IFAD AUTOS LIMITED

Un-audited Financial Statements

For the period ended September 30, 2018

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IFAD Autos Limited
Statement of Financial Position
as at September 30, 2018

Particulars	Notes	Amount in Taka	
		September 30, 2018	June 30, 2018
Assets:			
Non-Current Assets:		**3,138,915,116**	**2,918,365,362**
Property, Plant and Equipment	4.00	2,676,389,249	2,596,253,798
Construction WIP	5.00	406,525,867	266,111,564
Investment in Shares	6.00	56,000,000	56,000,000
Current Assets:		**27,374,114,436**	**26,062,237,634**
Inventories	7.00	2,635,254,692	1,447,449,917
Accounts & Others Receivable	8.00	20,015,057,692	19,735,516,498
Investment in Shares	9.00	102,373,723	103,693,304
Advances, Deposits and Prepayments	10.00	1,860,525,868	1,954,030,552
Cash & Cash Equivalents	11.00	2,760,902,461	2,821,547,363
Total Assets:		**30,513,029,552**	**28,980,602,996**
Shareholders Equity & Liabilities:			
Equity attributable to the Shareholders		**9,035,043,634**	**8,624,240,847**
Ordinary Share Capital	12.00	2,254,460,000	2,254,460,000
Share Premium	13.00	990,799,620	990,799,620
Revaluation Surplus	14.00	928,286,949	928,700,587
Retained Earnings	15.00	4,861,497,065	4,472,004,876
Unrealized Gain/(Loss)	16.00	-	(21,724,236)
Liabilities:			
Non Current Liabilities		**8,793,937,186**	**8,198,448,576**
Deferred Tax Liability	17.00	224,989,152	221,923,362
Security Deposits (Dealer)	18.00	12,470,000	13,250,000
Long Term Loans	19.00	636,899,402	588,033,956
Leasehold Obligations	20.00	7,919,578,632	7,375,241,258
Current Liabilities		**12,684,048,732**	**12,157,913,573**
Current Portion of Long Term Loans	21.00	109,686,354	118,675,177
Current Portion of Leasehold Obligations	22.00	5,130,028,938	5,107,415,791
Accounts & Others Payable	23.00	1,564,362,527	1,267,264,883
Dividend Payable	24.00	745,363	772,816
Unallocated IPO and Rights Shares Subscription	25.00	2,274,096	2,632,976
Advance Against Sales	26.00	22,088,562	17,682,820
Short Term Bank Loans and Credits	27.00	4,812,109,861	4,418,010,519
Provision for Income Tax	28.00	868,669,556	1,079,640,866
Provision for Expenses	29.00	174,083,475	145,817,725
Total Liabilities:		**21,477,985,918**	**20,356,362,149**
Total Equity and Liabilities:		**30,513,029,552**	**28,980,602,996**
Net assets Value Per Share (NAVPS)		**40.08**	**38.25**

The annexed notes form an integral part of this financial position.

Company Secretary	CFO	Director	Managing Director	Chairman
				Tofiqur Ahmed

Place : Dhaka
Dated: November 14, 2018

IFAD Autos Limited

Statements of Profit or Loss and Other Comprehensive Income

for the period ended September 30, 2018

Particulars	Notes	Amount in Taka	
		July 01, 2018 to September 30, 2018	July 01, 2017 to September 30, 2017
Sales Revenue	30.00	3,803,655,369	3,545,349,966
Less: Cost of Sales	31.00	3,070,124,600	2,874,896,256
Gross Profit		**733,530,769**	**670,453,710**
Less: Administrative Expenses	32.00	84,690,172	84,455,946
Less: Distribution Expenses	33.00	61,153,981	59,021,856
Operating Profit		**587,686,616**	**526,975,908**
Add: Other Income	34.00	13,019,273	61,376,967
Less: Financial Expenses	35.00	50,365,236	56,530,523
Profit before WPPF and Income Tax		**550,340,653**	**531,822,352**
Less: Workers Profit Participation Fund		26,206,698	25,324,874
Profit before Income Tax		**524,133,955**	**506,497,478**
Less: Income Tax Expenses	36.00	135,193,282	130,894,911
Current Tax		134,403,418	127,151,875
Deferred Tax		789,864	3,743,036
Profit after Income Tax for the period		**388,940,673**	**375,602,567**
Other Comprehensive Income /(Loss) net of Tax	37.00	-	7,241,473
Total Comprehensive Income for the period		**388,940,673**	**382,844,040**
Basic Earnings per Share (EPS)	38.00	**1.73**	**1.67**

The annexed notes form an integral part of this Profit or Loss and Other Comprehensive Income.

Company Secretary	CFO	Director	Managing Director	Chairman

Place: Dhaka
Dated: November 14, 2018

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IFAD Autos Limited

Statement of Changes in Equity

for the period ended September 30, 2018

Particulars	Amount in Taka					
	Ordinary Share Capital	Share Premium	Revaluation Surplus	Retained Earnings	Unrealized Gain/(Loss)	Total
Balance as on July 01, 2018	2,254,460,000	990,799,620	928,700,587	4,472,004,876	(21,724,236)	8,624,240,847
Depreciation on Revaluation transfer to Retained Earnings	-	-	(551,516)	551,516	-	-
Deferred Tax Income/(Expenses) on Revaluation Surplus during the period	-	-	137,878	-	-	137,878
Profit after Income Tax for the period	-	-	-	388,940,673	-	388,940,673
Transfer to Profit and Loss as reclassification adjustements	-	-	-	-	24,138,040	24,138,040
Adjustment with deferred tax	-	-	-	-	(2,413,804)	(2,413,804)
Balance as on September 30, 2018	**2,254,460,000**	**990,799,620**	**928,286,949**	**4,861,497,065**	**-**	**9,035,043,634**

IFAD Autos Limited

Statement of Changes in Equity

For the period ended September 30, 2017

Particulars	Amount in Taka					
	Ordinary Share Capital	Share Premium	Revaluation Surplus	Retained Earnings	Unrealized Gain/(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 Income Tax for the period	-	-	-	375,602,567	-	375,602,567
Other Comprehensive Income/(Loss)	-	-	-	-	7,241,473	7,241,473
Balance as on September 30, 2017	**1,554,800,000**	**388,330,508**	**930,006,808**	**3,491,246,913**	**21,075,685**	**6,385,459,914**

Company Secretary | CFO | Director | Managing Director | Chairman

Place: Dhaka
Dated: November 14, 2018

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IFAD Autos Limited
Statement of Cash Flows
for the period ended September 30, 2018

