is non-transitory. To deal with this, the management took several strategic steps to smoothen operations, including:

- Adopting zero-based budgeting, where expenses are justified one-by-one and budget owners must show how spending is aligned to strategy
- Optimising finance costs and shoring up cash flow by reducing credit sales and ensuring advance payments for 3W business. Since, the 3W business was on a gradual scale-up, it was important to ensure sufficient stock to meet market demand
- Reducing the risk of currency fluctuations through hedging via future contracts
- Ensuring greater 3W localisation, especially with regards to products such as tyres, batteries, hood covers, seats, engine oil, etc.

Though we adjusted our labour costs with the prevailing 2W business, the full cost increase could not be passed on to customers so as to ensure a comfortable price situation for them. Though this exerted an impact on our margins, yet it was important from the perspective of protecting future sales.

Looking forward

We are optimistic in profit margin recovery during the current year, driven by optimism in the 3W business and the newly developing EV segment, which will also ensure meeting the long-term goals and objectives of the company.

I extend my thanks to all our shareholders and stakeholders for their indispensable support. We look forward to reporting a better performance in the current year.

SHANAT DATTA, FCA
Chief Financial Officer



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RUNNER
motors limited

 **STRATEGY**



REPORT ON RUNNER AUTO SUSTAINABILITY BOND: A PIONEERING FUND MOBILISATION PROGRAM WITH FINANCIAL, SOCIAL AND ENVIRONMENTAL IMPACTS

Runner Automobiles, one of the leading conglomerates of Bangladesh, is a flagship of the diversified Runner Group. The company was incorporated in the year 2000 and is one of the first automakers of Bangladesh.

Continuing with its pioneering journey in the automotive industry, Runner launched the nation's first "Made in Bangladesh" three-wheeler autorickshaws in technical collaboration with Bajaj, one of the world's leading automotive companies based in India. With a capacity of 30,000 units per year, the plant seeks to revolutionise the three-wheeler industry of the country by meeting a significant part of the market demand with domestically-manufactured, fuel-efficient and eco-friendly products.

To ensure sustainable growth and scale-up of the business following substantial capital investment in the manufacturing facility, the company launched an innovative funding program comprising the "Runner Auto Sustainability Bond", which is the first-ever internationally-certified sustainability bond in Bangladesh. The bond has been certified by Moody's signifying a favourable rating and adherence to the overarching sustainability, green and social impact principles.

The company secured BDT 267.50 crore as proceeds from the redeemable and non-convertible sustainability bond. The key stakeholders involved in the Runner Auto Sustainability Bond include GuarantCo Ltd as the guarantor

and the investors are American Life Insurance Company and Green Delta Insurance PLC. The bond's arrangement was facilitated by Green Delta Capital Ltd while DBH Finance PLC serves as the trustee. These partnerships are integral to the successful implementation and oversight of the sustainability bond initiative.

In accordance with the terms of the fund raise, the sum of BDT 240.75 crore has been utilised for the working capital support for three-wheelers business. This has not only facilitated sales development but has also generated livelihood opportunities for customers, particularly in the interior and underdeveloped regions of Bangladesh. The fund mobilisation has thus emerged successful in meeting the social impact mandate of the bond program.

The balance amount of BDT 26.75 crore has been earmarked for the construction of a 4MW rooftop solar plant for the 3-wheeler manufacturing facility. However, this remains unutilised as on date. It is expected that the solar unit will help to save around 24% on the total utility bills of the plant and the Surplus power generation to be added to the grid. With this plant going into operation, RAPLC will be able to offset 3,794 metric tons CO2 emissions per year. In light of the prevailing circumstances in the country, a suitable opportunity is sought for the commencement of the project, which will fulfil the energy-efficiency and green criteria of the bond program.

The utilization of this Sustainability Bond is intended to align with the United Nations Sustainable Development Goals ("SDGs").

7 AFFORDABLE AND CLEAN ENERGY 	1 NO POVERTY 	8 DECENT WORK AND ECONOMIC GROWTH 	10 REDUCED INEQUALITIES 
Renewable Energy 4 MW AC Solar rooftop power generation unit at the 3-wheeler factory premises.	Access to Essential Services: Financial Services Generated livelihood opportunities for customers, particularly in the interior and underdeveloped regions of Bangladesh		



Financial Capital

The company's growth strategy, along with disciplined capital allocation and fiscal execution, has led to favourable financial outcomes.

Key financial metrics	FY2021-22	FY2022-23	FY2023-24
Income from operations (BDT million)	488.00	-47.13	794.18
Gross profit (BDT million)	1,108.27	631.02	1,378
Net profit/(loss) (BDT million)	28.09	-695.62	22
Earnings per share (BDT)	0.25	-6.13	0.19
Book value per share (BDT)	10	10	10
ROCE (%)	6%	-1%	8%

Human Capital

Our employees possess skills and competencies that have been developed and sharpened over years of training. While we maintain a safe, conducive and collaborative work environment, we value loyalty, dedication and diversity and offer fair compensation.

Key human resource metrics	FY2021-22	FY2022-23	FY2023-24
Salary and other benefits (BDT million)	389	393	406
Revenue per employee (BDT million)	3	2	4
Total workforce	1,153	1,230	1110

Manufactured Capital

The company's established manufacturing operations utilise modern machinery and equipment to manufacture and assemble reliable, safe, high-quality and eco-friendly 2W and 3W products. Further, our operations meet the certification standards of regulators.

Key production metrics	FY2021-22	FY2022-23	FY2023-24
2Ws manufactured	26,539	8,477	3,880
3Ws manufactured	-	2602	7841

Intellectual Capital

We have been able to create a strong degree of competitive differentiation and a sustainable commercial model through our specialist product, process and market knowhow and through our ongoing focus on innovation to open new growth opportunities.

Social and Relationship Capital

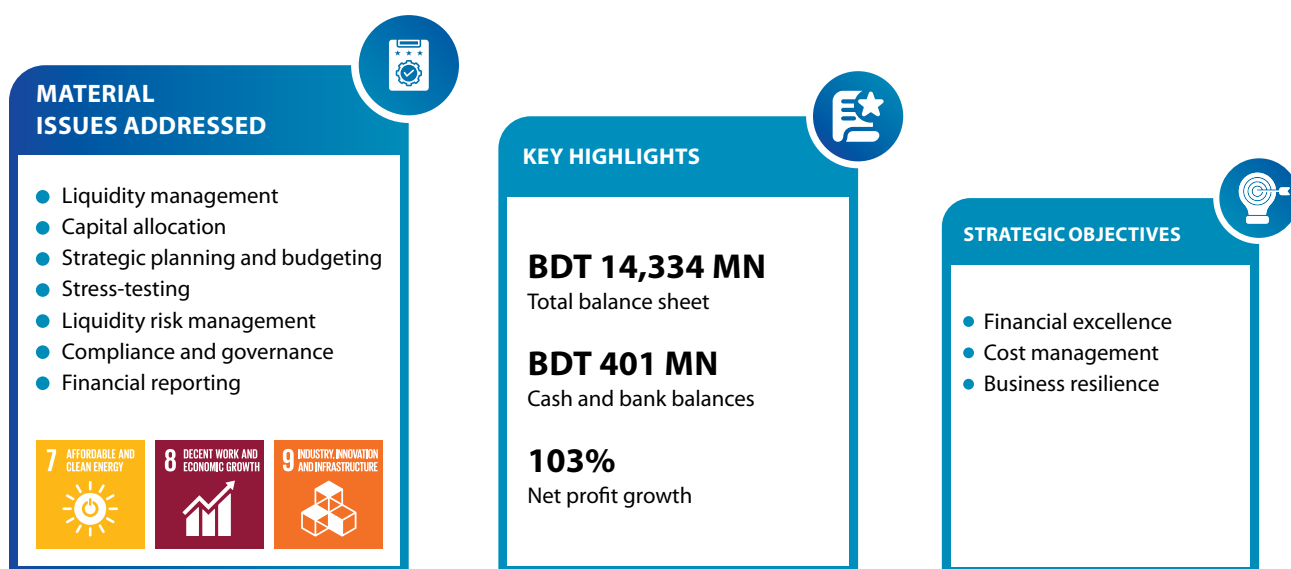
We foster mutually-respectful and cordial relations with our workers and stakeholders, thus maintaining a beneficial environment for growth and shared value.

Natural Capital

As a part of the manufacturing industry, we strive to eliminate the environmental impacts of our business through the sustainable use of natural resources and responsible waste, water and emissions management.

MAINTAINING A SOUND FINANCIAL PROFILE

WE CONTINUOUSLY FOCUS ON OPTIMISING OUR FINANCIAL AND OPERATIONAL MANAGEMENT STRATEGIES TO DRIVE LONG-TERM RETURNS FOR OUR SHAREHOLDERS AND OTHER STAKEHOLDERS.



Brief Overview

In addition to managing our financial profile and credit ratings, governing forex and credit risk emerged as a key factor during the year. As the exchange rate remained highly volatile this past fiscal year, the company entered into forward contracts with some banks to fix the dollar rate for opening LCs for 3Ws and also negotiated rates with banks with 20-100 per cent cash margin for opening 2W LCs.

Further, one of the major issues of the year comprised supply chain challenges with volatile exchange rates that significantly affected negotiations with suppliers as well as with foreign banks. This pushed up operational costs and end product prices, though only a part of the overall cost increase was passed on to customers. While focus on operational efficiency remained key for expense control, this was not adequate to offset the whole cost increase that eventually had an impact on the margins.

However, a silver lining was the company's turnaround and swing-back to profitability – a net loss of BDT 695.62 million registered in 2022-23 swung to a net profit of BDT 21.77 million in 2023-24. Amidst all the turnaround and transformation efforts of the company, this has set the tone for enhanced profit recovery in the current financial year.

Way Forward

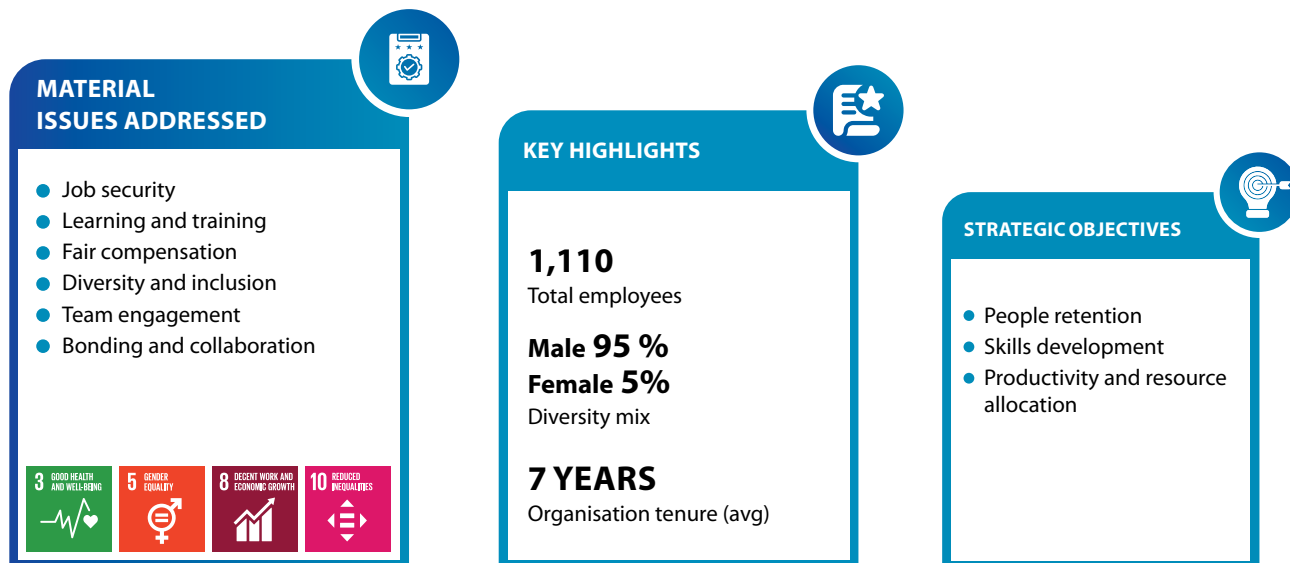
- Strategically ramp-up production at the new 3W plant to enhance financial contribution
- Optimise liquidity and control debt cost
- Ensure ongoing cost savings aimed at optimising fixed and variable costs
- Enhance return ratios through calibrated capital management

Read more about our financial strategies and performance in the section "Statement from our CFO"



ENSURING SKILLS TRANSFORMATION AND OCCUPATIONAL SAFETY

OUR SKILLED EMPLOYEES AND THEIR EXPERTISE AND DEDICATION ARE VITAL FOR ACHIEVING OPERATIONAL EFFICIENCY, INNOVATION AND SUSTAINABLE GROWTH. WE STRIVE TO NURTURE AND EMPOWER OUR CULTURE AND PEOPLE TO STRENGTHEN OUR COMPETITIVE POSITION AND FOSTER ALL-ROUND EXCELLENCE.



Brief Overview

Transparency and best practices are key principles that frame our company's human resource management approach. The company has demonstrated openness in the adoption of best practices to create a conducive work environment.

With skill being a source of competitive value, especially in a rapidly changing environment, we focus on developing a future-ready organisation and bolster this approach through learning, training and development opportunities for all our employees, giving thrust to continuous learning and skills updation.

Leveraging our human capital is a key business imperative and the principle of always putting people first guides all our decisions and policies. We strive to foster a work culture that promotes collaboration, innovation, performance, adaptability and transparency.

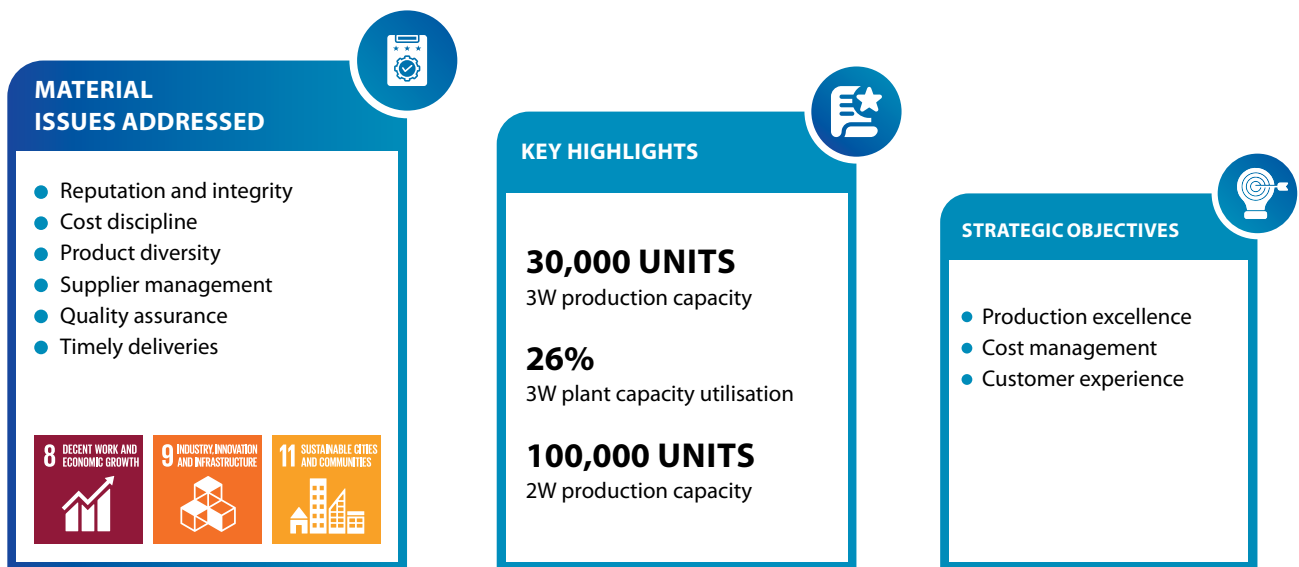
As part of our focus on OHSAS, we prioritise both the physical and mental wellbeing of our employees, ensuring their health and safety. Our programs are essential in ensuring the occupational safety of our people.

Read more about our human resources initiatives in the section "Our People Management Practices"

MANUFACTURED CAPITAL

BUILDING ON OUR OPERATIONAL EXCELLENCE

WITH STRONG LEGACY, EXPERIENCE AND DEMONSTRATED PERFORMANCE, RUNNER IS RENOWNED FOR ITS MANUFACTURING PROWESS IN THE AUTOMOTIVE INDUSTRY. THE COMPANY REMAINS THE ONLY ONE IN THE INDUSTRY TO MANUFACTURE “MADE IN BANGLADESH” 2WS AND 3WS WITH HIGH QUALITY, PERFORMANCE, SAFETY AND ECOLOGICAL STANDARDS.



Overview and Strategy

The strategy at the commencement of the financial year 2023-24 was to focus on the 3W business and the e-2W segment, along with recovery of the ICE 2W segment. Within this overall framework, the manufacturing and operations team was geared to meet the strategic objectives set during the start of the year.

For the 3W business, the manufacturing team achieved production of 7,841 units that comprised 53% of the total budgeted production during the year. This shortfall was due to adverse macroeconomic factors, such as bank margin restrictions and significant BDT depreciation vs. the US\$ that drove up raw material costs. Similarly, the team was able to manufacture 2,929 units ICE 2Ws, adjusting production with demand that saw a significant contraction during the year.

Some of the key highlights and stats are enumerated below:

- Capacity utilisation for the 3W plant stood at 26 per cent, primarily constrained not by manufacturing or demand but by supply-side factors
- Considering the supply chain disruptions, manpower deployment was adjusted according to capacity, which helped in expense control
- Manpower utilisation stood at 80-90 per cent in 3Ws and 40-50 per cent in 2Ws
- Rooftop solar power plant is under finalisation stage

which will substantially reduce electricity costs

- Implementation of LPG bullet project is in process, which will reduce operating cost by up to BDT 2 lacs per month, resulting in annual projected savings of about BDT 2.4 million per annum
- Received certificates such as ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018, including environmental clearance certificate

Key manufacturing Strengths

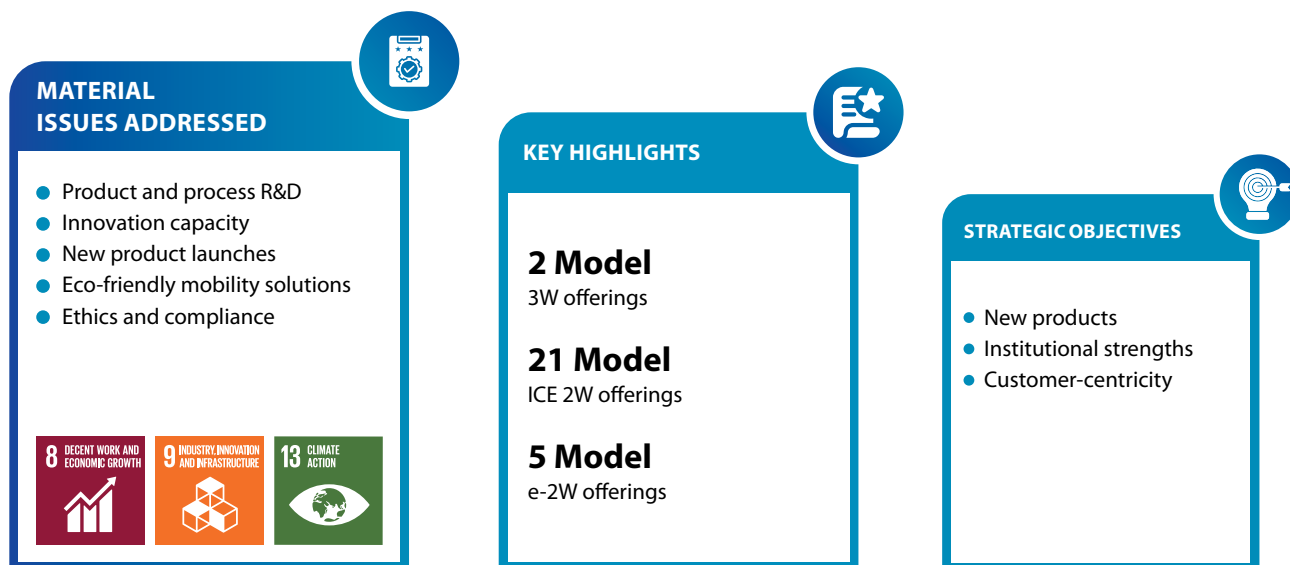
- Integrated in-house capability to develop and produce motorcycles, along with R&D setup for EVs
- CMM and UTM-led weld part quality assurance, backed by captive tool room facility
- Well-equipped lab for paint shop and advanced DYNO for testing of vehicle engine
- Latest automotive paint technology comprising cathodic electro deposition painting process that imparts the best paint quality with longevity. This technology also reduces wastages and saves cost
- Robotic spot welding that ensures consistent quality with desired output, with 90-95 per cent utilisation
- Skilled and experienced workforce with knowhow of manufacturing best practices



COMMITTED TO REDEFINING EXCELLENCE

WE ARE STEADFAST TO THE CAUSE OF A SUSTAINABLE AUTOMOTIVE INDUSTRY, FOCUSING ON MEETING THE CHANGING NEEDS AND EXPECTATIONS OF OUR CUSTOMERS.

WE STRIVE TO PROVIDE RELIABLE, SAFE, EFFICIENT AND ECO-FRIENDLY AUTOMOTIVE SOLUTIONS, CRYSTALLIZING OUR R&D, INNOVATION, INSIGHTS AND KNOWLEDGE INTO A PLAN FOR PROGRESS. THIS APPROACH COMPRISES ALL THE ACTIVITIES UNDERTAKEN AFTER A PROMISING PRODUCT HAS BEEN IDENTIFIED AND UNTIL IT IS REGISTERED AND READY TO BE LAUNCHED IN THE MARKET.



Brief Overview

We have a state-of-the-art R&D centre in Mymensingh. With modern technology, advanced equipment and a team of qualified professionals, this facility plays a crucial role in the company's manufacturing efforts, developing efficient processes for new products, improving existing products, improvising processes and optimising capacity utilisation.

We also ensure more stringent QA/QC checks as per SOPs and implement improved surveillance across

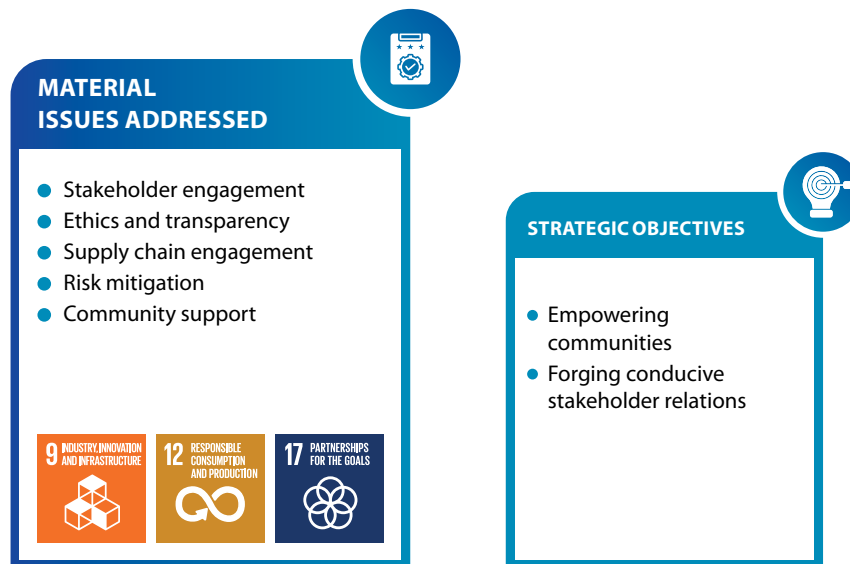
the production chain. Besides, we also facilitate effective environment, health and safety (EHS) management standards that enable better safeguards across these important operational parameters.

Having successfully developed and commercialized 95,500 products in the last five years, the company is geared to launch new products in the current financial year.

SOCIAL AND RELATIONSHIP **CAPITAL**

OUR MULTI-STAKEHOLDER APPROACH TO BUSINESS

OUR UNWAVERING FOCUS ON FOSTERING LONG-TERM CONNECTIONS WITH OUR SHAREHOLDERS, CUSTOMERS, SUPPLIERS AND COMMUNITIES IS AT THE HEART OF OUR BUSINESS SUSTAINABILITY AND FORMS AN INTEGRAL PART OF OUR STRATEGY.



Brief Overview

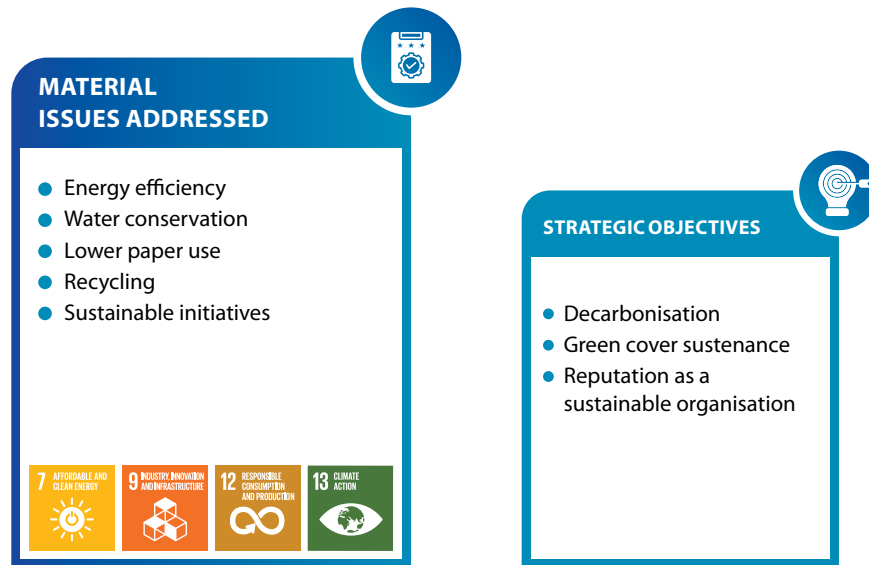
We are committed to nurturing conducive relations with all our stakeholders for sustainable growth. In this regard, we are committed to growing with our customers, supplying regulatory-compliant products that are cost-effective and accessible. Despite the global headwinds, we remained steadfast in the belief that customer focus can result in performance attainment.

As a responsible corporate aware of its societal responsibilities, we are committed to fostering sustainable communities. This intent is underpinned by our resolve to work with underprivileged communities and we intend to accelerate our CSR investments and impact with pick-up in the business in the future.



OUR OBLIGATION TO THE NATURAL ENVIRONMENT

BEING IN THE MANUFACTURING INDUSTRY, OUR OPERATIONS ARE CONTINGENT ON THE USE OF NATURAL RESOURCES. YET, WE ARE CONTINUOUSLY BALANCING SUSTAINABLE PRACTICES AND RESOURCE EFFICIENCY TO PRESERVE RESOURCES AND MINIMISE OUR ECOLOGICAL FOOTPRINT.



Brief Overview

The company is dedicated to environmental protection. The aim is to mitigate environmental and social risks of our operations, while assisting customers and business partners in lowering their environmental impacts too.

We have an environmental and health management system in place to ensure our commercial operations are conducted in an environmentally-sustainable and socially-responsible way. The company has always considered resource efficiency to be a key enabler of sustainable growth. The competent utilisation of resources brings multiple benefits – it lowers the company's environmental

footprint, generates cost savings that provide a competitive edge, and addresses the wider challenges arising due to climate change. The company also ensures effective and appropriate handling of waste.

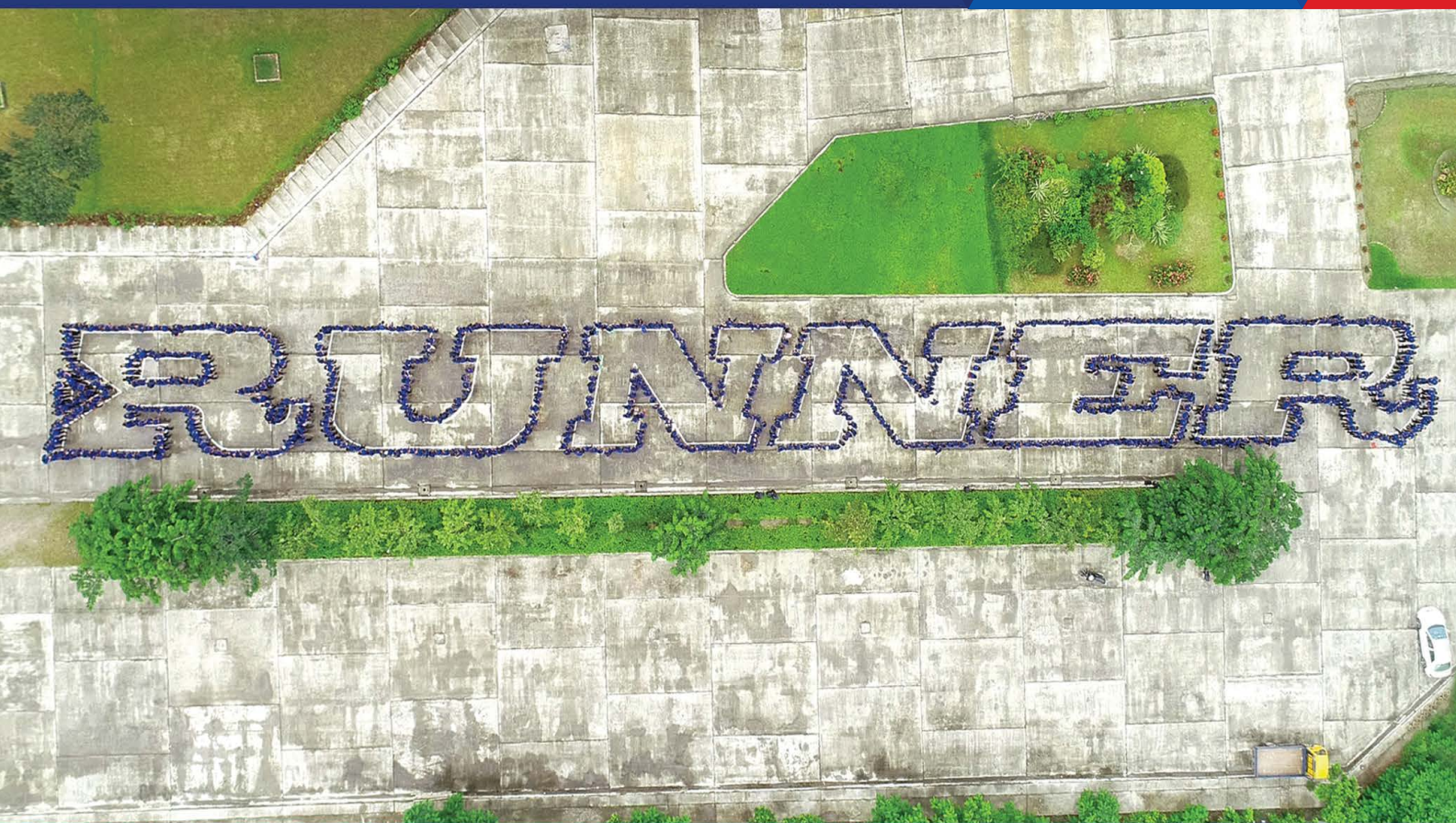
The company has prioritised the following

- Energy management
- Water management
- Waste management
- GHG management
- Personnel awareness and training

KNIGHT RIDER V2

POWER
PLAY





PEOPLE-POWERED EXCELLENCE



We at Runner are committed to building a high-performance, future-ready organisation that values its people and invests in their development and long-term success. We believe our people are the key drivers of change and transformation and we invest in them to ensure the execution of our plans and delivery of our strategy.

Overview

Effective human capital management at Runner has ensured the establishment of a strong workforce base with the necessary skills and competencies that power the company's strategic future ambitions.

The company continuously harnesses innovative approaches to nurture employee skills and provide them with an engaging and stimulating workplace and shop-floor environment. This ongoing commitment to our human resources fosters a high-performance, meritocratic and accountable culture that drives both individual and organisational performance and growth and positions the company for recovery and success.

Attracting and Retaining Talent

Talent management is crucial for Runner's competitive abilities and long-term growth. The company adopts a multifaceted approach to attracting the best talent, including campus hiring, internships and leveraging its reputation as an employer of choice. The company also prioritises manpower reallocation and internal hiring to fill critical posts.

A merit-based performance management culture is adopted to encourage employees to develop capabilities for better career pathways and professional development. Furthermore, we have also prioritised the retention of our key talents that is central to the company's performance recovery.

Building People Capabilities

The automotive industry is evolving fast, necessitating Runner to continuously upskill and reskill employees. The company has devised various learning and development programmes to fill internal gaps and empower people with future-ready competencies.

The company employs a multi-faceted approach to building competencies, including leadership development through in-house programs, ongoing education and job rotations through reallocation. Our L&D initiatives are anchored on fostering skill-building for all our employees.

The company has integrated new capabilities, such as e-2W expertise, 3W manufacturing capabilities, data analytics, customer database management, etc., embedding constant learning and sustainability as core organisational pillars. We have also implemented innovative learning solutions exposure to knowledge-building platforms such as seminars, symposiums, etc. We further focus on fundamental skill development in manufacturing and operations and this also helps us to build and reinforce our reputation in automotive manufacturing.

As a result, the company has cultivated a vibrant learning ecosystem that encourages continuous learning and staying current in a rapidly changing and evolving environment.

Harnessing and Advancing Talent

We are committed to nurturing cultural and collective capabilities, bolstering strategy delivery, execution against plans, advancing best practices and ensuring sustainability in all that we do.

Through various initiatives, such as courses for future mobility, manufacturing-driven skill training and upgrades and so on, we strive to foster a culture of continuous learning and development.

Employee Health and Wellness

We have implemented various programmes to improve the physical and mental health at our plant locations, including 3W and 2W plants. Regular health check-ups are conducted for all employees. Further, the company also undertakes various initiatives for the health, safety and well-being of our employees, such as air testing, water testing, emergency preparedness, fire safety, etc.



UNLOCKING POTENTIAL ELEVATING EXCELLENCE

AT RUNNER, WE BELIEVE THAT OUR PEOPLE ARE THE PRIMARY CATALYST OF OUR ORGANISATIONAL TRANSFORMATION AND SUCCESS AND ALSO A MAJOR SOURCE OF OUR COMPETITIVE ADVANTAGE.

Enriching Our People Capital

At the company's HR department, our efforts circle around ensuring the psychological safety of our people, meeting their professional development needs, and providing meaningful career and growth opportunities. Keeping them challenged and motivated along with monetary and other benefits is also a fundamental part of our talent retention strategy. We also strive to ensure a safe working environment by implementing health and safety protocols carried out by our specialized QEHS team.

Listed below are a few initiatives undertaken for our employees:

People motivation:

- Quarterly appreciation letter for achievers for performance accomplishment
- COCO Super Performer Award for monthly achievers for meeting 100% of performance targets
- Employee of the Month award for the top performers (department-wise)
- Hridoye Runner Program (a sale campaign for employees, those who sale a bike, get cash incentives)
- Weekly Two Days Off
- Outdoor exposure through games and sports
- Annual promotions and increments based on performance

Career growth opportunities:

Runner has a well-structured onboarding process that helps new employees integrate into the organisation, feel motivated and understand their career growth opportunities and pathways. Our comprehensive Performance Management Policy enables us to measure performance against business targets at the end of each financial year.

The completion of the appraisal system grants eligible employees an advancement in their career trajectory within the organisation. Job rotation is a strategy that is also employed to enable employees to acquire experience in diverse positions of the organisation.

Employee safety and welfare

- Mock drill on emergency preparedness and response
- Awareness of MSDS (Material Safety Data Sheet)
- Safety at workplace and importance of using PPE (Personal Protective Equipment)
- First-aid and CPR
- Solid waste management
- Air testing conducted on a regular basis
- Noise and light intensity tests
- Drinking water tests
- Temperature and humidity tests

Runner recognises and rewards employees for their hard work and achievements to boost motivation through appreciation from the top management and also by recognising them through internal social pages and magazines. Runner also encourages employees to maintain a healthy work-life balance through flexible work arrangement policies. This helps with both motivation and retention.

Creating a Learning Organisation

We offer opportunities to our employees to minimise the gap between performance and expectations. This is achieved through learning and skill-building programs. We also encourage our employees to acquire new skills that are useful in advancing their careers.

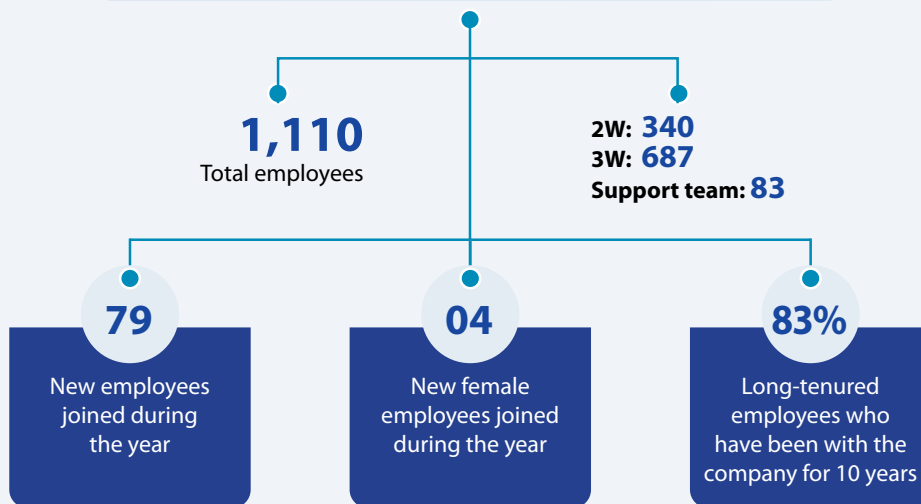
L&D and skilling activities:

- Know Your Product (KYP)
- Managing conflict and resolution
- Awareness sessions on employee grievance management
- Leadership sessions on leading and managing teams
- Emotional intelligence for self and organisational success
- MS Excel – Level-2 training for proficiency building
- Training on incident investigation, root causes analysis and CAPA
- Role and responsibilities of Emergency Response Team (ERT) members
- Training on hazards, unsafe acts and unsafe conditions
- Fire safety training and preparedness





KEY EMPLOYEE STATS



Strength in Diversity

Diversity, equity and inclusion (DEI) are key focus areas at Runner, aimed at encouraging individuals from all backgrounds and ethnicities to work together without discrimination or bias. By promoting diversity, inclusion and equal opportunities, we attract diverse talents with assorted perspectives that enrich discussions and execution of plans. Further, a merit-based approach to performance appraisal ensures recognition of the right talent.

We proactively encourage women's inclusion at our company through dedicated programmes for hiring, career development and supporting personal-professional growth, while also encouraging them to take up managerial roles. As on June 30, 2024, Runner had 41 women employees, representing 4% per cent of the workforce. Four women employees we hired during the year in review.

We thus value and promote diversity within our workforce, ensuring equitable opportunities and treatment for all our employees, while fostering an inclusive and welcoming environment for people of all backgrounds.

Gearing Our Resources for the Future

In the current year, Runner will be focusing on reinforcing operational excellence. Based on the current macroeconomic factors and business goals, we will try to achieve more with fewer resources, focusing on the mantra of doing more with less.

Furthermore, through our multi-skilling project, both at vertical and horizontal levels and particularly in the factory establishment, we will focus on initiatives that ensure taking employee productivity to newer heights. Thus, as a strategy, instead of bringing new resources into the system, we will focus on upskilling our existing workforce to deliver their best and reward them accordingly.

Another focus area this year will be on learning, skill development, and training to bridge the gap between expectations and reality in relevant areas. To facilitate this, we have implemented the Balanced Scorecard approach to manage strategy and performance, which we believe will ultimately integrate into our organizational culture. Performance will be assessed through the four perspectives of the Balanced Scorecard: Financial, Customer, Internal Processes and Learning and Growth.

To establish a leadership pipeline geared for the future, succession planning will be implemented with in-house leadership development programs. Additionally, particular emphasis will be placed on enhancing the sales and customer service competencies of the personnel at both showrooms and service centres with a view to provide the best experience to our customers.



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প্রতিটি গাড়ির সাথে বুঝে নিন *

ফ্রি ইঞ্জিন ওয়েল



আজই যোগাযোগ করুন আপনার
নিকটস্থ বাবার বাজাজ শো-রুমে অথবা
কল করুন- ১৬২৭৩



বিশ্বের ১ নম্বর ট্রাইলার

* শর্ত প্রযোজ্য

OVERVIEW OF GOVERNANCE



Runner Automobiles PLC

Declaration by CEO and CFO

The Board of Directors

Runner Automobiles PLC

138/1, Tejgaon I/A, Dhaka-1208.

Subject: Declaration on Financial Statements for the year ended on 30th June 2024.

Dear Sirs,

Pursuant to the condition No. 1(5) (xxvi) imposed vide the Commission's Notification No. SEC/CMRRCD/2006-158/207/ Admin/80. Dated 3rd June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (2) The Financial Statements of Runner Automobiles PLC for the year ended on 30th June 2024 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh and any departure there from has been adequately disclosed;
- (3) The estimates and judgements related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (4) The form and substance of transaction and the company's state of affairs have been reasonably and fairly presented in its financial statements;
- (5) To ensure above, the company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (6) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (7) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:

- (i) We have reviewed the financial statements for the year ended on 30th June 2024 and that to the best of our knowledge and belief:
 - (a) These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
 - (b) These statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and misleading;
- (ii) There are, to the best of knowledge and belief, no transaction entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



(Subir Kumar Chowdhury)
Managing Director & CEO



(Shanat Datta FCA)
Chief Financial Officer



DIRECTORS' REPORT TO SHAREHOLDERS

Dear Esteemed Members

The Board of Directors of Runner Automobiles PLC (RAPLC) is pleased to present the Director's Report for the financial year ended 30 June 2024 (FY2023-24), before the honorable Members (Shareholders). The Directors' Report is presented in accordance with the provisions of Section 184 of the Companies Act 1994, The Securities and Exchange Rules, 2020, Corporate Governance Code 2018 of Bangladesh Securities and Exchange Commission. It provides a comprehensive overview of our performance, the key market trends, and the strategic initiatives we have undertaken to drive long-term growth and resilience.

Business Profile

Runner Automobiles PLC (RAPLC), the flagship company of the Runner Group, was founded in 2000 with the vision of becoming Bangladesh's first local 2-wheeler maker. Today, we are a leading name in the automotive sector, offering a diverse portfolio that includes non-electric and electric two-wheelers, as well as multi-fuel three-wheelers.

Our core operations encompass the manufacturing, distribution, and financing of two- and three-wheelers, with a strong foothold in the local market and exports to regional countries. Runner has established a dominant position, particularly in the sub-100cc motorcycle category and the three-wheeler segment, solidifying its leadership in the industry.

Manufacturing and Operational Excellence

Our manufacturing plant is located in Mymensingh, Bhaluka, situated approximately 75 kilometers from Dhaka, is equipped with modern technologies and integrated systems for the production of motorcycles, scooters, and three-wheelers under the Runner brand.

We have prioritized quality control, safety, and environmental sustainability across our manufacturing processes. Our workforce is highly skilled and continuously trained to uphold the highest standards in production, while comprehensive welfare programs ensure the health and safety of all employees, contributing to a productive and positive work environment.

A notable achievement this year was the establishment of Bangladesh's first 'Made in Bangladesh' three-wheeler autocar plant. Located adjacent to our two-wheeler facility, this plant has an annual production capacity of 30,000 autocars.

Runner Automobiles continues to invest in innovation, particularly in electric vehicles (EVs). Our strategic partnership with Yadea, the world's largest electric two-wheeler manufacturer, reflects our commitment to providing sustainable transportation solutions for Bangladesh.

Looking ahead, our key priorities are:

- Expanding our electric vehicle (EV) offerings to meet the growing demand for eco-friendly transportation.
- Modernizing our two-wheeler portfolio to cater to the preferences of urban youth, who seek premium, lifestyle-oriented motorcycles.
- Enhancing after-sales services to ensure customer satisfaction and loyalty.
- Expanding our dealer and showroom network across the country to improve accessibility and service.

Principal Business Activities

The fiscal year 2023-24 posed challenges, including supply chain disruptions, rising material costs, and economic pressures such as currency depreciation and inflation. These factors impacted demand for vehicles.

In response, we are focusing on local sourcing, expanding our electric and hybrid vehicle portfolio, and strengthening financial management. We are also advocating for government policies that promote local manufacturing and EV infrastructure.



For our three-wheeler business, 2023-24 will mark the full operationalization of our new plant, and we are restructuring this segment to meet growing demand. Efforts include revitalizing the dealer network, facilitating customer credit, and securing key manufacturing parts.

Challenges Faced

- **Supply Chain Disruptions:** Shortages, particularly in semiconductor availability, affected production and inventory levels.
- **Rising Costs:** Increased costs for raw materials and imported components led to higher vehicle prices, impacting consumer purchasing decisions.
- **Regulatory Compliance:** Stricter emissions regulations necessitated significant investment in technology and compliance measures.

Industry Outlook and Future Developments

Despite global challenges, Bangladesh's automobile industry remains resilient. Demand for electric vehicles is strong, supported by government incentives and the infrastructure for EVs is expected to improve.

Opportunities for Growth:

- **Electric Vehicle Adoption:** Government initiatives are fostering a favorable environment for EV manufacturers.
- **Local Manufacturing:** Investments can enhance cost efficiency and reduce import dependence.
- **Technological Advancements:** Integrating smart technologies can drive innovation.

Strategic Recommendations

- **Invest in R&D:** Focus on expanding our EV offerings and enhancing product innovation.
- **Strengthen Supply Chain Resilience:** Develop strategies to mitigate global supply chain risks.
- **Focus on Consumer Education:** Increase awareness of EV benefits to drive market acceptance.

Future Outlook

The automobile industry is poised for transformative growth, particularly in the electric vehicle segment. By adapting to market dynamics and investing in sustainable practices, Runner Automobiles aims to secure a prosperous path forward. Also at the same time, conventional two-wheelers continue to be a strong pillar of the business, with robust domestic demand and growing export potential.

Segment-Wise Performance

Sales Revenues: Our financial performance across different segments reflects both challenges and opportunities. While the overall market faced declines, certain segments such as the 150cc category showed resilience, aided by improved after-sales services.

Discussion on Financial Performance

- **Extraordinary Gains or Losses:** Details of extraordinary gains/losses will be discussed in the financial statements.
- **Related Party Transactions:** All related party transactions were conducted at arm's length and disclosed appropriately.

Market Performance and Trends

The two-wheeler and three-wheeler segments faced significant transformations:

- **Two-Wheeler Trends:**
 - **Overall Market Decline:** The motorcycle industry saw a 17% decline due to economic instability, inflation, and political uncertainty.
 - **Runner Automobiles Performance:** Experienced a 46% growth in its motorcycle segment.
 - **Category Growth:** The 150-165cc segment experienced a slight decline in growth.



- Changing Consumer Preferences: More buyers are opting for motorcycles as lifestyle products in addition to transportation.
- Focus on After-Sales Service: Continued customer loyalty despite market challenges.
- Shift to Electric Two-Wheelers: Growing interest in E-2Ws, with the launch of Yadea T5 and Yadea M6 models receiving positive market response.
- Three-Wheeler Trends:
 - Increased Demand: Growing interest in electric three-wheelers (E-3Ws), supported by an expanded dealer network.
 - Challenges: Import restrictions and limited new vehicle permissions have impacted growth.
 - Brand Loyalty: Bajaj brand continues to enjoy strong customer loyalty, with high demand for spare parts and services.
 - Future Outlook: Expectation of growth driven by pent-up demand in the three-wheeler segment.

Competitor Actions

Competitors have enhanced their after-sales services, focusing on customer loyalty and trust. This has necessitated a renewed focus on our own service offerings.

Capacity Utilization

- Three-Wheeler Plant: Achieved 26% capacity utilization.
- Two-Wheeler Plant: Achieved 12% capacity utilization.

Future Plans

We are finalizing a rooftop solar power plant to significantly reduce electricity costs and implementing an LPG bullet project to lower operating costs.

Certifications

We are proud to announce that we received the following certifications:

- ISO 9001:2015
- ISO 14001:2015
- ISO 45001:2018
- Environmental Clearance Certificate

Segment-Wise Performance

Amount in BDT mn

Segment particulars	July'23 – June'24	July'22 – June'23
	Sales revenue	Sales revenue
80 cc motorcycles	88	195
100 cc motorcycles	34	72
110 cc motorcycles	132	298
125 cc motorcycles	110	234
150 cc motorcycles	76	139
165 cc motorcycles	42	160
Electric two-wheelers	98	17
Service and parts	126	150
Credit business income	146	291
Three-wheelers	3,831	1,315
Total:	4,687	2,877



Risks and Concerns

In FY 2023-24, Runner Automobiles PLC (RAPLC) encountered several risks and challenges that could impact our growth and profitability. One of the most significant concerns was the ongoing economic instability in Bangladesh. Currency depreciation and rising inflation led to higher costs for imported components, putting pressure on profit margins. These factors, combined with reduced consumer purchasing power, especially in the price-sensitive two-wheeler segment, negatively affected demand. Furthermore, political instability remains a potential risk, as strikes, transport blockades and public unrest can disrupt operations and reduce market confidence.

Supply chain disruptions were another key challenge. The global semiconductor shortage and rising raw material costs affected our production capacity and led to higher vehicle prices. While we have focused on increasing local sourcing and streamlining operations, the global supply chain remains fragile and any prolonged disruptions could further impact our ability to meet market demand. Additionally, changes in government policies, such as stricter emissions regulations or new import taxes, could lead to increased costs and impact product pricing, potentially reducing consumer demand.

On the competitive front, the automotive industry in Bangladesh is becoming increasingly competitive, particularly in the premium motorcycle segment. Our market share in the mid-range segment could be threatened by competitors improving their after-sales services and offering more advanced products. Moreover, the shift toward electric vehicles (EVs) presents both an opportunity and a challenge. Although government support for EVs is growing, consumer adoption remains slow due to high upfront costs, limited charging infrastructure, and lack of awareness. This slower-than-expected uptake could delay the expected growth of our EV segment.

However, despite these initial setbacks and uncertainties, the EV market holds a bright future. As awareness increases and infrastructure develops, demand for electric vehicles is expected to surge. At Runner Automobiles, we are committed to staying ahead of this curve by continuing to invest in EV technology, enhancing product affordability and collaborating with stakeholders to improve charging networks. By focusing on innovation, customer education and the expansion of our EV lineup, we are confident that we will capitalize on this emerging market and establish a strong presence in the electric vehicle sector in the years to come.

Lastly, rising interest rates pose financial risks, increasing the cost of borrowing and potentially slowing down our expansion plans. At the same time, fluctuations in the demand for motorcycles and three-wheelers, combined with a shrinking consumer base in the lower-cost segments, may further exacerbate the situation. To address these concerns, RAPLC is focusing on mitigating risks by investing in local sourcing, enhancing our EV portfolio, improving after-sales services and closely monitoring macroeconomic conditions and regulatory changes. Through these strategies, we aim to safeguard our long-term growth and maintain a competitive edge in a challenging market environment.

Discussion on Cost of Goods Sold, Gross Profit Margin and Net Profit Margin

Despite a rise in the overall cost of goods sold in 2023-24, the Company's focus on efficiency and cost management led to a positive gross profit, demonstrating strong operational discipline.

Extraordinary Gain or Loss

There was no extraordinary gain or loss that may be deemed to be construed as excessive gain or loss occurring during the reporting period, which would require adjustment or disclosure in the financial statements. We operated as a going concern during the year under report.

Related Party Transactions

All transactions with related parties have been made in the normal course of business. Details of related party transactions have been disclosed on page no 265 in Note 47 of Standalone Audited Financial Statements of the Company, as per the relevant IFRS requirements.

Issuance of Runner Auto Sustainability Bond and Green Initiatives

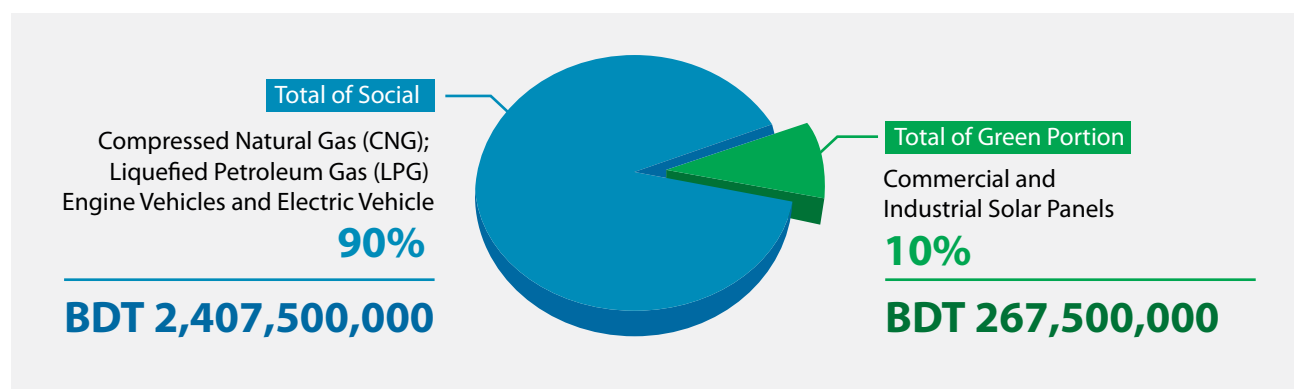
In FY 2023-24, Runner Automobiles PLC issued an Unsecured, Redeemable, Non-Convertible, Guaranteed, Sustainability Bond worth BDT 267.50 crore, the first internationally certified sustainability bond in Bangladesh. This bond issuance reflects our commitment to the United Nations' Sustainable Development Goals (SDGs), focusing on environmental and social impact.



Of the raised funds, BDT 26.75 crore is earmarked for a 4MW rooftop solar plant at our manufacturing facility to enhance sustainability and energy efficiency. Through this initiative, we are reducing our carbon footprint and driving green energy solutions in line with our long-term sustainability goals.

Proceeds from the Bond Issue

The 90% of the proceeds from the Sustainability Bond have been dedicated to providing credit support to rural customers for acquiring fuel-efficient 3W vehicles such as LPG, CNG, and electric three-wheelers. This initiative empowers low-income families to generate income and improve their living standards, while also ensuring children have access to education. Additionally, part of the proceeds has supported the creation of a driver-training center, with a grant from GuarantCo, to equip 3W drivers with the necessary skills for safe vehicle operation. Runner Automobiles PLC received a favorable credit rating from Credit Rating Agency of Bangladesh (CRAB) for its Sustainability Bond, enhancing investor confidence and reinforcing its sustainable finance leadership.



Financial Performance and Annual Financial Statement

No significant variations have occurred between the quarterly and annual financial performance of the Company for the year 2023-24. During the first half of the year, the Company worked to achieve revenue growth, but local challenges such as supply chain disruptions, rising costs, and inflation impacted performance, while economic uncertainties affected consumer demand in the motorcycle sector.

Remuneration to Directors

No remuneration is given to Directors on the Board, apart from attendance fees in connection with Board and Board sub-committee meetings. During FY2023-24, attendance fees in connection with Board and Board sub-committee meetings stood at Tk. 10,08,078 also see in page no 260 of this report.

Directors' Statement on Financial Reporting

The Board is committed to presenting an accurate and fair view of the Company's financial performance and position, as a part of its good governance practices. Towards that end, the Directors confirm to the best of their knowledge and belief that:

1. The financial statements, prepared by the management of the Company, present its state of affairs, the result of its operations, cash flows and changes in equity fairly;
2. Proper books of account of the Company have been maintained;
3. Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgement;
4. International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh) have been followed in preparation of the financial statements and any departure therefrom has been adequately disclosed;
5. The system of internal control is sound in design and has been effectively implemented and monitored; and
6. There is no doubt upon the Company's ability to continue as a going concern.



Going Concern

The Company has sufficient resources to continue its operation for the foreseeable future and hence, the financial statements have been prepared on a going concern basis. As per the management's assessment, there are no significant doubts about the Company's ability to continue as going concern.

Maintaining Proper Books of Accounts

The Company has been keeping the records and maintaining all accounting transactions via proper books of accounts as per all applicable rules, acts and regulations of Bangladesh.

Declaration of the CEO and CFO on the Financial Statements

In accordance with the requirements of the BSEC Corporate Governance Code, the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) have provided a declaration to the Board regarding the financial statements for the year 2023-24. Both the CEO and CFO have certified to the Board that, to the best of their knowledge and belief, no transactions have been entered into by the Company during the year that are fraudulent, illegal, or in violation of the Company's Code of Conduct. The signed declaration of CEO and CFO is given on page no 78.

Internal Control

The Board of Directors assures shareholders that the Company has a robust internal audit and risk management system in place to maintain effective internal controls. While not all risks in the automotive sector can be predicted, the Company takes proactive steps to identify material risks and regularly reviews them in light of changing internal and external factors. The Audit Committee has provided a detailed report on these internal controls, ensuring they are adequate to address both known and unknown risks.

Internal Audit and Reporting

The Internal Audit Report for the year has been shared with the Audit Committee and discussed in detail at the Board of Directors meeting. We continue to prioritize transparency, risk management, and internal controls to ensure the effective functioning of our operations.

Credit Rating Report

Runner Automobiles PLC has received a credit rating report, which evaluates the Company's financial stability and risk profile. Additionally, the Company has also obtained a credit rating for the Runner Auto Sustainability Bond, a key financial instrument that supports our ongoing sustainability initiatives.

Minority Interest

Runner Automobiles believes that good governance involves open and trust-based cooperation between all stakeholders, including the owners of the Company – shareholders. The Board of Directors is committed to ensuring the highest standards of governance designed to protect and enhance the interests of all stakeholders, including the rights of minority shareholders, while promoting trust, integrity, transparency and accountability. The Board of Directors shall always act in a manner that is in the best long-term interest of the Company.

Key operating and financial data of preceding five years

The Directors are pleased to present the standalone operating results of Runner Automobiles PLC for the past five years.

(Amount in Tk. mn)

Particulars	For the year ended				
	30 June 2024	30 June 2023	30 June 2022	30 June 2021	30 June 2020
Revenue	4,387.81	2,526.24	3,783.48	4,144.65	3,394.46
Cost of sales	(3,009.42)	(1,895.23)	(2,675.20)	(2,817.73)	(2,512.17)
Gross profit	1,378.39	631.02	1,108.27	1,326.92	882.29



Particulars	For the year ended				
	30 June 2024	30 June 2023	30 June 2022	30 June 2021	30 June 2020
Operating expenses	(584.20)	(678.15)	(620.52)	(730.71)	(548.06)
Administrative expenses	(193.44)	(187.95)	(148.83)	(142.03)	(147.26)
Selling and distribution expenses	(390.77)	(490.20)	(471.69)	(588.68)	(400.80)
Operating profit	794.19	(47.13)	487.75	596.21	334.24
Financial expenses	(931.51)	(674.26)	(553.87)	(580.01)	(319.59)
Other income/(expenses)	245.23	129.78	167.47	160.27	85.09
Profit before WPPF	107.91	(591.62)	101.35	176.47	99.73
Provision for contribution to WPPF and welfare fund	(5.40)	-	(4.83)	(8.82)	(4.99)
Profit before Income tax	102.51	(591.62)	96.52	167.65	94.75
Income tax expenses	(80.74)	(103.99)	(68.43)	(45.37)	(25.15)
Current tax	(51.54)	(37.83)	(68.88)	(27.89)	(22.75)
Prior year tax benefit		1.05	0.63	19.77	-
Prior year tax expenses	(4.09)	(41.76)	-	-	-
Deferred tax expenses	(25.12)	(25.46)	(0.17)	(37.25)	(2.40)
Net profit for the year	21.77	(695.62)	28.10	122.27	69.59

Other financial results (standalone) for last 5 (five) years

Amount in Tk. mn

Particulars	As on				
	30/06/24	30/06/23	30/06/22	30/06/21	30/06/20
Non-current assets	8,561.12	8,488.79	6,518.56	4,342.66	3,661.89
Current assets	5,772.61	4,523.51	6,960.67	6,060.68	6,346.09
Shareholders' equity	5,118.42	5,096.52	5,352.21	5,451.62	5,435.26
Non-current liabilities	5,175.70	2,795.32	2,263.31	406.19	135.94
Current liabilities	4,039.61	5,120.46	5,863.71	4,545.53	4,436.79

Key Operating and Financial Data of Preceding Five Years

The Directors are pleased to present the consolidated operating results of the group for the past five years.

Amount in Tk. mn

Particulars	For the year ended				
	30 June 2024	30 June 2023	30 June 2022	30 June 2021	30 June 2020
Revenue	8,363.58	6,629.63	11,118.35	11,228.33	9,464.86
Cost of sales	(5,646.63)	(4,513.94)	(7,449.66)	(7,305.25)	(6,962.42)
Gross profit	2,716.95	2,115.69	3,668.69	3,923.09	2,502.44
Operating expenses	(1,198.45)	(1,633.56)	(1,794.29)	(1,871.58)	(1,579.05)
Administrative expenses	(357.43)	(426.40)	(379.01)	(361.44)	(365.92)
Selling and distribution expenses	(841.02)	(1,207.17)	(1,415.28)	(1,510.14)	(1,213.12)
Operating profit	1,518.50	482.12	1,874.40	2,051.50	923.39
Financial expenses	(1,580.73)	(1,416.56)	(1,319.41)	(1,378.00)	(641.41)
Other income/(expenses)	234.48	186.50	241.06	210.70	255.27



Particulars	For the year ended				
	30 June 2024	30 June 2023	30 June 2022	30 June 2021	30 June 2020
Profit before WPPF	(172.24)	(747.94)	796.05	884.19	537.25
Provision for contribution to WPPF and welfare fund	(14.05)	-	(41.09)	(48.39)	(28.53)
Profit before Income tax	158.19	(747.94)	754.96	835.80	508.73
Income tax expenses	(203.15)	(212.87)	(287.89)	(361.89)	(167.99)
Current tax	(172.90)	(141.51)	(266.47)	(253.38)	(170.63)
Prior year tax income	-	1.05	0.63	-	-
Prior year tax (expenses)	(4.09)	(41.76)	-	(75.63)	-
Deferred tax (expenses)/income	(26.16)	(30.65)	(22.05)	(32.88)	2.67
Net profit for the year	(44.95)	(960.81)	467.06	473.91	340.77

Other financial results (consolidated) for last 5 (five) years

Amount in Tk. mn

Particulars	As on				
	30/06/24	30/06/23	30/06/22	30/06/21	30/06/20
Non-current assets	12,147.65	14,152.94	12,397.73	11,079.79	9,354.83
Current assets	12,504.23	9,813.05	14,464.45	12,447.64	12,963.31
Shareholders' equity	7,549.77	7,110.30	7,550.56	7,398.60	7,197.44
Non-current liabilities	7,617.51	6,301.97	6,570.37	6,348.38	3,665.39
Current liabilities	7,915.64	9,243.33	11,462	8,502.21	10,292.16

Despite the challenges faced in the year under review, we are optimistic about the future. Our strategy of product diversification, market expansion, and cost optimization will help us recover market share and capitalize on emerging opportunities in both the electric vehicle and premium motorcycle segments.

