IFAD Autos Limited

Unaudited Financial Statements

For the period ended September 30, 2017

AMAR STOCK

IFAD Autos Limited

Statement of Financial Position

as at September 30, 2017

Particulars	Notes	Amount in Taka	
		September 30, 2017	June 30, 2017
Assets:			
Non-Current Assets:		**2,583,484,257**	**2,749,561,939**
Property, Plant and Equipment	4.00	2,474,225,690	2,654,552,103
Construction WIP	5.00	53,258,567	39,009,836
Investment in Shares	6.00	56,000,000	56,000,000
Current Assets:		**21,046,659,721**	**19,372,265,608**
Inventories	7.00	1,733,159,591	1,128,210,719
Accounts & Others Receivable	8.00	16,160,049,773	15,303,181,783
Investment in Shares	9.00	114,716,337	350,024,070
Advances, Deposits and Prepayments	10.00	1,235,864,835	1,048,123,172
Cash & Cash Equivalents	11.00	1,802,869,185	1,542,725,864
Non-Current Assets Held for Sale	12.00	53,223,916	53,223,916
Total Assets:		**23,683,367,894**	**22,175,051,463**
Shareholders Equity & Liabilities:			
Equity attributable to the Shareholders		**6,385,459,914**	**6,002,470,738**
Ordinary Share Capital	13.00	1,554,800,000	1,554,800,000
Share Premium	14.00	388,330,508	388,330,508
Revaluation Surplus	15.00	930,006,808	1,002,368,697
Retained Earnings	16.00	3,491,246,913	3,043,137,321
Other Comprehensive Income /(loss)	17.00	21,075,685	13,834,212
Liabilities:			
Non Current Liabilities		**6,768,226,687**	**6,775,760,596**
Deferred Tax Liability	18.00	211,555,181	221,015,914
Security Deposits (Dealer)	19.00	14,895,000	14,895,000
Long Term Loans	20.00	796,405,708	745,114,379
Leasehold Obligations	21.00	5,745,370,798	5,794,735,303
Current Liabilities		**10,529,681,293**	**9,396,820,129**
Current Portion of Long Term Loans	22.00	235,652,452	216,860,147
Current Portion of Leasehold Obligation	23.00	5,099,854,507	5,150,024,823
Accounts & Others Payable	24.00	229,544,699	117,046,463
Unclaimed Dividend	25.00	1,041,312	1,057,338
Uncollected IPO Subscription	26.00	2,370,000	2,370,000
Advance Against Sales	27.00	76,155,643	69,287,515
Short Term Bank Loan and Credits	28.00	3,845,664,475	2,977,244,598
Provision for Income Tax	29.00	905,424,926	767,484,079
Provission for Expenses	30.00	133,973,279	95,445,166
Total Liabilities:		**17,297,907,980**	**16,172,580,725**
Total Equity and Liabilities:		**23,683,367,894**	**22,175,051,463**
Net assets Value Per Share (NAVPS)		**41.07**	**38.61**

The annexed notes (1-44) 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 11, 2017

AMARSTOCK

IFAD Autos Limited

Statements of Profit or Loss and Other Comprehensive Income

for the period ended September 30, 2017

Particulars	Notes	Amount in Taka	
		July 01, 2017 to September 30, 2017	July 01, 2016 to September 30, 2016
			Re-Stated
Sales Revenue	31.00	3,545,349,966	1,817,368,020
Less: Cost of Sales	32.00	2,898,998,636	1,496,504,787
Gross Profit		**646,351,330**	**320,863,233**
Less: Administrative Expenses	33.00	84,455,946	60,653,104
Less: Distribution Expenses	34.00	59,021,856	29,643,456
Operating Profit		**502,873,528**	**230,566,673**
Add: Other Income	35.00	61,376,967	35,676,263
Less: Financial Expenses	36.00	32,428,143	24,251,244
Profit Before WPPF and Income Tax		**531,822,352**	**241,991,692**
Less: Workers Profit Participation Fund		25,324,874	11,523,414
Profit Before Income Tax		**506,497,478**	**230,468,278**
Less: Income Tax Expenses	37.00	130,894,911	76,139,745
Current tax		127,151,875	74,304,551
Deferred tax		3,743,036	1,835,194
Profit after tax for the period		**375,602,567**	**154,328,533**
Other Comprehensive Income /(loss)	38.00	7,241,473	(2,079,540)
Total Comprehensive Income for the period		**382,844,040**	**152,248,993**
Basic Earning Per Share (EPS)	39.00	**2.42**	**0.99**

The annexed notes (1-44) 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 11, 2017

AMAR STOCK

IFAD Autos Limited

Statement of Changes in Equity

for the period ended September 30, 2017

Particulars	Amount in Taka					
	Share Capital	Share Premium	Revaluation Surplus	Retained Earnings	Other Comprehensive Income /(loss)	Total
Balance as on July 01, 2017	1,554,800,000	388,330,508	1,002,368,697	3,043,137,321	13,834,212	6,002,470,738
Depreciation on revaluation transfer to retained earnings	-	-	(580,543)	580,543	-	-
Deferred Tax Income/(Expenses) on revaluation surplus during the period	-	-	145,136	-	-	145,136
Transfer of revaluation surplus to retained earnings for sale of land	-	-	(71,926,482)	71,926,482		-
Profit after tax for the period	-	-	-	375,602,567	-	375,602,567
Other Comprehensive Income /(loss)	-	-	-	-	7,241,473	7,241,473
Balance as on period September30, 2017	**1,554,800,000**	**388,330,508**	**930,006,808**	**3,491,246,913**	**21,075,685**	**6,385,459,914**

IFAD Autos Limited

Statement of Changes in Equity

For the year ended September 30, 2016

Re-Stated

Particulars	Amount in Taka					
	Share Capital	Share Premium	Revaluation Surplus	Retained Earnings	Other Comprehensive Income /(loss)	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
Less: Other Comprehensive Income /(loss)				(6,164,422)	6,164,422	-
Less: Deferred tax liability on OCI				(2,054,808)		(2,054,808)
Opening Balance re-statedd	**1,495,000,000**	**388,330,508**	**1,004,201,992**	**2,125,033,443**	**6,164,422**	**5,018,730,365**
Depreciation on revaluation transfer to retained earnings	-	-	(458,324)	458,324	-	-
Deferred Tax Income/(Expenses) on revaluation surplus during the period	-	-	152,775	-	-	152,775
Profit after tax for the period	-	-	-	154,328,533	-	154,328,533
Other Comprehensive Income /(loss)	-	-	-	-	(2,079,540)	(2,079,540)
Balance as on September 30, 2016	**1,495,000,000**	**388,330,508**	**1,003,896,443**	**2,279,820,300**	**4,084,882**	**5,171,132,133**

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

Signed as per our separate report on same date.

