Ifad Autos Limited

Unaudited Financial Statements

For the half year ended December 31, 2016

AMARSTOCK

IFAD Autos Limited
Statement of Financial Position
as at December 31, 2016

Particulars	Notes	Amount in Taka	
		December 31, 2016	June 30, 2016
Assets:			
Non-Current Assets:		**2,598,870,113**	**2,491,899,293**
Property, Plant and Equipment	4.00	2,598,870,113	2,461,762,232
Construction WIP	5.00	-	30,137,061
Current Assets:		**18,418,689,539**	**16,677,706,757**
Inventories	6.00	1,021,796,838	954,286,529
Accounts Receivable	7.00	14,501,661,088	12,913,400,516
Investment in Shares	8.00	414,107,069	422,560,958
Advances, Deposits and Prepayments	9.00	850,454,312	816,670,626
Cash & Cash Equivalents	10.00	1,630,670,232	1,570,788,128
Non-Current Assets Held for Sale	11.00	53,223,916	53,223,916
Total Assets:		**21,070,783,568**	**19,222,829,965**
Shareholders Equity & Liabilities:			
Equity attributable to the Shareholders		**5,435,407,170**	**5,020,785,173**
Ordinary Share Capital	12.00	1,554,800,000	1,495,000,000
Share Premium	13.00	388,330,508	388,330,508
Revaluation Surplus	14.00	1,003,291,075	1,004,201,992
Retained Earnings	15.00	2,488,985,587	2,133,252,673
Liabilities:			
Non Current Liabilities		**6,161,763,145**	**6,252,027,631**
Deferred Tax Liability	16.00	199,015,350	194,862,822
Security Deposits (Dealer)	17.00	14,895,000	14,925,000
Long Term Loans	18.00	270,647,961	303,908,351
Leasehold Obligations	19.00	5,677,204,834	5,738,331,458
Current Liabilities		**9,473,613,253**	**7,950,017,161**
Current Portion of Long Term Loans	20.00	94,301,512	183,865,403
Current Portion of Leasehold Obligation	21.00	4,428,208,954	3,582,767,780
Accounts & Others Payable	22.00	21,307,939	22,118,437
Dividend Payable	23.00	72,353,125	-
UnClaimed Dividend	24.00	345,871	345,871
Uncollected IPO Subscription	25.00	1,919,400	1,919,400
Advance Against Sales	26.00	70,603,156	70,720,655
Short Term Bank Loan and Credits	27.00	4,096,379,682	3,612,926,099
Provision for Income Tax	28.00	587,735,560	422,109,351
Accrued Expenses	29.00	100,458,054	53,244,165
Total Liabilities:		**15,635,376,398**	**14,202,044,792**
Total Equity and Liabilities:		**21,070,783,568**	**19,222,829,965**
Net assets Value Per Share (NAVPS)		**34.96**	**33.58**

The annexed notes (1-42) 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: January 24, 2017

IFAD Autos Limited
Statements of Profit or Loss and Other Comprehensive Income
for the period ended December 31, 2016

Particulars	Notes	Amount in Taka			
		July 01, 2016 to December 31,2016	July 01, 2015 to December 31,2015	October 01, 2016 to December 31,2016	October 01, 2015 to December 31,2015
			Re-stated		Re-stated
Sales Revenue	30.00	4,920,601,945	4,090,516,487	3,103,233,925	2,053,336,266
Less: Cost of Sales	31.00	4,041,354,514	3,361,329,414	2,544,849,727	1,685,349,241
Gross Profit		**879,247,431**	**729,187,073**	**558,384,198**	**367,987,025**
Less: Administrative Expenses	32.00	126,219,362	99,489,491	65,566,258	50,208,917
Less: Distribution Expenses	33.00	64,432,960	53,362,740	34,789,504	26,653,528
Operating Profit		**688,595,109**	**576,334,842**	**458,028,436**	**291,124,580**
Add: Other Income	34.00	31,122,766	47,423,245	(4,553,497)	29,798,220
Less: Financial Expenses	35.00	45,210,741	49,650,351	20,959,497	24,771,089
Add: Share of profit of Associate Company		-	852,798	-	349,533
Profit Before WPPF and Income Tax		**674,507,134**	**574,960,534**	**432,515,442**	**296,501,244**
Less: Workers Profit Participation Fund		32,119,387	27,338,464	20,595,973	14,102,462
Profit Before Income Tax		**642,387,747**	**547,622,070**	**411,919,469**	**282,398,782**
Less: Income Tax Expenses	36.00	170,082,377	136,053,189	93,942,632	65,490,928
Profit after tax for the period		**472,305,370**	**411,568,881**	**317,976,838**	**216,907,854**
Other Comprehensive Income/(Loss)	37.00	14,366,112	(1,557,649)	17,138,832	(6,650,521)
Total Comprehensive income for the period		**486,671,482**	**410,011,232**	**335,115,670**	**210,257,333**
Earning Per Share (EPS)	38.00	**3.04**	**2.75**	**2.05**	**1.45**
Re-stated Earning Per Share	39.00	**3.04**	**2.65**	**2.05**	**1.40**