Particulars	Amount in Taka	
	July 01, 2018 to September 30, 2018	July 01, 2017 to September 30, 2017
Cash Flow from Operating Activities:		
Cash Receipts from customers and others	3,568,646,131	2,728,096,805
Cash Payment to suppliers and employees	(4,211,348,718)	(3,540,611,263)
Cash generated from operations	**(642,702,587)**	**(812,514,457)**
Financial Expenses	(50,365,236)	(56,530,523)
Income Tax Paid during the period	(141,739,587)	(134,960,385)
Net Cash Used to Operating Activities: (A)	**(834,807,410)**	**(1,004,005,365)**
Cash Flow from Investing Activities:		
Payment for Property, Plant and Equipment	(89,179,480)	(15,195,950)
Sale of Property, Plant and Equipment	-	217,534,800
Construction WIP	(134,554,951)	(14,248,731)
Investment in Shares	(2,828,291)	240,279,545
Dividend Income	130,000	290,018
Realized gain/(Loss) on Investment in Shares	3,543,670	(3,463,660)
Net Cash Used by Investing Activities: (B)	**(222,889,052)**	**425,196,023**
Cash Flow from Financing Activities:		
Long Term Bank Loan (Paid)/Received-Net	39,876,623	70,083,634
Leasehold Obligation (Paid)/Received -Net	563,461,928	(99,534,821)
Unallocated IPO and Rights Shares Subscription-Net	(358,880)	-
Dividend Paid	(27,453)	(16,026)
Short Term Bank Loan (Paid)/Received-Net	394,099,342	868,419,877
Net Cash Provided by Financing Activities: (C)	**997,051,560**	**838,952,664**
Net Cash inflow/(outflow) (A+B+C)	**(60,644,902)**	**260,143,321**
Cash & Cash equivalents at the beginning of the period	2,821,547,363	1,542,725,864
Cash & Cash equivalents at the end of the period	**2,760,902,461**	**1,802,869,185**
Net Operating Cash Flow per Share	**(3.70)**	**(6.46)**

The annexed notes form an integral part of this Cash Flows.

Company Secretary	CFO	Director	Managing Director	Chairman

Place : Dhaka
Dated: November 14, 2018

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 Bangladeah 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, Body Building locally to promote in Bangladesh. The company also deals in Farmtrac brand agro machineries and the related spares imported from Escorts Limited and market the same in Bangladesh.

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 International Accounting Standards (IASs), International Financial Reporting Standards (IFRSs) 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 International Accounting Standards:

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

The following IASs/IFRSs 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	IAS/BAS 1	Applied
Inventories	IAS/BAS 2	Applied
Statement of Cash Flows	IAS/BAS 7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	IAS/BAS 8	Applied
Events after the Reporting period	IAS/BAS 10	Applied
Income Taxes	IAS/BAS 12	Applied
Property, Plant and Equipment	IAS/BAS 16	Applied
Leases	IAS/BAS 17	Applied
Employee Benefits	IAS/BAS 19	Applied
The Effect of Change in Foreign Exchange Rates	IAS/BAS 21	Applied
Borrowing Costs	IAS/BAS 23	Applied
Related Party Disclosures	IAS/BAS 24	Applied
Financial Instruments: Presentation	IAS/BAS 32	Applied
Earnings per Share	IAS/BAS 33	Applied
Impairment of Assets	IAS/BAS 36	Applied
Provisions, Contingent Liabilities and Contingent Assets	IAS/BAS 37	Applied
First Time Adoption of International Financial Reporting Standards	IFRS/BFRS 1	Applied
Non-current Assets Held for sale and Discontinued Operations	IFRS/BFRS 5	Applied
Financial Instruments: Disclosure	IFRS/BFRS 7	Applied
Operating Segments	IFRS/BFRS 8	Applied
Financial Instruments	IFRS/BFRS 9	Applied
Revenue from Contracts with Customers	IFRS/BFRS 15	Applied

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2.04 Structure Contents and Presentation of Financial Statements:

The Financial Statements are presented in accordance with the guidelines provided by IAS-1: "Presentation of Financial Statements" A complete set of financial statements comprise:

i) Statement of Financial Position (Unaudited) as at September 30, 2018.
ii) Statement of Profit or Loss and Other Comprehensive Income (Unaudited) for the period endedSeptember 30, 2018.
iii) Statement of Changes in Equity (Unaudited) for the period endedSeptember 30, 2018.
iv) Statement of Cash Flows (Unaudited) for the period endedSeptember 30, 2018.
v) Notes, comprising a summary of significant accounting policies and other explanatory information.

2.05 Comparative Information:

Comparative information has been disclosed in respect of the previous period for all numerical information in the financial Statements and also the narrative and descriptive information when it is relevant for understanding 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 IAS-8 :" Accounting Policies, Changes in Accounting Estimates and Errors"

2.06 Leases

A lease is an agreement whereby the lesser 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 a finance lease and in the case of a finance lease the amounts to be recognized at the commencement of the lease term are determined.

A finance lease is a lease that transfers substantially all the risks 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.

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

The Preparation of Financial Statements in conformity with International Accounting Standards/IFRS 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 IAS-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.

2.08 Accruals & Deferrals:

Deferrals and accruals have been made as per the guidance in IAS-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 IASis of accounting. Under the IAS is 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.

2.09 Going Concern:

As per IAS-1 a company is required to make assessment at the end of each period to assess its capability to continue as going concern. Management of the Company makes such assessment each period. 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.

2.10 Financial Instruments:

(The company has adopted IFRS-9 "Financial Instruments" replacing IAS-39 Financial Instruments: Recognition and Measurement. IFRS-9 introduces new requirements for classifying and measuring of financial assets/laibilities to be applied starting from 1st January 2018.)

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

Initial Measurement

All financial instruments are initially measured at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Classification and subsequent measurement of financial assets

Financial assets are classified in the following measurement categories:

a) Fair value through profit or loss (FVPL);
b)Fair value through other comprehensive income (FVOCI); or
c) Amortised cost.

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Classification and subsequent measurement of financial liabilities

Financial liabilities are classified in the following measurement categories:

a) Fair value through profit or loss (FVPL);
b) Amortised cost.
Financial liabilities held for trading are measured at FVTPL, and all other financial liabilities are measured at amortised cost unless the fair value option is applied

2.11 Cash and Cash Equivalents and Statement of Cash Flows:

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

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

2.12 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 International Accounting Standard IAS 24: Related Party Disclosures. The disclosures relating to related parties have been shown in note # 41.