Place: Dhaka
Dated: November 11, 2017

AMARSTOCK

IFAD Autos Limited
Statement of Cash Flows
for the period ended September 30, 2017

Particulars	Amount in Taka	
	July 01, 2017 to September 30, 2017	July 01, 2016 to September 30, 2016 Restated
Cash Flow from Operating Activities:		
Cash Receipts from customers and others	2,728,096,805.36	1,331,790,966
Cash Payment to suppliers and employees	(3,564,713,642.66)	(1,482,773,882)
Cash generated from operations	**(836,616,837)**	**(150,982,916)**
Financial Expenses	(32,428,143)	(24,251,244)
Income Tax Paid during the period	(134,960,385)	(68,697,171)
Net Cash Used to Operating Activities: (A)	**(1,004,005,365)**	**(243,931,331)**
Cash Flow from Investing Activities:		
Acquisition of Property, Plant and Equipment	(15,195,950)	(25,772,305)
Sale of Property, Plant and Equipment	217,534,800	-
Construction WIP	(14,248,731)	(7,509,040)
Investment in Shares	240,279,545	(106,901,783)
Dividend Income	290,018	1,387,881
Realised gain/(Loss) on Investment in Shares	(3,463,660)	(3,867,599)
Net Cash Provided by Investing Activities: (B)	**425,196,023**	**(142,662,846)**
Cash Flow from Financing Activities:		
Long Term Bank Loan (Paid)/Received-Net	70,083,634	(53,754,881)
Leasehold Obligation (Paid)/Received -Net	(99,534,821)	303,453,007
Security Deposit (Paid)/Received	-	(30,000)
Dividend Paid	(16,026)	-
Short Term Bank Loan (Paid)/Received-Net	868,419,877	81,766,030
Net Cash Provided by Financing Activities: (C)	**838,952,664**	**331,434,156**
Net Cash inflow/ outflow(A+B+C)	**260,143,321**	**(55,160,021)**
Cash & Cash equivalents at the beginning of the period	1,542,725,864	1,571,322,128
Closing Cash & Cash equivalents at the end of the period	**1,802,869,185**	**1,516,162,107**
Net Operating Cash Flow per Share	**(6.46)**	**(1.63)**

Chairman | Managing Director | Director | CFO | Company Secretary

Signed as per our separate report on same date.

Place : Dhaka
Dated: November 11, 2017

IFAD AUTOS LIMITED
Notes to the Financial Statements
for the period ended September 30, 2017

1.00 Background and Introduction

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 complete Ashok Leyland's Indian Vehicles as well as imports CKD & Spares from Ashok Leyland and assemble locally 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 712 permanent employee as at September 30, 2017 and a varying number of seasonal and temporary workers as required which was 255 as at September 30, 2017. All the permanent employees received salary & allowances in excess of Tk. 36,000 per annum.

2.00 Summary of Significant Accounting Policies and Disclosures

2.01 Basis of Accounting:

These Financial Statements 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 period 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 effect of change in Foreign Exchange Rates	BAS 21	Applied
Borrowing Costs	BAS 23	Applied
Related Party Disclosures	BAS 24	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

IFAD AUTOS LIMITED DHAKA

MARSTOCK

Non-current Assets Held for sale and Discontinued Operatins	BFRS 5	Applied
Financial Instruments: Disclosure	BFRS 7	Applied
Operating Segments	BFRS 8	Applied

2.04 Structure Contents and Presentation of Financial Statements:

The Financial Statements are presented 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, 2017 .
ii) Statement of Profit or Loss and Other Comprehensive Income for the period ended September 30, 2017.
iii) Statement of Changes in Equity for the period ended September 30, 2017.
iv) Statement of Cash Flows for the period ended September 30, 2017.
v) Notes, comprising a summary of significant accounting policies and other explanatory information.

2.05 Reporting Period:

The Financial period of the company covers 03 months from July 01, 2017 to September 30, 2017.

2.06 Financial & Reporting Currency:

These Financial Statements are prepared and presented in Bangladeshi Taka which is the functional and reporting currency of the company.

2.07 Comparative Information:

Comparative information has been disclosed in respect of the previous period for all umerical information in the financial Statements and also the narative and descriptive information when it is relevant for underrstanding of the current period financial statements. Previous period figure has been re-arranged whenever considered necessary to ensure comparability with the current period presentation as per BAS-8 :" Accounting Policies , Changeses in Accounting Estimates and Errors"

2.08 Leases

A lease is an agreemetn whereby the lessor conveys to the lessee in return for a payment or series of payments the right to use an asset for an agreed period of time .

A lease is classified as either an operating or afinance lease and in the case of a finance lease the amounts to be recognised at the commencement of the lease term are determined.

A finance lease is a lease that transfers substantially all the riskys and rewards incidental to ownership of an asset . Title may or may not eventually be transferred. An operating lease is a lease other than a finance lease.

2.09 Risk and uncertainty for use of estimates (Provisions):

The Preparation of Financial Statements in conformity with Bangladesh Accounting Standards/BFRS requires recognition and measurement of principal the use of management to make estimates and assumptions that affect the reported amounts of revenue and expenses, assets and liabilities and disclosure requirements for contingent assets and liabilities during and the date of the Financial Statements. Due to inherent uncertainty involved in making estimates, actual reported results could differ from those estimates.

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 a present 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
- When a reliable estimate can be made of the amount of the obligation.

2.10 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 period to which they relate.

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

2.11 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.

IFAD AUTOS LIMITED DHAKA

2.12 Financial Instruments:

A financial instrument is any contract that gives rise to financial assets and a financial liability or equity instrument of another entity.

Financial assets:

Financial assets of the company include cash and cash equivalents, accounts receivable , other receivables and equity instrument of another entity. The company initially recognized receivable on the date they are originated . All other financial assets are recognized initially on the date at which the company becomes a party to the contractual provision of the transaction .The company derecognizes a financial asset when, and only when the contractual rights or probabilities of receiving the cash flows on the financial assets in a transaction in which substantially all the risk and rewards of ownership of the financial assets are transferred.

