

Audit Committee and Report

The Audit Committee presented the report as per condition no. 5 of the Corporate Governance Code, 2018 issued by the Bangladesh Securities and Exchange Commission (BSEC). The Audit Committee is the subcommittee of the Board. The Committee assists the Board of Directors in ensuring that the financial statements reflect a true and fair view of the state of affairs of the company and in ensuring good monitoring and internal control system within the organization.

Present Members of the Audit Committee:

Mr. Md. Anwar Hossain, M.com, FCA, Independent Director	: Chairperson of the Committee
Mr. Taskeen Ahmed, Director	: Member of the Committee
Mr. Tashfeen Ahmed, Director	: Member of the Committee
Mr. Md. Sazzad Hossain Talukdar, ACS	: Secretary of the Committee

* * **Note:** Mr. Tanveer Ahmed appointed as a Managing Director and Mr. Taskeen Ahmed resigned from Managing Director on 21st June, 2021. In that connection Mr. Taskeen Ahmed was nominated as a Member in replace of Mr. Tanveer Ahmed in Audit Committee.

* * **Note:** Mr. Md. Anwar Hossain, Mcom, FCA is appointed as an Independent Director on 19th August, 2021 and Mr. Kazi Maqbul Ahmed, FCA resigned from Independent Director on 19th August, 2021. In that connection Mr. Md. Anwar Hossain, Mcom, FCA was nominated Chairperson in replace of Mr. Kazi Maqbul Ahmed, FCA in Audit Committee.

Duties and responsibilities of the Audit Committee:

- Oversee the financial reporting process.
- Review whether internal audit functioning independently
- To review internal control strategies and their implication
- Monitor choice of accounting policies and principles.
- To assist in financial planning and budgeting according to financial audit
- Monitor Internal Control Risk management process.
- To recommend the Board on the appointment of external auditors
- Oversee the performance of external auditors and their audit reports.
- To advise management on the potential threat of forgery and fraud
- Review along with the management, the annual financial statements before submission to the board for approval.
- Review along with the management, the quarterly and half-yearly financial statements before submission to the board for approval.
- Review the adequacy of the internal audit function.
- Review statement of significant related party transactions submitted by the management.
- Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.
- Review whether the laws and regulations are being complied with
- Examine the efficiency and effectiveness of the internal audit process.
- Review on money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales, and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for purposes other than those stated in the offer document/prospectus.

A total of seven (07) meetings were held during the year 2020-2021. The details of the attendance record of the members of the committee are as follows:

Member of the Committee	Position	Attendance
Mr. Md. Raqibul Islam, FCA, Independent Director (upto October 27, 2020)	Chairperson	03
Mr. Kazi Maqbul Ahmed, FCA Independent Director (upto June 30, 2021)	Chairperson	04
Mr. Tanveer Ahmed, Director (upto June 21, 2021)	Member	07
Mr. Tashfeen Ahmed, Director (upto June 30, 2021)	Member	06

Activities during the year 2020-2021:

- The Committee reviewed the quarterly (Q1, Q2, & Q3) unaudited Financial Statements,
- The Committee reviewed the annual audited financial statements of IFAD AUTOS LIMITED for the financial year ended June 30, 2021.
- The Committee also reviewed the prevailing internal audit process, monitoring system existing- within the business;
- The Committee reviewed accounting process, policies, and principles, internal control and risk management process, the hiring and performance external auditors, related parties transaction ;
- The committee's recommended the Ahmed Zaker & Co. Chartered Accountants as statutory external auditors for the financial year ended on 30 June 2022 to the Board;
- The committee's recommended the Podder & Associates, cost Management Accountants as Compliance Auditors to the Board;
- The committee's reviewed management's discussion and analysis on financial statements;
- The Committee reviewed the revised Rights Share utilization proceeds and funds utilization report quarterly basis.
- Set an action plan for the year 2021-2022.

Report Authorization

This report is prepared in accordance with the committee meetings held on 27th October 2021 and approved in a subsequent Board meeting.

Observation:

The committees did not find any misfeasance in financial records, bookkeeping, and materially untrue information during the reporting period. The committees did not hold a regular meeting due to the COVID-19 pandemic.

On behalf of the Audit committee

Sd/-

Mr. Md. Anwar Hossain, M.com, FCA
Chairperson Audit Committee