Annual Report 2015

aftab automobiles limited

MARSTOCK

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Company Information

Shafiul Islam
Chairman

Saiful Islam
Managing Director

Khaleda Islam
Director

Sajedul Islam
Director

Farhana Islam
Director

Syed Masud Hasan
Independent Director

Ekramul Haq
Independent Director

Company Secretary
Tareq Enamur Rahim

Chief Financial Officer
Kazi Ehsanul Huq FCA

Head of Internal Audit
Muhammad Abidur Rahman ACA

Audit Committee

Syed Masud Hasan Independent Director	- Chairman
Sajedul Islam Director	- Member
Ekramul Haq FCA Independent Director	- Member

Auditors
Rahman Mostafa Alam & Co.
Chartered Accountants
Paramount Heights (7th Floor - D2)
65/2/1, Box-culvurt Road
Purana Paltan, Dhaka, Bangladesh

Registered Office
125/A, Motijheel C/A
Dhaka, Bangladesh
Web: www.aftabauto.com

Plant
Fouzderhat Heavy Industrial Estate
Chittagong, Bangladesh.

Coatbari, Dipnagar, Gabtoli
Mirpur, Dhaka, Bangladesh.

Legal Advisor
Abdur Razzaque & Associates
Barristers & Advocates
Suite # 5/1, City Heart (4th Floor)
67, Naya Paltan
Dhaka, Bangladesh

Main Banker
Bank Asia Limited
Agrani Bank Limited
National Bank Limited
Dutch-Bangla Bank Limited

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aftab automobiles limited

125/A, Motijheel C/A, Dhaka, Bangladesh

Notice of the 35th annual general meeting

Notice is hereby given that the 35th Annual General Meeting (AGM) of the shareholders of the Company shall be held on Monday, 21 December 2015 at 10:30 AM at Bashundhara Convention Center, Hall-5 (Pushpanjali), Block # C, Umme Kulsum Road, Bashundhara R/A, Baridhara, Dhaka to transact the following businesses: -

1. To receive, consider and adopt the audited financial statements for the year ended 31 August 2015 together with auditors' and directors' reports thereon.
2. To declare dividend.
3. To re-elect directors.
4. To re-appoint the Independent Directors.
5. To appoint auditors and fix their remuneration.
6. Any other business: if any.

By order of the Board

Sd/-
(Tareq Enamur Rahim)
Company Secretary

Dated : 15 November 2015

Notes

i) The shareholders whose names will appear in the Share Register of the Company and/or Depository Register of CDBL as on record date, i.e., 06 December 2015 will be entitled to attend the AGM and receive dividend.

ii) Attendance to the AGM will be on production of the Attendance Slip.

iii) The Proxy Form affixed with requisite revenue stamp of Tk.20/- must be deposited at the Company's Registered Office at least 48 hours prior to the AGM.

The Annual Report-2015 alongwith Attendance Slip and the Proxy Form is available in the Company's website www.aftabauto.com

সম্মানিত শেয়ারহোল্ডারবৃন্দের সদয় অবগতির জন্য জানানো যাচ্ছে যে, Bangladesh Securities and Exchange Commission এর বিধি-নিষেধ থাকায় বার্ষিক সাধারণ সভায় কোন প্রকার উপহার/আপ্যায়নের ব্যবস্থা থাকবে না।

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চেয়ারম্যানের বিবৃতি

প্রিয় শেয়ারহোল্ডারবৃন্দ,
আসসালামুআলাইকুম।

আমি আপনাদের সবাইকে আফতাব অটোমোবাইলস্ লিমিটেড-এর ৩৫তম বার্ষিক সাধারন সভায় স্বাগত জানাচ্ছি এবং ৩১শে আগষ্ট ২০১৫ তারিখে সমাপ্ত অর্থবছরে কোম্পানীর কার্যক্রমের একটি সংক্ষিপ্ত বিবরনী উপস্থাপন করছি।

আমি আনন্দের সাথে জানাচ্ছি যে, কোম্পানী বিগত বছরে প্রত্যাশিত মুনাফা না করতে পারলেও আলোচ্য বছরে পরিবহন খাতে উন্নতি লক্ষ্য করা গেছে। ফলে হিনো ডিজেল বাস বিক্রয় বৃদ্ধি পেয়েছে।

আমি আরো জানাচ্ছি যে, হিনো বিলাস বহুল RM2 বাস-এর বাজার চাহিদা বিগত বছরের স্থবিরতা কাটিয়ে উঠছে। বর্তমানে দূরপালার বাসের ক্ষেত্রে, বিলাস বহুল বাসের চাহিদা জনপ্রিয় হচ্ছে। বাজার চাহিদার সাথে সামঞ্জস্য রেখে বিলাস বহুল RM2 বাসটির আভ্যন্তরিন ও বাহ্যিক ডিজাইন পরিবর্তনের ফলে বাসের চাহিদা পূর্বের তুলনায় বৃদ্ধি পেয়েছে। ফলশ্রুতিতে ইতোমধ্যে আমরা ২০টি বিলাস বহুল RM2 বাসের ক্রয় আদেশ পেয়েছি।



ছবিঃ কোম্পানীর ৩৪তম বার্ষিক সাধারণ সভায় পরিচালনা পর্ষদ

আপনারা বার্ষিক প্রতিবেদনে লক্ষ্য করবেন যে, বিগত বছরের তুলনায়, মাহিন্দ্র মটর সাইকেলের উৎপাদন ও বিক্রয় বৃদ্ধি পেয়েছে। কিন্তু পন্যটি বাজারে নতুন হওয়াতে বিক্রয় মূল্য নির্ধারনে ছাড় দেওয়ায় প্রত্যাশিত মুনাফা অর্জন করতে পারে নাই, তথাপি আপনাদের পরিচালনা পর্ষদ মটর সাইকেল বাজারজাত করনের জন্য এবং মার্কেট শেয়ার বৃদ্ধির লক্ষ্যে নিরলস কাজ করে যাচ্ছে। আশা করা যায়, আগামী বছরগুলোতে মটর সাইকেল ইউনিটটি ভালো ব্যবসা করবে।