2.13 Events after the Reporting period:

In compliance with the requirements of IAS 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.

2.14 Revenue Recognition:

Under IFRS-15, The entity should recognizes revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

IFRS 15 is a 5-steps approach to revenue recognition:
Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

IFAD Autos Ltd. mainly sells Truck, Bus and Farm Tractor and recognize revenue when the company satisfies a performance obligation by transferring a promised goods or service to customer and customer obtains control of the products.

Warranty:

As customer does not have the option to purchase a warranty separately, no revenue has been allocated there against. The cost of warranty is reimbursable from supplier of company. Therefore , no provision has been made for warranty expenses and any expense paid on behalf of principal against warranty is recognized as receivable in the book and to comply with the new IFRS-15. Previous period comparative amounts have been re-arranged where necessary.

2.15 Property, Plant and Equipment:

2.15.01 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 IAS-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 independent valuer to reflect fair value (prevailing market price) thereof following "Current Cost Method". The Company has adopted "Revaluation Model" for stating property, plant & equipment.

2.15.02 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 assets. All other cost is 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.

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2.15.03 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.

2.15.04 Depreciation of Property, Plant and Equipment:

Depreciation is provided to amortize the cost or valuation of the assets after commissioning, over the period of their expected useful lives, in accordance with the provisions of IAS-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 IASis:

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 30.06.2018 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 onSeptember 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**

2.16 Inventories:

Inventories are valued at the lower of cost and net realizable value as per IAS-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 IASed on estimated selling price less estimated cost for completion and selling expenses.

2.17 Income Tax:

Income Tax expense comprises current tax and deferred tax as per IAS-12.

Current Tax

Current tax is the expected tax payable on the taxable income for the period using tax rates enacted or substantially enacted at the reporting date.

Deferred Tax

Deferred tax liabilities are the amount of income taxes payable in future periods in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future periods 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.

2.18 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 IAS 21: The Effects of Changes in Foreign Exchange Rates, are determined as under :

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

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(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.

2.19 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 IAS-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.

Provident Fund (PF):

The company has established a recognized contributory provident fund scheme. The fund is wholly administered by a Board of Trustees. No part of the fund included in the assets of the company.

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).

2.20 Earnings Per Share:

The Company calculates its earnings per share in accordance with International Accounting Standard IAS-33 "Earnings Per Share" which has been reported on the face of statement of Profit or Loss and other Comprehensive Income.

Basic Earnings per Share

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

As the company issued Rights Shares so required adjustments have been made to the weighted average number of shares to reflect theoretical ex-right share price as per IAS-33 " Earning per Share".

2.21 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 IAS-23 "Borrowing Costs".

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization and previous periods comparative amounts have been re-arranged where necessary.

2.22 Non-current Assets Held for Sale and Discontinued Operations:

The company 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.

2.23 Operating Segments

An operating segment is a component of an entity

(a) that engages in business activities from which it may earn revenues and incur expenses

(b) whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance 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 there holds:

(a) Its reported revenue
(b) The absolute amount of its reported profit or loss
(C) Its assets are 10 percent or more of the combined assets of all operating segments

2.24 Statements of Changes in Equity:

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

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2.25 Interim Financial Reporting:

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

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

2.26 Capital Work-in-progress:

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

2.27 Net Asset Value per share (NAVPS):

Net Asset Value per share (NAVPS) 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.

3.01 Reporting period:

The Financial period of the company covers 3 months from July 01, 2017 to September 30, 2018.

3.02 Financial & Reporting Currency:

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

3.03 Date of Authorization:

These Financial Statements have been authorized for issue by the Board of Directors on November 14, 2018.

3.04 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 there about 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.

3.04.01 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.

3.04.02 Exchange rate risks:

If exchange rate increases against local currency import costs increase resulting in decrease in profit margin.

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.

3.04.03 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.

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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.

3.04.04 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.

3.04.05 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.

3.04.06 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 turmoil's 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 operations smooth.

3.04.07 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.

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3.04.08 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.

3.04.09 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.

3.04.10 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.

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	Amount in Taka	
	September 30, 2018	June 30, 2018

4.00 Property, Plant and Equipment : Tk. 2,676,389,249

This is made up as follows:

Particulars		
Cost:		
Opening Balance	1,716,314,994	1,654,313,402
Add: Addition during the period	94,369,417	189,761,554
	1,810,684,411	**1,844,074,956**
Less: Disposal of Property, Plant and Equipment	-	127,759,962
Closing Balance	**1,810,684,411**	**1,716,314,994**
Accumulated Depreciation on Cost:		
Opening Balance	222,120,427	176,069,184
Add: Charged during the period	13,682,450	50,666,606
	235,802,877	**226,735,790**
Less: Adjusted during the period	-	4,615,363
Closing Balance	**235,802,877**	**222,120,427**
Revaluation:		
Opening Balance	1,112,054,345	1,183,980,827
Add: Addition during the period	-	-
	1,112,054,345	**1,183,980,827**
Less: Disposal of Property, Plant and Equipment	-	71,926,482
Closing Balance	**1,112,054,345**	**1,112,054,345**
Accumulated Depreciation on Revaluation:		
Opening Balance	9,995,114	7,672,942
Add: Charged during the period	551,516	2,322,172
	10,546,630	**9,995,114**
Less: Adjusted during the period	-	-
Closing Balance	**10,546,630**	**9,995,114**
Written Down Value as at September 30, 2018	**2,676,389,249**	**2,596,253,798**

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

5.00 Construction WIP : Tk. 406,525,867

This is made up as follows:

Particulars		
Opening Balance	266,111,564	39,009,836
Add: Under construction building at Tejgaon C/A	43,417,642	159,047,305
Add: Civil & Steel Works: Expansion of Assembling Unit	26,416,974	39,457,894
Add: Civil & Steel Works: Expansion of Body Building Unit	2,679,687	19,010,526
Add: Machinery & Equipment's: Expansion of AU, BBU, CMU	67,900,000	9,586,003
	406,525,867	**266,111,564**
Less: Transferred to Property, Plant and Equipment	-	-
Total:	**406,525,867**	**266,111,564**

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.2,635,254,692

This is made up as follows:

Particulars		
Imported vehicles	1,454,089,799	1,098,895,070
Assembling Vehicles	1,181,164,893	348,554,847
Total:	**2,635,254,692**	**1,447,449,917**