The annexed notes (1-42) 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: January 24, 2017

IFAD Autos Limited

Statement of Changes in Equity

for the period ended December 31, 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
Stock Dividend	59,800,000	-	-	(59,800,000)	-
Cash Dividend	-	-	-	(72,353,125)	(72,353,125)
Depreciation on revaluated property, Plant & Equipment	-	-	(1,214,557)	1,214,557	-
Deferred Tax on Revaluation	-	-	303,640	-	303,640
Total Comprehensive Income during the period	-	-	-	486,671,482	486,671,482
Balance as on December 31, 2016	1,554,800,000	388,330,508	1,003,291,075	2,488,985,587	5,435,407,170

IFAD Autos Limited

Statement of Changes in Equity

For the period ended December 31, 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 depreciation on revaluation surplus transfer 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
Stock Dividend	345,000,000	-	-	(345,000,000)	-
Cash Dividend	-	-	-	(80,500,000)	(80,500,000)
Depreciation on revaluated property, Plant & Equipment transferred to Retained Earnings	-	-	(1,285,264)	1,285,264	-
Deferred Tax on Revaluation	-	-	321,316	-	321,316
Total Comprehensive Income during the period	-	-	-	410,011,232	410,011,232
Balance as on December 31, 2015	1,495,000,000	388,330,508	1,319,309,821	1,950,217,527	5,152,857,856

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

Signed as per our separate report on same date.

Place: Dhaka
Dated: January 24, 2017

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IFAD Autos Limited
Statement of Cash Flows
for the period ended December 31, 2016

Particulars	Amount in Taka	
	July 01, 2016 to December 31,2016	July 01, 2015 to December 31,2015
Cash Flow from Operating Activities:		
Cash Receipts from customers and others	3,394,037,837	2,891,751,720
Cash Payment to suppliers and employees	(4,204,347,633)	(3,571,717,731)
Cash generated from operations	**(810,309,796)**	**(679,966,011)**
Financial Expenses	(45,210,741)	(49,650,351)
Income Tax Paid during the period	(171,801,937)	(100,113,407)
Net Cash Used by Operating Activities: (A)	**(1,027,322,475)**	**(829,729,769)**
Cash Flow from Investing Activities:		
Purchase of Property, Plant and Equipment	(58,056,835)	(43,948,751)
Construction WIP	-	(190,046,611)
Investment in Shares	22,820,001	5,026,863
Dividend Income	1,874,685	959,503
Realized Gain/(Loss) on Investment in Shares	(32,565,882)	(2,687,170)
Net Cash Used by Investing Activities: (B)	**(65,928,031)**	**(230,696,166)**
Cash Flow from Financing Activities:		
Long Term Bank Loan (Paid)/Received-Net	(122,824,281)	178,215,043
Leasehold Obligation (Paid)/Received -Net	792,533,308	806,671,791
Security Deposit (Paid)/Received	(30,000)	(160,000)
Uncollected IPO Subscription	-	(2,847,700)
Short Term Bank Loan (Paid)/Received-Net	483,453,583	(19,034,499)
Net Cash Provided to Financing Activities: (C)	**1,153,132,610**	**962,844,635**
Net Cash inflow/ outflow(A+B+C)	**59,882,104**	**(97,581,300)**
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	**1,630,670,232**	**1,429,970,044**
Net Operating Cash Flow per Share	**(6.61)**	**(5.55)**

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

Signed as per our separate report on same date.

Place : Dhaka
Dated: January 24, 2017

IFAD AUTOS LIMITED
Notes to the Financial Statements
for the period ended December 31, 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 997 permanent employee as at December 31, 2016 and a varying number of seasonal and temporary workers as required which was December 31, 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
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 December 31, 2016 .
ii) Statement of Profit or Loss and other Comprehensive Income for the period ended December 31, 2016.
iii) Statement of Changes in Equity for the period ended December 31, 2016.
iv) Statement of Cash Flows for the period ended December 31, 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 6 months from July 01, 2016 to December 31, 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-I "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 January 24, 2017.

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.

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 31.12.2016 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 below :-

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 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.

2.24 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"**.

2.25 Non-current Assets Held for 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.

2.26 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.