সাব-সিডিয়ারী কোম্পানী " নাভানা ব্যাটারিজ লিমিটেড" প্রসঙ্গে আমি বলতে চাই যে, সরকারী নিষেধাজ্ঞার কারণে, NG রিক্সার ব্যাটারী উৎপাদন বন্ধ হয়ে যায়, ফলে কোম্পানিটি প্রত্যাশিত মুনাফা করতে পারে নাই। আগামীতে মুনাফা বৃদ্ধির জন্য ইতোমধ্যে" মটর সাইকেল-এর ব্যাটারী" উৎপাদন শুরু করেছে। আমারা আশা করছি যে, এই পন্যটি ভবিষ্যতে ভালো ব্যবসা করতে সক্ষম হবে।

আমি কোম্পানীর শেয়ারহোল্ডারবৃন্দ, গ্রাহক, রেগুলেটরী কতৃপক্ষ, পৃষ্ঠপোষক, শুভাকাঙ্খীদের অব্যাহত সমর্থন ও তাদের সহযোগীতার জন্য আন্তরিক ধন্যবাদ জানাচ্ছি। আশা করি আগামীতেও তাঁদের সহযোগীতা অব্যাহত থাকবে।

স্বাঃ/-
(শফিউল ইসলাম)
সভাপতি

chairman's statement

Dear shareholders,
Assalamualaikum

I take the opportunity to welcome you all to the 35th Annual General Meeting of Aftab Automobiles Limited and would like to draw your attention on the state of affairs of the Company for the year ended August 31, 2015.

I am glad to announce that after low profit in the year 2013- 2014, there was a little boost in the transport sector due to improving situation prevailed in the country resulting in rise in Hino Bus sales. Especially, the production of Hino Bus Chassis (Diesel) has increased significantly due to increasing market demand.



View: Hon'ble Chairman's addressing at the 34th AGM of the Company

Further, you will be pleased to know that the market demand of Hino luxury RM2 bus has been able to overcome its stagnant position because of demand for long distance luxury bus which has become very popular now-a-days. Taking advantage of this situation, we have revised both interior & exterior design of RM2 bus keeping uniformity with market demand resulting in increase of demand compared to previous year. Due to such revision, we have; in the meantime, received purchase order for 20 units luxury RM2 bus from the customers.

You may have noted in the Annual Report that the production and sale of Mahindra Motor Cycles has increased compared to last year. But the product being newly introduced to the market, we had to consider significant discount while fixing sales price for which we could not achieve desired profit. However, your Board of Directors is working hard to increase market share of motorcycles. It is expected that the motorcycle unit will do much better in the upcoming years.

The subsidiary company "Navana Batteries Limited" could not go upto expected level due to discontinuance of NG Rickshaw Batteries because of government restrictions. However, the Company has newly introduced "motorcycle batteries" in order to streamline its profit earning. We expect better results in future.

I would like to express deep appreciation to the shareholders, customers, regulatory bodies, patrons and well wishers for their continuous support and co-operation extended to the Company. I expect even greater support from them in the years to come.

Sd/-
(Shafiul Islam)
Chairman



A view of hon'ble shareholders at the 34th AGM

directors' report to the shareholders

Dear Shareholders,
Assalamualaikum,
I, on behalf of the Board of Directors, is pleased to place before you the Directors Report and the Auditor's Report together with the audited financial statements of the Company for the year ended 31 August, 2015.

Some of the activities of the Company for the aforesaid period is highlighted hereunder :

PERFORMANCE

Assembling Unit: This Unit has produced 350 units of vehicles which consists of 342 units Hino Diesel Bus Chassis, 5 units Hino RM2 Bus Chassis and 3 units of Hino Minibus Chassis. During the year under review, Tk. 184.33 crore has been contributed to the Company's turnover against sale proceeds of 343 units of Hino Bus Chassis.

Bus Body Building Unit: This Unit has fabricated 178 units of Hino Bus body. An amount of Tk. 28.39 crore has been added to the turnover of the Company against sale proceeds of 178 units of Hino bus body fabrication.

Motorcycle Unit: This Unit has assembled 2804 units of motorcycles and contributed an amount of Tk.32.68 crore to the Company's sales.

Consolidated Financial Result and Appropriation of Profit:

amount in taka

		2015
Retained Earnings Brought Forward as on September 1, 2014		2,088,568,768
Cash Dividend Paid (2014)		(152,032,082)
Toal comprehensive income for the year		311,051,334
Recommended for appropriations:		
	2015	
Cash Dividend @	16%	153,171,875
Un appropriated profit carried forward as at August 31, 2015		**2,094,416,146**

Subsidiary Company

Navana Batteries Limited

Navana Batteries Limited (NBL) is a fully owned subsidiary Company of Aftab Automobiles Limited (AAL) holding 99.95% share. The operating results of NBL for the period ended 31 August 2015 are given below comparing operating results for the previous year ended 31 August 2014 as follows:

Particulars	2015 (Taka)	2014 (Taka)
Turnover	1,002,022,503	979,887,224
Gross Profit	279,818,449	265,572,370
Net Profit After Tax	90,588,043	103,523,900
Earnings Per Share (EPS)	4.93	5.64
Net Assets Value Per Share (NAVPS)	32.20	27.27

directors' report to the shareholders

Divestment of two fully owned subsidiary companies: Navana Furniture Limited (NFL) and Navana Paints Limited (NPL)
As approved in the 34th Annual General Meeting, divestment of Navana Furniture Limited and Navana Paints Limited at Net Asset Value Tk. 28,64,59,719 and Tk. 11,40,88,261 respectively has been completed. The divestment proceeds have been invested in the core businesses.

