Ifad Autos Limited

Unaudited Financial Statements

For the period ended September 30, 2016

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IFAD Autos Limited

Statement of Financial Position

As at September 30, 2016

Particulars	Notes	Amount in Taka	
		September 30, 2016	June 30, 2016
Assets:			
Non-Current Assets:		**2,532,946,618**	**2,491,899,293**
Property, Plant and Equipment	4.00	2,495,300,517	2,461,762,232
Construction WIP	5.00	37,646,101	30,137,061
Current Assets:		**17,214,439,721**	**16,677,706,757**
Inventories	6.00	857,548,994	954,286,529
Accounts Receivable	7.00	13,436,592,991	12,913,400,516
Investment in Shares	8.00	526,690,021	422,560,958
Advances, Deposits and Prepayments	9.00	877,979,608	816,670,626
Cash & Cash Equivalents	10.00	1,515,628,107	1,570,788,128
Non-Current Assets Held for Sale	11.00	53,223,916	53,223,916
Total Assets:		**19,800,610,255**	**19,222,829,965**
Shareholders Equity & Liabilities:			
Equity attributable to the Shareholders		**5,172,493,762**	**5,020,785,173**
Ordinary Share Capital	12.00	1,495,000,000	1,495,000,000
Share Premium	13.00	388,330,508	388,330,508
Revaluation Surplus	14.00	1,003,896,444	1,004,201,992
Retained Earnings	15.00	2,285,266,810	2,133,252,673
Liabilities:			
Non Current Liabilities		**6,284,304,343**	**6,252,027,631**
Deferred Tax Liability	16.00	196,545,241	194,862,822
Security Deposits (Dealer)	17.00	14,895,000	14,925,000
Long Term Loans	18.00	285,882,741	303,908,351
Leasehold Obligations	19.00	5,786,981,361	5,738,331,458
Current Liabilities		**8,343,812,150**	**7,950,017,161**
Current Portion of Long Term Loans	20.00	148,136,132	183,865,403
Current Portion of Leasehold Obligation	21.00	3,831,074,033	3,582,767,780
Accounts & Others Payable	22.00	20,513,542	22,118,437
UnClaimed Dividend	23.00	345,871	345,871
Uncollected IPO Subscription	24.00	1,919,400	1,919,400
Advance Against Sales	25.00	70,180,095	70,720,655
Short Term Bank Loan and Credits	26.00	3,694,692,129	3,612,926,099
Provision for Income Tax	27.00	496,413,902	422,109,351
Accrued Expenses	28.00	80,537,046	53,244,165
Total Liabilities:		**14,628,116,493**	**14,202,044,792**
Total Equity and Liabilities:		**19,800,610,255**	**19,222,829,965**
Net assets Value Per Share (NAVPS)		**34.60**	**33.58**

The annexed notes (1-41) form an integral part of these financial statements.

Chairman | Managing Director | Director | CFO | Company Secretary

Signed as per our separate report on same date.

Place : Dhaka
Dated: November 14, 2016

IFAD Autos Limited

Statements of Profit or Loss and Other Comprehensive Income

For the period ended September 30, 2016

Particulars	Notes	Amount in Taka	
		July 01, 2016 to September 30,2016	July 01, 2015 to September 30,2015
Sales Revenue	29.00	1,817,368,020	2,037,180,221
Less: Cost of Sales	30.00	1,496,504,787	1,675,980,173
Gross Profit		**320,863,233**	**361,200,048**
Less: Administrative Expenses	31.00	60,653,104	49,280,574
Less: Distribution Expenses	32.00	29,643,456	26,709,212
Operating Profit		**230,566,673**	**285,210,262**
Add: Other Income	33.00	35,676,263	17,625,025
Less: Financial Expenses	34.00	24,251,244	24,879,262
Profit Before WPPF and Income Tax		**241,991,692**	**277,956,025**
Less: Workers Profit Participation Fund		11,523,414	13,236,001
Profit Before Income Tax		**230,468,278**	**264,720,024**
Less: Income Tax Expenses	35.00	**76,139,745**	**70,562,261**
Current tax		74,304,551	70,562,261
Deferred tax		1,835,194	-
Profit after tax for the period		**154,328,533**	**194,157,763**
Other Comprehensive Income/(Loss)	36.00	(2,772,720)	5,596,137
Total Comprehensive income for the period		**151,555,813**	**199,753,900**
Earning Per Share (EPS)	37.00	**1.03**	**1.69**
Re-stated Earning Per Share	38.00	**1.03**	**1.30**

The annexed notes (1-41) form an integral part of these financial statements.

Chairman **Managing Director** **Director** **CFO** **Company Secretary**

Signed as per our separate report on same date.

Place: Dhaka
Dated: November 14, 2016

IFAD Autos Limited

Statement of Changes in Equity

For the period ended September 30, 2016

Particulars	Amount in Taka				
	Share Capital	Share Premium	Revaluation Surplus	Retained Earnings	Total
Balance as on July 01, 2016	1,495,000,000	388,330,508	1,004,201,992	2,133,252,673	5,020,785,173
Depreciation on revaluated property, Plant & Equipment	-	-	(458,324)	458,324	-
Deferred Tax on Revaluation	-	-	152,775	-	152,775
Total Comprehensive Income during the period	-	-	-	151,555,813	151,555,813
Balance as on September 30, 2016	**1,495,000,000**	**388,330,508**	**1,003,896,444**	**2,285,266,809**	**5,172,493,761**

IFAD Autos Limited

Statement of Changes in Equity

For the period ended September 30, 2015

Re-Stated

Particulars	Amount in Taka				
	Share Capital	Share Premium	Revaluation Surplus	Retained Earnings	Total
Balance as on July 01, 2015	1,150,000,000	388,330,508	1,551,640,198	1,970,941,688	5,060,912,394
Excess depciation on revaluationsurplus tranfer from revaluation surplus upto 2015	-	-	6,520,657	(6,520,657)	-
According to BAS 8: Change of accounting policy due to change of finance act 2016-2017	-	-	(238,563,541)	-	(238,563,541)
Depferred on revaluation	-	-	676,455	-	676,455
Opening Balance-restated	**1,150,000,000**	**388,330,508**	**1,320,273,769**	**1,964,421,031**	**4,823,025,308**
Depreciation on revaluated property, Plant & Equipment transferred to Retained Earnings	-	-	(481,974)	481,974	-
Deferred Tax on Revaluation	-	-	160,658	-	160,658
Total Comprehensive Income during the period	-	-	-	199,753,900	199,753,900
Balance as on September 30, 2015	**1,150,000,000**	**388,330,508**	**1,319,952,453**	**2,164,656,905**	**5,022,939,866**

Chairman **Managing Director** **Director** **Chief Financial Officer** **Company Secretary**

Signed as per our separate report on same date.

Place: Dhaka
Dated: November 14, 2016

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IFAD Autos Limited
Statement of Cash Flows
For the period ended September 30, 2016

Particulars	Amount in Taka	
	July 01, 2016 to September 30,2016	July 01, 2015 to September 30,2015
Cash Flow from Operating Activities:		
Cash Receipts from customers and others	1,331,790,966	1,322,633,286
Cash Payment to suppliers and employees	(1,482,773,882)	(1,828,607,904)
Cash generated from operations	**(150,982,916)**	**(505,974,618)**
Financial Expenses	(24,251,244)	(24,879,262)
Income Tax Paid during the period	(68,697,171)	(54,273,363)
Net Cash Used by Operating Activities: (A)	**(243,931,331)**	**(585,127,243)**
Cash Flow from Investing Activities:		
Purchase of Property, Plant and Equipment	(25,772,305)	(16,187,692)
Construction WIP	(7,509,040)	(76,853,265)
Investment in Shares	(106,901,783)	(949,890)
Dividend Income	1,387,881	786,103
Realized Gain/(Loss) on Investment in Shares	(3,867,599)	(61,215)
Net Cash Used by Investing Activities: (B)	**(142,662,846)**	**(93,265,959)**
Cash Flow from Financing Activities:		
Long Term Bank Loan (Paid)/Received-Net	(53,754,881)	204,446,730
Leasehold Obligation (Paid)/Received -Net	303,453,007	520,949,151
Security Deposit (Paid)/Received	(30,000)	(95,000)
Uncollected IPO Subscription	-	(966,000)
Short Term Bank Loan (Paid)/Received-Net	81,766,030	(145,708,067)
Net Cash Provided to Financing Activities: (C)	**331,434,156**	**578,626,814**
Net Cash inflow/ outflow(A+B+C)	**(55,160,021)**	**(99,766,388)**
Cash & Cash equivalents at the beginning of the period	1,570,788,128	1,527,551,344
Closing Cash & Cash equivalents at the end of the period	**1,515,628,107**	**1,427,784,956**
Net Operating Cash Flow per Share	**(1.63)**	**(5.09)**

Chairman **Managing Director** **Director** **CFO** **Company Secretary**

Signed as per our separate report on same date.