Financial liability:

Financial liabilities are recognized initially on the transaction date at which the company becomes a party to the contractual provisions of the liability . The company derecognizes the financial liabilities when its contractual obligations are discharged or cancelled or expired . Financial liabilities includes payable for expense , liability for capital expenditure and other current liabilities.

2.13 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.

2.14 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"**.

2.15 Related 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 # 43.

2.16 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:

These Financial Statements have been authorized for issue by the Board of Derectors on November 11, 2017.

Land Sale

The deed of registration of land recognised under non current assets held for sale has already been executed on 4 october 2017.

Declaration of Dividend

The Board of Directors has recommend to declare dividend @ 21% Cash(Other than Sponsors & Directors) and 5% Stock for all shareholders of the company subject to approval of the shareholders in the forth coming Annul General Meeting.

IFAD AUTOS LIMITED DHAKA

2.17 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.

2.18 Property, Plant and Equipment:

2.18.01 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 "Property, 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.

2.18.02 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.

2.18.03 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.

2.18.04 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%
Plant & Machinery	10%
Furniture & Fixtures	10%
Office Equipment	10%
Electric Equipment	10%
Motor Vehicles	10%

The fair value of the property, plant and equipment on 30.09.2017 is not materially differing with the carrying amount except the revaluation made as follows:

IFAD AUTOS LIMITED DHAKA

MARSTOCK

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	June 30,2016	22,733,680	22,733,680	-
Total				**1,127,661,223**	**2,306,413,500**	**1,178,752,277**

2.19 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.

2.20 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.

2.21 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.

2.22 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 other income @ 10% ~ 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.

2.23 Foreign Currency Transaction:

Foreign currency transactions are recorded, on initial recognition in the functional currency at the spot exchange rate ruling at the transaction date.

At the end of each reporting period, in compliance with the provision of BAS 21: The Effects of Changes in Foreign Exchange Rates, are determined as under :

(a) Foreign currency monetary items are translated using the closing rate.

(b) Non-monetary items that are measured in terms of historical costs in a foreign currency are translated using the exchange rate at the date of the transaction.

(c) Non-monetary items that are measured at fair value in a foreign currency is translated using the exchange rate at the date when the fair value is determined.

Exchange differences arising on the settlement of monetary items or on translating monetary Items at rate different from those at which they were translated on initial recognition during the period or in previous financial statements is recognized in profit or loss in the period in which they arise.

2.24 Employee Benefits

The company maintains defined contribution plan and defined benefit plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective agreements/trust deeds.



The company has accounted for and disclosed employee benefits in compliance with the provision of BAS 19 : Employee Benefits.

The cost of employee benefit is charged off as revenue expenditure in the period to which the contributions relate.
The company's employee benefits include the following.

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)**.

2.25 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.

2.26 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.

2.27 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"**.

2.28 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.

2.29 Operating Segments

An operating segment is a compnent of an entity
(a) that engages in buseness activities from which it may earn revenues and incur expenses
(b) whose operating results are regularllly reviewed by the entiys chief operting decision maker to make decisions about resources to be allocated to the segment and assess its performace and
(C) for which discrete financial information is available

An entity shall report separately information about an operating segment that meets any of the following quantitative thresholds:

(a) Its reported revenue
(b) The absolute amount of its reported profit or loss
(C) Its assets are 10 per cent or more of the combined assets of all operating segments
Detail discosed in **Annexure number # B**

2.30 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.

2.30.01 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.

2.30.02 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.

2.30.03 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.

2.30.04 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.

2.30.05 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.

IFAD AUTOS LIMITED DHAKA

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.

2.30.06 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.

2.30.07 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.

2.30.08 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.

2.30.09 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.

2.30.10 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.

IFAD AUTOS LIMITED DHAKA

AMAR STOCK

2.31 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.

2.32 Interim Financial Reporting:

Interim period is a financial reporting period shorter than a full financial year.

Interim financial report means a financial report containing either a complete set of financial statements (as described in BAS 1 Presentation of Financial Statements) or a set of condensed financial statements for an interim period.

2.33 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.

2.34 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, 2017	June 30, 2017

4.00 Property, Plant and Equipment : Tk. 2,474,225,690

This is made up as follows:

Particulars		
Opening Balance	2,654,552,103	2,461,762,232
Add: Addition during the period	17,597,949	236,807,556
	2,672,150,052	**2,698,569,788**
Less: Disposal of land	113,804,410	-
Less: Revaluation adjustment for disposal of land	71,926,482	-
Closing Balance	**2,486,419,160**	**2,698,569,788**
Less: Depreciation charged during the period	12,193,470	44,017,685
Written Down Value as at September 30, 2017	**2,474,225,690**	**2,654,552,103**

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

5.00 Construction WIP : Tk. 53,258,567

This is made up as follows:

Particulars		
Opening Balance	39,009,836	30,137,061
Add: Addition during the period	14,248,731	39,009,836
	53,258,567	**69,146,897**
Less: Transferred to Property, Plant and Equipment	-	30,137,061
Total:	**53,258,567**	**39,009,836**

The balance represents the cost of under construction building at Tejgaon C/A which is not available for use as per management's intention.

6.00 Investment in Shares: Tk. 56,000,000

Bangla Industries Limited	26,000,000	26,000,000
Ifad Salt & Chemical Limited	30,000,000	30,000,000
Total	**56,000,000**	**56,000,000**

7.00 Inventories: Tk.1,733,159,591

This is made up as follows:

Particulars			
Imported vehicles	Note: 7.01	1,442,724,534	1,068,899,229
Assembling Vehicles	Note: 7.02	290,435,057	59,311,490
Total:		**1,733,159,591**	**1,128,210,719**

7.01 Inventories (Imported Vehicles): Tk.1,442,724,534

This is made up as follows:

Particulars		
Imported Vehicles September 30, 2017: 1040 Nos (June 30, 2017: 799 Nos)	1,442,724,534	1,068,899,229
Total:	**1,442,724,534**	**1,068,899,229**

7.02 Inventories (Assembling Vehicles): Tk.290,435,057

This is made up as follows:

Particulars		
Finished Vehicles September 30, 2017: 22 Nos (June 30, 2017: 16 Nos)	69,948,025	55,638,012
Work-in-Process	36,174,949	3,673,478
Raw Materials	184,312,083	-
Total:	**290,435,057**	**59,311,490**