2.26.01 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.

2.26.02 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

2.26.03 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.

2.26.04 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.

2.26.05 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.

2.26.06 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.

2.26.07 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.



2.26.08 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.

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.

2.26.09 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.

2.26.10 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.

2.27 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.

2.28 Capital Work-in-progress

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

2.29 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)**.

2.30 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.



	Amount in Taka	
	December 31, 2016	June 30, 2016

4.00 Property, Plant and Equipment : Tk. 2,598,870,113

This is made up as follows:

Particulars		
Opening Balance	2,461,762,232	2,412,285,156
Add: Addition during the period	157,711,273	503,843,430
	2,619,473,505	**2,916,128,586**
Less: Disposal of land	-	60,775,247
Less: Revaluation adjustment for disposal of land	-	370,365,190
Closing Balance	**2,619,473,505**	**2,484,988,149**
Less: Depreciation charged during the period	20,603,392	23,225,917
Written Down Value as at December 31, 2016	**2,598,870,113**	**2,461,762,232**

The details Schedule of Property, Plant & Equipment are shown in attached **(Annexure- A).**

5.00 Construction WIP : Tk. 0

This is made up as follows:

Particulars		
Opening Balance	30,137,061	46,980,785
Add: Addition during the period	-	293,656,276
	30,137,061	**340,637,061**
Less: Transferred to Property, Plant & Equipment	30,137,061	310,500,000
Total:	-	**30,137,061**

6.00 Inventories: Tk.1,021,796,838

This is made up as follows:

Particulars		
Imported Vehicles 31 December 2016: 678 Nos (30 June 2016: 656 Nos)	914,802,953	896,015,567
Other Items	106,993,885	58,270,962
Total:	**1,021,796,838**	**954,286,529**

7.00 Accounts Receivable: Tk. 14,501,661,088

This is made up as follows:

Particulars		
Dues within three months	2,017,102,051	860,267,656
Dues over three months but within six months	1,114,841,695	931,549,577
Dues over six months	11,369,717,342	11,121,583,283
Total:	**14,501,661,088**	**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	14,501,661,088	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:	**14,501,661,088**	**12,913,400,516**

8.00 Investment in Shares: Tk. 414,107,069

This is made up as follows:

Particulars		
Bangla Industries Ltd.	26,000,000	26,000,000
Envoy Textile Ltd.	7,760,000	7,000,000
UNICAP Investment Ltd	69,353,571	80,180,096
Prime Bank Investment Ltd	28,436,300	26,791,096
UNICAP Securities Ltd	47,663,400	33,790,400
Sheltech Brokerage Ltd.	9,031,130	9,562,950
Abaci Investments Limited	-	209,236,416
Prime Islami Securities Ltd.	195,862,668	-
Ifad Salt & Chemical Ltd	30,000,000	30,000,000
Total:	**414,107,069**	**422,560,958**

AMARSTOCK

		Amount in Taka	
		December 31, 2016	June 30, 2016

9.00 Advances, Deposits & Prepayments: Tk.850,454,312

This is made up as follows:

Particulars			
Advance Income Tax	Note: 9.01	586,354,467	414,552,530
Advance Against Land & Land Development		21,168,059	90,685,436
Advance Against House Rent		31,472,076	26,193,864
Advance against Salary		8,642,021	8,933,614
Advance against L/C for import		144,915,077	220,165,338
Other Advances		26,443,553	15,867,027
Security Deposit	Note: 9.02	31,459,059	40,272,817
Total:		**850,454,312**	**816,670,626**

9.01 Advance Income Tax: TK. 586,354,467

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	170,692,804	163,948,083
Advance Income Tax-2015-16	249,655,706	249,655,706
Advance Income Tax-2016-17	165,057,216	-
Total:	**586,354,467**	**414,552,530**

9.02 Security Deposits: Tk. 31,459,059

This is made up as follows:

Particulars		
Lease Deposit	28,306,799	36,525,557
Earnest Money	706,500	706,500
Others Security Deposit	2,445,760	3,040,760
Total:	**31,459,059**	**40,272,817**

10.00 Cash & Cash Equivalents: Tk. 1,630,670,232

This is made up as follows:

Particulars			
Cash in Hand		20,113,644	7,844,604
Cash at Bank	Note: 10.01	1,610,556,588	1,562,943,524
Total:		**1,630,670,232**	**1,570,788,128**

10.01 Cash at Bank: Tk. 1,610,556,588

This is made up as follows:

Particulars		
CD Accounts	508,035,738	422,361,992
STD Accounts	196,983,408	182,721,316
FDR	905,121,253	957,679,501
Balance with Brokerage House	416,189	180,715
Total:	**1,610,556,588**	**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. 1,554,800,000