Place : Dhaka
Dated: November 14, 2016

IFAD AUTOS LIMITED
Notes to the Financial Statements
For the period ended September 30, 2016

1.00 Reporting Entity

1.01 Formation and Legal Status

Ifad Autos Limited (hereinafter referred to as "The Company") was incorporated on February 17, 1988, vide Registration No. C-17301 (101) of 1988 as a Private Limited Company in Bangladesh under the Companies Act, 1913. The Company was converted into a Public Limited Company on September 30, 2011. The Company floated its share to the public through IPO in December 2014 and the Company listed in Dhaka Stock Exchange on January 18, 2015 & Chittagong Stock Exchange on January 17, 2015. The registered office and principal place of business of the company is located at Sonartori Tower (14th-18th Floor), 12 Biponon C/A,Sonargaon Road, Dhaka-1000, Bangladesh.

1.02 Nature of Business

The Company carries out the business of dealings in vehicles with different sectors of Bangladesh. The Company imports different models of Ashok Leyland's Indian Vehicles to promote in Bangladesh. The company also deals in Farmtrac brand agri machineries and the related spares imported from Escorts Limited and market the same in Bangladesh.

1.03 Number of Employee

The Company had 737 permanent employee as at 30 September 2016 and a varying number of seasonal and temporary workers as required which was 84 as at September 30, 2016. All the permanent employees received salary & allowances in excess of Tk. 60,000 per annum.

2.00 Significant Accounting Policies and Disclosures

2.01 Basis of Accounting

This comprises Statement of Financial Position, Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flow and explanatory notes covering accounting policies. This is prepared under the historical cost convention and in accordance with the requirements of the Companies Act, 1994 and the Bangladesh Accounting Standards (BASs), Bangladesh Financial Reporting Standards (BFRSs) as applicable to this Company. The Board of Directors is responsible for preparing and presenting the financial statements including adequate disclosures, which approved and authorized for issue of this financial statements.

2.02 Statement on Compliance with local Laws and Regulations

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1994; The Securities and Exchange Rules, 1987; The Securities and Exchange Ordinance, 1969; The Income Tax ordinance, 1984; The Income Tax Rules, 1984; The Value Added Tax Act, 1991 and The Value Added Tax Rules, 1991.

2.03 Statement on Compliance of Bangladesh Accounting Standards

The financial statements have been prepared in accordance with the requirements applicable in Bangladesh. The Bangladesh Accounting Standard (BASs) and Bangladesh Financial Reporting Standard (BFRSs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) based on International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs).

The following BAS is applicable to the financial statements for the year under review:

Name of the accounting standards	Ref. No.	Status of Application
Presentation of Financial Statements	BAS 1	Applied
Inventories	BAS 2	Applied
Statement of Cash Flows	BAS 7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	BAS 8	Applied
Events after the Reporting Period	BAS 10	Applied
Income Taxes	BAS 12	Applied
Property, Plant and Equipment	BAS 16	Applied
Leases	BAS 17	Applied
Revenue	BAS 18	Applied
Employee Benefits	BAS 19	Applied
The Effects of Changes in Foreign Exchange Rates	BAS 21	Applied
Borrowing Costs	BAS 23	Applied
Related Party Disclosures	BAS 24	Applied
Investment in Associates and Joint Ventures	BAS 28	Applied
Financial Instruments: Presentation	BAS 32	Applied
Earnings per Share	BAS 33	Applied
Interim Financial Reporting	BAS 34	Applied
Impairment of Assets	BAS 36	Applied
Provisions, Contingent Liabilities and Contingent Assets	BAS 37	Applied
Financial Instruement: Recognition & Measurement	BAS 39	Applied
First Time Adoption of International Financial Reporting Standards	BFRS 1	Applied
Non-current Assets Held for sale and Discontinued Operatins	BFRS 5	Applied
Financial Instruments: Disclosure	BFRS 7	Applied

IFAD AUTOS LIMITED Dhaka

2.04 Structure Contents and Presentation of Financial Statements

Being the general purpose of financial statements the presentation of these financial statements is in accordance with the guidelines provided by BAS-1: "**Presentation of Financial Statements**" A complete set of financial statements comprise:

i) Statement of Financial Position as at September 30, 2016.
ii) Statement of Profit or Loss and other Comprehensive Income for the period ended September 30, 2016.
iii) Statement of Changes in Equity for the period ended September 30, 2016.
iv) Statement of Cash Flows for the period ended September 30, 2016.
v) Notes comprising a summary of significant accounting policies and other explanatory information.

2.05 Reporting Period

The Financial period of the company covers 3 months from July 01, 2016 to Sepember 30, 2016.

2.06 Reporting Currency

The Financial Statements has been prepared and presented in Bangladesh Currency (Taka), which is the company's functional currency.

2.07 Comparative Information

Comparative information has been disclosed in respect of the previous year for all numerical information in the financial statements and also the narative and descriptive information where it is relevant for understanding of the current year financial statements.Previous year 's figure has been re-arranged/re-stated whenever cosidered necessary to ensure comparability with the current year's presentation as per **BAS-1.**

2.08 Risk and uncertainty for use of estimates (Provisions)

The Preparation of Financial Statements in conformity with Bangladesh Accounting Standards requires management to make

In accordance with the guidelines in **BAS-37 "Provisions, Contingent Liabilities and Contingent Assets"**, provisions are recognized in the following situations:

- When the company has an obligation as a result of past events
- When it is probable that an outflow of resources embodying economic benefits with be required to settle the obligation
- Reliable estimate can be made of the amount of the operation.

2.09 Accruals & Deferrals

Deferrals and accruals have been made as per the guidance in **BAS-1 "Presentation of Financial Statements"**. In order to meet their objectives, Financial Statements, except for the Statement of Cash Flows and related information, are prepared on accrual basis of accounting. Under the basis the effects of transactions and other events are recognized when they occur (and not when cash or its equivalent is received or paid) and they are recorded in the accounting records and reported in the Financial Statements of the years to which they relate.

Other payable are not interest bearing and are stated at their nominal value.

2.10 Going Concern

As per **BAS-1** a company is required to make assessment at the end of each year to assess its capability to continue as going concern. Management of the Company makes such assessment each year. The company has adequate resources to continue in operation for the foreseeable future and has wide coverage of its liabilities. For this reason the Directors continue to adopt the going concern assumption while the financial statements are prepared.

2.11 Financial Instruments

Non-derivative financial instruments comprise accounts and other receivables, cash and cash equivalents, borrowing and other payables and are shown at transaction cost.

2.12 Impairment

I) Financial Assets

Accounts receivable and others receivables are assessed at each reporting date to determine whether there is any objective evidence of impairment. Financial assets are impaired if objective indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Objective evidence that financial assets are impaired can include default of delinquency by a debtor, indicates that a debtor of issuer will enter bankruptcy etc.

II) Non-Financial assets

An asset is impaired when its carrying amount exceeds its recoverable amount. The company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exits, the company estimates the recoverable amount of the asset. The recoverable amount of an asset is the higher of its fair value less cost to sell and its value in use. Carrying amount of the assets is reduced to its recoverable amount by recognizing an impaired loss is recognized immediately in statement of comprehensive income unless the asset is carried at revalued amount. Any impaired loss of a revalued asset treated as a revaluation decrease. During the period no impaired loss occurred to recognize in the Financial Statements.



2.13 Cash and Cash Equivalents and Statement of Cash Flows

Cash and cash equivalents comprise cash in hand and in current account that readily convertible to known amount of cash and that are not subject to significant risk of change in value.

The Statement of cash flows is prepared using the Direct Method as stipulated in Bangladesh Accounting Standards **BAS-7 "Statement of cash flows"**.