Product-wise performance
The company is operating its business with its vehicles and battery products within the territory of Bangladesh.
Industry outlook and possible future developments in the industry

The company is conducting its market research and feasibility study on different types of vehicles and auto parts within Bangladesh territory. We hope sales of our products will be increased in coming days.

Risks and concerns
The profitability of the Company may affected in future due to increase of essential ingredients like electricity, labor cost etc. and other factors.

A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin (Consolidated).

In '000" taka

Particulars	August 31, 2015	August 31, 2014
Revenues (Turnover)	3,459,065	2,709,873
Cost of goods sold	2,618,253	2,004,019
Gross profit	840,812	705,854
Net profit for the year	291,978	383,548

Discussion on continuity of any Extra-Ordinary gain or loss
There is no significant extra-ordinary gain or loss during the financial year.

Related party transactions
As per agreement with Toyota Tsusho Corporation, Japan, the assembled vehicles of Aftab Automobiles Limited are distributable through Navana Limited (distributor of Toyota & Hino vehicles). No other transaction has been made with any other related party.

Investments:
(a) Navana CNG Limited
Aftab Automobiles Limited is holding =1,05,404= shares of Navana CNG Limited at present. The acquisition cost of the said shares was Tk.4.37 per share. However, the market price of the shares of Navana CNG Limited is Tk. 55.60 as on 31 August 2015.

(b) Navana Real Estate Limited
Aftab Automobiles Limited is holding =60,00,000= shares of Tk.10/- each of Navana Real Estate Limited at present. The acquisition cost of the said shares was Tk.3.33 per share. As Navana Real Estate Limited is not listed, its market price cannot be determined. However, Navana Real Estate Limited's Earning per share (EPS) and Net asset value (NAV) as on 30 June 2014 stood at Tk.2.18 and Tk.45.69 per share respectively.

Next Year Plan
The Assembling Unit of the Company is expected to assemble 375 units of Diesel Hino Bus Chassis and 50 new model RM2 Hino Bus Chassis in the next financial year.

The Bus Body Building Unit is expected to fabricate around 150 units of Hino Bus Body and 50 units of Hino RM2 Air-conditioned Bus Body during the next financial year.
The Motorcycle unit is expected to assemble 3000 units of various types of Mahindra Brand motorcycles as per market demand.

Dividend
The Board of Directors of your Company has recommended cash dividend @ 16% for the general shareholders (excluding sponsor/ director) for the year ended on 31 August 2015. The sponsor shareholders surrendered their portion of dividend for utilizing the fund for better growth of the Company.

The general shareholders whose names will appear in the share register of the Company and/or Depository Register of CDBL as on Record Date i.e., 06 December 2015 will be entitled to the dividend (subject to approval in the Annual General Meeting of the Company to be held on 21 December 2015).

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directors' report to the shareholders

Election of Directors

In terms of Article 125 and 126 of the Articles of Association of the Company, Mr. Sajedul Islam and Ms. Farhana Islam, Directors retire by rotation from the Board in the 35th Annual General Meeting. Being eligible under Article 127 of the Articles of Association of the Company, the retiring Directors have offered themselves for re-election.

Disclosure of information of the directors who are willing to be re-elected:

Mr. Sajedul Islam, Director

Mr. Sajedul Islam joined the Navana Group in 1999. He gained valuable experience by being involved in the management of the Group's diversified business operations. He is the Chief Executive Officer of the Navana Real Estate Limited, Navana Construction Limited and Navana Building Products Limited. At present, he is Vice-Chairman of Navana Group.

In 2004, he was the key promoter of Navana CNG Limited (another public listed company) and with all his expertise he has been contributing towards the growth of the Company till date.

Names of companies in which Mr. Sajedul Islam also holds the directorship:

Navana Limited., Aftab Automobiles Limited, Navana Real Estate Limited, Navana Construction Ltd., Navana Foods Ltd., Navana Electronics Ltd., Navana Batteries Ltd., Navana Toyota Service Center Ltd., Navana Engineering Ltd., Navana Welding Electrode Limited Navana Furniture Ltd., Navana Interlinks Ltd., Essential Industries Ltd., Eastern Printing Press Ltd., Orion Complex Ltd., Kenhill Paper Mills Ltd., Biponon Ltd., Navana Computers & Tech Ltd., Navana Services Ltd., Road Linkers Ltd., Navana Taxi Cab Co. Ltd., Navana Plastic Products Ltd. Navana Power Generation Ltd., Navana Power Co. Ltd., Navana Denims Ltd., Navana Knitting Ltd., Navana Feed Mills Ltd., Navana Software Ltd., Navana Plantation Ltd., Navana Exports Ltd., Navana Logistics Ltd., Navana Renewable Energy Ltd., Navana Lingerie Ltd., Navana Fabrics Ltd., Navana Gas Co. Ltd., Navana Paints Ltd., Navana Building Products Ltd., Navana Equities Ltd., Navana Electrical and Energy Saving Products Ltd. and Navana Properties Ltd., Navana Automobiles Ltd., Navana Plastic Products Ltd.

Membership in committees of the Board of other Companies – None.

Ms. Farhana Islam

A BBA, Ms. Farhana Islam, a young enthusiastic entrepreneur of the country, joined the Navana Group in 1996. In the early years, she gained valuable experience by being involved in the management with business operations. She took various business related professional courses at home and abroad. She traveled many countries of the world.

At present, Ms. Farhana Islam is a Director of Navana Group and involved amongst others, in vehicles assembling, real estate; construction; CNG conversion and gas stations; electronics; IT; petroleum and renewable energy; etc.