The three-wheeler plant in Mymensingh, with its focus on localization, is expected to contribute significantly to both revenue growth and job creation. As the economy recovers, we anticipate a rebound in both our motorcycle and three-wheeler segments.

Information and Performance of Subsidiaries of Runner Automobiles PLC

■ Runner Motors Limited

Runner Motors Limited (RML), a subsidiary of Runner Automobiles, was incorporated on 19th February 2005 as a private limited company under the Companies Act, 1994. Runner Motors was converted into a Public Limited Company through RJSC issue no # 15350 dated 21/03/2017.

RML commenced operation on 19 February 2005. Eicher Motors Ltd of India appointed RML as an exclusive distributor for the renowned Eicher brand (LCV and MCV) of trucks in Bangladesh. Eicher trucks are manufactured by Volvo Eicher Commercial Vehicles Ltd (VECV), India, which is a joint venture of Volvo Group and Eicher Motors.

RML's turnover for the year ended 30th June 2024 was BDT 3,975.77 million, slightly down from BDT 4,103.38 million in the previous financial year (2022-23). Despite the decline in turnover, the company achieved a net profit of BDT 42.73 million reflecting a 120% growth compared to the previous year. Earnings per share (EPS) stood at BDT 4.75, a significant turnaround from the loss of BDT 23.46 per share in the prior year.

■ Freedom Motors

Freedom Motors Limited is a Private Limited Company incorporated in Bangladesh under the Companies Act, 1994 with the Register of Joint Stock Companies and Firms, bearing registration no. 70066 (2575)/08 dated February 02, 2008. The company's business comprises the manufacture/assembly of all kinds of automobiles/mechanical products manually or by automatic/semi-automatic machines or manufacturing of automatic/mechanical materials and marketing the same all over Bangladesh. 99.99% shares of Freedom Motors Limited are held by Runner Automobiles PLC. With the company primarily in the incubation phase, it had limited operational activities during the period.



Standalone Financial Results

For the year ended 30 June 2024, standalone revenues amounted to BDT 4,387.81 million, marking a significant 73% growth over the previous year (2022-23: BDT 2,526.24 million). The standalone gross profit margin experienced a remarkable increase of 118% during the year.

Consolidated Financial Results

For the year ended 30 June 2024, consolidated revenues stood at BDT 8363.58, 26% Higher than the previous year (2022-23 BDT 6,629.63 mn). Gross profit margin increased by 28% during the year under report.

Comparison of Financial Performance with the Peer Industry Scenario

RAPLC is currently a listed motorcycle manufacturing company in Bangladesh. While there are several unlisted entities in the local motorcycle industry, including Honda Bangladesh Ltd. (manufacturer of Honda), ACI Motors Limited (marketer of Yamaha), Uttara Motors Limited, TVS Auto, Rancon Motors, and Niloy Motors Ltd. (marketer of Hero), these companies operate in a slightly different market segment and business structure. Given the unique nature of the motorcycle manufacturing business, it is challenging to make a direct comparison of RAPLC's financial position and cash flows with those of its unlisted peers. As such, a meaningful financial comparison with these companies is not feasible due to the differences in operational models, market presence and financial structures.

Events Subsequent to the Statement of Financial Position

For the year ended 30th June 2024, the Board of Directors recommended 11% cash dividend for general shareholders and 1% cash dividend for sponsor directors. Apart from this, there are no other material events identified after the close of the year in the statement of financial position.

Dividend

The Board of Directors has declared an 11% cash dividend for general shareholders and 1% cash dividend for sponsor directors for the financial year 2023-24 subject to approval at the upcoming 24th Annual General Meeting (AGM). This decision, made with careful consideration, prioritizes the company's long-term stability and recovery.

The company recognizes the support and confidence shown by the general shareholders and this has been reciprocated with this dividend. Company believes that, with the return of stability in the country's economic indicators, Runner will strengthen its position, and shareholders will be rewarded in the true sense in the future.

Stock and Interim Dividends

The Board of Directors has resolved that no stock dividend or interim dividend will be declared or issued for the financial year 2023-24. The Company remains committed to its long-term growth strategy, and any future dividend decisions will be made based on the financial performance and business requirements of the Company.

Auditor's Report Opinion

We are pleased to report that the Auditors' Report for the financial year 2023-24 contains no adverse remarks. A. Qasem & Co., Chartered Accountants, have issued an unqualified opinion, confirming that the financial statements provide a true and fair view of the Company's financial position for the year.

In accordance with Section 184(3) of the Companies Act, 1994, the Board is required to disclose any reservations, qualifications or adverse remarks in the Auditors' Report. As there are no such remarks, no further information is required.

Unclaimed cash Dividend & Dividend Distribution Policy

Runner Automobiles is fully compliant with the Corporate Governance Code, 2018, the Listing Regulations of the Dhaka Stock Exchange, and the directives issued by the Bangladesh Securities and Exchange Commission (BSEC). The total unclaimed, unsettled, or undistributed cash dividend amounts to BDT 11,55,930, which is broken down as follows: BDT 3,93,418 for FY 2020-21, BDT 1,66,016 for FY 2021-22, BDT 1,22,528 as unspecified dividend (unreturned or uncashed) for FY 2020-21, BDT 2,37,719 as unspecified dividend for FY 2021-22, and BDT 2,36,250 as dividend disbursed but returned for FY 2021-22.



RAPLC has a “Dividend Distribution Policy” approved by the Board, which is given on page no 148 and is also available on the corporate website: <https://runnerautomobiles.com/investors>

Contribution to the National Exchequer

During the year under review, the Company contributed Tk. 1,790 mn to the national exchequer in the form of income tax, customs duties, supplementary duty, regulatory duty and value-added tax. This contribution is our small and humble way to give back to the society and help strengthen government resources for public welfare.

Commitment to Sustainability

Sustainability remains a core focus of our business strategy. As we expand our portfolio of electric vehicles, we are also committed to reducing our carbon footprint and supporting the transition to a greener future. By promoting the adoption of electric two-wheelers and three-wheelers, we are actively contributing to environmental preservation while offering affordable and sustainable mobility solutions for our customers.

Board of Directors’ Meeting and Attendance

The number of Board meetings held during the year 2023-24 and attendance of Directors is presented below:

SL. No	Name of Directors	Position	Meetings held	Meetings attended
1	Mr. Hafizur Rahman Khan	Chairman	7	7
2	Mr. Md. Mozammel Hossain	Vice Chairman	7	7
3	Mr. Subir Kumar Chowdhury	Managing Director and CEO	7	7
4	Mr. Md. Jahurul Alam	Director	7	6
5	Mr. Taslim Uddin Ahmed	Director	7	4
6	Mr. Muallem A Choudhury FCA	Nominee Director	7	7
7	Mr. Mohammad Ali Deen	Director	7	6
8	Mr. Amid Sakif Khan	Nominee Director	7	2
9	Prof. Maksudur Rahman Sarker FCMA	Independent Director	7	5
10	Dr Muhammad Abdul Mazid	Independent Director	7	6

Board of Directors

As at 30 June 2024, the Board of Directors of the Company comprised of 10 (Ten) members, including 2 (two) Independent Directors. The composition of the Board of Directors who held office during the year is given below:

1. Mr. Hafizur Rahman Khan, Chairman
2. Mr. Md. Mozammel Hossain, Vice Chairman
3. Mr. Subir Kumar Chowdhury, MD & CEO
4. Mr. Muallem A Choudhury FCA, Nominee Director
5. Mr. Taslim Uddin Ahmed, Director
6. Mr. Mohammad Ali Deen, Director
7. Mr. Md. Jahurul Alam, Director
8. Mr. Amid Sakif Khan, Nominee Director
9. Prof. Maksudur Rahman Sarker FCMA, Independent Director
10. Dr. Muhammad Abdul Mazid, Independent Director

The names and profiles, including the qualifications of each Director are stated in detail in the ‘Directors’ Profile’ section on page no 30 of this Annual Report.



Changes in the Board

During the financial year 2023-24, the Board welcomed Mr. Amid Sakif Khan as a Nominee Director from Runner Lube & Energy Ltd. This appointment reflects a positive shift in the Board's composition, ensuring stability and continuity while also infusing youthful enthusiasm into our leadership. The consistent expertise among current members, combined with fresh perspectives, enhances our decision-making and strategic planning efforts. With no other changes to the Board, we are well-positioned to harness this blend of experience and innovation to drive progress and restore financial momentum while staying true to our mission.

Directors Proposed for Re-Election

With regards to retirement and re-election of Directors, the Company is governed by its Articles of Association, Companies Act, 1994 and other related legislations. Accordingly, the following Directors of the Board will retire at the 24th Annual General Meeting. They are, however, eligible for re-appointment:

1. Taslim Uddin Ahmed, Director
2. Mr. Muallem A Choudhury FCA, Nominee Director

As per the Corporate Governance Code 2018, after the appointment or re-appointment of Director/s by the Board, the proposal is placed before shareholders for their approval at the Annual General Meeting. A brief profile of the Directors being proposed for re-appointment is given on page no 33 & 34 in this report, which fulfils condition 1(5)(xxiv) of the Corporate Governance Code of BSEC.

Training of Directors

As part of our commitment to good corporate governance, a dedicated training session has been organized for the Directors of the Company. The training aims to enhance the Directors' understanding of the evolving regulatory and business landscape, empowering them to make informed and strategic decisions in the best interests of the Company.

Pattern of Shareholding and Shareholding Information

The pattern of shareholding and distribution of shareholding of the Company as on June 30, 2024 are presented on page no 97 & 98 respectively of this Annual Report.

Statutory Auditors

As per the Companies Act, 1994 and the Articles of Association of Runner Automobiles PLC, the company re-appointed A. Qasem & Co., Chartered Accountants, as Statutory Auditor of the Company. On the suggestion of the Audit Committee, the Board recommended their appointment for the financial year 2024-25, subject to approval at the forthcoming 24th AGM by the shareholders.

Compliance Auditor

In compliance with BSEC Corporate Governance Code, the Board has appointed M/s Jasmin & Associates as Corporate Governance Compliance Auditor of the company for the financial year 2024-25 and the said appointment will be placed for approval by the shareholders during the forthcoming 24th AGM.

Reporting and Compliance of Corporate Governance

A Certificate of Compliance as provided by A. Qasem & Co., Chartered Accountants, has been presented on page no 151 of this Annual Report. Furthermore, status of compliance as per the Code has been presented on page no 152 of this Annual Report.

Upcoming Products

Runner Automobiles PLC is set to launch a range of innovative products across key segments in collaboration with different



international partners. In the scooter segment, we will launch stylish, fuel-efficient models for urban commuters. Our electric vehicle (EV) lineup will expand with new electric two-wheelers and three-wheelers, in partnership with Yadea, while we also develop higher-CC motorcycles for performance enthusiasts. Additionally, the Bajaj RE three-wheeler will be upgraded with better fuel efficiency, comfort and electric variants. These innovations reflect our focus on meeting consumer demand for performance, sustainability, and eco-friendly transportation.

Management's Discussion and Analysis Report

Management's Discussion and Analysis report, signed by the MD & CEO and presenting a detailed analysis of the Company's position and operations along with a brief discussion of changes in the financial statements and other requirements of the Corporate Governance Code, is disclosed in this report on page no 94.

Compliance with Laws and Regulations

The Company was not engaged in any activity in contravention to the laws and regulations of the country. All members of the Company are responsible for ensuring alignment with provisions stipulated by various laws and regulations and we have done so within the specified regulatory timeframe.

Environmental Protection

The pressing issue of climate change has prompted a significant shift towards sustainable products across various industries, including the automotive sector. In response to stricter emission regulations and government incentives for electric vehicle adoption, consumer preferences are increasingly leaning towards environmentally friendly options.

At RAPLC, we are proud to announce the introduction of our new line of electric vehicles (EVs), a key initiative in our commitment to sustainability. Leveraging our robust R&D capabilities, we aim to manufacture these EVs with a focus on efficiency and environmental responsibility. Our electric vehicles are designed to meet stringent emission standards while offering cutting-edge technology and performance.

In addition to our EV initiative, we ensure that all our motorcycles comply with local emission standards and maintain high environmental practices. Our Bhaluka manufacturing plant features 60% green area coverage, promoting environmental balance and acting as an effective carbon sink. Furthermore, our ISO certification reflects our adherence to the highest environmental and occupational health and safety standards.

To the best of the Board's knowledge, the Company has not engaged in any activities harmful to the environment. On the contrary, we have implemented various initiatives aimed at ecological conservation while actively working to maintain environmental balance.

Corporate Social Responsibility & Sustainability

RAPLC is committed to making a positive impact through its Corporate Social Responsibility (CSR) and sustainability efforts. We support education by providing financial assistance to a school for children with autism and contribute to local healthcare programs to improve access to essential services. Our sponsorship of sports events encourages healthy lifestyles and community engagement. In line with our sustainability goals, RAPLC undertakes initiatives such as tree planting and the issuance of the Runner Auto Sustainability Bond to fund green projects. Additionally, our Bhaluka manufacturing plant features 60% green area coverage, promoting environmental balance and acting as a carbon sink. These efforts reflect our dedication to fostering a sustainable future while positively impacting the communities we serve.





Our CSR Focus Areas



Community Sustenance

Our community support initiatives aim to foster positive relationships with local communities surrounding our operations while enhancing their quality of life in a sustainable and responsible manner. We recognize the needs of residents near our facilities and are committed to offering assistance whenever possible.



Health Care

We prioritize the health and safety of our employees, especially those on the shop floor, by mandating personal protective equipment (PPE) like gloves and helmets. We've partnered with hospitals nationwide to provide medical services for employees and their families. Additionally, we promote safe working practices to prevent accidents and ensure a secure environment.



Education

Education is the cornerstone of social and societal progress. With this belief, we are focusing on imparting quality education through fun-based learning to underprivileged children in schools around the country and also in higher education, we are also establishing our presence through Varendra University, an initiative of Runner.



Sports

At Runner, we acknowledge the profound ability of sports to unite people across cultural and regional divides. Through strategic collaborations with our sports partners, we strive to create a brighter future for individuals and communities, empowering them to chase their dreams. Together, we are making significant strides toward a more optimistic tomorrow.



Maximizing Impact Through Partnerships

To amplify our social impact and create sustainable value, we actively seek partnerships with organizations that align with our commitment to community sustainability, healthcare, and education. We are particularly focused on generating employment opportunities for underprivileged individuals by providing access to credit facilities, fostering economic independence and growth.



Human Resources

At RAPLC, we place a high value on human resources, recognizing that our employees are vital to our success. We aim to provide opportunities that enable them to achieve their professional goals, contribute positively to society, and harness their creative potential. Our HR strategy emphasizes respect, teamwork, growth, and alignment with our core values, creating an environment where employees can thrive.

Building a strong, trust-based relationship between management and staff is essential for achieving these objectives. We are dedicated to ensuring job security and enhancing working conditions, striving for a safe, inclusive, and friendly workplace.



Health, Safety, and Security

The health and safety of our employees are our top priorities. We implement ongoing training and awareness programs on safe workplace practices, especially for our shop floor personnel. The mandatory use of personal protective equipment is enforced to minimize injury risks, demonstrating our commitment to occupational health and safety.





Learning and Development

Our Human Resources Department (HRD) is committed to developing our employees' skills and competencies through strategic recruitment and resource allocation. We emphasize talent transformation and skill enhancement to foster personal and professional growth.

In our approach to learning and development, we prioritize both managerial and technical skill advancement. We cultivate a high-performance culture grounded in meritocracy. Our structured individual development plans include a variety of training programs, workshops, and seminars designed to meet assessed needs and align with corporate objectives.



Compliance with Labor Laws

Runner Automobiles PLC remains fully committed to complying with all relevant labor laws in Bangladesh. Our policies strictly prohibit child labor, and we ensure that all legal requirements relating to workers' rights, health, and safety are adhered to in our operations.



Compliance of BSEC Corporate Governance Code (CGC)

The Company complied with all the requirements of the applicable provisions of the Corporate Governance Code, as issued by BSEC dated 3rd June 2018. The Board appointed a compliance auditor for issuance of a certificate on compliance of the conditions of BSEC Corporate Governance Code. Our status on Corporate Governance is annexed in this report on page no 152.



Other Regulatory Disclosures

Pursuant to the Corporate Governance Code, the Board also reports that:

- There was no extraordinary gain or loss during the financial year;
- The company's Initial Public Offering (IPO) was in the year 2019 and fully utilized the raised fund within the stipulated time. No further issue of any instrument was made during the year;
- There is a significant variance between the quarterly financial performance and annual financial statements;
- The financial statements prepared by the management of the company present fairly its state of affairs, the results of its operations, cash flows and changes in equity; and
- Proper books of accounts of the company have been maintained.

Acknowledgements

As we reflect on the challenges of FY 2023-24, we extend our sincere thanks to all stakeholders—employees, customers, partners, and investors—for your unwavering support during this period. Your trust has been crucial to our resilience.

Looking ahead, Runner Automobiles PLC remains committed to innovation, customer satisfaction and sustainability. We are confident that our strong foundation in local manufacturing, technological collaboration and market leadership will help us navigate the challenges of the future and seize the opportunities that lie ahead.

We thank you, our valued shareholders, for your continued trust and support. Together, we look forward to an exciting and prosperous future for Runner Automobiles and the automotive industry of Bangladesh.


(Hafizur Rahman Khan)
Chairman


(Subir Kumar Chowdhury)
Managing Director & CEO



SKOOTY 110

The joy of riding



MANAGEMENT'S DISCUSSION AND ANALYSIS

Pursuant to the conditions no. 1 (5) (xxv) of the Corporate Governance Code, 2018, set by the Bangladesh Securities and Exchange Commission (BSEC), we are pleased to present the Management's Discussion and Analysis (MDA) for Runner Automobiles PLC (RAPLC) for the financial year ending 30 June 2024.

This report provides an overview of our financial performance and highlights the key economic factors that influenced our results. As always, we focused on mitigating external risks while seizing opportunities within the industry to drive growth and maintain the company's resilience.

Accounting Policies and Estimation for Preparation of the Financial Statements

The financial statements have been prepared in accordance with IFRS, the Companies Act, 1994, the Securities and Exchange Rules, 2020, and other applicable laws and regulations. Cash flows from operating activities are presented using the direct method, as required by the Securities and Exchange Rules, 2020. The statements are based on historical cost and contingent assets which are measured at fair value. The financial statements for the year 2023-24 provide comparative information in respect of the previous accounting period, i.e. 2022-23.

In January 2018, the Institute of Chartered Accountants of Bangladesh (ICAB) adopted IFRS, which had previously been adopted as Bangladesh Financial Reporting Standards without modification, so there is no impact on the company's financial statements. The significant accounting policies are detailed in Note 2.

Changes in Accounting Policies and Estimation

In the financial year 2023-24, there were updates to the company's accounting policies and estimates, including adjustments to the depreciation method, useful lives and residual values of the Three-wheeler capital machinery. These are reassessed and adjusted at each reporting date, as necessary.

Comparative Analysis of Financial Performance, Financial Position and Cash Flow

A detailed comparison of financial performance, position and cash flow is provided in the audited financial statements, along with relevant notes. The Directors' Report offers an in-depth analysis of the performance of our 2W, 3W, and Eicher commercial vehicle (subsidiary) businesses for the year 2023-24. Additionally, key performance indicators on a consolidated basis for the last five years are presented below.

Financial results (in BDT million)	30 June 2024	30 June 2023	30 June 2022	30 June 2021	30 June 2020
Net turnover	8,363.58	6,629.63	11,118.35	11,228.33	9,464.86
Gross profit	2,716.95	2,115.69	3,668.69	3,923.09	2,502.38
Profit after tax	(44.95)	(960.81)	467.06	473.91	340.77
Earnings per share (BDT)	(0.54)	(7.75)	2.40	2.70	1.97
Net operating cash flow per share (BDT)	21.70	38.32	9.72	10.36	(20.34)
Net asset value per share (BDT)	66.49	62.62	66.50	65.16	63.39

Consolidated Basis has Been Presented Below

Operational results (in Tk. million)	30 June 2024	30 June 2023	30 June 2022	30 June 2021	30 June 2020
Share capital	1,135.40	1,135.40	1,135.40	1,135.40	1,135.40
Shareholders' equity	7,549.77	7,110.30	7,550.56	7,398.60	7,197.44
No. of employees	1,110	1,230	1,153	1,153	1,153
Contribution to govt. exchequer	1,790	1,384	2,844	1,192	1,192



Key Operational Results for the last 5 years of Standalone Operation is Given Below

For the year ended 30 June 2024, Runner Automobiles PLC achieved strong operational improvements. Revenue surged to BDT 4,387.81 million from BDT 2,526.24 million in the previous year leading to a gross profit of BDT 1,378.39 million, up from BDT 631.02 million. Operating profit rebounded to BDT 794.19 million compared to a loss of BDT (47.13) million last year reflecting efficient cost management despite higher financial expenses of BDT 931.51 million. The company posted a net profit of BDT 21.77 million, a significant recovery from the net loss of BDT (695.62) million in 2023 highlighting effective revenue growth and operational efficiency.

Cash Flow Trends

The following table presents the cash flow trends for the past five years, illustrating key movements across operating, investing, and financing activities.

Operational results (in BDT million)	30 June 2024	30 June 2023	30 June 2022	30 June 2021	30 June 2020
Cash flow from operating activities	2463	4350	1,103	1,177	(2,310)
Cash flow from investing activities	(129)	(208)	(2,529)	(649)	(607)
Cash flow from financing activities	(1911)	(4537)	1,538	(888)	2,473
Net increase/decrease in cash	421	(395)	112	(361)	(444)
Opening cash balance of the year	165	561	449	810	1,253
Closing cash balance of the year	587	165	561	449	810

Financial and Economic Scenario

Global economy

The global economy in the 2023-24 fiscal year showed signs of recovery following the pandemic-induced slowdown, but challenges remained, especially due to geopolitical tensions, inflationary pressures, and supply chain disruptions. Central banks in major economies, including the U.S. Federal Reserve and the European Central Bank, continued with tightening monetary policies to curb inflation. While some regions experienced growth, global trade volumes were affected by the lingering impacts of COVID-19 and the ongoing energy crisis, leading to fluctuations in demand for goods and services.

The shift towards sustainability and green technologies also accelerated, driven by international climate agreements and greater investment in renewable energy. However, the global economy's growth was uneven, with emerging markets, especially in Asia, showing stronger recovery compared to developed economies.

Bangladesh economy

In FY 2023-24, Bangladesh's automobile industry continued to grow, driven by strong demand for two-wheelers and three-wheelers supported by urbanization and rising disposable incomes. The electric vehicle (EV) segment also gained momentum, bolstered by government incentives and a growing emphasis on sustainable transportation. Major infrastructure projects, such as new expressways and metro rails, are expected to further stimulate vehicle demand by improving connectivity.

The government's continued focus on infrastructure development and sustainability aligns with broader economic growth, offering a solid foundation for the automobile industry's expansion. With particular momentum in the EV sector, the industry is well-positioned to contribute to both economic growth and the achievement of the Sustainable Development Goals (SDGs).

Industry overview

In FY 2023-24, Bangladesh's automotive industry, particularly the two-wheeler (2W) and three-wheeler (3W) segments, saw strong demand driven by urbanization, rising middle-class incomes and the shift towards cost-effective, fuel-efficient transportation. The electric vehicle (EV) market, especially in 2Ws and 3Ws, has gained momentum, supported by government incentives and expanding EV infrastructure. According to the Bangladesh Road Transport Authority (BRTA), the 2W market has shown strong growth, with increasing consumer preference for eco-friendly alternatives.

While the shift to EVs presents opportunities, traditional vehicle manufacturers face challenges such as rising raw material costs, supply chain disruptions and the need to adapt to new technologies. Runner Automobiles PLC has responded by



expanding its electric vehicle offerings while continuing to cater to demand for combustion engine models. Its partnership with Yadea further strengthens its electric vehicle portfolio, aligning with industry trends toward sustainability and innovation.

Overall, the Bangladesh automobile industry is positioned for growth, with the EV segment playing a key role in shaping the future of transportation in the country.

Risk Management

Runner Automobiles PLC's risk management framework aims to mitigate the impact of both external and internal risks. Key risks include:

- **Raw Material Price Volatility:** The automotive industry is heavily dependent on global supply chains for critical materials such as steel, rubber, and electronic components. The fluctuation in global prices and supply chain disruptions can impact production costs. The company continues to manage this risk through long-term contracts and diversified sourcing strategies.
- **Regulatory Risks:** Changes in government policies, such as stricter emissions standards or new tariffs, could impact profitability. The company is actively engaging with regulators and staying updated on relevant policy shifts to ensure compliance and adapt swiftly.
- **Currency Fluctuations:** As the company imports components and materials and exports vehicles, fluctuations in the exchange rate of the Bangladeshi Taka against foreign currencies can impact costs and revenues. To manage this risk, the company has adopted hedging strategies and maintains a portion of its cash reserves in foreign currency to absorb shocks.
- **Market Risks:** Economic slowdowns, inflationary pressures, and reduced consumer spending could lead to decreased demand for vehicles. The company continues to mitigate this risk through product diversification, cost control measures, and by strengthening customer relationships.
- **Technology Risk:** As the company increasingly focuses on electric vehicles, it faces the risk of technological obsolescence. However, partnerships with global leaders in EV technology, such as Yadea, help mitigate this risk by providing access to the latest advancements in the sector.

Forward Outlook

Looking ahead to fiscal year 2024-25, Runner Automobiles PLC is focused on achieving a balance between growth, sustainability, and operational efficiency. The company's strategic priorities will include:

- **Expansion of EV Portfolio:** The company is committed to expanding its electric vehicle offerings, particularly electric two-wheelers and three-wheelers. The growing demand for eco-friendly transportation, supported by government incentives, presents a significant opportunity for growth in this segment.
- **Cost Efficiency and Profitability:** Given the challenges in the global supply chain and rising raw material costs, the company will focus on improving operational efficiency, optimizing its production processes, and enhancing its cost structure to improve profitability.
- **Sustainability Initiatives:** As part of its long-term growth strategy, Runner Automobiles PLC will continue investing in sustainable technologies, such as renewable energy solutions for manufacturing and exploring alternative fuels for its vehicle lineup.
- **Focus on Emerging Markets:** The company will explore opportunities in emerging markets where demand for affordable and energy-efficient transportation is on the rise, while strengthening its position in the domestic market.

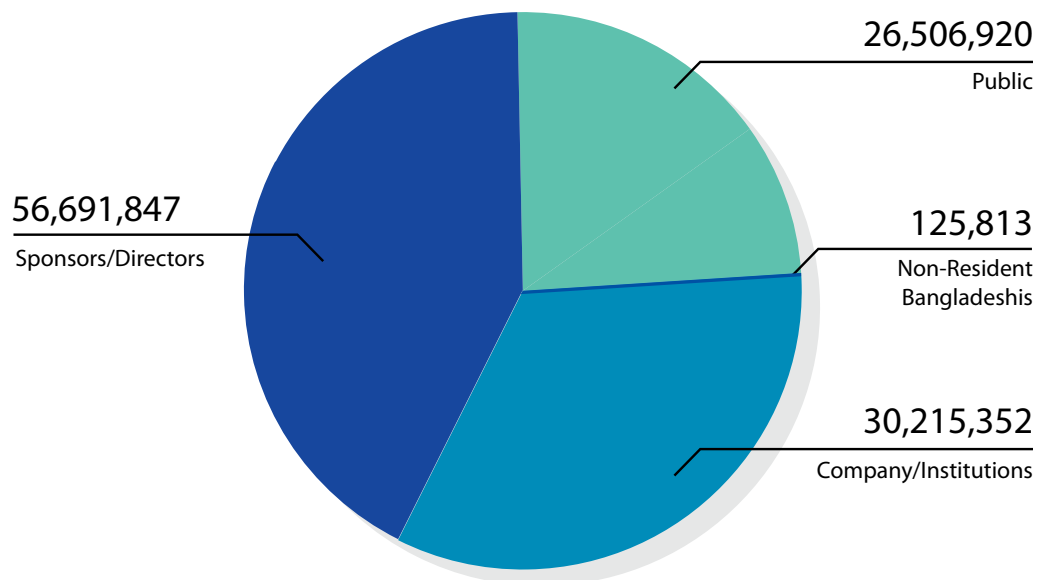
In summary, the financial year 2023-24 has been a year of steady progress for Runner Automobiles PLC, despite the ongoing challenges in the global and domestic markets. The company has focused on innovation, particularly in expanding its electric vehicle offerings, while maintaining a strong financial position. Strategic initiatives to improve operational efficiency and reduce costs have positioned us well for future growth. With a continued focus on sustainability and market diversification, we are confident in our ability to adapt to evolving industry trends and deliver long-term value to our shareholders.



Subir Kumar Chowdhury
Managing Director & CEO



PATTERN OF SHAREHOLDING



Type of Shareholders	No. of shares	% of shareholding
Sponsors/Directors	56,691,847	49.93%
Company/Institutions	30,215,352	26.61%
Non-Resident Bangladeshis	125,813	0.11%
Public	26,506,920	23.35%
Total	113,539,932	100.00%



SHAREHOLDERS INFORMATION

Classification of Shares by Holding up to June 30, 2024

Slabs of no. of Shares	No. of Shareholders	Number of Shares	Total Holding %
Up to 500 Shares	4,313	610,915	0.54%
501 to 5,000 Shares	2,126	3,804,751	3.35%
5,001 to 10,000 Shares	352	2,699,484	2.38 %
10,001 to 20,000 Shares	142	2,070,385	1.82 %
20,001 to 30,000 Shares	44	1,122,656	.99 %
30,001 to 40,000 Shares	21	710,191	0.63 %
40,001 to 50,000 Shares	23	1,059,125	0.93 %
50,001 to 100,000 Shares	44	3,342,164	2.94 %
100,001 to 1,000,000 Shares	62	18,111,943	15.95 %
Over 1,000,000 Shares	19	80,008,318	70.47 %
Total	7,146	113,539,932	100.00%

Shareholders Holding ten Percent (10%) or more Voting Interest in the Company (name wise details):

Sl.	Name	Status	No. Shares	(%) of Shareholding
01	SCB MU A/C BF PE II ML	Shareholder	18,304,347	16.12%

Directors, CEO, CS, CFO, HIAC, Their Spouse and Minor Children

Sl.	Name	Designation	No. Shares	(%) of Shareholding
01	Hafizur Rahman Khan	Chairman	10,785,600	9.50%
02	Sabrina Bari (Spouse of Hafizur Rahman Khan)	Shareholder	1,839,600	1.62%
03	Md. Mozammel Hossain	Vice Chairman	6,980,400	6.15%
04	Mahafuza Begum (Spouse of Md. Mozammel Hossain)	Shareholder	1,373,400	1.21%
05	Subir Kumar Chowdhury	MD & CEO	Nil	0%
06	Md. Jahurul Alam	Director	3,150,000	2.77%
07	Mohammad Ali Deen	Director	2,400,000	2.11%
08	Taslim Uddin Ahmed	Director	2,709,000	2.39%
09	Amid Sakif Khan (Nominee Director from Runner Lube & Energy Limited)	Director	10,000,000	8.81%
10	Muallem A Choudhury FCA (Nominee Director from SCB MU A/C BF PE II ML)	Director	Nil	0%
11	Dr Muhammad Abdul Mazid	Independent Director	Nil	0%
12	Prof. Maksudur Rahman Sarker	Independent Director	Nil	0%
13	Md. Mizanur Rahman	Company Secretary	Nil	0%
14	Shanat Datta FCA	CFO	Nil	0%
15	Mr. Mohammad Ibrahim FCA	HIAC	Nil	0%



Executives (Top 5 Salaried Employees)

Sl.	Name	Designation	No. Shares	(%) of Shareholding
01	Mohammad Abul Kalam	COO (3W, 4W & CV)	Nil	0%
02	Sanjay V Bhalerao	Head of Plant (2 W, 3W)	Nil	0%
03	Md. Masumul Kabir	Chief Business Officer, Sales Division	Nil	0%
04	Md. Rezaul Karim	Chief Business Officer (2W)	Nil	0%
05	Abdullah Al Ehsan	DGM, Project Development & Supply Chain	Nil	0%

Company Website

Anyone can get information regarding the Board of Directors, top management, key financial information of the Company, Dividend Policy, price sensitive information/disclosures including all kind of compliance report. The website also has information about own e-commerce system of the Company and career opportunities for potential applicants.

Investor Relations

Local and international investors, financial analysts and other members of the professional financial community requiring additional financial information can visit the Investor Relations section of the Company's website: www.runnerautomobiles.com.

Digital Platform

The digital platform in social media named as 'Runner Motorcycles' has been created for ensuring effective and efficient communication with the shareholders and other stakeholders.

Shareholder Services

If you have any queries relating to your shareholding, please contact us: Md. Mizanur Rahman, Contact Number. +8801730405232, Telephone Number: 09611222000 or write an email to the Share Office of Runner ral.cstd@gmail.com.





STATEMENT OF CORPORATE GOVERNANCE

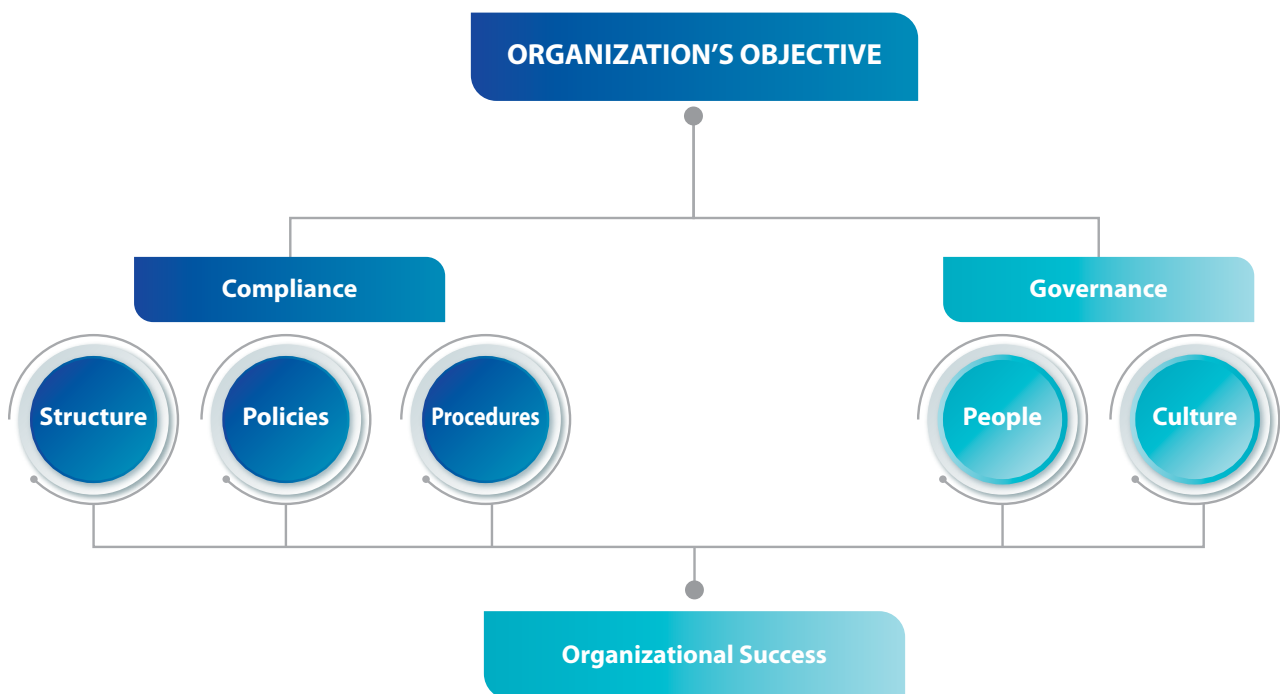
1. Upholding Responsible Stewardship

At Runner Automobiles PLC (RAPLC), strong corporate governance is central to building trust and maintaining our license to operate. This commitment drives our strategy to create shared value for all stakeholders. By adhering to ethical standards and ensuring compliance, we safeguard our values, strengthen our reputation, and position RAPLC for long-term success. Our focus on sustainability underscores this dedication across all areas of our operations.

Beyond statutory compliance, our governance framework is guided by our vision and values, fostering a culture of respect, integrity, and collaboration among employees and partners. Compliance and accountability are key, supported by internal policies, respect-at-work guidelines, a comprehensive Code of Conduct, and robust risk management systems.

2. Commitment to Creating Value Through Effective Governance

Our corporate governance efforts are centered on ensuring the achievement of our organizational goals while preserving our reputation and credibility. At RAPLC, we emphasize a structured governance framework aligned with our strategic priorities, vision, mission, and values.



The Board of Directors is tasked with setting the company's strategic direction, guiding its implementation, supervising overall management, and reporting back to shareholders on progress. By promoting an environment of openness, transparency, accountability, and trust, we enable agile and effective management. Clearly defined roles and responsibilities, supported by transparent policies and processes, guide our enterprise's management and decision-making activities.

Key elements anchoring our corporate governance practices include:



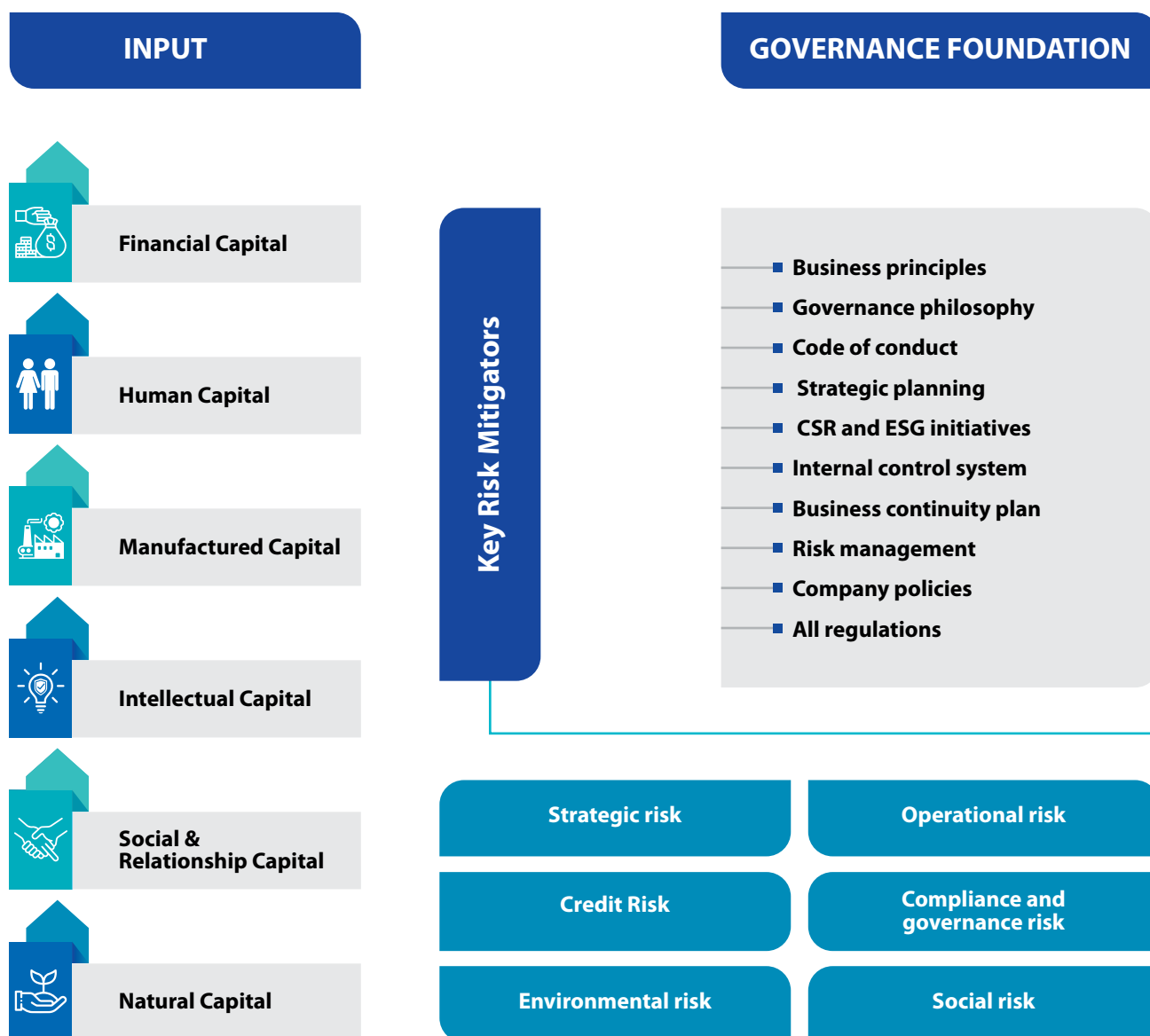
RAPLC's governance practices adhere to the Corporate Governance Code (CGC) as outlined by the Bangladesh Securities and Exchange Commission (BSEC) under notifications no. BSEC/CMRRCD/2006-158/207/Admin/80 (dated June 3, 2018) and no. BSEC/CMRRCD/2006-158/208/Admin/81 (dated June 20, 2018), covering financial reporting and disclosure requirements. We are committed to continuously evaluating and refining our governance policies and processes to ensure transparency and uphold the highest ethical standards in all disclosures, thus building enduring trust with stakeholders.

Beyond compliance, RAPLC actively champions best governance practices across all areas of its operations, including quality assurance, marketing, sales, human resources, customer engagement, and stakeholder management. The distinct roles of our Board of Directors, Chairman, Chief Executive Officer, and various Board committees ensure clear separation of duties, enhancing governance excellence.

As a listed entity, RAPLC complies with the revised BSEC Corporate Governance Code, providing a comprehensive disclosure of our adherence in the Annual Report. The compliance status, along with an independent certification by practicing Chartered Secretaries, can be found on page no 152 of this Annual Report. This approach underscores our dedication to transparency, ethical conduct, and enduring stakeholder confidence.



2.1 Value Creation Under Corporate Governance Framework



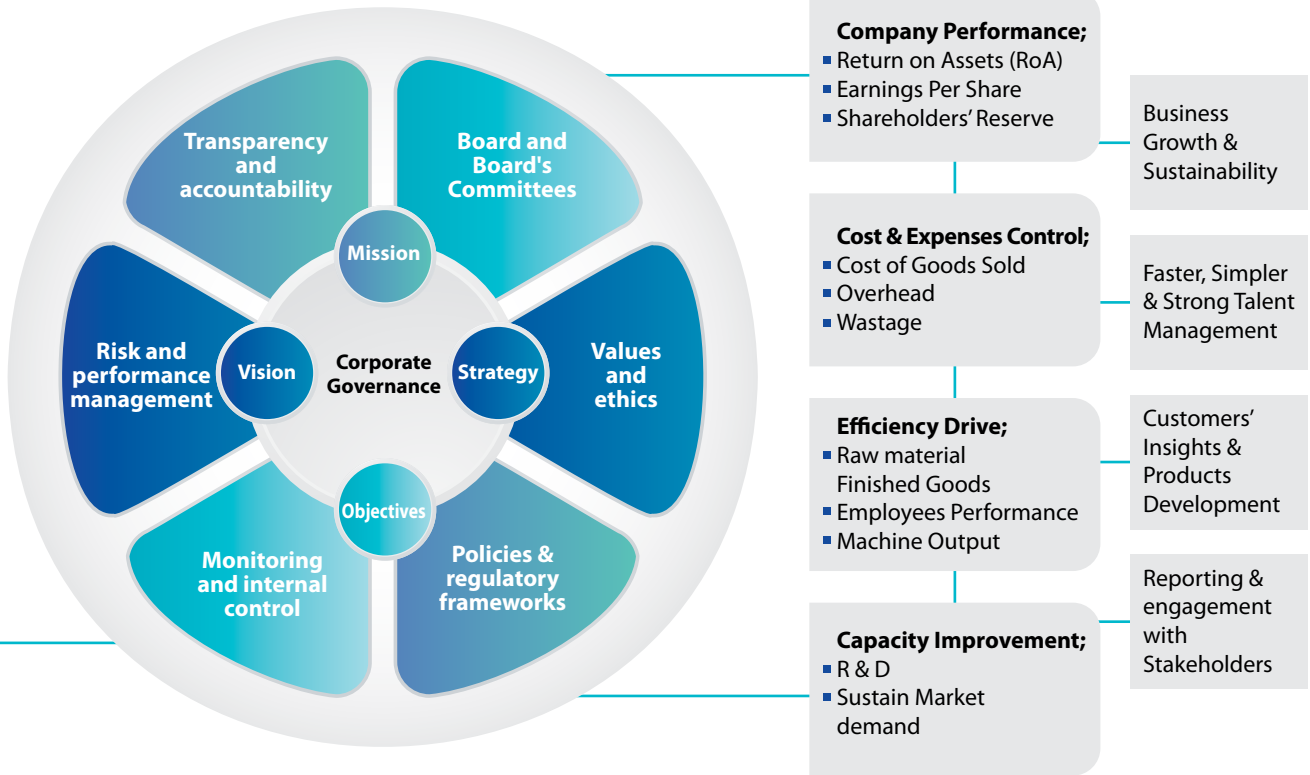
Value creation objectives upheld	References of Corporate Governance framework
Ensuring long-term growth and sustainable standing	RAPLC's vision, mission and values
	Board of Directors
	Audit Committee and Nomination and Remuneration Committee
	Internal control and risk management
	Environmental and social obligations (CSR/ESG)
Ensuring engaged and informed shareholders	Communication and trust-building with shareholders
	Relationship with investors



SIX CORE AREAS OF OUR CORPORATE GOVERNANCE STRATEGY

OUTCOMES

VALUE CREATION PURPOSES



Liquidity risk

Interest rate risk

Foreign exchange risk

Market risk

Technology risk

Pricing risk

Value creation purpose	Areas of corporate governance outlines
Developing an engaged, agile and innovative talent pool	Human capital
Catering to evolving customer needs	Ethics and compliance
	Complaint management process



2.3 Corporate Governance Framework

RAPLC's corporate governance framework has been developed and enhanced based on the basic principles and best practices outlined in the following guidelines:

- Codes of corporate governance as outlined by the Bangladesh Securities & Exchange Commission (BSEC);
- The Companies Act, 1994, along with the amendment of the Companies Act dated 26th November 2020 and other applicable corporate regulations of Bangladesh;
- The Memorandum and Articles of Association of the Company;
- Listing Regulation of Dhaka Stock Exchange and Chittagong Stock Exchange Listing Regulations;
- Standard of Business Conduct, policies and guidelines of the Company;
- Statement of Risk Management and Internal Controls of the Company;
- The Delegation of Authorities of the Company; and
- Incorporation of both local and international best practices.

To remain effective and aligned with evolving business landscapes, the Board regularly reviews and updates the corporate governance framework, ensuring that it remains robust, relevant, and capable of addressing emerging business challenges in a competitive market. This commitment extends to all employees, including the Board of Directors, ensuring compliance with applicable laws and Company policies.

The corporate governance framework is structured to support RAPLC's strategic business objectives while fostering sustainable growth conducted responsibly, ethically, and with full accountability. To achieve this, RAPLC emphasizes adherence to all relevant laws, rules, regulations, codes, and internal policies, supported by effective control measures, transparent disclosures, clearly articulated shareholder rights, and strong Board engagement. Details regarding the implementation of these principles are discussed in subsequent sections.

2.4 Corporate Compliance

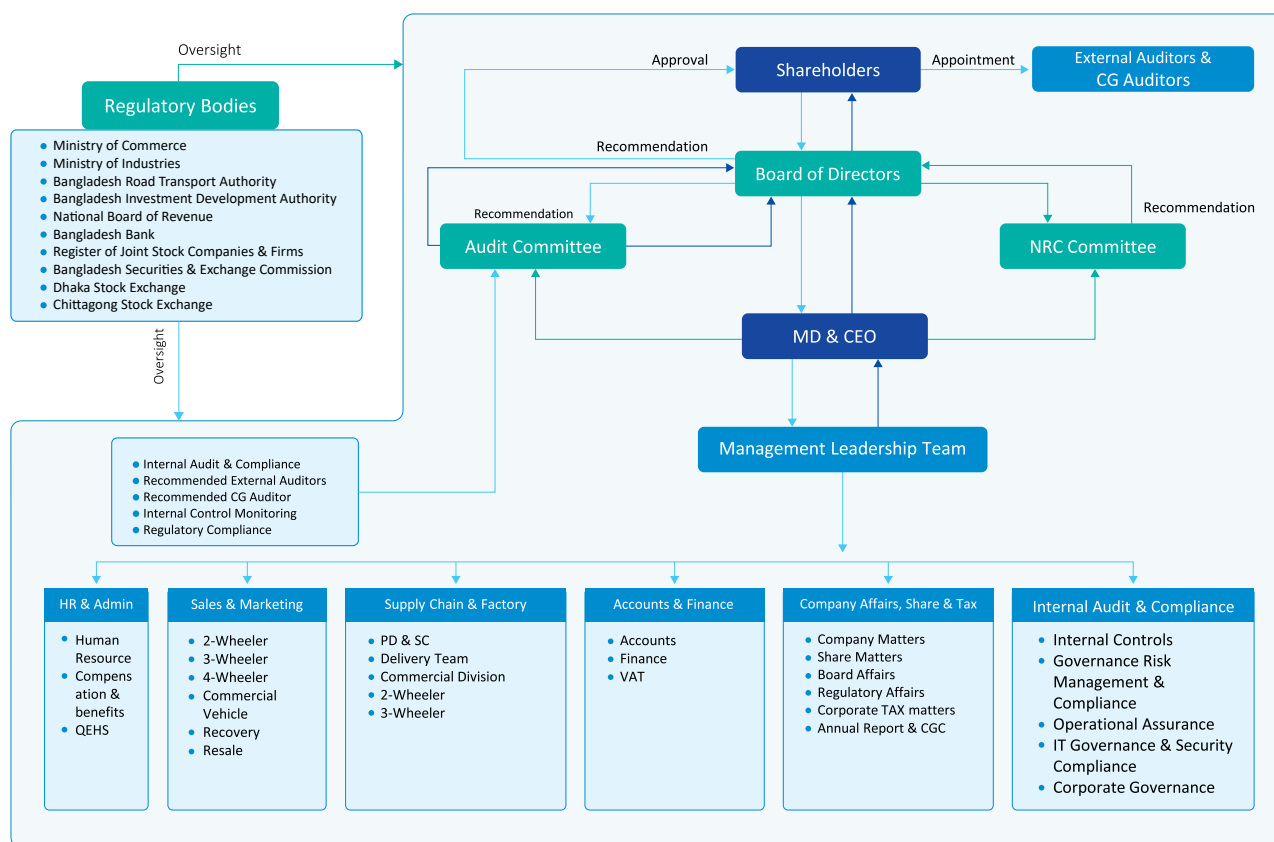
Compliance with laws and regulations is fundamental to RAPLC's governance. We maintain transparent communication with regulatory bodies including BSEC, Stock Exchanges, the National Board of Revenue (NBR) and the Registrar of Joint Stock Companies & Firms (RJSC). RAPLC ensures adherence through comprehensive disclosures and continuous internal awareness initiatives, reinforcing its fully compliant status in both letter and spirit.

2.5 Corporate Governance Structure

RAPLC's corporate governance structure is built on a transparent hierarchy that drives effective decision-making, accountability, and ethical conduct. Key elements include:

- **Board of Directors:** As the highest governing body, overseeing strategy, governance practices and alignment with corporate and stakeholder goals.
- **Board Committees:** Specialized groups like the Audit and Nomination & Remuneration Committees provide focused oversight, enhancing transparency.
- **Executive Management:** Led by the MD & CEO, responsible for executing strategies, ensuring policy adherence and maintaining strong Board communication.
- **Internal Controls & Risk Management:** Robust mechanisms to identify, assess, and mitigate risks, ensuring operational compliance and stability.





3.0 Composition of the Board and Board's Committees

The Board of Runner Automobiles PLC is structured to include Directors with a diverse mix of skills, experience, and attributes. This ensures effective governance, compliance with legal obligations, and a deep understanding of the Company's operations, enabling informed decision-making and oversight of management performance.

The Board's composition reflects a commitment to diversity and includes members with varied expertise, enhancing leadership and decision-making for the benefit of shareholders.

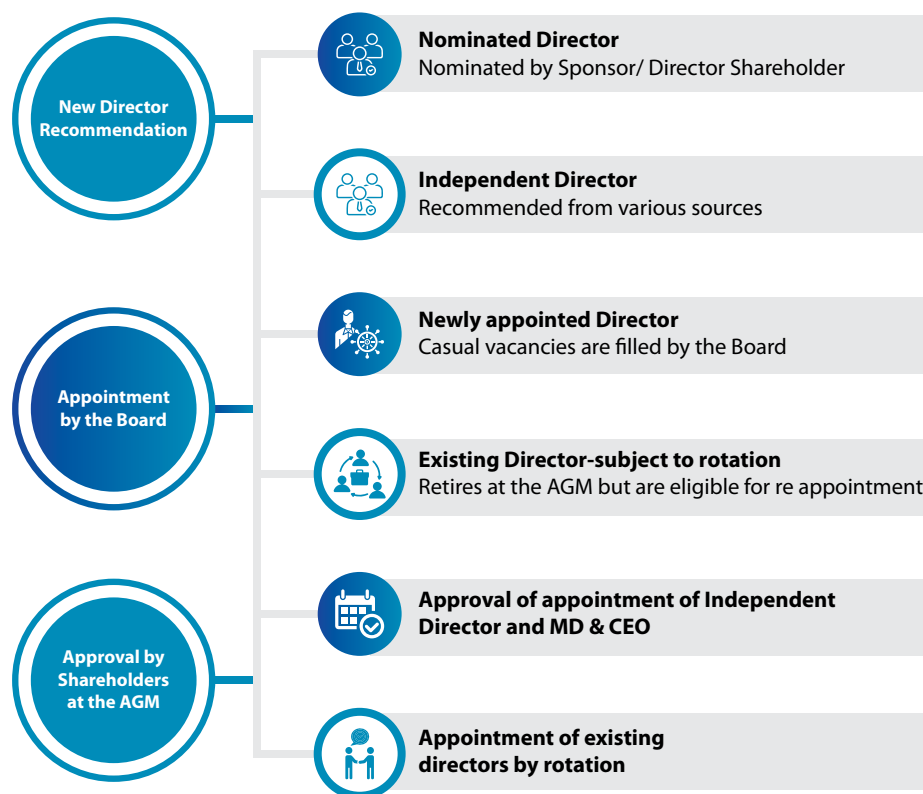
Sl. No.	Name of the Director	Status	Audit Committee	Remuneration and Nomination Committee
1	Mr. Hafizur Rahman Khan	Chairman	-	-
2	Mr. Md. Mozammel Hossain	Vice Chairman	-	Member
3	Mr. Subir Kumar Chowdhury	MD & CEO	-	-
4	Mr. Muallem A Choudhury FCA	Nominee Director	Member	Member
5	Mr. Taslim Uddin Ahmed	Director	-	Member
6	Mr. Mohammad Ali Deen	Director	Member	Member
7	Mr. Md. Jahurul Alam	Director	Member	-
8	Mr. Amid Sakif Khan	Nominee Director	-	-
9	Dr. Muhammad Abdul Mazid	Independent Director	Member	Chairman
10	Prof. Maksudur Rahman Sarker FCMA	Independent Director	Chairman	-



3.1 Policy of RAPLC on Appointment of Directors

The Board of Directors of RAPLC are comprised of:

- Nominated Non-Executive Directors - nominated from the senior management of the Sponsor/Directorship holding institutions.
- Non-Executive Independent Directors - Appointed based on recommendations of seasoned professionals who meet all criteria outlined by the BSEC Corporate Governance Code.



In relation to the selection and appointment of new Director/s, the existing Board of Directors possess the following duties and responsibilities:

- Regularly assessing the Board's size, composition, and required mix of skills and expertise for effective governance;
- Identifying gaps in competencies and ensuring suitable candidates are nominated by shareholders to fill those needs;
- Appointing Directors through shareholder approval during the Annual General Meeting (AGM), with any casual vacancies addressed per the Companies Act, 1994, and RAPLC's Articles;
- Appointing the CEO & Managing Director, subject to shareholder consent at the AGM;
- Disclosing any Board membership changes to the BSEC, Dhaka Stock Exchange, Chittagong Stock Exchange, and Registrar of Joint Stock Companies and Firms (RJSC).

3.1.1 Retirement and re-election of Directors

In accordance with the Companies Act and RAPLC's Articles of Association, one-third of the Directors retire at each Annual General Meeting (AGM), with priority given to those who have served the longest since their last election. Retiring Directors remain eligible for re-election.

Per the governance code set by the Bangladesh Securities and Exchange Commission (BSEC), Independent Directors serve a three-year term, which may be renewed once for an additional three years subject to Board appointment and shareholder approval during the AGM.



The following Non-Executive Directors are scheduled to retire, with the potential renewal of a second tenure for an Independent Director at the upcoming 24th AGM:

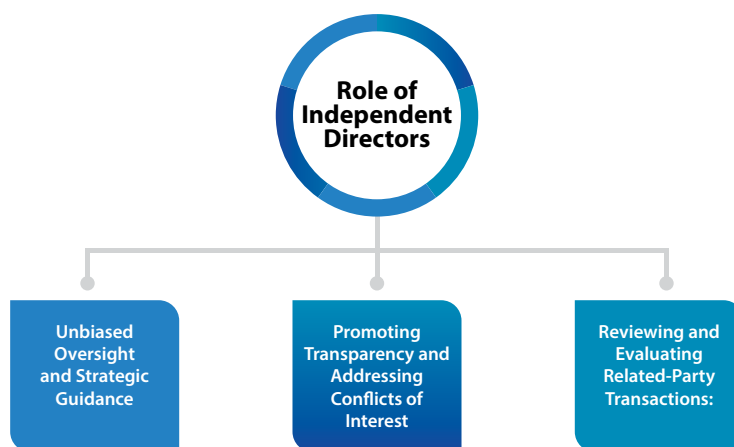
Mr. Taslim Uddin Ahmed,	Director
Mr. Muallem A Choudhury FCA	Nominee Director
Prof. Md. Maksudur Rahman Sarker FCMA	Independent Director
(completing his 2 nd tenure)	

3.2 Ensuring Compliance with Board Composition Regulations by Ensuring Adequate number of Non-Executive Directors and their Independence:

RAPLC ensures full compliance with all regulatory requirements concerning Board composition, maintaining the requisite number of Non-Executive and Independent Directors as stipulated by relevant regulatory bodies. The Company adheres rigorously to the Bangladesh Securities and Exchange Commission's (BSEC) Corporate Governance Code, meeting or exceeding all stipulated requirements. RAPLC's Board members bring a broad range of expertise and professional experience across various sectors, enhancing their ability to guide and oversee the Company's strategic direction.

3.2.1 Role of Independent Directors:

Independent Directors bring invaluable independent judgment and counsel to the Board. In addition to performing the roles of Directors, the Independent Directors perform other roles as well.



3.3 Adequate Number of Independent Directors on the Board and Their Independence

In accordance with the Corporate Governance Code (CGC) set forth by the Bangladesh Securities and Exchange Commission (BSEC), at least one-fifth of the total Board members must be Independent Directors. RAPLC ensures compliance by having two Independent Directors out of ten (10) total members, with neither holding shares or interests in the Company. Independence is rigorously verified during the selection and appointment process and is maintained throughout their tenure to promote impartiality and objective oversight.

3.4 Independence of Non-Executive Directors from Daily Operations

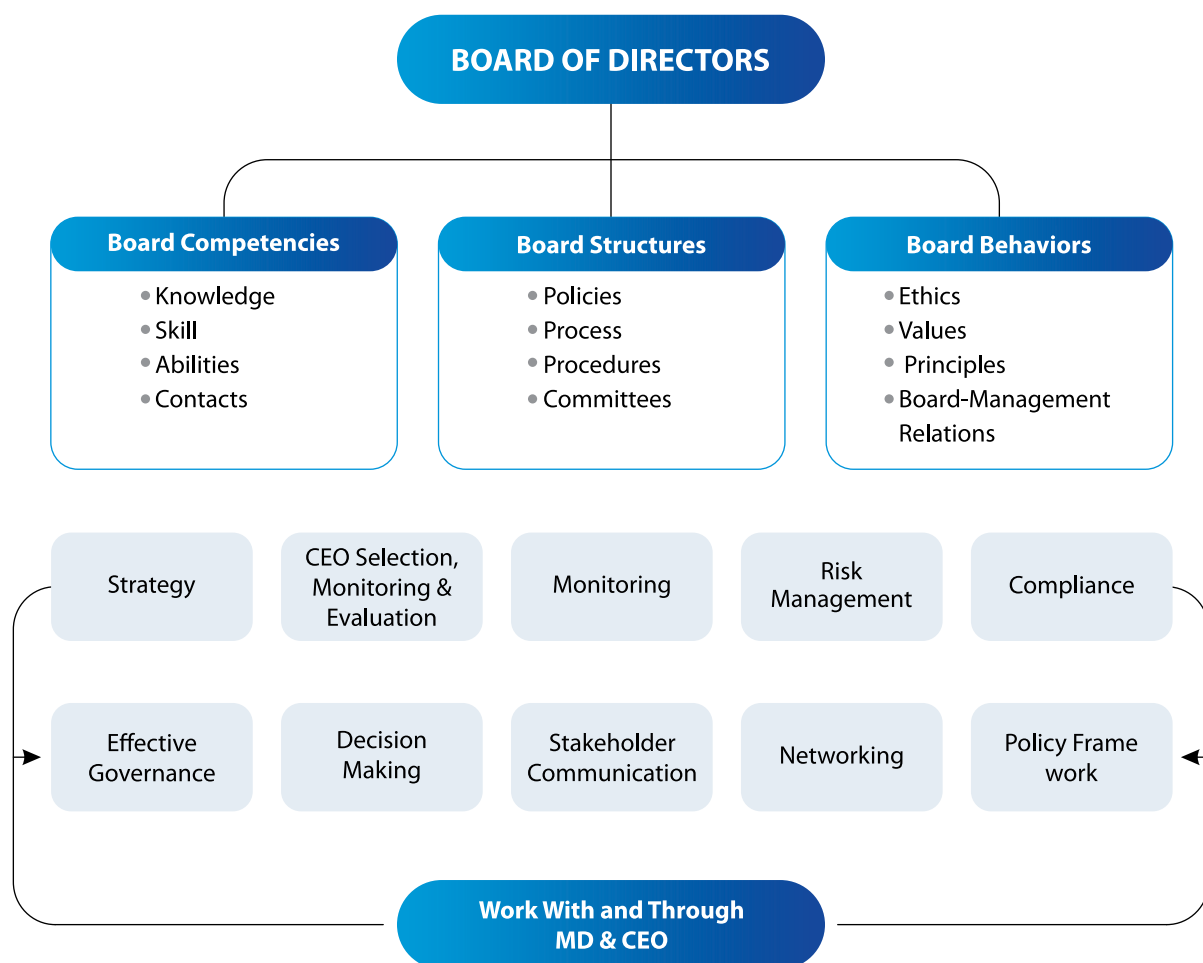
Non-Executive Directors, except for Independent Directors, are nominated by their respective institutions. All Directors exercise independent judgment, contributing significant knowledge and expertise to their roles. While they are not involved in daily operations, they offer strategic guidance and insights during Board and committee meetings. This separation ensures that Company activities adhere to strict ethical standards, protecting the best interests of stakeholders.