2.14 Raleated Party Disclosures

The Company in normal course of business carried out a number of transactions with directors/entities that fall within the definition of related party contained in Bangladesh Accounting Standard 24: Related Party Disclosures. The disclosure relating to related parties have been shown in note # 41.

2.15 Events after the Reporting Period

In compliance with the requirements of **BAS 10**: Adjusting Events after the reporting period, "Post Balance Events" that provide additional information about the company's position at the balance date are reflected in the financial statements and events after the balance sheet date that are not adjusting events are disclosed in the notes when material.

Date of Authorization

The Board of Directors has authorized these Financial Statements as on November 14, 2016.

Declaration of Dividend

The Board of Directors has recommended to declare dividend 13 % Cash (excluding directors and sponsors) and 4 % bonus shares to the shareholders of the company subject to approval of the shareholders in the forth coming Annual General Meeting .

2.16 Revenue Recognition

In compliance with the requirements of **BAS-18 "Revenue"**, revenue is recognized to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable excluding, Vat, discounts, commissions, rebates and other sales taxes where applicable.

Revenue from the sale of goods is recognized when the following conditions are satisfied:

a) the entity has transferred to the buyer the significant risks and rewards of ownership of the goods
b) the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold
c) the amount of revenue can be measured reliably
d) it is probable that the economic benefits associated with the transaction will flow to the entity
e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.17 Property, Plant and Equipment

2.17.01 Recognition and Measurement

Property, Plant and Equipment (including assets acquired under finance lease) are capitalized at cost of acquisition and subsequently stated at cost /revalued amount less depreciation in compliance with the requirements of **BAS-16 "Poperty, Plant and Equipment"**. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties non-refundable taxes and un-allocated expenditures etc. The land and land developments and building have been revalued by an independed valuer to reflect fair value (prevailing market price) thereof following "Current Cost Method". The Company has adopted "Revaluation Model" for stating property, plant & equipment.

2.17.02 Subsequent Expenditure

The Company recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred, it is probable that the future economic benefits embodied with the item will flow to company and the cost of the item can be measured reliably. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an additional cost of the assests. All other cost are recognized to the profit and loss account as expenses if incurred. all up-gradation/enhancement are generally charged off as revenue expenditure unless they bring similar significant additional benefits.

2.17.03 Disposal of Property, Plant and Equipment

On disposal of Property,Plant and Equipment, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the statement of profit or loss and other comprehensive income statement, which is determined with reference to the net book value of the assets and net sale proceeds.

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2.17.04 Depreciation of Property, Plant and Equipment

Depreciation is provided to amortize the cost or valuation of the assets after commissioning, over the year of their expected useful lifes, in accordance with the provisions of **BAS-16 "Property, Plant and Equipment"**. Depreciation is provided on all fixed assets except Land & Land development from the date when the related assets are available for use over the periods appropriate to the estimated useful lives of the different types of assets at the following rates on reducing balance basis:

Particular of Assets	Rate of Depreciation
Land & Land Developments	0%
Buildings & Civil Construction	5%
Flat	2%
Tools & Equipment	10%
Furniture & Fixtures	10%
Office Equipment	10%
Electric Equipment	10%
Motor Vehicles	10%

The fair value of the property, plant and equipment on 30.06.2016 is not materially differing with the carrying amount except the revaluation made as follows:

Revaluation of Property, Plant and Equipment

The Company made revaluation of its land and land developments and buildings on June 30,2016 to reflect fair value of the property in terms of the prevailing market price of the properties. Details of revaluation are shown in the annexure-E.

Particulars of the assets	Name of the Valuer	Qualification of the Valuer	Date of Revaluation	Carrying amount of Assets	Value of Assets after revaluation	Revaluation Surplus
Land and Land developments	Mahfel Hoq & Co.	Chartered Accountants	June 30,2016	711,701,943	1,841,566,386	1,129,864,443
Buildings & Civil Construction	Mahfel Hoq & Co.	Chartered Accountants	June 30,2016	393,225,600	442,113,434	48,887,834
Flat	Mahfel Hoq & Co.	Chartered Accountants	June 30,2016	22,733,680	22,733,680	-
Total				**1,127,661,223**	**2,306,413,500**	**1,178,752,277**

2.18 Inventories

Inventories are valued at the lower of cost and net realizable value as per **BAS-2** Initial costs of inventories consist of purchase price cost of conversion import duties and other non-refundable taxes and other costs incurred in bringing the inventories to their present location and condition Subsequent cost of inventory is assigned by using FIFO (First In First Out) cost formula. Net realizable value is based on estimated selling price less estimated cost for completion and selling expenses.

2.19 Receivables

Trade Receivables are stated their real value and consider good. No provision has been made for doubtful debts and no amount was written off as bad.

2.20 Advances, Deposits and Prepayments

Advances are initially measured at cost. After initial recognition advances are carried at cost less deductions or adjustments. Deposits are measured at payment value. Prepayments are initially measured at cost. After initial recognition prepayments are carried at cost less charges to the statement of Profit or Loss and other Comprehensive Income.

2.21 Provision for Taxation

Current Tax

Provision is made for current tax on business income @ 25% or advance income tax deducted at source under section 53 of the income tax ordinance 1984 at 5% of the import value whichever is higher, except for dividend at 20%, capital gain on shares at 10 %, capital gain on sale of land at 15% and interest income at 25% thereof as per the income tax ordinance, 1984

Deferred tax: Deferred tax liabilities are the amount of income taxes payable in future years in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future years in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or subsequently enacted at the financial statement date.



Prior to the current year as the tax deducted at source under section 53 was the final settlement as per section 82C of ITO 1984, no deferred tax asset or liabilities recognized in the financial statements. During the year section 82C has been changed by the Finance Act 2016 from final settlement to minimum tax for which tax deducted at source shall not be considered as final settlement of tax liability rather shall be treated as minimum tax payable. Thus deferred tax has been recognized in the financial statements and no retrospective effect has been given except on the revaluation surplus in the financial statements as the company's assement was under section 82C upto June 30, 2015

2.22 Earnings Per Share

The Company calculates its earnings per share in accordance with Bangladesh Accounting Standard **BAS-33 "Earnings Per Share"** which has been reported on the face of statement of Comprehensive Income.

Basic Earnings per Share

The Company present its basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company outstanding during the period.

Diluted Earnings Per Share

No diluted earnings per share is required to be calclated for the period as there was no scope for dilution during the period.

2.23 Foreign Currency Transactions

The financial records of the Company are maintained and the financial statements are stated in Bangladesh Taka. Foreign currency transactions are recorded at the applicable rates of exchange ruling at the transaction date.

2.24 Cash Flows from Operating Activities

In view of the company's sales of vehicles upto 60 installments the cash received from customers falls short of cash paid to suppliers and employees,the shortfall being funded by finance from bank and financial institutions.

2.25 Borrowing Costs

The borrowing cost were capitalized unless active development of related assets were interrupted or cease when the active development were cease the borrowing cost directly transferred to the expenses as per **BAS-23 "Borrowing Costs"**.

2.26 Non-current Assets Held fro Sale and Discontinued Operations

An entity shall classify a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. An entity shall measure a non-current asset (or disposal group) classified as held for sale at the lower of its carrying amount and fair value less costs to sell.

2.27 Risk Exposure

An investment in equity shares involves a high degree of risk. The Company is operating in an industry involving both external and internal risk factors having direct as well as indirect effects on the investment by the investors. All the investors should carefully consider all of the information in these financial statements, including the risk factors, both external and internal, and management perception thereabout enumerated hereunder before making an investment decision. If any of following risks actually occurs, their business, result of operations and financial condition could suffer, the trading price of their equity shares decline, and investors may lose all or part of their investment.

2.27.01 Interest rate risks

Interest rate is concerned with borrowed funds of short term & long-term maturity. Interest rate risk is the risk that the Company faces due to unfavorable movements in the interest rates. Volatility in money market & increased demand for loans /investment funds raise the rate of interest. A change in the government's policy also tends to increase the interest rate. High rate of interest enhances the cost of fund of a company. Such rise in interest rates however mostly affect companies having floating rate loans.