8.00 Accounts & Others Receivable: Tk. 20,015,057,692

This is made up as follows:

Particulars		
Accounts Receivable	19,944,716,292	19,699,385,805
Others Receivable	70,341,400	36,130,693
Total:	**20,015,057,692**	**19,735,516,498**

Particulars	Accounts Receivable	Others Receivable		
Dues within three months	2,472,375,990	46,191,827	2,518,567,817	1,671,352,011
Dues over three months but within six months	2,285,687,852	12,988,782	2,298,676,634	1,709,249,887
Dues over six months	15,186,652,450	11,160,791	15,197,813,241	11,922,579,885
Total:	**19,944,716,292**	**70,341,400**	**20,015,057,692**	**15,303,181,783**

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	19,944,716,292	19,699,385,805
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:	**19,944,716,292**	**19,699,385,805**

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	Amount in Taka	
	September 30, 2018	June 30, 2018

9.00 Investment in Shares: Tk. 102,373,723

This is made up as follows:

Particulars		
Marketable Securities: Cost Value	130,659,635	127,831,344
Unrealized Gain/(Loss) on Investment on Marketable Securities	(28,285,912)	(24,138,040)
Marketable Securities: Market Value	102,373,723	103,693,304

Equity intruments are held for trading and mesured at fair value through profit or loss (FVTPL)

10.00 Advances, Deposits & Prepayments: Tk.1,860,525,868

This is made up as follows:

Particulars		
Advance Income Tax	864,980,611	1,068,615,752
Advance against Property, Plant & Equipment	35,965,609	41,155,546
Advance against House Rent	33,273,931	33,917,337
Advance against Salary	6,483,688	6,553,118
Advance against Office Floor	22,000,000	22,000,000
Advance against L/C for Import	499,305,818	498,058,736
Advance against Construction WIP	107,599,434	113,458,786
Other Advances	150,002,878	97,811,330
VAT Current Account	106,352,402	36,585,543
Security Deposit	34,561,497	35,874,404
Total:	**1,860,525,868**	**1,954,030,552**

11.00 Cash & Cash Equivalents: Tk. 2,760,902,461

This is made up as follows:

Particulars		
Cash in Hand	20,432,949	25,425,989
Cash at Bank	2,740,469,512	2,796,121,374
Total:	**2,760,902,461**	**2,821,547,363**

12.00 Ordinary Share Capital: Tk. 2,254,460,000

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	1,554,800,000	1,554,800,000
Stock Dividend	77,740,000	77,740,000
Issue of Rights Shares	621,920,000	621,920,000
Total:	**2,254,460,000**	**2,254,460,000**

The aforesaid share capital is subscribed as under:

Name	No. of Shares	Holding (%)	Amount (Tk.)	Amount (Tk.)
Sponsors/Directors	141,516,665	62.77%	1,415,166,650	1,415,166,650
Institutions	42,000,590	18.63%	420,005,900	347,360,910
Foreign	11,313,178	5.02%	113,131,780	107,904,780
General Public	30,615,567	13.58%	306,155,670	384,027,660
Total:	**225,446,000**	**100%**	**2,254,460,000**	**2,254,460,000**

13.00 Share Premium: Tk. 990,799,620

This is made up as follows:

Particulars		
Opening Balance	990,799,620	388,330,508
Add: Received during the period	-	621,920,000
Less: Adjusted Rights Issue Expenses	-	(19,450,888)
Closing Balance	**990,799,620**	**990,799,620**

14.00 Revaluation Surplus: Tk. 928,286,949

This is made up as follows:

Particulars		
Opening Balance	928,700,587	1,002,368,697
Less: Depreciation on revaluation transfer to retained earnings	(551,516)	(2,322,172)
Add/(Less): Deferred Tax Income/(Expenses) on revaluation surplus during the period	137,878	580,544
Less: Transfer of revaluation surplus to retained earnings for sale of land	-	(71,926,482)
Closing Balance:	**928,286,949**	**928,700,587**

15.00 Retained Earnings: Tk. 4,861,497,065

This is made up as follows:

Particulars		
Opening Balance	4,472,004,876	3,043,137,321
Add: Profit after Income Tax during the period	388,940,673	1,553,911,731
Add: Transfer of revaluation surplus to retained earnings for sale of land	-	71,926,482
Add: Depreciation on revaluation surplus	551,516	2,322,172
Less: Stock dividend	-	(77,740,000)
Less: Cash dividend	-	(121,552,830)
Closing Balance:	**4,861,497,065**	**4,472,004,876**

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	Amount in Taka	
	September 30, 2018	June 30, 2018

16.00 Unrealized Gain/(Loss): Tk. 0

Unrealized loss arrived on marketable Securities

Particulars

Opening Balance	(21,724,236)	13,834,212
Add/(Loss) during the period	-	(35,558,448)
Transfer to Profit and Loss as reclassification adjustements	24,138,040	-
Adjustment with deferred tax	(2,413,804)	-
Closing Balance:	-	**(21,724,236)**
Unrealised Gain/(Loss) on Investment on Marketable Securities	-	(24,138,040)
Deferred tax	-	2,413,804
Closing Balance:	-	**(21,724,236)**

The company consider its marketable securities as held for trading which it designated earlier as Available for Sale and recognised its fair value change through Other comprehensive income. Cumulative gain or loss previously recognised in other comprehensive income is now reclassified from equity to profit or loss as reclssification adjustments as per BFRS/IFRS 9(5.6.7).

17.00 Deferred Tax Liability: Tk. 224,989,152

This is made up as follows:

Particulars

Particulars	Carrying Amount Asset/(Liability)	Tax Base	Temporary Difference	Rate of Tax	Deferred Tax (Assets) / Liabilities	Deferred Tax (Assets) / Liabilities
Property, Plant & Equipment:						
Property, Plant & Equipment-Cost	1,574,881,535	1,341,943,096	232,938,439	25%	58,234,610	54,616,155
Sub Total (a)	**1,574,881,535**	**1,341,943,096**	**232,938,439**		**58,234,610**	**54,616,155**
Property, Plant & Equipment Revaluation:						
Land & Land Development	1,057,937,961	-	1,057,937,961	15%	158,690,694	158,690,694
Building & Civil Construction	43,569,754	-	43,569,754	25%	10,892,439	11,030,317
Sub Total (b)	**1,101,507,715**	**-**	**1,101,507,715**		**169,583,133**	**169,721,011**
Other Comprehensive Income /(loss):						
Unrealized Gain/(Loss) on Investment on Marketable Securities	(28,285,912)	-	(28,285,912)	10%	(2,828,591)	(2,413,804)
Sub Total (c)	**(28,285,912)**	**-**	**(28,285,912)**		**(2,828,591)**	**(2,413,804)**
Total Deferred Tax (Assets)/Liabilities (a+b+c)	**2,648,103,338**	**1,341,943,096**	**1,306,160,242**		**224,989,152**	**221,923,362**