3.5 Board Diversity, Roles and Responsibilities

RAPLC's Board brings together experts from diverse fields, offering a comprehensive perspective that strengthens strategic management and execution. The Board is dedicated to achieving superior financial performance, long-term sustainability and upholding the highest standards of corporate governance. This commitment involves proactive governance practices that align with the interests of the Company and its stakeholders.

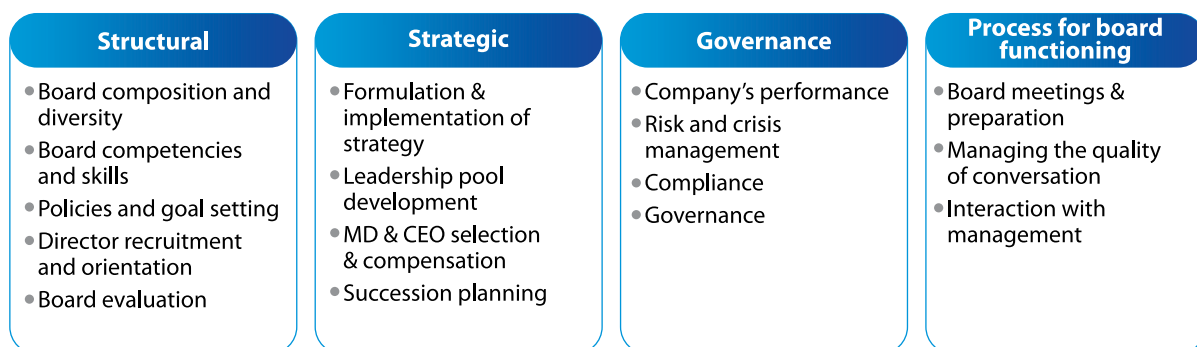


An effective Board works collaboratively with the Managing Director & CEO, to fulfil its roles to induce the best performance for the organization and to deliver the optimum value to its stakeholders. This is illustrated in the model below:



The functions of the Board may be segregated into four categories as specified below:

ORGANIZATIONAL PERFORMANCE



The Board, executive leadership, and other functionaries at RAPLC operate with clearly defined roles to drive corporate goals, optimize performance, and enhance shareholder value. The Company's success is rooted in its steadfast commitment to credible corporate governance practices. With this guiding principle, the Board of Directors establishes the strategic direction, oversees the Company's operations, and formulates key policies and objectives.

In fulfilling these responsibilities, the Board adheres to its charter and carries out essential functions, ensuring sound governance, effective business oversight, and consistent alignment with RAPLC's long-term vision and stakeholder interests. In discharging the above responsibilities, the Board carries out the following functions as per the charter of the Board:

Responsibilities Reserved for the Board		Stakeholders
■ Review of the size and composition of the Board ■ Appointment of members of the Board ■ Review the Board's performance		Directors
■ Approval of business strategy ■ Approval and monitoring of major financial and strategic commitments ■ Determination of capital structure and dividend policy ■ Approval and monitoring of financial reporting ■ Oversight of risk management, internal controls and compliance systems	■ Recommendations regarding external auditors, their terms of appointment and determination of remuneration ■ Approval of annual budget ■ Regular review of financial performance ■ Ensuring adequacy of technology and information systems for effective operations and sustainable competitiveness	Shareholders
■ Review of the size and composition of the Board ■ Review the appointment of members to the Board ■ Review the Board's performance		Customers
■ Reinforcement of the corporate culture and core values and ensuring that the Company remains an employer of choice ■ Review and approval of the CEO and Management performance ■ Oversight of succession planning for the CEO, Management team and such other Executives as the Board may deem fit		Employees
■ Oversight of the management of social, economic and environmental concerns consistent with the Safe and injury-free vision of the Board ■ Reinforcement of reputation, brand and community relations		Community



3.6 Chairman of the Board

The Chairman of the Board, elected by the Directors, is considered independent, with roles and responsibilities defined in alignment with the Bangladesh Securities and Exchange Commission's Corporate Governance Codes of 2018. The Chairman's primary duties include providing leadership to the Board, ensuring effective governance, facilitating productive Board discussions, and fostering constructive relationships between Directors and management to uphold the best interests of the Company and its stakeholders.

3.6.1 Roles and Responsibilities of the Chairman

- The Chairman's primary role is to ensure that the Board is effective in its task of setting and implementing the Company's future direction and strategy, along with leading it, focusing on strategic matters, overseeing the Company's business as well as performance of the Board;
- The Board functions as per the Memorandum & Articles of Association of the Company, along with other applicable laws which must be ensured by the Chairman;
- The Chairman presides over the meetings of the Board and Company (AGM and EGM) and ensures good corporate governance in the conduct of the Board and the Company;
- The Chairman represents the Company (whilst in consultation with the Board and Managing Director), the Chairman maintains liaison with relevant stakeholders representing the Company as a responsible corporate citizen;
- Ensure an effective relationship among Directors, acting as the principal conduit for communication and issues relating to business strategy, planned acquisitions and corporate governance;
- The Chairman may assume any responsibility if the Board assigns it within the purview of the relevant rules, regulations, acts and articles;
- The Chairman fosters the effectiveness of the Board and individual Directors, both inside and outside the boardroom and promoting and overseeing the highest standards of corporate governance within the Board and the Company; and
- With the support of the Company Secretary, the Chairman ensures that the Board receives accurate, timely and clear information.

3.7 Managing Director

The Managing Director/Chief Executive is the highest-ranking full-time executive, appointed by the Board. Operating under the Board's supervision, the MD is responsible for the Company's day-to-day operations, strategic direction, and policy implementation. The principal features of the role of the Managing Director comprises the following:

3.7.1 Roles and Responsibilities of the Managing Director

- The Managing Director is responsible for driving business operations, leading the development and execution of the Company's long-term strategies with a view to creating shareholder value;
- The Managing Director's leadership role also entails being ultimately responsible for all day-to-day management decisions and for implementing the Company's long and short-term plans;
- The Managing Director acts as a direct liaison between the Board and the Management of the Company, and communicates to the Board on behalf of the Management;
- The Managing Director is responsible for building and maintaining an effective executive team and assuming full accountability to the Board for all Company operations; and
- The Managing Director also communicates on behalf of the Company to the employees, Government authorities, other stakeholders and the public at large. He also communicates with shareholders and the BSEC along with the stock exchanges, through the Company Secretary.

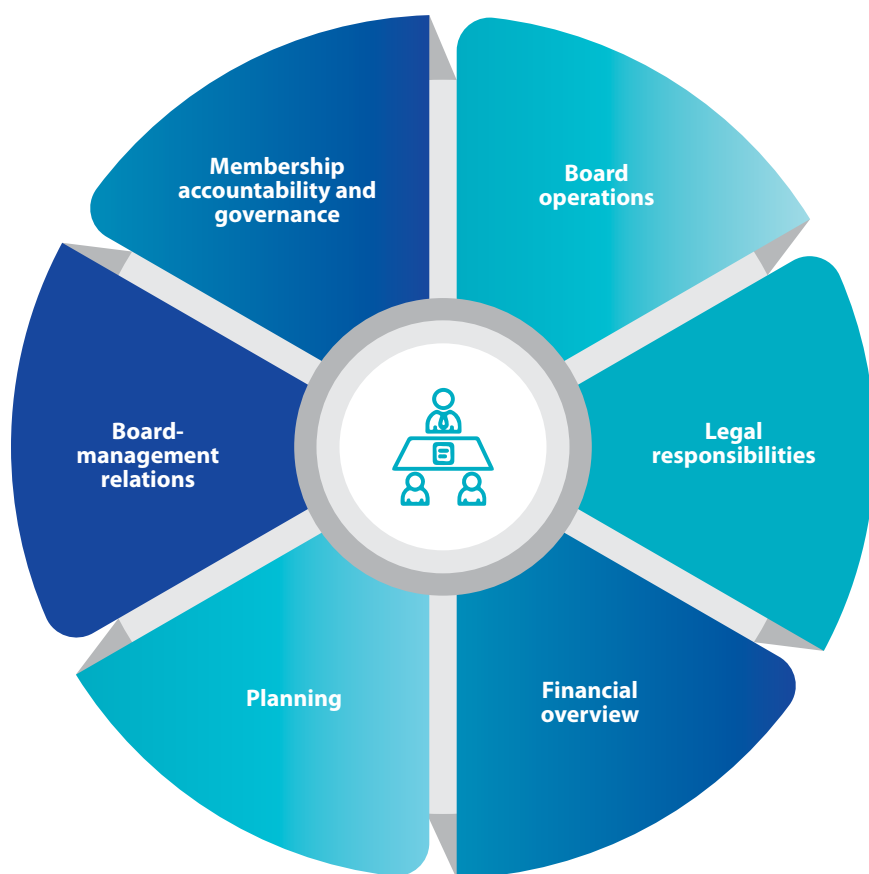


3.8 Board Performance Evaluation

At RAPLC, the Board's performance is evaluated to enhance its effectiveness by clarifying individual and collective roles and responsibilities. The evaluation process focuses on two key aspects: what the Board is expected to achieve and how it performs its duties.

- What is appraised: The Board's ability to define its responsibilities, establish clear annual objectives, and measure progress toward achieving them. It also evaluates the resources and capabilities available to fulfill its role.
- How is appraised: The process through which the Board evaluates its own performance, ensuring transparency, accountability, and continuous improvement in its governance practices.

The following criteria are considered for the evaluation of the Board:



At our Company, the Board fulfills its duties and responsibilities in appropriate processes and ensures effective management, financial stewardship, accountability and competent leadership, teamwork, norms and culture, minimized conflict and positive interactions between stakeholders and employees of the Company.

3.9 Board Committees

For better, quicker and more structured flow of information and thereby exercising effective governance, the Board has constituted two (2) sub-committees, viz: Audit Committee (AC) and Nomination & Remuneration Committee (NRC) and has delegated certain responsibilities to the committees to assist the Board in the discharge of its responsibilities. The role of the Board Committees is to review and assess the respective areas and thereon to advise and make recommendations to the Board. Each committee operates in accordance with the respective Terms of Reference (ToR) approved by the Board. The Board reviews the ToR of the committees from time to time. The Board also appoints the Chairman and members of each committee. As mentioned, the Board Committees are:

- Audit Committee
- Nomination & Remuneration Committee

These committees are responsible for assisting the Board in some of the Board's responsibilities. The committees rigorously follow the Board-approved Terms of Reference (ToR). The ToR elaborates the roles, operating procedures and authorities which are reviewed frequently by the Board.

3.9.1 Audit Committee

As per conditions of the BSEC CGC, the Board has constituted an Audit Committee of the Company. The Audit Committee is one of the prime sub-committees of the Board constituted to assist the Board in discharging its governance responsibilities. In the year 2023-24, the Committee comprised of 2 Independent Directors and 3 Non-Executive Directors. The Board has appointed an Independent Director as Chairman of the Committee under the referred guidelines.

As per its Terms of Reference and the BSEC Corporate Governance Code dated 03 June 2018, the Audit Committee is required to hold at least four (4) meetings in a year. During the year ended 30 June 2024, the Committee held four (4) meetings. The details of the meetings held and members' attendance in the meetings are disclosed in the Report of the Audit Committee.

3.9.2 The Audit Committee and Internal Control and Compliance

As per regulatory requirements, members of the Audit Committee are well-versed in finance and financial matters, i.e. they are able to analyze and interpret financial statements to effectively discharge their duties and responsibilities as members of the Audit Committee. As per the invitation of the Audit Committee, the Managing Director & CEO, Chief Financial Officer (CFO), Internal Auditor and External Auditors attend the meetings of the Audit Committee as invitees.

Based on BSEC CGC, the Company Secretary acts as the Secretary of the Audit Committee. The Audit Committee members conduct a private audience meeting with the External Auditors to discuss their independence and any material observations as per needs basis and the committee also discusses with the Head of Internal Auditor & Compliance (HIAC) without the presence of any Executive Directors/Management of the Company.

3.9.3 Responsibilities of the Audit Committee include the Following:

- To ensure compliance with accounting policies, standards and principles and monitoring the integrity of the financial reporting process
- To mitigate risks and monitor the internal controls and business risk management process
- To oversee the selection and performance of external auditors, which ensures that the statutory auditors are not involved in the Company, which is also restricted under regulatory guidelines
- To monitor and review the effectiveness of the internal audit function
- To engage in other matters as per the terms of reference of the Audit Committee





3.9.4 Reporting of the Audit Committee

The Audit Committee reports directly to the Board of Directors and under certain circumstances, can also report to the BSEC. Reporting to the Board of Directors, the Audit Committee shall immediately report to the Board of Directors in the following cases:

- On conflict of interest;
- Suspected and presumed fraud or irregularity or material defect in the internal control system;
- Suspected infringement of laws, including securities-related laws, rules and regulations; and
- Any other matter which should be disclosed to the Board of Directors immediately.

No such issues arose at RAPLC during the year ended 30th June 2024.

3.10 Nomination & Remuneration Committee (NRC)

A Nomination & Remuneration Committee (NRC) has been constituted under regulatory guidelines. The Committee, headed by an Independent Director, makes recommendations to the Board in terms of employment of the members of the Executive Committee, managers and employees and decides their specific remuneration.

As per its Terms of Reference and the BSEC Corporate Governance Code dated 03 June 2018, the NRC is required to hold at least one (01) meeting in a year. During the year ended 30 June 2024, the Committee held four (4) meetings. The details of the meetings held and members' attendance in the meetings are disclosed in the Report of Nomination & Remuneration Committee.

The Head of Human Resources attended the meeting of the NRC as invitee and the Company Secretary performed the functions of the Secretary of the Committee. The overall remuneration policy is designed to ensure that the reward and remuneration packages of the Company remains competitive so that high-quality human resources with proven track record and experience are recruited, motivated and retained.

3.10.1 Succession Policy

One of the important tasks of the Nomination & Remuneration Committee is to chart succession planning for top-level executives of the Company. The NRC works with the Board on leadership succession planning to ensure orderly succession for positions in the senior level management. This is required to maintain an appropriate balance of skills and expertise within the Company.

3.10.2 Remuneration Policy for top Executives and Directors:

The Nomination & Remuneration Committee (NRC) of the Company is responsible for formulating a sound policy of remuneration and benefits for the senior-most executives of the Company. The primary objective of the policy is to ensure that reward and compensation for top level executives should constitute an appropriate balance of the two and sufficient to attract, motivate and retain the right employees in the Company so as to deliver sustainable value for shareholders and which is also deemed fit for Runner Automobiles as a going concern.

Further, executive remunerations apart, the policy also includes the details of each Director to receive a reasonable remuneration for attending every meeting of the Board and Committee that may include travelling expenses to and from and any other allowances per day for the number of meeting-days. Such amount should also be determined by shareholders at the annual meetings.

4.0 Directors' time and Directorship Commitments

Directors provide disclosures about their other commitments so that they are able to spend sufficient time in the Company's affairs. As at 30 June 2024, none of our Independent Directors, individually, held Directorships in more than five public companies, including Runner Automobiles PLC. Our Executive Directors do not hold any Executive Directorship in other public companies; however, they are encouraged to participate in professional, public and community organizations.

4.1 Appraisal of the Board's Performance

Appraisal of the Board's performance is conducted as per regulatory requirements. The outcome of the Board's decisions has always had a positive impact on the Company, reflecting that the Board has performed its duties accordingly.

4.2 Training and Development of the Board

Each and every Director on the Board is expected to make important contributions based on industry knowledge, understanding of the business model of the Company and key challenges faced by the organisation. The Chairman ensures that all Directors receive complete formal induction on joining the Board which includes:

- A detailed overview of the company and its subsidiaries, its strategies, operational structure and core business activities;
- General and statutory duties and responsibilities of a Director;
- Detailed induction program on risk profile and risk appetite of the Company;
- Directors are provided with the Code of Conduct for the Board members on general aspects of their Directorship and industry-specific matters;
- In case of any new rules, regulations or changes in existing regulations the Board is immediately informed of; and
- In order to assist them, the Board is always kept updated on any development and changes in the business environment, risk and industry outlook.

5.0 Leadership Team

The Board is duly assisted by the respective functional heads of the Company, i.e. the Leadership Team. The Managing Director leads the Leadership Team. The Leadership Team drives the responsibility of policies and decision implementation of the Board, along with the supervision of operations and development and coordination and execution of corporate business strategies.

The Leadership Team engages in a monthly meeting regarding the execution of the Company's strategy and ensures daily operational alignment with the corporate plans. The respective heads of the Leadership Team get invitation to the Board meetings based on the relevant information or update required by the Board. For details of each Leadership Team member, please see the Leadership Team Profile in this Annual Report page no 37.

6.0 CS, CFO & HIAC

The key roles and responsibility of the Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit & Compliance (HIAC) are highlighted below:



COMPANY SECRETARY (CS)	CHIEF FINANCIAL OFFICER (CFO)	HEAD OF INTERNAL AUDIT & COMPLIANCE (HIAC)
1. Maintain the necessary liaison with the relevant offices of the Government, regulatory authorities and other stakeholders on matters of corporate interest in a transparent manner and act as a bridge between the Board, management and shareholders to facilitate good governance in the Company.	1. Oversee the overall financial management of the Company.	1. Prepare annual audit plans based on the results of risk analysis.
2. Drive policy compliance awareness among Company employees.	2. Ensure overall accuracy of budgetary and financial control system and monitor the performance of the Company, its flow of funds and adherence to the budget.	2. Prepare audit programs and approaches that meet the objectives of audit that complies with internal control design and testing.
3. Perform the duties as per the Power of Attorney of the Company and liaison with external regulators, auditors, lawyers and other relevant authorities for court affairs.	3. Ensure proper tax management and compliance systems.	3. Ensure that a proper internal control system is in place for smooth operations of the Company.
4. Compliance with acts, rules, regulations, notifications, guidelines, orders/directives, etc., as issued by the BSEC or Stock Exchange(s) applicable to the conduct of business activities of the Company.	4. Ensure national regulatory compliances as well as International Accounting Standards and Bangladesh Accounting Standards and responding to the ever-increasing regulatory developments, including financial reporting, capital requirements, and corporate responsibility.	4. Check compliance with internal and external regulations.
5. Disclosure of the Company's Price Sensitive Information (PSI) and other capital market related issues.	5. Actively participate in planning and policy-making and fixing business strategies, including long-term business plans.	5. Coordinate the analysis of risk in different areas of the business.
6. Prepare the Company's Annual Report, holding, managing and administering Board and Committee meetings and annual meetings of shareholders.	6. Liaise with the External Auditor and oversee the audit procedure.	6. Prepare draft audit report and conduct exit meetings to obtain management concurrence and responses.
7. Monitor changes in relevant legislations and the regulatory environment, and taking appropriate actions.	7. Prepare the statutory Annual Report and circulate to stakeholders within the specified timeframe.	7. Prepare final audit reports and circulate the report to the Board and auditor.
8. Filing statutory returns to regulatory bodies, such as RJSC, Bangladesh Securities & Exchange Commission (BSEC), Stock Exchanges and Central Depository System, etc.	8. Trigger and promote timely changes in the financial aspects of the Company with a view to facilitating various business improvement initiatives, like cost reduction, procurement processes, pricing processes and others.	8. Conduct special investigation on any allegation of fraud or forgery noticed by the management.
9. Engagement with stakeholders for public affairs of the Company.	9. Act as a steward by protecting vital Company assets, complying with financial regulations, maintaining the books correctly and communicating risk and rewards with Board members and investors.	9. Perform other duties and special assignment/s as assigned by the Managing Director or Audit Committee.
10. Ensure that appropriate Board procedures are followed, as per Bangladesh Secretarial Standards (BSS), as adopted by ICSB and other guidelines and best practices and advise to the Board on such matters.	10. Act as a strategist, influencing the Company's future direction and providing financial leadership and alignment of finances with the business to facilitate sustainable business planning and corporate growth.	10. Establish an internal accountability and assurance framework, including how internal audit works with other providers of assurance.
		11. Develop annually a risk-based internal audit plan for Audit Committee's review and approval.
		12. Provide technical assistance with investigations and special audits and provide subject-matter expertise as needed.
		13. Identify loopholes and recommend risk aversion measures and cost savings.
		14. Maintain a comprehensive system for recording all audit plans, work papers, findings, reports and follow-up audits.
		15. Recommend revisions and/or additions to policies and procedures in order to improve operations as well as internal controls.



7.0 Financial Reporting Process

The pillar of a successful information structure for any organization is its financial reporting system. In this regard, RAPLC possesses a robust financial reporting practice, with all financial statements made in accordance with International Financial Reporting Standards (IFRS), the Companies Act, 1994, the Securities and Exchange Rules, 2020, and other applicable financial legislations. It is from the financial reports of enterprise resource planning (ERP) system that the financial data is captured. The financial statements are comprehensively reviewed by the CFO, CEO and the Audit Committee on an ongoing basis. Furthermore, External Auditors examine the financial reports in accordance with local financial reporting policies and Company procedures. Upon completion of internal scrutiny, financial reports are placed before the Board for final review and approval before making it public through dissemination to the stock exchanges.

8.0 Internal Control Process

It is at the Board and Management levels that the Company's internal control system gets designed for providing reasonable assurance regarding the achievement of the Company's objectives and goals in respect of effectiveness and efficiency of operations, reliability (completeness and timeliness) of financial reporting and management information and compliance with applicable laws, regulations and corporate policies. The statement of Internal Control further elaborates the internal control processes. Some of the key policies and guidelines that govern the internal control process of the Company include:

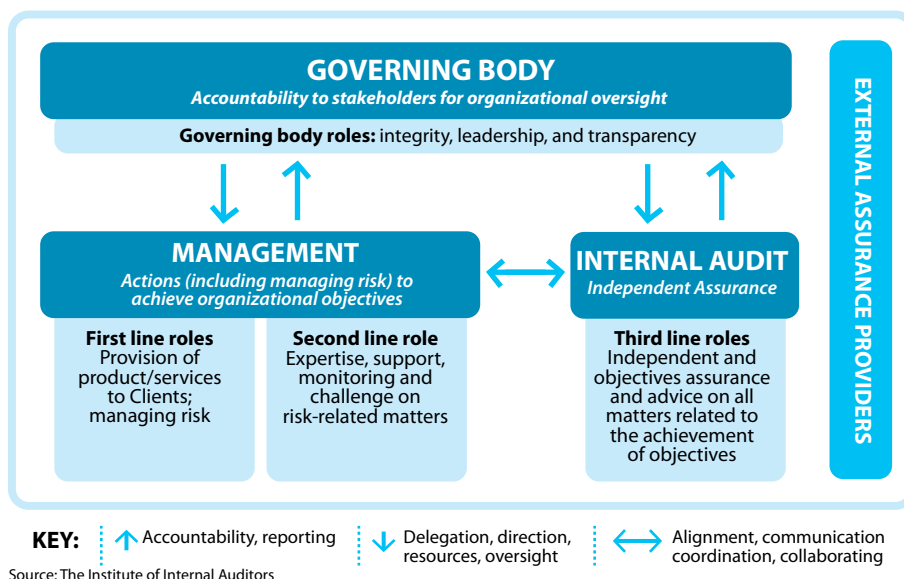
- Procurement Policy and Guidelines
- IT Security Policy
- Finance Policy and Guidelines
- International Marketing Standards
- Records Management Policy
- Agreement Policy
- Employment Policy

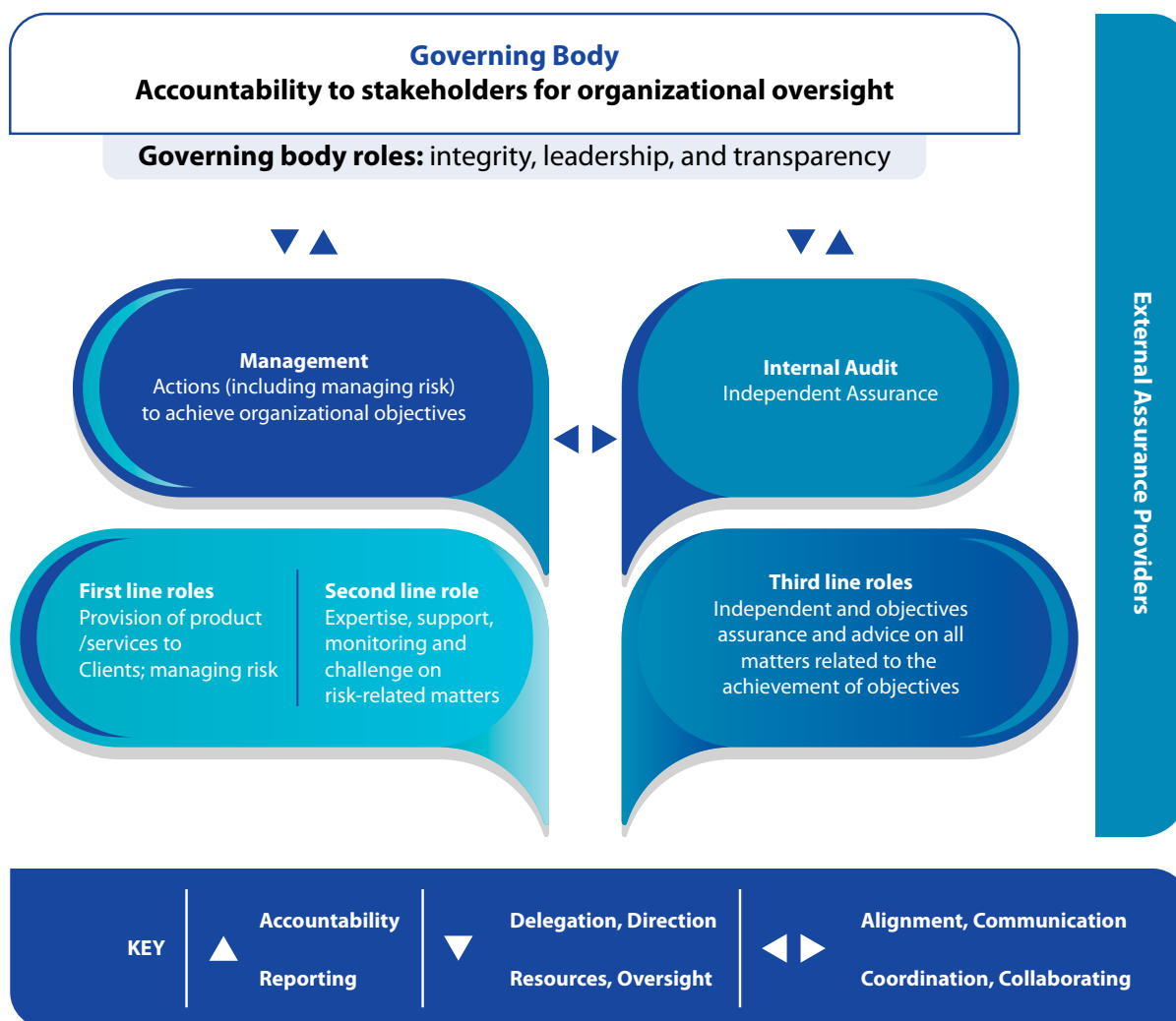
8.1 Effective Internal Control Processes

The Board divides responsibilities for ensuring effective control processes in the organization through the Board committees and also a top Management, Leadership Team that plays a significant role in managing the business as per the norms of corporate governance, while also ensuring that adequate internal controls are in place and supported through a robust risk management framework.

RAPLC's internal control assurance framework, which is designed along the "3 lines of defense" model, is outlined below:

The IIA's Three Lines Model



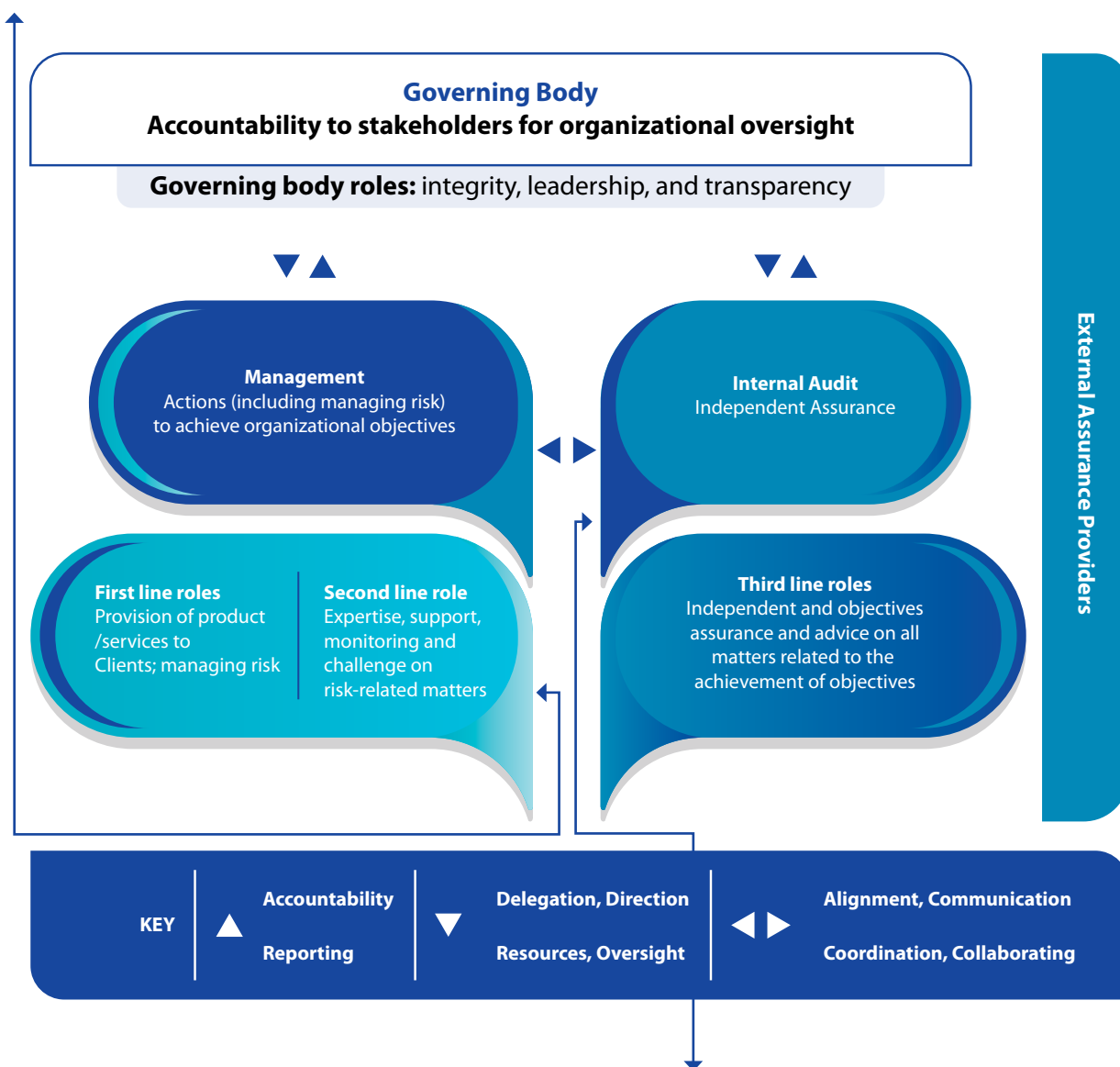


Internal Control Assurance Framework

1 st Line of Defense		
Teams	Control Operating System	
All Business Units	Delegation of Authority	Record Management & Data protection Policy
	Sales & Distribution Guideline	Treasury Policy
	Credit Management Policy	Recruitment Policy
	Procurement Policy	Performance Management Policy
	Stock Management & Inventory Policy	Leave & Attendance Policy
	Quality Control Protocol	IT General Control
	Distributor Manual	EHS Policy
	Raw Materials Supply Manual	Agreement Policy
	Fixed Asset Policy	Office Security Policy



2 nd Line of Defense		
Teams	Assessment Tools	Frequency
- Center of Excellence - Business Control Team - Compliance - Environment, Health & Safety - IDT Security - Security	Risk Management Committee (RMC)	Biannually
	Compliance	Audit Committee (AC) Approved
	Standard of Business Conduct (SoBC)	Annually
	Immediately Reportable Incidence	Ad-hoc
	Speak Up	Ad-hoc
	Business Partner Reviews	Per plan



3 rd Line of Defense		
Teams	Assessment Tools	Frequency
• Internal Audit	International Audit	Per Audit Plan & AC Approval
	Local Audit	AC Approved



9.0 Human Capital

RAPLC recognizes that its people are its greatest asset. The Company fosters a culture of motivation, respect, and growth, providing employees with performance-based rewards, career development opportunities, and a supportive work environment. Key initiatives include skill-based recruitment, merit-driven selection processes, competitive compensation, training, career growth, and a high-performance culture.

9.1 Recruitment and Selection

RAPLC's recruitment strategy focuses on attracting and retaining the best talent through a structured, objective, and comprehensive process. The Company prioritizes the skills, qualifications, and potential of candidates, ensuring long-term employee retention and minimizing turnover.

Further, the Company also offers a wide array of interactive and engaging assessments, assisting in the identification and selection of the most talented applicants through a rigorous multi-layered recruitment process. All the while, the Company is focused on recruitment of people who stay for the long term, thus also minimizing employee turnover and helping protect knowledge and intellectual capital.

9.2 Learning & Development

RAPLC offers extensive training programs, including technical training at a dedicated center, to help employees enhance their skills and achieve career growth. Work-life balance is also encouraged with regular development initiatives.

9.3 Compensation & Benefits

The Company's compensation policies are designed to be competitive, based on qualifications, skills, performance, and contribution, ensuring differentiation from other employers in the industry.

9.4 Performance Management

RAPLC employs a structured performance appraisal system to evaluate employee performance against business targets. The system supports employee development and ensures recognition of individual contributions toward company goals..

9.5 Rewards and Recognition

The Company's rewards program recognizes performance, integrity, and consistency. Employees are rewarded through both monetary and non-monetary incentives, including annual bonuses and collective achievement recognition.

9.6 Grievances and Counseling

RAPLC encourages open communication through a grievance procedure, ensuring employees' concerns are addressed. Counselling is provided regularly to support employees' roles and functions.

9.7 Ensuring a Sound Workplace

The Company prioritizes a respectful and inclusive work environment, enforcing a zero-tolerance policy against discrimination. RAPLC promotes equal opportunities for all employees, focusing on diversity and fostering a more women-friendly organization.

10.0 Other Internal Policies and Guidelines

The Company's corporate governance framework is supported by a number of policies, guidelines, procedures and codes. Mentioned hereunder are some of these guidelines.

- Procurement policy and guidelines outline the processes for obtaining the best overall value and quality for the amount expensed and to ensure timely delivery of goods and services to meet the Company's business requirements.
- Marketing policies and guidelines, which include distributors' policy, credit policy, trade policy, marketing communication guidelines and international marketing principles, representing a framework to govern all aspects of responsible automotive marketing.
- Company financial policies, which include policies and guidelines on treasury management, dividend, vehicle disposal, dealing mandate, fixed assets capital, depreciation, insurance, inventory, stock valuation, delegation of authority, budgeting, bill payments, foreign currency, write-off process, etc.



11.0 Assets & Records Management

The Board of Directors of Runner Automobiles PLC acknowledges its function as a trustee of shareholders' funds. Hence, the Board has been supervising investments in ensuring cutting-edge operational efficiency. From the acquisition to the disposal of assets, thorough transparency and accountability is ensured, keeping in mind shareholders' best interests. The implementation of safety measures and periodic physical verification is taken on a test basis for ringfencing of corporate assets and to ensure accuracy and authenticity of the numbers reported. Against industrial risks, relevant assets are sufficiently covered by insurance. Records of the Company are archived safely for prompt retrieval in case of need arising for reference. The Company Secretary is entrusted with the records management responsibility of the Company.

12.0 Statutory Audit

Following the Audit Committee's recommendation, the Board seeks shareholders' approval at the Annual General Meeting for the appointment of a Statutory Auditor, as per the Companies Act, 1994, Securities & Exchange Rules, 2020, and BSEC Governance Codes, 2018. The appointment is for a maximum of three consecutive years. The Board ensures the Auditor's independence, with prior meetings held between the Audit Committee and the Statutory Auditor before financial statements are approved. Additionally, a Compliance Certificate from a licensed professional confirms regulatory compliance, which is included in the Annual Report and requires shareholder approval for the Compliance Auditor's appointment.

13.0 Transparent Disclosure

Financial statements are prepared in accordance with the various applicable laws and regulations, which include:

- International Accounting Standards (IAS)
- International Financial Reporting Standards (IFRS)
- Companies Act, 1994
- Securities and Exchange Rules, 2020
- BSEC directives time to time

The management is responsible for formulating, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement/s, whether due to fraud or error. Accounting estimates are made, which are rational as per circumstances with use of correct accounting policies and interpretations. The reports are then reviewed accordingly by respective authorities on a regular basis.



The external auditor attends the Audit Committee meetings to review the quarterly financial statements, prepared in accordance with International Financial Reporting Standards (IFRS) and Company policies. The Board reviews the financial statements of the Company at the end of every quarter. The quarterly financial statements, along with notes, are published in two leading daily newspapers, as well as on the Company's website. Further, half yearly and annual financial statements are also dispatched to all shareholders in a timely manner.

Directors prepare the Directors' Report, which is an essential part of the Annual Report as it discloses the financial performance as well as non-financial information regarding the Company's growth, productivity, responsibilities and other information, in compliance with BSEC notification. The Company also abides by the applicable regulations in respect to Price Sensitive Information (PSI).



14.0 Communication to Shareholders and Stakeholders

Prior to the AGM, shareholders are given a 21 days' notice with all necessary papers for dissemination of information and also to ensure maximum attendance at the AGM. Quarterly and half-yearly accounts and information are also published on the website and duly notified to all stakeholders on a timely basis. The Company liaises with shareholders and ensures that all stakeholders are informed about the Company's activities and material developments on a routine basis.

In order to ensure information broadcast among all shareholders and stakeholders, RAPLC also engages with stakeholders and shareholders as much as possible. Importance of general shareholders of the Company is well-acknowledged by the Directors and the AGM provides a platform for the Directors to engage and communicate with them. The Annual Report is made available to shareholders in advance for ensuring detailed and constructive discussions. The Company's policy encourages shareholders to ask questions about its activities and prospects or future potential at the AGM. The Board also structures these meetings so that shareholders can vote separately on each matter by proposing separate resolutions for each item to be considered.

15.0 Ensuring Participation of Shareholders at the AGM

Ensuring maximum participation of shareholders at the AGM is one of the primary objectives of RAPLC and, towards this extent, it delivers the Annual Report at least 14 days prior to the AGM. The date, time, venue or virtual meeting link and agenda are communicated to shareholders well in advance so that they may attend or join the AGM with their considered views on each agenda. The meeting materials are sent by means of both message and digital media for quick dissemination.

Further, RAPLC, being highly particular about compliance with regulatory requirements, ensures publication of AGM Notice in two widely circulated newspapers, with copies also sent to the stock exchanges and the BSEC.

15.1 Well-defined Shareholders' Rights

For managing successful and conducive relationships with shareholders, it is imperative to reinforce the importance of maintaining trust, transparency and accountability. The Board ensures, through the Company Secretary, that shareholders of the Company are treated justly, fairly and honorably and their rights are protected in all circumstances. The Company Secretary is the bridge of communication between shareholders and the Board of Directors of the Company, delivering assured services to valued shareholders, while confirming as per applicable laws and Articles of Association of the Company the well-defined rights of shareholders. Shareholders are informed of all material developments/matters in a routine manner on all major issues and changes in business, catering to the continuous requirement of disclosures so that shareholders can make informed decisions.

16.0 Board Commitments

Runner Automobiles PLC is listed on both the Dhaka and Chittagong Stock Exchanges. In 2023-24, the Company contributed the sum of BDT 1,790 million to the National Exchequer. RAPLC has always cherished and shall continue to value its treasured relationship with the Government of Bangladesh, esteemed shareholders and other stakeholders of the Company by practicing the highest standards of ethics and corporate governance.

17.0 Summary

Runner Automobiles PLC reaffirms its commitment to maintaining a robust corporate governance framework that remains integral to the Company's growth and success. We view effective governance as an ongoing, dynamic process, essential for achieving our short, medium, and long-term objectives. The Company continues to uphold the highest standards of transparency, accountability, and regulatory compliance, ensuring that our governance practices align with the best interests of shareholders, stakeholders, and society. By fostering a culture of ethical conduct, responsibility, and professionalism, RAPLC drives continuous improvement across all business functions. We remain dedicated to reinforcing our corporate governance practices and delivering value to our stakeholders. We sincerely appreciate your trust and support which inspire us to continually elevate our governance standards.



Hafizur Rahman Khan
Chairman



Md. Mizanur Rahman
Company Secretary





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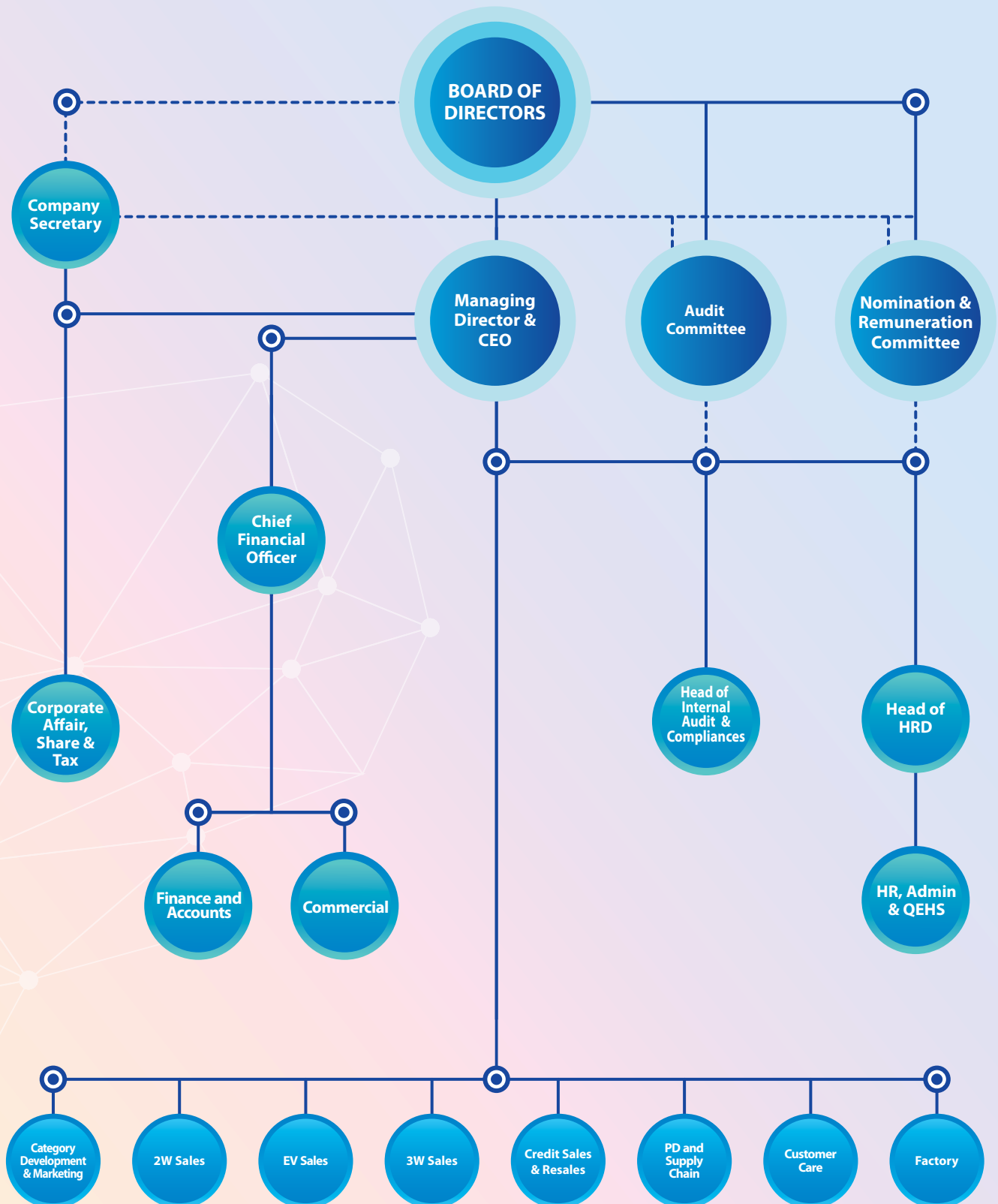
RUNNER[®] AUTOMOBILES PLC.

www.runnerautomobiles.com

COMPLIANCE **AND OVERSIGHT**



ORGANIZATION STRUCTURE





AUDIT COMMITTEE

FROM LEFT TO RIGHT

Mr. Muallem A Choudhury FCA
Member

Mr. Md. Jahurul Alam
Member

Prof. Md. Maksudur Rahman Sarker FCMA
Chairman

Dr Muhammad Abdul Mazid
Member

Mr. Mohammad Ali Deen
Member



REPORT OF THE **AUDIT COMMITTEE** FOR THE YEAR ENDED 30TH JUNE 2024

Purpose and Role of the Audit Committee

The Audit Committee is a sub-committee of the Board of Directors of Runner Automobiles PLC that is appointed by and reports to the Board of Directors of the Company, in accordance to the conditions of the Code of Corporate Governance of Bangladesh Securities and Exchange Commission (BSEC) dated June 03, 2018. The scope of the Audit Committee of the organisation is determined by its Terms of Reference (ToR) which, in turn, are shaped by Code of Corporate Governance of BSEC. These include, but are not limited to, exercising surveillance over:

- Internal control system of the Company
- Financial reporting and risk management
- Internal Control and Compliance department
- Compliance with regulatory requirements

The Committee is one of the foremost organisations of the company. It is mandated with the responsibility of investigating any matter within its terms of reference (ToR), access all documents and information of the Company, seek information from any Director or employee of the Company, and co-opt any resource (including external expertise) it deems fit in order to discharge its responsibilities. However, the Committee has no executive function and its primary objective is to review, challenge and course correct, rather than assume responsibility for any matter within its remit.

The Audit Committee assists the Board in ensuring that the financial statements present a true and fair view of the Company's affairs and maintains a robust financial monitoring and surveillance system. The Committee's responsibilities are documented clearly and reported to shareholders and stakeholders through this report. The Chairman of the Audit Committee attends all General Meetings to address queries regarding its activities.

Composition of the Audit Committee

At Runner Automobiles, the Company's internal control and compliance mechanism is overseen by the Board's Audit Committee, required under condition 5 of Corporate Governance Guideline of BSEC, with certain specific assignments under its terms of reference, which comprises five members, including two Independent Directors of the Company.

Prof. Md. Maksudur Rahman Sarker, FCMA is the Chairman of the Audit Committee and is an Independent Director on the Board of the Company.

The committee's role is to ensure and maintain a direct link between the Board and both the internal and external audit functions of the Company. The Audit Committee of the company comprises of the following members:

1.	Prof. Maksudur Rahman Sarker, FCMA	- Chairman
2.	Dr Muhammad Abdul Mazid	- Member
3.	Mr. Muallem A Choudhury, FCA	- Member
4.	Mr. Mohammad Ali Deen	- Member
5.	Mr. Md. Jahurul Alam	- Member
6.	Mr. Md. Mizanur Rahman	- Member Secretary

As required by regulations, all members are financially literate, allowing them to effectively assess and interpret financial statements.

Meetings of the Audit Committee

The committee met 04 (four) times during the financial year 2023-24, fulfilling regulations. Meetings were presided over by the Chairman, Prof. Md. Maksudur Rahman Sarker, FCMA and attended by the Head of Internal Audit and Compliance and the Chief Financial Officer as special invitees to provide necessary insights.



Secretary of the Audit Committee

The Audit Committee held 4 meetings during the financial year. The Company Secretary, who serves as the Secretary to the Audit Committee, attended 2 of these meetings. Unfortunately, he was unable to attend 2 meetings due to health issues. In accordance with the Companies Act 1994 and SEC regulations, the Committee ensured that all necessary documentation was provided to members in advance, allowing for effective decision-making in his absence.

Sl. No	Name of Director	Designation	Meeting date				No. of meetings attended
			16.10.23	12.11.23	22.01.24	24.04.24	
1.	Prof. Md. Maksudur Rahman Sarker, FCMA	Chairman	Present	Present	Present	Present	4/4
2.	Dr Muhammad Abdul Mazid	Member	Present	Present	Present	Present	4/4
3.	Mr. Muallem A Choudhury, FCA	Member	Present	Present	Present	Present	4/4
4.	Mr. Mohammad Ali Deen	Member	Present	Present	Present	Present	4/4
5.	Mr. Md. Jahurul Alam	Member	Present	Present	Present	Present	4/4
6.	Mr. Md. Mizanur Rahman	Secretary	Present	Absent	Absent	Present	2/4

Changes in the Audit Committee

No changes occurred in the Audit Committee during the financial year under review.

Terms of reference (ToR) of the Audit Committee

The duties and responsibilities of the Audit Committee is determined by its ToR, referred to by condition no. 6 of the Corporate Governance Code issued by BSEC dated 3rd June 2018.

The ToR is periodically reviewed and revised with the concurrence of the Board of Directors. The Audit Committee is responsible to and reports to the Board of Directors.

Roles and Responsibilities

The roles and functions of the Audit Committee are further regulated by the rules governing the Audit Committee, as specified by the “Corporate Governance Code” issued by BSEC. The Committee is empowered to monitor, review and examine:

- The integrity of the financial statements
- The Company’s external auditor’s qualifications and independence, the performance and effectiveness of the Company’s internal and external audit, internal controls, evaluation of operational risk, and compliance with legal and regulatory requirements
- Any matter relating to the financial statements of the Company
- Review of the efficiency of internal control systems and procedures in place
- Review of the quality of accounting policies and adherence to statutory and regulatory guidelines
- Review of the Company’s annual report and accounts and interim financial statements prepared for disclosure before submission to the Board
- Ensure that a well-managed and sound financial reporting system is in place to provide timely and reliable information to the Board, the management, regulatory authorities, and other stakeholders
- Ensure that the Company’s policies are firmly anchored on the highest standards of good governance practices and its operations conform to the highest ethical standards in the best interests of all stakeholders

Summary of Activities

The following activities were carried out by the Audit Committee during the financial year ended 30th June 2024.



Reviewing financial reporting

- Quarterly and Annual Results: The Committee reviewed the Company's quarterly, half-yearly, and annual financial results, focusing on:
- Significant changes in accounting policies.
- Adjustments from audits.
- Compliance with financial reporting standards and legal requirements.
- The going concern assumption.
- The Committee also reviewed the annual financial statements before submission to the Board, ensuring compliance with the Companies Act, 1994, securities laws, and applicable accounting standards (IFRS, BFRS).

Reviewing Related Party Transactions

The Committee assessed related party transactions and potential conflicts of interest, ensuring management integrity.

Preparation of Audit Committee Reports

An annual audit committee report was prepared detailing the Audit Committee's composition, terms of reference, meeting attendance, activity summaries and internal audit performance and submitted it to the Board.

Review and ensuring internal control and risk management

- The Committee reviewed the Company's risk management and corporate governance framework, ensuring effective identification, analysis, assessment, and communication of risks. in a regular and timely manner.
- Compliance with internal policies, standards, and procedures was evaluated.
- Assurance was obtained that proper controls were in place before major changes within the Company.

Monitoring Internal Audit

- Annual audit plans were reviewed, ensuring adequate scope and coverage of audit activities and reviewed the effectiveness of the audit process, resource requirements for the year, and performance of the internal audit.
- Internal audit reports were assessed for issues, recommendations, and management responses, with discussions on improvement actions.
- Follow-up audits ensured recommendations were implemented and areas for further improvement were suggested.

Reviewing Management Discussion & Analysis

The Committee reviewed the Management Discussion and Analysis to evaluate the Company's performance, strategic initiatives, and associated risk factors, ensuring alignment with overall objectives and providing insights into future directions.

Responsibility Related to External Audit

The committee met with external auditors at the conclusion of the annual audit, in the absence of the management and reviewed their findings and observations and the management's response thereon.

- Reviewed with the external auditors about their audit scope, audit strategies and audit plans in place for the year and their proposed fee and review of the statement of internal control.
- Reviewed the external audit reports and areas of concern highlighted in the management letter, including the management's response to the findings of the external auditors.
- Reviewed and evaluated factors related to the independence of the external auditors and assisted them in preserving their independence.
- Reviewed the performance of the external auditors and made recommendations to the Board on their appointment and fees.

In addition to the aforementioned responsibilities, the Audit Committee is open to addressing other matters as directed by the Board, ensuring alignment with the Corporate Governance Code mandated by BSEC.



Internal Audit and Compliance Report Review

Key issues addressed included:

1. Corporate Sales: Concerns over outstanding accounts receivable were noted, leading to recommendations for process improvements.
2. Resale Loss: Strategies to minimize losses from seized bike sales were discussed.
3. Supply Chain Management: Emphasis was placed on maintaining zero port demurrage and reviewing non-moving inventory.

Quarterly Financial Statements Review

- The Committee reviewed compliance with legal and regulatory requirements including licensing and taxation.

Reporting of the Audit Committee

I. Reporting to the Board of Directors

The Audit Committee reports on its activities to the Board of Directors. The committee immediately escalates its concerns to the Board in case of the following findings:

- Report on conflict of interest.
- Suspected or presumed fraud or irregularity or material defect/s identified in the internal audit and compliance process or in the financial statements.
- Suspected infringement of laws, including securities related laws, rules and regulations.
- Any other matter which the committee deems necessary shall be disclosed immediately to the Board.

The Audit Committee further ensures that, in compliance with condition no. 5 of the Corporate Governance Code of BSEC notification no. SEC/CMRRCD/2006-158/207/admin/80 dated 3 June 2018, the Chief Executive Officer and Chief Financial Officer of the Company have certified before the Board that they have comprehensively reviewed the financial statements of the Company for the year ended 30th June 2024 and to the best of their knowledge and belief:

- These statements do not contain any material fact or contain statements that might be misleading.
- These statements collectively present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- There are, to the best of their knowledge and belief, no transaction entered into by the Company during the year which are fraudulent, illegal or in violation of the Code of Conduct of the Company's Board of Directors or its members.

II. Reporting to the authorities:

The Audit Committee reports to the Board on issues that may have a material impact on the financial conditions and operations. The committee also discusses with the Board and the management if any rectification is necessary. If the committee finds that such rectification has been unreasonably ignored, it reports such findings to the BSEC upon reporting such matters to the Board three times or upon completion of a period of 6 months from the date of first reporting to the Board, whichever is earlier.

III. Reporting to shareholders and general investors:

Reporting on activities carried out by the Audit Committee, including any report made to the Board under condition no. 5 (6) (a)(i) of the BSEC Corporate Governance Code during the year shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the Company.

Evaluation of the Committee

An evaluation of the Committee's effectiveness was conducted by the other members of the Board of Directors, confirming its successful operation during the year.



Recommendation

The Audit Committee recommended to the Board that A. Qasem & Co., Chartered Accountants, to be appointed as Statutory Auditors and Jasmin & Associates as Compliance Auditors of the company for the financial year ending June 30, 2025 subject to the approval of the members at the forthcoming 24th Annual General Meeting.

Report Authorization

This report is prepared in accordance with the resolution of the Board of Directors dated 22nd October 2024.

Conclusion

I extend my sincere appreciation to the members of the Audit Committee for their valuable contributions, guidance, and support throughout the financial year 2023-24. We look forward to your continued support and cooperation.



Prof. Md. Maksudur Rahman Sarker, FCMA

Chairman
Audit Committee





REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

FROM LEFT TO RIGHT

Mr. Muallem A Choudhury FCA
Member

Md. Mozammel Hossain
Member

Dr Muhammad Abdul Mazid
Chairman

Mr. Mohammad Ali Deen
Member

Mr. Taslim Uddin Ahmed
Member

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE FOR THE YEAR ENDED ON 30TH JUNE 2024

The Nomination and Remuneration Committee (NRC) of Runner Automobiles PLC has a supervisory role to the management to identify the Company's resource requirements at different levels of the organisation and determines their selection criteria, transfer or replacement and promotion. This committee is based on the Charter of the NRC formulated in accordance with the corporate governance (CG) guidelines of the BSEC as well as comprising other global best practices.

Purpose and Role of the NRC

The NRC assists the Board in formulating policy for the formal and continued process of considering the remuneration/honorarium of Directors and other top-level executives. The NRC has a guiding role to the management to identify the Company's needs for resources at different levels of the Company and determine their selection, transfer or replacement and promotion criteria.

This Report of the NRC has been prepared in accordance to the requirements of the CG codes of BSEC. It covers nomination and remuneration policies, evaluation criteria, and other activities of the NRC.

Composition of the Nomination and Remuneration Committee (NRC)

In accordance with the requirements of the BSEC notification, all members of the NRC are appointed by the Board of Directors. The NRC comprises of five (5) Non-Executive Directors. The Chairman of the NRC is an Independent Director. The Company Secretary functions as the Secretary of the NRC.

The NRC members include the following:

1.	Dr Muhammad Abdul Mazid	Chairman
2.	Md. Mozammel Hossain	Member
3.	Mr. Muallem A Choudhury FCA	Member
4.	Mr. Mohammad Ali Deen	Member
5.	Mr. Taslim Uddin Ahmed	Member
6.	Mr. Md. Mizanur Rahman	Member Secretary

Dr Muhammad Abdul Mazid, an Independent Director, acts as Chairman of the NRC. As per regulatory guidelines, the Company Secretary, Mr. Md. Mizanur Rahman acts as the Secretary to the Committee. The NRC performs its activities in coherence and ensures compliance with the Corporate Governance Code as promulgated by the Bangladesh Securities and Exchange Commission (BSEC).

Terms of Reference

The Nomination and Remuneration Committee has performed its duties and responsibilities as assigned to it by the Board of Directors which is based on the Charter of the NRC formulated mainly in accordance with the CG guidelines of BSEC as well as comprising of other global best practices.

Role of the NRC

The NRC's role is primarily to determine and recommend to the Board the remuneration as well as nomination of the top Executive Directors of the Company. It also monitors the level and structure of remuneration of the senior management and seeks to ensure that the compensation package is designed to attract, retain and motivate the Executive Directors and senior management sufficiently to ensure responsible corporate stewardship, performance and sustainable value creation for all stakeholders.



The purpose, authority, composition, duties and responsibilities of the NRC are outlined in its Charter. Some of the major responsibilities of the NRC are given hereunder:

- Recommend a policy on Board's diversity, taking into consideration age, gender, experience, education and nationality;
- Formulate the criteria for determining qualifications and independence of Directors;
- Identify persons who are qualified to become Directors and top-level executives and recommend their appointment/s and removal;
- Formulate the criteria for evaluation of performance of Independent Directors and the Board;
- Recommend a policy to the Board relating to the remuneration of Directors and top-level Executives;
- Assess as to whether the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable Directors to be a part of the Company's Board;
- Evaluate as to whether remuneration of Directors and other top-level Executives involves a balance between fixed and incentive/flexible pay, reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
- Identify the Company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;
- Recommend and review annually the Company's human resources and training policies;
- Recommend the remuneration policy of the Company, particularly in relation to the yearly increment principle; and
- Recommend the Code of Conduct for the Chair of the Board, other Board Members and Chief Executive Officer (CEO) of the Company.

Nomination Criteria

- Following the Company policies as well as guidelines and applicable country regulations;
- Following a selection process that is transparent in all respects;
- Following a process that is compatible to international standards and local best practices;
- Recognize core competencies of the respective personnel for the different level of the management and employees of the Company; and
- Embrace diversity in age, maturity, qualification, expertise and gender.

Recruitment and Selection Guidelines

The NRC Charter draws a broad outline of the Company's requirement for employees at different levels, as ascertained by the management. The recruitment and selection of Directors, top-level executives and other employees of the Company are made according to the following guidelines:

1. Non-Executive Directors

Evaluation of the Non-Executive Director/s is carried out at least once a year by the Board. The Board of Directors appoints the Non-Executive Director/s upon nomination and recommendation of the NRC considering the following areas:

- a. Contribution for improving governance practices of the Board
- b. Participation in Board and other statutory and committee meetings in a timely manner
- c. Attendance at Board and other committee meetings
- d. Standard of performance in contributing to the commercial success of the Company

2. Independent Directors

The Independent Director/s shall be knowledgeable individual/s with integrity who are able to ensure compliance with financial laws, regulatory requirements and corporate laws that can effect a meaningful contribution to the business. The Independent Director/s should have competence relevant to the sector in which the Company operates, and should necessarily have the qualifications as required by the regulations of BSEC.



The Board of Directors appoints Independent Directors upon nomination and recommendation of the NRC, which is then approved by shareholders at the Annual General Meeting of the Company. The NRC evaluates the performance of each Independent Director every financial year.

3. Executive Directors

The NRC recommends candidate(s) for Executive Director(s) based on nomination by the majority shareholders. The Board of Directors appoints Executive Director/s upon nomination and recommendation of the NRC.

4. Top-Level Executives

The NRC identifies and recommends candidate(s) for top-level executive positions upon thorough scrutiny by the Managing Director, Executive Committee and Human Resources Department (HRD), considering relevant qualifications, experience, skills and leadership, as required for the respective positions based on the Company's internal selection process and criteria.

5. Other Employees

The NRC sets a guideline to identify the Company's need for employees at different levels of the organisation and empowers the relevant management of the Company's HRD for selection, transfer, replacement and promotion of respective employees based on the Company's internal processes.

Remuneration Criteria

1. The structure, scale and composition of remuneration/honorarium is reasonable and sufficient to attract, retain and motivate suitable Directors, top-level executives and other employees to run the Company efficiently and successfully. The context of packages, including remuneration/ benefits monthly, annually and in the long run for all employees are categorically laid down and meets the appropriate performance benchmarks.
2. There is a clear balance in benefits between fixed and incentive pay of Executive Directors and senior management, reflecting short and long-term performance goals and objectives of the Company.
3. The remuneration, including bonuses, compensation, benefits (in whatever form) payable to Executive Directors, top-level executives are determined by the NRC based on the respective corporate policies and guidelines, which are ratified by the Board as and when required.
4. The remuneration to be paid to Executive Directors is in accordance with the Company's policies and guidelines. Increments (if any) to the existing structure of remuneration are determined by the NRC based on the Company's policies and guidelines, which are ratified by the Board as and when required.
5. The NRC recommends the Board meeting attendance fees, honorarium.
6. No member of the NRC receives, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the Company.