This is made up as follows:

Authorized Share 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		
Opening Balance	1,495,000,000	1,150,000,000
Proceeds from IPO	-	-
Stock Dividend	59,800,000	345,000,000
	1,554,800,000	**1,495,000,000**

	Amount in Taka	
	December 31, 2016	June 30, 2016

The aforesaid share capital is subscribed as under:

Name	No. of Shares	Holding (%)	Amount (Tk.)	Amount (Tk.)
Sponsors/Directors	97,597,500	62.77%	975,975,000	938,437,500
Institutions	30,417,648	19.56%	304,176,480	230,018,510
General Public	27,464,852	17.66%	274,648,520	326,543,990
Total:	**155,480,000**	**100%**	**1,554,800,000**	**1,495,000,000**

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. 1,003,291,075

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	1,214,557	1,892,049
Add/(Less): Deferred Tax Income/(Expenses) on revaluation surplus during the period	303,640	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:	**1,003,291,075**	**1,004,201,992**

15.00 Retained Earnings: Tk. 2,488,985,587

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	486,671,482	585,904,622
Add: Depreciation on revaluation surplus	1,214,557	1,892,049
Less: Stock dividend	59,800,000	345,000,000
Less: Cash dividend	72,353,125	80,500,000
Closing Balance:	**2,488,985,587**	**2,133,252,673**

16.00 Deferred Tax Liability: Tk. 199,015,350

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	1,421,332,393	1,350,862,931	70,469,462	25%	17,617,365	13,161,198
Sub Total (a)	**1,421,332,393**	**1,350,862,931**	**70,469,462**		**17,617,365**	**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	47,673,277	-	47,673,277	25%	11,918,319	12,221,958
Sub Total (b)	**1,177,537,720**	**-**	**1,177,537,720**		**181,397,985**	**181,701,624**
Total Deferred Tax (Assets)/Liabilities (a+b)	**2,598,870,113**	**1,350,862,931**	**1,248,007,182**		**199,015,350**	**194,862,822**

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

Closing Deferred Tax Liability	17,617,365	13,161,198
Opening Deferred Tax Liability	13,161,198	-
Deferred Tax (Income)/Expenses	**4,456,168**	**13,161,198**

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

Closing Deferred Tax Liability	181,397,985	181,701,625
Opening Deferred Tax Liability	181,701,625	237,887,086
Deferred Tax (Income)/Expenses	**(303,640)**	**(56,185,461)**

	Amount in Taka	
	December 31, 2016	June 30, 2016

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
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. 270,647,961

This is made up as follows:

Particulars			
Mercantile Bank Ltd		168,772,546	184,171,168
Shahjalal Islami Bank Ltd		20,959,821	113,804,451
Union Capital Ltd.		43,777,248	46,974,020
Premier Leasing Ltd		131,439,858	142,824,115
		364,949,473	**487,773,754**
Less: Current Portion of Long term loans transferred to current liability	Note: 20.00	94,301,512	183,865,403
Total:		**270,647,961**	**303,908,351**

	Amount in Taka	
	December 31, 2016	June 30, 2016

19.00 Leasehold Obligations: Tk. 5,677,204,834

This is made up as follows:

Particulars

Bank Name	Types of A/C	Branch	Account No.	31.12.2016	30.06.2016
Al Arafah Islami Bank Ltd.	Lease	Mouchak	Various	766,853,010	796,219,471
Bank Asia Ltd.	Lease	Corporate Br.	Various	613,648,878	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	751,563,695	199,040,428
City Bank Ltd.	Lease	Kawranbazar	Various	167,894,297	83,411,151
Commercial Bank of Ceylon	Lease	Motijheel Br.	Various	191,533,893	92,016,622
Dhaka Bank Ltd.	Lease	Moghbazar	Various	273,735,035	243,657,946
Dutch Bangla Bank Ltd.	Lease	Kawran Bazar	Various	238,825,238	241,976,029
Estern Bank Ltd.	Lease	Sonargaon Road	Various	1,085,991,110	-
EXIM Bank	Lease	Panthapath	Various	36,089,864	42,817,786
Fareast 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	57,553,910	61,752,757
IFIC Bank Ltd	Lease	Dhanmondi	Various	215,530,448	263,313,260
ILF Service Ltd.	Lease	Rajuk Avenue	Various	63,832,422	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	278,783,883	230,417,501
LankaBangla Finance Ltd.	Lease	Banani	Various	48,994,980	59,389,642
Mercantile Bank Ltd.	Lease	Satmasjid Road	Various	638,516,407	624,572,707
Modhumoti Bank Ltd.	Lease	Motijheel	Various	56,285,828	381,801,851
National Finance Ltd.	Lease	Progoti Soroni	Various	301,875,497	227,071,546
National Housing Finance And Investment	Lease	Corporate	Various	17,026,540	22,800,324
NCC Bank Ltd.	Lease	Dilkusha	Various	315,368,032	301,629,385
NRB Commercial Bank Ltd.	Lease	Principal	Various	255,287,243	308,299,069
One Bank Ltd.	Lease	Moghbazar	Various	641,413,227	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	433,569,279	409,014,154
Premier Leasing & Finance Ltd.	Lease	Motijheel	Various	19,578,263	34,513,445
Prime Finance & Investment Ltd.	Lease	Dilkusha	Various	-	171,480,565
Prime Bank Ltd.	Lease	Kawran Bazar	Various	346,507,484	212,837,939
Pubali Bank Ltd.	Lease	Lab. Road	Various	102,252,836	-
Shahjalal Islami Bank Ltd.	Lease	Kawran Bazar	Various	366,824,394	338,826,018
Social Islamic Bank Ltd.	Lease	Panthapath	Various	585,664,712	505,445,709
SBAC Bank Ltd.	Lease	Principal	Various	216,869,472	180,688,621
Standard Bank Ltd.	Lease	Panthapath	Various	279,881,233	301,127,233
Trust Bank Ltd.	Lease	Kawranbazar	Various	571,117,180	568,686,040
United Commercial Bank Ltd.	Lease	Foreign Exchange	Various	74,665,962	207,898,485
Uttara Bank Ltd.	Lease	Corporate Br.	Various	91,879,536	122,008,762
				10,105,413,788	**9,321,099,238**
Less: Current portion of Leasehold obligation transferred to Current Liability			Note: 21.00	4,428,208,954	3,582,767,780
				5,677,204,834	**5,738,331,458**

Amount in Taka	
December 31, 2016	June 30, 2016

20.00 Current Portion of Long Term Loans: Tk. 94,301,512

This is made up as follows:

Particulars		
Mercantile Bank Ltd	39,530,097	38,553,702
Shahjalal Islami Bank Ltd	20,959,821	113,804,451
Union Capital Ltd.	7,897,048	7,486,708
Premier Leasing Ltd	25,914,546	24,020,542
Current Portion of Long Term Loans Transferred to Current Liability	**94,301,512**	**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. 4,428,208,954

This is made up as follows:

Particulars		
Al Arafah Islami Bank Ltd.	433,572,508	357,072,094
Bank Asia Ltd.	264,728,208	221,730,028
Bangladesh Finanace Investment Company Ltd.	-	9,073,408
Bangladesh Industrial Finance Company Ltd.	-	12,840,879
Brac Bank Ltd.	318,387,372	71,740,694
City Bank Ltd.	80,381,273	44,770,215
Commercial Bank of Ceylon	86,145,919	36,599,402
Dhaka Bank Ltd.	136,469,314	106,264,019
Dutch Bangla Bank Ltd.	120,898,740	111,766,078
Estern Bank Ltd.	311,349,327	-
Export Import Bank of Bangladesh Ltd.	12,145,417	12,059,605
Fareast Finance & Investment Ltd.	-	38,297,792
First Finanace Ltd.	-	75,396,968
IDLC Finance Ltd.	22,043,956	19,379,275
International Finance Investment and Commerce Bank Ltd	97,145,031	96,035,193
International Leasing & Financial Service Ltd.	23,299,926	25,902,530
Industrial & Infrastructure Development Finance Company Ltd.	-	23,307,152
Islami Finance & Investment Ltd.	-	14,368,800
Jamuna Bank Ltd.	107,946,709	82,956,330
LankaBangla Finance Ltd.	15,136,393	17,014,869
Mercantile Bank Ltd.	312,649,219	233,661,715
Modhumoti Bank Ltd.	53,249,359	152,287,290
National Finance Ltd.	67,760,958	50,105,235
National Housing Finance And Investment Ltd.	3,544,700	10,440,226
National Credit & Commerce Bank Ltd.	126,908,351	103,480,452