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

Closing Deferred Tax Liability	55,406,019	54,616,155
Less: Opening Deferred Tax Liability	54,616,155	35,313,984
Deferred Tax (Income)/Expenses	**789,864**	**19,302,171**

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

Closing Deferred Tax Liability	169,583,133	169,721,011
Less: Opening Deferred Tax Liability	169,721,011	181,701,624
Add: Deferred Tax Liability transfer to provision for income tax for sale of land	-	10,788,972
Deferred Tax (Income)/Expenses	**(137,878)**	**(11,980,613)**

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

Closing Deferred Tax Liability/(Asset)	-	(2,413,804)
Less: Opening Deferred Tax Liability	(2,413,804)	4,611,404
Deferred Tax (Income)/Expenses	**2,413,804**	**(7,025,208)**

18.00 Security Deposits (Dealer): Tk. 12,470,000

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
Delight Auto Network	100,000	100,000
Eastern Paribahan	930,000	930,000
Islam Enterprise	70,000	70,000
Khan Enterprise	560,000	560,000
Khan Motors	250,000	250,000
KSK Traders	-	780,000
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:	**12,470,000**	**13,250,000**

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	Amount in Taka	
	September 30, 2018	June 30, 2018

19.00 Long Term Loans: Tk. 636,899,402

This is made up as follows:

Particulars			
Union Capital Ltd.		29,582,341	32,191,793
Meridian Finance & Investment Ltd		86,737,721	87,869,628
Shahjalal Islami Bank Ltd		264,597,730	203,662,908
Social Islamic Bank Ltd.		255,025,150	264,654,963
Brac Bank Ltd.		110,642,814	118,329,841
		746,585,756	**706,709,133**
Less: Current Portion of Long term loans transferred to current liability	Note: 21.00	109,686,354	118,675,177
Total:		**636,899,402**	**588,033,956**

20.00 Leasehold Obligations: Tk. 7,919,578,632

This is made up as follows:

Particulars

Bank Name	Types of A/C	Branch	Account No.	30.09.2018	30.06.2018
Al Arafah Islami Bank Ltd.	Lease	Mouchak	Various	714,088,737	776,536,184
Bank Asia Ltd.	Lease	Corporate Br.	Various	580,433,421	604,712,573
Brac Bank Ltd.	Lease	Head Office	Various	867,848,437	836,528,500
City Bank Ltd.	Lease	Kawranbazar	Various	341,959,565	378,222,696
Commercial Bank of Ceylon	Lease	Motijheel Br.	Various	283,395,258	312,294,312
Dhaka Bank Ltd.	Lease	Moghbazar	Various	405,174,162	401,431,125
Dutch Bangla Bank Ltd.	Lease	Kawran Bazar	Various	240,836,249	188,913,920
Estern Bank Ltd.	Lease	Sonargaon Road	Various	1,036,153,188	1,023,293,622
EXIM Bank	Lease	Panthapath	Various	15,101,609	18,363,417
IDLC Finance Ltd.	Lease	Dilkusha	Various	57,643,497	67,626,113
IFIC Bank Ltd	Lease	Dhanmondi	Various	62,324,299	71,775,377
ILF Service Ltd.	Lease	Rajuk Avenue	Various	18,405,732	20,425,196
Jamuna Bank Ltd.	Lease	Sonargaon Road	Various	372,972,060	349,955,860
LankaBangla Finance Ltd.	Lease	Banani	Various	53,199,964	60,079,387
Mercantile Bank Ltd.	Lease	Satmasjid Road	Various	649,669,774	572,906,225
Midland Bank Ltd.	Lease	Gulshan	Various	130,777,229	85,108,077
Modhumoti Bank Ltd.	Lease	Motijheel	Various	300,444,805	313,895,397
National Finance Ltd.	Lease	Progoti Soroni	Various	598,657,787	642,455,187
National Housing Finance And Investment Ltd.	Lease	Corporate	Various	-	-
NCC Bank Ltd.	Lease	Dilkusha	Various	267,709,101	272,315,080
NRB Commercial Bank Ltd.	Lease	Principal	Various	204,382,150	233,283,808
One Bank Ltd.	Lease	Moghbazar	Various	478,651,196	547,218,520
Premier Bank Ltd.	Lease	Elephant Road.	Various	349,229,516	386,759,218
Premier Leasing & Finance Ltd.	Lease	Motijheel	Various	-	-
Prime Bank Ltd.	Lease	Kawran Bazar	Various	1,194,449,104	907,016,562
Pubali Bank Ltd.	Lease	Lab. Road	Various	761,884,216	601,882,457
Shahjalal Islami Bank Ltd.	Lease	Kawran Bazar	Various	926,121,247	805,111,019
Social Islamic Bank Ltd.	Lease	Panthapath	Various	850,358,377	743,296,068
SBAC Bank Ltd.	Lease	Principal	Various	83,946,911	100,809,832
Standard Bank Ltd.	Lease	Panthapath	Various	295,565,440	305,890,326
State Bank of India	Lease	Motijheel	Various	92,975,492	60,651,186
Trust Bank Ltd.	Lease	Kawranbazar	Various	448,863,668	452,788,052
United Commercial Bank Ltd.	Lease	Foreign Exchange	Various	144,335,115	140,055,566
Uttara Bank Ltd.	Lease	Corporate Br.	Various	222,050,264	201,056,187
				13,049,607,570	**12,482,657,049**
Less: Current portion of Leasehold obligation transferred to Current Liability			Note: 22.00	5,130,028,938	5,107,415,791
				7,919,578,632	**7,375,241,258**

21.00 Current Portion of Long Term Loans: Tk. 109,686,354

This is made up as follows:

Particulars		
Union Capital Ltd.	10,274,609	10,018,035
Meridian Finance & Investment Ltd	18,262,780	17,158,464
Shahjalal Islami Bank Ltd	-	13,062,726
Social Islamic Bank Ltd.	54,868,106	52,524,660
Brac Bank Ltd.	26,280,859	25,911,292
Current Portion of Long Term Loans	**109,686,354**	**118,675,177**