Evaluation Criteria

1. Executive Directors: The respective line authority of the Executive Director(s) sets the performance assessment criteria based on the respective role, profile and responsibilities through a Company appraisal process at the beginning of each calendar year. The respective line authority then evaluates the performance of the Executive Director(s) according to the assessment criteria.
2. Independent Director & Non-Executive Director: The evaluation of performance of the Independent Directors (IDs) and Non-Executive Directors (NEDs) are carried out at least once a year by the Board of Directors, according to the following criteria:
 - Attendance at the Board meetings and committee meetings
 - Participation in the Board meetings and committee meetings
 - Contribution to improving the corporate governance practices of the Company
3. Top-level Executives & other Employees: The respective line authority of top-level executives and other employees sets the performance assessment criteria based on the respective roles and responsibilities to enable the accomplishment of people and business objectives through Company appraisal processes. The employees concerned prepare the performance document. The respective line authority thereafter evaluates the performance of the employee(s) according to the assessment criteria.



Changes in the Evaluation Criteria and Policy

Members of the NRC reviewed the evaluation criteria and policy. There were no significant changes in the criteria and evaluation process.

Meetings of the Committee

During FY2023-24, four (4) meetings of the NRC were conducted. The proceedings of the NRC meetings are regularly reported to the Board of Directors. On invitation of the Committee, Managing Director, Chief Financial Officer (CFO) and Head of Human Resource attended all Committee meetings during the year.

Attendance at NRC Meetings

NRC meetings and attendance during the year ended on 30th June 2024 is given below.

Sl. no.	Name	Designation	NRC meeting date			
			15.10.23	09.11.23	18.03.24	24.04.24
1	Dr. Muhammad Abdul Mazid	Chairman	Present	Present	Present	Present
2	Mr. Md. Mozammel Hossain	Member	Present	Present	Present	Present
3	Mr. Muallem A Choudhury, FCA	Member	Present	Present	Present	Present
4	Mr. Mohammad Ali Deen	Member	Present	Present	Present	Present
5	Mr. Taslim Uddin Ahmed	Member	Present	Present	Present	-
6	Mr. Md. Mizanur Rahman	Secretary	Present	Present	Present	Present

NRC Activity Summary of 2023-24

Activity Summary of NRC during the year

- Reviewed the Terms of Reference of NRC and reported findings to the Board
- Reviewed and approved the performance appraisal and increment proposal for FY 2023-24
- Reviewed the criteria for selection, transfer, replacement and promotion of top level executives.
- Appointed a new Nominee Director from Runner Lube & Energy Ltd.
- Reviewed the performance and remuneration of the top-5 employees of the company during FY 2023-24
- Reviewed the criteria for determining qualifications, positive attributes and independence of a Director
- Reviewed the criteria for evaluation of performance of the Board of Directors and top-level executives
- Reviewed the roles and responsibilities of the Chairman and the MD & CEO
- Reviewed vacancy positions or new positions and reported and/or recommended it to the Board for their appraisal

Report Authorization

The NRC report has been prepared in accordance with the resolution of the Board of Directors on 24th October, 2024.

Conclusion

I wish to offer my thanks to the members of the NRC for their esteemed contribution to ensuring the proper and sufficient functioning of committee for the financial year 2023-24.

Thank you for your continued support and cooperation.
On behalf of the NRC,



Dr Muhammad Abdul Mazid

Chairman, Nomination and Remuneration Committee



REDRESS OF INVESTOR COMPLAINTS

Commitment to Shareholder Rights and Engagement

At Runner Automobiles, we prioritize transparent communication with our shareholders, ensuring they are well-informed about our financial and strategic direction. By aligning our goals with shareholder expectations, we build trust and foster long-term relationships. Our Shareholder Charter emphasizes fairness and the protection of shareholder rights, and our Investor Support System guarantees prompt attention to any concerns. The Company Secretary ensures timely resolution of investor grievances.

Equitable Treatment and Shareholder Participation

We encourage active shareholder participation through our Annual General Meeting (AGM), where shareholders are provided with all relevant meeting details at least 21 days in advance. For the 2022-23 fiscal year, we successfully conducted our 23rd AGM via a digital platform, allowing for broader participation. Shareholders unable to attend can appoint a proxy to vote on their behalf. All meeting and financial information is available on our Investor Relations page: www.runnerautomobiles.com/investors For inquiries, contact ral.cstd@gmail.com.

Investor Complaints Redress Mechanism

We have a robust system to address investor complaints through multiple channels:

- Email: ral.cstd@gmail.com
- Postal Mail: Complaints can be sent to our designated address
- In-Person Register: Written complaints are recorded at our office.

A dedicated team member monitors and resolves complaints promptly, ensuring that shareholder concerns are handled efficiently. We remain committed to providing regular updates and maintaining a high standard of transparency, fairness, and responsiveness.



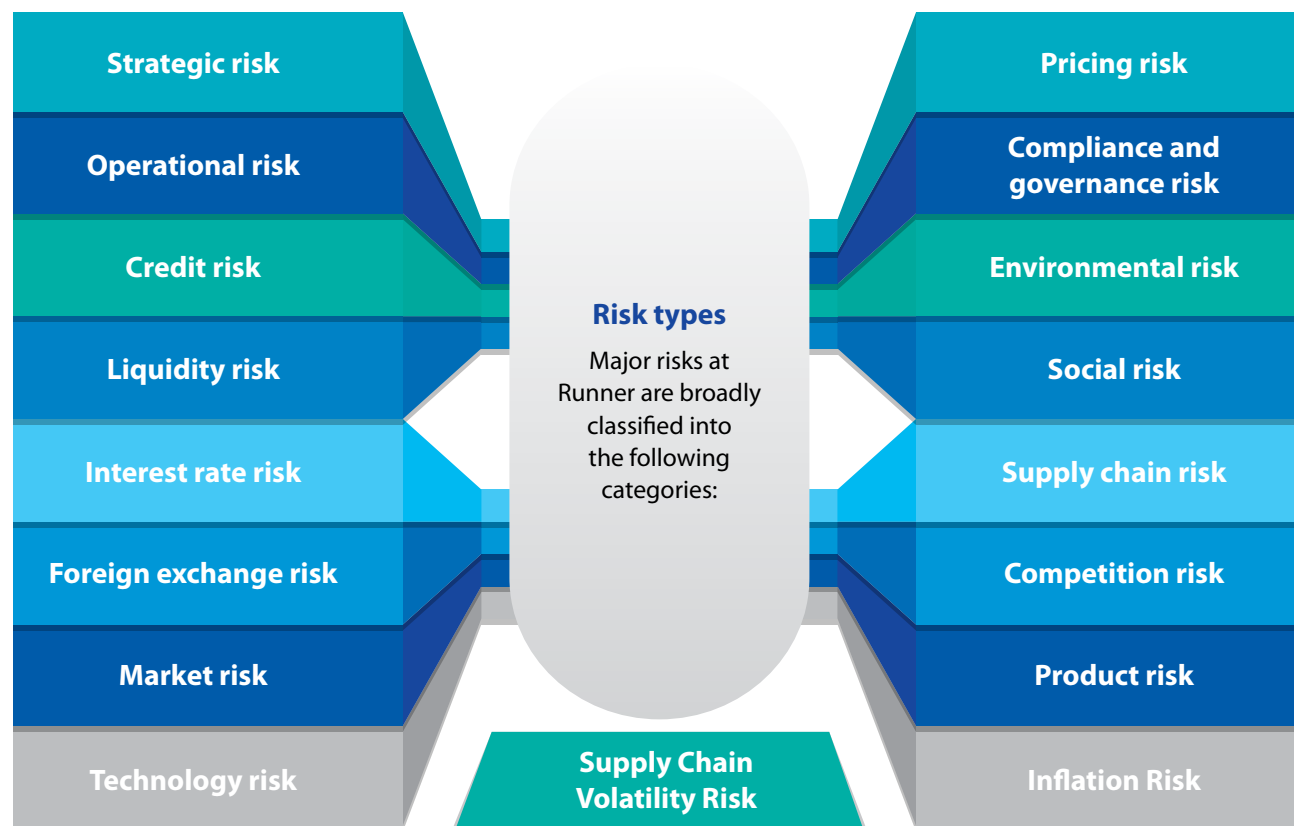
STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Runner Automobiles PLC (RAPLC) maintains a robust risk management framework that supports effective governance and enhances its enterprise risk management (ERM) system. This framework enables the organization to adapt to evolving challenges, including geopolitical tensions, inflationary pressures, and a weakening domestic macroeconomic environment. Managing risk is a priority, with the Board of Directors playing a central role in overseeing this process, ensuring alignment with the company's strategic objectives.

RAPLC's risk management approach follows industry best practices for identifying, assessing, and mitigating risks. Effective communication across departments and a culture of collaboration between revenue-generating units, control functions, and senior management further strengthen the company's ability to manage risks. The company also leverages a comprehensive operating framework, management information systems (MIS), risk-rating systems, and policies to support its risk mitigation efforts.

The Board is responsible for monitoring strategic risks, balancing risk with reward, and ensuring that internal controls safeguard the company's objectives. This approach helps RAPLC manage risks at acceptable levels, supporting long-term shareholder value and sustainable growth. The Board provides strategic guidance and ensures the implementation and monitoring of risk mitigation initiatives across the organization.

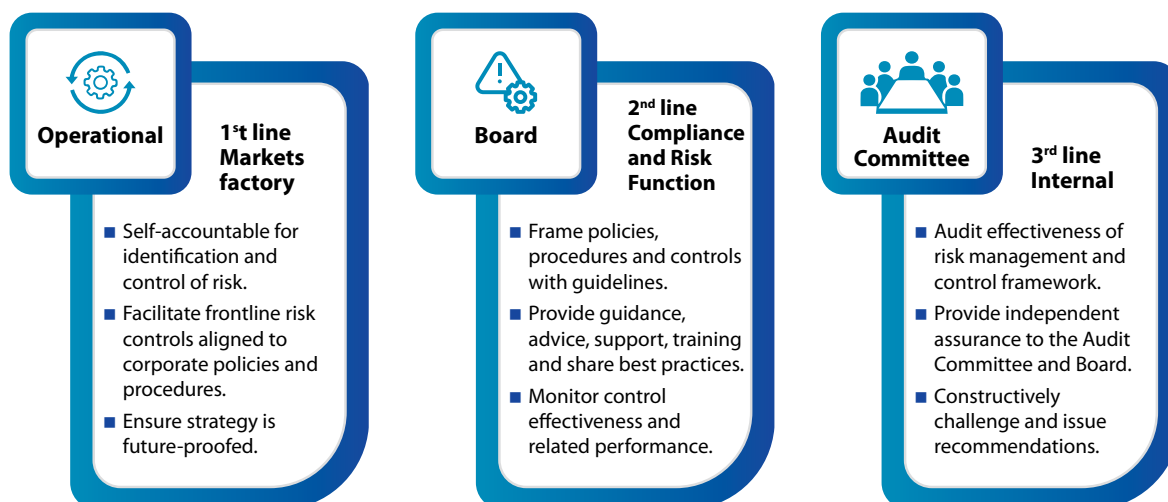
It is important to note that while internal controls are designed to minimize the impact of risks, they cannot eliminate them entirely. The company's controls—covering financial, operational, and compliance areas—are intended to reduce risks to manageable levels, thereby supporting the achievement of RAPLC's commercial goals and growth objectives. The Board offers reasonable assurance that the risk of significant misstatements or loss is effectively mitigated.



As outlined in the company's risk management policy, the framework includes the identification, evaluation, monitoring, and management of material risks faced by the company. This process involves continuously updating internal controls and adapting to changes in the regulatory, business, and external environments to strengthen risk identification and mitigation efforts.

The effectiveness of this risk framework is regularly reviewed by the Board through the Audit Committee. The specific roles and responsibilities of the Audit Committee are detailed in the Audit Committee Report included elsewhere in this Annual Report.

Risk Management Framework: Three Lines of Defense Model



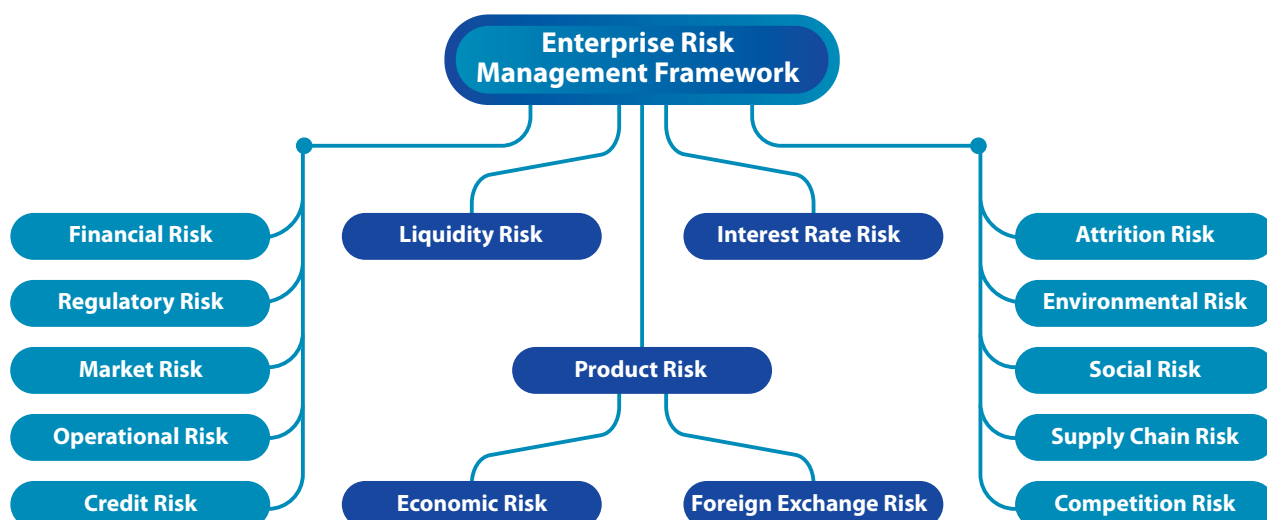
Enterprise Risk Management Framework

Risk management is critical to ensuring the long-term viability of RAPLC and enhancing shareholder value. As such, it is rigorously applied and fully integrated into the company's corporate risk management system. The framework aligns with RAPLC's operational model and follows the "Three Lines of Defense" approach, enabling the effective identification and escalation of risk and control issues across the organization.

The Board of Directors is responsible for setting the company's strategic direction and determining its risk

appetite. The Board plays a key role in overseeing the overall risk management strategy, ensuring it is aligned with the company's objectives and supports long-term success.

The risk management team is tasked with operationalizing the strategy, overseeing the identification, assessment, and mitigation of risks through the effective implementation of internal controls. The key risk areas identified by the company include:



While many risks have remained stable, the intensity of certain risks—particularly financial, market, credit, liquidity, foreign exchange, supply chain, and competition risks—has varied. The company continues to manage these risks prudently, ensuring operational integrity and sustained revenue.

Our risk management function ensures business plans align with the company's strategy, with business units and management teams responsible for operational performance and risk mitigation. The management team is accountable for achieving strategic objectives in line with established policies, processes, and regulations.

Led by the Management Committee, the company's structures provide a continuous framework for identifying, evaluating, and mitigating risks, enabling timely responses to both emerging threats and opportunities.

Imperatives of our Enterprise Risk Management

Runner Automobiles PLC has established a strong risk governance framework, integrated into our corporate governance practices. This ensures that risk-taking activities align with the company's strategic objectives and risk appetite, through effective identification, measurement, monitoring, and management of risks.

Our approach to risk management is grounded in compliance with regulations, both in letter and spirit. We adopt policies, processes, and control systems that support informed decision-making, fostering a culture of full risk awareness across the organization.

The key objectives of the risk management framework of our company is outlined below:

- Protect the interests of all other stakeholders at all times
- Preserve and sustain the long-term viability of the organisation
- Ensure occupational health and safety with a focus on safe and secure operations
- Protect assets, reputation and goodwill at all times
- Ensure that the Company's operations do not impede on the community around which it operates, which being ecologically sensitive
- Ensure heightened risk awareness across all departments and functions of the organisation
- Promote an effective risk-aware culture where risk management is an integral part of the company's management systems and processes
- Ensure compliance with BSEC's code of corporate governance and other regulations
- Review and update the risk register
- Assess status of risk mitigation action plans as part of our risk management strategy

Responsibilities of Our Risk Management Department

To ensure optimal resource utilization and maximize productivity, Runner Automobiles PLC has established a skilled risk management team, with its actions and initiatives continuously monitored by the Board's Audit Committee.

The primary objective of the risk management team is to minimize risks by effectively managing risk governance. The team is responsible for approving risk management policies and defining the risk framework and appetite, guiding the company and its teams in their approach to risk.

Additionally, the department formulates strategies to mitigate identified risks, applies risk management methodologies and analysis tools, and integrates policies for managing both perceived and emerging threats with the management team.

The overall responsibility of the risk management team has been enumerated as under:

- Stewarding the company's enterprise risk management program
- Ensuring adoption of risk management program at all levels of the organisation
- Establishing an appropriate culture of risk awareness and setting the tone from the top for risk control
- Formulating realistic strategic goals and objectives and superintending the management's implementation of those goals and objectives thereof



- Confirming that the company has a risk management system, including audit, suitable for its size and activities and understanding the material risks
- Monitoring the company's operations, overseeing the business performance and keeping informed on the operating and business environment
- Promoting a proactive risk awareness culture
- Coordinating the development and implementation of risk mitigation action plans
- Developing and updating business continuity plans for key business risks
- Organizing training and awareness programs for employees, thus fostering a risk aware culture



Risk Identification

We identify potential events that could negatively impact business objectives, ensuring risks are sufficiently controlled for long-term success.

Risk Assessment

Business risks are assessed based on their likelihood and potential impact on strategic objectives. We use a scale of one to three to evaluate risk probability and severity, generating a comprehensive risk rating from one to nine. This helps prioritize risks for mitigation, documented in a detailed risk register.

Risk Treatment

Risk owners, typically senior managers and functional leaders, are responsible for developing and implementing

action plans to mitigate identified risks, with clear timelines for completion.

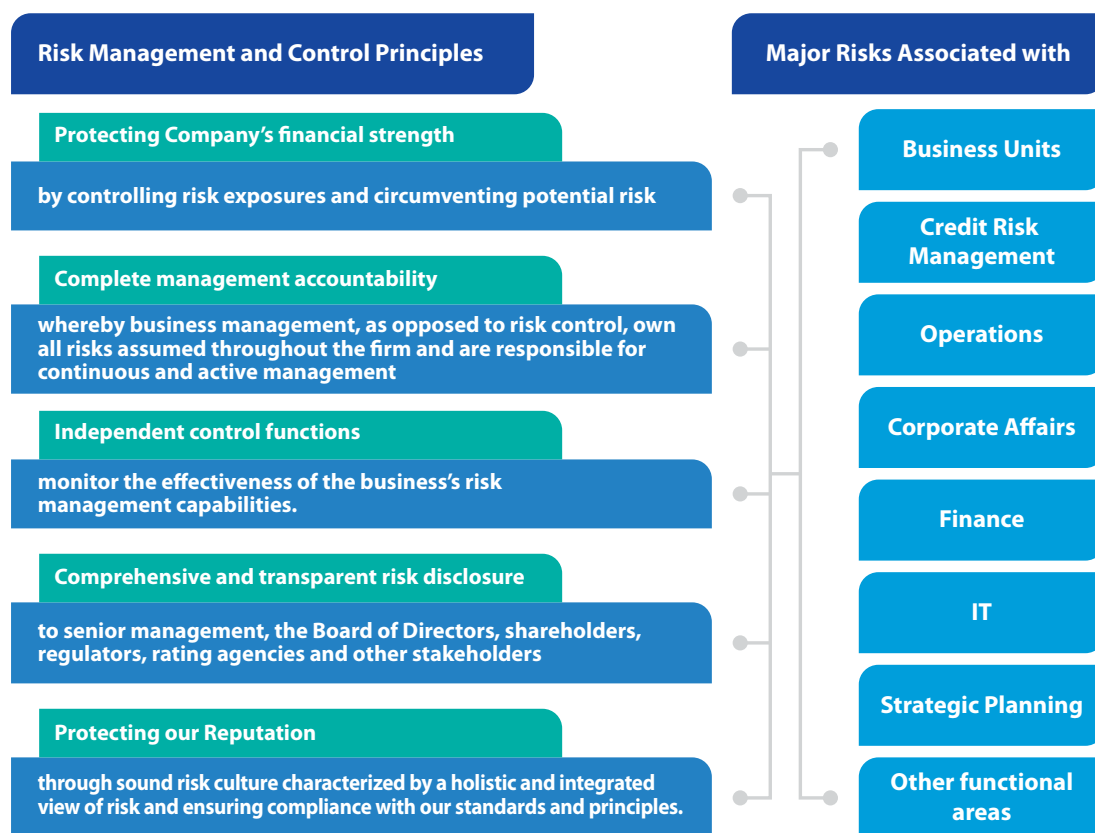
Risk Monitoring

The risk management team continuously monitors risks to track changes in risk conditions and ensure mitigation plans are effectively executed. Status updates are reported to the Audit Committee biannually.

Risk Reporting

While the overall risk landscape has remained stable, there is a stronger focus on diversification and portfolio expansion to maintain market relevance and recover lost market share.





At Runner, our risk management practices are regularly reviewed on a quarterly basis or as needed. These reviews take place during Board and Audit Committee meetings where activities are thoroughly discussed and evaluated. This process helps guide departments by providing timely notifications and reports, enabling them to take appropriate actions to maintain secure practices. Additionally, established workflows ensure the completion of necessary tasks, fostering proactive risk management through effective actions and ongoing guidance.

The comprehensive process of risk management can be succinctly summarised as follows:

- Identification of enterprise risks: Identify the events that might impact on the desired outcome
- Assessing the risks: The viability of the risks is to judge the potential impacts on its occurrence
- Control of major risks: To defend the possible impacts by setting effective control systems to manage risks
- Monitoring and review: To regularly review internal and external amendments that might impact business operations
- Remediation: To share the recommendations to correct the possible risks and uncertainties

Business Continuity and Crisis Management

Business continuity involves creating a strategic plan that addresses potential threats and risks a company may face. The primary goal is to protect the workforce and assets, ensuring continued operations in the event of any unforeseen incidents.

The business continuity planning process includes identifying and assessing potential risks, evaluating their impact on operations, implementing protective measures to minimize these risks, validating these measures through thorough assessments, and regularly reviewing and updating the plan to ensure its effectiveness.

The Company has established comprehensive business continuity plans to address potential disruptions that may impact its operations. These plans include measures to mitigate manufacturing downtime, ensure sourcing contingencies, and implement IT disaster recovery and service continuity protocols.

With over 24 years of experience, Runner Automobiles PLC has effectively managed various potential disruptions. We are committed to minimizing the impact of major risks that could directly affect our profitability.



Key risks include:

Credit Risk

Credit risk arises from customers' potential inability to meet payment obligations. RAPLC offers retail financing following credit checks, but economic pressures have led to some payment deferrals. Despite this, we have actively pursued recovery efforts, successfully reducing receivables by 8% in FY 2023-24, demonstrating effective management of credit risk.

Liquidity Risk

Liquidity risk occurs when the company cannot meet short-term obligations. However, with a current ratio of 1.43 and a quick ratio of 0.84 for FY 2023-24, we manage liquidity effectively. We maintain strong credit ratings ("A1" long-term, "ST3" short-term, Stable outlook) and effectively monitor cash flow.

Interest Rate Risk

Interest rate risk impacts future cash flows by affecting the cost of borrowing. When interest rates rise, the expense of financing increases, which could strain our financial position and potentially hinder the progress of our expansion plans.

Cost Risk

Cost risk arises from raw material price fluctuations. We mitigate this through price adjustments and cost-efficiency measures. We also manage foreign exchange risks despite challenges in opening LCs, ensuring minimal adverse impact.

Product Risk

Product risk is low due to RAPLC's strong market position, particularly in the 80cc and 110cc segments. We continue to expand our portfolio, including global 2W brands and Bajaj 3W vehicles, through Runner Motors, minimizing product-related risks and maintaining competitiveness.

Inflation Risk

Persistent inflation has led to increased operating costs across sectors, reducing profit margins and impacting cash flow. Companies are focused on building cash reserves and diversifying suppliers to mitigate supply disruptions and rising costs, with many also exploring efficiency improvements and cost-saving measures.

Supply Chain Volatility Risk

Inflation has amplified supply chain vulnerabilities, particularly for essential inputs and materials. Companies are now facing difficulties in making product availability and developing closer ties with suppliers to manage risk better, though inflationary pressure on materials can make stability difficult to achieve.

Economic and Political Risk

Like many other countries, Bangladesh's economy has been affected by geopolitics, supply chain disruptions, high inflation, currency depreciation and a current account deficit, which have strained the macroeconomic environment. Although the government has taken steps to address these challenges, difficult times are expected. However, stability is anticipated once this period concludes.

Technology-related Risks

RAPLC's operations depend heavily on capital investment and the sophistication of its machinery, which directly impacts product quality. The company uses advanced machinery and integrated manufacturing assets, at its Bhaluka factory to mitigate technology-related risks.

Additionally, RAPLC has consistently invested in production capacity to meet future demand. The newly operationalized 3W manufacturing plant, launched in February 2023, benefits from a technology transfer agreement with Bajaj of India, ensuring the production of high-quality products that meet global standards.

Risk Management Focus, 2023-24

At Runner Automobiles, risk reviews are conducted biannually by senior management who collaborate to assess and update the organization's risk register. During these meetings, action plans are revised as necessary to address emerging risks. The focus is on identifying, evaluating, and developing detailed mitigation strategies, with clear accountability and ownership assigned at all levels.

Additionally, business continuity plans are regularly reviewed with scheduled meetings dedicated to ensuring proactive responses to unforeseen events and preparing the company for potential disruptions.

Embedding Organizational Risk Awareness

Effective communication of risk information is crucial for risk mitigation at Runner Automobiles. We have channels for employees to provide feedback and suggest improvements to our risk management practices. Additionally, the risk management team conducts induction programs for new hires to educate them on the company's risk management approach and internal controls ensuring they can apply this knowledge to manage risks effectively.

Crisis Management

Amid economic challenges such as high inflation, Runner Automobiles is adopting a conservative approach to business management. We are focusing on identifying strategic market opportunities, particularly within our 3W business. The issuance of Bangladesh's first sustainability (green) bond has provided additional liquidity, enabling us to meet short-term financial needs and invest in long-term growth.



PRINCIPLES ON DISCLOSURE OF PRICE SENSITIVE INFORMATION (PSI) AND MATERIAL INFORMATION (MI)

1. Preface

Runner Automobiles PLC. (herein after referred to as the “Company” or “RAPLC”) endeavours to preserve the confidentiality and preventing the misuse of any un-published price sensitive information. The Company is committed to adherence to all applicable laws and regulations set forth by the Bangladesh Securities and Exchange Commissions (“BSEC”) or the Stock Exchanges with regards to prevention of insider trading. The Board of Directors of Runner Automobiles PLC. has formulated the policy in compliance with the Bangladesh Securities and Exchange Commission’s (“Prohibition of Insider Trading”- “সুবিধাভোগী ব্যবসা নিষিদ্ধকরণ” বিধিমালা ২০২২”) Rules 2022. As per Regulation 3(2), of the policy; it is required for every listed company to disclose its Price Sensitive Information (PSI) and Material Information (MI).

2. Objective of the Policy

The objective of this Policy is to determine Price Sensitive Information (PSI) and Materiality of events/information of Runner Automobiles PLC. based on specified criteria as defined in the Bangladesh Securities and Exchange Commission (Prohibition of Insider Trading) Rules, 2022, and to disclose it timely.

3. Definition

- 3.1 “Company” means Runner Automobiles PLC.
- 3.2 “Board of Directors” or “Board” means the Board of Directors of Runner Automobiles PLC., as constituted from time to time.
- 3.3 “Policy” means this Policy titled “Principles of Disclosure Policy on Price Sensitive Information (PSI) and Material Information (MI) of Runner Automobiles PLC.
- 3.4 “Key Managerial Personnel” means Key Managerial Personnel (KMP) including the Managing Director & CEO, Company Secretary, Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and such other officer/s as may be prescribed by the Board of Directors.
- 3.5 Stock Exchange(s) means Dhaka Stock Exchange and the Chittagong Stock Exchange.
- 3.6 Listing Regulations means Dhaka Stock Exchange (Listing) Regulation 2015 and the Chittagong Stock Exchange (Listing) Regulation 2015.
- 3.7 “BSEC” means Bangladesh Securities and Exchange Commission.
- 3.8 “Chairperson” means the Chairperson of the Board of Directors of Runner Automobiles PLC.
- 3.9 “Director” means the Board of Directors of Runner Automobiles PLC.
- 3.10 “MD & CEO” means the Managing Director & Chief Executive Officer of Runner Automobiles PLC.
- 3.11 “Company Secretary” means the Company Secretary of Runner Automobiles PLC.
- 3.12 “CFO” means Chief Financial Officer of Runner Automobiles PLC.
- 3.13 “HIAC” means Head of Internal Audit and Compliance of Runner Automobiles PLC.
- 3.14 Price Sensitive Information (PSI) shall mean the information referred to in sub-rule (1) of rule 3 of the Bangladesh Securities and Exchange Commission (“Prohibition of Insider Trading”- “সুবিধাভোগী ব্যবসা নিষিদ্ধকরণ” বিধিমালা ২০২২”) Rules, 2022.
- 3.15 Material Information (MI) shall mean the information referred to in “Schedule-Ka” under Rule No. 3(2) of the Bangladesh Securities and Exchange Commission (“Prohibition of Insider Trading”- “সুবিধাভোগী ব্যবসা নিষিদ্ধকরণ” বিধিমালা ২০২২”) Rules, 2022.
- 3.16 Material Information (MI) means any information or transaction or arrangement which will impact the NAV @ 10% or declared from time to time by the Regulatory Body.



- 3.17** Words or Expressions not defined in this policy shall have the same meaning as given under the Securities and Exchange Ordinance, 1969, Bangladesh Securities and Exchange Commission Act, 1993, the Companies Act, 1994, Depository Act, 1999, Exchanges Demutualization Act, 2013 and provisions made under the said laws. Further, in case of inconsistency between any provisions of this policy with any existing policy(ies) of the Company, provisions of Policy for determination and disclosure of Materiality of Events or Information and Price Sensitivity will prevail.

4. “Key Managerial Personnel” or “KMP” Means –

- 4.1** Managing Director & CEO;
- 4.2** Company Secretary;
- 4.3** Chief Financial Officer;
- 4.4** Head of Internal Audit and Compliance.

5. General Modality for Disclosure

Information and events with sensitivity to the share price shall be disclosed to the relevant regulators in the following manner:

- 5.1** RAPLC, as a listed Company, shall disclose its Price Sensitive Information (PSI) within two (02) hours of the decision taken by the Board or on the day on which the matter came into its cognizance.
- 5.2** Any permission, approval, or consent of the BSEC, or other regulators on any issue related to the movement of share price, the Company shall disclose it within two (02) hours of receiving the above or on the day of which the matter came into its cognizance.
- 5.3** The Chairperson or the Managing Director & CEO or the Company Secretary shall sign the PSI/MI document.
- 5.4** The Company shall publish any PSI/MI on the same issue within two (02) hours of receiving the permission/ consent/ approval from the regulatory authority mentioning the fact that the issue was sent to the regulatory authority earlier for permission/ consent/approval.
- 5.5** The Company shall publish the PSI/MI in an online news portal and two (02) daily newspapers (Bangla and English) that are widely circulated across the country.
- 5.6** The PSI document shall be sent through E-mail/Fax/Digital Submission Platform, specially assigned messenger/ personnel, or by courier services in some cases.
- 5.7** All PSI/MI shall carry the date, time, or the date on which the matter came into the cognizance of the Company.
- 5.8** The Company shall upload on its website all Price Sensitive Information and Material Information and the same for a minimum period of three (03) years as Insider Information.

6. Disclosures on Company’s Website

The Company shall disclose on its website all such events/information which has been disseminated to the BSEC and Stock Exchange(s) under this Policy and such disclosures shall be hosted on the website of the Bank for a minimum period of three (03) years.

7. Monitoring and Reporting

The ‘Key Managerial Personnel’ (KMP) shall be responsible for monitoring of the Policy. The Company Secretariat is responsible for this policy.

8. Policy Review

The policy may be reviewed once a year with the consultant with the key management. Any change in the Policy shall be approved by the Board of Directors of the Company.

9. Information to be Shared on a Need to know Basis

The Directors/Employees of the Company shall not discuss the matters or developments regarding the Company which in any way related to Price Sensitive Information or Material Information with any other persons, except that is required to be disclosed in the performance of his or her duties or under applicable laws or regulations or in legal proceedings.



10. List of Price-Sensitive Information (PSI)

The following event/ information will be treated as Price Sensitive Information, as per the guidelines of Bangladesh Securities and Exchange Commission ("Prohibition of Insider Trading"- "সুবিধাভোগী ব্যবসা নিষিদ্ধকরণ" বিধিমালা ২০২২") Rules, 2022:

10.1 Events related to changes in financial status/ financial results/ and related fundamental information:

- i) Changes in the financial statement such as significant increase or decrease in income, expense, cash flow, receivable, payable, or assets;
- ii) Following information regarding the financial statement-
 - Earnings Per Share
 - Net Operating Cash Flow per Share
 - Net Asset Value per Share

10.2 Information regarding corporate declaration, such as:

- i) Any decision regarding dividends;
- ii) Any decision regarding the issue of rights, bonuses, bond or similar benefits to the security holders;

10.3 Information regarding changes in corporate structure, such as: -

- i) Merger with another company or acquisition of substantial shares of another company, etc.
- ii) A takeover proposal or proposal of acquisition of the internal service of any company;

10.4 Information regarding changes in capital structure, such as: -

- i) Any decision regarding changes in the capital structure of the company or any decision relating to its private offer or public offer or rights offer of the securities;
- ii) Any decision regarding consolidation of shares, exchange of shares, conversion of any security into equity security, or conversion of debentures into share, etc.;

10.5 And any information fixed as Price Sensitive Information by the commission's issued government gazette notification from time to time by the respective Regulatory Bodies.

11. List of Material Information (MI)

The following event/ information will be treated as material information, as per the guidelines of Bangladesh Securities and Exchange Commission ("Prohibition of Insider Trading"- "সুবিধাভোগী ব্যবসা নিষিদ্ধকরণ" বিধিমালা ২০২২") Rules, 2022:

11.1 Events related to changes in financial status/ financial results/ and related fundamental information)-

- i) Change in the financial statement such as revaluation of the maximum or significant assets or any information/statements/comments relating to the significant level of increase or decrease of assets of the company.
- ii) A significant change in the asset value or asset mix of the company;
- iii) Any special instructions or modification of any special instructions previously given by the regulatory authority of the company regarding the retention of provisions; and
- iv) Any change in the accounting policy of the company.

11.2 Information regarding corporate declaration, such as:

- i) Corporate declaration on investors' eligibility or any other information;
- ii) Any decision/resolution related to the rights of the security-holder, declaration or issue of bonus, or similar benefits;
- iii) Information related to the benefits receivables by the investors against any corporate declaration or any other information;
- iv) Changes in dividend distribution policy, etc.



11.3 Information regarding changes in corporate structure, such as: -

- i) Acquisition or disposal of any assets, which is 5% or more of the existing assets;
- ii) Amalgamation or merger or acquiring substantial number of shares of other company;
- iii) Demerger of any subsidiaries/associates of the Company;
- iv) Conversion or liquidation of any subsidiaries/associates of the Company;
- v) Changes in the corporate activities through capital reorganization or merger or demerger;
- vi) Proposal of takeover of any company or takeover of internal services of other company;
- vii) Change of ownership of the company, which may affect the control of the company; and
- viii) Change of name or address, etc.

11.4 Information regarding changes in capital structure, such as: -

- i) Any decision/resolution related to the change of Capital Structure of the Company including the offer of security as private offer or public offer or rights offer;
- ii) Planned repurchase or redemption of the securities of the Company;
- iii) Decision/resolution related to the consolidation of any shares, exchange/transfer of shares, conversion of any security into equity security, or conversion of debt instrument into shares; and
- iv) Significant changes in the right of security holders, etc.

11.5 Information regarding expansion and changes in business activities, etc. such as: -

- i) Significant development or change of technology, production or establishment;
- ii) Significant capital investment or significant change in the purpose of the Company;
- iii) Significant agreement (new), production, patent, services, or changes of business;
- iv) Change or resignation or termination of any Member of the Board including Managing Director & CEO, CFO, Company Secretary and HIAC;
- v) Changes of Statutory Auditor, Corporate Governance Compliance Auditor, and Credit Rating Company;
- vi) Commencement of legal proceedings or development of regulatory matters or any relevant significant judgment or order;
- vii) Change of category of listed security- in the stock exchange (s) or de-listing from the exchange(s);
- viii) Any significant management contract, investor relations agreement, service agreement, or related party transaction that could materially affect the financial statements;
- ix) Information relating to the decision of sale or purchase of any fixed assets or renovation or development or BMRE of the company; and
- x) Significant advances or loans within the inter companies/subsidiaries/ associates company or transaction of the loan with the Directors, etc.
- xi) Recovery of substantial amount of Long Term Bad Debt.

11.6 Information related to debt management, such as: -

- i) Borrowing and repayment of 25% or more of the paid-up capital or net asset value, whichever is higher;
- ii) Encumbrance or discharge of significant assets;
- iii) Failure to pay any bank or creditor or letter of credit (LC) or debt obligation or debt for more than 6 (six) months;
- iv) Significant new loan agreements; and
- v) Foreign loan agreement or investment agreement, etc.



11.7 Others; such as: -

- i) The signing of any important agreement or cancellation or substantial modification of previously announced/ signed agreement;
- ii) Loss of any significant assets of the company or the issuer or any event that tarnishes its image;
- iii) Cancellation or substantial modification of any previously announced project; and
- iv) Submission of qualified report by the auditor of the issuer etc.

11.8 And any other information fixed as Material Information by the commission's issued government gazette notification from time to time by the respective Regulatory Bodies.

12. Disclosure of Material Information

To be published in the functional website of the Company. Material Information (MI) are guiding in nature and should be applied where applicable in the business operation.

Amendments & Review

The Board reserves the right to amend, modify or review its principles in whole or in part, unilaterally at any time, as may be deemed necessary in line with existing regulatory rules and regulations.

Notwithstanding anything contained in this policy shall not surpasses BSEC Prohibition of Insider Trading Rules, 2022. Any subsequent amendment or modification in the Rules and Regulations issued by regulators in this regard shall automatically applicable to these Principles.



DIVIDEND **DISTRIBUTION POLICY**

RUNNER AUTOMOBILES PLC.

1. Introduction

The Dividend Distribution Policy is prepared and adopted in compliance with the provisions of the Directive No. BSEC/CMRRCD/2021-386/03 dated 14 January, 2021 of the Bangladesh Securities and Exchange Commission (BSEC) about dividend declaration, pay off, disbursement and compliance.

The Board of Directors (the Board) will consider the directive while declaring/ recommending dividend on behalf of the Company. The Policy is not an alternative to the decision of the Board for declaring/recommending dividend, which takes into consideration all the relevant circumstances enumerated hereunder or other factors as may be decided by the Board.

2. Definitions

"the Act" means Companies Act 1994

"the Company" means Runner Automobiles PLC.

"AGM" means Annual General Meeting

"Board" means Board of Directors of Runner Automobiles PLC.

"Shareholders" means Members whose name is registered in the Member Register of the Company.

"Shares" means Ordinary Equity Shares.

3. Concept of Dividend

Dividend is the share of the profit that a Company decides to distribute among its Shareholders in proportion to the amount paid-up on shares they hold in the form of Cash and/or Stock (Bonus). The profits earned by the Company can either be retained in the business or can be distributed among the Shareholders as dividend.

4. Types of Dividend

The Act deals with two types of dividend - Interim and Final. Interim dividend is the dividend declared by the Board between two AGMs as and when considered appropriate. The Act authorizes the Board to declare interim dividend during any financial year out of the profits for the financial year in which the dividend is sought to be declared and/or out of the surplus in the profit and loss account.

Final dividend is recommended for the financial year at the time of approval of the annual financial statements as well as appropriation of profit. The Board shall have the power to recommend final dividend to the shareholders for their approval at the AGM of the Company. Dividend recommended by the Board of Directors cannot be changed prior to holding of the AGM.



5. Declaration of Dividend

Subject to the provisions of the Act dividend shall be declared and paid out of:

- a. Profits of the Company for the year for which the dividend is to be paid after setting off carried over previous losses and depreciation not provided in the previous year(s) ;
- b. Undistributed profits of the previous financial years after providing for depreciation in accordance with law and remaining undistributed.
- c. Out of a & b both.

Before declaration of dividend, the Company may transfer a portion of its profits to reserves of the Company as may be considered appropriate by the Board at its discretion.

In the event of inadequacy or absence of profits in any financial year, the Company may declare dividend out of free reserves subject to the compliance with the Act and Rules.

6.1 Factors Governing Declaration of Dividend

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among the shareholders and amount of profit to be retained in business.

The circumstances for dividend pay-out decision depends on various external and internal factors which the Board of Directors shall consider while recommend/ declaring dividend including the following:

6.2 External Factors

- The Board shall endeavor to retain a larger portion of profits to build up reserves, in case of Adverse Economic Scenario.
- The Board shall evaluate the market trends in terms of technological changes mandating investments, competition impacting profits, etc., which may require the Company to conserve resources.
- The Board shall consider the restrictions, if any, imposed by the Act and other applicable laws with regard to declaration of dividend in order to ensure compliance with the applicable laws.
- Dividend distribution tax or any tax deduction at source as required by tax regulations, applicable at the time of declaration of dividend may impact the decision with regard to dividend declaration.
- Other factors beyond control of the Management like natural calamities, fire, etc. effecting operations of the Company may impact the decision with regard to dividend declaration.

6.3 Internal Factors

- Profitability
- Availability and Liquidity of Funds
- Capital Expenditure needs for the existing businesses
- Expansion/Modernization of the business
- Additional investments in subsidiaries/associates of the Company
- Cost of raising funds from alternate sources
- Cost of servicing outstanding debts
- Funds for meeting contingent liabilities
- Mergers and Acquisitions
- Any other factor as deemed appropriate by the Board.

Apart from the above factors, the Board also considers past dividend history and sense of shareholders' expectations while determining the rate of dividend. The Board may additionally recommend special dividend in special circumstances.

7. Financial Parameters for Declaring Dividend

The Company is committed to deliver sustainable value to its stakeholders. The Company shall strive to distribute an optimal and appropriate level of the profits among the shareholders in the form of dividend.

To keep investment attractive and to ensure capital appreciation for the shareholders, the Company shall also endeavor to provide consistent return over a period of time. While deciding on the dividend, micro and macroeconomic parameters for the country in general and the Company in particular shall also be considered.

Taking into consideration the aforementioned factors, the Board shall endeavor to maintain a dividend pay-out.

8. Utilization of Retained Earnings

Subject to the provisions of the Act and other applicable laws, retained earnings may be utilized as under:

- Issue of fully paid-up bonus shares
- Declaration of dividend-Interim or Final
- Augmenting internal resources
- Funding for capital expenditure/expansion plans/ acquisition;
- Repayment of debt
- Any other permitted use as may be decided by the Board.



9. Parameters for Various Classes of Shares

Currently, the Company has only one class of shares - Equity Shares. There is no privilege amongst Equity Shareholders of the Company with respect to dividend distribution.

10. Circumstances Impacting Dividend Payment

The Company has been paying dividend to its shareholders around two decades and shall endeavor to continue with the dividend payment.

Given here in below are some of the circumstances in which shareholders of the Company may or may not expect dividend pay-out:

10.1 May Expect Dividend

- Adequate profits and liquidity
- Accumulated profits not warranted for immediate business needs.

10.2 May Not Expect Dividend

- Non-availability of profits for dividend distribution
- Funds available for dividend but need to be conserved due to:
- Business needs;
- Adverse economic /market scenario expected in near future;
- Augmenting internal resources.

11. Disclosure

This Dividend Distribution Policy shall be disclosed in the Annual Report of the Company and on the Company's website www.runnerautomobiles.com

If the Company proposes to declare dividend on the basis of any additional parameters apart from those mentioned in the Policy or proposes to change the parameters contained in this Policy, it shall disclose such changes along with the rationale for the same in the Annual Report and on the website.

1 2. Effective Date

This Policy has been approved by the Board of Directors of the Company at its meeting held on 27 October, 2021 and shall be effective and applicable for dividend, if any, declared for the Financial Year 2020-21 onwards.

1 3. Review/Amendment

The Board may amend, abrogate, modify or revise any or all provisions of this Policy. However, amendments in the Act or in the Listing Regulations shall be binding even if not incorporated in this Policy.





CERTIFICATE OF COMPLIANCE

Jasmin & Associates
Chartered Secretaries

**Report to the Shareholders of
Runner Automobiles PLC.
on Compliance on Corporate Governance Code**

We have examined the Compliance status to the Corporate Governance Code by Runner Automobiles PLC. for the year ended on June 30, 2024. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- (b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- (d) The Governance of the company is satisfactory.

For: **Jasmin & Associates**
Chartered Secretaries

Jasmin Akter, FCS
Managing Partner

Place : Dhaka, Bangladesh
Dated : November 17, 2024

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RUNNER AUTOMOBILES PLC **STATUS OF COMPLIANCE WITH** **THE CORPORATE GOVERNANCE CODE** For the year ended 30th June 2024

Annexure-C
As per Condition No.1 (5) (xxvii)

Status of compliance with conditions imposed by the Bangladesh Securities and Exchange Commission:

Status of compliance of Runner Automobiles PLC for the year ended 30th June 2024 with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated June 3, 2018, issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 9)

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1	BOARD OF DIRECTORS:			
1(1)	Board's Size			
	The number of the Board members of the Company shall not be less than 5 (five) and more than 20 (twenty).	√		RAPLC consists of 10 Directors
1(2)	Independent Directors			
1(2)(a)	At least 2(two) directors or one-fifth (1/5) of the total number of directors in the company's Board, whichever is higher, shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s); Provided that the Board shall appoint at least 1 (one) female independent director in the Board of Directors of the Company;	√		There are Two Independent Directors (ID) in the Board and the appointment of a female Independent Director (ID) will be completed in due time
1(2)(b)(i)	Who either does not hold share in the Company or holds less than one (1%) shares of the total paid up shares of the Company;	√		
1(2)(b)(ii)	Who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company;	√		
1(2)(b)(iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years;	√		
1(2)(b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies;	√		
1(2)(b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	√		
1(2)(b)(vi)	Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	√		
1(2)(b)(vii)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	√		



Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1(2)(b)(viii)	Who shall not be an independent director in more than 5 (Five) listed companies;	√		
1(2)(b)(ix)	who has not been reported as a defaulter in the latest Credit Information Bureau (CIB) report of Bangladesh Bank for non- payment of any loan or advance or obligation to a bank or a financial institution; and"	√		
1(2)(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude.	√		
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM) : Provided that the Board shall appoint the independent director, subject to prior consent of the Commission, after due consideration of recommendation of the Nomination and Remuneration Committee (NRC) of the company;	√		
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days.	√		
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only:	√		
1(3)	Qualification of Independent Director (ID)			
1(3)(a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws regulatory requirements and can make meaningful contribution to business;	√		The qualification and background of IDs justify their abilities as such.
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk.100.00 million or any listed company or a member of any national or international chamber of commerce or registered business association; or	N/A		
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk.100.00 million or of a listed company; or	N/A		
1(3)(b)(iii)	Former or existing official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law: Provided that in case of appointment of existing official as independent director, it requires clearance from the organization where he or she is in service; or	√		
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	√		
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	√		
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	√		Independent directors are former bureaucrat and University Teacher with more than 12 years of experience.

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.	N/A		
1(4)	Duality of chairperson of the Board of Directors and Managing Director of chief Executive Officer			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	√		Chairman of the Board and Managing director are different individuals.
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	√		As declared by the Managing Director, he does not hold the same position in any other listed company.
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	√		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	√		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from nonexecutive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	N/A		
1(5)	The Director's Report to Shareholders			
1(5)(i)	An Industry outlook and possible future developments in the industry;	√		
1(5)(ii)	The Segment-wise or product-wise performance;	√		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		
1(5)(iv)	A Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	√		
1(5)(v)	A Discussion on continuity of any Extra-Ordinary activities and their implication (gain or loss);	√		
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	√		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;	√		
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;	N/A		
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	N/A		Disclosed in the Directors Report
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	√		No such remuneration was paid during the specified period.
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	√		
1(5)(xii)	A Statement that proper books of account of the issuer Company have been maintained.	√		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	√		



Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	√		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	√		Internal control report is to be attached in the annual report.
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	√		
1(5)(xvii)	A statement that there are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed;	√		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained;	√		
1(5)(xix)	Key operating and financial data of at least preceding 5 (five) years shall be summarized;	√		
1(5)(xx)	An explanation on the reasons If the issuer company has not declared dividend (cash or stock) for the year;	N/A		
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	√		
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	√		
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	√		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name wise details);	√		
1(5)(xxiii)(c)	Executives;	√		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	√		
1(5)(xxiv)(a)	A brief resume of the director;	√		
1(5)(xxiv)(b)	Nature of his / her expertise in specific functional areas;	√		
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board;	√		
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements;	√		
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	√		Mentioned in Notes of Annual Audited Financial Statements.
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediately preceding five years explaining reasons thereof;	√		
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe;	√		



Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	√		
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A;	√		The information is to be disclosed in the Annual Report
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C;	√		The information is to be disclosed in the Annual Report
1(5)(xxviii)	The Directors' report to the shareholders does not require to include the business strategy or technical specification related to products or services, which have business confidentiality.	√		
1(6)	Meetings of the Board of Directors; The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	√		
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	√		
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	√		
2	Governance of Board of Directors of Subsidiary Company.			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;	√		i. Runner Motors Ltd. Directors 07; ii. Freedom motors Ltd Directors 05;
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;	√		Dr. Muhammad Abdul Mazid an Independent Director, serves as a Director for both subsidiaries.
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;	√		
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	√		
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	√		
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS).			



Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
3(1)	Appointment			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	√		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	√		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time: Provided that CFO or CS of any listed company may be appointed for the same position in any other listed or non-listed company under the same group for reduction of cost or for technical expertise, with prior approval of the Commission: Provided further that the remuneration and perquisites of the said CFO or CS shall be shared by appointing companies proportionately;”	√		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	√		
3(2) 3(3) 3(3)(a) 3(3)(a)(i) 3(3)(a)(ii)	Requirement to attend Board of Directors’ Meetings			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	√		
	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:			
	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	√		
	these statements together present a true and fair view of the company’s affairs and are in compliance with existing accounting standards and applicable laws;	√		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company’s Board or its members;	√		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		
4	Board of Directors’ Committee-For ensuring good governance in the company, the Board shall have at least following sub-committees:			
4(i)	Audit Committee; and	√		
4(ii)	Nomination and Remuneration Committee	√		
5	AUDIT COMMITTEE:			
5(1)	Responsibility to the Board of Directors			
5(1)(a)	The Company shall have an Audit Committee as a sub-committee of the Board of Directors;	√		



Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
5(1)(b)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company and in ensuring a good monitoring system within the business;	√		
5(1)(c)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	√		Disclosed in the Annual Report
5(2)	Constitution of the Audit Committee			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	√		The Audit Committee consists of five members.
5(2)(b)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the Company and shall include at least 1 (one) Independent Director;	√		
5(2)(c)	All members of the Audit Committee should be “financially literate” and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;	√		
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 60 (sixty) days from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	N/A		
5(2)(e)	The company secretary shall act as the secretary of the Committee;	√		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without independent director.	√		
5(3)	Chairman of the Audit Committee			
5(3)(a)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director;	√		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	N/A		
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM):	√		
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year;	√		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	√		Audit Committee conducted 04(four) meetings during the year.
5(5)	Role of Audit Committee The Audit Committee shall:-			
5(5)(a)	Oversee the financial reporting process;	√		
5(5)(b)	Monitor choice of accounting policies and principles;	√		
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;	√		



Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
5(5)(d)	Oversee hiring and performance of external auditors;	√		
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	√		
5(5)(f)	Review along with the management, the annual financial statements before submission to the board for approval;	√		
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	√		
5(5)(h)	Review the adequacy of internal audit function;	√		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		
5(5)(j)	Review statement of all related party transactions submitted by the management;	√		
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	√		
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and	√		
5(5)(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission;	N/A		
5(6)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	√		
5(6)(a)(ii)(a)	Report on conflicts of interests;	N/A		
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	N/A		
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	N/A		
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	N/A		
5(6)(b)	Reporting to the Authorities; If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.	N/A		
5(7)	Reporting to the Shareholders and General Investors; Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	√		
6	Nomination and Remuneration Committee (NRC):-			
6(1)	Responsibility to the Board of Directors			



Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	√		
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	√		
6(1)(c)	The Terms of Reference (To R) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	√		
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	√		The NRC consists of five members including an Independent Director
6(2)(b)	At least 02 (two) members of the Committee shall be non-executive directors;	√		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	√		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	√		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	N/A		
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	N/A		
6(2)(g)	The company secretary shall act as the secretary of the Committee;	√		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	√		
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.	√		
6(3)	Chairperson of the NRC			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	√		
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	N/A		
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders;	√		
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	√		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	N/A		
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2) (h);	√		



Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	√		
6(5)	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	√		
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	√		
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	√		
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	√		
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	√		
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	√		
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	√		
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	√		
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	√		
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	√		
7	External or Statutory Auditors.			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			
7(1)(i)	Appraisal or valuation services or fairness opinions;	√		
7(1)(ii)	Financial information systems design and implementation;	√		
7(1)(iii)	Book-keeping or other services related to the accounting records or financial statements;	√		
7(1)(iv)	Broker-dealer services;	√		
7(1)(v)	Actuarial services;	√		
7(1)(vi)	Internal audit services or special audit services	√		
7(1)(vii)	Any service that the Audit Committee determines;	√		
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No.9(1); and	√		
7(1)(ix)	Any other service that creates conflict of interest.	√		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company:	√		



Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	√		
8	Maintaining a website by the Company:-			
8(1)	The company shall have an official website linked with the website of the stock exchange.	√		https://runnerautomobiles.com
8(2)	The company shall keep the website functional from the date of listing.	√		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√		
9	Reporting and Compliance of Corporate Governance:-			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the Annual General Meeting.	√		
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	√		



RUNNER
motorcycles



কমফোর্টেই আমল স্টাইল

ROYAL⁺ V2



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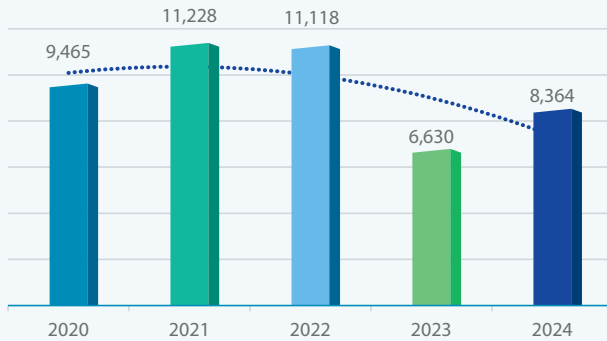
runnerautomobiles.com
f | y | RunnerMotorcycles

৯টি ফ্রী সার্ভিস ও ২৪ মাস পর্যন্ত সহজ কিস্তি সুবিধা

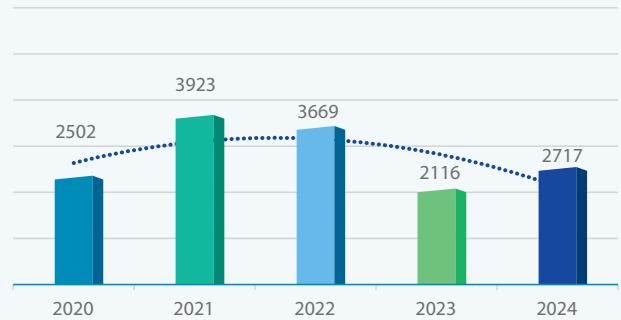


KEY FINANCIAL HIGHLIGHTS (CONSOLIDATED)

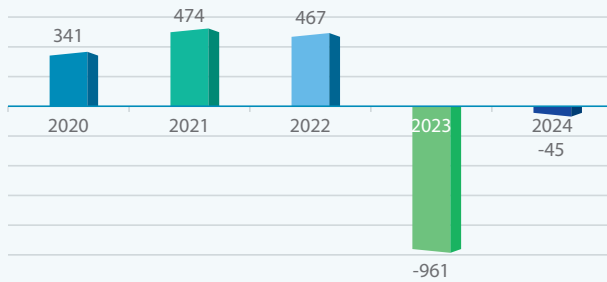
REVENUE



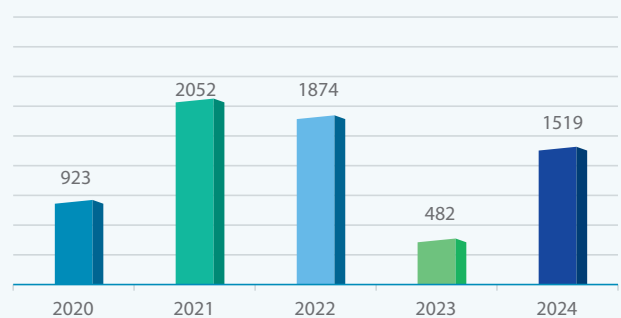
GP



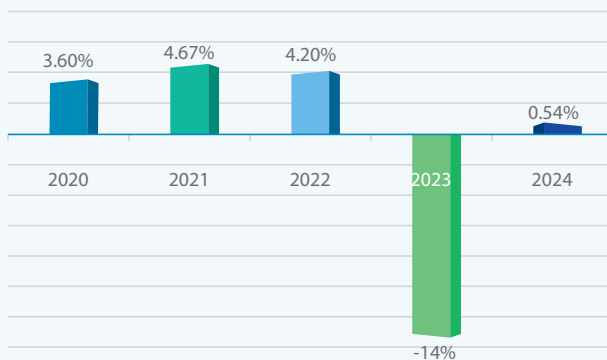
NP (M)



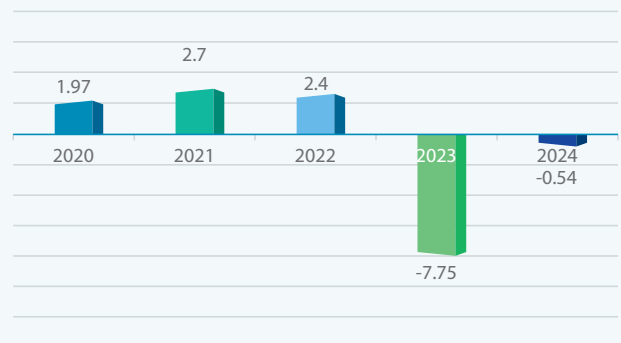
OP (M)



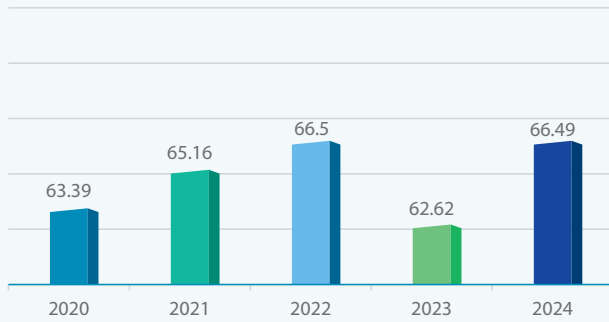
NPM RATIO



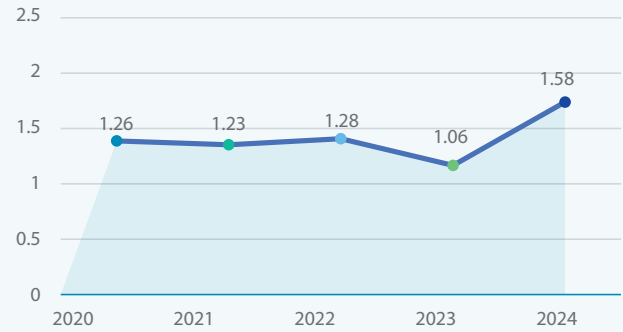
EPS



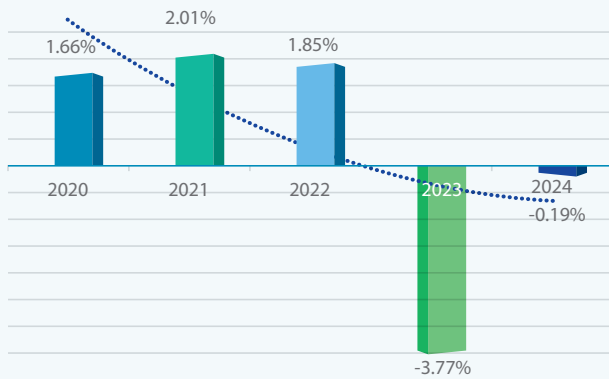
NAV



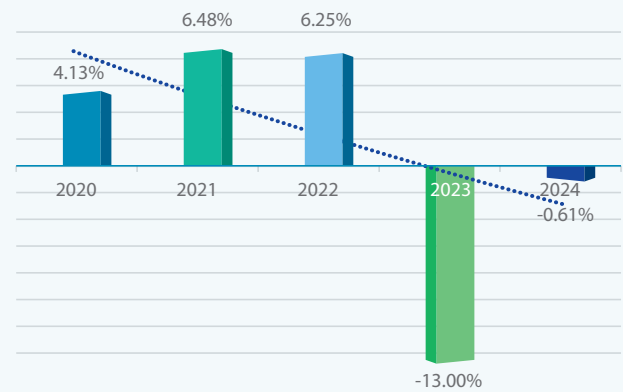
CURRENT RATIO



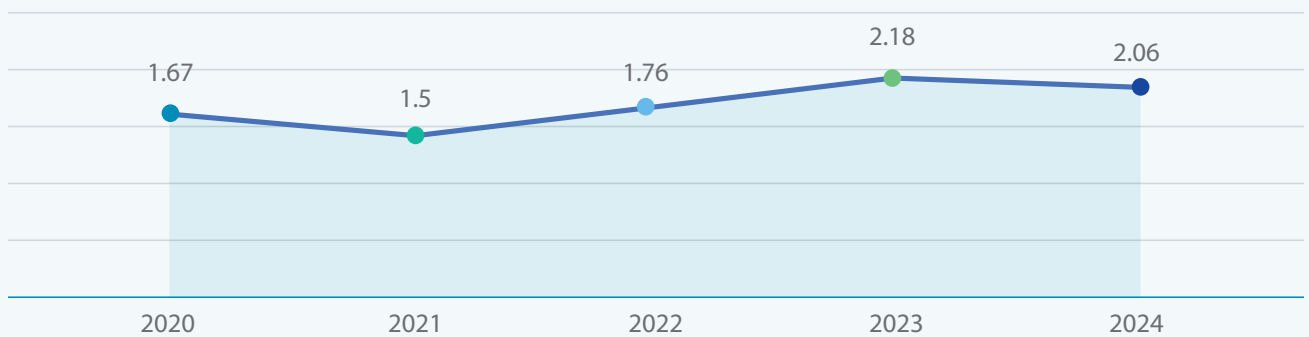
ROA



ROE



DEBT TO EQUITY RATIO



KEY FINANCIAL HIGHLIGHTS **(CONSOLIDATED)**

Financial Summary	2023-24	2022-23	2021-22	2020-21	2019-20
-------------------	---------	---------	---------	---------	---------

Financial Position	Amount (in million)				
Paid-up capital	1,135	1,135	1,135	1,135	1,135
Shareholders' equity (Parent's Portion)	7,549	7,110	7,551	7,399	7,197
Total assets	24,652	23,966	26,862	23,527	22,293
Total liabilities	15,533	15,545	17,886	23,527	13,932

Cash Flow	Amount (in million)				
Net cash flows from operating activities	2,463	4,350	1,103	345	(2,310)
Net cash flows from investing activities	(129)	(208)	(2,529)	(649)	(607)
Net cash flows from financing activities	(1,912)	(4,537)	1,538	(57)	2,473

Financial Ratios					
Current assets to current liability	1.58	1.06	1.28	1.23	1.26
Debt to equity	2.06	2.18	1.76	1.50	1.67
Operating profit margin	18.16%	7%	16.86%	11.36%	9.76%
Net profit margin	(0.54%)	(14%)	4.20%	4.67%	3.60%
Return on equity	(0.61%)	-13%	6.25%	6.48%	4.13%
Return on assets	(0.19%)	(3.71%)	1.85%	2.01%	1.66%

Ordinary Share Information					
Ordinary shares outstanding	113,539,932	113,539,932	113,539,932	113,539,932	113,539,932
Face value per share	10.00	10.00	10.00	10.00	10.00
Cash dividend on paid up capital	11%	Nil	10%	10%	10%
Net asset value per share	66.49	62.62	66.50	65.16	63.39
Net operating cash flow per share	21.70	38.32	9.72	10.36	(20.34)
Earnings per share	(0.54)	(7.75)	2.40	2.70	1.97



KEY FINANCIAL HIGHLIGHTS **(STANDALONE)**

Key Financial Highlights of RAL (Standalone)					
	2023-24	2022-23	2021-22	2020-21	2019-20
Turnover (Net)	4,387.81	2,526.24	3,783.48	4,144.65	3,394.46
Gross Profit	1,378.38	631.02	1,108.27	1,326.92	882.29
Net Profit before Tax	102.51	(591.62)	96.52	167.65	94.75
Net Profit after Tax	21.76	(695.62)	28.10	122.27	69.59
Total Other Income	245.23	129.78	167.47	144.66	85.09
Net Asset Value	5,118.42	5,096.52	5,352.21	5,451.62	5,435.26
Total Receivable	2,908	3,163	3,496	3,486	3,184
Total Inventories	1,343.32	960.28	1,526.20	1,348.51	1,563.00
Total Payment of Govt Duties	1,790	682	0	1,192	845
Total Share Capital	1,135.40	1,135.40	1,135.40	1,135.40	1,135.40
Total Assets	14,333.73	13,012.29	13,479.23	10,403.34	10,007.93
Total Borrowings	7,357	6,328	7,304	4,438	4,026
Total Current Assets	5,772.61	4,523.51	6,960.67	6,094.59	6,346.09
Total Current Liabilities	4,039.61	5,120.45	5,863.71	4,545.53	4,436.79
Current Ratio	1.43	0.88	1.19	1.34	1.43
Quick Ratio	0.84	0.57	0.93	1.04	1.08
Debt/Equity Ratio (Times)	1.80	1.55	1.51	0.81	0.74
Account Receivable Turnover Ratio	1.45	0.7592	1.08	1.09	1.23
Inventory Turnover Ratio	2.61	1.52	1.86	2.81	2.19
Gross Margin Ratio	31.41%	25%	29.29%	32.01%	25.99%
Operating Income Ratio	18.00%	-2%	12.89%	14.39%	9.85%
Net Income Ratio before tax	2.34%	-23%	2.55%	4.42%	2.79%
Net Income Ratio after tax	0.50%	-28%	0.74%	3.22%	2.05%
Return on Assets	0.16%	1%	0.71%	1.20%	0.70%
Return on Equity	0.43%	2%	1.8%	2.25%	1.28%
Debt to total Assets Ratio	0.64	1.55	0.85	0.48	0.4
Time Interest Earn Ratio (Times)	1.11	0.1231	0.88	0.76	1.31
Net Operating Cash Flow per Share	2.75	8.73	3.53	3.32	(13.27)
Face Value per Share	10.00	10.00	10.00	10.00	10.00
Dividend (Cash)	11.00	-	0.10	0.10	0.10
Net Assets Value (NAV) per Share	45.08	44.89	47.14	48.01	47.87
EPS Earning per Share (weighted)	0.19	(6.13)	0.25	1.08	0.61
No. of Employees:	1,110	1,230	1,153	1,153	1,203



VALUE ADDED STATEMENT

For the Year Ended June 30, 2024

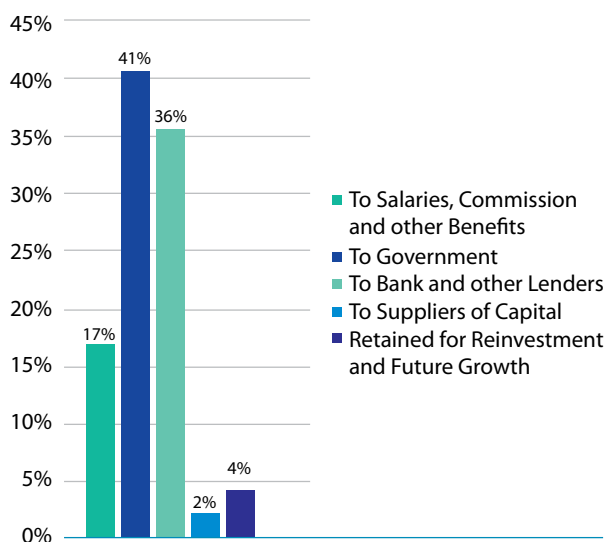
The Value-Added Statement shows how much value has been generated by an organization by capitalizing its Man, Machine, Money, Materials and other resources and how it is allocated among different stakeholders in a particular financial year.