Management perception

IFAD Autos Limited maintains a reasonable debt/ equity ratio; and accordingly, adverse impact of interest rate fluctuation will not adversely affect the Company's performance as such interest is recoverable from the customer. The project was started with the Company's own funds and the capacity was also expanded with own funds. Additionally, the management of the Company emphasizes on equity base financing to reduce the dependency on borrowing. Therefore, management perceives that the fluctuation of interest rate on borrowing would have little impact upon the performance of the Company.

2.27.02 Exchange rate risks

If exchange rate increases against local currency opportunity is created for getting more revenue against sale in local currency. On the other hand, if exchange rate goes down, margin is squeezed in local currency.

Management perception

The products of the company are sold against local currency and payments for raw materials are made mostly in foreign currency. The exchange rate of the country traditionally witnessed upward trends. If foreign exchange rate rises, it will affect the whole market of the commercial vehicles. The sales price of the commodities is adjusted for exchange fluctuation accordingly. Since, IAL has a good brand image in the market; exchange fluctuation will not affect its sales. Therefore, volatility of exchange rate will have little impact on profitability of the Company.

IFAD AUTOS LIMITED Dhaka

2.27.03 Industry risks

Industry risk refers to the risk of increased competition from foreign and domestic sources leading to lower prices, revenues, profit margin, and market share which could have an adverse impact on the business, financial condition and results of operation. Auto industry in Bangladesh is a flourishing sector with vast local demand for its different product lines.

Management perception

IFAD Autos Limited has established its brand name in commercial vehicles market with its quality products, range of products and customer services. However, to develop an infrastructure, both public and private sector participation is required. This is the focal point of IAL's future expansion plans that would reduce industry risk.

2.27.04 Market and technology-related risks

Market risks

Market risk refers to the risk of adverse market conditions affecting the sales and profitability of the Company. Mostly, the risk arises from falling demand for the product or service which would harm the performance of the company. On the other hand, strong marketing and brand management would help the company to increase their customer base.

Management perception

Market for imported commercial vehicles in Bangladesh is growing at an exponential rate with growth of urbanization and incremental income level of consumers along with their preference to convenience. In spite of high growth of this market, there is scarcity of investment in this sector which creates a demand-supply enabling the Company to penetrate and capture the leading position with its unique branding and positioning strategy taking opportunity of this fast growing market.

Technology-related Risks

Technology always plays a vital role for the existence of any industrial concern, ensuring better services to the customers and minimizing the cost in various aspects. The assembling facilities of the Company are based on currently available technology. Any invention of new and more cost involving technology may cause technological obsolescence and negative operational efficiency. Any serious defects in the plant and machinery may affect production and profitability calling for additional investment for replacement.

Management perception

The key to securing market share in trading of commercial vehicles is by satisfying the needs of the customers. IFAD Autos Limited utilizes its Market Research Team that is continuously working for in-depth understanding of the customer needs and preferences and accordingly, arranging its product range.

2.27.05 Potential or existing government regulations risks

The Company operates under Companies Act, 1994; Income-tax Ordinance, 1984; Income Tax Rules, 1984; Value Added Tax (VAT) Act, 1991 and Value Added Tax (VAT) Rules, 1991. Any abrupt changes of the policies made by the regulatory authorities may affect its activities.

Management perception

Unless any policy change that may negatively and materially affect the industry as a whole, the business of the Company is expected not to be affected significantly. Auto industry in Bangladesh is a flourishing sector with considerable local demand for different product lines. Therefore, it is highly unlikely that the Government will initiate any fiscal measure that may have adverse effect on the growth of the industry.

2.27.06 Potential changes in global or national policies

The performance of the company may be affected by the political and economical instability, both in Bangladesh and worldwide. Any instance of political turmoil and disturbance in the country may adversely affect the economy in general.

Management perception

The Company can prosper in a situation of political stability and a congenial business environment. Political turmoil and disturbance are bad for the economy and so also for this sector. The Company is always aware of all types of turmoils and if the smooth supply of material is hampered or faces any kind of disruptions, it will supply it in future and try to keep its oprations smooth.

2.27.07 History of non-operation, if any

History of non operation indicates weak operational management of the Company. Non operation leads to negative cash flow, incurring of losses and bankruptcy in worst case scenario.

Management perception

The Company is in business since 1988. There is no history of non operation in business of the Company till now. The Company has an independent body which is operated by its Memorandum & Articles of Association and other applicable laws and regulations of the country. The financial strength of the Company is very satisfactory. The Directors of the Board are well reputed and experienced and the operation of the company is guided by a good team of professionals. The chance of non-operation of the business of the Company is negligible.

2.27.08 Operational Risks

Operational risks refer to the possibility of plant shut down due to disruption in supply of gas, technological failure, natural calamities, human errors and other unforeseen events. Such incidences may lead to non operation, large overhauling costs and financial losses.

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The core business operation of IFAD Autos Limited is directly related to assembling and maintaining the products. Country wide severe power shortage is compelling IFAD Autos Limited to utilize captive power which builds up cost. Also port congestion and inland immobility due to political instability poses a great operational risk to IFAD Autos Limited.

Management perception

Bangladesh Government is meeting this challenge by opening the energy generation to private sector; and also making massive investment, which is expected to ensure availability of energy for uninterrupted operation. IFAD Autos Limited perceives that allocation of its resources properly with contingency approaches can reduce this risk factor to great extent.

2.27.09 Input Cost Risks

Input cost risk is the risk of a business when procuring materials or commodities in high global demand. Increasing demand and supply shortages create volatility in these commodity values; and therefore, the timing, quantity and price of purchase must be closely planned.

Management Perception

Management of IFAD Autos Limited would hedge their exposure to input price volatility by adjusting its selling price.

2.27.10 Distribution Risk

For any company, the most crucial wing is the distribution channel. Wide distribution network and monitoring over the network is essential to make its product available to the consumer at right time and price.

Management perception

IFAD Autos Limited offers a wide range of commercial vehicles in local market. Its distribution strategy comprises of distributors for local markets and distribution network of dealers and outlets for domestic market. IFAD Autos Limited plans to eliminate distribution risk implications by smartly planning its distribution network with great flexibility.

2.28 Statements of Changes in Equity

Statement of changes in equity is prepared in accordance with **BAS-1 "Presentation of Financial Statements"**. This statement reflects information about the increase or decrease in net assets or wealth.

2.29 Capital Work-in-progress

Property, plant and equipment under construction/acquisition is accounted for as capital work-in-progress until construction/acquisition is complete and measured at cost.

2.30 Workers Profit Participation Fund (WPPF)

During 2014-2015, the Company has introduced Worker Profit Participation Fund for its employees in accordance with provisions of **Bangladesh Labour Act 2006 Sec-232(1)**.

2.31 Net Asset Value per share (NAVs)

Net Asset Value (NAVs) per share has been calculated by dividing net asset value reported in the statement of financial position by the number of ordinary shares in issue.

3.00 General

Figures appearing in the financial statements have been rounded off to the nearest Taka.