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

Summary of Term Loan are provided below:

Nature	Term Loan
Tenure	4-5 periods
Repayment Clause	48-60 Monthly equal installment
Interest Rate	9.50% - 13.5% P.a.
Security	PG and registered mortgage of land & building

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	Amount in Taka	
	September 30, 2018	June 30, 2018

22.00 Current Portion of Leasehold Obligations : Tk. 5,130,028,938

This is made up as follows:

Particulars		
Al Arafah Islami Bank Ltd.	346,981,078	395,855,243
Bank Asia Ltd.	241,536,919	266,589,296
Brac Bank Ltd.	343,922,841	334,554,478
City Bank Ltd.	122,790,520	152,315,153
Commercial Bank of Ceylon	91,110,401	134,504,333
Dhaka Bank Ltd.	144,561,756	137,388,206
Dutch Bangla Bank Ltd.	76,454,056	65,795,497
Estern Bank Ltd.	512,936,437	502,224,454
Export Import Bank of Bangladesh Ltd.	7,556,292	9,646,971
IDLC Finance Ltd.	40,173,279	46,926,605
International Finance Investment and Commerce Bank Ltd	31,493,319	33,783,262
International Leasing & Financial Service Ltd.	18,405,732	20,425,196
Jamuna Bank Ltd.	111,747,917	115,995,983
LankaBangla Finance Ltd.	34,112,479	33,433,716
Mercantile Bank Ltd.	305,525,209	305,679,038
Midland Bank Ltd.	25,887,452	17,411,687
Modhumoti Bank Ltd.	115,758,100	116,103,591
National Finance Ltd.	157,879,835	157,484,809
National Credit & Commerce Bank Ltd.	130,860,323	139,353,700
NRB Commercial Bank Ltd.	84,448,803	108,388,299
One Bank Ltd.	188,572,687	224,214,681
Premier Bank Ltd.	157,805,857	187,511,160
Prime Bank Ltd.	391,058,099	293,763,435
Pubali Bank Ltd.	270,305,384	227,928,940
Shahjalal Islami Bank Ltd.	402,665,673	324,556,464
Social Islamic Bank Ltd.	309,327,049	273,711,948
South Bangla Agricultuer and Commarce Bank Ltd.	38,139,802	44,947,878
Standard Bank Ltd.	110,402,009	115,516,638
State Bank of India	25,476,559	15,993,503
Trust Bank Ltd.	182,541,990	189,920,261
United Commercial Bank Ltd.	33,617,805	32,743,876
Uttara Bank Ltd.	75,973,276	82,747,490
Current portion of Leasehold obligation	**5,130,028,938**	**5,107,415,791**

Current portion of Leasehold Obligation is shown as current liabilities as per requirements of **BAS-1, Presentation of Financial Statements**

Payment Schedule of Leasehold Obligations

Particulars		
Within one period	5,130,028,938	5,107,415,791
More than one period & less than five period	7,919,578,632	7,375,241,258
More than five period	-	-
Total:	**13,049,607,570**	**12,482,657,049**

Summary of Leasehold Obligation are provided below:

Nature	Leasehold Obligation
Tenure	1-5 periods
Repayment Clause	12-60 monthly equal installments
Interest Rate	9%-17% p.a.

23.00 Accounts & Others Payable: Tk. 1,564,362,527

This is made up as follows:

Particulars		
GL Steel	7,297,420	8,297,420
Payable for goods	1,522,372,415	1,190,054,248
Others Payable	34,692,692	68,913,215
Total:	**1,564,362,527**	**1,267,264,883**

24.00 Dividend Payable: Tk. 745,363

This is made up as follows:

Particulars		
Unclaimed Dividend	745,363	772,816
Total:	**745,363**	**772,816**

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.

25.00 Unallocated IPO and Rights Shares Subscription: Tk.2,274,096

This is made up as follows:

Particulars		
Refundable fund of IPO subscribers	2,214,000	2,214,000
Refundable fund of Rights Shares subscribers	60,096	418,976
Total:	**2,274,096**	**2,632,976**

This represent the amount payable against uncollected IPO and Rights Shares subscription for initial public offering liability as follows:

Bank Name	Account Types	Currency	Account No.	30.09.2018	30.06.2018
BRAC Bank	SND	BDT	1501202256548001	1,962,000	1,962,000
BRAC Bank	FC	USD	1501202256548002	228,000	228,000
BRAC Bank	FC	EURO	1501202256548004	24,000	24,000
			Total	**2,214,000**	**2,214,000**
BRAC Bank	SND	BDT	1501202256548005	60,096	418,976
Total:				**2,274,096**	**2,632,976**

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	Amount in Taka	
	September 30, 2018	June 30, 2018

26.00 Advance Against Sales: Tk. 22,088,562

This is made up as follows:

Particulars		
Advance against sale of vehicles	22,088,562	17,682,820
Total:	**22,088,562**	**17,682,820**

27.00 Short Term Bank Loans and Credits: Tk. 4,812,109,861

This is made up as follows:

Particulars		
Short term bank loans and credits	4,812,109,861	4,418,010,519
Total:	**4,812,109,861**	**4,418,010,519**

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

28.00 Provision for Income Tax: Tk.868,669,556

This is made up as follows:

Particulars		
Opening balance	1,079,640,866	767,484,079
Provision made during the period	134,403,418	492,872,719
Reversal of deferred tax for sale of land	-	10,788,972
Less: Adjustment during the period	345,374,728	191,504,904
Total:	**868,669,556**	**1,079,640,866**

29.00 Provision for Expenses: Tk. 174,083,475

This is made up as follows:

Particulars		
Salary & Allowances	23,978,726	23,323,299
Remuneration	2,793,000	2,793,000
Audit Fees (Statutory and Rights Issue Proceeds Utilization)	488,750	402,500
Wages	2,927,647	2,200,471
Security Service Charge	2,622,013	2,668,010
Telephone, Mobile & Internet Bills	728,683	772,626
Electricity Bill	1,268,718	605,875
Office Rent & Others	456,061	196,558
Provision for Value Added Tax	6,751,779	6,751,779
Provision for PF	743,513	778,670
Provision for WPPF	129,511,029	103,304,331
Others	1,813,556	2,020,606
Total:	**174,083,475**	**145,817,725**

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IFAD AUTOS LIMITED DHAKA

	Amount in Taka	
	July 01, 2018 to September 30, 2018	July 01, 2017 to September 30, 2017