8.00 Accounts & Others Receivable: Tk. 16,160,049,773

This is made up as follows:

Particulars		
Accounts Receivable	16,134,682,567	15,277,918,632
Others Receivable	25,367,206	25,263,151
Total:	**16,160,049,773**	**15,303,181,783**

9.00 Investment in Shares: Tk. 114,716,337

This is made up as follows:

Particulars		
Marketable Securities: Cost Value	119,552,054	359,831,599
Unrealised Gain/(Loss) on Investment on Marketable Securities	(4,835,717)	(9,807,529)
Marketable Securities: Market Value	114,716,337	350,024,070

10.00 Advances, Deposits & Prepayments: Tk.1,235,864,835

This is made up as follows:

Particulars		
Advance Income Tax	897,702,835	762,742,450
Advance against Property, Plant & Equipment	33,729,570	36,131,570
Advance against House Rent	34,143,571	32,215,066
Advance against Salary	7,828,990	8,420,522
Advance against L/C for Import	179,370,674	153,300,396
Other Advances	21,358,981	20,083,115
VAT Current Account (BIN-17181011946)	31,181,845	5,549,684
Security Deposit	30,548,369	29,680,369
Total:	**1,235,864,835**	**1,048,123,172**

IFAD AUTOS LIMITED DHAKA

AMAR STOCK

	Amount in Taka	
	September 30, 2017	June 30, 2017

11.00 Cash & Cash Equivalents: Tk. 1,802,869,185

This is made up as follows:

Particulars		
Cash in Hand	38,176,721	23,671,976
Cash at Bank	1,764,692,464	1,519,053,888
Total:	**1,802,869,185**	**1,542,725,864**

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

This is made up as follows:

Particulars		
Carrying Amount of Land and land development:	**113,959,743**	**113,959,743**
Cost	26,145,220	26,145,220
Revalution	87,814,523	87,814,523
Fair Value of land and land development:	53,223,916	53,223,916
Less: Cost to sale	-	-
Net Fair Value	**53,223,916**	**53,223,916**
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**
Gain/(Loss) for Classification of Non-current assets held for sale	**(60,735,827)**	**(60,735,827)**
Gain/(Loss) recognized in Statement of Porfit or Loss	27,078,696	27,078,696
Derecognation of revalution surplus	(87,814,523)	(87,814,523)
Capital Gain Tax @ 15%	**4,061,804**	**4,061,804**
Post Tax Profit	**23,016,892**	**23,016,892**

13.00 Ordinary Share Capital: Tk. 1,554,800,000

This is made up as follows:

Authorized Share Capital		
300,000,000 Ordinary Shares of Tk. 10 each	3,000,000,000	2,000,000,000
	3,000,000,000	**2,000,000,000**
Issued, Subscribed & Paid- up Capital		
Opening Balance	1,495,000,000	1,495,000,000
Stock Dividend	59,800,000	59,800,000
	1,554,800,000	**1,554,800,000**

The aforesaid share capital is subscribed as under:

Name	No. of Shares	Holding (%)	Amount (Tk.)	Amount (Tk.)
Sponsors/Directors	97,597,700	62.77%	975,977,000	975,977,000
Institutions	32,036,119	20.60%	320,361,190	288,882,190
Foreign	2,278,028	1.47%	22,780,280	835,200
General Public	23,568,153	15.16%	235,681,530	289,105,610
Total:	**155,480,000**	**100%**	**1,554,800,000**	**1,554,800,000**

14.00 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**

15.00 Revaluation Surplus: Tk. 930,006,808

This is made up as follows:

Particulars		
Opening Balance	1,002,368,697	1,004,201,992
Less: Depreciation on revaluation transfer to retained earnings	(580,543)	(2,444,392)
Add/(Less): Deferred Tax Income/(Expenses) on revaluation surplus during the period	145,136	611,097
Less: Transfer of revaluation surplus to retained earnings for sale of land	(71,926,482)	-
Closing Balance:	**930,006,808**	**1,002,368,697**

16.00 Retained Earnings: Tk. 3,491,246,913

This is made up as follows:

Particulars		
Opening Balance	3,043,137,321	2,125,033,443
Add: Net Profit during the period	375,602,567	1,047,812,611
Add: Transfer of revaluation surplus to retained earnings for sale of land	71,926,482	-
Add: Depreciation on revaluation surplus	580,543	2,444,392
Less: Stock dividend	-	(59,800,000)
Less: Cash dividend	-	(72,353,125)
Closing Balance:	**3,491,246,913**	**3,043,137,321**

17.00 Other Comprehensive Income /(loss): Tk. 21,075,685

This is made up as follows:

Particulars		
Opening Balance	13,834,212	6,164,422
Add/(Loss) during the period	7,241,473	7,669,790
Closing Balance:	**21,075,685**	**13,834,212**

IFAD AUTOS LIMITED DHAKA

	Amount in Taka	
	September 30, 2017	June 30, 2017

18.00 Deferred Tax Liability: Tk. 211,555,181

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	1,370,424,830	1,214,196,756	156,228,074	25%	39,057,019	35,313,984
Sub Total (a)	**1,370,424,830**	**1,214,196,756**	**156,228,074**		**39,057,019**	**35,313,984**
Property, Plant & Equipment Revaluation:						
Land & Land Development	1,057,937,961	-	1,057,937,961	15%	158,690,694	169,479,666
Building & Civil Construction	45,862,899	-	45,862,899	25%	11,465,725	11,610,861
Sub Total (b)	**1,103,800,860**	-	**1,103,800,860**		**170,156,419**	**181,090,527**
Other Comprehensive Income /(loss):						
Unrealised Gain/(Loss) on Investment on Marketable Securities	23,417,427	-	23,417,427	10%	2,341,743	4,611,404
Sub Total (c)	**23,417,427**	-	**23,417,427**		**2,341,743**	**4,611,404**
Total Deferred Tax (Assets)/Liabilities (a+b+c)	**2,497,643,117**	**1,214,196,756**	**1,283,446,361**		**211,555,181**	**221,015,914**

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

Closing Deferred Tax Liability	39,057,019	35,313,984
Opening Deferred Tax Liability	35,313,984	13,161,198
Deferred Tax (Income)/Expenses	**3,743,036**	**22,152,786**