IFAD AUTOS LIMITED Dhaka

AMAR STOCK

		Amount in Taka	
		September 30, 2016	June 30, 2016
4.00	**Property, Plant and Equipment : Tk. 2,495,300,517**		
	This is made up as follows:		
	Particulars		
	Opening Balance	2,461,762,232	2,412,285,156
	Add: Addition during the period	43,281,065	503,843,430
		2,505,043,297	**2,916,128,586**
	Less: Disposal of land	-	60,775,247
	Less: Revaluation adjustment for disposal of land	-	370,365,190
	Closing Balance	**2,505,043,297**	**2,484,988,149**
	Less: Depreciation charged during the period	9,742,780	23,225,917
	Written Down Value as at September 30, 2016	**2,495,300,517**	**2,461,762,232**
	The details Schedule of Property, Plant & Equipment are shown in attached **(Annexure- A).**		
5.00	**Construction WIP : Tk. 37,646,101**		
	This is made up as follows:		
	Particulars		
	Opening Balance	30,137,061	46,980,785
	Add: Addition during the period	7,509,040	293,656,276
		37,646,101	**340,637,061**
	Less: Transferred to Property, Plant & Equipment	-	310,500,000
	Total:	**37,646,101**	**30,137,061**
6.00	**Inventories: Tk.857,548,994**		
	This is made up as follows:		
	Particulars		
	Imported Vehicles 30 September 2016: 618 Nos (30 June 2016: 656 Nos)	796,886,310	896,015,567
	Other Items	60,662,684	58,270,962
	Total:	**857,548,994**	**954,286,529**
7.00	**Accounts Receivable: Tk. 13,436,592,991**		
	This is made up as follows:		
	Particulars		
	Dues within three months	1,181,289,213	860,267,656
	Dues over three months but within six months	811,877,601	931,549,577
	Dues over six months	11,443,426,177	11,121,583,283
	Total:	**13,436,592,991**	**12,913,400,516**
	Classification schedule as required by Schedule XI of Companies Act 1994 is as follows:		
	i) Accounts Receivable considered good in respect of which the company is fully secured	-	-
	ii) Accounts Receivable considered good in respect of which the company holds no security other than the debtor's personal security	13,436,592,991	12,913,400,516
	iii) Accounts Receivable considered doubtful or bad	-	-
	iv) Accounts Receivable due by any director or other officer of the company	-	-
	v) Accounts Receivable due by Common management	-	-
	vi) The maximum amount of receivable due by any director or other officer of the company	-	-
	Total:	**13,436,592,991**	**12,913,400,516**
8.00	**Investment in Shares: Tk. 526,690,021**		
	This is made up as follows:		
	Particulars		
	Bangla Industries Ltd.	26,000,000	26,000,000
	Envoy Textile Ltd.	7,520,000	7,000,000
	UNICAP Investment Ltd	74,030,776	80,180,096
	Prime Bank Investment Ltd	27,035,254	26,791,096
	UNICAP Securities Ltd	78,357,201	33,790,400
	Sheltech Brokerage Ltd.	8,967,069	9,562,950
	Abaci Investments Limited	-	209,236,416
	Prime Islami Securities Ltd.	274,779,721	-
	Ifad Salt & Chemical Ltd	30,000,000	30,000,000
	Total:	**526,690,021**	**422,560,958**
9.00	**Advances, Deposits & Prepayments: Tk.877,979,608**		
	This is made up as follows:		
	Particulars		
	Advance Income Tax	Note: 9.01	483,249,701	414,552,530.00
	Advance Against Land & Land Development		73,176,676	90,685,435.50
	Advance Against House Rent		26,353,542	26,193,864.00
	Advance against Salary		8,507,427	8,933,614.00
	Advance against L/C for import		233,183,939	220,165,338.00
	Other Advances		17,309,957	15,867,027.00
	Security Deposit	Note: 9.02	36,198,366	40,272,817.00
	Total:		**877,979,608**	**816,670,625.50**

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		Amount in Taka	
		September 30, 2016	June 30, 2016

9.01 Advance Income Tax: TK. 483,249,701

This is made up as follows:

Particulars		
Advance Income Tax-2011-12	325,872	325,872
Advance Income Tax-2013-14	622,869	622,869
Advance Income Tax-2014-15	163,948,083	163,948,083
Advance Income Tax-2015-16	249,655,706	249,655,706
Advance Income Tax-2016-17	68,697,171	-
Total:	**483,249,701**	**414,552,530**

9.02 Security Deposits: Tk. 36,198,366

This is made up as follows:

Particulars		
Lease Deposit	30,028,706	36,525,557
Earnest Money	706,500	706,500
Others Security Deposit	5,463,160	3,040,760
Total:	**36,198,366**	**40,272,817**

10.00 Cash & Cash Equivalents: Tk. 1,515,628,107

This is made up as follows:

Particulars			
Cash in Hand		16,067,267	7,844,604
Cash at Bank	Note: 10.01	1,499,560,840	1,562,943,524
Total:		**1,515,628,107**	**1,570,788,128**

10.01 Cash at Bank: Tk. 1,499,560,840

This is made up as follows:

Particulars		
CD Accounts	204,382,117	422,361,992
STD Accounts	262,734,253	182,721,316
FDR	1,032,241,946	957,679,501
Balance with Brokerage House	202,524	180,715
Total:	**1,499,560,840**	**1,562,943,524**

11.00 Non-Current Assets Held for Sale: Tk. 53,223,916

This is made up as follows:

Non-Current Assets held for sale shall be Lower of Carring Value and fair value less costs to sell	**53,223,916**	**53,223,916**

12.00 Ordinery Share Capital: Tk. 1,495,000,000

This is made up as follows:

Authorized Share Capital		
200,000,000 Ordinary Shares of Tk. 10 each	200,000,000	200,000,000
	200,000,000	**200,000,000**
Issued, Subscribed & Paid- up Capital		
Opening Balance	1,495,000,000	1,150,000,000
Proceeds from IPO	-	-
Stock Dividend	-	345,000,000
	1,495,000,000	**1,495,000,000**

The aforesaid share capital is subscribed as under:

Name	No. of Shares	Holding (%)	Amount (Tk.)	Amount (Tk.)
Sponsors/Director	93,843,750	62.77%	938,437,500	938,437,500
Institution	23,655,851	15.82%	236,558,510	230,018,510
General Public	32,000,399	21.40%	320,003,990	326,543,990
Total:	**149,500,000**	**100%**	**1,495,000,000**	**1,495,000,000**

Classification of shares by holding:

Class by number of shares	30.09.2016			30.09.2016		
	No of Shareholder	No. of Share	Holding (%)	No of Shareholder	No. of Share	Holding (%)
0-500	6,088	1,224,756	0.82%	6,010	1,212,659	0.81%
501-5000	3,491	6,487,569	4.34%	3,314	6,061,833	4.05%
5001-10000	487	3,685,005	2.46%	485	3,616,167	2.42%
10001-20000	230	3,344,743	2.24%	232	3,366,318	2.25%
20001-30000	81	2,029,746	1.36%	74	1,895,203	1.27%
30001-40000	40	1,426,338	0.95%	44	1,553,740	1.04%
40001-50000	31	1,447,513	0.97%	40	1,846,412	1.24%
50001-100000	57	4,213,568	2.82%	47	3,393,296	2.27%
100001-1000000	55	13,968,764	9.34%	69	42,460,622	28.40%
Above 1000000	13	111,671,998	74.70%	4	84,093,750	56.25%
Total	**10,573**	**149,500,000**	**100%**	**10,319**	**149,500,000**	**100%**

LEAD AUTOS LIMITED Dhaka

	Amount in Taka	
	September 30, 2016	June 30, 2016

13.00 Share Premium: Tk. 388,330,508

This is made up as follows:

Particulars		
Opening Balance	388,330,508	388,330,508
Closing Balance	**388,330,508**	**388,330,508**

14.00 Revaluation Surplus: Tk. 1,003,896,444

This is made up as follows:

Particulars		
Opening Balance	1,004,201,992	1,320,273,769
Less: Depreciation on revaluation transfer to retained earnings-net off tax	458,324	1,892,049
Add/(Less): Deferred Tax Income/(Expenses) on revaluation surplus during the period	152,775	56,185,462
Less: Derecognition/reversal of revaluation surplus for decrease in value, sale of land and non-current assets held for sale	-	370,365,190
Closing Balance:	**1,003,896,444**	**1,004,201,992**

15.00 Retained Earnings: Tk. 2,285,266,810

This is made up as follows:

Particulars		
Opening Balance	2,133,252,673	1,964,421,031
Add/(Less): Prior year adjustment (Income Tax)	-	6,534,972
Add: Net Profit during the period	151,555,813	585,904,622
Add: Depreciation on revaluation surplus	458,324	1,892,049
Less: Stock dividend	-	345,000,000
Less: Cash dividend	-	80,500,000
Closing Balance:	**2,285,266,810**	**2,133,252,673**

16.00 Deferred Tax Liability: Tk. 196,545,241

This is made up as follows:

Particulars

Particulars	Carrying Amount	Tax Base	Temporary Difference	Rate of Tax	Deferred Tax (Assets) / Liabilities	Deferred Tax (Assets) / Liabilities
Property, Plant & Equipment-Cost	1,317,159,338	1,257,173,774	59,985,564	25%	14,996,391	13,161,198
Sub Total (a)	**1,317,159,338**	**1,257,173,774**	**59,985,564**		**14,996,391**	**13,161,198**
Property, Plant & Equipment Revaluation:						
Land & Land Development	1,129,864,443	-	1,129,864,443	15%	169,479,666	169,479,666
Building & Civil Construction	48,276,736	-	48,276,736	25%	12,069,184	12,221,958
Sub Total (b)	**1,178,141,179**	**-**	**1,178,141,179**		**181,548,850**	**181,701,624**
Total Deferred Tax (Assets)/Liabilities (a+b)	**2,495,300,517**	**1,257,173,774**	**1,238,126,743**		**196,545,241**	**194,862,822**