Names of companies in which Ms. Farhana Islam also holds the directorship:

Navana Limited., Aftab Automobiles Limited, Navana Real Estate Limited, Navana Construction Ltd., Navana Foods Ltd., Navana Electronics Ltd., Navana Batteries Ltd., Navana Toyota Service Center Ltd., Navana Engineering Ltd., Navana Welding Electrode Limited Navana Furniture Ltd., Navana Interlinks Ltd., Essential Industries Ltd., Eastern Printing Press Ltd., Orion Complex Ltd., Kenhill Paper Mills Ltd., Biponon Ltd., Navana Computers & Tech Ltd., Navana Services Ltd., Road Linkers Ltd., Navana Taxi Cab Co. Ltd., Navana Plastic Products Ltd. Navana Power Generation Ltd., Navana Power Co. Ltd., Navana Denims Ltd., Navana Knitting Ltd., Navana Feed Mills Ltd., Navana Software Ltd., Navana Plantation Ltd., Navana Exports Ltd., Navana Logistics Ltd., Navana Renewable Energy Ltd., Navana Lingerie Ltd., Navana Fabrics Ltd., Navana Gas Co. Ltd., Navana Paints Ltd., Navana Building Products Ltd., Navana Equities Ltd., Navana Electrical and Energy Saving Products Ltd. and Navana Properties Ltd., Navana Automobiles Ltd., Navana Plastic Products Ltd.

Membership in committees of the Board of other Companies – None.

Remuneration to directors including independent directors:

The Director of the Company including Independent Director is receiving a sum of Taka 5000/-(Five thousand) only as board meeting fee. During the year the Company paid an amount of Tk. Totaling 1,75,000/- including i.e. Net payable amount to them Tk. 1,57,500/- only.

BOARD MEETINGS

In accordance with directives of the regulatory authorities, the Board supervise, study and review the activities of the Company and make businesses decisions, etc. During the year eight (8) Board meetings were held.

AFTAB STOCK

directors' report to the shareholders

Number of Board meetings held during the year and attendance by each director:

Name of Directors	No. of Board Meeting attended
Mr. Shafiul Islam	8
Mrs. Khaleda Islam	3
Mr. Saiful Islam	5
Mr. Sajedul Islam	3
Ms. Farhana Islam	3
Mr. Syed Masud Hasan (Independent Director)	7
Mr. Ekramul Haq (Independent Director)	6

External Audit

M/s. Rahman Mostafa Alam & Co. a Chartered Accountant firm registered in Bangladesh acted as the external auditors of the company. The external auditors perform the following services of the Company:

- Appraisal or valuation services or fairness opinions;
- Financial information systems design and implementation;
- Book-keeping or other services related to the accounting records or financial statements;
- Broker-dealer services;
- Actuarial services; and
- Internal audit services;
- Any other services that the Audit Committee determines.

APPOINTMENT OF AUDITORS

The existing auditors of the Company M/s. Rahman Mostafa Alam & Co., Chartered Accountants has completed their audit for three consecutive years. As per listing Regulation No. 15(2) & 15(3) of Dhaka Stock Exchange (Listing) Regulation, 2015, no auditors be eligible for performing the auditing of the financial statements of public listed company for a consecutive period exceeding three years. In this connection, 2 audit firms e.g. Malek Siddiqui Wali, Chartered Accountants and Islam Aftab Kamrul & Co., Chartered Accountants has expressed their willing to conduct audit for the year ending on August 31, 2016.

The Board has recommended to appoint Malek Siddiqui Wali, Chartered Accountants to audit the financial statements of Aftab Automobiles Limited for the next financial year ending on 31 August 2016, subject to approval by the shareholders in the Annual General Meeting of the Company.

CORPORATE & FINANCIAL REPORTING:

The Company is determined to ensure good governance by complying with all the applicable rules and regulations of Corporate Governance Guidelines of Bangladesh Securities & Exchange Commission. It has complied with all the requirements of Corporate Governance and the Directors are pleased to confirm the following:

a) The financial statements together with the notes thereon have been drawn up in conformity with the Companies Act, 1994 and Bangladesh Securities and Exchange Rules 1987. These statements present fairly the Company's state of affairs, the result of its operations, cash flow and changes in equity.
b) Proper books of accounts of the Company have been maintained.
c) Appropriate Accounting Policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
d) The International Accounting Standards, as applicable in Bangladesh, have been followed in preparation of the financial statements.
e) The systems of internal control are sound and have been effectively implemented and monitored.
f) There are no significant doubts upon the Company's ability to continue as a going concern.
g) There are no significant deviations in operating result of the business of the company compared to last year.
h) The key operating and financial data for the last five years is annexed.
i) Pattern of Shareholding

VIEW STOCK

directors' report to the shareholders

i) Pattern of Shareholding:

	Namewise details	No. of Shares held
i.	Parent/Subsidiary/Associated Companies and other related parties	
	Navana CNG Limited	75,084
	Navana Real Estate Limited	20
	Navana Engineering Limited	44,750
ii.	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouse and minor children:	
	Mr. Shafiul Islam-Chairman	1,86,26,415
	Mr. Saiful Islam- Managing Director	19,88,215
	Mrs. Khaleda Islam-Director	20,34,220
	Mr. Sajedul Islam- Director	19,88,078
	Ms. Farhana Islam- Director	19,88,078
	Mr. Syed Masud Hasan - Independent Director	nil
	Mr. Ekramul Huq- Independent Director	nil
	Chief Financial Officer, Company Secretary and Head of Internal Audit and their spouse and minor children:	
iii.	Executives	nil
iv.	Shareholders holding ten percent (10%) or more voting interest in the Company:	nil
	Mr. Shafiul Islam	1,86,26,415

Key operating and financial data

The summarized key operating financial data of five years is annexed (Annexure :1).