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	Amount in Taka	
	December 31, 2016	June 30, 2016
NRB Commercial Bank Ltd.	124,045,681	134,445,725
One Bank Ltd.	274,307,040	258,093,859
Phoenix Finance & Investments Ltd.	-	54,087,438
Peoples Leasing & Finanacial Service Ltd.	-	14,833,301
Premier Bank Ltd.	229,077,397	203,368,775
Premier Leasing & Finance Ltd.	19,578,263	31,281,286
Prime Finance & Investment Ltd.	-	62,752,295
Prime Bank Ltd.	150,795,556	76,838,459
Pubali Bank Ltd.	39,445,578	-
Shahjalal Islami Bank Ltd.	192,795,145	169,508,360
Social Islamic Bank Ltd.	273,308,983	167,672,974
South Bangla Agricultuer and Commarce Bank Ltd.	94,417,649	77,485,338
Standard Bank Ltd.	107,813,147	106,980,060
Trust Bank Ltd.	230,988,566	170,028,497
United Commercial Bank Ltd.	35,268,560	67,026,118
Uttara Bank Ltd.	62,604,709	61,815,046
Current portion of Leasehold obligation transferred to Current Liability	**4,428,208,954**	**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	4,428,208,954	3,582,767,780
More than one year & less than five year	5,677,204,834	5,738,331,458
More than five year	-	-
Total:	**10,105,413,788**	**9,321,099,238**

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. 21,307,939

This is made up as follows:

Particulars		
GL Steel	16,954,233	13,060,333
Other Payable	4,353,706	9,058,104
Total:	**21,307,939**	**22,118,437**

23.00 Dividend Payable: Tk. 72,353,125

This is made up as follows:

Particulars		
Dividend Payable	72,353,125	-
Total:	**72,353,125**	**-**

24.00 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.

	Amount in Taka	
	December 31, 2016	June 30, 2016

25.00 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.	31.12.2016	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**

26.00 Advance Against Sales: Tk. 70,603,156

This is made up as follows:

Particulars		
Advance against sale of vehicles	17,379,240	17,496,739
Advance against sale of land	53,223,916	53,223,916
Total:	**70,603,156**	**70,720,655**

27.00 Short Term Bank Loans and Credits: Tk. 4,096,379,682

This is made up as follows:

Particulars		
Short term bank loans and credits	4,096,379,682	3,612,926,099
Total:	**4,096,379,682**	**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

28.00 Provision for Income Tax: Tk.587,735,560

This is made up as follows:

Particulars		
Opening balance	422,109,351	434,129,771
Add: During the period	165,626,209	255,467,806
Less: Adjustment during the period	-	267,488,226
Total:	**587,735,560**	**422,109,351**

29.00 Accrued Expenses: Tk. 100,458,054

This is made up as follows:

Particulars		
Salary & Allowances	11,942,718	180,000
Remuneration	2,793,000	-
Audit Fees	172,500	345,000
Wages	1,835,492	-
Telephone, Mobile & Internet Bills	649,502	596,907
Electricity Bill	377,327	477,932
Office Rent & Others	23,720	780,323
Provision for Value Added Tax	6,751,779	6,751,779
Provision for PF	604,337	923,932
Provision for WPPF	75,307,679	43,188,292
Total:	**100,458,054**	**53,244,165**

AMARSTOCK

	Amount in Taka			
	July 01, 2016 to December 31,2016	July 01, 2015 to December 31,2015	October 01, 2016 to December 31,2016	October 01, 2015 to December 31,2015

30.00 Sales Revenue: Tk. 4,920,601,945

This is made up as follows:

Particulars				
Sales of Vehicles December 31, 2016: 2,871 Nos (December 31, 2015: 2,259 Nos)	4,920,601,945	4,090,516,487	3,103,233,925	2,053,336,266
Total:	**4,920,601,945**	**4,090,516,487**	**3,103,233,925**	**2,053,336,266**

31.00 Cost of Sales: Tk. 4,041,354,514

This is made up as follows:

Particulars				
Cost of Vehicles	4,082,738,383	3,436,406,113	2,694,855,306	1,574,919,604
Wages	10,604,625	9,899,988	5,561,544	4,972,001
Servicing Charge	1,675,150	1,542,376	843,509	785,819
Warranty Expenses	336,290	475,078	169,400	253,100
Quality Control Expenses	679,293	685,750	356,323	340,500
Electricity Expenses	1,136,246	546,686	805,631	319,749
Delivery Expenses	249,230	159,190	140,923	80,700
Documantation & Service Charges	3,560,796	3,255,398	1,932,291	1,635,922
Bank Charges for PAD	-	110,787	-	70,324
Security Service Charge	800	7,650	-	4,200
Vehicle Mobile Set	3,692,000	3,393,250	2,302,000	1,697,250
Service Center Rent	3,760,189	1,746,415	1,903,144	1,025,533
Spare Parts & Tools	431,821	392,695	227,500	193,550
	4,108,864,823	**3,458,621,376**	**2,709,097,571**	**1,586,298,252**
Add: Opening Finished Goods	954,286,529	835,414,619	857,548,994	1,031,757,570
Less: Closing Finished Goods	1,021,796,838	932,706,581	1,021,796,838	932,706,581
Total:	**4,041,354,514**	**3,361,329,414**	**2,544,849,727**	**1,685,349,241**