Deferred Tax (Income)/Expenses recognized in Statement of Profit or Loss:

Closing Deferred Tax Liability	14,996,391	13,161,198
Opening Deferred Tax Liability	13,161,198	-
Deferred Tax (Income)/Expenses	**1,835,194**	**13,161,198**

Deferred Tax (Income)/Expenses recognized in Revaluation Surplus:

Closing Deferred Tax Liability	181,548,850	181,701,625
Opening Deferred Tax Liability	181,701,625	237,887,086
Deferred Tax (Income)/Expenses	**(152,775)**	**(56,185,461)**

17.00 Security Deposits (Dealer): Tk. 14,895,000

This is made up as follows:

Particulars		
Arpa Traders	50,000	50,000
Khan Motors	50,000	50,000
Land Mark Auto Mobile	100,000	100,000
M.R Enterprise	200,000	200,000
R.M Motors	50,000	50,000
Tutul Motors	20,000	20,000
Alam Transport	80,000	80,000
Eastern Paribahan	930,000	930,000
Islam Enterprise	70,000	70,000
Khan Enterprise	885,000	885,000
Khan Motors	250,000	250,000
KSK Traders	2,200,000	2,230,000
M Roshni Motors	5,000	5,000
M.R Enterprise	6,170,000	6,170,000
M.S Traders	420,000	420,000
Makshud Enterprise	110,000	110,000
Mohastan Motors	1,465,000	1,465,000

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	Amount in Taka	
	September 30, 2016	June 30, 2016
N.H Enterprise	340,000	340,000
Narail Trading Agencey	10,000	10,000
Orion Motors	535,000	535,000
Others	15,000	15,000
S.S Motors	495,000	495,000
Sangram Motors	180,000	180,000
Tutul Motors	265,000	265,000
Total:	**14,895,000**	**14,925,000**

18.00 Long Term Loans: Tk. 285,882,741

This is made up as follows:

Particulars

Mercantile Bank Ltd, Term Loan, Satmasjid Road, Ld 1417060600		173,138,998	184,171,168
Shahjalal Islami Bank Ltd, Term Loan, Kawran Bazar, 4007353000111 & 400735300000128		77,936,045	113,804,451
Union Capital Ltd.		45,716,334	46,974,020
Premier Leasing Ltd		137,227,496	142,824,115
		434,018,873	**487,773,754**
Less: Current Portion of Long term loans transferred to current liability	Note: 20.00	148,136,132	183,865,403
Total:		**285,882,741**	**303,908,351**

19.00 Leasehold Obligations: Tk. 5,786,981,361

This is made up as follows:

Particulars

Bank Name	Types of A/C	Branch	Account No.	30.09.2016	30.06.2016
Al Arafah Islami Bank Ltd.	Lease	Mouchak	Various	744,445,429	796,219,471
Bank Asia Ltd.	Lease	Corporate Br.	Various	648,419,846	540,157,983
BFIC Ltd.	Lease	Dilkusha	Various	-	41,663,028
BIFC Ltd.	Lease	Dilkusha	Various	-	54,096,289
Brac Bank Ltd.	Lease	Head Office	Various	301,842,197	199,040,428
City Bank Ltd.	Lease	Kawranbazar	Various	130,339,231	83,411,151
Commercial Bank of Ceylon	Lease	Motijheel Br.	Various	81,428,590	92,016,622
Dhaka Bank Ltd.	Lease	Moghbazar	Various	265,883,175	243,657,946
Dutch Bangla Bank Ltd.	Lease	Kawran Bazar	Various	236,496,390	241,976,029
Estern Bank Ltd.	Lease	Sonargaon Road	Various	884,526,390	-
EXIM Bank	Lease	Panthapath	Various	39,374,319	42,817,786
Farcast Finance & Investment Ltd.	Lease	Dilkusha	Various	-	185,809,100
First Finanace Ltd.	Lease	Kawran Bazar	Various	-	207,043,430
IDLC Finance Ltd.	Lease	Dilkusha	Various	62,770,729	61,752,757
IFIC Bank Ltd	Lease	Dhanmondi	Various	241,594,766	263,313,260
ILF Service Ltd.	Lease	Rajuk Avenue	Various	69,794,335	75,508,546
IIDFC Ltd.	Lease	Motijheel	Various	-	125,208,749
Islami Finance & Investment Ltd.	Lease	Dilkusha	Various	-	14,368,800
Jamuna Bank Ltd.	Lease	Sonargaon Road	Various	292,620,579	230,417,501
LankaBangla Finance Ltd.	Lease	Banani	Various	54,282,611	59,389,642
Mercantile Bank Ltd.	Lease	Satmasjid Road	Various	652,462,679	624,572,707
Modhumoti Bank Ltd.	Lease	Motijheel	Various	470,941,524	381,801,851
National Finance Ltd.	Lease	Progoti Soroni	Various	215,992,950	227,071,546
National Housing Finance And Investment	Lease	Corporate	Various	19,988,506	22,800,324
NCC Bank Ltd.	Lease	Dilkusha	Various	333,956,390	301,629,385
NRB Commercial Bank Ltd.	Lease	Principal	Various	280,905,414	308,299,069
One Bank Ltd.	Lease	Moghbazar	Various	648,932,218	653,796,348
Phoenix Finance & Investments Ltd.	Lease	Dilkusha	Various	-	120,566,525
PLF Service Ltd.	Lease	Purana Polton	Various	-	70,165,994
Premier Bank Ltd.	Lease	Elephant Road	Various	397,450,113	409,014,154
Premier Leasing & Finance Ltd.	Lease	Motijheel	Various	27,212,600	34,513,445
Prime Finance & Investment Ltd.	Lease	Dilkusha	Various	-	171,480,565
Prime Bank Ltd.	Lease	Kawran Bazar	Various	292,013,888	212,837,939
Puhali Bank Ltd.	Lease	Lab. Road	Various	21,151,667	-
Shahjalal Islami Bank Ltd.	Lease	Kawran Bazar	Various	343,703,700	338,826,018
Social Islamic Bank Ltd.	Lease	Panthapath	Various	515,100,883	505,445,709
SBAC Bank Ltd.	Lease	Principal	Various	200,343,095	180,688,621
Standard Bank Ltd.	Lease	Panthapath	Various	274,163,686	301,127,233
Trust Bank Ltd.	Lease	Kawranbazar	Various	572,139,705	568,686,040
United Commercial Bank Ltd.	Lease	Foreign Exchange	Various	189,664,534	207,898,485
Uttara Bank Ltd.	Lease	Corporate Br.	Various	108,113,255	122,008,762
				9,618,055,394	**9,321,099,238**
Less: Current portion of Leasehold obligation transferred to Current Liability			Note: 21.00	3,831,074,033	3,582,767,780
				5,786,981,361	**5,738,331,458**

LEAD AUTOS LIMITED Dhaka

	Amount in Taka	
	September 30, 2016	June 30, 2016

20.00 Current Portion of Long Term Loans: Tk. 148,136,132

This is made up as follows:

Particulars		
Mercantile Bank Ltd	37,412,893	38,553,702
Shahjalal Islami Bank Ltd	77,936,045	113,804,451
Union Capital Ltd.	7,840,558	7,486,708
Premier Leasing Ltd	24,946,636	24,020,542
Current Portion of Long Term Loans Transferred to Current Liability	**148,136,132**	**183,865,403**

Current Portion of Long Term Loans is shown as current liabilities as per requerment of **BAS-1**

Summary of Term Loan are provided below:

Nature	Term Loan
Tenure	4-5 Years
Repayment Clause	48-60 Monthly equal installment
Interest Rate	11% - 15% P.a.
Security	First charge on all land & building

21.00 Current Portion of Leasehold Obligation : Tk. 3,831,074,033

This is made up as follows:

Particulars		
Al Arafah Islami Bank Ltd.	348,454,934	357,072,094
Bank Asia Ltd.	270,591,158	221,730,028
Bangladesh Finanace Investment Company Ltd.	-	9,073,408
Bangladesh Industrial Finance Company Ltd.	-	12,840,879
Brac Bank Ltd.	123,092,040	71,740,694
City Bank Ltd.	62,692,624	44,770,215
Commercial Bank of Ceylon	36,971,478	36,599,402
Dhaka Bank Ltd.	123,847,726	106,264,019
Dutch Bangla Bank Ltd.	115,793,407	111,766,078
Estern Bank Ltd.	226,608,641	-
Export Import Bank of Bangladesh Ltd.	12,282,973	12,059,605
Fareast Finance & Investment Ltd.	-	38,297,792
First Finanace Ltd.	-	75,396,968
IDLC Finance Ltd.	21,306,677	19,379,275
International Finance Investment and Commerce Bank Ltd	100,207,845	96,035,193
International Leasing & Financial Service Ltd.	24,914,731	25,902,530
Industrial & Infrastructure Development Finance Company Ltd.	-	23,307,152
Islami Finance & Investment Ltd.	-	14,368,800
Jamuna Bank Ltd.	105,536,632	82,956,330
LankaBangla Finance Ltd.	16,406,458	17,014,869
Mercantile Bank Ltd.	262,569,504	233,661,715
Modhumoti Bank Ltd.	194,286,863	152,287,290
National Finance Ltd.	52,083,215	50,105,235
National Housing Finance And Investment Ltd.	10,695,172	10,440,226
National Credit & Commerce Bank Ltd.	122,454,246	103,480,452
NRB Commercial Bank Ltd.	133,863,518	134,445,725
One Bank Ltd.	261,901,304	258,093,859
Phoenix Finance & Investments Ltd.	-	54,087,438
Peoples Leasing & Finanacial Service Ltd.	-	14,833,301
Premier Bank Ltd.	211,596,653	203,368,775
Premier Leasing & Finance Ltd.	27,212,600	31,281,286
Prime Finance & Investment Ltd.	-	62,752,295
Prime Bank Ltd.	109,090,572	76,838,459
Pubali Bank Ltd.	9,997,390	-
Shahjalal Islami Bank Ltd.	159,589,907	169,508,360
Social Islamic Bank Ltd.	184,524,434	167,672,974
South Bangla Agricultuer and Commarce Bank Ltd.	92,457,550	77,485,338
Standard Bank Ltd.	102,877,022	106,980,060
Trust Bank Ltd.	184,040,817	170,028,497
United Commercial Bank Ltd.	60,487,026	67,026,118
Uttara Bank Ltd.	62,638,916	61,815,046
Current portion of Leasehold obligation transferred to Current Liability	**3,831,074,033**	**3,582,767,780**

Current portion of Leasehold Obligation is shown as current liabilities as per requerment of **BAS-1**

Payment Schedule of Leasehold Obligations

Particulars		
Within one year	3,831,074,033	3,582,767,780
More than one year & less than five year	5,786,981,361	5,738,331,458
More than five year	-	-
Total:	**9,618,055,394**	**9,321,099,238**

IMAR STOCK

IBAD AUTOS LIMITED Dhaka

	Amount in Taka	
	September 30, 2016	June 30, 2016

Summary of Leasehld Obligation are provided below:

Nature	Leasehold Obligation
Tenure	1-5 Years
Repayment Clause	12-60 monthly equal installments
Interest Rate	10%-17% p.a.

22.00 Accounts & Others Payable: Tk. 20,513,542

This is made up as follows:

Particulars		
GI. Steel	15,787,633	13,060,333.00
Other Payable	4,725,909	9,058,103.50
Total:	**20,513,542**	**22,118,436.50**

23.00 Unclaimed Dividend: Tk. 345,871

This is made up as follows:

Particulars		
Dividend payable	345,871	345,871
Total:	**345,871**	**345,871**

The above represents the cash dividend payable to the shareholders' against which dividend warrant already issued but not presented to bank by them for collection.

24.00 Uncollected IPO Subscription: Tk.1,919,400

This is made up as follows:

Particulars		
Refundable fund of IPO subscribers	1,919,400	1,919,400
Total:	**1,919,400**	**1,919,400**

This represent the amount payable against uncollected IPO subcription for initial public offering liability as follows:

Bank Name	Account Types	Currency	Account No.	30.09.2016	30.06.2016
BRAC Bank	SND	BDT	1501202256548001	1,385,400	1,385,400
BRAC Bank	FC	USD	1501202256548002	414,000	414,000
BRAC Bank	FC	GBP	1501202256548003	96,000	96,000
BRAC Bank	FC	EURO	1501202256548004	24,000	24,000
			Total	**1,919,400**	**1,919,400**

25.00 Advance Against Sales: Tk. 70,180,095

This is made up as follows:

Particulars		
Advance against sale of vehicles	16,956,179	17,496,739
Advance against sale of land	53,223,916	53,223,916
Total:	**70,180,095**	**70,720,655**

26.00 Short Term Bank Loans and Credits: Tk. 3,694,692,129

This is made up as follows:

Particulars		
Short term bank loans and credits	3,694,692,129	3,612,926,099
Total:	**3,694,692,129**	**3,612,926,099**

Purpose	Working Capital
Tenure	1 Year
Interest Rate	10%-14% p.a. subject to change by the bank from time to time as applicable for the limit.
Security	Personal gurantee of the directors of the company

27.00 Provision for Income Tax: Tk.496,413,902

This is made up as follows:

Particulars		
Opening balance	422,109,351	434,129,771
Add: During the period	74,304,551	255,467,806
Less: Adjustment during the period	-	267,488,226
Total:	**496,413,902**	**422,109,351**

TRAC AUTOS LIMITED Dhaka

28.00 Accrued Expenses: Tk. 80,537,046

This is made up as follows:

Particulars	Amount in Taka	
	September 30, 2016	June 30, 2016
Salary & Allowances	11,684,559	180,000
Remuneration	2,793,000	-
Audit Fees	431,250	345,000
Wages	1,721,503	-
Telephone, Mobile & Internet Bills	637,891	596,907
Electricity Bill	385,829	477,932
Office Rent & Others	862,454	780,323
Provision for Value Added Tax	6,751,779	6,751,779
Provision for PF	557,075	923,932
Provision for WPPF	54,711,706	43,188,292
Total:	**80,537,046**	**53,244,165**

LEMCO AUTOS LIMITED Dhaka

AMAR STOCK

	Amount in Taka	
	July 01, 2016 to September 30,2016	July 01, 2015 to September 30,2015

29.00 Sales Revenue: Tk. 1,817,368,020

This is made up as follows:

Particulars		
Sales of Vehicles, September 30, 2016: 1,106 Nos (September 30, 2015: 1,177 Nos)	1,817,368,020	2,037,180,221
Total:	**1,817,368,020**	**2,037,180,221**

30.00 Cost of Sales: Tk. 1,496,504,787

This is made up as follows:

Particulars		
Cost of Vehicles	1,387,883,077	1,861,486,509
Wages	5,043,081	4,927,987
Servicing Charge	831,641	756,557
Warranty Expenses	166,890	221,978
Quality Control Expenses	322,970	345,250
Electricity Expenses	330,615	226,937
Delivery Expenses	108,307	78,490
Documantation & Service Charges	1,628,505	1,619,476
Bank Charges for PAD	-	40,463
Security Service Charge	800	3,450
Vehicle Mobile Set	1,390,000	1,696,000
Service Center Rent	1,857,045	720,882
Spare Parts & Tools	204,321	199,145
	1,399,767,252	**1,872,323,124**
Add: Opening Finished Goods	954,286,529	835,414,619
Less: Closing Finished Goods	857,548,994	1,031,757,570
Total:	**1,496,504,787**	**1,675,980,173**

31.00 Administrative Expenses: Tk. 60,653,104

This is made up as follows:

Particulars		
Conveyance	791,655	766,137
Electricity Expenses	735,942	635,395
Entertainment	1,386,999	1,375,920
Office Stationary	590,443	588,200
Audit Fees	86,250	86,250
Registration & Fees	239,948	99,761
Office Maintenance	3,981,847	3,968,028
Travelling Expenses	2,085,854	2,186,442
Postage Expenses	468,012	460,355
Rent, Rates & Taxes	6,060,596	4,800,719
Telephone, Mobile & Internet Expenses	1,556,247	1,517,228
Salaries & Allowances	20,243,358	15,876,800
Directors' Remuneration	10,800,000	10,800,000
Vehicle Insurance	662,457	638,049
Gas Charge	68,920	61,790
Stamp Expenses	382,165	414,230
Provident Fund Expense	769,631	527,686
Depreciation	9,742,780	4,477,584
Total:	**60,653,104**	**49,280,574**