Annexure : 1

The Key Operating and Financial Data (Consolidated):

Amount in '000 Taka

Particulars	2015	2014	2013	2012	2011
Authorized capital	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Paid-up capital	957,324	957,324	854,754	683,803	569,836
Face Value Per Share	Tk.10/-	Tk.10/-	Tk.10/-	Tk.10/-	Tk. 10/-
Pref. share capital (including premium)	-	-	-	-	-
Shareholders equity	5,198,109	5,039,089	4,907,609	4,500,177	4,083,419
Fixed asset	1,033,688	785,500	1,087,301	974,465	925,583
Turnover (Net)	3,459,065	2,709,873	3,332,170	3,735,217	3,066,223
Gross profit	840,812	705,854	745,107	775,211	787,332
Net profit after tax (including non-operating income)	291,928	268,297	351,824	366,655	920,329
Operating cash flow per share	(8.29)	(9.99)	2.53	2.57	1.83
Book value per share (Restated)	54.30	52.64	57.42	65.81	74.54
Earning per share (Basic)	3.05	4.01	3.53	5.31	5.59
Earning per share (Non-operating)	-	-	-	0.05	9.81
Cash dividend	16%	17%	8%	-	20%
Stock dividend	-	-	12%	25%	20%
Number of shareholders	39,159	48,055	45883	42,426	43,669

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directors' report to the shareholders

Corporate Governance Compliance Report

In accordance with the requirement of the Securities and Exchange Commission, "Corporate Governance Compliance Report" is annexed (Annexure :2)

Annexure : 2

Corporate Governance Compliance Report

Status of compliance with the conditions imposed by the Commission's Notification No.SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1	Board of Directors:			
1.1	Board's Size	✓		
1.2	Independent Directors:			
1.2 (i)	At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors.	✓		
1.2 (ii) a)	"Independent director" means a director- a) who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	✓		
1.2 (ii) b)	who is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her familymembers also should not hold above mentioned shares in the company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	✓		
1.2 (ii) c)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/ associated companies;	✓		
1.2 (ii) d)	who is not a member, director or officer of any stock exchange;	✓		
1.2 (ii) e)	who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market;	✓		
1.2 (ii) f)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of any statutory audit firm;	✓		
1.2 (ii) g)	who shall not be an independent director in more than 3 (three) listed companies;	✓		
1.2 (ii) h)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI);	✓		
1.2 (ii) i)	who has not been convicted for a criminal offence involving moral turpitude.	✓		
1.2 (iii)	the independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM).	✓		
1.2 (iv)	the post of independent director(s) can not remain vacant for more than 90 (ninety) days.	✓		
1.2 (v)	the Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.	✓		

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Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1.2 (vi)	the tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.	✓		
1.3	Qualification of Independent Director :			
1.3 (i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	✓		
1.3 (ii)	The person should be a Business Leader/Corporate Leader/ Bureaucrat/University Teacher with Economics or Business Studies or Law background/Professionals like Chartered Accountants, Cost & Management Accountants, Chartered Secretaries. The independent director must have at least 12 (twelve) years of corporate management/professional experiences.	✓		
1.3 (iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission.			Not applicable
1.4	Chairman of the Board & Chief Executive Officer (CEO)			
	The positions of the Chairman of the Board and the Chief Executive Officer of the companies shall be filled by different individuals. The Chairman of the company shall be elected from among the directors of the company. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the Chief Executive Officer.	✓		
1.5	The Director's Report to shareholders			
1.5 (i)	Additional statements in the Directors' Report prepared under section 184 of the Companies Act, 1994:- Industry outlook and possible future developments in the industry.	✓		
1.5 (ii)	Segment-wise or product-wise performance.	✓		
1.5 (iii)	Risks and concerns.			
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	✓		
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss.	✓		
1.5 (vi)	Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report.	✓		
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments.			Not applicable
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.			Not applicable
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.			Not applicable
1.5 (x)	Remuneration to directors including independent directors.	✓		
1.5 (xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	✓		
1.5 (xii)	Proper books of account of the issuer company have been maintained.	✓		
1.5 (xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	✓		

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directors' report to the shareholders

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1.5 (xiv)	International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	✓		
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	✓		
1.5 (xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.	✓		
1.5 (xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	✓		
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	✓		
1.5 (xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.			Not applicable (Declaring dividends regularly)
1.5 (xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	✓		
1.5 (xxi)	The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:-	✓		
1.5 (xxi) a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	✓		
1.5 (xxi) b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	✓		
1.5 (xxi) c)	Executives;	✓		
1.5 (xxi) d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details). Explanation: For the purpose of this clause, the expression "executive" means top 5 (five) salaried employees of the company, other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit	✓		
1.5 (xxii)	In case of the appointment/ re-appointment of a director the company shall disclose the following information to the shareholders:-	✓		
1.5 (xxii) a)	a brief resume of the director;	✓		
1.5 (xxii) b)	nature of his/her expertise in specific functional areas;	✓		
1.5 (xxii) c)	names of companies in which the person also holds the directorship and the membership of committees of the board.	✓		
2	Chief Financial Officer(CFO), Head of Internal Audit and Company Secretary			
2.1	The company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the CS.	✓		
2.2	The CFO and the Company Secretary of the companies shall attend the meetings of the Board of Directors, provided that the CFO and/or the Company Secretary shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating to their personal matters.	✓		