32.00 Administrative Expenses: Tk. 126,219,362

This is made up as follows:

Particulars				
AGM Expenses	672,750	462,316	672,750	462,316
Conveyance	1,591,158	1,551,103	799,503	784,966
Electricity Expenses	1,502,798	1,320,847	766,856	685,452
Entertainment	2,683,920	2,665,307	1,296,921	1,289,387
Office Stationary	1,225,225	1,185,780	634,782	597,580
Audit Fees	172,500	172,500	86,250	86,250
Registration & Fees	466,612	202,708	226,664	102,947
Office Maintenance	7,977,938	7,946,174	3,996,091	3,978,146
Travelling Expenses	4,241,442	4,376,552	2,155,588	2,190,110
Postage Expenses	966,113	882,393	498,101	422,038
Rent, Rates & Taxes	12,921,886	9,722,448	6,861,290	4,921,729
Telephone, Mobile & Internet Expenses	3,161,757	3,055,143	1,605,510	1,537,915
Salaries & Allowances	40,653,833	31,805,682	20,410,475	15,928,882
Directors' Remuneration	21,600,000	21,600,000	10,800,000	10,800,000
Vehicle Insurance	1,416,376	1,366,684	753,919	728,635
Gas Charge	145,471	137,298	76,551	75,508
Stamp Expenses	863,011	850,930	480,846	436,700
CSR Expenses	1,720,070	-	1,720,070	-
Provident Fund Expense	1,633,110	1,146,465	863,479	618,779
Depreciation	20,603,392	9,039,161	10,860,612	4,561,577
Total:	**126,219,362**	**99,489,491**	**65,566,258**	**50,208,917**

33.00 Distribution Expenses: Tk. 64,432,960

This is made up as follows:

Particulars				
Advertisement & Publicity	2,285,660	1,424,734	787,708	695,933
Inspecting Charges	100,090	70,577	60,560	32,467
Marketing Expenses	15,559,575	11,704,513	9,618,781	5,875,364
Entertainment	3,242,897	2,540,369	1,958,874	1,277,323
Travelling Expenses	5,881,328	4,917,069	3,632,857	2,475,865
Dealers' Commission	5,472,500	6,995,000	2,627,500	3,450,000
Salaries & Allowances	27,104,556	21,203,788	13,606,984	10,619,254
Recovery Expenses	4,786,354	4,506,690	2,496,240	2,227,322
Total:	**64,432,960**	**53,362,740**	**34,789,504**	**26,653,528**

34.00 Other Income: Tk. 31,122,766

This is made up as follows:

Particulars				
Interest on Fixed Deposit	60,236,723	38,900,092	22,223,987	22,177,783
Interest on STD	1,174,024	1,856,967	1,030,779	1,679,139
Interest on CD	403,216	8,393,853	403,216	8,393,853
Realised Gain/(Loss) on Investment in Shares	(32,565,882)	(2,687,170)	(28,698,283)	(2,625,955)
Dividend Income	1,874,685	959,503	486,804	173,400
Total:	**31,122,766**	**47,423,245**	**(4,553,497)**	**29,798,220**

AMARSTOCK

		Amount in Taka			
		July 01, 2016 to December 31,2016	July 01, 2015 to December 31,2015	October 01, 2016 to December 31,2016	October 01, 2015 to December 31,2015
35.00	**Financial Expense: Tk. 45,210,741**				
	This is made up as follows:				
	Particulars				
	Bank charge & Commission	6,282,795	2,400,943	3,074,394	1,189,617
	Interest on Loans and credits	38,927,946	47,249,408	17,885,103	23,581,472
	Total:	**45,210,741**	**49,650,351**	**20,959,497**	**24,771,089**
36.00	**Income Tax Expenses: Tk. 170,082,377**				
	This is made up as follows:				
	Particulars				
	Current tax	165,626,209	134,335,748	91,321,658	68,857,809
	Deferred tax Note:16	4,456,168	1,717,441	2,620,974	(3,366,881)
	Total:	**170,082,377**	**136,053,189**	**93,942,632**	**65,490,928**
37.00	**Other Comprehensive Income/(Loss): Tk. 14,366,112**				
	This is made up as follows:				
	Particulars				
	Unrealised Gain/(Loss) on Marketable Securities	14,366,112	(1,557,649)	17,138,832	(6,650,521)
	Total:	**14,366,112**	**(1,557,649)**	**17,138,832**	**(6,650,521)**