32.00 Distribution Expenses: Tk. 29,643,456

This is made up as follows:

Particulars		
Advertisement & Publicity	1,497,952	728,801
Inspecting Charges	39,530	38,110
Marketing Expenses	5,940,794	5,829,149
Entertainment	1,284,023	1,263,046
Travelling Expenses	2,248,471	2,441,204
Dealers' Commission	2,845,000	3,545,000
Salaries & Allowances	13,497,572	10,584,534
Recovery Expenses	2,290,114	2,279,368
Total:	**29,643,456**	**26,709,212**

AMAR STOCK

IFAD AUTOS LIMITED Dhaka

		Amount in Taka	
		July 01, 2016 to September 30,2016	July 01, 2015 to September 30,2015

33.00 Other Income: Tk. 35,676,263

This is made up as follows:

Particulars			
Interest on Fixed Deposit		38,012,736	16,722,309
Interest on STD		143,245	177,828
Interest on CD		-	-
Realised Gain/(Loss) on Investment in Shares		(3,867,599)	(61,215)
Dividend Income		1,387,881	786,103
Total:		**35,676,263**	**17,625,025**

34.00 Financial Expense: Tk. 24,251,244

This is made up as follows:

Particulars			
Bank charge & Commission		3,208,401	1,211,326
Interest on Loans and credits		21,042,843	23,667,936
Total:		**24,251,244**	**24,879,262**

35.00 Income Tax Expenses: Tk. 76,139,744

This is made up as follows:

Particulars			
Current tax		74,304,551	65,477,939
Deferred tax	Note:16	1,835,194	5,084,322
Total:		**76,139,744**	**70,562,261**

36.00 Other Comprehensive Income/(Loss): Tk. -2,772,720

This is made up as follows:

Particulars			
Share of profit of associate company		-	503,265
Unrealised Gain/(Loss) on Marketable Securities		(2,772,720)	5,092,872
Total:		**(2,772,720)**	**5,596,137**

37.00 Earning Per Share: Tk. 1.03

This is made up as follows:

Particulars			
Net Profit/(Loss) for the period		154,328,533	194,157,763
Earnings attrubitable to the ordenary share holder		**154,328,533**	**194,157,763**
Number of Ordinary Shares	Note: 37.01	149,500,000	115,000,000
Earning Per share		**1.03**	**1.69**

37.01 Number of Ordinary Shares : Tk. 149,500,000

This is made up as follows:

Particulars		
115,000,000 Shares for 92 days	115,000,000	115,000,000
34,500,000 Bonus Shares for 92 days	34,500,000	-
Total:	**149,500,000**	**115,000,000**

38.00 Re-Stated Earning Per Share: Tk. 1.03

This is made up as follows:

Particulars			
Earnings attrubitable to the ordenary share holder		154,328,533	194,157,763
Re-Stated Number of Ordinary Shares	Note: 38.01	149,500,000	149,500,000
Re-Stated Earning Per share		**1.03**	**1.30**

38.01 Re-Stated Number of Ordinary Shares : Tk. 149,500,000

This is made up as follows:

Particulars		
115,000,000 Shares for 92 days	115,000,000	115,000,000
34,500,000 Bonus Shares for 92 days	34,500,000	34,500,000
Total:	**149,500,000**	**149,500,000**

IFAD AUTOS LIMITED Dhaka

AMARSTOCK

	Amount in Taka	
	July 01, 2016 to September 30,2016	July 01, 2015 to September 30,2015

39.00 Containgent Liabilties:

The company is contingently liable for instalment sales receivable against lease finance to customers by banks and financial inistitution aggregating Tk. 89,980,820 as at September 30, 2016.

40.00 Related party disclosures

A. Transaction with Key Management Personnel of the Company:

Particulars		
a. Managerial remuneration paid or payable during the period to the directors, including managing director's or managers.	12,503,170	10,800,000
b. Any other perquisites or benefits in cash or in king starting, approximate money value where applicable	351,000	351,000
c. Other allowances and commission including gurantee, comission etc.	Nil	Nil
d. Pensions etc.	Nil	Nil
(i)Pensions	Nil	Nil
(ii) Gratuities	Nil	Nil
(iii) Payments from a provident funds, in excess of own subscription and interest thereon	36,444	Nil
(e) Share based payments	Nil	Nil
(f) Related parties Assets/(Liabilities)	Nil	Nil

B. Transaction with related company

Name of the Party	Nature of Relationship	Nature of Transaction	Opening Balance	Debit	Credit	Closing Balance
IFAD Salt & Chemicals Ltd.	Common Management	Investment	3,000,000	-	-	3,000,000

41.00 Disclosure as per requirement of BAS-8: "Accounting Policies, Changes in Accounting Estimates and Errors"
During the year ended 30 June 2016, Deferred Taxation applied for change in taxation policy for which comparative figures has been re-stated and corrected as under:

Net profit before tax	264,720,024
Less: Corrected income tax provision	70,562,261
Current Tax	65,477,939
Deferred tax	5,084,322
Corrected net profit after tax	194,157,763
Outstanding number of share	115,000,000
Earning per share	1.69
Re-stated Earning per share	1.30

Effect in the profit this period for the additional Income tax provision:

Net Profit after tax reduced by tk. 13918563	
Additional income tax provision	13,918,563
Earning per share has been reduced by	0.12
Re-Stated Earning per share has been reduced by	0.09

IFAD AUTOS LIMITED Dhaka

Annexure-A

IFAD Autos Limited

Schedule of Property, Plant & Equipment

As at September 30, 2016

(a) Property, Plant and Equipment (Written Down Value less Depreciation)

Amount in Taka

Sl No.	Assets	Written Down Value				Dep. Rate (%)	Depreciation	Written Down Value as at
		Balance as at 01/07/2016	Additions during the period	Disposal during the period	Balance as at 30/09/2016		Charged during the period	30/09/2016
1	Land and Land Developments	711,701,943	17,577,660	-	729,279,603	-		729,279,603
2	Buildings & Civil Construction	393,225,600	21,853,029	-	415,078,629	5%	5,097,429	409,981,200
3	Flat	22,733,680	-	-	22,733,680	2%	113,668	22,620,012
4	Tools & Equipment	6,406,477	-	-	6,406,477	10%	160,162	6,246,315
5	Furniture & Fixtures	8,877,458	454,000	-	9,331,458	10%	229,503	9,101,955
6	Office Equipment	14,826,674	1,186,691	-	16,013,365	10%	380,556	15,632,809
7	Electric Equipment	4,465,384	119,685	-	4,585,069	10%	113,629	4,471,440
8	Motor Vehicles	120,772,739	2,090,000	-	122,862,739	10%	3,036,735	119,826,004
	Sub Total (As at 30 September 2016)	**1,283,009,955**	**43,281,065**	-	**1,326,291,020**		**9,131,682**	**1,317,159,338**

(b) Revalued Property, Plant and Equipment (Revaluation less Depreciation)

Sl No.	Assets	Revaluation				Dep. Rate (%)	Depreciation	Written Down Value as at
		Balance as at 01/07/2016	Additions during the period	Adjustment during the period	Balance as at 30/09/2016		Charged during the period	30/09/2016
1	Land and Land Developments	1,129,864,443	-	-	1,129,864,443	0%	-	1,129,864,443
2	Buildings	48,887,834		-	48,887,834	5%	611,098	48,276,736
	Sub Total (As at 30 Sep 2016)	**1,178,752,277**	-	-	**1,178,752,277**		**611,098**	**1,178,141,179**
	Grand Total (As at 30 Sep 2016)	**2,461,762,232**	**43,281,065**	-	**2,505,043,297**		**9,742,780**	**2,495,300,517**
	Grand Total (As at 30 June 2016)	**2,412,285,156**	**24,094,500**	**370,365,190**	**2,484,988,149**		**23,225,917**	**2,461,762,232**

IFAD AUTOS LIMITED Dhaka

IFAD Stock