30.00 Sales Revenue: Tk. 3,803,655,369

This is made up as follows:

Particulars		
Sales of Vehicles (Imported Vehicles)	3,093,323,408	3,512,907,299
Sales of Vehicles (Assembling Vehicles)	710,331,961	32,442,667
Sales of Body Building Unit	-	-
Total:	**3,803,655,369**	**3,545,349,966**

31.00 Cost of Sales: Tk. 3,070,124,600

This is made up as follows:

Particulars		
Cost of Imported Vehicles	2,827,512,444	3,179,842,254
Raw Materials	1,359,616,506	244,483,486
Canteen Subsidies	1,334,409	230,690
Car Maintenance	323,488	115,219
Carrying & Handling	515,900	2,510,000
Carriage Inward	442,753	563,759
Depreciation	7,126,775	6,580,656
Documentation & Service Charges	1,559,685	2,069,226
Electricity Expenses	808,235	345,325
Entertainment	68,357	25,949
Factory Maintenance	1,193,055	308,218
Gas Charge	143,700	59,550
Insurance	362,590	-
Photocopy & Stationary	53,010	58,029
Quality Control Expenses	269,460	1,434,645
Repair & Maintenance	159,390	319,830
Salaries & Allowances	2,988,000	974,800
Security Service Charge	5,235,414	466,987
Rent	2,525,405	1,639,714
Servicing Charge	32,947,198	29,142,452
Travelling & Conveyance	12,800	-
Telephone, Mobile & Internet Expenses	50,100	42,500
Uniform Expenses	141,240	-
Vehicle Mobile Set & VTS	3,610,000	1,756,000
Wages	8,882,791	6,535,329
Spare Parts & Tools	46,670	340,510
	4,257,929,375	**3,479,845,128**
Add: Opening Raw Materials	83,156,250	-
Less: Closing Raw Materials	197,805,909	184,312,083
	4,143,279,716	**3,295,533,045**
Add: Opening Work-in-Process	73,341,326	3,673,478
Less: Closing Work-in-Process	70,056,646	36,174,949
	4,146,564,396	**3,263,031,574**
Add: Opening Finished Goods	1,290,952,341	1,124,537,241
Less: Closing Finished Goods	2,367,392,137	1,512,672,559
Total:	**3,070,124,600**	**2,874,896,256**

Previous periods interest an amount of BDT 24,102,380 included in cost of imported vehicles has been reclassified as financial expenses and servicing charge related costs of previous period BDT 17,670,000 have been regrouped from comparative amount in single accounting head as servicing charge under the head imported vehicles.

32.00 Administrative Expenses: Tk. 84,690,172

This is made up as follows:

Particulars		
Directors' Remuneration	10,800,000	10,800,000
Salaries & Allowances	34,271,133	34,074,598
Audit Fees (Statutory and Rights Issue Proceeds Utilization)	143,750	86,250
Conveyance	840,920	833,788
CSR Expenses	-	30,000
Depreciation	7,107,191	5,612,814
EGM Expenses	-	257,925
Electricity Expenses	2,027,018	1,553,805
Entertainment	1,464,354	1,410,409
Gas Charge	67,335	80,490
Office Maintenance	7,047,080	7,730,821
Stationary & Photocopy	1,041,484	934,807
Postage Expenses	461,849	434,254
Provident Fund Expense	1,211,425	964,726
Consultancy, Legal, Professional Fees & Others	1,513,315	4,520,389
Rent, Rates & Taxes	9,519,848	8,599,852
Stamp Expenses	1,122,271	511,254
Telephone, Mobile & Internet Expenses	3,077,848	3,060,237
Tours & Travelling Expenses	2,583,264	2,588,947
Vehicle Registration & Insurance	390,087	370,580
Total:	**84,690,172**	**84,455,946**

IFAD AUTOS LIMITED DHAKA

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		Amount in Taka	
		July 01, 2018 to September 30, 2018	July 01, 2017 to September 30, 2017

33.00 Distribution Expenses: Tk. 61,153,981

This is made up as follows:

Particulars			
Advertisement & Publicity		795,739	687,540
Dealers' Commission		3,775,000	1,190,000
Entertainment		1,542,889	2,556,078
Inspecting Charges		45,400	205,900
Marketing Expenses		13,707,089	13,395,519
Recovery Expenses		4,342,992	4,319,276
Travelling Expenses		3,761,804	3,929,203
Salaries & Allowances		33,183,068	32,738,340
Total:		**61,153,981**	**59,021,856**

34.00 Other Income: Tk. 13,019,273

This is made up as follows:

Particulars			
Income from Interest	Note: 34.01	39,247,214	31,996,701
Gain/(Loss) on sale of Land		-	31,803,908
Gain/(Loss) on Investment on Marketable Securities	Note: 34.02	(24,742,242)	(3,463,660)
Foreign Currency Exchange gain/(loss)		(2,494,699)	-
Income from Office Rent		879,000	750,000
Dividend Income		130,000	290,018
Total:		**13,019,273**	**61,376,967**

34.01 Income from Interest: Tk. 39,247,214

This is made up as follows:

Particulars		
Interest on Fixed Deposit	22,318,499	131,387,860
Interest on STD	6,769,721	4,660,953
Interest on CD	10,158,994	497,230
Total:	**39,247,214**	**136,546,043**

34.02 Gain/(Loss) on Investment on Marketable Securities: Tk. -24,742,242

This is made up as follows:

Particulars			
Realized Gain/(Loss) on Investment on Marketable Securities		3,543,670	-
Fair value change of Investment on marketable securities		(4,147,872)	
Reclassification adjustments against fair value changes	Note: 16.00	(24,138,040)	-
Total:		**(24,742,242)**	-

35.00 Financial Expense: Tk. 50,365,236

This is made up as follows:

Particulars		
Bank charge & Commission	614,737	867,050
Interest on loans and credits	49,750,499	55,663,473
Total:	**50,365,236**	**56,530,523**

Financial expenses include finance cost and interest received from customers on credit sale which is netted off against relevant interest expensess.