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Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
3	Audit Committee			
3 (i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors.	✓		
3 (ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	✓		
3 (iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	✓		
3.1	Constitution of the Audit Committee			
3.1 (i)	The Audit Committee shall be composed of at least 3 (three) members.	✓		
3.1 (ii)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director.	✓		
3.1 (iii)	All members of the audit committee should be "financially literate" and at least 1(one) member shall have accounting or related financial management experience.	✓		
3.1 (iv)	Filling of casual vacancy in the Audit Committee.			Not applicable
3.1 (v)	The company secretary shall act as the secretary of the Committee.	✓		
3.1 (vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1(one) independent director.	✓		
3.2	Chairman of the Audit Committee			
3.2 (i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director.	✓		
3.2 (ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM)	✓		
3.3	Role of the Audit Committee			
3.3 (i)	Oversee the financial reporting process.	✓		
3.3 (ii)	Monitor choice of accounting policies and principles.	✓		
3.3 (iii)	Monitor Internal Control Risk management process.	✓		
3.3 (iv)	Oversee hiring and performance of external auditors.	✓		
3.3 (v)	Review along with the management, the annual financial statements before submission to the board for approval.	✓		
3.3 (vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	✓		
3.3 (vii)	Review the adequacy of internal audit function.	✓		
3.3 (viii)	Review statement of significant related party transactions submitted by the management.	✓		
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	✓		
3.3 (x)	When money is raised through Initial Public Offering (IPO)/ Repeat Public Offering (RPO)/Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus.	✓		

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directors' report to the shareholders

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
3.4	Reporting of the Audit Committee			
3.4.1	Reporting to the Board of Directors			
3.4.1 (i)	The Audit Committee shall report on its activities to the Board of Directors.	✓		
3.4.1 (ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:-			
3.4.1 (ii) a)	report on conflicts of interests;	✓		
3.4.1 (ii) b)	suspected or presumed fraud or irregularity or material defect in the internal control system;	✓		
3.4.1 (ii) c)	suspected infringement of laws, including securities related laws, rules and regulations;	✓		
3.4.1 (ii) d)	any other matter which shall be disclosed to the Board of Directors immediately.	✓		
3.4.2	If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification 9 has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.	✓		
3.5	Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1 (ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company.	✓		
4	External/Statutory Auditors			
4 (i)	Appraisal or valuation services or fairness opinions.	✓		
4 (ii)	Financial information systems design and implementation.	✓		
4 (iii)	Book-keeping or other services related to the accounting records or financial statements.	✓		
4 (iv)	Broker-dealer services.	✓		
4 (v)	Actuarial services.	✓		
4 (vi)	Internal audit services.	✓		
4 (vii)	Any other service that the Audit Committee determines.	✓		
4 (viii)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.	✓		
5	Subsidiary Company			
5 (i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	✓		
5 (ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.	✓		
5 (iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	✓		
5 (iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.	✓		

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directors' report to the shareholders

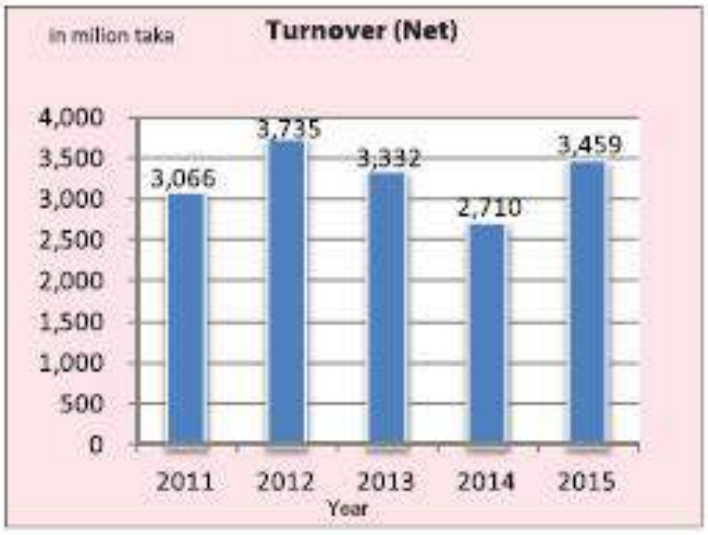
Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
5 (v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	✓		
6	Duties of Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
6 (i) a)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	✓		
6 (i) b)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	✓		
6 (ii)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.	✓		
7	Reporting and Compliance of Corporate Governance			
7 (i)	The company shall obtain a certificate from a Professional Accountant/ Secretary (Chartered Accountant/Cost & Management Accountant/Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.	✓		
7 (ii)	The directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions.	✓		

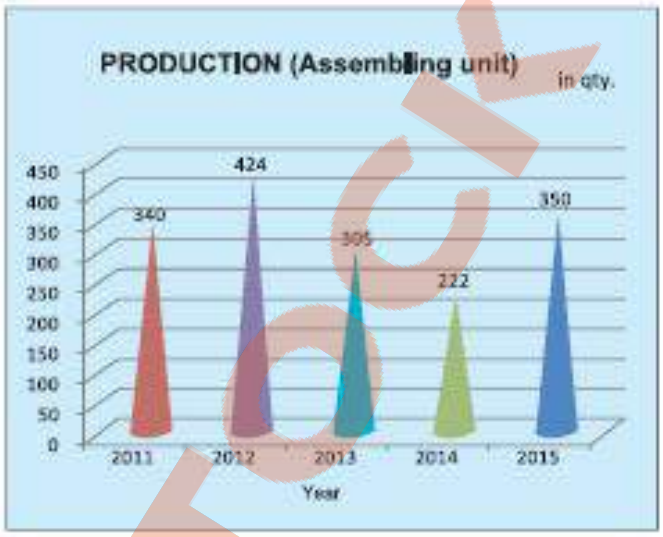
On behalf of the Board of Directors

Sd/-
(Shafiul Islam)
Chairman

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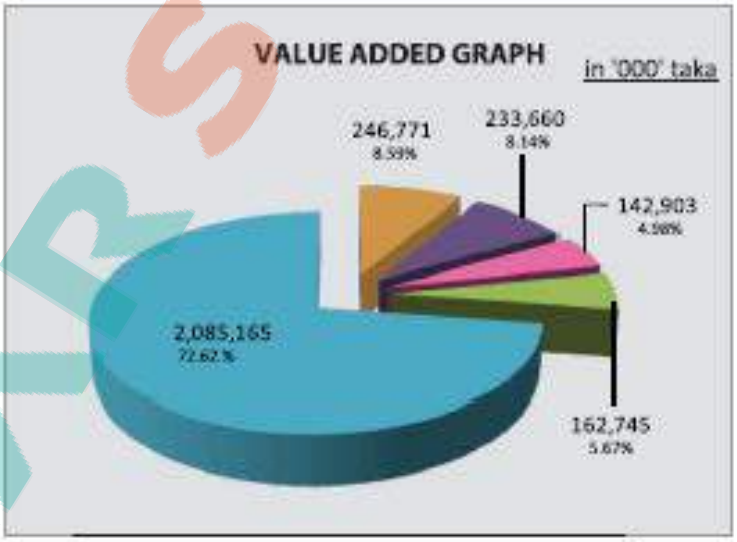
Graphical Presentation