		Amount in Taka			
		July 01, 2016 to December 31,2016	July 01, 2015 to December 31,2015	October 01, 2016 to December 31,2016	October 01, 2015 to December 31,2015
38.00 Earning Per Share: Tk. 3.04					
This is made up as follows:					
Particulars					
Net Profit/(Loss) for the period		472,305,370	411,568,881	317,976,838	216,907,854
Earnings attrubitable to the ordenary share holder		**472,305,370**	**411,568,881**	**317,976,838**	**216,907,854**
Number of Ordinary Shares	Note: 38.01	155,480,000	149,500,000	155,480,000	149,500,000
Earning Per share		**3.04**	**2.75**	**2.05**	**1.45**
38.01 Number of Ordinary Shares : Tk. 155,480,000					
This is made up as follows:					
Particulars					
149,500,000 Shares for 184 days		149,500,000	149,500,000	149,500,000	149,500,000
5,980,000 Bonus Shares for 184 days		5,980,000	-	5,980,000	-
Total:		**155,480,000**	**149,500,000**	**155,480,000**	**149,500,000**
39.00 Re-Stated Earning Per Share: Tk. 3.04					
This is made up as follows:					
Particulars					
Earnings attrubitable to the ordenary share holder		472,305,370	411,568,881	317,976,838	216,907,854
Re-Stated Number of Ordinary Shares	Note: 39.01	155,480,000	155,480,000	155,480,000	155,480,000
Re-Stated Earning Per share		**3.04**	**2.65**	**2.05**	**1.40**
39.01 Re-Stated Number of Ordinary Shares : Tk. 155,480,000					
This is made up as follows:					
Particulars					
149,500,000 Shares for 184 days		149,500,000	149,500,000	149,500,000	149,500,000
5,980,000 Bonus Shares for 184 days		5,980,000	5,980,000	5,980,000	5,980,000
Total:		**155,480,000**	**155,480,000**	**155,480,000**	**155,480,000**

40.00 Containgent Liabilties:

The company is contingently liable for instalment sales receivable against lease finance to customers by banks and financial institution aggregating Tk. 1,588,745 as at December 31, 2016.

41.00 Related party disclosures

An entity shall disclose ky management personnel compensation in total and for each of the following categories:

Particulars		
(a) Short - term employee benefits;	26,129,326	21,951,000
(b) Post - employment benefits;	Nil	Nil
(c) Other long-term benefits	Nil	Nil
(d) termination benefits; and	Nil	Nil
(e) Share -based payment.	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	30,000,000	-	-	30,000,000

42.00 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	547,622,070
Less: Corrected income tax provision	136,053,189
Current Tax	134,335,748
Deferred tax	1,717,441
Corrected net profit after tax	411,568,881
Outstanding number of share	149,500,000
Earning per share	2.75
Re-stated Earning per share	2.65

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

Net Profit after tax reduced by	8,818,465
Earning per share has been reduced by	0.06
Re-Stated Earning per share has been reduced by	0.06

Annexure-A

IFAD Autos Limited

Schedule of Property, Plant & Equipment

as at December 31, 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 31/12/2016		Charged during the period	31/12/2016
1	Land and Land Developments	711,701,943	47,696,230	-	759,398,173	-	-	759,398,173
2	Buildings & Civil Construction	393,225,600	48,800,014	-	442,025,614	5%	10,446,752	431,578,862
3	Flat	22,733,680	-	-	22,733,680	2%	226,768	22,506,912
4	Tools & Equipment	6,406,477	50,626,018	-	57,032,495	10%	1,160,087	55,872,408
5	Furniture & Fixtures	8,877,458	1,840,230	-	10,717,688	10%	480,156	10,237,532
6	Office Equipment	14,826,674	5,633,988	-	20,460,662	10%	808,437	19,652,225
7	Electric Equipment	4,465,384	274,793	-	4,740,177	10%	228,000	4,512,177
8	Motor Vehicles	120,772,739	2,840,000	-	123,612,739	10%	6,038,635	117,574,104
	Sub Total (As at 31 December 2016)	**1,283,009,955**	**157,711,273**	**-**	**1,440,721,228**		**19,388,835**	**1,421,332,393**

(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 31/12/2016		Charged during the period	31/12/2016
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%	1,214,557	47,673,277
	Sub Total (As at 31 Dec 2016)	**1,178,752,277**	**-**	**-**	**1,178,752,277**		**1,214,557**	**1,177,537,720**
	Grand Total (As at 31 Dec 2016)	**2,461,762,232**	**157,711,273**	**-**	**2,619,473,505**		**20,603,392**	**2,598,870,113**
	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**