The Value-Added Statement shows the total worth created and how it was distributed to meet certain obligation and the portion retained for the continued operation and expansion of the Company.

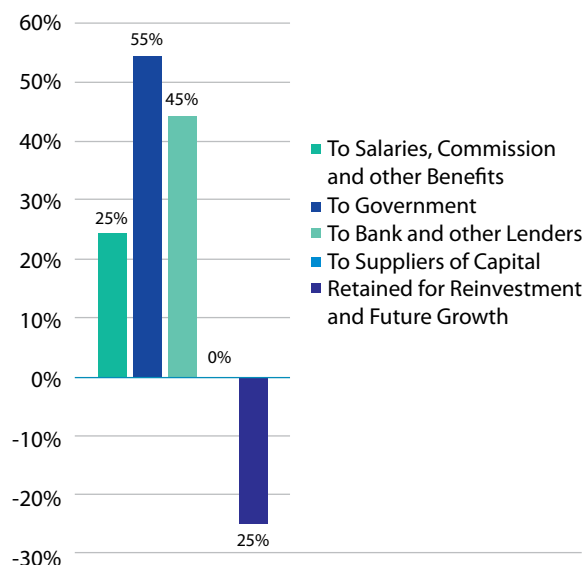
Particular	2023-2024	2022-2023
	Amount (BDT)	Amount (BDT)
Turnover-Gross	9,342,069,137	7,672,235,314
Other Income	376,357,366	241,998,143
Total Income	9,718,426,503	7,914,233,457
Less: Cost of Material & Service	5,298,704,558	4,799,356,796
Value Added	4,419,721,945	3,114,876,660

Particular	2023-2024		2022-2023	
	Amount (BDT)	%	Amount (BDT)	%
Distribution of Value Added:				
To Salaries, Commission and other Benefits	763,924,896	17%	773,162,621	25%
To Government	1,808,511,307	41%	1,695,800,066	55%
To Bank and other Lenders	1,611,615,379	36%	1,416,558,403	45%
To Suppliers of Capital	68,202,079	2%	-	-
Retained for Reinvestment and Future Growth	167,468,284	4%	(770,644,430)	-25%
Total	4,419,721,945	100%	3,114,876,660	100%

2023-2024



2022-2023

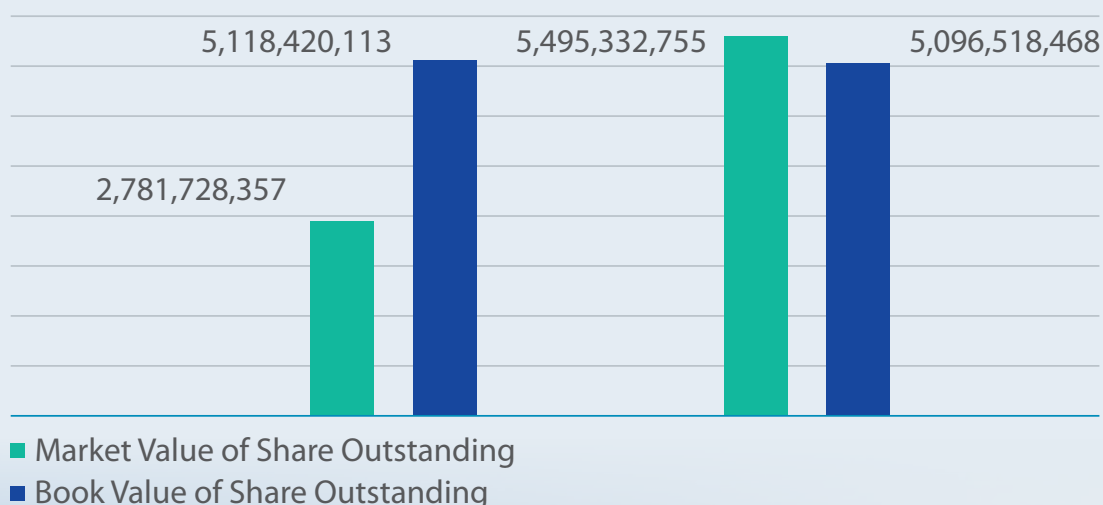


MARKET VALUE ADDED STATEMENT

Market Value Added (MVA) is a performance measurement tools showing off its capacity to increase shareholder value over time and can be estimated by the difference between the existing market value and the capital employed by the shareholders. This performance technique can be

applied when the company's shares are traded in the stock exchange. A positive MVA means the management's actions and investments have exceeded the value of capital contributed by shareholders and vice versa.

Particulars	30 June 24	30 June 23
Market Value of Share Outstanding	2,781,728,357	5,495,332,755
Book Value of Share Outstanding	5,118,420,113	5,096,518,468
Market Value Added	(2,336,691,755)	398,814,287



ECONOMIC VALUE ADDED (EVA) STATEMENT

Economic Value Added (EVA) of the company demonstrate the economic profit or the value created in excess of the required return or cost of capital of the company's shareholders. It is the best measure of the true profitability of an enterprise and tied to cash flow and not to earnings per share (EPS).

The following statement shows how EVA has been estimated for the reporting period of FY 2023-2024 and comparative period.

Particulars	30-Jun-24	30-Jun-23
Net Operating Profit after Tax (NOPAT)	1,315,356,835	299,896,095
Cost of Capital:		
Average Capital Employed	13,862,111,842	13,447,065,173
Cost of Equity (Average)	9.0%	5.90%
Estimated Cost of Capital (COC)	1,245,447,190	793,616,178
Economic Value Added (EVA) (NOPAT-COC)	69,909,645	(493,720,083)
Capital Employed:		
Average shareholders' equity	7,330,034,896	7,330,427,563
Long Term Debt	6,532,076,947	6,116,637,610



▶ MEDIA HIGHLIGHTS AND HONORS

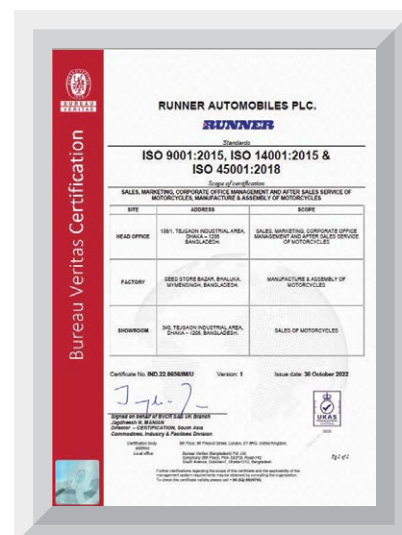


ISO CERTIFICATION



Runner Automobiles PLC is an ISO45001:2018, ISO14001:2015 and ISO 9001:2015 certified organization, which attests to the robust quality assurance systems it has adopted across its business- from manufacturing to marketing and sales. What this means for our customers is a high-quality, performance-oriented, dependable and reliable product made to the best possible standards.

Runner Automobiles has embraced Quality Management System (QMS), Environment Management System (EMS) and Occupational Health & Safety Management System since 2013 and achieved certification from Bureau Veritas (Bangladesh) Ltd in April 2016 on:



MEDIA HIGHLIGHTS

দেশেই তৈরি হবে ইন্ডির বড় বাজার

সংবাদ : ১৩ অক্টোবর ২০২৪, ১১:৪৯



ইন্ডিয়া ও কলকাতার গাড়ির পরিবারে বিশ্বব্যাপী চীনের বিগোয়িংগের শৈল্পিক বাজার গাড়ি বা ইলেকট্রিক ভেরিকল (ইভি) দেশে এসেছে অটোমোবাইল খাতের শীর্ষস্থানীয় প্রতিষ্ঠান রানার। পেয়েছে এনপ্রিটাব। এখন ইন্ডির বাজার সম্প্রসারণ ও ইকস্ট্রি বিসনেস খাতিয়ে নেওয়া পাত্র বদলানো সম্ভব। এ নিয়ে আগ্রহের পরিবার সন্তোষ বদলানো রানার গ্রুপের পরিচালক মালোটি আদিত্য সাক্ষরিত খান। সাক্ষাৎকার নিয়েছেন বাণিজ্য সম্পাদক শাহ আরাম খান।

Runner Group, Kore Search team up to hire talent

Staff Correspondent Dhaka
Published: 17 Dec 2023, 10:44



Runner Group signed a memorandum of understanding (MOU) with Kore Search for entry-level recruitment service, said a press release.

The Daily Star

INVESTMENTS



Star Business Report

Thu Aug 3, 2023 04:26 PM

Last update on: Thu Aug 3, 2023 04:38 PM

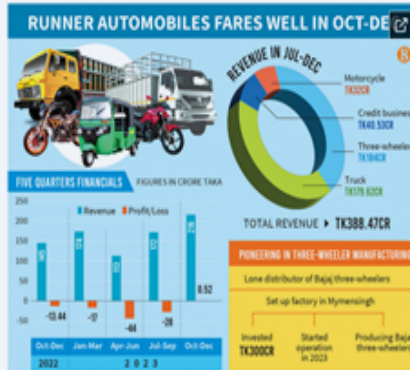
MetLife invests Tk 257.5 crore in Runner's sustainability bond



A deal signing ceremony was recently held at the head office of Runner Automobiles. Photo: Collected

Locally made three-wheelers propel Runner Auto revenue

The listed firm achieved substantial growth, with three-wheeler sales exceeding Tk40 crore, marking an impressive increase of over 200% compared to the corresponding period of the previous year.



Infographics: TBS

The Daily Star

Entertainment Life & Living Youth Tech & Startup

Runner Automobiles returns to profit in Q2



Runner Automobiles PLC, one of the leading vehicle manufacturers in Bangladesh, made a profit of Tk 56.76 lakh in the October-December period of the current financial year.

THE BUSINESS STANDARD

Thursday
November 21,
2024

Home Economy Stocks

বাংলা

TBS Report
25 January, 2024, 10:50 pm
Last modified: 25 January, 2024, 10:58 pm

Runner Auto returns to profit in Q2 with 49% revenue growth

The automobile maker registered a Tk64.57 lakh profit in the second quarter of FY24



STOCKS

TBS Report

07 February, 2024, 11:00 pm

Last modified: 08 February, 2024, 12:30 pm



বিশ্বখ্যাত ইলেকট্রিক স্কুটার প্রস্তুতকারী ইয়াদিয়া এখন নাটোরে

নাটোরে উদ্বোধন হলো ইয়াদিয়া গ্রুপের সর্বমুম্ম 'এম.এম. এন্টারপ্রাইজ'। এই উদ্বোধনী অনুষ্ঠানে আশেপাশে কতজন রানার অটোমোবাইলস পিএলসি এর ডিজিটাল ক্যাটাগরি ম্যানেজমেন্ট জোয়েব আহমেদ, মেড অব সেন্স ডি এম আসিফুল ইমরান, ক্যাটাগরি ম্যানেজার জুবায়ের আরশাদ, নেটওয়ার্ক হেড মো. মাহমুদ হাসান মাদান এবং এম.এম. এন্টারপ্রাইজের পক্ষ থেকে উপস্থিত ছিলেন মোহাম্মদ হাদিস হোসেন মাহমুদ। রানার অটোমোবাইলস বাংলাদেশে ইয়াদিয়া ইলেকট্রিক স্কুটারের একমাত্র পরিবেশক। আরোজগতির তত্ত্বাবধানে ছিলেন এম.এম. এন্টারপ্রাইজ।



AWARDS AND ACCOLADES



President's Industrial Development Award 2020
(1st position in Largest industry category)



President's Award for Industrial Development 2018



Achievement Awards Finance Asia 2023



Bangabandhu Industrial Award 2022



National Productivity and Quality Excellence Award 2020



Super Brand Bangladesh Award 2020-21



"Winning Strategy Presentation Award at COX Conference Organization by BAJAJ in 2019



Lifan Award



Enterprise of the year 2018



AWARDS AND ACCOLADES



ICMAB best
Corporate Gold
Award for 2020



ICMAB best
Corporate Silver
Award for 2021



ICMAB best
Corporate Bronze
Award for 2022



ICSB national award
for corporate governance
excellence 2021 (Bronze)



ICSB national award
for corporate governance
excellence 2021 (Silver)



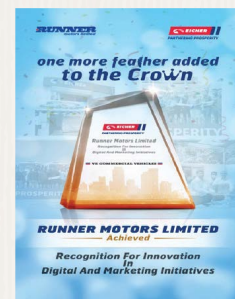
"Excellence
Performance Award"
obtained in 2018 awarded
by Piaggio, India



Runner was presented
with the acclaimed
Certificate of Appreciation
Award from Channel "I"



Runner Motors Limited achieved
Highest CV Sales in Overseas
Market, Highest Truck Sales in
Overseas Market & Overall Best
Distributor in South-Asia awards.



Runner Motors Limited
achieved recognition for its
Innovation, Digital and
Marketing Initiatives.





INDEPENDENT AUDITOR'S REPORT

Audited Consolidated Financial Statements of
Runner Automobiles PLC

As at and for the year ended 30 June 2024

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF **RUNNER AUTOMOBILES PLC** Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Runner Automobiles PLC and its subsidiaries ("the Group") which comprise the consolidated statement of financial position as at 30 June 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give true and fair view of the consolidated financial position of the Group as at 30 June 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key audit matters	How our audit addressed the key audit matters
1. Revenue recognition from contract with customer	
See note no. 33 to the financial statements	
The Group has reported revenue of BDT 8,363.58 million which comprises of cash sales, credit sales, credit business income, spare parts sales & services revenue. Revenue is recognized when the entity satisfies a performance obligation by transferring a promised good to a customer. Revenue is measured at net of trade discounts, markdown adjustment, returns and allowances. It is a matter of concern that revenue may be misstated due to recognition of sales transaction before performance obligation being satisfied.	Our audit procedures in relation to the revenue recognition comprises the followings: - We read and assessed the group revenue recognition policy and its compliance in terms of IFRS-15 "Revenue from contract with customer"; - We have evaluated and tested the operative effectiveness of the design and execution of internal controls over the revenue recognition processes focusing on the followings:

Key audit matters	How our audit addressed the key audit matters
Some part of revenue is generated from credit sales and a credit business income is generated from those sales. With the passes of time a portion of unrealized interest from credit business is recognized in net sales revenue on the basis of amortization schedule prepared at the time of sales. For the aforementioned reasons, we determined that revenue is specifically important in the audit of the financial statements and therefore is one of our key audit matters.	- whether proper segregation of duties put in place; - controls over the authorization of discount and preparation of invoices. • Performed detailed test on sales transactions using the sampling technique which comprises: - tracing the sales transactions to sales invoices, sales order and other related documents; - examining proper credit approval by the assigned personnel; - comparing prices and terms on invoices to the price list; - send direct confirmation to customers in sample basis to confirm the accuracy of invoices; - checking invoice raised at the year end and delivery of goods with acknowledgement of customer to ensure that cut off principle has been properly applied; - assessing manual journals made to revenue to identify unusual or irregular items. • Assessed the appropriateness of presentation and disclosures against relevant accounting standards.

2. Valuation of inventories

See note no. 9 to the financial statements

At year-end the Group reported inventories of BDT 2,067.54 million, approximately 8.39% of total assets, includes goods held in ports, central warehouse, showrooms and factories. Inventories are carried at lower of cost and net realizable value. The Group provides provision for obsolescence or slow-moving based on age analysis of inventories. This methodology relies upon assumptions made in determining appropriate provisioning amount to inventory balances. Moreover, the volatility in USD market makes the cost allocation more complex. Therefore, it has been considered as key area of auditor's judgment.	• We verified the valuation of inventory and justified the various underlying management assumptions by performing the followings: • Evaluated the design and implementation of key inventory controls over inventory valuation processes. • Attended the year-end inventory counting and reconciled with inventory schedule. • Performed detailed test on inventory valuation which comprises: - reviewing the Group policy for valuing inventory, identifying slow moving & obsolete inventory and allocation of cost for each stage of production; - reviewed the documentation related to inventory, such as letter of credit for foreign purchase, purchase orders, receiving reports, and sales invoices, to ensure that the inventory is properly valued; - inquired about the inventory valuation methods used by the Group, such as FIFO or weighted average method, and evaluate whether these methods are appropriate and consistently applied. • We have reviewed subsequent events, such as sales returns, obsolete inventory, or changes in market conditions, to determine if they have an impact on the inventory valuation. Overall, we have exercised our professional Judgment and skepticism throughout the audit process.
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Key audit matters	How our audit addressed the key audit matters
3. Provision for warranties	
See note no. 32.3 to the financial statements	
The Group has reported a provision for product warranties of BDT 84.49 million in the consolidated financial position to allow for expenses related to after-sales services of products sold.	In auditing the provision for warranties, we performed the following audit procedures:
Liabilities related to provision for warranties are recorded based on estimates of comprehensive or individual repair costs for products which may arise in the future. Individual repair costs for products which may arise in the future is estimated based on historical repair costs, projected number of vehicles to be repaired and estimated repair cost per vehicle, which are reviewed periodically and modified as necessary. Since this estimate of repair costs involves significant judgment by management, a high degree of auditor judgment is required in evaluating the estimate. Consequently, we have considered provision for warranties to be a key audit matter.	- Assessed the operating effectiveness of internal controls over liabilities related to provision for warranties, including the internal controls related to the determination of significant assumptions and underlying data used in estimating the projected number of units to be repaired as well as the projected repair cost per unit. - Examined that the data used to determine the projected number of units to be repaired and the projected repair cost per unit is supported by evidences and its consistency with historical repair data. - Examined the completeness of the individual estimates of provision for warranties through reviewing the consistency with minutes of meetings and approval documents related to repair costs as well as information on recalls and defects published by competent authorities.
4. Assessment of the appropriateness of the allowance for doubtful debt	
See note no. 32.2 to the financial statements	
Trade receivables comprises 31.74% of total assets in the statement of financial position. The appropriateness of the allowance for doubtful debt is subjective due to the high degree of judgment applied by management in determining the impairment provision. Due to the economic downturn conditions currently all over the world, it continues to put pressure on customers' ability to repay their outstanding account balances. Management of the Group is continuously reviewing and assessing the need for keeping incremental amount in bad and doubtful debts. Based on assessment, management has made necessary provision for bad and doubtful debts to impair group's trade receivables. Due to the significance of trade receivables and the related estimation uncertainty this is considered a key audit matter.	Our audit procedures included the following: - Evaluation of design and implementation of key control of reviewing, assessing and determining the impairment of receivables and testing the operating effectiveness of such controls. - Evaluation of appropriateness of expected credit loss model used by management to determine provision with reference to historical credit loss experience and forward-looking information. - Recalculation of provision of doubtful debt. - Test of invoices/agreements on sample basis to ensure the completeness and accuracy of receivables and their ageing and - Analyzed and assessed the adequacy of provision by comparing the prior year's provision to the actual current year write-downs.

Key audit matters	How our audit addressed the key audit matters
5. Measurement of deferred tax assets/liabilities	
See note no. 24 to the financial statements	
The Group reported net deferred tax liability totaling BDT 428.63 million as at 30 June 2024 and a deferred tax expense of BDT 26.156 million for the year then ended. Significant judgement is required in relation to calculation of deferred tax asset/liability as its realisation is based on a number of factors including future profitability of the Group over a number of years.	Our audit procedures in relation the assessment of deferred tax assets/liabilities included the followings: • We have checked the basis of measurement of deferred tax assets and liability and the assumptions used in estimating the Group's future taxable income/expense. • We have verified items if temporary timing differences by scrutinizing the previous years' income tax returns and financial statements with implication of deferred tax income/expenses in light of Income Tax Laws. • We have assessed the completeness and accuracy of the data used for the estimates of future taxable income. • We have assessed the appropriateness of presentation of disclosures in accordance with IAS 12 Income Tax.
6. IT Systems and Controls	
Our audit procedures focus on information technology systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily, and the reliance on automated and IT-dependent manual controls. Our areas of audit focus included user access management, developer access to the production environment, and changes to the IT environment. These are key to ensuring IT-dependent and application-based controls are operating effectively.	We performed the following audit procedures with regard to the IT system and controls over the financial reporting: • We have performed risk assessment of critical business applications including Enterprise Resource Planning, and sales systems. • We have considered the control environment of various interfaces, configurations, and other application layer controls identified as key to our audit. • We have performed IT general controls to test the design and operating effectiveness of critical business applications. • We have tested IT general controls in the areas of management of IT, information security, application to program and data, program change, program development, and computer operation. • We have tested automated and IT-dependent application control processed in critical business applications. • We have tested the confidentiality, integrity, and availability of financial data processed through critical applications. • We have tested the underlying infrastructure (database and operating system) of critical applications. • We have tested transaction origination, processing, and execution in critical applications.

Other Matters

Without modifying the auditor's opinion on the financial statements of Freedom Motors Limited, the auditor's drawn attention to the users of the financial statements that since 2013-2014, no revenue has been generated from the core business operation of the Company. However, as per management assessment, the Freedom Motors Limited has adequate resources to continue its operation and no material uncertainty exists related to events or conditions which may cast significant doubt upon the Company's (Freedom Motors Limited) ability to continue as a going concern.



Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, the Companies Act, 1994, the Securities and Exchange Rules, 2020 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 omission, 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 Group's internal control.
- Evaluate the appropriateness of the 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 condition that may cast significant doubt on the Group'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 disclosure in the consolidated financial statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cases to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group 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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994 and the Securities and Exchange Rules, 2020 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report the following:

- i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- ii. In our opinion, proper books of accounts as required by law have been kept by the group so far as it appeared from our examination of these books;
- iii. The consolidated statement financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts; and
- iv. The expenditure incurred was for the purposes of the Group's business.

A. Qasem & Co.
Chartered Accountants
FRC Enlistment No.: CAF-001-129



Ziaur Rahman Zia FCA
Partner
Enrolment Number: 1259

Dhaka, 24 October 2024



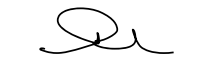
Runner Automobiles PLC
Consolidated Statement of Financial Position
As at 30 June 2024

	Notes	Amount in Taka	
		30-Jun-24	30-Jun-23
Assets			
Non current assets			
Property, plant and equipment	3	9,894,391,894	8,634,510,543
Intangible assets	4	41,766,808	63,007,158
Capital work in progress	5	24,307,762	243,793,526
Right of use assets	6	30,047,777	65,458,559
Net investment in sub lease	7	25,956,800	-
Trade receivables	10	2,098,666,541	5,110,981,442
Investment in marketable securities	11	32,507,691	35,187,867
		12,147,645,273	14,152,939,095
Current assets			
Inventories	9	2,067,540,554	1,875,884,357
Trade receivables	10	5,479,521,695	4,049,890,758
Short term investment	11	1,816,293,905	2,166,443,593
Advances, deposits and prepayments	12	1,810,153,897	1,384,713,278
Related party receivables	13	606,988,028	47,350,085
Other receivables	14	135,886,656	122,810,348
Cash and cash equivalents	15	587,844,168	165,953,372
Total current assets		12,504,228,903	9,813,045,791
Total assets		24,651,874,176	23,965,984,886
Equity and liabilities			
Equity attributable to ordinary shareholders of the parent entity			
Share capital	16	1,135,399,325	1,135,399,325
Share premium	17	2,030,529,205	2,030,529,205
Revaluation surplus	18	2,282,739,514	1,783,009,292
Retained earnings	19	2,101,103,992	2,161,359,933
Total equity attributable to the parent entity's shareholders		7,549,772,036	7,110,297,755
Non controlling interest	20	1,568,950,059	1,310,389,780
Total equity		9,118,722,095	8,420,687,535
Non current liabilities			
Long term loan net off current portion	21	4,472,868,617	5,916,285,276
Sustainability bond	22	2,675,000,000	-
Long term lease liabilities	23	41,005,251	54,149,179
Net deferred tax liabilities	24	428,633,605	331,536,666
		7,617,507,473	6,301,971,121
Current liabilities			
Trade payables	25	169,750,758	260,765,762
Short term loan from banks	26	2,832,635,432	3,282,618,784
Current portion of long term loan	27	2,534,543,082	3,747,923,151
Related party payable	28	284,183,287	68,000,000
Current portion of lease liabilities	23	12,501,103	17,015,747
Provision for income tax	29	494,174,539	623,412,577
Provision for WPPF and welfare fund	30	39,281,707	25,229,786
Unclaimed dividend account	31	1,155,930	2,354,120
Liabilities for expenses and other provisions	32	1,547,418,770	1,216,006,303
Total current liabilities		7,915,644,608	9,243,326,230
Total equity and liabilities		24,651,874,176	23,965,984,886
Net Asset Value (NAV) per share	42	66.49	62.62

The annexed notes 1 to 54 and "Annexure I" are the integral part of the financial statements.
See annexed Auditor's report to the Shareholders of same date.

A. Qasem & Co.
Chartered Accountants
FRC Enlistment No.: CAF-001-129


Ziaur Rahman Zia FCA
Partner
Enrolment Number: 1259

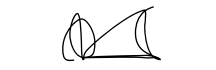

(Hafizur Rahman Khan)
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Director
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(Subir Kumar Chowdhury)
Managing Director & CEO
Runner Automobiles PLC


(Md. Mizanur Rahman)
Company Secretary
Runner Automobiles PLC


(Shanat Datta FCA)
Chief Financial Officer
Runner Automobiles PLC

Dhaka, 24 October 2024



Runner Automobiles PLC

Consolidated Statement of Profit or Loss and Other Comprehensive Income For the year ended 30 June 2024

	Notes	Amount in Taka	
		30-Jun-24	30-Jun-23
Revenue	33	8,363,582,796	6,629,627,461
Cost of sales	34	(5,646,634,596)	(4,513,938,709)
Gross profit		2,716,948,200	2,115,688,752
Operating expenses			
Administrative expenses	35	(357,424,088)	(426,395,149)
Selling and distribution expenses	36	(841,021,140)	(1,207,174,603)
		(1,198,445,228)	(1,633,569,752)
Operating profit		1,518,502,972	482,119,000
Financial expenses	37	(1,580,734,547)	(1,416,558,403)
Other income	38	234,476,533	186,498,142
Net profit before WPPF		172,244,958	(747,941,261)
Provision for contribution to WPPF & welfare fund	39	(14,051,921)	-
Net profit before income tax		158,193,037	(747,941,261)
Income tax expenses			
Current tax	40	(172,901,073)	(141,508,518)
Prior year tax (expenses)/income		-	1,048,627
Prior year tax (expenses)/income		(4,088,940)	(41,763,014)
Deferred tax expenses		(26,156,124)	(30,645,858)
		(203,146,137)	(212,868,762)
Net profit after tax		(44,953,100)	(960,810,023)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Revaluation of land		882,928,475	653,375,342
Deferred tax liabilities		(70,634,278)	(52,270,027)
		812,294,197	601,105,315
Total comprehensive income		767,341,097	(359,704,708)
Net profit for the period attributable to			
Equityholders of the parent entity		(61,330,111)	(879,895,461)
Non-controlling interest		16,377,011	(80,914,562)
		(44,953,100)	(960,810,023)
Total comprehensive income attributable to			
Equityholders of the parent entity		473,219,255	(278,790,146)
Non-controlling interest		294,121,843	(80,914,562)
		767,341,097	(359,704,708)
Basic Earnings Per Share	41	(0.54)	(7.75)

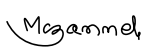
The annexed notes 1 to 54 and "Annexure I" are the integral part of the financial statements.
See annexed Auditor's report to the Shareholders of same date.

A. Qasem & Co.
Chartered Accountants
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Dhaka, 24 October 2024

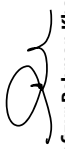


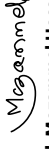
Runner Automobiles PLC

Consolidated Statement of Changes in Equity
For the year ended 30 June 2024

Particulars	Share Capital	Share Premium	Revaluation Surplus	Non Controlling Interest	Retained Earnings	Total
Balance as on 01 July 2022	1,135,399,325	2,030,529,205	1,280,720,367	1,425,982,165	3,103,908,474	8,976,539,536
Net profit for the year	-	-	-	(80,914,562)	(879,895,461)	(960,810,023)
Payment of dividend	-	-	-	(34,500,000)	(113,539,932)	(148,039,932)
Revaluation of assets in 2023	-	-	601,105,314	-	-	601,105,314
Deferred tax credit on revaluation of assets	-	-	-	-	140,418	140,418
Amount Transfer to DTL due to rate changes 4% to 8%	-	-	(49,774,599)	-	-	(49,774,599)
Adjustment transfer to retain earnings due to land sale	-	-	(47,778,008)	-	49,768,758	1,990,750
Realization of revaluation surplus through depreciation charge	-	-	(1,263,782)	-	1,263,782	-
Realization of revaluation surplus through depreciation charge	-	-	-	(177,823)	(286,104)	(463,927)
Balance as on 30 June 2023	1,135,399,325	2,030,529,205	1,783,009,292	1,310,389,780	2,161,359,933	8,420,687,535
Balance as on 01 July 2023	1,135,399,325	2,030,529,205	1,783,009,292	1,310,389,780	2,161,359,933	8,420,687,535
Net profit for the year	-	-	-	16,377,011	(61,330,111)	(44,953,100)
Revaluation of assets in 2024	-	-	500,941,831	311,352,366	-	812,294,197
Cash dividend	-	-	-	(69,000,000)	-	(69,000,000)
Deferred tax credit on revaluation of assets	-	-	-	-	134,623	134,623
Realization of revaluation surplus through depreciation charge	-	-	(1,211,609)	-	1,211,609	-
Realization of revaluation surplus through depreciation charge	-	-	-	(169,097)	(272,064)	(441,160)
Balance as on 30 June 2024	1,135,399,325	2,030,529,205	2,282,739,514	1,568,950,059	2,101,103,992	9,118,722,095

The annexed notes 1 to 54 and "Annexure I" are the integral part of the financial statements.


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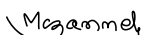


Runner Automobiles PLC
Consolidated Statement of Cash Flows
For the year ended 30 June 2024

	Note	Amount in Taka	
		30-Jun-24	30-Jun-23
A) Cash flows from operating activities			
Receipt from customers		9,850,521,708	9,106,198,294
Payment to suppliers and employees		(7,070,385,436)	(4,639,013,469)
Cash generated / (used) for operating activities		2,780,136,272	4,467,184,825
Foreign exchange gain/loss		(26,017,559)	-
Income tax paid		(290,601,201)	(116,742,011)
Net cash from operating activities		2,463,517,512	4,350,442,814
B) Cash flows from investing activities			
Net proceeds from sale /(purchase) of financial assets		371,869,604	487,570,486
Receipt from investment income		234,506,574	123,488,390
Receipts/ payment to related parties		(341,153,530)	92,722,265
Payment for property, plant and equipment		(383,784,790)	(891,134,971)
Proceeds from disposal of property, plant and equipment		(11,087,202)	(20,979,770)
Net cash used in investing activities		(129,649,344)	(208,333,600)
C) Cash flows from financing activities			
Dividends paid		(25,566,881)	(15,081,507)
Proceeds from borrowings		4,583,188,567	5,847,716,439
Repayments of Borrowings			
Principal		(7,684,673,870)	(8,906,728,613)
Finance cost (note - 2.6)		(1,438,282,478)	(1,437,778,892)
Sustainability bond Issue		2,675,000,000	-
Prepayments of other Borrowings-lease			
Principal		(15,607,305)	(18,731,566)
Finance cost		(6,035,405)	(6,637,937)
Net cash from / (used) in financing activities		(1,911,977,372)	(4,537,242,077)
D) Net increase/(decrease) in cash and cash equivalents for the year (A+B+C)		421,890,796	(395,132,863)
E) Cash and cash equivalents at the beginning of the year		165,953,372	561,086,235
F) Cash and cash equivalents at the end of the year (E+F)		587,844,168	165,953,372
Net operating cash flows per share	43	21.70	38.32

The annexed notes 1 to 54 and "Annexure I" are the integral part of the financial statements.


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Company Secretary
Runner Automobiles PLC


(Shanat Datta FCA)
Chief Financial Officer
Runner Automobiles PLC



1.0 Reporting Entity

1.1 Company profile

Runner Automobiles PLC ("RAPLC" or the "Company") is a public Company limited by shares and domiciled in Bangladesh. The Company was formed and incorporated with the Registrar of Joint Stock Companies and Firms in Bangladesh on July 4, 2000 vide incorporation no C-40658 (17) 2000 under the Companies Act 1994 as a private Company limited by shares. Later, the Company was converted into a public limited company on January 26, 2012 after observance of required formalities. Afterwards, the shares of the Company have been listed with Dhaka Stock Exchange and Chittagong Stock Exchange on March 19, 2019 and March 20, 2019 respectively.

1.2 Address of the registered office

The address of the Company's registered office and head office is 138/1 Tejgaon Industrial Area, Dhaka-1208, Bangladesh.

1.3 Nature of the business

Runner Automobiles PLC (RAPLC)

RAPLC is the flagship Company of Runner group with principal activities to manufacture, distribute and export of motorcycles. The Company has 1,110 employees. In past 23 years, the Company has invested a large amount of capital to introduce complete set of advanced production technology and equipment. Now the Company's production capacity has reached 500 motorcycles per day. RAPLC's products cover 09 series of motorcycles ranging from 50 cc to 200 cc, along with a range of electric vehicles and about 40 models of motorcycles. At present, RAPLC has more than 80 active dealers and over 200 sales centers run by trained dealer staffs along with own 37 operational showrooms for motorcycle business. Runner Automobiles PLC is selling the highest quantity of motorcycles in the domestic and overseas market as a manufacturer in Bangladesh.

In addition of that RAPLC is manufacturing Three-Wheeler (LPG and Diesel) in Bangladesh and distributes the products throughout the country. Since incorporation, the Company has been organizing its dealer network and well covered service supports countrywide. At present, the Company has five model of three-wheelers (limited quantity) and captured the domestic market with 60 Salespoints through 50 Dealers to distribute 3 wheelers which are spread across country to ensure proximity to customers.

Runner Motors Ltd. (RML)

RML started its operation on 19 February 2005. EICHER Motors Ltd. of India appointed RML as an exclusive distributor for famous EICHER brand (LCV and MCV) trucks in Bangladesh. EICHER trucks are manufactured by Volvo EICHER Commercial Vehicles Ltd India which is a joint venture of Volvo Group and EICHER Motors.

Since incorporation, the Company organizing its dealer network and well covered service supports countrywide. Runner Motors marketed more than 30,984 EICHER trucks and pickups in Bangladesh up to June 2024.

Runner Motors Ltd. imports and markets EICHER (Manufactured by VE Commercial Vehicles Ltd. India) branded Trucks, Pickups & Tractors. In addition of that RML is assembling some models of Eicher vehicles and sales in local market.

Freedom Motors Limited

Freedom Motors Limited ("FML") is a private limited company incorporated in Bangladesh under the Companies Act, 1994 with the Registrar of Joint Stock Companies and Firms, bearing registration no.700669 (2575)/08 dated February 02, 2008. This Company has been set up to manufacture/assembles all kinds of automobiles/mechanical products manually or by Automatic/semi-automatic machine or manufacturing of automobiles/mechanical materials and marketing the same to all over Bangladesh. 99.99% shares of Freedom Motors Limited is held by Runner Automobiles PLC. During the period under audit Freedom Motors has limited operational activities.



2.0 Basis of Preparation and Summary of Significant Accounting Policies

2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), applicable sections of the Companies Act 1994 and the Securities and Exchange Rules 2020. The title and format of these financial statements follow the requirements of IFRS which are to some extent different to the requirements of the Companies Act, 1994. However, such differences are not considered material.

2.2 Directors' responsibility statement

The Board of Directors' takes the responsibility for the preparation and presentation of these financial statements.

2.3 Date of authorization

These financial statements have been authorized for issue by the Board of Directors on 24 October 2024.

2.4 Basis of consolidation

These consolidated financial statements comprise the consolidated financial position and the consolidated results of operation of the Company and its subsidiaries (collectively referred as 'Group') on a line by line and non-controlling interest are shown separately as a line item of the statement of financial position and statement of comprehensive income.

Subsidiaries:

Subsidiaries are enterprise controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing control, potential voting rights that are presently exercisable are taken into account. The results of operations and total assets and liabilities of subsidiaries are included in the consolidated financial statements on a line by-line basis and the interest of non-controlling shareholders, if any, in results and net assets of subsidiaries are stated separately. The financial statements of subsidiaries are included in consolidated financial statement of the Group from the date of control achieved until the date of control ceased. Any gain or loss, increase/decrease in non-controlling in subsidiaries without a change control, is recognized as a component of equity. RAPLC gained controlled on Runner Motors Ltd effective on 01 July 2013 and Freedom Motors Ltd. on 25 July 2013.

Loss of control:

Upon the loss of control, the Group derecognizes the assets and liabilities of subsidiaries, any non-controlling interest and other component of equity related to the subsidiaries. Any surplus or deficit arising from loss of control is recognized in profit and loss. If the Group retains any interest in the previous subsidiaries, then such interest measured in fair value at the date of control is lost. Subsequently it is accounted for investment in associates or as available-for-sale financial assets depending on the level of influence retained.

Transactions eliminated on consolidation:

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

Going concern:

The Group and the Company has adequate resources to continue its operation for foreseeable future and hence, the financial statements have been prepared on going concern basis. As per management's assessment there are no materials uncertainties related to events or conditions which may cast significant doubt upon the Group or the Company's ability to continue as a going concern.

2.5 Basis of measurement

These financial statements have been prepared on going concern basis under the historical cost convention except for investment in tradable shares and land and building components of property, plant and equipment, which are measured at fair value.



Measurement of fair values

The Group has an established control framework with respect to the measurement of fair values. Management has the overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Property, plant and equipment

The fair value of items of property, plant and equipment's has been determined based on the depreciated replacement cost method and net realizable value method, as applicable, by professional values.

Equity and debt securities

Fair values of tradable equity and debt securities are determined by reference to their quoted closing price in active market at the reporting date which are categorized under "Level 1" of the fair value hierarchy.

2.6 Functional and presentation currency

These consolidated financial statements are presented in Bangladesh Taka (BDT or Tk) which is the Group's functional currency. All financial information presented in BDT Taka has been rounded off to the nearest Taka except when otherwise indicated. Due to the rounding of decimal points to the next integer, some of the sub total may not add up when manually calculated due to this rounding (difference of 1 + or -).

2.7 Statement of cash flows

Statement of cash flows has been prepared as per IAS 7: Statement of cash flows using Direct Method as per the requirement of Securities and Exchange Rules 2020. Cash outflow from interest charges/borrowing cost payments are shown as part of financing cash flows, because these are costs of obtaining financial resources. Similarly, cash inflow from dividend receipts and other investing income are considered as returns on investments and hence included as part of investing cash flows.

2.8 Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and assumptions are reviewed on an ongoing basis.



The estimates and underlying assumptions are based on past experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

In particular, significant areas of estimation uncertainty and critical judgments in applying accounting policies that has the most significant effect on the amount recognized in the financial statements are revaluation of land and building, income tax provision (both current and deferred tax) and other provision (including for doubtful receivables, obsolete and slow-moving inventories and warranty).

2.9 Comparatives and reclassification

Comparative information has been disclosed for the year 2022-2023 for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements.

2.10 Reporting period

These financial statements covered the reporting period of one year commencing from 01 July 2023 to 30 June 2024 along with the related comparative information for the period 1 July 2022 to 30 June 2023 as mentioned above in note 2.9.

2.11 Consistency of significant accounting policies

The accounting policies set out below have been applied consistently to all the years presented in these financial statements by the Group except otherwise mentioned.

2.12 Current vs non-current classification

Assets and liabilities are required to be classified as current and non-current as prescribed by IAS-1 Presentation of Financial Statements.

An asset is classified as current when:

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the asset primarily for the purpose of trading;
- it expects to realise the asset within twelve months after the reporting period; or
- the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current assets.

A liability is classified as current when:

- it expects to settle the liability in its normal operating cycle;
- it holds the liability primarily for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting period; or
- it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current liabilities.



2.13 Property, plant and equipment (PPE)

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

a. Recognition and measurement

The cost of an item of property, plant and equipment comprises its purchase price, import duty and non-refundable taxes (after deducting trade discount and rebates) and any cost directly attributable to the acquisition of the assets. The cost of self-constructed / installed assets includes the cost of materials, direct labor and any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the intended manner and the cost of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment and is recognized under other income/expenses in profit or loss.

b. Subsequent costs

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

c. Depreciation

Depreciation is based on the cost/revalued amount of an asset. Significant parts of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognized in profit or loss on reducing balance method over the estimated useful lives of each part of property, plant and equipment. Depreciation is charged on when the asset is fully ready for use and depreciation is charged on disposal item up to the date of disposal. Rates of depreciation are as follows.

Assets	Rates (%)
Land and land development	Nil
Plant and Machinery*	10%-20%
Motor Vehicle	20%
Furniture and Fixtures	10%-20%
Office Equipment's	10%-20%
Buildings and Other Construction	2.5%-5%
Computer & Accessories	15%-30%

*Three-wheeler capital machineries are depreciates based on units of production method.

Depreciation methods, useful lives and residual values are reassessed at each the reporting date and adjusted if appropriate.

d. Capital work in progress

Capital work in progress consists of cost incurred for acquisition of new plant and machinery, upgradation of factory plant, civil structure, factory shed for warehouse etc. which were not ready for use till reporting date. The company has capitalized these costs under CWIP.



e. Revaluation of property, plant and equipment

The revaluation of the Company's Land and Buildings assets was made on 31 Dec, 2010 & 2014 by M/S Rahman Rahman Huq, a Chartered Accountants firm in Bangladesh and a member of KPMG. Afterword the Company's selected land has been revalued by on 30 June 2023 by M/s. Huda Vasi & Co., Chartered Accountants firm in Bangladesh. The valuation has been made to reflect the fair value of its assets.

As per report of revaluation of RAL, net revaluation gain stands at BDT 601,105,315, BDT 785,566,633 and BDT 575,505,297 as at 30 June 2023, 31 December 2014 and 31 December 2010 respectively. This revaluation has been recognized in financial statements as at 30 June 2023, 31 December 2014 and 31 December 2010 respectively.

One of the subsidiaries of the Group, RML conducted valuation of its land and buildings in 2012 which has been recognized at fair value. Subsequently the land of Runner Motors Ltd. has been revalued on 2024 by M/S Hoda Vasi & Co, a Chartered Accountants firm in Bangladesh and recognize a revaluation gain in BDT 883 million.

Difference of depreciation between revalued carrying amount and depreciation based on carrying amount as per assets' original cost has been transferred from Revaluation Reserve to Retained Earnings as shown in Statement of Changes in Equity.

2.14 Intangible assets

a. Recognition and measurement

Intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment loss, if any. Intangible assets are recognized when all the conditions for recognition as per IAS 38 Intangible Assets are met. The cost of an intangible asset comprises its purchase price, import duties and non-refundable taxes and any directly attributable cost of preparing the asset for its intended use.

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in the profit or loss as incurred.

Development activities involve a plan or design for the production of new and substantially improved products and processes. Development expenditures, on an individual project, are recognized as an intangible asset when the Group can demonstrate all of the following:

- i. the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- ii. its intention to complete the intangible asset and use or sell it;
- iii. its ability to use or sell the intangible asset;
- iv. how the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
- v. the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- vi. its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Other development expenditures are recognized in profit or loss as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period. Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is placed in service. It is amortized over the period of expected future economic benefits. During the period of development, the asset is tested for impairment annually.

Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.



b. Subsequent costs

Subsequent costs are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other costs are recognized in profit or loss as incurred.

c. Amortization

Amortization is recognized in profit or loss on a reducing balance basis from the date of operation to over the estimated useful lives of intangible assets. During the year Group has capitalized its ERP Software after having ready to use and amortize accordingly.

Assets	Rates (%)
Local Software	20%
Foreign Software	10%

The Group has implemented foreign ERP software (IFS) in line with the rate specified in the Third Schedule of the Income Tax Act 2023 the amortization rate has been initially taken as 10%. However, each year it will be assessed and considering technological changes if needed the amortization rate would be accelerated upon review of estimated economic life of the software.

2.15 Leases

As a lessee, the Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain re-measurements of the lease liabilities. The right-of-use asset is initially measured at cost, and subsequently measured at fair value, in accordance with the Group's accounting policies.

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

The lease liabilities are subsequently increased by the interest cost on the lease liabilities and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Group has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the Group is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognized.

2.16 Inventories

Inventories are measured at lower of cost and net realizable value. The cost of inventories is calculated based on the weighted average method and includes expenditure incurred in acquiring these inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition in accordance with IAS-2. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses. Raw materials in transit are valued at cost. However, as per subsequent position and management assessment no provision is being required for the inventories.

2.17 Transactions with related parties

These represent balance amounts due to /from sister concerns which are derived from business transaction, sale/ purchase of goods/services from time to time. Sales and purchase of goods/services are made on arm's length basis. These balances are unsecured but considered good and realizable. Transactions within the controlled entities of the Group are eliminated in full.



2.18 Advances, deposits and prepayments

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads such as property, plant and equipment, inventory or expenses. Deposits are measured at payment value without any adjustment for time value.

Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to profit or loss on accrual basis.

2.19 Employee benefit schemes

a. Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b. Defined contribution plan (recognized provident fund)

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate fund and will have no legal or constructive obligation to pay further amount. The Company's Employees' Provident Fund obtained recognition from Income Tax Authority on February 28, 2011 which was effective from January 31, 2011; vide ref no. nothi no-6/asa-13/pro: fa/2010-2011/ and is considered as defined contribution plan as it meets the recognition criteria specified for this purpose in IAS-19. RML also maintains a separate Provident Fund which is considered as defined contribution plan.

Obligation for contribution to defined contribution plan is recognized as provident fund (PF) contribution expenses in profit or loss in the period during which services are rendered by employees.

The Group maintains the Recognized Provident Fund for all permanent employees at which both the Company and employees contribute @ 7.5% of basic salary.

Appropriate provision has been made for Workers' Profit Participation Fund and Workers' Welfare Fund ("WPPF") as per provisions of law if the company is profitable. Currently the rate of provision is 5% on net profit before tax and WPPF. A Trust has been formed by the Group to manage and distribution of WPPF as well as allocate the fund in compliance with the required rules and regulation as specified at Trust deed.

2.20 Provisions and contingencies

A provision is recognized in the financial statements if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefit will be required to settle the obligation.

Contingencies arising from claim, lawsuit, etc. are recorded when it is probable that a liability has been incurred and the amount can reasonably be measured, otherwise a disclosure is provided if the matter is significant and possibility of an outflow of resources is not remote.

2.21 Income tax & VAT

Income tax expenses comprise of current and deferred tax. Current tax and deferred tax are recognized in profit and loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Current tax:

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using rates enacted or substantially enacted at the reporting date and any adjustment to tax payable or receivable in respect of previous years. Current tax also includes any tax arising from other income.



As per SRO No-382 LAW/Income-tax/2019 dated 11 December 2019 that is changed to SRO No-325 LAW/Income-tax/2021 dated 19 October 2021 applicable Income Tax rate for the Company is 10% of business income (wef. 15/03/2008 to 30/06/2032), instead of the normal income tax rate of 20% being the listed public entity in accordance with Finance Act 2024. The subsidiaries of the Company are subject to normal tax rate. [27.5% for RML & FML]

Deferred tax:

Deferred tax is recognized in compliance with IAS 12: Income taxes, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amount used for taxation purposes Since 2011. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the authority on the same taxable entity.

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

VAT:

The Group has paid VAT on import, production and sale of motorcycle, 3 wheelers & small and large commercial vehicles (Motor Trucks) by complying with related rules and regulations for the year ended 30 June 2023. During the year, the entity has paid VAT @ 15% as well as AT @ 4% at the import stage for 2W. For 3W, the Company has paid AT @ 5% up to January 2023 as the Company conducted trading business. Since February 2023, the Company has paid AT @ 4% as it is now a manufacturer of 3W.

2.22 Financial instruments

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

2.22.1 Financial assets

The Group initially recognizes receivables on the date that they are originated. All other financial assets are recognized initially on the date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred.

The classification and measurement of financial assets is based on the basis of both:

- a. the entity's business model for managing the financial assets; and
- b. the contractual cash flow characteristics of the financial assets.

Three measurement classifications for financial assets have been established: amortized cost, fair value through other comprehensive income and fair value through profit and loss. These measurement classifications align with three business models available under IFRS 9:

- Hold to Collect – Financial assets held with the objective to collect contractual cash flows.
- Hold to Collect and Sell – Financial assets held with the objective to collect and sell contractual cash flows.
- Other – Financial assets held for trading or assets that do not meet the criteria for either 'Hold to collect' or 'Hold to collect and sell'. Financial assets designated as trading are held with an objective to sell the assets in the short term.



For purposes of determining the measurement classification, financial assets under the 'Hold to Collect' and 'Hold to Collect and Sell' business model require an assessment to determine whether the cash flows are solely payments of principal and interest (SPPI). Basic lending arrangements with limited volatility in cash flows typically have contractual cash flows that are SPPI; however, other factors should be considered in making this determination, such as whether interest payments provide only a consideration for the passage of time associated with time value of money.

Financial assets under a Hold to collect business model, with contractual cash flows that are SPPI, are classified and measured at amortized cost. Financial assets under a Hold to Collect and Sell business model, with contractual cash flows that are SPPI, are classified and measured at fair value through other comprehensive income (FVOCI).

Financial assets that have contractual cash flows that are not SPPI, are designated as trading or do not fit the business model criteria for hold to collect and old to collect and sell are measured at fair value through profit and loss (FVTPL). Equity instruments are always measured at FVTPL unless an irrevocable option is elected at initial recognition to present fair value changes in OCI. Fair value changes recorded in OCI for equity instruments are not recycled to profit and loss. The Company did not elect the option to present fair value changes through OCI for equity instruments.

Based on the above the basis of recognition and measurement are as follows:

I. Amortized cost

The asset is measured at the amount recognized at initial recognition minus principal repayments, plus or minus the cumulative amortization of any difference between that initial amount and the maturity amount, and any loss allowance. Interest income is calculated using the effective interest method and is recognized in profit and loss. Changes in fair value are recognized in profit and loss when the asset is derecognized or reclassified.

II. At fair value through profit or loss:

A financial asset is classified as at fair value through profit or loss if it is classified as held for trading or is designated as such on initial recognition. Financial assets are designated as at fair value through profit or loss if the Company manages such investment and makes purchase or sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Attributable transactions costs are recognized in profit and loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein which take into account and dividend income are recognized in profit or loss.

III. At fair value through other comprehensive income

The asset is measured at fair value and changes in value are transferred through other comprehensive income.

Financial assets currently being used by the Group are as follows:

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at bank and other short-term deposits which are available for use by the Group without any restriction. Overdrafts that form part of day-to-day cash management of the Group are also included in cash and cash equivalents.

(ii) Trade and other receivables

Trade and other receivables represent the amounts due from customers for delivering goods or rendering services. Trade and other receivables are initially recognized at cost which is the fair value of the consideration given in return. After initial recognition these are carried at amortized cost less impairment losses due to un-collectability of any amount so recognized.



(iii) Investments

Investment in listed securities is measured at fair value on portfolio basis. Changes between closing market price at 30 June and the respective cost price on portfolio basis has been considered as impairment and accordingly charged to profit. The impairment provision on unrealized loss has been netted off against cost price. Investments in fixed deposits with banks and financial institutions have been recognized at amortized costs.

(iv) Investment in subsidiaries

Investments in subsidiaries are fully eliminated in consolidated financial statements. In the separate financial statements of the Company these are initially stated at cost and subsequently at cost less impairment, if any.

2.22.2 Financial liabilities

The Group initially recognizes financial liabilities on the date that is originated. The Group derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

The Group classifies non-derivative financial liabilities into the liabilities for expenses category. Such financial liabilities are recognized initially at fair value less directly attributable transaction cost. Subsequent to initial recognition, these financial liabilities are measured at amortized cost.

(i) Trade and other payables

Trade and other payables represent the amounts due to suppliers for receiving goods or services. Trade and other payables are initially recognized at cost which is the fair value of the consideration received. After initial recognition these are carried at amortized cost.

(ii) Liabilities for expenses

Liabilities for expenses represent the amounts due to various parties for receiving services. These are initially recognized at cost which is the fair value. After initial recognition these are carried at amortized cost.

(iii) Borrowings

Interest-bearing borrowings include both short-term and long-term bank loan. Interest bearing borrowings are recognized initially at fair value less attributable transaction costs. Subsequent to initial recognition, these are stated at amortized cost using the effective interest method.

2.22.3 Equity instruments

Ordinary shares are classified as equity. In line with IAS 32 requirement, incremental costs directly attributable to the issue of ordinary shares are recognized as reduction in equity through charging directly to retained earnings instead of profit or loss. Paid-up share capital represents total amount contributed by the shareholders and bonus shares issued by the Company. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at the shareholders' meetings. In the event of a winding up of the company, ordinary shareholders rank after all other shareholders and creditors and are entitled to any residual proceeds of liquidation.

2.23 Revenue from contracts with customers

The Group has initially applied IFRS 15 Revenue from Contracts with Customers from 1 July 2018. The Group recognizes as revenue the amount that reflects the consideration to which the Group expects to be entitled in exchange for goods or services when (or as) it transfers control to the customer. To achieve that core principle, IFRS 15 establishes a five-step model as follows.



- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognize revenue when (or as) the entity satisfies a performance obligation.

i. Sales of goods

Considering the five steps model, the Group recognizes revenue when (or as) the Group satisfies a performance obligation by transferring a promised good to a customer. Goods are considered as transferred when (or as) the customer obtains control of the goods. Revenue from sale of goods is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts, rebates and Value Added Tax (VAT).

ii. Rendering of services

Under IFRS 15, the total consideration in the service contracts will be allocated to all services based on their stand-alone selling prices. The stand-alone selling prices will be determined based on the list prices at which the Group sells the services in separate transactions.

iii. Hire income

According to paragraph 65 of IFRS 15, an entity shall present the effect of financing (interest revenue or interest expense) separately from revenue from contracts with customers in the statement of profit or loss and other comprehensive income. Interest revenue or interest expense is recognised only to the extent that a contract asset (or receivable) or contract liability is recognised in accounting for contracts with customers. A hire sale contract includes a significant financing component. Paragraph 60 states that a significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract.

Since hire sales comprise two performance obligations, the revenue for the product is recognised when the delivery made and the interest is recognised as earned, according to paragraph 65 of the said standard. Therefore, the hire sales have been analyzed in the light of 5 stages as envisaged in IFRS 15 in the following way.

A contract is formed through an agreement between Runner Automobiles PLC and the customer. Two performance obligations are as follows:

- delivery of products
- financing service

Transaction price is determined considering the price of the product and the number of instalments agreed in the contract. The stand-alone product price is determined as declared in 'price declaration' less discounts (if any). The interest rate is determined by management by assessing the market rates. Runner Automobiles PLC recognizes the stand-alone selling price of the product as revenue when the delivery is completed and recognizes interest income for the financing service over the period of instalments.

2.24 Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of qualifying assets are recognized in profit or loss using effective interest method. Bank charges are also considered as part of borrowing costs due to the fact that substantial part of these charges originates from borrowing activities of the Group. One of the subsidiaries of the Group (RML) has taken term loans from various banks and FIs to finance its credit sales to customer. Payments against these credit sales are received from customers in installments comprising both principal and mark-up amount (interest). Such interest receipts from customers are offset against related interest payments to banks and FI's against terms loans.



2.25 Finance income

The Group represents the finance business income as operating revenue and the related financing business costs have been presented in respective operating cost. The comparative information has been reported accordingly. Interest income from banks and FIs as well as from related party are included in other income heading. Finance income is recognised on an accrual basis.

2.26 Earnings per share (EPS)

The Group presents its basic earnings per share in accordance with International Accounting Standard (IAS) 33: "Earnings Per Share" which has been shown in the face of the Profit and Loss Account.

Basic EPS is calculated by dividing the profit or loss for the year attributable to ordinary shareholders of the Company with the weighted average number of ordinary shares outstanding during the year, adjusted for the effect of change in number of shares for bonus issue in prior year as well.