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

Closing Deferred Tax Liability	170,156,419	181,090,527
Opening Deferred Tax Liability	181,090,527	181,701,624
Deferred Tax Liability transfer to provision for income tax for sale of land	(10,788,972)	
Deferred Tax (Income)/Expenses	**(145,136)**	**(611,097)**

Deferred Tax (Income)/Expenses recognized in Other Comprehensive Income /(loss):

Closing Deferred Tax Liability	2,341,743	4,611,404
Opening Deferred Tax Liability	4,611,404	2,054,808
Deferred Tax (Income)/Expenses	**(2,269,661)**	**2,556,596**

19.00 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	2,200,000
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**	**14,895,000**

AMAR STOCK



		Amount in Taka	
		September 30, 2017	June 30, 2017

20.00 Long Term Loans: Tk. 796,405,708

This is made up as follows:

Particulars			
Mercantile Bank Ltd		134,588,374	148,793,441
Union Capital Ltd.		37,561,552	39,702,069
Premier Leasing Ltd		116,394,476	119,527,510
Meridian Finance & Investment Ltd		98,983,026	-
Shahjalal Islami Bank Ltd		43,339,483	27,604,611
Social Islamic Bank Ltd.		302,295,714	301,587,380
Prime Finance & Investment Ltd.		161,052,234	175,991,807
Brac Bank Ltd.		137,843,301	148,767,708
		1,032,058,160	961,974,526
Less: Current Portion of Long term loans transferred to current liability	Note: 22.00	235,652,452	216,860,147
Total:		796,405,708	745,114,379

21.00 Leasehold Obligations: Tk. 5,745,370,798

This is made up as follows:

Particulars

Bank Name	Types of A/C	Branch	Account No.	30.09.2017	30.06.2017
Al Arafah Islami Bank Ltd.	Lease	Mouchak	Various	721,252,777	752,847,563
Bank Asia Ltd.	Lease	Corporate Br.	Various	601,149,798	674,051,174
Brac Bank Ltd.	Lease	Head Office	Various	835,525,673	837,518,183
City Bank Ltd.	Lease	Kawranbazar	Various	238,353,451	189,544,635
Commercial Bank of Ceylon	Lease	Motijheel Br.	Various	125,228,596	148,937,214
Dhaka Bank Ltd.	Lease	Moghbazar	Various	246,618,092	260,598,961
Dutch Bangla Bank Ltd.	Lease	Kawran Bazar	Various	184,180,106	234,187,605
Estern Bank Ltd.	Lease	Sonargaon Road	Various	1,227,610,837	1,166,798,001
EXIM Bank	Lease	Panthapath	Various	26,373,667	29,760,784
IDLC Finance Ltd.	Lease	Dilkusha	Various	106,108,109	115,468,726
IFIC Bank Ltd	Lease	Dhanmondi	Various	125,922,058	154,269,313
ILF Service Ltd.	Lease	Rajuk Avenue	Various	25,347,445	28,108,968
Jamuna Bank Ltd.	Lease	Sonargaon Road	Various	279,730,498	318,674,091
LankaBangla Finance Ltd.	Lease	Banani	Various	80,243,288	79,622,752
Mercantile Bank Ltd.	Lease	Satmasjid Road	Various	640,288,734	639,664,975
Modhumoti Bank Ltd.	Lease	Motijheel	Various	176,712,695	152,983,672
National Finance Ltd.	Lease	Progoti Soroni	Various	444,864,636	469,668,758
National Housing Finance And Investment Ltd.	Lease	Corporate	Various	7,812,438	11,414,198
NCC Bank Ltd.	Lease	Dilkusha	Various	375,349,872	351,926,070
NRB Commercial Bank Ltd.	Lease	Principal	Various	249,849,225	241,147,451
One Bank Ltd.	Lease	Moghbazar	Various	594,164,837	646,147,003
Premier Bank Ltd.	Lease	Elephant Road.	Various	435,803,325	457,665,293
Premier Leasing & Finance Ltd.	Lease	Motijheel	Various	-	3,218,738
Prime Bank Ltd.	Lease	Kawran Bazar	Various	371,593,807	386,923,967
Pubali Bank Ltd.	Lease	Lab. Road	Various	284,654,215	212,821,265
Shahjalal Islami Bank Ltd.	Lease	Kawran Bazar	Various	530,372,536	372,163,822
Social Islamic Bank Ltd.	Lease	Panthapath	Various	666,727,563	640,554,472
SBAC Bank Ltd.	Lease	Principal	Various	177,026,189	201,482,765
Standard Bank Ltd.	Lease	Panthapath	Various	308,893,383	351,004,771
Trust Bank Ltd.	Lease	Kawranbazar	Various	499,437,251	545,085,929
United Commercial Bank Ltd.	Lease	Foreign Exchange	Various	43,036,244	47,446,117
Uttara Bank Ltd.	Lease	Corporate Br.	Various	214,993,960	223,052,890
				10,845,225,305	10,944,760,126
Less: Current portion of Leasehold obligation transferred to Current Liability			Note: 23.00	5,099,854,507	5,150,024,823
				5,745,370,798	5,794,735,303

22.00 Current Portion of Long Term Loans: Tk. 235,652,452

This is made up as follows:

Particulars		
Mercantile Bank Ltd	42,026,387	43,589,128
Union Capital Ltd.	9,028,414	8,651,586
Premier Leasing Ltd	30,006,936	28,191,330
Meridian Finance & Investment Ltd	16,060,038	-
Social Islamic Bank Ltd.	52,333,948	48,938,017
Prime Finance & Investment Ltd.	61,519,942	62,292,311
Brac Bank Ltd.	24,676,787	25,197,775
Current Portion of Long Term Loans	235,652,452	216,860,147

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

Summary of Term Loan are provided below:

Nature	Term Loan
Tenure	4-5 Years
Repayment Clause	48-60 Monthly equal installment
Interest Rate	9.50% - 13.5% P.a.
Security	First charge on all land & building

IFAD AUTOS LIMITED DHAKA

	Amount in Taka	
	September 30, 2017	June 30, 2017

23.00 Current Portion of Leasehold Obligation : Tk. 5,099,854,507

This is made up as follows:

Particulars		
Al Arafah Islami Bank Ltd.	435,948,316	436,049,048
Bank Asia Ltd.	284,140,493	323,116,024
Brac Bank Ltd.	394,344,866	393,618,172
City Bank Ltd.	124,622,297	97,104,064
Commercial Bank of Ceylon	95,406,152	87,975,215
Dhaka Bank Ltd.	116,488,627	125,142,198
Dutch Bangla Bank Ltd.	84,643,849	115,952,012
Estern Bank Ltd.	506,838,896	438,514,180
Export Import Bank of Bangladesh Ltd.	12,134,958	12,252,973
IDLC Finance Ltd.	55,258,309	55,588,187
International Finance Investment and Commerce Bank Ltd	61,975,715	80,773,490
International Leasing & Financial Service Ltd.	12,964,892	12,407,279
Jamuna Bank Ltd.	147,549,494	173,512,811
LankaBangla Finance Ltd.	30,096,642	27,852,199
Mercantile Bank Ltd.	323,970,387	324,951,759
Modhumoti Bank Ltd.	74,878,325	66,857,995
National Finance Ltd.	107,552,379	107,952,837
National Housing Finance And Investment Ltd.	7,812,438	11,414,198
National Credit & Commerce Bank Ltd.	186,146,466	176,644,177
NRB Commercial Bank Ltd.	146,260,345	137,740,197
One Bank Ltd.	264,986,789	301,593,673
Premier Bank Ltd.	249,425,578	257,601,935
Premier Leasing & Finance Ltd.	-	3,218,738
Prime Bank Ltd.	159,342,039	187,084,851
Pubali Bank Ltd.	134,234,901	98,926,751
Shahjalal Islami Bank Ltd.	247,957,726	192,582,689
Social Islamic Bank Ltd.	262,355,969	266,774,564
South Bangla Agricultuer and Commarce Bank Ltd.	82,805,975	98,404,250
Standard Bank Ltd.	130,624,716	145,769,418
Trust Bank Ltd.	221,360,738	245,384,086
United Commercial Bank Ltd.	23,977,792	24,327,198
Uttara Bank Ltd.	113,748,438	122,937,655
Current portion of Leasehold obligation	**5,099,854,507**	**5,150,024,823**

24.00 Accounts & Others Payable: Tk. 229,544,699

This is made up as follows:

Particulars		
GL Steel	15,674,420	18,325,420
Payable for goods	205,702,575	90,447,766
Other Payable	8,167,704	8,273,277
Total:	**229,544,699**	**117,046,463**

25.00 Unclaimed Dividend: Tk. 1,041,312

This is made up as follows:

Particulars		
Dividend payable	1,041,312	1,057,338
Total:	**1,041,312**	**1,057,338**

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.

26.00 Uncollected IPO Subscription: Tk.2,370,000

This is made up as follows:

Particulars		
Refundable fund of IPO subscribers	2,370,000	2,370,000
Total:	**2,370,000**	**2,370,000**

27.00 Advance Against Sales: Tk. 76,155,643

This is made up as follows:

Particulars		
Advance against sale of vehicles	22,931,727	16,063,599
Advance against sale of land	53,223,916	53,223,916
Total:	**76,155,643**	**69,287,515**

28.00 Short Term Bank Loans and Credits: Tk. 3,845,664,475

This is made up as follows:

Particulars		
Short term bank loans and credits	3,845,664,475	2,977,244,598
Total:	**3,845,664,475**	**2,977,244,598**

IFAD AUTOS LIMITED DHAKA

AMAR STOCK

	Amount in Taka	
	September 30, 2017	June 30, 2017

29.00 Provision for Income Tax: Tk.905,424,926

This is made up as follows:

Particulars		
Opening balance	767,484,079	422,109,351
Provision made during the period	127,151,875	345,374,728
Reversal of deferred tax for sale of land	10,788,972	-
Less: Adjustment during the period	-	-
Total:	**905,424,926**	**767,484,079**

30.00 Provission for Expenses: Tk. 133,973,279

This is made up as follows:

Particulars		
Salary & Allowances	19,772,510	10,651,817
Remuneration	2,793,000	2,793,000
Audit Fees	431,250	345,000
Wages	1,643,903	1,289,862
Security Service Charge	193,651	82,630
Telephone, Mobile & Internet Bills	756,935	504,812
Electricity Bill	733,428	657,989
Office Rent & Others	176,473	371,463
Provision for Value Added Tax	6,751,779	6,751,779
Provision for PF	1,284,612	1,229,808
Provision for WPPF	96,091,880	70,767,006
Others	3,343,858	-
Total:	**133,973,279**	**95,445,166**

IFAD AUTOS LIMITED DHAKA

AMAR STOCK

	Amount in Taka	
	July 01, 2017 to September 30, 2017	July 01, 2016 to September 30, 2016

31.00 Sales Revenue: Tk. 3,545,349,966

This is made up as follows:

Particulars		
Sales of Vehicles (Imported Vehicles)	3,512,907,299	1,817,368,020
Sales of Vehicles (Assembling Vehicles)	32,442,667	-
Total:	**3,545,349,966**	**1,817,368,020**

32.00 Cost of Sales: Tk. 2,898,998,636

This is made up as follows:

Particulars		
Cost of Imported Vehicles	3,221,614,634	1,387,883,077
Raw Materials	244,483,486	-
Canteen Subsidies	230,690	-
Car Maintenance	115,219	-
Carring & Handling	2,510,000	-
Delivery Expenses	563,759	108,307
Depreciation	6,580,656	-
Documantation & Service Charges	2,069,226	1,628,505
Electricity Expenses	345,325	330,615
Entertainment	25,949	-
Fectory Maintenance	308,218	-
Gas Charge	59,550	-
Photocopy & Stationary	58,029	-
Quality Control Expenses	544,850	322,970
Repair & Maintenance	319,830	-
Salaries & Allowances	974,800	-
Security Service Charge	466,987	800
Rent	1,639,714	1,857,045
Servicing Charge	11,472,452	831,641
Telephone, Mobile & Internet Expenses	42,500	-
Vehicle Mobile Set	1,756,000	1,390,000
Wages	6,535,329	5,043,081
Warranty Expenses	889,795	166,890
Spare Parts & Tools	340,510	204,321
	3,503,947,508	**1,399,767,252**
Add: Opening Raw Materials	-	-
Less: Closing Raw Materials	184,312,083	-
	3,319,635,425	**1,399,767,252**
Add: Opening Work-in-Prosess	3,673,478	-
Less: Closing Work-in-Prosess	36,174,949	-
	3,287,133,954	**1,399,767,252**
Add: Opening Finished Goods	1,124,537,241	954,286,529
Less: Closing Finished Goods	1,512,672,559	857,548,994
Total:	**2,898,998,636**	**1,496,504,787**