VALUE ADDED STATEMENT
For the year ended august 31, 2015

	Amount in '000' Taka
Sale / Turnover	3,459,065
Bought in- Material & Service	587,821
Value Added	2,871,244
Application to National Exchequer	246,771
to providers of Loan as Interest & Charges	233,660
to providers Emp. Salaries Wages & other benefits	142,903
to providers of Capital- as Dividend	162,745
Reserve & Surplus	2,085,165
	2,871,244







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Report from the Audit Committee

Dated: 15 November 2015

The Board of Directors
Aftab Automobiles Limited
House # 16/B, Road # 93
Gulshan-2, Dhaka

Audit Committee Report
The Committee reviewed and discussed the procedure and task of the internal audit, financial report preparation and the external auditors' observations in their reports on the financial statements of the Company for the year ended 31 August 2015. The Committee found adequate arrangement to present a true and fair view of the financial status of the Company; and did not find any material deviation, discrepancies or any adverse finding/observation in the areas of reporting.

The Committee also reviewed the financial statements of the subsidiary Company i.e. Navana Batteries Limited for the year ended 31 August, 2015 and also found adequate arrangement to present a true and fair view of the financial status of the Companies.

Sd/-
(Syed Masud Hasan)
Chairman
Audit Committee
Aftab Automobiles Limited

REPORT OF THE AUDIT COMMITTEE
The Audit committee consists of the following members:

Mr. Syed Masud Hasan, Independent Director	: Chairman
Mr. Sajedul Islam, Director	: Member
Mr. Ekramul Haq FCA, Independent Director	: Member

Scope of work of Audit Committee
Audit Committee works as a sub-committee of the Board of Directors. The Committee shall assist the Board of Directors to ensure that the financial statements reflect true and fair view of the state of affairs of the Company and ensure a good monitoring system within the business and they will be responsible to the Board of Directors. The Chairman of the Audit Committee shall remain present in the Annual General Meeting.

Review of financial statements by the Audit Committee
Audit Committee reviewed the annual financial statements for the year 31 August 2015 and placed its recommendation to the Board of Directors.

Role of Audit Committee
Role of audit committee shall include the following :
- Oversea the financial reporting process.
- Monitor choice of accounting policies and principles.
- Monitor internal control risk management process.
- Performance of external auditors.
- Review alongwith the management the annual financial statements before submission to the Board for approval.
- Review the adequacy of internal audit function etc.
- Review the quarterly and annually audited accounts.

The Audit Committee meeting:
The Committee met four times during last financial year ended 31 August 2015 to carry out the following tasks:
- The Audit Committee reviewed the financial statements for the year ended August 31, 2015;
- Reviewed and discussed the Management Letter, by external auditor Rahman Mostafa Alam & Co. for the year ended August 31, 2015 on the annual audit on financial statements of Aftab Automobiles Limited;
- Reviewed various reports of Internal Control & Compliance Department on operational, financial procedures and branch activities;
- Reviewed the Quarterly and Half-yearly Reports of the Company.

Based on the review and above discussions, the Audit Committee is of the view that the internal control and compliance procedures are adequate to present a true and fair view of the activities and financial status of the company and to ensure that its assets are safeguarded properly.

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Certification of Managing Director and Chief Financial Officer (CFO) to the Board

November 15, 2015

The Board of Directors
Aftab Automobiles Limited
House#16/B, Road#93
Gulshan-2, Dhaka

Subject: Certification of Managing Director (MD) and Chief Financial Officer (CFO) to the Board.

In terms of the Notification of Bangladesh Securities and Exchange Commission (BSEC) bearing No. SEC/CMRRCD/2006-158/134 /Admin/44, dated August 07, 2012, we, the undersigned Managing Director and Chief Financial Officer (CFO) do hereby certify that we have reviewed the financial statements for the year ended Augutst 31, 2015 of Aftab Automobiles Limited and to the best of our knowledge and belief:

(i) We have reviewed financial statements for the year and that to the best of their knowledge and belief:

(a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and

(b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.

(ii) No transaction entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.

Sd/-
Kazi Ehsanul Huq FCA
Chief Financial Officer (CFO)

Sd/-
Saiful Islam
Managing Director

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Certificate of Compliance to the SHAREHOLDERS of
Aftab Automobiles Limited

We have examined compliance of conditions of corporate governance guidelines of the Bangladesh Securities and Exchange Commission (BSEC) by Aftab Automobiles Limited for the year ended on August 31, 2015 as stipulated in clause 7(i) of the BSEC notification no SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012.

The Compliance of conditions of corporate governance guidelines as stated in the aforesaid notification and reporting of the status of compliance is the responsibility of the management of Aftab Automobiles Limited. Our examination was limited to the checking of procedures and implementation thereof, adopted by Aftab Automobiles Limited for ensuring the compliance of conditions of Corporate Governance and correct reporting of compliance status on the attached statement on the basis of evidence gathered and representation received.

To the best of our information and according to the explanations given to us, we certify that, as reported on the attached status of compliance statement, Aftab Automobiles Limited has complied with condition of corporate governance stipulated in the above mentioned BSEC notification dated August 07, 2012.