2.27 Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency (BDT) at exchange rates at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies at reporting date are re-translated into Bangladesh Taka at the exchange rates ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies, stated at historical cost, are translated into Bangladesh Taka at the exchange rate ruling at the date of transaction. Foreign currency differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in the statement of profit or loss and other comprehensive income as per IAS 21: The Effects of Changes in Foreign Exchange Rates.

2.28 Impairment of Financial and non-financial assets

i) Financial assets

Impairment of financial assets measured at amortized cost.

IFRS 9 requires an assessment of expected credit losses ("ECL") for evaluating whether assets carried at amortized cost are impaired.

The first stage of the evaluation requires an assessment of expected credit losses (ECL), which represent the possibility of default over the next 12 months. When a significant increase in credit risk has occurred, the financial asset is transferred to stage 2 and the ECL will be calculated using the possibility of default over the expected life of the financial instrument. When there is objective evidence that a financial asset is impaired, the financial asset will be transferred to stage 3 and lifetime ECL will be calculated.

The Group measures ECL for the following category of financial assets that are not measured at fair value through profit and loss:

Trade and other receivables

Expected credit losses for trade receivables are estimated using the simplified approach of lifetime ECL based on a combination of write-off history, aging analysis and ability to make immediate repayment. These simplifications eliminate the need to calculate the 12-month ECL and to assess when a significant increase in credit risk has occurred, as required under a three-stage approach.

ii) Non-financial assets

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



2.29 Segment reporting

A segment is a distinguishable component of the Group/entity that is engaged in providing products or services within a particular economic environment. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group regards its Board of Directors as its chief operating decision maker, as the Board is responsible for allocating resources, assesses performances, and makes strategic decision.

The Group's two main operating entities are involved in two separate and distinct product segments. The parent entity Runner Automobiles PLC (RAPLC) manufactures motor cycles, whereas its subsidiary Runner Motors Limited (RML) is involved in import and marketing of Trucks, Pickups & Tractors. Although from the last couple of years RAPLC has also started selling of three wheelers which is gradually increasing. Both RAPLC and RML are managed separately and their respective financial results are reviewed on a standalone basis by the respective Boards. Since separate sets of financial statements forms focus of internal reporting process, these separate financial statements are also available on standalone basis, management considers that providing information on segment would not provide additional benefit to the intended users of the consolidated financial statements.

2.30 Government grants

Government grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity. They exclude those forms of government assistance which cannot reasonably have a value placed upon them and transactions with government which cannot be distinguished from the normal trading transactions of the entity.

2.31 Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position when:

- there is legally enforceable right to set off the recognized amounts; and
- the entity intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

2.32 Materiality and aggregation

Financial statements represent a large number of transactions that are aggregated into classes according to the nature of the transactions. Each material classes of similar items are presented separately in the financial statements and items of dissimilar nature are presented separately unless they are immaterial.

2.33 Event after the reporting period

Events after the reporting period are events or transactions that occur between the end of the reporting period and the date when the financial statements are authorized for issuance. These events can have an impact on the financial statements and may require disclosure or adjustment. There are two types of events after the reporting period:

Adjusting events

Adjusting events are those events that provide additional evidence of conditions that existed at the end of the reporting period. These events are reflected in the financial statements, and the financial statements are adjusted to account for them.



Non-adjusting events

Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. These events do not require adjustment of the financial statements but may require disclosure in the notes to the financial statements.

There is one significant adjusting event after the reporting period which has been disclosed in note no-45 to the fs.

2.34 New standards and interpretations yet adopted

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective. However, this is not an exhaustive list of all the standards issued, the following are the standards which according to the assessment of the Company is most likely to be applicable.

Earlier application of the standards and interpretations that are issued, but not yet effective is permitted. However, the Group has not early applied these new standards in preparing these financial statements.

IFRS 17: Insurance Contract

IFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on or after 1 January 2023. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. The Group has not yet assessed potential impact of IFRS 17 on its financial statements as the group's financial year cover the period from July to June.



Amount in Taka	
For the year ended	
30-Jun-24	30-Jun-23

3 Property, plant and equipment

Details of property, plant and equipment and depreciation as of 30 June 2024 are shown in the **Annexure-I**. The break up of the balance are as below:

Property, plant and equipment-at costs

Opening balance	9,655,222,485	5,428,226,467
Addition during the year	540,678,526	3,662,216,478
Revaluation of land during the year	882,928,475	653,375,342
Adjustment for sale/transfer	(6,667,654)	(88,595,801)
Closing Balance	11,072,161,832	9,655,222,485

Accumulated depreciation

Opening balance	1,020,711,943	933,611,562
Charged during the year	156,484,549	102,386,840
Depreciation on revaluation	3,610,009	3,723,835
Adjustment for sale/transfer	(3,036,563)	(19,010,295)
Closing balance	1,177,769,938	1,020,711,942
Written down value	9,894,391,894	8,634,510,543

Some portion of above assets of the Group are kept as security for loans and borrowings from different banks and financial institutions.

4 Intangible assets

Assets at cost

Opening balance	99,829,805	99,756,055
Addition during the year	2,590,500	73,750
Adjustment during the year	(25,254,426)	-
Closing balance	77,165,879	99,829,805

Amortization

Opening balance	36,822,647	29,949,635
Addition during the year	9,528,905	6,873,013
Adjustment during the year	(10,952,480)	-
Closing balance	35,399,072	36,822,647
Total	41,766,808	63,007,158

Accounting policy note is given in 2.14 and details are given in Annexure- I. The Company has upgraded its automated business solution of hire business operation, "R-Connect" and "Tally Prime" which has been recognized as intangible assets.

5 Capital work in progress

Factory development	12,954,863	225,759,544
Showroom, land and other development	11,352,899	18,033,982
	24,307,762	243,793,526

The Company has established three-wheelers manufacturing plant on its own premises. The upgratrating cost of this project, shwroom andland development has been capitalised accordingly. Refer to Accounting policy note is given in 2.13-d.

6 Right use of assets

Lease hold assets	30,047,777	65,458,560
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The company deals with two-wheelers and three wheeler operation through showrooms, dealers network and other channels. For two wheeler business 37 Showrooms are in operation and run through rent. The rental process all showrooms have been recorded under IFRS-16 " Lease". Accounting policy note is given in 2.15 and details of Right use of Assets are given in Annexure- I.



		Amount in Taka For the year ended	
		30-Jun-24	30-Jun-23
7 Net investment in sub lease			
Net investment in sub lease		25,956,800	-

Sub lease is a transaction for which an underlying assets is re-leased by the lessee ('intermediate lessor') to a third party, and the lease (' head lease') between the head lessor and lessee remains in effect. There is an agreement between Runner Automobiles Plc and Haque Food Industries to use the premises as showroom at tejgaon and later, Runner Automobiles Plc made an agreement with CG Runner Bd Ltd to give the space for using the premises under sublease for specific period.

8 Investment in subsidiaries and associates	Share holding percentage		
Runner Motors Limited (RML)	61.67%	138,750,000	138,750,000
Freedom Motors Limited (FML)	99.99%	6,854,000	6,854,000
		145,604,000	145,604,000
Investment in RML and FML adjusted with consolidation		(145,604,000)	(145,604,000)
		-	-

9 Inventories

Raw materials*	235,203,647	410,018,085
Work-in-progress	87,438,603	36,216,579
Finished goods *	881,925,589	1,009,110,088
Spare parts	431,389,036	356,772,085
Material in transit *	431,583,680	63,767,520
Total	2,067,540,554	1,875,884,357

* Detail breakup could not be given as it is quite difficult to quantify each items in a separate and distinct category due to large variety of inventory. Information in summarized form may not be useful for the user.

*All material in transit subsequently received.

*Runner Automobiles PLC-finished goods

Particulars	30-Jun-24	30-Jun-23
80 CC Motor Cycle	10,270,872	14,069,803
100 CC Motor Cycle	9,187,562	20,580,346
110 CC Motor Cycle	34,892,230	31,964,797
125 CC Motor Cycle	98,314,957	75,974,811
150 CC Motor Cycle	72,687,061	75,434,744
165 CC Motor Cycle	36,031,057	4,730,105
200 CC Motor Cycle	11,412,144	2,336,092
Electric Bike	14,095,951	1,261,234
Spare Parts and others (2W & 3W)	237,337,173	199,722,036
Three Wheelers	64,875,044	24,199,250
Total:	589,104,050	450,273,219

Total quantity of finished goods for 2 wheeler is 2,151 units and 3 wheeler is 158 units.

*Runner Motors Limited

Particulars	30-Jun-24	30-Jun-23
Finished Goods	724,210,575	915,608,955
Total:	724,210,575	915,608,955

Total quantity of finished goods is 313 units

Some of inventories are hypothecated with various banks to secure loans and borrowings by the Group.

An amount of BDT 2,19,70,553 has been kept as a provision against slow moving inventories. This amount is shown under note: 32 as provision.



10 Trade receivables	Amount in Taka	
	For the year ended	
	30-Jun-24	30-Jun-23
Current portin of accounts receivable	5,479,521,695	4,049,890,758
Net of current portion of accounts receivable	2,098,666,541	5,110,981,442
Total	7,578,188,236	9,160,872,200

Ageing of trade and other receivables of Runner Automobiles PLC

The ageing of gross value at the reporting date that was not impaired was as follows:

0-60 days	1,327,406,428	1,443,542,438
60-120 days	149,998,796	163,122,329
120 -365 days	463,704,163	504,274,067
	1,941,109,388	2,110,938,834
Due after 365 days	967,312,949	1,051,605,289
	2,908,422,337	3,162,544,123

Ageing of trade and other receivables of Runner Motors Limited

0-90 days	1,805,525,156	1,968,597,630
90-180 days	578,645,896	691,992,873
Over 181-365 days	1,154,241,256	1,343,619,495
	3,538,412,308	4,004,209,998
Due after 365 days	1,131,353,591	1,994,118,079
	4,669,765,899	5,998,328,077

The management believes that the amounts are collectible in full, based on historic payment behavior and extensive analysis of customer credit risk including underlying customers' credit ratings if they are available. However, provision has been made for bad and doubtful receivables which are impaired but not yet identified. The above receivables are hypothecated with various banks against loans and borrowings.

11 Short term investments

Shares in listed companies (note - 11.1)	32,507,691	35,187,867
Fixed deposit with banks and FIs (note - 11.2)	1,816,293,905	2,166,443,593
Total	1,848,801,596	2,201,631,460

11.1 Shares in listed companies

Marketable securities : cost price	38,458,647	31,779,547
Unrealized loss on marketable securities	(6,931,420)	(5,072,068)
Closing balance	31,527,227	26,707,478
Beneficiary owners (B.O) investment current a/c	980,464	8,480,389
	32,507,691	35,187,867

Referred to Accounting policy note no 2.22 (III- iii)

11.2 Fixed deposit with banks and FIs (based on maturity)

0-6 Months	102,267,591	-
7-12 Months	1,714,026,314	2,166,443,593
Total	1,816,293,905	2,166,443,593

As per the Group's policy, fixed deposits with banks (FDR) not forming part of the day to day cash management are considered as short-term investments instead of cash and cash equivalents. Some of the FDRs are given as lien to secure the Group's borrowings. Accounting policy note is given in 2.22 (iii).



12 Advances, deposits and prepayments

Advances

Advance income tax (note-12.1)	693,978,258	713,514,027
Advance for land	83,490,116	26,533,280
Advance to employees	29,793,243	6,172,058
Advance paid to suppliers	334,113,345	85,005,956
Advances for showroom rent	62,714,172	90,938,744
Advance for registration	253,707	1,785,080
Advance for tour/ expenses	-	2,593,595
	1,204,342,841	926,542,740

Bank guarantee and security deposits

Mymensingh Palli Bidduth Samity	7,018,079	7,018,079
Dhaka Power Distribution Co Limited	408,000	408,000
Other suppliers	808,326	12,120,449
Crystal Insurance Company Limited	200,000	200,000
Department of Public Health Engineering	400,000	400,000
Pragoti Industries Ltd.	79,500	-
Meghna Insurance Co. Ltd.	200,000	200,000
Smallholder Agricultural Comp Project (SACP)	55,749	-
Mongla Cement Factory (Sena Kalyan Sangstha)	-	69,000
South Asia Insurance Company Ltd	-	200,000
Bank guarantee for tender sale	2,060,002	3,678,038
	11,229,656	24,293,566

Prepayments

LC margin deposited with banks	178,089,636	55,928,091
VAT paid in advance	388,627,556	360,128,402
Other prepayments for expenses	24,277,963	13,490,996
Prepaid insurance	3,586,246	4,329,483
	594,581,401	433,876,972
Total	1,810,153,897	1,384,713,278

12.1 Advance income tax

Opening balance	713,514,027	671,693,126
Addition during the year	290,601,201	169,012,037
	1,004,115,228	840,705,164
Adjustment during the year -		
Against AIT refund	(3,489,677)	-
Against provision for tax	(306,647,293)	(127,191,137)
Total	693,978,258	713,514,027

All tax assessments up to the accounting year ended 30 June 2020 (assessment year 2020-2021) & 30 June 2022 (assessment year 2022-23) have been completed and related adjustments and refunds have been accounted accordingly. The details has been mentioned in the seperate disclosures on note-29.



		Amount in Taka	
		For the year ended	
		30-Jun-24	30-Jun-23
13 Related party receivables			
Runner Properties Limited*	48,323,633	46,022,508	
Runner Lube & Energy	371,000,000	-	
NAMSS Motors Ltd.	7,086,167	-	
Varendra University	7,577,500	-	
Runner Trading Ltd.	3,567,000	-	
Runner Auto Electrical Ltd. (note- 13.1)	145,050,377	-	
CG Runner BD Ltd.	530,628	530,628	
Runner Trade Park Limited (RTPL) (note- 13.2)	23,852,723	796,949	
Total	606,988,028	47,350,085	

* This represents temporary advances and short term in nature, and repayable on demand.

Management has obtained confirmation from each of the aforesaid entities and assessed recoverability, upon which satisfied that all these balances are recoverable in full.

13.1 Runner Automobiles PLC (RAPLC) issued bond for a tenor of 7 years. This is an unsecured, redeemable, non-convertible, guaranteed, sustainability bond. As per the terms & conditions, the coupon interest has to be paid on half yearly basis. To ensure the payment on time as per the covinenet RAPLC should deposit in a sperate fund on monthly basis with an equivalent to semi annual coupon, gurantee fee or other payment. In ths regard, the company opened FDR in favor of Runner Auto Electrical Ltd (RAEL) and ensures the payment as per contract.

13.2 The Group has supplied its unused parts to RTPL and earned interest on the dues amount. Management has obtained confirmation from RTPL and assessed recoverability, upon which satisfied that all these balances are recoverable in full.

14 Other receivables

Accrued interest on FDRs	15,587,350	12,747,370
Rental receivable	19,346,241	13,133,658
Dividend receivable	306,816	230,112
Receivable from PF employer contribution (lapses and forfeiture account)	1,869,406	1,412,042
AIT refund	98,776,843	95,287,166
Total	135,886,656	122,810,348

15 Cash and cash equivalents

Cash in hand	5,435,393	11,029,507
Cash at banks (note -15.1)	582,408,775	154,923,865
Total	587,844,168	165,953,372

15.1 Cash at bank

Current accounts	269,801,808	85,145,632
STD account	312,606,967	69,778,233
Total	582,408,775	154,923,865

16 Share capital Authorized capital

200,000,000 ordinary shares of Tk. 10/- each	2,000,000,000	2,000,000,000
	2,000,000,000	2,000,000,000
Issued, subscribed & paid up capital		
Ordinary share	300,000,000	300,000,000
Allotment of 13,478,261 ordinary shares	134,782,610	134,782,610
Issuance of bonus shares @ 50% of ordinary share capital	217,391,300	217,391,300
Issuance of bonus shares @ 33.33% of ordinary share capital	217,391,300	217,391,300
Issuance of placement share	72,464,000	72,464,000
Issuance of bonus shares for 2019 @ 5%	54,066,635	54,066,635
Issuance of primary shares through IPO	139,303,480	139,303,480
	1,135,399,325	1,135,399,325



Amount in Taka				
For the year ended				
			30-Jun-24	30-Jun-23
Name of Share Holder	No of ordinary share	% of total share holding	Amount in Taka 30 June 2024	Amount in Taka 30 June 2023
01. Sponsors/Directors	56,691,847	49.93%	566,918,470	468,118,470
02. Local Company/Institutions	30,215,352	26.61%	302,153,520	402,444,230
03. Non-Resident Bangladeshi	125,813	0.11%	1,258,130	1,665,170
04. General Public	26,506,920	23.35%	265,069,205	263,171,455
Total:	113,539,932	100%	1,135,399,325	1,135,399,325

As per requirement of schedule XI, Part I of the companies Act, 1994 the issuance of share at 30 June 2024 was as follows:

Cash	364,050,090	364,050,090
Bonus	711,049,235	711,049,235
Other than cash	60,300,000	60,300,000
	1,135,399,325	1,135,399,325

17 Share premium

Sponsors/Directors*	916,208,705	916,208,705
Local Company/Institutions	683,912,585	683,912,585
Foreign Company	1,873,560	1,873,560
Non-Resident Bangladeshi	79,757,478	79,757,478
General Public	348,776,877	348,776,877
	2,030,529,205	2,030,529,205

* Shareholding of Brummer Frontier PE II (Mauritius) Limited, an institutional shareholder has been considered under the category of Sponsors/Directors as it has nominated directors in the Board of Directors of the company.

18 Revaluation surplus

The revaluation of the Company's land and buildings assets was made on 31 Dec, 2010 & 2014 by M/S Rahman Rahman Huq, a Chartered Accountants firm in Bangladesh and a member of KPMG. Afterwards, the Land of Runner Automobiles Plc has been revalued on 30 June, 2023 by M/S Hoda Vasi & Co, a Chartered Accountants firm in Bangladesh. Subsequently the Land of Runner Motors Ltd. has been revalued on 2024 by M/S Hoda Vasi & Co, a Chartered Accountants firm in Bangladesh. The revaluation surplus arises from revaluation of plant and machiners is restricted for dividend payment to shareholder.

The summary of revaluation is shown below:

Opening balance	1,783,009,292	1,280,720,367
Revaluation of land during the year	500,941,831	601,105,314
Transfer to retain earning due to revalued land sale	-	(47,778,008)
Amount transfer to DTL due to rate changes 4% to 8%	-	(49,774,599)
Realization of revaluation surplus through depreciation charge	(1,211,609)	(1,263,782)
Total	2,282,739,514	1,783,009,292

19 Retained earnings

Opening balance	2,161,359,933	3,103,908,474
Group share of current year profit of Runner Motors Limited	(84,650,909)	(185,685,486)
Group share of current year profit of Freedom Motors Limited	1,553,778	1,406,790
Current year profit for Runner Automobiles PLC	21,767,021	(695,616,767)
	2,100,029,823	2,224,013,010
Add		
Deferred tax credit on revaluation of assets	134,623	140,420
Adjustment transfer to retain earning due to land sale	-	49,768,758
Realization of revaluation surplus through depreciation charge	939,545	977,678
	1,074,169	50,886,857
Less:		
Payment of dividend	-	(113,539,932)
Total	-	(113,539,932)
Net retained earnings	2,101,103,992	2,161,359,933



		Amount in Taka	
		For the year ended	
		30-Jun-24	30-Jun-23
20 Calculation of non controlling interest			
Opening balance		1,310,389,780	1,425,982,165
Payment of dividend		(69,000,000)	(34,500,000)
Share of post acquisition profit of RML		16,376,855	(80,914,702)
Realization of revaluation surplus through depreciation charge		(169,097)	(177,823)
Revaluation of land during the year		311,352,366	-
Share of post acquisition profit/ (loss) of FML		155	141
		1,568,950,059	1,310,389,780

21 Long term loan net off current portion

Long term loan net off current portion	4,472,868,617	5,916,285,276
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The above loans are taken to finance both working capital and expansion program of the Group. The average tenure of these facilities range from 12 months to 36 months with renewal options. The rate of interest/profit against these facilities range from 9% to 14.5%. The Group has hypothecated its current assets as well mortgaged its property, plant and equipment to secure these loans. Refer to the stand alone financials of RAL and RML for details terms and conditions of major loan and borrowings.

22 Sustainability bond

Issue of bond	2,675,000,000	-
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The Company received an amount of taka 2,67,50,00,000 as bond proceeds through issuance country's first-ever internationally certified sustainability bond for the reporting period under the gurantee from GuarantCo Limited. Out of the total bond proceeds, Metlife Bangladesh invested 2,575,000,000 and rest of tk 10,000,000 was invested by Green Delta Insurance Limited. The proceeds will be used to support the construction of a 4MW rooftop solar plant for its manufacturing facility and to support the threee wheeler credit businesses.

23 Finance lease liability

Long term portion of lease liability	41,005,251	54,149,179
Current portion of lease liability	12,501,103	17,015,747
Total	53,506,354	71,164,926

Accounting policy note is given in 2.15 and details of Right Use of Assets are given in Annexure- 1.

24 Deferred tax liability

On revaluation of assets (note - 24.1)	264,341,903	193,401,087
On temporary timely difference (note - 24.2)	164,291,702	138,135,580
	428,633,605	331,536,666

24.1 On revaluation of assets

Opening balance	193,401,087	93,023,704
Addition	71,075,439	102,508,553
	264,476,526	195,532,257
Adjustment during the year	(134,623)	(2,131,170)
	264,341,903	193,401,087

In according with IAS 12 (para 20) and Income Tax Act, 2023; Income tax on land has been charged @ 8% from 2011 (previously it was accounted for @ of 4%). Accordingly the adjustment for deffered tax on land and other than land has been reported during this period.



24.2 On temporary timing difference

Opening balance
Movement during the year

Add: Adjustment during the year

The above balance is comprise of the following:

Runner Automobiles PLC

Deferred tax liability on depreciation and amortization
Deferred tax assets on WPPF and bad debts

Runner Motors Limited

Deferred tax liability on FDR
Deferred tax assets on bad debts

Movement during the year are as follows

Runner Automobiles PLC

Deferred tax liability on depreciation
Deferred tax assets on WPPF
Deferred tax expenses

Runner Motors Limited

Deferred tax liability on FDR
Deferred tax assets on bad debts
Deferred tax expenses

Amount in Taka	
For the year ended	
30-Jun-24	30-Jun-23
138,135,580	107,953,647
26,156,122	30,181,932
164,291,702	138,135,580
-	-
164,291,702	138,135,580
23,117,284	26,254,793
1,998,557	(798,843)
25,115,841	25,455,950
1,486,150	-
(445,869)	4,725,982
1,040,281	4,725,982
26,156,122	30,181,933
125,024,406	101,907,123
(797,072)	(2,795,629)
124,227,334	99,111,494
1,486,150	(2,870,198)
(445,869)	7,596,180
1,040,281	4,725,982
125,267,616	103,837,476
169,750,758	260,765,762
169,750,758	260,765,762
62,095,522	279,293,940
1,271,597,259	903,767,798
350,076,315	542,432,696
194,605,958	175,865,223
158,010,709	108,058,515
-	38,974,200
156,461,864	87,755,605
11,044,769	-
110,487,547	117,315,224
13,330,411	105,328,030
-	21,425,317
-	66,533,790
102,297,577	474,458,295
6,700,610	50,881,538
209,580,855	94,352,718
50,000,000	83,387,388
136,346,037	132,788,507
2,832,635,432	3,282,618,784

25 Trade payables

Trade payable-local
Total

26 Short term loan

Eastern Bank Limited
Al-Arafah Islami Bank Limited
Marcentile Bank Limited
Standard Bank Limited
BRAC Bank Limited
BASIC Bank Limited
Bank Asia Limited
Dhaka Bank Limited
Southeast Bank Limited
Community Bank Limited
NRB Commercial Bank Limited
Jamuna Bank Limited
Premier Bank Limited
Commercial Bank of Ceylon
NCC Bank Limited
Pubali Bank Limited
Social Islami Bank Limited
Total

These loans are taken to finance working capital requirement of the Group. The average tenure of these facilities are normally 12 months with renewal option. The rate of interest/profit against these facilities range from 9% to 14.5%. The Group has hypothecated its current assets as well mortgaged its property, plant and equipment to secure these loans.



		Amount in Taka	
		For the year ended	
		30-Jun-24	30-Jun-23
27	Current portion of long term loan		
	Lanka Bangla Limited	67,285,710	138,156,213
	NCC Bank Limited	115,461,660	191,806,702
	Meghna Bank Ltd	-	225,885,887
	NRBC Bank Limited	9,968,402	34,895,443
	Al Arafah Bank Limited	408,907,023	445,397,083
	BRAC Bank Limited	10,831,261	81,161,230
	Bank Asia Limited	245,445,620	221,503,836
	IDLC Finance Limited	51,026,020	120,440,151
	Premier Bank Limited	58,232,012	206,571,791
	IPDC of Bangladesh Limited	179,979,678	121,501,469
	Mercantile Bank Limited	295,310,960	201,144,723
	Dhaka Bank Ltd.	-	2,839,688
	Community Bank Limited	85,141,947	158,660,118
	Commerce Bank of cylon	12,834,330	8,949,425
	SBAC Bank Limited	21,820,704	76,813,920
	Shimanto Bank Limited	392,708,333	234,115,185
	One Bank Limited	-	77,958,639
	Pubali Bank Limited	227,921,320	672,665,427
	Jamuna Bank Limited	-	73,554,616
	Southest Bank Limited	14,357,714	39,572,812
	Trust Bank Limited	107,824,411	180,456,692
	Social Islami Bank Limited	105,880,303	61,924,623
	Standard Bank Limited	99,876,637	124,601,457
	United Finance Limited	23,729,036	47,346,022
	Total	2,534,543,082	3,747,923,151

28 Related party payable

Runner Properties Ltd.	11,767,167	68,000,000
Runer Lube and energy Ltd.	205,300,000	-
Singularity Ltd.	88,000	-
Runner Bricks Ltd.	17,028,119	-
CG Runner BD Ltd.	50,000,000	-
Total	284,183,287	68,000,000

All these loans are temporary in nature and repayable on demand. The interest/profit has been charged to the financial statements as per agreed term with the parties.

29 Provision for income tax

Opening balance	623,412,577	568,380,809
Provision during the year	177,409,255	182,222,905
	800,821,832	750,603,714
Adjustment during the year	(306,647,293)	(127,191,137)
Total	494,174,539	623,412,577

30 Provision for contribution to WPPF and welfare fund

Opening balance	25,229,786	41,098,648
Contribution during the year @ 5 % (Note : 30.1)	14,051,921	-
Payment during the year	-	(15,868,862)
Total	39,281,707	25,229,786



		Amount in Taka	
		For the year ended	
		30-Jun-24	30-Jun-23
30.1 WPPF			
Workers Profit Participation Fund		11,241,537	-
Workers Welfare Fund		14,020,085	-
Government Welfare Fund		14,020,085	-
Total :		39,281,707	-

The Group has established WPPF in accordance with section 234 of the Bangladesh Labor (Amendment) Act 2013, where 5% of the net profit of each year is required to be transferred to the Fund of which 80% is to be transferred to participation fund, 10% is to be transferred to welfare fund and balance 10% is to be transferred to Government Welfare fund. RAL & RML has formed the Board of Trustee to transfer & distribution the fund in compliance with the required rules and regulation as specified at Trust Deed.

31 Unclaimed dividend account

In compliance with the clause 3 (vii) of the BSEC Directive no: BSEC/CMRRCD/2021-386/03-, dated 14 January 2021, the summary of unclaim dividend is as follows:

FY 2019-20*	-	1,404,245
FY 2020-21	515,945	524,445
FY 2021-22	639,984	425,430
	1,155,930	2,354,120

* According to the aforementioned directive, unclaim dividend for the financial year 2019-20 has been transferred to the Capital Market Stabilization Fund (CMSF) established by the Bangladesh Securities and Exchange Commission.

32 Liabilities for expenses and other provisions

VAT deduction at source	-	6,701,021
Contributory provident fund (Notes: 32.1)	30,310,871	18,872,770
Dividend payable	135,758,610	91,050,597
Provision for warranty & after sales service expenses (Notes: 32.3)	84,492,568	98,923,886
Tax deducted at source	4,695,050	5,373,418
Provision for VAT	14,747,419	296,678,541
VAT payable for timing difference	461,395,140	
Salaries and wages	87,080,097	70,513,221
Provision for office rent	1,367,081	2,060,159
Provision for audit fees	2,596,306	2,194,806
Provision for slow moving inventories	21,970,553	9,268,553
Provision for bad and doubtful debts (Notes: 32.2)	337,109,390	362,449,641
Payable for selling & others expense	47,498,993	31,583,538
Provision for interest of banks loan and FIs	315,022,666	217,095,123
Provision tax consultancy fees	3,374,026	3,241,029
Total	1,547,418,770	1,216,006,303

32.1 Contributory provident fund

Opening balance	18,872,770	9,468,628
Employees' contribution during the year	40,722,143	26,777,399
Employers' contribution during the year	20,922,645	30,760,157
	80,517,558	67,006,184
Payment during the year	(50,206,687)	(48,133,414)
Total	30,310,871	18,872,770



	Amount in Taka	
	For the year ended	
	30-Jun-24	30-Jun-23
32.2 Provision for bad and doubtful debt		
Opening balance	362,449,641	422,564,284
Addition during the year	70,404,802	189,625,857
	432,854,443	612,190,140
Adjustments during the year	(95,745,053)	(249,740,499)
Total	337,109,390	362,449,641

The Group has been maintaining bad debt provision based on historical default rate on outstanding receivable as expected credited loss during the year. Besides the net loss occurred due to resale of seized vehicles and loss from suits (case file) of dealers has been adjusted accordingly.

32.3 Provision for warranty

Opening balance	98,923,886	99,075,472
Provision made for the year	65,738,776	131,995,750
Service charge made	(80,170,094)	(132,147,336)
Closing balance	84,492,568	98,923,886

Warranty provision has been made by reviewing the historical data of service claimed and its cost per unit sold accordingly, the related service cost has been adjusted. The balance indicates has been attributed for the two wheelers that may be available for services claim as on the reporting date.

33 Revenue

Sales (Runner Automobiles PLC)	4,541,254,979	2,586,035,819
Credit business income	555,460,852	1,011,444,545
Sales (Runner Motors Limited)	4,245,353,306	4,074,754,950
Value Added Tax	(978,486,341)	(1,042,607,853)
Total turnover	8,363,582,796	6,629,627,461

Break-up of sales revenue by RAPLC

Description	2023-24	2022-23
Particulars		
80 CC Motor Cycle	88,598,500	195,923,652
100 CC Motor Cycle	34,769,000	72,761,185
110 CC Motor Cycle	132,495,500	298,929,827
125 CC Motor Cycle	110,430,800	234,295,725
150 CC Motor Cycle	76,315,150	139,899,942
165 CC Motor Cycle	42,371,500	160,142,655
Electric	98,502,500	17,776,316
Service & Parts	126,282,029	150,988,183
Credit business income	146,003,436	291,402,654
Three Wheeler	3,831,490,000	1,315,318,333
Total	4,687,258,415	2,877,438,473
Value Added Tax	(299,450,260)	(351,194,291)
Net sale	4,387,808,155	2,526,244,182

Break-up of sales revenue by RML

Revenue from vehicle sale	4,245,353,306	4,074,754,950
Credit business income	409,457,416	720,041,891
VAT	(679,036,081)	(691,413,562)
Net sale	3,975,774,641	4,103,383,279



		Amount in Taka	
		For the year ended	
		30-Jun-24	30-Jun-23
34	Cost of sales		
	Motorcycle and three wheelers	3,009,421,431	1,895,228,947
	Small and large commercial vehicle (Trucks)	2,637,213,165	2,618,709,762
		5,646,634,596	4,513,938,709
Details of costs of sales are shown in respective stand alone accounts.			
35	Administrative expenses		
	Salaries and allowances	177,116,428	193,090,396
	Telephone, mobile and internet	7,569,025	6,352,311
	Board meeting fees	1,215,852	1,091,646
	Stationery & photocopy	5,220,834	5,851,352
	Tours ,traveling & conveyance	14,466,320	29,357,242
	Consultancy, legal & professional fees	5,807,440	9,758,367
	Office expenses-documentation	4,955,067	2,691,351
	Key management salaries and allowances	17,062,500	21,752,747
	Guard & security expenses	6,701,087	6,553,162
	Training & recruitment	285,172	201,551
	Fooding and entertainment expenses	8,661,998	15,664,595
	Repair & maintenance	5,193,998	20,662,054
	Gas, fuel & lubricant	43,006	5,695
	Utility expenses	19,695,207	18,658,915
	Contributed to provident fund	5,076,538	5,285,194
	Gardening expenses	-	5,000
	Audit and professional fees	3,245,675	4,100,750
	Medical expenses	374,485	766,898
	Insurance premium	8,200,655	15,987,234
	Other admin expenses	5,300	5,220
	Depreciation	32,448,793	25,125,084
	Depreciation on ROU	18,489,920	21,681,907
	Amortization	8,767,281	5,259,287
	Listing expense	1,961,427	2,334,247
	Vehicle expense	326,630	-
	Documentation expense	-	5,185,664
	Rent expenses	3,208,500	3,048,075
	Software expense	393,685	4,601,094
	Annual day program & AGM expense	931,266	1,318,112
		357,424,088	426,395,149
36	Selling, distribution and after sales service expenses		
	Salary & allowance	369,451,193	419,751,304
	Bad & doubtful debts	65,270,341	189,625,857
	Telephone, mobile and internet expense	6,504,581	11,983,640
	Project R&D expenses	8,927,135	9,005,646
	Rent rates & taxes	29,305,874	22,195,052
	Commercial vehicle registration & insurance	37,575,473	-
	Demo, road show activities	5,403,204	-
	Vehicle repairs & maintenance	3,701,938	8,751,057
	Tours, traveling & conveyance	68,421,627	139,879,946
	Advertisement & promotional expenses	55,142,205	73,391,874
	CSR activity	11,250,898	14,502,027
	Commission	30,692,881	52,505,331
	Documentation fees	17,640	1,364,670
	Other selling & distribution expenses	22,975,849	60,390,856
	Dealer conference	807,891	3,739,504
	Postage & stamp	1,848,908	1,815,112
	Contributed to provident fund	14,500,303	13,439,188
	Printing, stationery and photocopy	2,955,145	2,406,943
	Fooding & entertainment expenses	6,325,146	6,672,389
	Repair & maintenance	5,772,190	9,330,652
	Service and parts expenses	58,285,417	131,995,750
	IT maintenance	-	236,711
	Staff/guest house rent	13,133,826	15,817,679
	Seize expenses	13,736,206	-
	Provision for slow moving inventories	1,285,124	5,734,281
	Medical expenses	10,708	53,995
	Vehicle transfer expenses	7,719,437	12,585,140
		841,021,140	1,207,174,603



		Amount in Taka	
		For the year ended	
		30-Jun-24	30-Jun-23
37 Financial expenses			
Term loan interest		901,250,376	1,054,317,587
Letter of trust receipts/trust receipts interest		27,420,158	113,492,707
Mudaraba post import interest		21,487,232	53,124,101
Revolving loan /import loan Interest		15,684,174	13,728,127
Bank charges		22,981,116	27,171,197
Interest on lease loan		-	6,637,937
Demand loan interest		16,112,647	18,792,967
Interest on related party loan		15,067,167	-
Interest sustainable bond		282,195,412	-
Overdraft interest		76,273,637	91,604,028
Exchange gain/ (loss) on foreign currency		26,017,559	-
Interest expenses dealy payment of PF		2,616,244	1,759,099
STL interest		173,628,827	35,930,652
Total		1,580,734,547	1,416,558,403

38 Other income			
Interest income from Bank and FI's		158,533,130	108,387,959
Rental income		25,819,260	22,394,384
Interest income from related party		26,487,647	2,570,527
Gain/loss on sale of PPE/market securities		106,776	(1,229,072)
Capital gain /loss on land sale		(16,397,685)	-
Unrealized loss on marketable securities		(1,859,350)	(2,531,288)
Gain on lease		162,296	-
Capital gain		-	1,400,000
Income from tyre sold		1,502,048	-
Income forme sale of fixed assets		-	4,925,494
Income from body fabrication plant		1,589,453	-
Incentive income from VE Commercial Vehicles Ltd. India (VECV)		-	25,000,000
Income from PF employer contribution (lapses and forfeiture account)-RAL		457,364	421,322
Dividend income on marketable securities		490,717	500,405
Income from charges		37,843,699	24,914,910
Expenses of BO account		(258,822)	(256,498)
Total		234,476,533	186,498,142

Related finance cost arises from leases assets and finance income from sub-leased are netted off and net balalnce of Taka 1,62,296 as gain arises from sub- leas are recored in note -38

39 Provision for contribution to WPPF & welfare fund			
Provision from RAPLC		5,395,343	-
Provision from RML		8,656,578	-
		14,051,921	-



Current tax

Runner Automobiles PLC
Runner Motors Limited
Freedom Motors Limited

Head of income

Business income –RAL 2W
Business income-RAL 3W
Rental income
Dividend income
Capital Gain
Other

Total taxable income & income tax- RAL

Total taxable income & income tax- RML
Total taxable income & income tax-FML

Total income tax expenses

Deferred tax expense
Prior year tax expenses
Prior year tax benefit

Current income tax expenses

Amount in Taka		For the year ended	
		30-Jun-24	30-Jun-23
		51,539,713	37,826,705
		120,708,756	103,061,982
		652,604	619,831
		172,901,073	141,508,518
	Tax Rate	Tax	Tax
	10.0%	-	-
	10.0%	-	5,107,985
	20.0%	4,066,533	3,135,214
	20.0%	22,298,143	11,200,081
	15.0%	16,016	210,000
	20.0%	25,159,020	18,173,425
		51,539,713	37,826,705
	27.5%	120,708,756	103,061,982
	27.5%	652,604	619,831
		172,901,073	141,508,518
		26,156,124	30,645,858
		4,088,940	41,763,014
		-	(1,048,627)
		203,146,138	212,868,763

As per Income Tax Act, 2023 company enjoy 30% deductions as allowable expenditure for repair and maintenance expense on rental income.

For RML applicable tax rate or minimum tax under 163 of Income Tax Act, 2023 whichever is higher has been considered.

Basic Earning Per Share**Net profit for the period attributable to**

Equityholders of the parent entity
Non-controlling interest

Earning attributable to equityholders of the parent entity
Weighted average number of shares of parent shareholders

Earning Per Share (EPS) attributable for parent shareholders

(44,953,099)	(960,810,025)
(61,330,111)	(879,895,464)
16,377,011	(80,914,562)
(61,330,111)	(879,895,464)
113,539,933	113,539,933
(0.54)	(7.75)

Diluted earnings per share

No diluted earnings per share is required to be calculated for the year as there was no scope for dilution in the amount reported above.

The calculation of the basic earnings per share is made in accordance with IAS 33: Earnings Per Share, dividing the profit for the year by weighted average number of the shares issued. Basic Earnings represents earnings for the year attributable to the ordinary shareholders. As there is non-controlling interest, the net profit / (loss) after tax of parents portion for the year has been considered attributable to the ordinary shareholders of parents.

Bangladesh economy have been suffering forex losses on translation/ retranslation of foreign currency monetary liabilities in Bangladeshi taka and faced higher inflationary impact than past. All these issues desperately impact on increasing company's finance cost. The overall Earnings Per Share (EPS) for the current year is (0.54) which was (7.75) in the previous year. There is a positive impact in the EPS during the reporting period due to boosting up sales specially in the three wheeler segment.

The overall sale revenue has been increased 26% compare to last year. Net profit after taxes is (4.45) crore that was (96.00 crore) in last year. This improvements indicate effective management of operational and other factors contributing to enhance profitability.



		Amount in Taka	
		For the year ended	
		30-Jun-24	30-Jun-23
42	Net Asset Value (NAV) Per Share as on reporting date		
	Equity attributable to the parent entity's shareholders	7,549,772,036	7,110,297,755
	Outstanding number of shares of parent shareholders at reporting date	113,539,933	113,539,933
		66.49	62.62
43	Net Operating Cash Flows Per Share (NOCF)		
	Net Operating Cash Flow	2,463,517,512	4,350,442,814
	Weighted average number of shares of Parent shareholders	113,539,933	113,539,933
	Net Operating Cash Flows Per Share *	21.70	38.32

*There has been significant deviation noticed in the Net operating cash flows per share (NOCF) owing to reduction of credit business income, additional margin requirement for impotrs and increases of suppliers' payments for the year as compared with last year.

44 Related party transactions

During the year, the RAL carried out a number of transactions with related parties in the normal course of business and on arms length basis. The name of these related parties, nature of transactions, their total value and balances on reporting date have been set in accordance with the provisions of IAS-24.

Name of Parties	Relationship	Nature of Transactions	2023 - 2024	2022 - 2023
Runner Motors Ltd.	Subsidiary	Short term loan	534,055,035	526,723,984
	Subsidiary	Rental Income	6,138,000	2,232,000
Freedom Motors Ltd	Subsidiary	Short term loan	4,013,331	4,163,099
Bondstein Technologies Ltd.	Subsidiary	Rental Income	990,000	1,494,240
Singularity Bd Ltd.	Subsidiary	Rental Income	990,000	-
Runner Properties Ltd.	Inter Company	Rental Income	5,755,500	2,047,725
		Short term loan	11,767,167	68,000,000
Varendra University	Inter Company	Rental Income	564,000	240,000
Runner Trade Park Ltd.	Inter Company	Business transaction & group exp.	23,852,723	22,796,949
		Rental Income	81,000	-
Runner Lube & Energy Ltd.	Inter Company	Rental Income	617,100	266,475
		Short term loan	211,300,000	-
Deen Impex	Accounts Receivable	Revenue Income	-	4,908,069
Venus Autos	Accounts Receivable	Revenue Income	(4,280,377)	586,263
Islam & Company	Accounts Receivable	Revenue Income	379,400	6,000,000

Runner Automobiles PLC. as a holding Company, has provided corporate guarantee to its subsidiary Runner Motors Ltd. (RML), amounting Taka 12,980,000,000. The subsidiary Company (RML) has availed loan facilities through this corporate guarantee, but not received any direct financial benefits. As per Bangladesh Securities and Exchange Commission notification No. SEC/CMMRRCD/2006-159/Admin/02-10 dated 2 September 2006, no issuer company listed with the stock exchanges shall make any loan or give any guarantee or provide any security in connection with a loan made by a third party to certain types of entities. However, nothing in this order shall apply for making of a loan or giving of any guarantee or providing any security by the said company if such company, as a holding Company makes the loan or gives the guarantee or provide the security to its subsidiary, but in no case the total amount of the loan shall exceed 50% of the paid up value of the shares held by such director in his own name. Since the Company has provided this corporate guarantee to its subsidiary Runner Motors Limited (RML) as holding company, and not any loan the Company consider that the restriction of 50% of paid-up value of shares referred in the notification is not applicable for corporate guarantee. On similar matter an information request has been received from Dhaka Stock Exchange which is duly complied with. On the otherhand subsidiary Company RML also provide corporate guarantee against the total limit of RAPLC.

45 Events after reporting date

- 45.1 Runner Motors Limited valued land as on 30 June 2024 by Hoda Vasi Chowdhury & Co. and received the valuation report on 22 October 2024 considering the facts and materiality of the valuation effects, we took it as an adjusting event after the reporting period and subsequently the financial effects has been considered in the financial statments for the year ended 30 June 2024. The related disclosure is mentioned in note no.-18 there is no other issues regarding events after reporting date.



46 Key management personnel compensation	Amount in Taka	
	For the year ended	
	30-Jun-24	30-Jun-23
Remuneration	17,062,500	21,752,747

Key management personnel compensation includes benefits for employees of the rank of directors and above represents short term employee benefits.

46.1 Disclosure as per requirements of Schedule XI, Part-II., Para-3 of the Companies Act. 1994

Requirements under condition no.	Compliance status of Disclosure Schedule XI, Part II, Para 3
3(i)(a) The turnover	Complied
3(i)(b) Commission paid to selling agents	Not Applicable
3(i)(c) Brokerage and discount of sales, other than the usual trade discount	Not Applicable
3(i)(d)(i) The value of the raw materials consumed, giving item-wise as possible	Complied
3(i)(d)(ii) The opening and closing stocks of goods produced	Complied
3(i)(e) In the case of trading companies, the purchase made and the opening and closing stocks	Not Applicable
3(i)(f) In the case of companies rendering or supplying services, the gross income derived from services rendered or supplied	Not Applicable
3(i)(g) Opening and closing stocks, purchases, sales and consumption of raw materials with value and quantity breakup for the Group which falls under one or more categories i.e. manufacturing and/or trading	Complied
3(i)(h) In the case of other companies, the gross income derived under different heads	Not Applicable
3(i)(i) Work-in-progress, which have been completed at the commencement and at the end of the accounting period	Complied
3(i)(j) Provision for depreciation, renewals or diminution in value of fixed assets	Complied
3(i)(k) Interest on the debenture paid or payable to the Managing Director, Managing Agent and the Manager	Not Applicable
3(i)(l) Charge for income tax and other taxation on profits	Complied
3(i)(m) Reserved for repayment of share capital and repayment of loans	Not Applicable
3(i)(n)(i) Amount set aside or proposed to be set aside, to reserves, but not including provisions made to meet any specific liability, contingency or commitment, know to exist at the date as at which the balance sheet is made up.	Not Applicable
3(i)(n)(ii) Amount withdrawn from above mentioned reserve	Not Applicable
3(i)(o)(i) Amount set aside to provisions made for meeting specific liabilities, contingencies of commitments.	Not Applicable
3(i)(o)(ii) Amount withdrawn from above mentioned provisions, as no longer required.	Not Applicable
3(i)(p) Expenditure incurred on each of the following items, separately for each item: (i) Consumption of stores and spare parts (ii) Power and Fuel (iii) Rent (iv) Repairs of Buildings (v) Repairs of Machinery (vi) 1) Salaries, wages and bonus (2) Contribution to provident and other funds (3) Workmen and staff welfare expenses to the extent not adjusted from any previous provision or reserve.	Complied

46.2 Disclosure as per requirement of schedule XI, Part - I (A. Horizontal Form) of Companies Act. 1994

Accounts receivable (Ref: Note 7 &9)

F. In regard to sundry debtors the following particulars' shall be given separately:-

I. Debt considered good for which the Group hold no security other than the debtors personal security

Only the security cheques were received against debt considering goods.

II. Debt considered doubtful or bad

The Group has made required provision for doubtful debts as on 30 June 2024

III. Debt due by directors or other officers of the Group

IV. Debt due by common management

Refer to related party disclosed.

V. The maximum amount due by directors or other officers of the Group

There are no such debt in this respect as on 30 June 2024

47 Proposed dividend

11% cash dividend for the general share holders and 1% cash dividend for sponsors and or directors has been recommended by the Board of Directors in the meeting held on 24 October 2024 and related tax will be deducted as per Income Tax Act, 2023 on the proposed dividend.



		Amount in Taka	
		For the year ended	
		30-Jun-24	30-Jun-23
48 Commitments and contingencies			
48.1 Bank guarantees			
Runner Automobiles PLC	9,486,081	11,104,117	
Runner Motors Limited	935,249	2,527,138	
	10,421,330	13,631,255	
Runner Automobiles PLC			
Mymensingh Palli Bidduth Samity	7,018,079	7,018,079	
Dhaka Power Distribution Co Ltd.	408,000	408,000	
Upazilla Governance and Development Project	-	2,165,000	
The Director Stores & Supplies Central Medical Store	-	254,186	
Executive Director 2 (1/C))Procurement of vehicle Gazipur	60,000	60,000	
The Joint Director, Procurement & Store Section, Bangladesh Agriculture Research Institute,	85,000	85,000	
Project Director(DDIPy), South city corporation Dhaka	345,002	345,002	
Project Director, Economic Acceleration and Resilience for NEET (EARN) Project	1,500,000	-	
The Project Director , BRDB	-	412,500	
Teesta River Bridge *	25,000	25,000	
The DG, BARI,joydebpur, gazipur	25,000	25,000	
The Planning Officer Khulna Development, Authority	20,000	20,000	
Director General Bangladesh Ansar & VDP	-	286,350	
	9,486,081	11,104,117	
Runner Motors Limited			
Bangladesh Krishi Bank	-	500,138	
Rajshahi Krishi Unnayan Bank	-	505,000	
Cantonment Executive Officer, Dhaka Cantonment	-	245,000	
Cantonment Executive Officer, Jahanabad Cantonment, Khulna	-	275,000	
Pragoti Industries Ltd.	79,500	-	
Smallholder Agricultural Comp Project (SACP)	55,749	-	
Crystal Insurance Company Limited	200,000	200,000	
Department of Public Health Engineering	400,000	400,000	
Meghna Insurance Co. Ltd.	200,000	200,000	
Mongla Cement Factory (Sena Kalyan Sangstha)	-	69,000	
Security Deposit for 40 acres land lease (Mirashorai, Shitakunda, Chattagram)	-	2,000	
South Asia Insurance Company Ltd.	-	200,000	
	935,249	2,596,138	

The above margin and deposits have been included in advance, deposits and pre-payments.

- 48.2 Except 62 showrooms and service center, other operation of the Company are on its own premises. The average remaining rent term for showrooms are less than five years. The rent obligation per year is approximately Tk.4,95,14,823.
- 48.3 Runner Automobiles PLC has provided bank gurantee in favor of payment of coupon interest to the bond holder from Pubali Bank PLC. As on 30 June, 2024 the contingent liability as Guarrantee for coupon amounts is tk.42,44,79,729.

49 Financial Instruments- financial risk management

The Board of Directors of Runner Automobiles PLC manages its financial risk on Group basis.

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

49.1 Risk management framework

The management has overall responsibility for the establishment of the Group's risk management framework with oversight by the Board of Directors. The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group has exposure to the following risks from its use of Financial Instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk



Amount in Taka	
For the year ended	
30-Jun-24	30-Jun-23

49.1.1 Credit risk

Credit risk is risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations which arises principally from the Group's receivables and investments.

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

Investment in quoted shares and debts securities	32,507,691	35,187,867
Investment in FDRs (Short term & long term)	1,816,293,905	2,166,443,593
Advances, deposits and prepayments	727,548,083	311,070,849
Trade and other receivables	7,578,188,236	9,160,827,200
Due from related parties	606,988,028	47,350,085
Cash and cash equivalents	587,844,168	165,953,372
	11,349,370,112	11,886,832,966

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry in which customers operate. Based on the Group's operations there is no concentration of credit risk.

The Group's management has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group review includes clients goodwill and in some cases bank references. Customers that fails to meet the Group's standard credit policy may transact with the company only on a pre-payment basis.

Cash at banks are maintained with both local branch of International banks and domestic schedules banks having acceptable credit rating.

49.1.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Exposure to liquidity risk

The following are the contractual maturities of financial liabilities:

Non-derivative financial liabilities	Contractual cash flows & amounts in Taka				
	Carring amount as on 30 June 2024	Within 12 months	1 to 5 years	More than 5 years	Carring amount as on 30 June 2023
	Taka	Taka	Taka	Taka	Taka
Long term loan net off current portion	4,472,868,617	-	4,472,868,617	-	5,916,285,276
Sustainability bond	2,675,000,000	-	-	2,675,000,000	-
Trade payables	169,750,758	169,750,758	-	-	260,765,762
Short term loan from banks	2,832,635,432	2,832,635,432	-	-	3,282,618,784
Current portion of long term loan	2,534,543,082	2,534,543,082	-	-	3,747,923,151
Current portion of finance lease	12,501,103	12,501,103	-	-	17,015,747
Non-Current portion of finance lease	41,005,251	-	41,005,251	-	54,149,179
Provision for income tax	494,174,539	494,174,539	-	-	623,412,577
Provision for WPPF and welfare fund	39,281,707	39,281,707	-	-	25,229,786
Liabilities for expenses	1,547,418,770	1,547,418,770	-	-	1,216,006,303
Total	14,819,179,258	7,630,305,390	4,513,873,868	2,675,000,000	15,143,406,565

As at 30 June 2024, all current liabilities were expected to be paid within 12 months and all non current liabilities except deferred tax were expected to be paid within 1 to 5 years.

49.1.3 Market risk

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



Amount in Taka	
For the year ended	
30-Jun-24	30-Jun-23

49.2 Currency risk

The Group is exposed to currency risk on purchases of raw materials that are denominated in a currency other than the functional currency. To manage this exposure normally the Group take assistance from relevant banks and if the exchange rate is expected to be volatile it attempts to upfront agree the exchange rate of retiring LCs at the time of settlement date. At balance sheet date there were no major financial instruments having material outstanding foreign exchange risk.

49.3 Interest risk

Interest rate risk arises from movement in interest rates both on deposits with banks as well as loans and borrowings. The Group is not significantly exposed to fluctuation in interest rates as most of deposit and borrowings are on interest rate and the Group has no derivative financial instruments.

49.4 Other market price risk

The Group is exposed to equity price risk, which arises from available for sale equity investments. Management regularly monitors its investment portfolio based on market indices and all buy and sell decisions are subsequently ratified by the Directors.

50 Production capacity (RAPLC)

Production capacity is an essential matrix for the production planning and it indicates the maximum output of a production facilities which measured in finished products over a period of time. For the financial year 2023-24 the production units of two wheelers amnd three wheelers are mentioned in under

2w

Installed capacity (in unit yearly)

Production (in unit yearly)

Capacity utilized (%)

100,000	100,000
3,880	8,477
4%	8%

3w

Installed capacity (total machine capacity production)

Production (In Unit yearly)

Capacity utilized (%)

450,000	450,000
7,841	2,602
2%	0%

51 Employees (RAPLC)

Number of employees whose monthly salary was below Tk. 3,000

Number of employees whose monthly salary was above Tk. 3,000

-	-
1,110	1,230
1,110	1,230

Employees (RML)

Number of employees whose monthly salary was below Tk. 3,000

Number of employees whose monthly salary was above Tk. 3,000

-	-
540	733
540	733

52 Reconciliation of net income with cash flows from operating activities

In accordance with Bangladesh Securities and Exchange Commission Notification No: BSEC/CMRRCD/2006-158/206/Admin/81 dated on 20 June, 2018 the reconciliation of net income or net profit with cash flows from operation activities making adjustments for non-cash items, for non-operating items and for the net changed in operating accruals has been required and calculated as under:

Cash Flow from operating activities:

Net profit for the year

WPPF & tax charged for the year

Finance cost for the year

Depreciation expense

Non-operating income

(Increase)/decrease of trade receivables

(Increase)/decrease of inventories

(Increase)/decrease of advances, deposits & prepayments (except advance for capex)

Increase/(decrease) of trade payable

Increase/(decrease) of liabilities for expenses (operating)

Cash generated from operations

Tax paid during the year

WPPF paid during the year

Foreign exchange gain/ (loss)

Cash from operational activities

66,046,901	(905,310,024)
217,198,058	207,678,855
1,611,615,379	1,416,558,403
188,113,383	134,665,595
(376,357,366)	(241,998,143)
1,577,356,406	2,581,794,692
(191,656,199)	571,674,780
(385,408,401)	537,501,984
(120,876,358)	(101,879,864)
194,104,469	282,367,408
2,780,136,272	4,483,053,686
(290,601,201)	(116,742,011)
-	(15,868,862)
(26,017,559)	-
2,463,517,512	4,350,442,814



53 Attendance status of Board meeting of Directors (RAPLC)

During the period from 01.07.2023 to 30.06.2024 there were 7 (seven) Board meeting were held. The attendance status of all the meetings are as follows:

Name of Directors	Position	Meeting Held	Attended
Mr. Hafizur Rahman Khan	Chairman	7	7
Mr. Md. Mozammel Hossain	Vice Chairman	7	7
Mr. Subir Kumar Chowdhury	Managing Director and CEO	7	7
Mr. Md. Jahurul Alam	Director	7	6
Mr. Taslim Uddin Ahmed	Director	7	4
Mr. Mohammad Ali Deen	Director	7	6
Mr. Muallem A Choudhury FCA	Nominee Director	7	7
Mr. Amid Sakif Khan	Nominee Director	7	2
Prof. Maksudur Rahman Sarker FCMA	Independent Director	7	5
Dr Muhammad Abdul Mazid	Independent Director	7	6

For Board Meeting, attendance fees were paid to the Directors of the Company @ BDT 10,000 for the directors (SI no. 4, 5 & 6), BDT 15,000 for Prof. Maksudur Rahman Sarkar FCMA and BDT 25,000 for Dr. Muhammad Abdul Mazid per meeting respectively. The company has duly paid related VAT on the remuneration amount.

53.1 Attendance Status of Board meeting of Directors (RML)

During the period from July 2023 to June 2024 there were five (5) Board Meetings were held. The attendance status of all the meetings is as follows:

Name of Directors	Position	Meeting Held	Attended
Mr. Hafizur Rahman Khan	Chairman	5	5
Mr. Md. Mozammel Hossain	Vice Chairman	5	5
Mr. Mohammad Ali Deen	Director	5	5
Mr. Md. Jahurul Alam	Director	5	5
Mr. Alhaj Imtiaz	Director	5	4
Mr. Tofail Ahmed Chowdhary	Director	5	3
Dr Muhammad Abdul Mazid	Independent Director	5	5

For board meeting attendance fees were paid to the directors (sl. No. 3 to 7) of the Company @ Tk. 10,000 per meeting. The company has duly paid related VAT on the remuneration amount.



Compliance status of International Financial Reporting Standards (IFRSs)

Bangladesh Financial Reporting Standards (BFRS) has been replaced by the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) vide letter no 1/1/ICAB-2017 dated 14 December 2017. The compliance status of these IFRS is as follows:

Sl no.	Title of Standard	IAS no.	Status
1	Presentation of Financial Statements	1	Applicable
2	Inventories	2	Applicable
3	Statement of Cash Flows	7	Applicable
4	Accounting Policies, Changes in Accounting Estimates and Errors	8	Applicable
5	Events after the Reporting Period	10	Applicable
6	Income Taxes	12	Applicable
7	Property, Plant and Equipment	16	Applicable
9	Employee Benefits	19	Applicable
10	Accounting for Government Grants and Disclosure of Government Assistance	20	Not Applicable
11	The Effects of Changes in Foreign Exchange Rates	21	Applicable
12	Borrowing Costs	23	Applicable
13	Related Party Disclosures	24	Applicable
14	Accounting and Reporting by Retirement Benefit Plans	26	Applicable
15	Separate Financial Statements	27	Applicable
16	Investment in Associates and Joint Ventures	28	Applicable
17	Earnings Per Share	33	Applicable
18	Interim Financial Reporting	34	Applicable
19	Impairment of Assets	36	Applicable
20	Provisions, Contingent Liabilities and Contingent Assets	37	Applicable
21	Intangible Assets	38	Applicable
22	Investment Property	40	Applicable
23	Agriculture	41	Not Applicable

Sl No.	Title of Standard	IFRS No.	Status
1	First-time Adoption of International Financial Reporting Standards	1	Not Applicable
2	Share Based payment	2	Not Applicable
3	Business Combinations	3	Not Applicable
4	Insurance Contracts	4	Not Applicable
5	Non-Current Assets Held for sale and Discontinued Operations	5	Not Applicable
6	Exploration for and Evaluation of Mineral Resources	6	Not Applicable
7	Financial Instruments: Disclosure	7	Applicable
8	Operating Segments	8	Applicable
9	Financial Instruments	9	Applicable
10	Consolidated Financial Statements	10	Applicable
11	Fair Value Measurement	13	Applicable
12	Revenue from Contracts with Customers	15	Applicable
13	Lease	16	Applicable



Runner Automobiles PLC
Schedule of Property, plant & Equipment
As at 30 June 2024

Sl No	Particulars	C				O S			D E P R E C I A T I O N				Annexure Amount in Taka	
		Opening balance	Addition during the year	Revaluation during the year	Sales/ adjustment	Closing balance	Opening balance	Addition during the year	Sales/ adjustment	Closing balance	Written Down Value as at 30.06.24	Written Down Value as at 30.06.23		
Property, plant & Equipment (PPE)														
1	Land & land development *	4,080,154,309	50,478,745	882,928,475	-	5,013,561,529	-	-	-	5,013,561,529	4,080,154,309			
2	Building & other construction	3,074,770,824	479,322,828	-	-	3,554,093,652	363,809,699	84,240,346	-	448,050,045	3,106,043,607	2,710,961,102		
3	Plant & machineries	1,992,187,620	620,000	-	-	1,992,807,620	376,887,601	45,196,860	-	422,084,461	1,570,723,160	1,615,300,021		
4	Furniture & fixture	138,720,834	3,556,825	-	5,083,363	137,194,296	60,792,255	7,597,246	1,760,750	66,628,751	70,565,545	77,928,580		
5	Office equipment	93,260,942	4,459,324	-	384,900	97,335,366	45,832,950	7,039,087	186,956	52,685,081	44,650,284	47,427,991		
6	Motor vehicle	222,471,322	1,166,099	-	1,199,391	222,438,031	150,879,682	13,259,491	1,088,857	163,050,316	59,387,715	71,591,640		
7	Computer & accessories	53,656,630	1,074,705	-	-	54,731,335	22,509,731	2,761,528	-	25,271,261	29,460,075	31,146,901		
Total PPE		9,655,222,485	540,678,526	882,928,475	6,667,654	11,072,161,829	1,020,711,942	160,094,558	3,036,563	1,177,769,938	9,894,391,894	8,634,510,543		
Right of use assets														
1	Showroom space	106,640,348	-	16,334,692	59,727,077	63,247,963	41,181,789	18,489,920	26,471,522	33,200,187	30,047,777	65,458,559		
Intangible assets (IA)														
1	Local software	5,319,257	2,590,500	-	-	7,909,757	1,896,307	796,822	-	2,693,129	5,216,628	3,422,950		
2	Foreign software	94,510,548	-	-	25,254,426	69,256,122	34,926,341	8,732,083	10,952,481	32,705,943	36,550,179	59,584,208		
Total IA		99,829,805	2,590,500	-	25,254,426	77,165,879	36,822,648	9,528,905	10,952,481	35,399,072	41,766,808	63,007,158		
Grand total		9,861,692,638	543,269,026	899,263,167	91,649,157	11,212,575,672	1,098,716,378	188,113,383	40,460,566	1,246,369,196	9,966,206,479	8,762,976,260		

* The Group has mortgaged some of the above assets with various banks and financial institutions to secure its loans and borrowings.