36.00 Income Tax Expenses: Tk. 135,193,282

This is made up as follows:

Particulars			
Current tax		134,403,418	127,151,875
Deferred tax	Note: 17.00	789,864	3,743,036
Total:		**135,193,282**	**130,894,911**

37.00 Other Comprehensive Income /(loss) net of tax: Tk. 0

This is made up as follows:

Particulars		
Opening Balance: Unrealized Gain/(Loss) on Investment on Marketable Securities	-	4,971,812
Total:	-	**4,971,812**
Add: Deferred Tax	-	2,269,661
Total:	-	**7,241,473**

38.00 Earnings Per Share (EPS): Tk. 1.73

This is made up as follows:

Particulars		
Net profit/(loss) after tax as per statement of comprehensive income	388,940,673	375,602,567
Earnings attributable to Ordinary Shares:	**388,940,673**	**375,602,567**
Number of Ordinary Shares	225,446,000	225,446,000
Earnings Per Share	1.73	1.67



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39.00 Additional disclosure

As there is a growth in revenue and receivable operating cash flow has become negative. IFAD Autos Limited met its obligations on time and has no classified lease/loan finance from banks/financial institutions. Hence negative operating cash outflow is not a going concern threat for IFAD Autos Limited. In view of the company's sales of vehicles up to 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.

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

40.01 Commission , Brokerage or Discount against sales:

(a) There was no brokerage or discount against sales during the period.
(b) During the period Tk. 3,775,000 has been paid as dealer's commission.

41.00 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 opines that terms of related transaction do not significantly differ from those that could have been obtained from third parties . Total transactions of the significant related parties as at September 30, 2018 are as follows :

(a) Transaction with related company

i) Balance with related party.
ii) Transfer with related party.

Name of the Party	Nature of Relationship	Nature of Transaction	Opening Balance	Transaction during the period -Net	Closing Balance
IFAD Salt & Chemicals Ltd.	Common Management	Investment	30,000,000	-	30,000,000
IFAD Auto Services Ltd.	Common Management	Trading	57,297,585	(5,420,083)	51,877,502
IFAD Information & Technology Ltd.	Common Management	Trading	4,225,669	(3,693,223)	532,446

(b) Key Management Personnel:

Particulars	July 01, 2018 to September 30, 2018	July 01, 2017 to September 30, 2017
(a) managerial remuneration paid or payable during the period to the directors, including managing directors, a managing agent or manager	18,477,236	14,095,660
(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
(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	91,924	47,392
(iv) compensation for loss or office	Nil	Nil
(iv) consideration in connection with retirement from office	Nil	Nil

(c) key management personnel compensation in total and for each of the following categories:

Particulars:

(a) Short - term employee benefits;	18,477,236	14,095,660
(b) Post - employment benefits;	91,924	47,392
(c) Other long-term benefits	Nil	Nil
(d) Termination benefits; and	Nil	Nil
(e) Share -based payment.	Nil	Nil

42.00 Number of Employees

All the employee receive salary/wages in excess of tk. 3000 per month	Number of Employes	
	July 01, 2018 to September 30, 2018	July 01, 2017 to September 30, 2017
Number of permanent employee	787	712
Number of temporary employee	271	255
Total:	1,058	967

43.00 Events after the Reporting year:

Declaration of Dividend

The Board of Directors has recommend to declare dividend @ 22% Cash (Other than Sponsors & Directors) and 10% Stock for the year 2017-2018 for all shareholders of the company subject to approval of the shareholders in the forth coming Annual General Meeting.

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IFAD Autos Ltd.

Schedule of Property, Plant & Equipment

as at September 30, 2018

Annexure-A

Amount in Taka

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

Sl No.	Assets	Cost Value				Dep. Rate (%)	Accumulated Depreciation				Written Down
		Balance as at 01/07/2018	Additions during the period	Disposal during the period	Balance as at 30/09/2018		Balance as at 01/07/2018	Charged during the period	Adjusted during the period	Balance as at 30/09/2018	Value as at 30/09/2018
1	Land and Land Developments	695,662,774	64,821,075	-	760,483,849	-	-	-	-	-	760,483,849
2	Buildings & Civil Construction	578,180,625	1,033,584	-	579,214,209	5%	98,354,030	6,000,241	-	104,354,271	474,859,938
3	Flat	22,847,920	-	-	22,847,920	2%	1,014,494	109,167	-	1,123,661	21,724,259
4	Tools & Equipment	16,031,924	244,800	-	16,276,724	10%	9,264,645	171,261	-	9,435,906	6,840,818
5	Plant & Machinery	77,338,413	189,000	-	77,527,413	10%	8,857,760	1,716,314	-	10,574,074	66,953,339
6	Furniture & Fixtures	20,375,894	491,216	-	20,867,110	10%	6,554,238	353,815	-	6,908,053	13,959,057
7	Office Equipment	37,786,947	1,310,813	-	39,097,760	10%	10,193,101	705,948	-	10,899,048	28,198,712
8	Electric Equipment & Installation	21,970,436	2,705,265	-	24,675,701	10%	4,865,616	480,932	-	5,346,548	19,329,153
9	Motor Vehicles	246,120,061	23,573,664	-	269,693,725	10%	83,016,544	4,144,771	-	87,161,315	182,532,410
	Sub Total (As at 30 September 2018)	**1,716,314,994**	**94,369,417**	-	**1,810,684,411**		**222,120,427**	**13,682,450**	-	**235,802,877**	**1,574,881,535**

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

Sl No.	Assets	Cost Value				Dep. Rate (%)	Accumulated Depreciation				Written Down
		Balance as at 01/07/2018	Additions during the period	Disposal during the period	Balance as at 30/09/2018		Balance as at 01/07/2018	Charged during the period	Adjusted during the period	Balance as at 30/09/2018	Value as at 30/09/2018
1	Land and Land Developments	1,057,937,961	-	-	1,057,937,961	-	-	-		-	1,057,937,961
2	Buildings & Civil Construction	54,116,384	-	-	54,116,384	5%	9,995,114	551,516	-	10,546,630	43,569,754
	Sub Total (As at 30 September 2018)	**1,112,054,345**	-	-	**1,112,054,345**		**9,995,114**	**551,516**	-	**10,546,630**	**1,101,507,715**
	Grand Total (As at 30 September 2018)	**2,828,369,339**	**94,369,417**	-	**2,922,738,756**		**232,115,541**	**14,233,966**	-	**246,349,507**	**2,676,389,250**
	Grand Total (As at 30 June 2018)	**2,838,294,229**	**189,761,554**	**199,686,444**	**2,828,369,339**		**183,742,126**	**52,988,778**	**4,615,363**	**232,115,541**	**2,596,253,798**

Depreciation Allocation:

Particulars	Amount
Cost of Sales : Assembling Unit	6,427,692
Cost of Sales : Body Building Unit	699,083
Administrative Expenses	7,107,191
Total	14,233,966

IFAD AUTOS LIMITED DHAKA

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