33.00 Administrative Expenses: Tk. 84,455,946

This is made up as follows:

Particulars		
Directors' Remuneration	10,800,000	10,800,000
Salaries & Allowances	34,074,598	20,243,358
Audit Fees	86,250	86,250
Conveyance	833,788	791,655
Board Meeting Fees	55,000	36,000
Uniform Expenses	41,500	35,600
CSR Expenses	30,000	-
Car Maintenance	4,303,391	2,156,890
Depreciation	5,612,814	9,742,780
EGM Expenses	257,925	-
Electricity Expenses	1,553,805	735,942
Entertainment	1,410,409	1,386,999
Gas Charge	80,490	68,920
Office Maintenance	3,330,930	1,753,357
Stationary & Photocopy	934,807	590,443
Postage Expenses	434,254	468,012
Provident Fund Expense	964,726	769,631
Consultancy, Legal, Professional Fees & Others	4,520,389	239,948
Rent, Rates & Taxes	8,599,852	6,060,596
Stamp Expenses	511,254	382,165
Telephone, Mobile & Internet Expenses	3,060,237	1,556,247
Tours & Travelling Expenses	2,588,947	2,085,854
Vehicle Registration & Insurance	370,580	662,457
Total:	**84,455,946**	**60,653,104**

IFAD AUTOS LIMITED DHAKA

AMAR STOCK

	Amount in Taka	
	July 01, 2017 to September 30, 2017	July 01, 2016 to September 30, 2016

34.00 Selling ,Distribution and after sales service Expenses: Tk. 59,021,856

This is made up as follows:

Particulars		
Advertisement & Publicity	687,540	1,497,952
Car Maintenance	1,381,315	469,734
Dealers' Commission	1,190,000	2,845,000
Entertainment	2,556,078	1,284,023
Inspecting Charges	205,900	39,530
Marketing Expenses	12,014,204	5,471,060
Recovery Expenses	4,319,276	2,290,114
Travelling Expenses	3,929,203	2,248,471
Salaries & Allowances	32,738,340	13,497,572
Total:	**59,021,856**	**29,643,456**

35.00 Other Income: Tk. 61,376,967

This is made up as follows:

Particulars		
Interest on Fixed Deposit	31,996,701	38,012,736
Gain/(Loss) on sale of Land	31,803,908	-
Interest on STD	-	143,245
Realised Gain/(Loss) on Investment on Marketable Securities	(3,463,660)	(3,867,599)
Income from Office Rent	750,000	-
Dividend Income	290,018	1,387,881
Total:	**61,376,967**	**35,676,263**

36.00 Financial Expense: Tk. 32,428,143

This is made up as follows:

Particulars		
Bank charge & Commission	867,050	3,208,401
Term Loan Interest	31,561,093	21,042,843
Total:	**32,428,143**	**24,251,244**

37.00 Income Tax Expenses: Tk. 130,894,911

This is made up as follows:

Particulars			
Current tax	Note:37.01	127,151,875	74,304,551
Deferred tax	Note:18	3,743,036	1,835,194
Total:		**130,894,911**	**76,139,745**

37.01 Current tax: Tk. 127,151,875

This is made up as follows:

Particulars		
Income tax on business income	114,136,610	64,487,979
Income tax on other income	13,015,265	9,816,572
Total:	**127,151,875**	**74,304,551**

38.00 Other Comprehensive Income /(loss): Tk. 7,241,473

This is made up as follows:

Particulars		
Unrealised Gain/(Loss) on Investment on Marketable Securities	4,971,812	(2,772,720)
Total:	**4,971,812**	**(2,772,720)**
Add: Deferred Tax Income/(Expenses) on Other Comprehensive Income /(loss)	2,269,661	693,180
	7,241,473	**(2,079,540)**

39.00 Basic Earning Per Share: Tk. 2.42

This is made up as follows:

Particulars		
Earnings attrubitable to the ordinary share holder	375,602,567	154,328,533
Weighted average Number of Ordinary Shares	155,480,000	155,480,000
Basic Earning Per share	**2.42**	**0.99**

40.00 Contingent Laibilities:

The company is contingently liable for instalment sales receivable against lease finance to customers by banks and financial inistitution aggregating Tk. 1,037,662 as at September 30, 2017.

IFAD AUTOS LIMITED DHAKA

AMAR STOCK

41.00 Additional disclosure

(a) The major reason for significant deviation in EPS is for increased sales which is 95.08% higher with compared to corresponding previous period.

(d) IFAD Autos Limited met its obligations on time; and had no classified lease/loan finance from banks/financial institutions. Hence, such negative operating cash outflow is not a going concern threat for IFAD Autos Limited.

42.00 Disclosure as per requirement of schedule XI , Part -II of Companies Act 1994

42.01 Commisssion , Brokerage or Discount against sales:

(a) There was no brokerage or discount against sales during the period.
(b) No commission was paid to sales against during the period.

43.00 Related party disclosures

The company has entered into transaction with other entities that fall within the definition of related party as contained in BAS-24 "Related Party Disclosures" The company openion that terms of related teransaction do not significantly differ from those that could have been obtained from third parties . Total transations of the significant related parties as at September 30, 2017 are as follows :

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	Inveatment	30,000,000	-	-	30,000,000
IFAD Auto Services Ltd.	Common Management	Trading	4,595,867	-	8,274,394	(3,678,527)

(a) Key Management Personnel:

As per Company Act , 1994 part-II , Schedule-XI (4) The profit and loss account will give by way of a note detailed information , showing separately the following payments provided or made during the financial period to the directors , including managing director , the managing agents or manager , if any ,by the company , subsidiaries of the company and any other person :

Particulars	July 01, 2017 to September 30, 2017	July 01, 2016 to September 30, 2016
(a) managerial remuneration paid or payable during the period to the directors, including managing directors, a managing agent or manager	14,095,660	12,854,170
(b) expenses reimbursed to Managing Agent	Nil	Nil
(c) commission or Remuneration payable separately to a managing agent or his associate	Nil	Nil
(d) commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into by such concerns with the company	Nil	Nil