** The Group has revaluated its property, plant and equipments on 2011, 2014, 2023 & 2024.

Depreciation & amortization allocation

Accounts head	2023-24	2022-23
Factory overhead	128,407,389	82,599,317
Administrative expenses	59,705,993	52,066,278
Total	188,113,383	134,665,595





INDEPENDENT AUDITOR'S REPORT

Audited Financial Statements of
Runner Automobiles PLC

As at and for the year ended 30 June 2024

it - net

ENT ASSENTS

TY

200,105	1,355,900
1,452,600	30,800
25,305	20,000
20,620	1,500
1,698,625	2,000
2,770,836	2,000

32,800
11,700

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF **RUNNER AUTOMOBILES PLC** Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Runner Automobiles PLC ("the Company") which comprise the statement of financial position as at 30 June 2024, and the statement of profit and 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, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 June 2024 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and Bangladesh Securities and Exchange Commission (BSEC) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye-laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 the 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.

Key audit matters	How our audit addressed the key audit matters
1. Revenue recognition from contract with customer	
See note no. 32 to the financial statements	
The Company has reported revenue of BDT 4,387.81 million which comprises of cash sales, credit sales, credit business income, spare parts sales & services revenue. Revenue is recognized when the entity satisfies a performance obligation by transferring a promised good to a customer. Revenue is measured at net of trade discounts, markdown adjustment, returns and allowances. It is a matter of concern that revenue may be misstated due to recognition of sales transaction before performance obligation being satisfied.	Our audit procedures in relation to the revenue recognition comprises the followings: - We read and assessed the company's revenue recognition policy and its compliance in terms of IFRS-15 "Revenue from contract with customer"; - We have evaluated and tested the operative effectiveness of the design and execution of internal controls over the revenue recognition processes focusing on the followings: - whether proper segregation of duties put in place;

Key audit matters	How our audit addressed the key audit matters
Some portion of revenue is generated from credit sales and a credit business income is generated from those sales. With the passes of time a portion of unrealized interest from credit business is recognized in net sales revenue on the basis of amortization schedule prepared at the time of sales. For the aforementioned reasons, we determined that revenue is specifically important in the audit of the financial statements and therefore is one of our key audit matters.	- controls over the authorization of discount and preparation of invoices. • Performed detailed test on sales transactions using the sampling technique which comprises: - tracing the sales transactions to sales invoices, sales order and other related documents; - examining proper credit approval by the assigned personnel; - comparing prices and terms on invoices to the price list; - send direct confirmation to customers in sample basis to confirm the accuracy of invoices; - checking invoice raised at the year end and delivery of goods with acknowledgement of customer to ensure that cut off principle has been properly applied; - assessing manual journals made to revenue to identify unusual or irregular items. • Assessed the appropriateness of presentation and disclosures against relevant accounting standards.

2. Valuation of inventory

See note no. 9 to the financial statements

At year end, the Company reported inventory of BDT 1,343.33 million, approximately 9% of total assets, including goods held in ports, central warehouse, showrooms and factories. Inventories are carried at lower of cost and net realizable value.

The Company provides provision for obsolescence or slow-moving based on age analysis of inventories. This methodology relies upon assumptions made in determining appropriate provisioning amount to inventory balances.

Moreover, the volatility in USD market makes the cost allocation more complex. Therefore, it has been considered as key area of auditor's judgment.

We verified the valuation of inventory and justified the various underlying management assumptions by performing the followings:

- Evaluated the design and implementation of key inventory controls over inventory valuation processes;
- Attended in the year-end inventory counting and reconciled with inventory schedule;
- Performed detailed test on inventory valuation which comprises:
 - reviewing the Company's policy for valuing inventory, identifying slow moving & obsolete inventory and allocation of cost for each stage of production;
 - reviewed the documentation related to inventory, such as letter of credit for foreign purchase, purchase orders, receiving reports, and sales invoices, to ensure that the inventory is properly valued.
 - inquired about the inventory valuation methods used by the Company, such as FIFO or weighted average method, and evaluate whether these methods are appropriate and consistently applied.
- We have performed analytical procedures to assess the reasonableness of the inventory valuation by comparing the inventory turnover ratio and gross profit margin with industry benchmarks and prior year results.
- We have reviewed subsequent events, such as sales returns, obsolete inventory, or changes in market conditions, to determine if they have an impact on the inventory valuation.

Overall, we have exercised our professional judgment and skepticism throughout the audit process.



Key audit matters	How our audit addressed the key audit matters
3. Provision for warranties	
See note no. 31.2 to the financial statements	
The Company has reported a provision for product warranties of BDT 62.78 million in the financial position to allow for expenses related to after-sales services of products sold. Liabilities related to provision for warranties are recorded based on estimates of comprehensive or individual repair costs for products which may arise in the future.	In auditing the provision for warranties, we performed the following audit procedures: Assessed the operating effectiveness of internal controls over liabilities related to provision for warranties, including the internal controls related to the determination of significant assumptions and underlying data used in estimating the projected number of units to be repaired as well as the projected repair cost per unit.
Individual repair costs for products which may arise in the future is estimated based on historical repair costs, projected number of vehicles to be repaired and estimated repair cost per vehicle, which are reviewed periodically and modified as necessary. Since this estimate of repair costs involves significant judgment by management, a high degree of auditor's judgment is required in evaluating the estimate. Consequently, we have considered provision for warranties to be a key audit matter.	- Examined that the data used to determine the projected number of units to be repaired and the projected repair cost per unit is supported by evidences and its consistency with historical repair data. - Examined the completeness of the individual estimates of provision for warranties through reviewing the consistency with minutes of meetings and approval documents related to repair costs as well as information on recalls and defects published by competent authorities.
4. Assessment of the appropriateness of the allowance for doubtful debt	
See note no. 31.4 to the financial statements	
Trade receivables comprises 20.29% of total assets in the statement of financial position. The appropriateness of the allowance for doubtful debt is subjective due to the high degree of judgment applied by management in determining the impairment provision. Due to the economic downturn conditions currently all over the world, it continues to put pressure on customers' ability to repay their outstanding account balances. Management of the Company is continuously reviewing and assessing the need for keeping incremental amount in bad and doubtful debts. Based on assessment, management has made necessary provision for bad and doubtful debts to impair company's trade receivables. Due to the significance of trade receivables and the related estimation uncertainty this is considered a key audit matter.	Our audit procedures included the following: - Evaluation of design and implementation of key control of reviewing, assessing and determining the impairment of receivables and testing the operating effectiveness of such controls. - Evaluation of appropriateness of expected credit loss model used by management to determine provision with reference to historical credit loss experience and forward-looking information. - Recalculation of provision of doubtful debt. - Test of invoices/agreements on sample basis to ensure the completeness and accuracy of receivables and their ageing and - Analyzed and assessed the adequacy of provision by comparing the prior year's provision to the actual current year write-downs.
5. Measurement of deferred tax assets/liabilities	
See note no. 23 to the financial statements	
The Company reported net deferred tax liability totaling BDT 281.512 million as at 30 June 2024 and a deferred tax expense of BDT 25.116 million for the year then ended. Significant judgement is required in relation to calculation of deferred tax asset/liability as its realisation is based on a number of factors including future profitability of the Company over a number of years.	Our audit procedures in relation the assessment of deferred tax assets/liabilities included the followings: We have obtained an understanding, evaluated the design, and tested the operational effectiveness of the Company's key controls over the recognition and measurement of deferred tax assets and liability and the assumptions used in estimating the Company's future taxable income/expense;

Key audit matters	How our audit addressed the key audit matters
	- We have verified items if temporary timing differences by scrutinizing the previous years' income tax returns and financial statements with implication of deferred tax income/expenses in light of Income Tax Laws; - We have assessed the completeness and accuracy of the data used for the estimates of future taxable income; - We have assessed the appropriateness of the presentation of disclosures in accordance with IAS 12 Income Tax.
6. IT Systems and Controls	
Our audit procedures focus on information technology systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily, and the reliance on automated and IT dependent manual controls.	We performed the following audit procedures with regard to the IT system and controls over the financial reporting: - We performed risk assessment of critical business applications including Enterprise Resource Planning, and sales systems. - We considered the control environment of various interfaces, configurations, and other application layer controls identified as key to our audit. - We performed IT general controls to test the design and operating effectiveness of critical business applications.
Our areas of audit focus included user access management, developer access to the production environment, and changes to the IT environment. These are key to ensuring IT-dependent and application-based controls are operating effectively.	- We tested IT general controls in the areas of management of IT, information security, application to program and data, program change, program development, and computer operation. - We tested automated and IT-dependent application control processed in critical business applications. - We tested the confidentiality, integrity and availability of financial data processed through critical applications. - We tested the underlying infrastructure (database and operating system) of critical applications.

Other Information

Management is responsible for the other information. The other information comprises all of the information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 2020 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



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 intended to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgement 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 omission, 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 the accounting policies used and the reasonableness of accounting estimates and related disclosure 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 disclosure in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is 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 Company's financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994 and the Securities and Exchange Rules, 2020 and relevant notification issued by Bangladesh Securities and Exchange Commission, we also report the following:

- i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- ii. In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of these books;
- iii. The statements of financial position and statement of profit or loss and other comprehensive income dealt with by the report agreement with the books of accounts and returns, and
- iv. The expenditure incurred was for the purposes of the Company's business.

A. Qasem & Co.
Chartered Accountants
FRC Enlistment No.: CAF-001-129



Ziaur Rahman Zia FCA
Partner
Enrolment Number: 1259

DVC: **2410301259AS575358**

Dhaka, 24 October 2024



Runner Automobiles PLC
Separate Statement of Financial Position
As at 30 June 2024

	Notes	Amount in Taka	
		30-Jun-24	30-Jun-23
Assets			
Non-current assets			
Property, plant and equipment	3	7,305,144,401	6,917,406,587
Intangible assets	4	41,587,808	47,764,589
Capital work in progress	5	12,954,863	225,759,544
Right of use assets	6	30,047,776	65,458,559
Net investment in sub lease	7	25,956,799	-
Trade receivables	10	967,312,950	1,051,605,289
Investment in subsidiaries	8	145,604,000	145,604,000
Investment in marketable securities	11	32,507,691	35,187,867
		8,561,116,288	8,488,786,435
Current assets			
Inventories	9	1,343,329,980	960,275,402
Trade receivables	10	1,941,109,387	2,110,938,834
Short term investments	11	615,794,371	549,065,508
Advances, deposits and prepayments	12	1,055,838,237	647,265,410
Related party receivables	13	168,903,100	22,796,949
Other receivables	14	246,863,182	178,287,383
Cash and cash equivalents	15	400,776,173	54,878,988
		5,772,614,430	4,523,508,474
Total assets		14,333,730,718	13,012,294,909
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital	16	1,135,399,325	1,135,399,325
Share premium	17	2,030,529,205	2,030,529,205
Revaluation surplus	18	1,787,180,797	1,788,392,406
Retained earnings	19	165,310,785	142,197,532
		5,118,420,112	5,096,518,468
Non-current liabilities			
Long term loan net off current portion	20	2,178,179,177	2,484,638,639
Sustainability bond	21	2,675,000,000	-
Long term lease liabilities	22	41,005,251	54,149,179
Deferred tax liabilities	23	281,511,738	256,530,520
		5,175,696,166	2,795,318,338
Current liabilities			
Trade and other payables	24	35,484,147	110,137,505
Short term loan from banks	25	1,116,308,262	1,904,959,810
Current portion of long term loan	26	1,387,198,362	1,938,642,422
Related party payables	27	805,135,533	598,887,083
Provision for income tax	28	113,261,905	126,514,765
Provision for WPPF and welfare fund	29	5,395,343	-
Current portion of lease liabilities	22	12,501,103	17,015,746
Unclaimed dividend account	30	1,155,929	2,354,120
Liabilities for expenses and other provision	31	563,173,856	421,946,651
		4,039,614,440	5,120,458,103
Total shareholders' equity and liabilities		14,333,730,718	13,012,294,909
Net Asset Value (NAV) per share	40	45.08	44.89

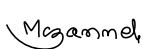
The annexed notes 1 to 54 and "Annexure I & II" are the integral part of the financial statements.
See annexed Auditor's report to the Shareholders of same date.

A. Qasem & Co.
Chartered Accountants
FRC Enlistment No.: CAF-001-129


(Hafizur Rahman Khan)
Chairman
Runner Automobiles PLC


(Subir Kumar Chowdhury)
Managing Director & CEO
Runner Automobiles PLC


Ziaur Rahman Zia FCA
Partner
Enrolment Number: 1259


(Md. Mozammel Hossain)
Director
Runner Automobiles PLC


(Md. Mizanur Rahman)
Company Secretary
Runner Automobiles PLC

DVC: **2410301259AS575358**

Dhaka, 24 October 2024




(Shanat Datta FCA)
Chief Financial Officer
Runner Automobiles PLC



Runner Automobiles PLC

Separate Statement of Profit or Loss and Other Comprehensive Income For the year ended 30 June 2024

	Notes	Amount in Taka	
		30-Jun-24	30-Jun-23
Revenue	32	4,387,808,155	2,526,244,182
Cost of sales	33	(3,009,421,431)	(1,895,228,947)
Gross profit		1,378,386,724	631,015,235
Operating expenses			
Administrative expenses	34	(193,435,891)	(187,953,162)
Selling and distribution expenses	35	(390,767,281)	(490,196,532)
		(584,203,172)	(678,149,694)
Operating profit		794,183,552	(47,134,459)
Finance costs	36	(931,510,515)	(674,264,141)
Other income	37	245,233,821	129,778,874
Profit before tax and WPPF		107,906,858	(591,619,726)
Contribution to WPPF and welfare fund	29	(5,395,343)	-
Profit before tax		102,511,515	(591,619,726)
Income tax expenses			
Current tax	28	(51,539,713)	(37,826,705)
Prior year tax benefit		-	1,048,627
Prior year tax expenses	28	(4,088,940)	(41,763,014)
Deferred tax expense	23.2	(25,115,841)	(25,455,950)
		(80,744,494)	(103,997,042)
Net profit for the year		21,767,021	(695,616,767)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Revaluation of land		-	653,375,342
Deferred tax liabilities		-	(52,270,027)
		-	601,105,315
Total comprehensive income		21,767,021	(94,511,452)
Earning Per Share	39	0.19	(6.13)

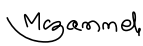
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(Hafizur Rahman Khan)
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Runner Automobiles PLC

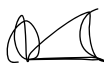

(Subir Kumar Chowdhury)
Managing Director & CEO
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Ziaur Rahman Zia FCA
Partner
Enrolment Number: 1259


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Director
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(Md. Mizanur Rahman)
Company Secretary
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DVC: **2410301259AS575358**


(Shanat Datta FCA)
Chief Financial Officer
Runner Automobiles PLC

Dhaka, 24 October 2024

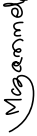


Runner Automobiles PLC
Statement of Changes in Equity
For the year ended 30 June 2024

Particulars	Amount in Taka				
	Share capital	Share premium	Revaluation surplus	Retained earnings	Total
Balance as at 1st July 2022	1,135,399,325	2,030,529,205	1,286,103,481	900,181,272	5,352,213,283
Net profit after tax	-	-	-	(695,616,767)	(695,616,767)
Dividend paid	-	-	-	(113,539,932)	(113,539,932)
Revaluation of assets in 2023	-	-	-	-	601,105,314
Adjustment transfer to retain earning due to land sale	-	-	601,105,314	-	1,990,750
Deferred tax credit on revaluation of assets	-	-	(47,778,008)	49,768,758	140,420
Amount transfer to DTL due to rate changes 4% to 8%	-	-	-	140,420	140,420
Realization of revaluation surplus through depreciation charge	-	-	(49,774,599)	-	(49,774,599)
Balance as at 30 June 2023	1,135,399,325	2,030,529,205	1,788,392,406	142,197,532	5,096,518,468
Net profit after tax	-	-	-	21,767,021	21,767,021
Deferred tax credit on revaluation of assets	-	-	-	134,623	134,623
Realization of revaluation surplus through depreciation charge	-	-	(1,211,609)	1,211,609	-
Balance as at 30 June 2024	1,135,399,325	2,030,529,205	1,787,180,797	165,310,785	5,118,420,112

The annexed notes 1 to 54 and "Annexure I & II" are the integral part of the financial statements.


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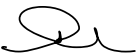


Runner Automobiles PLC

Statement of Cash Flows
For the year ended 30 June 2024

	Notes	Amount in Taka	
		30-Jun-24	30-Jun-23
A) Cash flows from operating activities			
Receipt from customers and dealers		4,587,844,821	2,779,362,906
Payment to suppliers and employees		(4,096,882,299)	(1,786,319,533)
Cash generated from operating activities		490,962,522	993,043,373
Income tax paid		(153,109,848)	(1,689,686)
Foreign exchange gain/(loss)		(26,017,559)	-
Net cash generated from operating activities	44	311,835,115	991,353,687
B) Cash flows from investing activities			
Net proceeds from sale /(purchase) of financial assets		(64,048,687)	491,749,896
Receipt from investment income		124,724,403	13,497,897
Receipt/ payment to related parties		60,142,299	582,545,897
Payment for property, plant and equipment		(366,841,396)	(739,793,723)
Investment in leasehold assets		(11,087,202)	(20,979,770)
Dividend income (net of tax)		55,423,296	55,500,000
Net cash used in investing activities		(201,687,287)	382,520,197
C) Cash flows from financing activities			
Proceeds from borrowings		1,463,136,425	3,070,551,939
Repayments of borrowings:			
Principal		(3,109,691,500)	(4,025,649,602)
Finance cost		(758,177,613)	(695,484,630)
Sustainability bond issue		2,675,000,000	-
Dividend paid		(12,875,245)	(41,471,507)
Repayments of leases:			
Principal		(15,607,305)	(18,731,566)
Finance cost		(6,035,405)	(6,637,937)
Net cash generated from financing activities		235,749,357	(1,717,423,305)
D) Net increase/(decrease) in cash and cash equivalents for the year (A+B+C)		345,897,185	(343,549,421)
E) Cash and cash equivalents at the beginning of the year		54,878,988	398,428,404
F) Cash and cash equivalents at the end of the year (D+E)	15	400,776,173	54,878,988
Net operating cash flows per share	41	2.75	8.73

The annexed notes 1 to 54 and "Annexure I & II" are the integral part of the financial statements.


(Hafizur Rahman Khan)
Chairman
Runner Automobiles PLC


(Md. Mozammel Hossain)
Director
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(Subir Kumar Chowdhury)
Managing Director & CEO
Runner Automobiles PLC


(Shanat Datta FCA)
Chief Financial Officer
Runner Automobiles PLC


(Md. Mizanur Rahman)
Company Secretary
Runner Automobiles PLC



1.0 Reporting Entity

1.1 Company Profile

Runner Automobiles PLC ("RAPLC" or the "Company") is a public company limited by shares and domiciled in Bangladesh. The Company was formed and incorporated with the Registrar of Joint Stock Companies and Firms in Bangladesh on July 4, 2000 vide incorporation no C-40658 (17) 2000 under the Companies Act, 1994 as a private company limited by shares. Later, the Company was converted into a public limited company on 26 January 2012 after observance of required formalities. Afterwards, the shares of the Company have been listed with Dhaka Stock Exchange and Chittagong Stock Exchange on 19 March 2019 and 20 March 2019 respectively.

1.2 Address of the Registered Office

The address of the Company's registered office and head office is 138/1 Tejgaon Industrial Area, Dhaka-1208, Bangladesh.

1.3 Nature of the business

RAPLC is the flagship Company of Runner group with principal activities to manufacture, distribute and export of motorcycles. The Company has 1,110 employees. In past 23 years, the Company has invested a large amount of capital to introduce complete set of advanced production technology and equipment. Now the Company's production capacity has reached 500 motorcycles per day. RAPLC 's products cover 09 series of motorcycles ranging from 80 cc to 200 cc along with a range of electric vehicle, and about 40 models of motorcycles. At present, RAPLC has more than 80 active dealers and over 200 sales centers run by trained dealer staffs along with own 37 operational showrooms for motorcycle business. Runner Automobiles PLC is selling the highest quantity of motorcycles in the domestic and overseas market as a manufacturer in Bangladesh.

In addition of that RAPLC is manufacturing Three-Wheeler (LPG and Diesel) in Bangladesh and distributes the products throughout the country. Since incorporation, the Company has been organizing its dealer network and well covered service supports countrywide. At present, the Company has five model of three-wheelers (limited quantity) and captured the domestic market with 60 Salespoints through 50 Dealers to distribute 3 wheelers which are spread across country to ensure proximity to customers.

2.0 Basis of Preparation and Summary of Significant Accounting Policies

2.1 Statement of compliance

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), the Companies Act, 1994, the Securities and Exchange Rules 2020 and other applicable laws and regulations in Bangladesh. The title and format of these financial statements follow the requirements of IFRS which are to some extent different to the requirements of the Companies Act, 1994. However, such differences are not considered material.

2.2 Directors' responsibility statement

The Board of Directors' takes the responsibility for the preparation and presentation of these financial statements.

2.3 Date of authorization

The financial statements have been authorized for issue by the Board of Directors on 24 October 2024.



2.4 Going concern

The Company has adequate resources to continue its operation for foreseeable future and hence, the financial statements have been prepared on going concern basis. As per management's assessment there are no materials uncertainties related to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern.

2.5 Basis of measurement

The financial statements have been prepared on going concern basis under the historical cost convention except for investment in tradable shares and land and building components of property, plant and equipment which are measured at fair value.

Measurement of fair values

The Company has an established control framework with respect to the measurement of fair values. Management has the overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

Management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Property, plant and equipment

The fair value of items of property, plant and equipment's has been determined based on the depreciated replacement cost method and net realizable value method, as applicable, by professional values.

Equity and debt securities

Fair values of tradable equity and debt securities are determined by reference to their quoted closing price in active market at the reporting date which are categorized under "Level 1" of the fair value hierarchy.

2.6 Functional and presentation currency

The financial statements are presented in Bangladesh Taka (BDT) which is the Company's functional currency. All financial information presented in BDT/Taka has been rounded off to the nearest Taka except when otherwise indicated. Due to the rounding of decimal points to the next integer, some of the sub total may not add up when manually calculated due to this rounding (difference of 1 + or -).



2.7 Statement of cash flows

Statement of cash flows has been prepared as per IAS 7: Statement of Cash Flows using Direct Method as per the requirement of Bangladesh Securities and Exchange Rules, 2020. Cash outflow from interest charges/borrowing cost payments are shown as part of financing cash flows, because these are costs of obtaining financial resources. Similarly, loans to/from related parties are treated as investing activities, and cash inflow from dividend receipts and other investing income are considered as returns on investments and hence included as part of investing cash flows.

2.8 Use of estimates and judgments

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and assumptions are reviewed on an ongoing basis.

The estimates and underlying assumptions are based on past experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

In particular, significant areas of estimation uncertainty and critical judgments in applying accounting policies that has the most significant effect on the amount recognized in the financial statements are revaluation of land and building, income tax provision (both current and deferred tax) and other provision (including for doubtful receivables, obsolete and slow-moving inventories and warranty).

2.9 Comparative and reclassification

Comparative information has been disclosed for the year 2022-2023 for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements.

2.10 Reporting period

The financial statements covered the reporting period of one year commencing from 01 July 2023 to 30 June 2024 along with the related comparative information for the period 1 July 2022 to 30 June 2023 as mentioned above in note 2.9.

2.11 Consistency of significant accounting policies

The accounting policies set out below have been applied consistently to all the years presented in these financial statements by the Company except otherwise mentioned.

2.12 Current vs non-current classification

Assets and liabilities are required to be classified as current and non-current as prescribed by IAS-1 Presentation of Financial Statements.

An asset is classified as current when:

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the asset primarily for the purpose of trading;
- it expects to realise the asset within twelve months after the reporting period; or
- the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current assets.



A liability is classified as current when:

- it expects to settle the liability in its normal operating cycle;
- it holds the liability primarily for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting period; or
- it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current liabilities.

2.13 Property, plant and equipment (PPE)

Items of property, plant and equipment are stated at cost and re-valued amount less accumulated depreciation and accumulated impairment losses, if any.

a. Recognition and measurement

The cost of an item of property, plant and equipment comprises its purchase price, import duty and non-refundable taxes (after deducting trade discount and rebates) and any cost directly attributable to the acquisition of the assets. The cost of self-constructed/installed assets includes the cost of materials, direct labor and any other costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the intended manner and the cost of dismantling and removing the items and restoring the site on which they are located.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the property, plant and equipment and is recognized under other income/expenses in profit or loss.

b. Subsequent costs

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

c. Depreciation

Depreciation is based on the cost/revalued amount of an asset. Significant parts of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognized in profit or loss on reducing balance method over the estimated useful lives of each part of property, plant and equipment. Depreciation is charged on when the asset is fully ready for use and depreciation is charged on disposal item up to the date of disposal. The annual rates of depreciation are as follows.

Assets	Rates (%)
Land and land development	Nil
Plant and machinery*	10%
Motor vehicle	20%
Furniture and fixtures	10%
Office equipment's	10%
Buildings and other construction	2.5%
Computer and accessories	25%

*Three-wheeler capital machineries are depreciated based on units of production method.



Depreciation methods, useful lives and residual values are reassessed at each the reporting date and adjusted if appropriate.

d. Capital work in progress (CWIP)

The Company has established 3-wheeler manufacturing plant on its own premises to upgrade the plant. The Company imports some capital machineries that are not available for use on reporting date. It is capitalized under CWIP.

e. Revaluation of property, plant and equipment

The revaluation of the Company's land and buildings assets was made on 31 Dec, 2010 & 2014 by M/S Rahman Rahman Huq, a Chartered Accountants firm in Bangladesh and a member of KPMG. Afterword the Company's selected land has been revalued by on 30 June 2023 by M/s. Huda Vasi & Co., Chartered Accountants firm in Bangladesh. The valuation has been made to reflect the fair value of its assets.

As per report of revaluation, net revaluation gain stands at BDT 601,105,315, BDT 785,566,633 and BDT 575,505,297 as at 30 June 2023, 31 December 2014 and 31 December 2010 respectively. This revaluation has been recognized in financial statements as at 30 June 2023, 31 December 2014 and 31 December 2010 respectively.

Difference of depreciation between revalued carrying amount and depreciation based on carrying amount as per assets' original cost has been transferred from revaluation surplus to retained earnings as shown in statement of changes in equity.

2.14 Intangible Assets

a. Recognition and measurement

Intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment loss, if any. Intangible assets are recognized when all the conditions for recognition as per IAS 38 Intangible Assets are met. The cost of an intangible asset comprises its purchase price, import duties and non-refundable taxes and any directly attributable cost of preparing the asset for its intended use.

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in the profit or loss as incurred.

Development activities involve a plan or design for the production of new and substantially improved products and processes. Development expenditures, on an individual project, are recognized as an intangible asset when the company can demonstrate all of the following:

- i. the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- ii. its intention to complete the intangible asset and use or sell it;
- iii. its ability to use or sell the intangible asset;
- iv. how the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
- v. the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- vi. its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Other development expenditures are recognized in profit or loss as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period. Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is placed in service. It is amortized over the period of expected future economic benefits. During the period of development, the asset is tested for impairment annually.



Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

b. Subsequent costs

Subsequent costs are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other costs are recognized in profit or loss as incurred.

c. Amortization

Amortization is recognized in profit or loss on a reducing balance basis from the date of operation to over the estimated useful lives of intangible assets. The company has capitalized its ERP Software after having ready to use and amortize accordingly.

Assets	Rates (%)
Local software	20%
Foreign software	10%

2.15 Leases

As a lessee, the company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain re-measurements of the lease liabilities. The right-of-use asset is initially measured at cost, and subsequently measured as per IFRS 16.

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

The lease liabilities are subsequently increased by the interest cost on the lease liabilities and decreased by lease payment made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

The Company has applied judgement to determine the lease term for some lease contracts in which it is a lessee that include renewal options. The assessment of whether the company is reasonably certain to exercise such options impacts the lease term, which significantly affects the amount of lease liabilities and right-of-use assets recognized.

Sub lease is a transaction for which an underlying asset is re-leased by the lessee ('intermediate lessor') to a third party, and the lease ('head lease') between the head lessor and lessee remains in effect. There is an agreement between Runner Automobiles Plc and Haque Food Industries to use the premises as showroom at Tejgaon and later, Runner Automobiles Plc made an agreement with CG Runner BD Ltd. to give the space for using the premises under sublease for specific period.

2.16 Inventories

Inventories except materials in transit are measured at lower of cost and net realizable value. The cost of inventories is calculated based on the weighted average method and includes expenditure incurred in acquiring these inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition in accordance with IAS-2. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operation capacity. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling expenses. Raw materials in transit are valued at cost. Material in transit represents the cost incurred up to the date of the statement of financial position for the items that were not received till to the date of reporting Inventory losses and abnormal losses are recognised as expenses.



2.17 Transactions with related parties

These represent balance amounts due to/from sister concerns which are derived from business transaction and share of common expenses from time to time. These balances are unsecured but considered good and realizable. Wherever applicable interest is charged/realized on related party balances.

As per International Accounting Standard (IAS) 24: "Related Party Disclosures", parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties. Related party disclosures have been given in note 47.

2.18 Advances, deposits and prepayments

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads such as property, plant and equipment, inventory or expenses.

Deposits are measured at payment value.

Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to profit or loss.

2.19 Employee benefit schemes

a. Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b. Defined contribution plan (recognized provident fund)

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate fund and will have no legal or constructive obligation to pay further amount. The Employees' Provident Fund was obtained recognition from Income Tax Authority on February 28, 2011 which was effective from January 31, 2011; vide ref no. nothi no-6/asa-13/pro: fa/2010-2011/ and is considered as defined contribution plan as it meets the recognition criteria specified for this purpose in IAS-19.

Obligation for contribution to defined contribution plan is recognized as provident fund (PF) contribution expenses in profit or loss in the period during which services are rendered by employees.

The Company maintains the Recognized Provident Fund for all permanent employees at which both the Company and employees contribute @ 7.5% of basic salary.

Appropriate provision has been made for Workers' Profit Participation Fund and Workers' Welfare Fund ("WPPF") as per provisions of law. Currently the rate of provision is 5% on net profit before tax. A Trust has been formed by The Company to manage and distribution of WPPF as well as allocate the fund in compliance with the required rules and regulation as specified at Trust deed.

2.20 Provisions and contingencies

A provision is recognized in the financial statements if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefit will be required to settle the obligation.

Contingencies arising from claim, lawsuit, etc. are recorded when it is probable that a liability has been incurred and the amount can reasonably be measured, otherwise a disclosure is provided if the matter is significant and possibility of an outflow of resources is not remote.



2.21 Income tax & VAT

Tax expenses comprise current and deferred tax. Current tax and deferred tax are recognized in profit and loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income.

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using rates enacted or substantially enacted at the reporting date and any adjustment to tax payable or receivable in respect of previous years. Current tax also includes any tax arising from other income.

As per SRO No-382 LAW/Income-tax/2019 dated 11 December 2019 that is changed to SRO No-325 LAW/Income-tax/2021 dated 19 October 2021 applicable Income Tax rate for the Company is 10% of business income, instead of the normal income tax rate of 20% being the listed public entity in accordance with Finance Act 2024.

Deferred tax

Deferred tax is recognized in compliance with IAS 12: Income taxes, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amount used for taxation purposes since 2012. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the authority on the same taxable entity.

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

VAT

The Company has paid VAT on import, production and sale of motorcycle & three wheelers by complying with related rules and regulations for the year ended 30 June 2024. During the year, it has paid VAT @ 15% as well as AT @ 4% at the import stage for motorcycle. For three-wheeler, as per SRO No-180 LAW/2022/193-Mushak dated 01 June 2022 the applicable output VAT rate is 5% and at the import of raw material VAT and Advance Tax (AT) is 0%.

2.22 Financial Instruments

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

2.22.1 Financial assets

The Company initially recognizes receivables on the date that they are originated. All other financial assets are recognized initially on the date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred.

The classification and measurement of financial assets is based on the basis of both:

- a. the entity's business model for managing the financial assets; and
- b. the contractual cash flow characteristics of the financial assets.

Three measurement classifications for financial assets have been established: amortized cost, fair value through other comprehensive income and fair value through profit and loss. These measurement classifications align with three business models available under IFRS 9:

- Hold to Collect – Financial assets held with the objective to collect contractual cash flows.
- Hold to Collect and Sell – Financial assets held with the objective to collect and sell contractual cash flows.



- Other – Financial assets held for trading or assets that do not meet the criteria for either ‘Hold to collect’ or ‘Hold to collect and sell’. Financial assets designated as trading are held with an objective to sell the assets in the short term.

For purposes of determining the measurement classification, financial assets under the ‘Hold to Collect’ and ‘Hold to Collect and Sell’ business model require an assessment to determine whether the cash flows are solely payments of principal and interest (SPPI). Basic lending arrangements with limited volatility in cash flows typically have contractual cash flows that are SPPI; however, other factors should be considered in making this determination, such as whether interest payments provide only a consideration for the passage of time associated with time value of money.

Financial assets under a Hold to collect business model, with contractual cash flows that are SPPI, are classified and measured at amortized cost. Financial assets under a Hold to Collect and Sell business model, with contractual cash flows that are SPPI, are classified and measured at fair value through other comprehensive income (FVOCI).

Financial assets that have contractual cash flows that are not SPPI, are designated as trading or do not fit the business model criteria for hold to collect and old to collect and sell are measured at fair value through profit and loss (FVTPL). Equity instruments are always measured at FVTPL unless an irrevocable option is elected at initial recognition to present fair value changes in OCI. Fair value changes recorded in OCI for equity instruments are not recycled to profit and loss. The Company did not elect the option to present fair value changes through OCI for equity instruments.

Based on the above the basis of recognition and measurement are as follows:

I. Amortized cost

The asset is measured at the amount recognized at initial recognition minus principal repayments, plus or minus the cumulative amortization of any difference between that initial amount and the maturity amount, and any loss allowance. Interest income is calculated using the effective interest method and is recognized in profit and loss. Changes in fair value are recognized in profit and loss when the asset is derecognized or reclassified.

II. At fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held for trading or is designated as such on initial recognition. Financial assets are designated as at fair value through profit or loss if the Company manages such investment and makes purchase or sale decisions based on their fair value in accordance with the Company’s documented risk management or investment strategy. Attributable transactions costs are recognized in profit and loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein which take into account and dividend income are recognized in profit or loss.

III. At fair value through other comprehensive income

The asset is measured at fair value and changes in value are transferred through other comprehensive income.

Financial assets currently being used by the Company are as follows:

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at bank and other short-term deposits which are available for use by the Company without any restriction. Overdrafts that form part of day-to-day cash management of the Company are also included in cash and cash equivalents.

(ii) Trade and other receivables

Trade and other receivables represent the amounts due from customers for delivering goods or rendering services. Trade and other receivables are initially recognized at cost which is the fair value of the consideration given in return. After initial recognition these are carried at amortized cost less impairment losses due to un-collectability of any amount so recognized.



(iii) Investments

Investment in listed securities is measured at fair value on portfolio basis. Changes between closing market price at 30 June and the respective cost price on portfolio basis has been considered as impairment and accordingly charged to profit. The impairment provision on unrealized loss has been netted off against cost price. Investments in fixed deposits with banks and financial institutions have been recognized at amortized costs.

(iv) Investment in subsidiaries

Investments in subsidiaries are fully eliminated in consolidated financial statements. In the separate financial statements of the Company these are initially stated at cost and subsequently at cost less impairment, if any.

2.22.2 Financial liabilities

The Company initially recognizes financial liabilities on the date that is originated. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

The Company classifies non-derivative financial liabilities into the liabilities for expenses category. Such financial liabilities are recognized initially at fair value less directly attributable transaction cost. Subsequent to initial recognition, these financial liabilities are measured at amortized cost.

(i) Trade and other payables

Trade and other payables represent the amounts due to suppliers for receiving goods or services. Trade and other payables are initially recognized at cost which is the fair value of the consideration received. After initial recognition these are carried at amortized cost.

(ii) Liabilities for expenses

Liabilities for expenses represent the amounts due to various parties for receiving services. These are initially recognized at cost which is the fair value. After initial recognition these are carried at amortized cost.

(iii) Borrowings

Interest-bearing borrowings include both short-term and long-term bank loan. Interest bearing borrowings are recognized initially at fair value less attributable transaction costs. Subsequent to initial recognition, these are stated at amortized cost using the effective interest method.

2.22.3 Equity instruments

Ordinary shares are classified as equity. In line with IAS 32 Financial Instruments: Presentation requirement, incremental costs directly attributable to the issue of ordinary shares are recognized as reduction in equity through charging directly to retained earnings instead of profit or loss. Paid-up share capital represents total amount contributed by the shareholders and bonus shares issued by the Company. Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at the shareholders' meetings. In the event of a winding up of the company, ordinary shareholders rank after all other shareholders and creditors and are entitled to any residual proceeds of liquidation.

2.23 Revenue from contracts with customers

The Company has initially applied IFRS 15 Revenue from Contracts with Customers from 1 July 2018. The Company recognizes as revenue the amount that reflects the consideration to which the Company expects to be entitled in exchange for goods or services when (or as) it transfers control to the customer. To achieve that core principle, IFRS 15 establishes a five-step model as follows:

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognise revenue when (or as) the entity satisfies a performance obligation.



i. Sales of goods

Considering the five steps model, the Company recognises revenue when (or as) the Company satisfies a performance obligation by transferring a promised good to a customer. Goods are considered as transferred when (or as) the customer obtains control of the goods. Revenue from sale of goods is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts, rebates and Value Added Tax (VAT).

ii. Rendering of services

Under IFRS 15, the total consideration in the service contracts will be allocated to all services based on their stand-alone selling prices. The stand-alone selling prices will be determined based on the list prices at which the Company sells the services in separate transactions.

iii. Hire income

According to paragraph 65 of IFRS 15, an entity shall present the effect of financing (interest revenue or interest expense) separately from revenue from contracts with customers in the statement of profit or loss and other comprehensive income. Interest revenue or interest expense is recognised only to the extent that a contract asset (or receivable) or contract liability is recognised in accounting for contracts with customers. A hire sale contract includes a significant financing component. Paragraph 60 states that a significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract.

Since hire sales comprise two performance obligations, the revenue for the product is recognised when the delivery made and the interest is recognised as earned, according to paragraph 65 of the said standard. Therefore, the hire sales have been analyzed in the light of 5 stages as envisaged in IFRS 15 in the following way.

A contract is formed through an agreement between Runner Automobiles PLC and the customer. Two performance obligations are as follows:

- a) delivery of products
- b) financing service

Transaction price is determined considering the price of the product and the number of instalments agreed in the contract. The stand-alone product price is determined as declared in 'price declaration' less discounts (if any). The interest rate is determined by management by assessing the market rates. Currently, Runner Automobiles PLC has been financing in retail business for motorcycles, 3Ws & 4Ws through its own showrooms and dealer channels throughout the country in various EMI tenure ranging from 3 months to 36 months. It recognizes the stand-alone selling price of the product as revenue when the delivery is completed and recognises interest income for the financing service over the period of instalments.

2.24 Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of qualifying assets are recognized in profit or loss using effective interest method. Bank charges are also considered as part of borrowing costs due to the fact that substantial part of these charges originates from borrowing activities of the Company.

2.25 Finance income

The company represents the finance business income as operating revenue and the related financing business costs have been presented in respective operating cost. The comparative information has been reported accordingly. Interest income from banks and FIs as well as from related party are included in other income heading. Finance income is recognised on an accrual basis.

2.26 Earnings per Share (EPS)

The Company presents its basic earnings per share in accordance with International Accounting Standard (IAS) 33: "Earnings Per Share" which has been shown in the face of the Profit and Loss Account.



Basic EPS is calculated by dividing the profit or loss for the year attributable to ordinary shareholders of the Company with the weighted average number of ordinary shares outstanding during the year, adjusted for the effect of change in number of shares for bonus issue in prior year as well.

No diluted earnings per share are required to be calculated for the year as there is no scope for dilution during the year under audit. (Refer to note 39)

2.27 Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency (BDT) at exchange rates at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies at reporting date are re-translated into Bangladesh Taka at the exchange rates ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies, stated at historical cost, are translated into Bangladesh Taka at the exchange rate ruling at the date of transaction. Foreign currency differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in the statement of profit or loss and other comprehensive income as per IAS 21: The Effects of Changes in Foreign Exchange Rates.

2.28 Impairment of financial and non-financial assets

i) Financial assets

Impairment of financial assets measured at amortized cost.

IFRS 9 requires an assessment of Expected Credit Losses ("ECL") for evaluating whether assets carried at amortized cost are impaired.

The first stage of the evaluation requires an assessment of Expected Credit Losses (ECL), which represent the possibility of default over the next 12 months. When a significant increase in credit risk has occurred, the financial asset is transferred to stage 2 and the ECL will be calculated using the possibility of default over the expected life of the financial instrument. When there is objective evidence that a financial asset is impaired, the financial asset will be transferred to stage 3 and lifetime ECL will be calculated.

The Company measures ECL for the following category of financial assets that are not measured at fair value through profit and loss:

Trade and other receivables

Expected credit losses for trade receivables are estimated using the simplified approach of lifetime ECL based on a combination of write-off history, aging analysis and ability to make immediate repayment. These simplifications eliminate the need to calculate the 12-month ECL and to assess when a significant increase in credit risk has occurred, as required under a three-stage approach.

ii) Non-financial assets

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

2.29 Segment reporting

A segment is a distinguishable component of the Company that is engaged in providing products or services within a particular economic environment. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company regards its Board of Directors as its chief operating decision maker, as the Board is responsible for allocating resources, assesses performances, and makes strategic decision.

The Company has been involved primarily in manufacturing and marketing of motor cycles as well as trading of 3 Wheelers with a number of models which also reflect in the Company's internal reporting system. While the Company differentiates the product segments for 2 Wheelers and 3 Wheelers, segmentation within the product



segments has been a significant part of the regular internally reported financial information to the chief operating decision maker. Consequently, it has become accessible to segment the Company's performances by product segment. (Refer to note 43)

2.30 Government grants

Government grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity. They exclude those forms of government assistance which cannot reasonably have a value placed upon them and transactions with government which cannot be distinguished from the normal trading transactions of the entity.

2.31 Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position when:

- there is legally enforceable right to set off the recognised amounts; and
- the entity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.32 Materiality and aggregation

Financial statements represent a large number of transactions that are aggregated into classes according to the nature of the transactions. Each material classes of similar items are presented separately in the financial statements and items of dissimilar nature are presented separately unless they are immaterial.

2.33 Event after the reporting period

Events after the reporting period are events or transactions that occur between the end of the reporting period and the date when the financial statements are authorized for issuance. These events can have an impact on the financial statements and may require disclosure or adjustment. There are two types of events after the reporting period:

Adjusting events

Adjusting events are those events that provide additional evidence of conditions that existed at the end of the reporting period. These events are reflected in the financial statements, and the financial statements are adjusted to account for them.

Non-adjusting events

Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. These events do not require adjustment of the financial statements but may require disclosure in the notes to the financial statements.

There is no significant event after the reporting period other than the normal business activities which has disclosed in the note 52 to the financial statements.

2.34 New standards and interpretations yet adopted

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective. However, this is not an exhaustive list of all the standards issued, the following are the standards which according to the assessment of the Company is most likely to be applicable.

Earlier application of the standards and interpretations that are issued, but not yet effective is permitted. However, the Company has not early applied these new standards in preparing these financial statements.

IFRS 17: Insurance contract

IFRS 17 was issued in May 2017 and applies to annual reporting periods beginning on or after 1 January 2023. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. The objective of IFRS 17 is to ensure that an entity provides relevant information that faithfully represents those contracts. The Company has not yet assessed potential impact of IFRS 17 on its financial statements as the company's financial year cover the period from July to June.



		Amount in BDT	
		As at	
		30-Jun-24	30-Jun-23
3	Property, plant and equipment		
Accounting policy note is given in 2.13 and details of property, plant and equipment and depreciation as of 30 June 2024 are shown in the Annexure-I . The break up of the balance are as below:			
	Fixed assets at cost:		
	Cost at 01 July	7,754,350,914	3,747,221,665
	Addition during the year	513,704,585	3,417,353,907
	Addition to revaluation surplus	-	653,375,342
	Adjustment for sale/transfer	(6,667,654)	(63,600,000)
	Closing balance	8,261,387,845	7,754,350,914
	Accumulated depreciation:		
	Opening balance at 01 July	836,944,327	759,054,958
	Charged during the year	120,931,478	76,485,166
	Depreciation on revaluation	1,404,202	1,404,202
	Adjustment for sale/transfer	(3,036,563)	-
	Closing balance	956,243,444	836,944,327
	Written down value	7,305,144,401	6,917,406,587

The factory land of the company has been lying as security for loans and borrowings in different banks and financial institutions. As of the reporting date, 90% of the total factory land has been kept as security.

4	Intangible assets		
	Assets at cost:		
	Opening balance	74,339,129	74,265,379
	Addition during the year	2,590,500	73,750
	Closing balance	76,929,629	74,339,129
	Amortization		
	Opening balance	26,574,541	21,315,254
	Addition during the year	8,767,280	5,259,287
	Closing balance	35,341,821	26,574,541
	Total	41,587,808	47,764,589

Accounting policy note is given in 2.14 and details are given in Annexure- I .The Company has upgraded its automated business solution of hire business operation, "R-Connect" and "Tally Prime" which has been recognized as intangible assets.

5	Capital work in progress		
	Factory plant and machineries	12,954,863	225,759,544
	Total	12,954,863	225,759,544

The Company has established three-wheelers manufacturing plant on its own premises. The upgratrating cost of this project has been capitalised accordingly. Refer to Accounting policy note is given in 2.13-d.

6	Right use of assets		
	Lease hold assets	30,047,776	65,458,559
	Total	30,047,776	65,458,559

The company deals with two-wheelers and three wheeler operation through showrooms, dealers network and other channels. For two wheeler business 37 Showrooms are in operation and run through rent. The rental process all showrooms have been recorded under IFRS-16 " Lease". Accounting policy note is given in 2.15 and details of Right use of Assets are given in Annexure- I.



		Amount in BDT	
		As at	
		30-Jun-24	30-Jun-23
7	Net Investment in sub lease		
	Net Investment in sub lease	25,956,799	-
		25,956,799	-

Sub lease is a transaction for which an underlying asset is re-leased by the lessee ('intermediate lessor') to a third party, and the lease ('head lease') between the head lessor and lessee remains in effect. There is an agreement between Runner Automobiles Plc and Haque Food Industries to use the premises as showroom at Tejgaon and later, Runner Automobiles Plc made an agreement with CG Runner Bd Ltd to give the space for using the premises under sublease for specific period.

8	Investments in subsidiaries	Share Holding Percentage		
	Runner Motors Ltd. (RML) (Note-8.1)	61.67%	138,750,000	138,750,000
	Freedom Motors Ltd. (FML) (Note-8.2)	99.99%	6,854,000	6,854,000
			145,604,000	145,604,000

8.1 The Company holds 5,550,000 ordinary shares for each of BDT 10 of Runner Motors Limited among total issued and paid up of 9,000,000 shares and availed control of operation on 1st July 2013.

8.2 Out of total 6,855,000 ordinary shares issued and paid up, Runner Automobiles PLC holds 6,854,000 shares of BDT. 10 each.

9	Inventories		
	Raw Materials for 2 Wheelers (i)	183,941,457	306,307,704
	Work-in-process (i)	87,438,603	36,216,579
	Finished Goods for 2 Wheelers (ii)	288,644,618	226,351,932
	Raw Materials for 3 Wheelers (i)	51,262,190	103,710,381
	Finished Goods for 3 Wheelers (ii)	63,122,259	24,199,250
	Spare Parts for 2 Wheelers (ii)	229,108,371	194,278,412
	Spare Parts for 3 Wheelers (ii)	8,228,802	5,443,624
	Material in transit (iv)	431,583,680	63,767,520
	Total	1,343,329,980	960,275,402

The above inventories are hypothecated with various banks against loans and borrowings.

i) Detail breakup of raw materials and work-in-process could not be given as it is quite difficult to quantify each items in a separate and distinct category due to large variety of inventory. Information in summarized form may not be useful for the user.

ii) All above inventories are in saleable condition however the Company maintain allowance for slow moving or non moving inventory exceeding 360 days (notes -31). Accounting policy note is given in 2.16.

iii) Finished Goods : Required by The Companies Act, 1994 :

Particulars	Value	Value
80 CC Motor Cycle	10,270,872	14,069,803
100 CC Motor Cycle	9,187,562	20,580,346
110 CC Motor Cycle	34,892,230	31,964,797
125 CC Motor Cycle	98,314,957	75,974,811
150 CC Motor Cycle	72,687,061	75,434,744
165 CC Motor Cycle	36,031,057	4,730,105
200 CC Motor Cycle	11,412,144	2,336,092
Electric Bike	14,095,951	1,261,234
Spare Parts and others (2W & 3W)	237,337,173	199,722,036
Three Wheeler	64,875,044	24,199,250
Total:	589,104,050	450,273,219

Note that total quantity of finished goods for 2 wheeler is 2,151 units and 3 wheeler is 158 units.

iv) All materials in transit are subsequently received.

v) An amount of BDT 10,553,677 has been kept as a provision against slow moving stocks for two wheelers and three wheelers. This amount is shown under note: 31 as provision.



		Amount in BDT	
		As at	
		30-Jun-24	30-Jun-23
10 Trade and other receivables			
Dealer receivables 2W		297,184,878	441,778,001
Dealer receivables 3W		789,940,414	603,516,909
Hire customer receivable*		1,721,875,482	2,013,054,347
Others trade receivables		99,421,563	104,194,867
Total		2,908,422,337	3,162,544,123

Aging of trade and other receivables (based on repayment date)

The ageing of gross value at the reporting date that was not impaired and recoverable as follows:

0-60 days	1,327,406,428	1,443,542,438
60-120 days	149,998,796	163,122,329
120 - 360 days	463,704,163	504,274,067
Within 360 Days	1,941,109,387	2,110,938,834
More than 360 days	967,312,950	1,051,605,289
Total	2,908,422,337	3,162,544,123

The management believes that the amounts are collectible in full, based on historic payment behavior and extensive analysis of customer credit risk including underlying customers' credit ratings if they are available. However, provision has been made for bad and doubtful receivables which are impaired but not yet identified. The above receivables are hypothecated with various banks against loans and borrowings.

* The Company has expanded its credit businesses for 2W and 3W in all over the country with a credit term of 6 to 36 months.

11 Investment in marketable securities & instruments

Shares in listed companies (note - 11.1)	32,507,691	35,187,867
Fixed deposit with Banks and FIs (note - 11.2)	615,794,371	549,065,508
Total	648,302,062	584,253,375

11.1 Shares in listed companies

Marketable securities : Cost price	38,458,647	31,779,547
Less: Unrealized loss on marketable securities	(6,931,420)	(5,072,068)
Closing balance	31,527,227	26,707,478
Add: Beneficiary Owners (B.O) investment current a/c balance	980,464	8,480,389
	32,507,691	35,187,867

Referred to Accounting policy note no 2.22 (iii) and Annexure-ii.

11.2 Fixed deposit with Banks and FIs (based on maturity)

0-6 Months	102,267,591	-
7-12 Months	513,526,780	549,065,508
Total	615,794,371	549,065,508

As per the Company's policy, fixed deposits with banks (FDR) not forming part of the day to day cash management are considered as short-term investments instead of cash and cash equivalents. Some of the above FDRs are hypothecated against borrowings. Accounting policy note is given in 2.22 (iii).



		Amount in BDT	
		As at	
		30-Jun-24	30-Jun-23
12 Advances, deposits and prepayments			
Advances			
Advance income tax (note-12.1)		288,317,966	207,579,308
Advance for land		83,490,116	26,533,280
Advance to employees		24,307,925	6,172,058
Advance paid to suppliers		334,113,345	84,483,262
Advances for showroom rent		59,357,172	88,309,744
		789,586,524	413,077,652
Deposits			
Mymensing Palli Bidduth Samity		7,018,079	7,018,079
Dhaka Power Distribution Co Ltd.		408,000	408,000
Bank Guarantee for tender sale		2,060,002	3,678,038
Other suppliers		808,326	12,120,449
		10,294,407	23,224,566
Prepayments			
LC margin deposited with Banks		106,248,580	45,127,255
VAT paid in advance (note-12.2)		146,122,479	161,506,454
Prepaid insurance		3,586,247	4,329,483
		255,957,306	210,963,192
Total		1,055,838,237	647,265,410

Aging schedule of Advances, Deposit & Prepayments

Particulars	1 - 3 Months	3 - 6 Months	> 9 Months	Total
Advances	124,541,928	201,531,271	463,513,325	789,586,524
Deposits	80,833	2,221,667	7,991,907	10,294,407
Prepayments	107,324,454	44,912,618	103,720,234	255,957,306

Accounting policy note is given in 2.18

12.1 Advance Income Tax

Opening balance	207,579,308	280,810,732
Addition during the year	153,109,848	53,959,713
	360,689,156	334,770,445
Adjustment during the year -		
Against AIT refund	(3,489,677)	-
Against provision for tax	(68,881,513)	(127,191,137)
Total	288,317,966	207,579,308

All tax assessments up to the accounting year ended 30 June 2020 (assessment year 2020-2021) & 30 June 2022 (assessment year 2022-23) have been completed and related adjustments and refunds have been accounted accordingly. The details has been mentioned in the separate disclosures on note-28.

12.2 VAT paid in advance

Opening balance	161,506,454	208,502,283
New deposit during the year	174,669,183	52,796,552
Rebate claim during the year	243,075,158	380,473,116
	579,250,795	641,771,951
Adjustment of VAT payable	(433,128,316)	(480,265,497)
Total	146,122,479	161,506,454



		Amount in BDT	
		As at	
		30-Jun-24	30-Jun-23
13 Related party receivables			
Runner Trade Park Ltd. (RTPL) (Note- 13.1)		23,852,723	22,796,949
Runner Auto Electrical Ltd. (Note- 13.2)		145,050,377	-
Total		168,903,100	22,796,949

13.1 The Company has supplied its unused parts to RTPL and earned interest on the dues accordingly. Management has obtained confirmation from RTPL and assessed recoverability, upon which satisfied that all these balances are recoverable in full. Accounting policy note is given in 2.17.

13.2 Runner Automobiles PLC (RAPLC) issued bond for a tenor of 7 years. This is an unsecured, redeemable, non-convertible, guaranteed, sustainability bond. As per the terms & conditions, the coupon interest has to be paid on half yearly basis. To ensure the payment on time as per the covenant RAPLC should deposit in a separate fund on monthly basis with an equivalent to semi annual coupon, guarantee fee or other payment. In this regard, the company opened FDR in favor of Runner Auto Electrical Ltd (RAEL) and ensures the payment as per contract.

14 Other receivables

Accrued interest on FDRs	15,563,876	12,724,405
Rental receivable	19,346,241	13,133,658
Receivable from PF employer contribution (lapses and forfeiture account)	1,869,406	1,412,042
Inter company and other dividend receivable	111,306,816	55,730,112
Advance income tax refund (14.1)	98,776,843	95,287,166
	246,863,182	178,287,383

14.1 AIT Refund

The Company is satisfied that the amount is recoverable and have already received refundable notice from tax authority allowing these refund

Opening balance	95,287,166	95,287,166
New refund made during the year	3,489,677	-
Closing balance	98,776,843	95,287,166

The above refund balance is the net balance as of 30 June 2024 considering the tax assessment made upto assessment year 2022-2023. The amount added during the from the final assessment made by the DCT for the income year 2021-22. The company is fully confident on using this AIT refund balance with the subsequent assessment or getting back on cash from the concerned tax authority.

15 Cash and cash equivalents

Cash in hand	2,537,972	9,552,863
Cash at banks (note -15.1)	398,238,201	45,326,125
Total	400,776,173	54,878,988

15.1 Cash at bank

Current accounts	85,898,199	17,460,159
STD account	312,340,002	27,865,966
Total	398,238,201	45,326,125

Accounting policy note is given in 2.22.1



16 Share capital

With reference to the Rule 12(2) and clause 8 of shedule-1 of the Securities Exchange Rules 2020, details of the share capital is stated below.

Authorized capital

200,000,000 Ordinary shares of Tk. 10/- each

Amount in BDT	
As at	
30-Jun-24	30-Jun-23

Issued, subscribed, called-up and paid up capital

Ordinary share	2,000,000,000	2,000,000,000
Allotment of 13,478,261 ordinary shares	2,000,000,000	2,000,000,000
Issuance of bonus shares @ 50% of ordinary share capital		
Issuance of bonus shares @ 33.33% of ordinary share capital		
Issuance of placement share		
Issuance of bonus shares for 2019@ 5 %		
Issuance of primary shares through IPO		
	300,000,000	300,000,000
	134,782,610	134,782,610
	217,391,300	217,391,300
	217,391,300	217,391,300
	72,464,000	72,464,000
	54,066,635	54,066,635
	139,303,480	139,303,480
	1,135,399,325	1,135,399,325

The aforesaid share capital is subscribed as under:

Form of shareholders	No of Ordinary Share	% of Shareholdings	Amount in Taka 30 June 2024	Amount in Taka 30 June 2023
01. Sponsors/Directors	56,691,847	49.93%	566,918,470	468,118,470
02. Local Company/Institutions	30,215,352	26.61%	302,153,520	402,444,230
03. Non-Resident Bangladeshi	125,813	0.11%	1,258,130	1,665,170
04. General Public	26,506,920	23.35%	265,069,205	263,171,455
Total	113,539,932	100%	1,135,399,325	1,135,399,325

- 16.1 As per requirement of schedule XI, PART I of the Companies Act, 1994 the issuance of share at 30 June 2023 was follows:

Cash	364,050,090	364,050,090
Bonus	711,049,235	711,049,235
Other than cash	60,300,000	60,300,000
	1,135,399,325	1,135,399,325

- 16.2 In accordance with Bangladesh Securities and Exchange Commission Notification No: BSEC/CMRRCD/2006-158/206/Admin/81 dated on 20 June 2018 , the detailed breakup or composition of Share capital along with the date of issue, face value, and contribution of capital is required and referred in following phases accordingly.

Particulars	Allotment Date	Face Value (BDT)	Issue Price (BDT)	Amount (BDT)	Form of consideration
1st Allotment	At the time of	10	10	4,020,000	Cash
2nd Allotment	11.06.2002	10	10	9,380,000	Cash
3rd Allotment	17.02.2005	10	10	13,400,000	Bonus
4th Allotment	07.08.2005	10	10	2,000,000	Cash
5th Allotment	10.02.2009	10	10	400,000	Cash
6th Allotment	11.07.2010	10	55	200,000	Cash
7th Allotment	28.08.2010	10	10	58,800,000	Bonus
8th Allotment	01.08.2011	10	10	1,500,000	Cash
9th Allotment	10.03.2012	10	10	60,300,000	Cash
10th Allotment	12.01.2013	10	10	150,000,000	Bonus
11th Allotment	28.09.2013	10	78	134,782,610	Cash
12th Allotment	22.02.2015	10	10	217,391,300	Bonus
13th Allotment	22.09.2015	10	10	217,391,300	Bonus
14th Allotment	17.12.2015	10	45	72,464,000	Cash
15th Allotment	04.03.2019	10	75 & 67	139,303,480	Cash
16th Allotment	30.12.2019	10	60	54,066,635	Bonus
Total				1,135,399,325	



		Amount in BDT	
		As at	
		30-Jun-24	30-Jun-23
17 Share premium			
Sponsors/Directors*		916,208,705	916,208,705
Local Company/Institutions		683,912,585	683,912,585
Foreign Company		1,873,560	1,873,560
Non-Resident Bangladeshi		79,757,478	79,757,478
General Public		348,776,877	348,776,877
		2,030,529,205	2,030,529,205

* Shareholding of Brummer Frontier PE II (Mauritius) Limited, an institutional shareholder has been considered under the category of Sponsors/Directors as it has nominated directors in the Board of Directors of the Company.

18 Revaluation surplus

The revaluation of the Company's land and buildings assets was made on 31 Dec, 2010 & 2014 by M/S Rahman Rahman Huq, a Chartered Accountants firm in Bangladesh and a member of KPMG. Afterwards, the land of the Company has been revalued on 30 June 2023 by M/S Hoda Vasi Chowdhury & Co, a Chartered Accountants firm in Bangladesh. The revaluation surplus arises from revaluation of plant and machinery is restricted for dividend payment to shareholder.

The summary of revaluation is shown below:

Opening balance	1,788,392,406	1,286,103,481
Amount due to revaluation of assets	-	601,105,314
Transfer to retain earning due to revalued land sale	-	(47,778,008)
Amount Transfer to DTL due to rate changes 4% to 8%	-	(49,774,599)
Depreciation on revalued assets	(1,211,609)	(1,263,782)
Total	1,787,180,797	1,788,392,406

Detail disclosures for revaluation of property, plant and equipment are reported Accounting policy note 2.11 (e).

19 Retained earnings

Opening balance	142,197,532	900,181,272
Net profit during the year	21,767,021	(695,616,767)
Realization of revaluation surplus through depreciation charge	1,211,609	1,263,782
Adjustment for differed tax on realization from revaluation of PPE	134,623	140,420
Transfer from revaluation reserve to retain earning due to revalued land sale	-	47,778,008
Transfer from deferred tax to retain earnings due to revalued land sale	-	1,990,750
Cash dividend	-	(113,539,932)
Total	165,310,785	142,197,532

20 Long term loan net off current portion

Bank	2,178,179,177	2,357,056,364
Non Bank Financial Institution	-	127,582,275
Total	2,178,179,177	2,484,638,639



		Amount in BDT	
		As at	
		30-Jun-24	30-Jun-23
21 Sustainability bond			
Issue of bond		2,675,000,000	-

he Company received an amount of taka 2,67,50,00,000 as bond proceeds through issuance country's first-ever internationally certified sustainability bond for the reporting period under the gurantee from GuarantCo Limited. Out of the total bond proceeds, Metlife Bangladesh invested 2,575,000,000 and rest of tk 10,000,000 was invested by Green Delta Insurance Limited. The proceeds will be used to support the construction of a 4MW rooftop solar plant for its manufacturing facility and to support the threee wheeler credit businesses.

22 Lease liability			
Current portion of lease liability		12,501,103	17,015,746
Non-Current portion of lease liability		41,005,251	54,149,179
Total		53,506,354	71,164,925

Accounting policy note is given in 2.15 and details of Right used of Assets are given in Annexure- I.

23 Deferred tax liability-net			
On revaluation of assets (note - 23.1)		157,284,404	157,419,027
On temporary timing differences (note - 23.2)		124,227,334	99,111,493
		281,511,738	256,530,520

The amount of deferred tax assets and liabilities have been netted off as permitted by IAS 12: Income taxes. Accounting policy note is given in 2.21.

23.1 On revaluation of assets			
Land		151,819,226	151,819,226
Other than land		5,465,178	5,599,801
		157,284,404	157,419,027

In accordance with IAS 12 (para 20) and Income Tax Act, 2023; Income tax on land has been charged @ 8% from 2011 (previously it was accounted for @ of 4%). Accordingly the adjustment for deferred tax on land and other than land has been reported accordingly.

23.2 On temporary timing differences			
Opening balance		99,111,493	73,655,543
Provision during the year		25,115,841	25,455,950
		124,227,334	99,111,493
Add: Prior year adjustment during the year		-	-
		124,227,334	99,111,493
The above balance is netted of as follows:			
During the period			
Increase/(decrease) of deferred tax liability on depreciation & amortization		23,117,284	39,973,978
(Increase)/decrease of deferred tax assets on WPPF & bad debts		1,998,557	(798,843)
		25,115,841	39,175,135
Composition of deferred tax on temporary timing differences			
Deferred tax liability on depreciation & amortization		125,024,406	101,907,123
Deferred tax assets on WPPF and bad debts		(797,072)	(2,795,629)
		124,227,334	99,111,493

The company accounted for defferd tax on temporary timing difference on bad debts and finance lease during the period which increased the deferred tax assets and reported through netting off with the deferred tax liability.



		Amount in BDT	
		As at	
		30-Jun-24	30-Jun-23
24	Trade and other payables		
	Trade payables-local	35,484,147	110,137,505
	Total	35,484,147	110,137,505
25	Short term loan form banks		
	Eastern Bank Limited	62,095,522	279,293,940
	Al-Arafah Islami Bank Limited	326,908,030	276,482,784
	Marcentile Bank Limited	84,852,812	271,986,978
	Standard Bank Limited	194,605,958	175,865,223
	BRAC Bank Limited	158,010,709	108,058,515
	Bank Asia Limited	156,461,864	38,974,200
	Dhaka Bank Limited	11,044,769	87,755,605
	Community Bank Limited	13,330,411	105,328,030
	Premier Bank Limited	102,297,577	474,458,295
	Commercial Bank of Ceylon	6,700,610	50,881,538
	Pubali Bank Limited	-	35,874,702
	Total	1,116,308,262	1,904,959,810
26	Current portion of long term loan		
	Premier Bank Limited	58,232,012	206,571,791
	Mercantile Bank Limited	156,146,048	47,634,000
	Community Bank Limited	85,141,947	158,660,118
	Brac Bank	10,831,261	43,325,044
	Commerce Bank of cylon	12,834,330	8,949,425
	SBAC Bank Limited	21,820,704	76,813,920
	Shimanto Bank Limited	392,708,333	234,115,185
	Standard Bank Ltd	65,814,132	66,000,000
	Meghna Bank Ltd	-	225,885,887
	Pubali Bank Limited	166,212,000	550,000,000
	Bank Asia Limited	245,445,620	221,503,836
	IPDC Finance Limited	172,011,975	99,183,216
	Total	1,387,198,362	1,938,642,422
27	Related party payables		
	Freedom Motors Ltd.	4,013,331	4,163,099
	Runner Motors Ltd.	534,055,035	526,723,984
	Runner Lube and energy Ltd.	205,300,000	-
	CG Runner BD Ltd.	50,000,000	-
	Runner Properties Ltd.	11,767,167	68,000,000
	Total	805,135,533	598,887,083

All these loans are temporary in nature and repayable on demand. The interest/profit has been charged to the financial statements as per agreed term with the parties.



		Amount in BDT	
		As at	
		30-Jun-24	30-Jun-23
28 Provision for income tax			
Opening balance		126,514,765	175,164,810
Provision during the year		55,628,653	78,541,092
		182,143,418	253,705,902
Adjustment made during the year		(68,881,513)	(127,191,137)
Total		113,261,905	126,514,765
*Prior year income tax			
Tax as per accounting base for the year 2018-19		-	63,722,768
Tax as per assessment order		-	62,674,141
Prior year income tax benefits		-	1,048,627
**Prior year income tax			
Tax as per accounting base for the year 2019-20 & 2021-22		68,881,513	22,753,982
Tax as per assessment order		72,970,453	64,516,996
Prior year income tax expense		(4,088,940)	(41,763,014)

As per the final assessment order received from the National Board of revenue (NBR) for the income year 2021-22 (assessment year 2022-2023) except income year 2020-21 (assessment year 2021-22), the final tax expenses has been calculated as BDT 40,88,940 whereas BDT 6,88,81,513 was kept as provision and BDT 7,29,70,453 was final tax charge. Accordingly the management recognised the amount in this statements.

29 Provision for WPPF and welfare fund

Opening Balance	-	4,826,214
Contribution during the year	5,395,343	-
Payment during the year	-	(4,826,214)
Total	5,395,343	-
29.1 WPPF		
Workers Profit Participation Fund (80 %)	4,316,275	-
Workers Welfare Fund (10%)	539,534	-
Government Welfare Fund (10%)	539,534	-
Total	5,395,343	-

The Company has been maintaining WPPF in accordance with section- 234 of the Bangladesh Labor (amendment) Act 2013, where 5% of the net profit of each year is required to be transferred to the Fund of which 80% is to be transferred to participation fund, 10% is to be transferred to welfare fund and balance 10% is to be transferred to Government Welfare fund.

30 Unclaimed dividend account

In compliance with the clause 3 (vii) of the BSEC Directive no: BSEC/CMRRCD/2021-386/03-, dated 14 January 2021, the summary of unclaimed dividend is as follows:

FY 2019-20*	-	1,404,245
FY 2020-21	515,945	524,445
FY 2021-22	639,984	425,430
	1,155,929	2,354,120

* According to the aforementioned directive, unclaim dividend for the financial year 2019-20 has been transferred to the Capital Market Stabilization Fund (CMSF) established by the Bangladesh Securities and Exchange commission.



		Amount in BDT	
		As at	
		30-Jun-24	30-Jun-23
31 Liabilities for expenses and other provision			
Contributory provident fund (Note- 31.1)		27,332,953	14,890,012
Provision for warranty (Note- 31.2)		62,777,028	69,708,346
Withholding VAT payable		7,754,105	12,523,597
Payable for selling & others expense		41,277,368	25,235,413
Salaries and wages payable		28,511,101	29,835,430
Provision for audit fees		1,725,000	1,518,000
Provision for slow moving inventories		10,553,677	9,268,553
Dividend payable (Note- 31.3)		60,338,542	72,015,597
Provision for bad & doubtful debts (Note- 31.4)		177,537,330	182,864,888
Provision for interest of banks loan and FIs		145,366,752	4,086,815
Total		563,173,856	421,946,651

31.1 Contributory provident fund

Opening balance	14,890,012	7,585,324
Employees' contribution during the year	11,035,837	11,497,290
Employers' contribution during the year	11,035,837	11,497,290
	36,961,686	30,579,904
Payment during the year	(9,628,733)	(15,689,892)
Total	27,332,953	14,890,012

31.2 Provision for warranty

Opening balance	69,708,346	69,859,932
New provision made for the year	2,750,000	15,430,000
Service charge made	(9,681,318)	(15,581,586)
Closing balance	62,777,028	69,708,346

Warranty provision has been made by reviewing the historical data of service claimed and its cost per unit sold accordingly, the related service cost has been adjusted. The balance indicates has been attributed for the two wheelers that may be available for services claim as on the reporting date.

- 31.3** The company declared 10 % cash dividend for the financial year 2021-22. All the dividednd has been paid to general share holder during the reporting period and the payable amount represents the dividend of all sponsors'and director sahareholders which has paid subsequently.

31.4 Provision for bad & doubtful debts

Opening balance	182,864,888	157,707,354
Addition during the year	48,757,562	105,223,858
	231,622,450	262,931,212
Adjustment during the year	(54,085,120)	(80,066,324)
Total	177,537,330	182,864,888

The Company has been maintaining bad debt provision ranging 5% to 100% based on historical default rate on outstanding receivables as expected credited loss. Beside that net loss occurred due to resale of the seized motorcycles and settlement of long aged receivable have been adjusted accordingly.



32 Revenue	Amount in BDT	
	For the year ended	
	30-Jun-24	30-Jun-23
Sales	4,541,254,979	2,586,035,819
Credit Business Income	146,003,436	291,402,654
Value Added Tax (Note 2.21)	(299,450,260)	(351,194,291)
Net Sales	4,387,808,155	2,526,244,182

32.1 Details of sales revenue are provided below-

Particulars	2023-24 Sales revenue	2022-23 Sales revenue
80 CC Motor Cycle	88,598,500	195,923,652
100 CC Motor Cycle	34,769,000	72,761,185
110 CC Motor Cycle	132,495,500	298,929,827
125 CC Motor Cycle	110,430,800	234,295,725
150 CC Motor Cycle	76,315,150	139,899,942
165 CC Motor Cycle	42,371,500	160,142,655
Electric	98,502,500	17,776,316
Service & Parts	126,282,029	150,988,183
Credit Business Income	146,003,436	291,402,654
Three Wheeler	3,831,490,000	1,315,318,333
Total	4,687,258,415	2,877,438,473
Value Added Tax	(299,450,260)	(351,194,291)
Net sale	4,387,808,155	2,526,244,182

32.2 The sale details can be enumerated in terms of geographical nature:

Local sales	4,387,808,155	2,526,244,182
Export sales	-	-
	4,387,808,155	2,526,244,182

33 Cost of sales

Raw material consumed (note - 33.1)	2,986,393,145	1,483,267,613
Factory overhead (note - 33.2)	313,852,316	210,190,711
Manufacturing cost	3,300,245,461	1,693,458,324
Add: Opening work in process	3,198,835	4,872,156
Cost of goods available for use	3,303,444,296	1,698,330,480
Less: Closing work in process	(87,438,603)	(3,198,835)
Cost of production	3,216,005,693	1,695,131,645
Add: Opening finished goods	382,519,789	582,617,091
Finished goods available for sale	3,598,525,482	2,277,748,736
Less: Closing finished goods	(589,104,051)	(382,519,789)
Cost of goods sold	3,009,421,431	1,895,228,947

33.1 Raw materials consumed

Opening stock of raw materials	510,789,256	777,984,718
Add: Purchase of raw materials	2,710,807,536	1,216,072,150
Raw and packing materials available for consumption	3,221,596,792	1,994,056,869
Less: Closing stock of raw materials	(235,203,647)	(510,789,256)
Raw materials consumed	2,986,393,145	1,483,267,613

Disclosure as per requirements of Schedule XI, Part-II., Para-8 of the Companies Ac, 1994

Items	Purchases(BDT)			Consumption	% of Consumption of total purchases
	Import	Local	Total		
Raw Materials	2,675,239,673	35,567,862	2,710,807,536	2,986,393,145	110%

i) The value of imported raw materials is calculated on CIF basis in addition to other directly attributable costs.

ii) The Company has not incurred any expenditure or earnings in foreign currency for the financial year 2024 on account of royalty, know how, professional fees, consultancy fees and interest.

iii) The Company has not incurred any export earnings for the financial year 2024.



33.2 Factory overheads

	Amount in BDT	
	For the year ended	
	30-Jun-24	30-Jun-23
Factory wages, salaries and allowances	145,406,696	106,096,579
Telephone, mobile and internet expense	545,106	356,433
Gas, fuel, lubricant and engine oil	1,204,008	1,002,684
Labour charges	92,700	192,540
Guard and security expenses	4,536,474	4,638,993
Tours ,traveling and conveyance	213,011	167,265
Fooding and entertainment expenses	9,024,504	8,547,001
Printing, stationary and photocopy	549,567	360,784
Contributed to provident fund	2,958,647	2,928,389
Vehicle repair and maintenance	3,554,354	1,917,960
Repairs and maintenance	1,530,152	868,441
Other factory expenses	7,752,287	5,092,774
Rent, rates and taxes	275,000	300,000
Medical expenses	369,594	92,030
Utility expenses	21,613,818	12,028,251
Depreciation	102,213,448	62,311,495
Insurance premium	12,012,950	3,289,093
Total	313,852,316	210,190,711

34 Administrative expenses

Salary and allowances	65,027,579	67,103,856
Telephone, mobile and internet	3,944,914	1,096,177
Board meeting fees	1,008,078	904,424
Stationery and photocopy	3,529,135	2,823,116
Tours ,traveling and conveyance	9,370,605	6,163,732
Consultancy, legal and professional fees	3,699,117	5,684,672
Office expenses	3,457,760	2,691,351
Key management salaries and allowances	17,062,500	21,752,747
Guard and security expenses	4,863,243	4,495,567
Training and recruitment	285,172	201,551
Fooding and entertainment expenses	4,563,742	4,392,005
Repair and maintenance	1,920,753	2,339,764
Gas, fuel and lubricant	43,006	5,695
Utility expenses	13,405,580	6,110,798
Contributed to Provident fund	2,711,966	2,168,149
Gardening expenses	-	5,000
Audit and professional fees	2,372,675	2,661,750
Medical expenses	38,859	71,466
Insurance premium	5,859,082	12,020,638
Depreciation	20,122,232	15,577,874
Depreciation on right use of assets	18,489,920	21,681,907
Amortization	8,767,280	5,259,287
AGM and annual day expense	931,266	407,390
Listing expense	1,961,427	2,334,247
Total	193,435,891	187,953,162



		Amount in BDT	
		For the year ended	
		30-Jun-24	30-Jun-23
35 Selling and distribution expenses			
Salary and allowance	159,797,294	179,400,545	
Bad and doubtful debts	48,757,562	105,223,858	
Telephone, mobile and internet expense	3,053,970	7,831,213	
Project R&D expenses (note - 35.1)	8,927,135	9,005,646	
Rent rates and taxes	29,305,874	22,195,052	
Vehicle repairs and maintenance	3,701,938	8,751,057	
Tours, traveling and conveyance	42,437,725	46,781,046	
Advertisement and promotional expenses	50,838,999	56,850,595	
Other selling and distribution expenses	22,975,849	9,589,759	
Postage and stamp	1,708,189	1,251,162	
Contributed to provident fund	5,101,797	6,205,993	
Printing, stationery and photocopy	2,955,145	2,406,943	
Entertainment expenses	3,594,725	4,154,736	
Repair and maintenance	3,565,247	9,330,652	
Provision for slow moving inventories	1,285,124	5,734,281	
Medical expenses	10,708	53,995	
Service and parts expenses	2,750,000	15,430,000	
Total	390,767,281	490,196,532	

An amount of BDT 1,285,124 has been kept as a provision against slow moving spare parts for two wheelers. This amount is shown under note: 31 "Provision for inventories".

35.1 Project R & D expenses

Salary and allowance	8,026,618	7,716,230
Mobile bill and internet	53,655	57,150
Contributed to provident fund	263,427	194,759
Entertainment	156,064	191,978
Travelling and conveyance	41,377	620,649
Photocopy, stationery and postage	385,994	224,880
Total	8,927,135	9,005,646

36 Finance costs

Term loan interest	397,245,711	315,907,158
Letter of trust receipts/trust receipts interest	27,420,157	113,492,707
Mudaraba post import interest	21,487,232	53,124,101
Revolving loan /import loan interest	15,684,174	13,728,127
Bank charges	16,857,008	23,287,364
Interest on lease	-	6,637,937
Demand loan interest	16,112,647	18,792,967
Interest expenses delay payment of PF	2,616,244	1,759,099
Exchange (loss) or gain on foreign currency	26,017,559	-
Interest expense on sustainable bond	282,195,412	-
Overdraft interest	76,273,637	91,604,028
Interest on related party loan	45,948,000	-
STL interest	3,652,734	35,930,652
Total	931,510,515	674,264,141



		Amount in BDT	
		For the year ended	
		30-Jun-24	30-Jun-23
37 Other income/(expense)			
Interest income from Bank and FI's		70,355,847	32,370,857
Interest income from related party		3,211,774	2,570,527
Capital gain / (loss) on marketable securities		106,776	(1,229,072)
Capital gain /loss on land sale		(2,095,740)	1,400,000
Rental and other income		25,819,260	22,394,384
Gain on lease*		162,296	-
Dividend income from Subsidiary		111,000,000	55,500,000
Unrealized gain / (loss) on marketable securities		(1,859,350)	(2,531,288)
Income from PF employer contribution (lapses and forfeiture account)		457,364	421,322
Dividend income on marketable securities		490,717	500,405
Income from charges		37,843,699	18,638,238
Expenses of BO account		(258,822)	(256,498)
Total		245,233,821	129,778,874

*Related finance cost arises from leases assets and finance income from sub-leased are netted off and net balalnce of tk 1,62,296 as gain arises from sub- leas are recored in note -37.

38 Income tax

Total current tax	38.1	51,539,713	37,826,705
Prior year tax benefit	28*	-	(1,048,627)
Prior year tax expenses	28**	4,088,940	41,763,014
Deferred tax (expense)/credit	23.2	25,115,841	25,455,950
Total income tax		80,744,494	103,997,042

38.1 Breakup of total current tax

Business income	-	5,107,985
Capital gain	16,016	210,000
Dividend income	22,298,143	11,200,081
Rental income	4,066,534	3,135,214
Other income	25,159,020	10,800,189
Tax charged on this year earnings	51,539,713	30,453,468
Excess provision	-	7,373,236
Total current tax	51,539,713	37,826,705

The Company enjoys concessional rate of income tax on its business income and also there are different rate of tax applies to various components of the Company's income. Accordingly, the amount of income tax has been calculated in reference with the segregation of various types of income. The company has received final refund warrant for the assessment year 2022-23, so prior year tax adjustments has been recorded accordingly.

38.2 Reconciliation of effective tax rate

Reconciliation of effective tax rate		2023-2024		2022-2023	
		%	Amount	%	Amount
Profit before tax			102,511,515		(591,619,726)
Effect of current tax					
Business income	10%	-	10%	5,107,985	
Capital gain- Share	15%	16,016	15%	210,000	
Dividend income	20%	22,298,143	20%	11,200,081	
Income from house property	20%	4,066,534	20%	3,135,214	
Other income	20%	25,159,020	20%	10,800,189	
Excess provision		-		7,373,236	
Total current tax		51,539,713		37,826,705	
Prior tax expenses and benefit		4,088,940		40,714,387	
Effective on current tax		55,628,653		78,541,092	
Deferred tax expense/ (income), net		25,115,841		25,455,950	
Effective on current tax and deferred tax		80,744,494		103,997,042	

The effective tax rate has been estimated denomanating current tax expenses by profit before tax. During the reporting period company's revenue and profit before tax has been increased and as per Income Tax Act, 2023, tax has been charged on non-operating income according to the specific rate as mentioned in the act that lead to higher effective tax rate.



39 Earning Per Share (EPS)

Basic Earning Per Share

The computation of EPS is given below:

- (a) Earning attributable to the ordinary shareholders
(b) Total weighted average number of share on 30 June

Calculation of weighted average number of share

Opening number of share on 01 July 2013
Bonus shares for 2012 @ 100 % issued in 2013
New shares issued on 28.09.2013
Bonus shares for 2013 @ 50 % issued in 2014
Bonus shares for 2014 @ 33.33 % issued in 2015
Issued of placement shares on 17.12.2015
Issued of primary shares through IPO on 04.03.2019
Bonus shares for 2019@ 5 %
Total weighted average number of share on 30 June

Basic EPS

Diluted earnings per share

No diluted earnings per share is required to be calculated for the year as there was no scope for dilution in the amount reported above.

The calculation of the basic earnings per share is made in accordance with IAS 33: Earnings Per Share, dividing the profit for the year by weighted average number of the shares issued. Basic Earnings represents earnings for the year attributable to the ordinary shareholders. As there was no preference dividend, non-controlling interest, the net profit / (loss) after tax for the year has been considered as fully attributable to the ordinary shareholders.

Bangladesh economy have been suffering forex losses on translation/ retranslation of foreign currency monetary liabilities in Bangladeshi taka and faced higher inflationary impact than past. All these issues desperately impact on increasing company's finance cost. The overall Earnings Per Share (EPS) has been increased during the reporting period due to boosting up sales specially in the three wheeler Segment.

The overall sale revenue has been increased 73% compare to last year. Net profit after taxes is 2.17 crore that was (69.56 crore) in last year. This improvements indicate effective management of operational and other factors contributing to enhance profitability.

40 Net Asset Value (NAV) per share at reporting date

- a) Net Asset as on the reporting date
b) Total weighted average number of share
NAV per share

41 Net operating cash flow (NOCF) per share

- a) Net Operating Cash Flows for the year
b) Total weighted average number of share
NOCF per share

There has been significant deviation noticed in the Net operating cash flows per share (NOCF) owing to reduction of credit business income, additional margin requirement for impotrs and increases of suppliers' payments for the year as compared with last year.

42 Dividend per share

- a) Dividend Paid during the year
b) Total weighted average number of share

Amount in BDT	
For the year ended	
30-Jun-24	30-Jun-23
21,767,021	(695,616,767)
113,539,933	113,539,933
15,000,000	15,000,000
15,000,000	15,000,000
13,478,261	13,478,261
21,739,130	21,739,130
21,739,130	21,739,130
7,246,400	7,246,400
13,930,349	13,930,349
5,406,663	5,406,663
113,539,933	113,539,933
0.19	(6.13)

5,118,420,112	5,096,518,468
113,539,933	113,539,933
45.08	44.89
311,835,115	991,353,687
113,539,933	113,539,933
2.75	8.73

-	113,539,932
113,539,933	113,539,933
-	1.00



		Amount in BDT	
		For the year ended	
		30-Jun-24	30-Jun-23
43 Segment reporting			
	2 Wheelers	3 Wheelers	Total
Revenue	735,298,139	3,652,510,016	4,387,808,155
Less: Cost of sales	(480,410,038)	(2,529,011,393)	(3,009,421,431)
Gross profit	254,888,101	1,123,498,623	1,378,386,724
Less: Administration & selling expenses	(117,825,444)	(466,377,728)	(584,203,172)
Operating profit	137,062,657	657,120,895	794,183,552
Less: Interest expenses	(254,335,461)	(677,175,054)	(931,510,515)
Add: Other income	86,077,712	159,156,109	245,233,821
Profit before contribution to WPPF	(31,195,092)	139,101,950	107,906,858
Less: Contribution to WPPF	-	(5,395,343)	(5,395,343)
Profit before tax	(31,195,092)	133,706,607	102,511,515
Less: Total income tax expenses	(47,295,355)	(33,449,139)	(80,744,494)
Current tax	(18,090,574)	(33,449,139)	(51,539,713)
Prior year tax expenses	(4,088,940)	-	(4,088,940)
Deferred tax	(25,115,841)	-	(25,115,841)
Net profit for the year	(78,490,447)	100,257,468	21,767,022
Other comprehensive income	-	-	-
Total comprehensive income for the year	(78,490,447)	100,257,468	21,767,022

44 Reconciliation of net income with cash flows from operating activities

In accordance with Bangladesh Securities and Exchange Commission Notification No: BSEC/CMRRCD/2006-158/206/Admin/81 dated on 20 June, 2018 the reconciliation of net income or net profit with cash flows from operation activities making adjustments for non-cash items, for non-operating items and for the net changed in operating accruals has been required and calculated as under.

Cash flow from operating activities:

Cash generated from operations:		
Net profit for the year	21,767,021	(695,616,767)
WPPF & tax charged for the year	86,139,837	103,997,042
Finance cost for the year	931,510,515	674,264,141
Depreciation expense	149,592,880	104,830,562
Non-operating income	(245,233,821)	(129,778,874)
(Increase)/decrease of trade receivables	248,794,228	358,342,582
(Increase)/decrease of inventories	(383,054,578)	565,929,298
(Increase)/decrease of advances, deposits & prepayments (except advance for capex)	(230,990,738)	70,713,203
Increase/(decrease) of trade payable	(104,514,702)	(73,446,467)
Increase/(decrease) of liabilities for expenses (operating)	16,951,881	18,634,868
Cash generated from operations	490,962,523	997,869,587
Tax paid during the year	(153,109,848)	(1,689,686)
WPPF paid during the year	-	(4,826,214)
Foreign exchange gain/ (loss)	(26,017,559)	-
Cash from operational activities	311,835,115	991,353,687

45 Foreign exchange earned and payments made during the reporting period

All imports have been made only in foreign currency and during the reporting period company has not earned any export proceeds. No other items, including consultancy fee, royalty, technical expert and professional advisory fee, interest, etc. were incurred or paid in foreign currencies.

46 Discount against sales

The Company has been delivering the products to the dealers with a margin as discount from MRP against the retail sales for 2w & 3W during the period.



Amount in BDT	
For the year ended	
30-Jun-24	30-Jun-23

47 Related party transactions

During the year, the Company carried out a number of transactions with related parties in the normal course of business and on arms length basis. The name of these related parties , nature of transactions, their total value and balances on reporting date have been set in accordance with the provisions of IAS-24.

Related parties comprise of companies under common ownership and common management control.

Name of Parties	Relationship	Nature of Transactions	2023 - 2024	2022 - 2023
Runner Motors Ltd.	Subsidiary	Short term loan/ Business tran	534,055,035	526,723,984
		Rental Income	6,138,000	2,650,500
Freedom Motors Ltd	Subsidiary	Short term loan	4,013,331	4,163,099
Bondstein Technologies Ltd.	Inter Company	Rental Income	990,000	1,494,240
Singularity BD Ltd.	Inter Company	Rental Income	990,000	-
		Short term loan	11,767,167	68,000,000
		Rental Income	5,755,500	2,047,725
Varendra University	Inter Company	Rental Income	564,000	240,000
Runner Trade Park Ltd.	Inter Company	Business transaction	23,852,723	22,796,949
		Rental Income	81,000	-
Runner Lube & Energy Ltd.	Inter Company	Rental Income	617,100	266,475
		Short term loan	205,300,000	-
Deen Impex	Accounts Receivable	Revenue Income	-	4,908,069
Venus Autos	Accounts Receivable	Revenue Income	(4,280,377)	586,263
Islam & Company	Accounts Receivable	Revenue Income	379,400	6,000,000

* Remuneration & attendance fees of the board members has been disclosed in the Note 53 & 53.1 in details.

47.1 Details of transactions

Name of Parties	Opening balances	Addition during the year	Adjusted during the year	Closing balances
	Taka	Taka	Taka	Taka
Runner Motors Ltd.	526,723,984	7,331,051	-	534,055,035
Freedom Motors Ltd	4,163,099	-	149,768	4,013,331
Runner Properties Ltd.	68,000,000	3,767,167	60,000,000	11,767,167
Runner Lube & Energy Ltd.	-	205,300,000	-	205,300,000
Runner Trade Park Ltd.	22,796,949	1,055,774	-	23,852,723

48 Status of income tax assessment

Income year	Assessment year	Present status
2022-23	2023-24	Assessment yet to complete
2021-22	2022-23	Fully completed
2020-21	2021-22	Assessment under section 83(2)/ 82-C is completed but appealed to concerned authority.
2019-20	2020-21	Fully completed
2018-2019	2019-20	Fully completed
2017-2018	2018-2019	Fully completed
2016-2017	2017-2018	Fully completed



		Amount in BDT	
		For the year ended	
		30-Jun-24	30-Jun-23
49	Commitments and contingencies		
49.1	Guarantees		
	Mymensingh Palli Bidduth Samity	7,018,079	7,018,079
	Dhaka Power Distribution Co Ltd.	408,000	408,000
	Upazilla Governance and Development Project	-	2,165,000
	Executive Director 2 (1/C))Procurement of vehicle Gazipur	60,000	60,000
	The Joint Director, Procurement & Store Section, Bangladesh Agriculture Research Institute,	85,000	85,000
	Project Director(DDIPy), South city corporation Dhaka	345,002	345,002
	The Project Director , BRDB	-	412,500
	The Project Director, Tista River Bridge Gaibandha	25,000	25,000
	The DG, BARI,joydebpur, Gazipur	25,000	25,000
	The Planning Officer Khulna Development, Authority	20,000	20,000
	Director General Bangladesh Ansar & VDP	-	286,350
	The Director Stores & Supplies Central Medical Store	-	254,186
	Project Director, Economic Acceleration and Resilience for NEET (EARN) Project	1,500,000	-
		9,486,081	11,104,117

The above margin and deposits have been included in advances, deposits and pre-payments.

* Bank guarantee was provided for tender sale purpose.

49.2 Except 62 showrooms and service center, other operation of the Company are on its own premises. The average remaining rent term for showrooms are less than five years. The rent obligation per year is approximately Tk. 49,514,823.

49.3 Runner Automobiles PLC. as a holding Company, has provided corporate guarantee to its subsidiary Runner Motors Ltd. (RML), amounting Taka 12,980,000,000. The subsidiary Company (RML) has availed loan facilities through this corporate guarantee, but not received any direct financial benefits. As per Bangladesh Securities and Exchange Commission notification No. SEC/CMMRRCD/2006-159/Admin/02-10 dated 2 September 2006, no issuer company listed with the stock exchanges shall make any loan or give any guarantee or provide any security in connection with a loan made by a third party to certain types of entities. However, nothing in this order shall apply for making of a loan or giving of any guarantee or providing any security by the said company if such company, as a holding Company makes the loan or gives the guarantee or provide the security to its subsidiary, but in no case the total amount of the loan shall exceed 50% of the paid up value of the shares held by such director in his own name. Since the Company has provided this corporate guarantee to its subsidiary Runner Motors Limited (RML) as holding company, and not any loan the Company consider that the restriction of 50% of paid-up value of shares referred in the notification is not applicable for corporate guarantee. On similar matter an information request has been received from Dhaka Stock Exchange which is duly complied with. On the other hand subsidiary Company RML also provide corporate guarantee against the total limit of RAL.

49.4 Upon investigation of VAT and financial information related documents for the financial year 2016-17 to 2020-21, Bangladesh VAT Audit, Intelligence and Investigation Directorate (VAID) demanded amounting of BDT 20.80 cr. Later considering the detailed information and supporting documents served on appeal statge against the cliam, the company was acquitted on all sorts of claims and charges of the above litigation.

49.5 Runner Automobiles PLC has provided bank gurantee in favor of payment of coupon interest to the bond holder from Pubali Bank PLC. As on 30 June, 2024 the contingent liability as guarrantee for coupon amounts is tk.42,44,79,729.

50 Production capacity

Production capacity is an essential matrix for the production planning and it indicates the maximum output of a production facilities which measured in finished products over a period of time. For the finial year 2023-24 the production units of two wheelers amnd three wheelers are mentioned in under:

2w

Installed capacity (in unit yearly)

Production (in unit yearly)

Capacity utilized (%)

100,000	100,000
3,380	8,477
3%	8%

3w

Installed capacity (total machine capacity production)

Production (in unit yearly)

Capacity utilized (%)

450,000	450,000
7,841	2,602
2%	1%



51 Employees

Number of employees whose monthly salary was below Tk. 3,000
Number of employees whose monthly salary was above Tk. 3,000

Amount in BDT	
For the year ended	
30-Jun-24	30-Jun-23
-	-
1,110	1,230
1,110	1,230

52 Events after reporting date

There is no significant events which required to report as events after reporting date.

53 Attendance status of Board meeting of Directors

During the period from 01.07.2023 to 30.06.2024 there were 7 (Seven) Board Meeting were held. The attendance status of all the meetings are as follows:

Name of directors	Position	Meeting Held	Attended
Mr. Hafizur Rahman Khan	Chairman	7	7
Mr. Md. Mozammel Hossain	Vice Chairman	7	7
Mr. Subir Kumar Chowdhury	Managing Director and CEO	7	7
Mr. Md. Jahurul Alam	Director	7	6
Mr. Taslim Uddin Ahmed	Director	7	4
Mr. Muallem A Choudhury FCA	Nominee Director	7	7
Mr. Mohammad Ali Deen	Director	7	6
Mr. Amid Sakif Khan	Nominee Director	7	2
Prof. Maksudur Rahman Sarker FCMA	Independent Director	7	5
Dr Muhammad Abdul Mazid	Independent Director	7	6

For Board Meeting, attendance fees were paid to the Directors of the Company @ BDT 10,000 for the directors (SI no. 4,5 & 7), BDT 15,000 for Prof. Maksudur Rahman Sarker FCMA and BDT 25000 for Dr. Muhammad Abdul Mazid per meeting respectively. The company has duly paid related VAT on the remuneration amount.

53.1 Key Management personnel compensation

Particulars
Remuneration
Total:

2023-24	2022-23
17,062,500	21,752,747
17,062,500	21,752,747

Key Management personnel compensation includes benefits for employees of the rank of directors and above represents short term employee benefits.

53.2 Disclosure as per requirements of Schedule XI, Part-II., Para-3 of the Companies Act. 1994

Requirements under condition No.	Compliance status
3(i)(a) The turnover	Complied
3(i)(b) Commission paid to selling agents	Complied
3(i)(c) Brokerage and discount of sales, other than the usual trade discount	Not Applicable
3(i)(d)(i) The value of the raw materials consumed, giving item-wise as possible	Complied
3(i)(d)(ii) The opening and closing stocks of goods produced	Complied
3(i)(e) In the case of trading companies, the purchase made and the opening and closing stocks	Not Applicable
3(i)(f) In the case of Companies rendering or supplying services, the gross income derived from services rendered or supplied	Not Applicable
3(i)(g) Opening and closing stocks, purchases, sales and consumption of raw materials with value and quantity breakup for the Company, which falls under one or more categories i.e. manufacturing and/or trading	Complied
3(i)(h) In the case of other companies, the gross income derived under different heads	Not Applicable
3(i)(i) Work-in-progress, which have been completed at the commencement and at the end of the accounting period	Complied



Requirements under condition No.	Compliance status
3(i)(j) Provision for depreciation, renewals or diminution in value of fixed assets	Complied
3(i)(k) Interest on the debenture paid or payable to the Managing Director, Managing Agent and the Manager	Not Applicable
3(i)(l) Charge for income tax and other taxation on profits	Complied
3(i)(m) Reserved for repayment of share capital and repayment of loans	Not Applicable
3(i)(n)(i) Amount set aside or proposed to be set aside, to reserves, but not including provisions made to meet any specific liability, contingency or commitment, know to exist at the date as at which the balance sheet is made up	Not Applicable
3(i)(n)(ii) Amount withdrawn from above mentioned reserve	Not Applicable
3(i)(o)(i) Amount set aside to provisions made for meeting specific liabilities, contingencies of commitments	Not Applicable
3(i)(o)(ii) Amount withdrawn from above mentioned provisions, as no longer required	Not Applicable
3(i)(p) Expenditure incurred on each of the following items, separately for each item:	Complied
(i) Consumption of stores and spare parts	
(ii) Power and Fuel	
(iii) Rent	
(iv) Repairs of Buildings	
(v) Repairs of Machinery	
(vi) (1) Salaries, wages and bonus	
(2) Contribution to provident and other funds	
(3) Workmen and staff welfare expenses to the extent not adjusted from any previous provision or reserve	

53.3 Disclosure as per requirement of schedule XI, Part - I (A. Horizontal Form) of Companies Act. 1994

Accounts Receivable

F. In regard to sundry debtors the following particulars' shall be given separately:-

I. Debt considered good for which the Company hold no security other than the debtors personal security

Only the security cheques were received against debt considering goods.

II. Debt considered doubtful or bad

The Company made provision for doubtful debts according to approved policy.

III. Debt due by directors or other officers of the Company

There is no such debt in this respect as on 30 June 2024

IV. Debt due by Common Management

Disclosed under related party transaction (note - 47)

V. The maximum amount due by Directors or other officers of the Company

There are no such debt in this respect as on 30 June 2024.

54 Proposed dividend

11% cash dividend for the general share holders and 1% cash dividend for sponsors and or directors has been recommended by the Board of Directors in the meeting held on 24 October 2024 and related tax will be deducted as per Income Tax Act, 2023 on the proposed dividend.



Runner Automobiles PLC
Schedule of Property, plant and Equipment (PPE)
As at 30 June 2024

Annexure I
Amount in Taka

Sl. No	Particulars	Cost				Depreciation				Written Down Value as at 30.06.2024	Written Down Value as at 30.06.2023		
		Opening Balance		Addition during the year	Revaluation during the year	Sales/Adjustment	Closing Balance	Opening Balance	Addition during the year			Sales/Adjustment	Closing Balance
		Cost	Revaluation Gain / (Loss) **										
Property, plant and Equipment (PPE)													
1	Land & Land Development *	903,107,175	1,897,740,325	29,990,829	-	-	2,830,838,329	-	-	-	2,830,838,329	2,800,847,500	
2	Building & Other Construction	2,555,559,454	60,679,940	475,420,463	-	-	3,091,659,857	59,267,684	-	-	314,598,925	2,360,908,152	
3	Plant & Machineries	1,971,773,948	4,740,289	620,000	-	-	1,977,134,237	45,196,860	-	-	410,690,706	1,611,020,392	
4	Furniture & Fixture	133,700,435	-	3,556,825	-	5,083,363	132,173,897	7,422,487	1,760,750	63,243,406	68,930,491	76,118,766	
5	Office Equipment	75,470,961	-	3,437,742	-	384,900	78,523,803	3,208,683	186,956	46,910,870	31,612,933	31,581,817	
6	Motor Vehicle	100,769,424	4,533,290	-	-	1,199,391	104,103,323	4,842,805	1,088,857	82,493,468	21,609,855	26,563,194	
7	Computer & Accessories	46,275,669	-	678,726	-	-	46,954,395	2,397,161	-	38,306,067	8,648,328	10,366,763	
Total PPE		5,786,657,070	1,967,693,844	513,704,585	-	6,667,654	8,261,387,845	122,335,680	3,036,563	956,243,444	7,305,144,401	6,917,406,587	
Right of use assets													
1	Showroom Space	106,640,348	-	16,334,692	-	59,727,077	63,247,963	18,489,920	26,471,522	33,200,187	30,047,776	65,458,559	
Intangible assets (IA)													
1	Local Software	5,319,257	-	2,590,500	-	-	7,909,757	1,875,300	777,858	-	2,653,158	3,443,957	
2	Foreign Software	69,019,872	-	-	-	-	69,019,872	24,699,241	7,989,422	-	32,688,663	44,320,631	
Total IA		74,339,129	-	2,590,500	-	-	76,929,629	26,574,541	8,767,280	-	35,341,821	47,764,589	
Grand Total		5,967,636,547	1,967,693,844	532,629,777	-	66,394,731	8,401,565,437	149,592,880	29,508,085	1,024,785,452	7,376,779,986	7,030,629,736	

* The Company has mortgaged some of the above assets with various banks and financial institutions to secure its loans and borrowings.

** The Company has revaluated its property, plant and equipment's on 2011, 2014 and 2023.

Depreciation & amortization Allocation:

Accounts Head	2023-24	2022-23
Factory overhead	102,213,448	62,311,494
Administrative expenses	28,889,512	42,519,068
ROU for admin expense	18,489,920	-
Total:	149,592,880	104,830,562



Runner Automobiles PLC
Details of Investment in Securities
As on 30 June 2024

Annexure II

Investment in shares	No of Shares	Market Value per share	Total Market Value	Cost Vale	Gain/ (Loss)
Beximco Pharma	20,000	118	2,362,000	3,893,081	(1,531,081)
Confidence Cement PLC	22,050	68	1,494,990	3,117,968	(1,622,978)
Star Adhesives Ltd	100,000	70	7,020,000	3,849,340	3,170,660
BRAC Bank PLC.	27,500	34	943,250	938,273	4,977
BATBCL	4,308	323	1,390,622	2,013,323	(622,701)
Grameenphone Ltd.	7,000	248	1,733,900	1,740,379	(6,479)
LafargeHolcim Bangladesh Limited	5,000	62	311,500	341,190	(29,690)
Marico Bangladesh Limited	800	2,275	1,819,600	1,979,481	(159,881)
Renata Ltd	1,100	770	847,110	1,210,923	(363,813)
Square Pharmaceuticals PLC.	5,550	211	1,170,495	1,189,810	(19,315)
The IBN SINA Pharmaceutical Industry PLC	2,437	250	608,763	681,587	(72,825)
Walton Hi-Tech Industrie	1,100	649	714,340	1,085,085	(370,745)
Beximco Pharma	95,880	116	11,083,728	13,910,364	(2,826,636)
Unitedair	253,000	-	-	2,467,380	(2,467,380)
Dhakabank	1,735	10	17,177	28,378	(11,202)
Eximbank	1,175	8	9,753	12,085	(2,333)
Total			31,527,227	38,458,647	(6,931,420)
Balance of BO Account	-	-	980,464	-	-
Total			32,507,691	38,458,647	(6,931,420)





▲ + 9,803,289

INDEPENDENT AUDITOR'S REPORT

Audited Financial Statements of
Runner Motors Limited

As at and for the year ended 30 June 2024

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF **RUNNER MOTORS LIMITED** Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Runner Motors Limited (the "Company") which comprise the statement of financial position as at 30 June 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended 30 June 2024, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements (the "financial statements") give a true and fair view of the financial position of the Company as at 30 June 2024 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 of the Company in accordance with IFRSs, the Companies Act, 1994 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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



As part of an audit in accordance with ISAs, we exercise professional judgement 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 omission, 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 disclosure in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is 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 Company's financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994 we also report the following:

- i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- ii. In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of those books;
- iii. The statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts.

A. Qasem & Co.
Chartered Accountants
FRC Enlistment No.: CAF-001-129


Ziaur Rahman Zia FCA
Partner
Enrolment Number: 1259

DVC: **2410301259AS864612**
Dhaka, 24 October 2024

Runner Motors Limited
Statement of Financial Position
As at 30 June 2024

	Notes	Amount in Taka	
		30-Jun-24	30-Jun-23
Assets			
Non-current assets			
Property, plant and equipment	3	2,589,247,494	1,717,103,957
Intangible assets	4	179,000	15,242,570
Capital work in progress	5	11,352,899	18,033,982
Trade and other receivables	7	1,131,353,591	1,994,118,079
		3,732,132,984	3,744,498,588
Current assets			
Inventories	6	724,210,575	915,608,955
Trade and other receivables	7	3,538,412,308	4,004,209,998
Short term investment	8	1,199,003,471	1,615,925,399
Advances, deposits, prepayments and others	9	754,181,693	737,335,491
Related party receivables	10	923,816,329	527,254,613
Cash and cash equivalents	11	186,801,019	110,808,621
		7,326,425,395	7,911,143,077
Total assets		11,058,558,379	11,655,641,665
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital	12	90,000,000	90,000,000
Share premium	12.1	115,905,000	115,905,000
General reserve	13	232,300,000	232,300,000
Revaluation surplus	14	1,407,559,472	597,912,243
Retained earnings	15	2,248,169,923	2,383,238,171
		4,093,934,395	3,419,355,414
Non-current liabilities			
Long term loan net off current portion	16	2,294,689,440	3,431,646,637
Deferred tax liability	17	147,121,867	75,006,146
		2,441,811,307	3,506,652,783
Current liabilities			
Trade and other payables	18	134,266,610	150,628,265
Short term loan from banks	19	1,716,327,170	1,377,658,974
Related party payables	20	17,116,119	22,000,000
Current portion of long term loan	21	1,147,344,720	1,809,280,730
Provision for income tax	22	378,764,779	495,402,561
Provision for contribution to WPPF and welfare fund	23	33,886,364	25,229,786
Liabilities for expenses and other provisions	24	1,095,106,915	849,433,152
		4,522,812,677	4,729,633,468
Total equity and liabilities		11,058,558,379	11,655,641,665

The annexed notes 1 to 44 and "Annexure I" are the integral part of the financial statements.

Signed as per our report of same date.

A. Qasem & Co.
Chartered Accountants
FRC Enlistment No.: CAF-001-129


Ziaur Rahman Zia FCA
Partner
Enrolment Number: 1259

DVC: **2410301259AS864612**
Dhaka, 24 October 2024

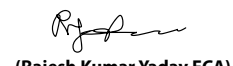

(Hafizur Rahman Khan)
Chairman
Runner Motors Limited


(Mohammad Ali Deen)
Director
Runner Motors Limited




(Md. Mozammel Hossain)
Vice Chairman
Runner Motors Limited


(Md. Mizanur Rahman)
Company Secretary
Runner Motors Limited


(Rajesh Kumar Yadav FCA)
Chief Financial Officer
Runner Motors Limited



Runner Motors Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2024

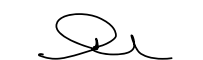
	Notes	Amount in Taka	
		30-Jun-24	30-Jun-23
Revenue	25	3,975,774,641	4,103,383,278
Cost of sales	26	(2,637,213,166)	(2,618,709,762)
Gross profit		1,338,561,475	1,484,673,516
Operating expenses			
Administrative expenses	27	(163,821,629)	(238,214,817)
Selling and distribution expenses	28	(450,253,859)	(716,978,071)
		(614,075,488)	(955,192,888)
Operating profit		724,485,987	529,480,628
Finance cost	29	(680,104,864)	(742,294,262)
Non-operating income	30	128,750,440	109,965,336
Profit before tax and WPPF		173,131,563	(102,848,298)
Contribution to WPPF and welfare fund		(8,656,578)	-
Profit before income tax and share of profit		164,474,985	(102,848,298)
Share of profit from associate		-	-
Profit before income tax		164,474,985	(102,848,298)
Income tax expenses			
Current tax	31	(120,708,756)	(103,061,982)
Deferred tax	31	(1,040,284)	(5,189,908)
		(121,749,040)	(108,251,890)
Net profit for the year		42,725,945	(211,100,188)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Revaluation of land		882,928,475	-
Deferred tax liabilities		(70,634,278)	-
		812,294,197	-
		855,020,142	(211,100,188)
Basic earnings per share (EPS)	32	4.75	(23.46)

The annexed notes 1 to 44 and "Annexure I" are the integral part of the financial statements.
Signed as per our report of same date.

A. Qasem & Co.
Chartered Accountants
FRC Enlistment No.: CAF-001-129


Ziaur Rahman Zia FCA
Partner
Enrolment Number: 1259

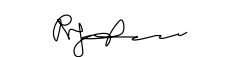
DVC: **2410301259AS864612**
Dhaka, 24 October 2024


(Hafizur Rahman Khan)
Chairman
Runner Motors Limited


(Mohammad Ali Deen)
Director
Runner Motors Limited


(Md. Mozammel Hossain)
Vice Chairman
Runner Motors Limited


(Md. Mizanur Rahman)
Company Secretary
Runner Motors Limited


(Rajesh Kumar Yadav FCA)
Chief Financial Officer
Runner Motors Limited





Runner Motors Limited
Statement of Changes in Equity
For the year ended 30 June 2024

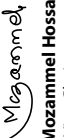
Particulars	Share	Share	Revaluation	General	Retained	Total
	Capital	Premium	Surplus	Reserve	Earnings	
Balance as on 01 July 2022	90,000,000	115,905,000	600,695,803	232,300,000	2,682,018,726	3,720,919,529
Net profit after tax	-	-	-	-	(211,100,188)	(211,100,188)
Realization of revaluation reserve through depreciation charged	-	-	(2,783,560)	-	2,319,634	(463,927)
Dividend	-	-	-	-	(90,000,000)	(90,000,000)
Balance as at 30 June 2023	90,000,000	115,905,000	597,912,243	232,300,000	2,383,238,171	3,419,355,414
Balance as on 01 July 2023	90,000,000	115,905,000	597,912,243	232,300,000	2,383,238,171	3,419,355,414
Net profit after tax	-	-	-	-	42,725,945	42,725,945
Revaluation of land on FY 2024	-	-	882,928,475	-	-	882,928,475
Initial recognition of deferred tax liabilities on land revaluation	-	-	(70,634,278)	-	-	(70,634,278)
Realization of revaluation reserve through depreciation charged	-	-	(2,646,968)	-	2,205,807	(441,161)
Interim dividend	-	-	-	-	(180,000,000)	(180,000,000)
Balance as at 30 June 2024	90,000,000	115,905,000	1,407,559,472	232,300,000	2,248,169,923	4,093,934,395

The annexed notes 1 to 44 and "Annexure I" are the integral part of the financial statements.


(Hafizur Rahman Khan)
Chairman
Runner Motors Limited


(Rajesh Kumar Yadav FCA)
Chief Financial Officer
Runner Motors Limited


(Mohammad Ali Deen)
Director
Runner Motors Limited


(Md. Mozammel Hossain)
Vice Chairman
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(Md. Mizanur Rahman)
Company Secretary
Runner Motors Limited



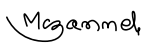
Runner Motors Limited
Statement of Cash Flows
For the year ended 30 June 2024

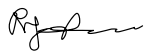
	Notes	Amount in Taka	
		30-Jun-24	30-Jun-23
A) Cash flow from operating activities			
Receipts from customers		5,262,676,886	6,326,835,388
Payments to suppliers and employees		(2,973,348,068)	(2,852,478,267)
Cash generated from operating activities		2,289,328,818	3,474,357,121
Income tax paid		(137,469,761)	(115,033,783)
Net cash generated from operating activities		2,151,859,057	3,359,323,338
B) Cash flows from investing activities			
Net investment in financial assets		435,918,291	(4,179,410)
Receipt from investment income		109,754,077	109,965,336
Payments for property, plant and equipment		(16,943,393)	(151,341,249)
Loan to related party		(401,445,597)	(490,034,082)
Net cash used in investing activities		127,283,378	(535,589,405)
C) Cash flows from financing activities			
Proceeds from borrowings		3,120,052,134	2,777,164,500
Repayments of borrowings:			
Principal		(4,574,982,375)	(4,881,079,012)
Finance costs		(680,104,864)	(742,294,262)
Dividend paid		(68,114,932)	(29,110,000)
Net cash used in financing activities		(2,203,150,037)	(2,875,318,774)
D) Net increase/(decrease) in cash and cash equivalents (A+B+C)		75,992,398	(51,584,841)
E) Cash and cash equivalents at the beginning of the year		110,808,621	162,393,462
F) Cash and cash equivalents at the end of the year (D+E)	11	186,801,019	110,808,621

The annexed notes 1 to 44 and "Annexure I" are the integral part of the financial statements.


(Hafizur Rahman Khan)
Chairman
Runner Motors Limited

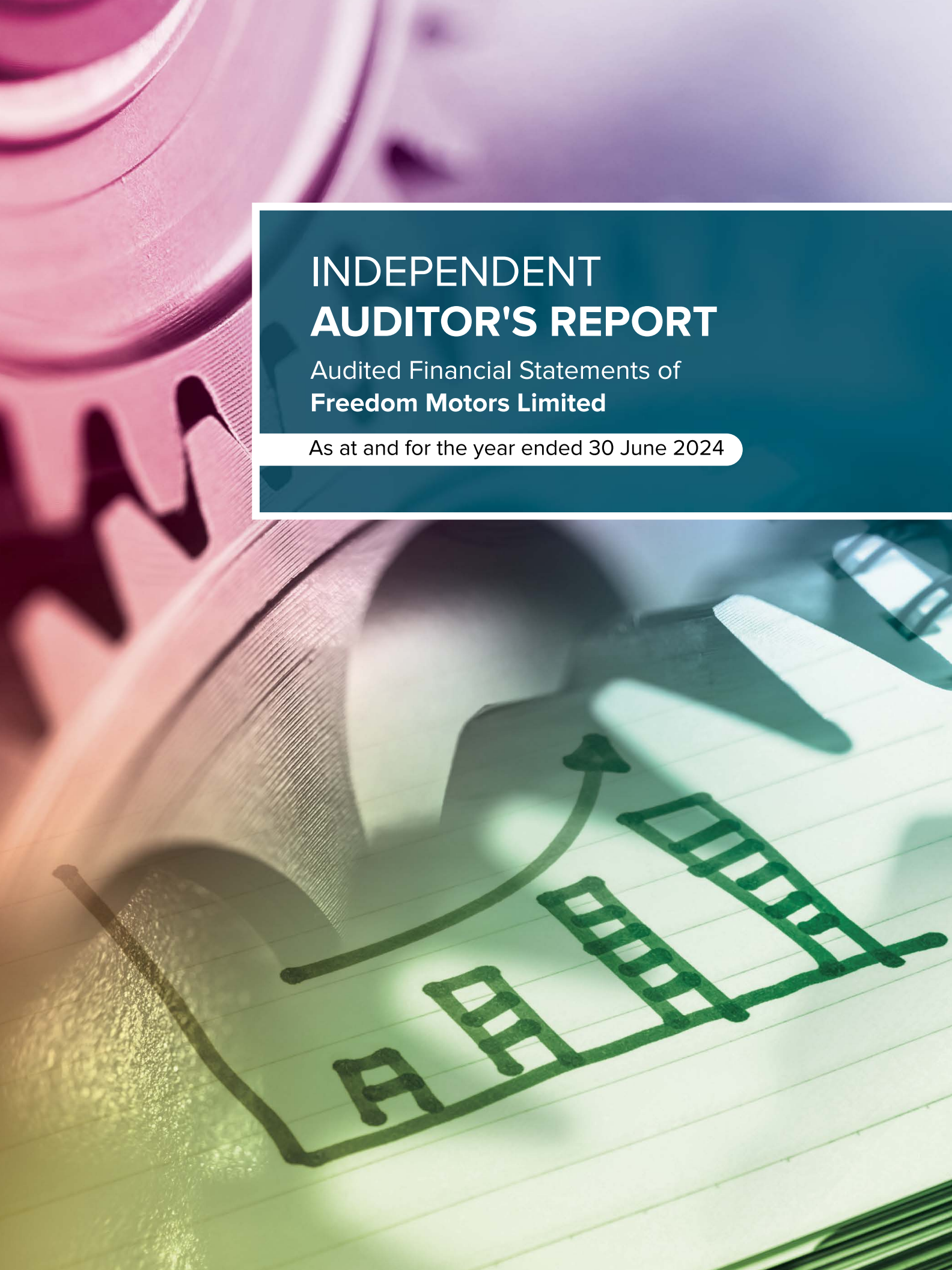

(Mohammad Ali Deen)
Director
Runner Motors Limited


(Md. Mozammel Hossain)
Vice Chairman
Runner Motors Limited


(Rajesh Kumar Yadav FCA)
Chief Financial Officer
Runner Motors Limited


(Md. Mizanur Rahman)
Company Secretary
Runner Motors Limited





INDEPENDENT AUDITOR'S REPORT

Audited Financial Statements of
Freedom Motors Limited

As at and for the year ended 30 June 2024



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF **FREEDOM MOTORS LIMITED**

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Freedom Motors Limited (the "Company"), which comprise the statement of financial position as at 30 June 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company as at 30 June 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to the users of the financial statements that since 2013-2014, no revenue has been generated from the core business operation of the Company. As disclosed in note 2.7 to the financial statements, as per management assessment, the company has adequate resources to continue its operation and no material uncertainty exists related to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern.

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 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 ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994 we also report following:

- 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 account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c) The statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns.

A. Qasem & Co.
Chartered Accountants
FRC Enlistment No.: CAF-001-129


Ziaur Rahman Zia FCA
Partner
Enrolment Number: 1259

DVC: **2410301259AS482217**

Dhaka, 24 October 2024



Freedom Motors Limited
Statement of Financial Position
As at 30 June 2024

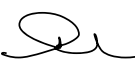
	Notes	Amount in Taka	
		30-Jun-24	30-Jun-23
Assets			
Non-current assets			
Property, plant and equipment	3	-	-
		-	-
Current assets			
Inventories	4	-	-
Trade and other receivables	5	-	-
Short term investment	6	1,496,064	1,452,687
Advances, deposits and prepayments	7	133,968	112,377
Related party receivables	8	52,336,964	50,185,607
Other receivables	9	23,474	22,965
Cash and cash equivalents	10	266,966	265,763
		54,257,436	52,039,399
Total assets		54,257,436	52,039,399
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital	11	6,855,000	6,855,000
Retained earnings	12	45,116,580	43,562,647
		51,971,580	50,417,647
Current liabilities			
Provision for bad and doubtful debts	13	-	-
Provision for inventories	14	-	-
Liability for expenses		138,000	126,500
Provision for tax	15	2,147,856	1,495,252
		2,285,856	1,621,752
Total shareholder's equity and liabilities		54,257,436	52,039,399

The annexed notes 1 to 20 and "Annexure I" are the integral part of the financial statements.
Signed as per our report of same date.

A. Qasem & Co.
Chartered Accountants
FRC Enlistment No.: CAF-001-129


Ziaur Rahman Zia FCA
Partner
Enrolment Number: 1259

DVC: **2410301259AS482217**
Dhaka, 24 October 2024


(Hafizur Rahman Khan)
Chairman
Freedom Motors Limited


(Mohammad Ali Deen)
Director
Freedom Motors Limited




(Md. Mozammel Hossain)
Managing Director
Freedom Motors Limited


(Md. Mizanur Rahman)
Company Secretary
Freedom Motors Limited


(Soman Kumar Roy FCA)
Chief Financial Officer
Freedom Motors Limited



Freedom Motors Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2024

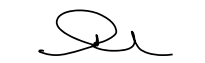
	Notes	Amount in Taka	
		30-Jun-24	30-Jun-23
Revenue	16	-	-
Cost of sales	17	-	-
Gross profit		-	-
Operating expenses			
Administrative expenses	18	(166,568)	(227,170)
		(166,568)	(227,170)
Operating profit		(166,568)	(227,170)
Other income	19	2,373,105	2,253,932
Profit before tax		2,206,537	2,026,762
Provision for tax	15	(652,604)	(619,832)
Net profit / (loss) for the year		1,553,933	1,406,930
Other comprehensive income		-	-
Total comprehensive income		1,553,933	1,406,930

The annexed notes 1 to 20 and "Annexure I" are the integral part of the financial statements.
Signed as per our report of same date.

A. Qasem & Co.
Chartered Accountants
FRC Enlistment No.: CAF-001-129


Ziaur Rahman Zia FCA
Partner
Enrolment Number: 1259

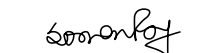
DVC: **2410301259AS482217**
Dhaka, 24 October 2024


(Hafizur Rahman Khan)
Chairman
Freedom Motors Limited


(Mohammad Ali Deen)
Director
Freedom Motors Limited


(Md. Mozammel Hossain)
Managing Director
Freedom Motors Limited


(Md. Mizanur Rahman)
Company Secretary
Freedom Motors Limited


(Soman Kumar Roy FCA)
Chief Financial Officer
Freedom Motors Limited

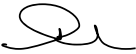


Freedom Motors Limited
Statement of Changes in Equity
For the year ended 30 June 2024

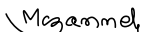
Amount in Taka

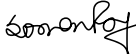
Particulars	Share capital	Retained earnings	Total
Balance as on 01 July 2022	6,855,000	42,155,716	49,010,716
Net profit / (loss) after tax	-	1,406,931	1,406,931
Total as on 30 June 2023	6,855,000	43,562,647	50,417,647
Balance as on 01 July 2023	6,855,000	43,562,647	50,417,647
Net profit / (loss) after tax	-	1,553,933	1,553,933
Total as on 30 June 2024	6,855,000	45,116,580	51,971,580

The annexed notes 1 to 20 and "Annexure I" are the integral part of the financial statements.


(Hafizur Rahman Khan)
Chairman
Freedom Motors Limited


(Mohammad Ali Deen)
Director
Freedom Motors Limited


(Md. Mozammel Hossain)
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Freedom Motors Limited

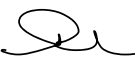


Freedom Motors Limited

Statement of Cash Flows
For the year ended 30 June 2024

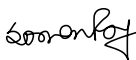
	Amount in Taka	
	30-Jun-24	30-Jun-23
Cash flows from operating activities		
Receipt from customers and dealers	-	-
Payment to suppliers and employees	(155,068)	(215,670)
Net cash used for operating activities	(155,068)	(215,670)
Income tax paid	(21,591)	(18,541)
(A) Net cash used in operating activities	(176,659)	(234,211)
Cash flows from investing activities		
Repayments by / paid to related parties	149,768	210,450
Interest income	28,094	25,156
(B) Net cash used in investing activities	177,862	235,606
Cash flows from financing activities		
(C) Net cash flows from financing activities	-	-
(D) Net increase/(decrease) in cash and cash equivalents for the year (A+B+C)	1,203	1,395
(E) Cash and cash equivalents at the beginning of the year	265,763	264,368
(F) Cash and cash equivalents at the end of the year (D+E)	266,966	265,763

The annexed notes 1 to 20 and "Annexure I" are the integral part of the financial statements.


(Hafizur Rahman Khan)
Chairman
Freedom Motors Limited


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Chief Financial Officer
Freedom Motors Limited


(Md. Mizanur Rahman)
Company Secretary
Freedom Motors Limited



SHAREHOLDER SERVICES



24TH ANNUAL GENERAL MEETING'S INFORMATION

**HYBRID SYSTEM (THROUGH PHYSICAL
PRESENCE & DIGITAL PLATFORM)
MONDAY, 23RD DECEMBER 2024 AT 11.30 AM (BST)**



AGM HELPLINE

Shyamal Kumar Banik
Abdullah Al Maruf
Zahedin Ahsan Kowshik
Mob: 01730405232
Phone: +8870160, Fax: +8870173
Email: ral.cstd@gmail.com

IMPORTANT REGULATORS' WEBSITE LINKS

Bangladesh Securities and Exchange Commission

<https://sec.gov.bd/>

Dhaka Stock Exchange Limited

<https://www.dsebd.org/index.php>

Chittagong Stock Exchange PLC

<https://www.cse.com.bd>

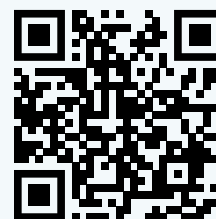
CMSF

<https://cmsfbd.org/>

CDBL

<https://www.cdbl.com.bd/>

Scan and get
Runner Automobiles PLC
website



Note



Note

PROXY FORM

Revenue
Stamp Tk
100/-

I/We.....Of.....
.....being
a member of Runner Automobiles PLC, do hereby appoint a a)Mr./Mrs.....
.....of.....
.....b)Mr./Mrs.....
.....of..... either of them may, in writing,
appoint anyone to act as my proxy at the 24th Annual General Meeting (AGM) to be held on Monday, 23 December 2024 at
11.30 A.M using Hybrid system in combination of Physical and Digital presence at any adjournment thereof.
As witness my/our hand this day of 2024.

.....
(Signature of Proxy)

.....
(Signature of Share Holder)

Folio I BO ID No.

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

No. of Shares held:

Notes:

A member entitled to attend and vote in the AGM may appoint a Proxy to attend and vote on his/her behalf.
The Proxy Form, duly filed and stamped must be deposited at the Registered Office of the Company, by 11.30 A.M. of 23
December 2024.
Signature of the Member(s) must be in accordance with the Specimen Signature recorded with the Company.

ATTENDANCE SLIP

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

I/We do hereby record my/our attendance at the 24th Annual General Meeting (AGM) of the Company being held using
Hybrid system in combination of Physical and Digital presence on Monday, 23 December 2024 at 11.30 A.M.

Name of the Shares Holder (s)/Proxy.....

BO ID No. of Share Holder:

No. of Shares held:

.....
Signature of the Shares Holder (s)/Proxy

Note: Please present this attendance slip at the registration counter on or before 11.30 A.M. on the AGM date.



RUNNER

RUNNER AUTOMOBILES PLC

138/1, Tejgaon Industrial Area, Dhaka 1208
Call us: 16273, Fax: +88 02 8870172
www.runnerautomobiles.com