Particulars	July 01, 2017 to September 30, 2017	July 01, 2016 to September 30, 2016
(e) the money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial period.	Nil	Nil
(f) any other perquisite or benefits in cash or in kind stating, approximate money value where practicable.	Nil	Nil
(g) other allowances and commission including guarantee commission	Nil	Nil
(h) 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	47,392	36,444
(iv) compensation for loss or office	Nil	Nil
(iv) consideration in connection with retirement from office	Nil	Nil

(b) An entity shall disclose key management personnel compensation in total and for each of the following categories:

Particulars:

(a) Short - term employee benefits;	14,095,660	12,854,170
(b) Post - employment benefits;	47,392	36,444
(c) Other long-term benefits	Nil	Nil
(d) Termination benefits; and	Nil	Nil
(e) Share -based payment.	Nil	Nil

44.00 Number of Employees

All the employee receive salary/wages in excess of tk. 3000 per month	Number of Employes
Number of permanent employee	712
Number of temporary employee	255
Total:	967

IFAD AUTOS LIMITED DHAKA

Annexure-A

IFAD Autos Limited

Schedule of Property, Plant & Equipment

as at September 30, 2017

(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 1/7/2017	Additions during the period	Disposal during the period	Balance as at 30/9/2017		Charged during the period	30/9/2017
1	Land and Land Developments	767,527,309	8,820,000	113,804,410	662,542,899	-	-	662,542,899
2	Buildings & Civil Construction	461,487,588	5,638,543	-	467,126,131	5%	5,805,723	461,320,408
3	Flat	22,279,006	-	-	22,279,006	2%	111,395	22,167,611
4	Tools & Equipment	5,924,690	-	-	5,924,690	10%	148,117	5,776,573
5	Plant & Machinery	56,480,186	924,486	-	57,404,672	10%	1,413,271	55,991,401
6	Furniture & Fixtures	12,155,164	258,070	-	12,413,234	10%	306,177	12,107,057
7	Office Equipment	22,490,930	1,762,750	-	24,253,680	10%	579,115	23,674,565
8	Electric Equipment & Installation	17,675,614	194,100	-	17,869,714	10%	443,536	17,426,178
9	Motor Vehicles	112,223,731	-	-	112,223,731	10%	2,805,593	109,418,138
	Sub Total (As at 30 September 2017)	**1,478,244,218**	**17,597,949**	**113,804,410**	**1,382,037,757**		**11,612,927**	**1,370,424,830**

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

Sl No.	Assets	Revaluation				Dep. Rate (%)	Depreciation	Written Down Value as at
		Balance as at 1/7/2017	Additions during the period	Disposal during the period	Balance as at 30/9/2017		Charged during the period	30/9/2017
1	Land and Land Developments	1,129,864,443	-	71,926,482	1,057,937,961	0%	-	1,057,937,961
2	Buildings	46,443,442	-	-	46,443,442	5%	580,543	45,862,899
	Sub Total (As at 30 Sep 2017)	**1,176,307,885**	**-**	**71,926,482**	**1,104,381,403**		**580,543**	**1,103,800,860**
	Grand Total (As at 30 Sep 2017)	**2,654,552,103**	**17,597,949**	**185,730,892**	**2,486,419,160**		**12,193,470**	**2,474,225,690**
	Grand Total (As at 30 June 2017)	**2,461,762,232**	**236,807,556**	**-**	**2,698,569,788**		**44,017,685**	**2,654,552,103**

Depreciation Allocation:

Particulars	Amount
Cost of Sales	6,580,656
Administrative Expenses	5,612,814

IFAD AUTOS LIMITED DHAKA

IFADS.OCK

IFAD Autos Limited
Report of Operating Segment
as at September 30, 2017

Annexure-B

Information about business segments:

Particulars	Amount in Taka		
	Imported Vehicles	**Assembling Vehicles**	**Total**
	TK.	TK.	Tk.
Revenue:			
External sales	3,512,907,299	32,442,667	3,545,349,966
Inter segment sales	-	-	-
Total revenue	**3,512,907,299**	**32,442,667**	**3,545,349,966**
Less: Cost of Sales	2,872,443,006	26,555,630	2,898,998,636
Gross Profit	**640,464,293**	**5,887,037**	**646,351,330**
Unallocated expenses:			
Less: Administrative expenses	-	-	84,455,946
Less: Distribution expenses	-	-	59,021,856
Add: Other income	-	-	61,376,967
Segment result			**564,250,495**
Unallocated expenses:			
Financial expenses			32,428,143
Workers profit participation fund			25,324,874
Income tax expenses			130,894,911
Profit for the period			**375,602,567**
Other information:			
Segment assets (a)	**1,446,678,775**	**1,027,546,915**	**2,474,225,690**

IFAD AUTOS LIMITED DHAKA

AMAR STOCK

IFAD Autos Limited

Report of Operating Segment

as at September 30, 2017

Annexure-B/A

Segment assets	Amount in Taka						
	Imported Vehicles			Assembling Vehicles			Total
	Acquisition of Property, plant & Equipment less Accumulated Depreciation	Depreciation	Written dowen value as on 30.09.2017	Acquisition of Property, plant & Equipment less Accumulated Depreciation	Depreciation	Written dowen value as on 30.09.2017	Written dowen value as on 30.09.2017
Land and Land Developments	1,145,218,716	-	1,145,218,716	575,262,144	-	575,262,144	1,720,480,860
Buildings & Civil Construction	126,707,141	1,583,839	125,123,302	386,862,432	4,802,427	382,060,005	507,183,307
Flat	22,279,006	111,395	22,167,611	-	-	-	22,167,611
Tools & Equipment	5,924,690	148,117	5,776,573	-	-	-	5,776,573
Plant & Machinery	-	-	-	57,404,672	1,413,271	55,991,401	55,991,401
Furniture & Fixtures	11,603,346	285,930	11,317,416	809,888	20,247	789,641	12,107,057
Office Equipment	24,177,450	577,209	23,600,241	76,230	1,906	74,324	23,674,565
Electric Equipment & Installation	5,079,920	123,791	4,956,129	12,789,794	319,745	12,470,049	17,426,178
Motor Vehicles	111,301,320	2,782,533	108,518,787	922,411	23,060	899,351	109,418,138
Total	**1,452,291,589**	**5,612,814**	**1,446,678,775**	**1,034,127,571**	**6,580,656**	**1,027,546,915**	**2,474,225,690**

The basis of measurement about reported segment:

1. Sales : Number of Vehicle sales

2. Assets : Using class of fixed assets.

IFAD AUTOS LIMITED DHAKA

AMAR STOCK