Sd/-
Atik Khaled Chowdhury
Chartered Accountants

Dated: Dhaka
November 15, 2015

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Auditors' Report to the Shareholders
Of
Aftab Automobiles Limited and its Subsidiary

We have audited the accompanying financial statements of Aftab Automobiles Limited (the Company), which comprise the statement of financial position as at August 31, 2015, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information disclosed in Notes 1 to 34 and Schedule-A. We have also audited the attached financial statements of Aftab Automobiles Limited and its subsidiary, which comprise the consolidated statement of financial position as at August 31, 2014, and consolidated statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes. The financial statements of one subsidiary disclosed in note 2.7 to the financial statements, are also audited by us.

Management's responsibility for the financial statements

Management of the company is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Aftab Automobiles Limited and its subsidiary as of August 31, 2015, and its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS) and comply with the applicable sections of the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations.

We also report that:

a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

b) in our opinion, proper books of account as required by the law have been kept by the Company so far as it appeared from our examination of those books;

c) the company's financial position and statement of comprehensive income dealt with by the report are in agreement with the books of account and returns; and

d) the expenditure incurred was for the purposes of the company's business.

Dated : Dhaka
November 15,2015

Paramount Heights (7th Floor-D2)
65/2/1, Box-culvurt Road
Purana Paltan, Dhaka.

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants

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Aftab Automobiles Limited and its Subsidiary

Consolidated Statement of Financial Position

As at August 31, 2015

	Notes	31/8/15 BD Taka	31/8/14 BD Taka
Assets			
Non-current assets			
Property, plant and equipment, net	3 (a)	1,033,687,585	785,501,547
Capital work in progress	4 (a)	266,817,407	191,996,470
Investments in shares	5 (a)	5,860,463	6,819,639
Investments in associate	5.3	274,138,325	254,056,751
Receivables -Long term	6 (a)	2,877,233,972	1,723,995,335
Total non-current assets		**4,457,737,752**	**2,962,369,742**
Current assets			
Receivables -Current	6 (a)	1,450,555,891	1,074,836,385
Stock and stores	7 (a)	1,351,371,112	1,212,223,816
Income tax deducted at source	8 (a)	564,368,654	465,660,394
Advances, deposits and prepayments	9 (a)	1,390,449,967	1,540,586,409
Cash and bank balances	10 (a)	338,955,150	490,310,672
Total current assets		**5,095,700,774**	**4,783,617,676**
Total assets		**9,553,438,526**	**7,745,987,417**
Equity and Liabilities			
Capital & reserves			
Share capital		957,324,220	957,324,220
Share premium		1,925,858,339	1,925,858,339
Reserves		67,338,231	67,338,231
Retained earnings		2,247,588,021	2,088,568,769
Equity attributable to owners of the Company		**5,198,108,811**	**5,039,089,559**
Non-controlling interests		**322,001**	**272,689**
Total equity		**5,198,430,812**	**5,039,362,248**
Non-current liabilities			
Loan and deferred liabilities (unsecured)		25,310,440	25,310,440
Long Term loan-Net of current portion	14 (a)	1,455,803,601	485,345,585
Deferred tax liability	23 (b)	102,533,672	96,774,549
Total non-current liabilities		**1,583,647,713**	**607,430,574**
Current liabilities			
Long Term loan-Current portion	14 (a)	485,267,867	161,781,862
Short-term loan	15 (a)	1,331,375,391	1,211,077,046
Accrued and other current liabilities	16 (a)	954,716,743	726,335,688
Total current liabilities		**2,771,360,001**	**2,099,194,595**
Total equity and liabilities		**9,553,438,526**	**7,745,987,417**
Net assets value per share (NAVPS)		**54.30**	**52.64**

The annexed notes 1 to 34 and schedule-A form an integral part of these financial statements.

Sd/-
Chairman

Sd/-
Director

Sd/-
Company Secretary

Signed in terms of our separate report of even date.

Dated : Dhaka
November 15, 2015

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants

AMARSTOCK

Aftab Automobiles Limited and its Subsidiary

Consolidated Statement of Comprehensive Income

For the year ended August 31, 2015

Particulars	Notes	Year ended 31/8/15 BD Taka	Year ended 31/8/14 BD Taka
Revenues	17 (a)	**3,459,065,205**	**2,709,873,313**
Less : Cost of goods sold	18(a)	2,618,253,201	2,004,019,483
Gross profit		**840,812,004**	**705,853,830**
Less: Operating expenses		**425,889,704**	**308,977,677**
Administrative expenses	19 (a)	91,995,339	76,277,962
Selling and distribution expenses	20 (a)	100,234,546	77,227,400
Financial charges	21 (a)	233,659,819	155,472,315
Operating profit		**414,922,300**	**396,876,153**
Add : Non-operating income	22	10,397,721	116,536,881
Less : Contribution to WPPF		19,758,205	18,898,864
Net profit before tax		**405,561,816**	**494,514,170**
Less : Income tax expense		**113,583,567**	**110,966,157**
Current tax	23 (a)	109,284,548	116,527,098
Deferred tax		4,299,019	(5,560,941)
Net profit After Tax		**291,978,249**	**383,548,013**
Other comprehensive Income for the year			
Add : Share of profit from associate company	5.3	20,081,574	10,815,534
Revaluation Gain/(Loss) on investment in share		(959,176)	671,049
Adjustment made for divestment of Subsidiary companies		-	(126,737,337)
Total comprehensive Income for the year		**311,100,647**	**268,297,259**
Attributable to:			
Equity holders of the company		**291,928,937**	**383,491,659**
Non-controlling interests		49,312	56,354
Profit for the year		**291,978,249**	**383,548,013**
Earnings per share	24(a)	**3.05**	**4.01**

The annexed notes 1 to 34 and schedule-A form an integral part of these financial statements.

Sd/-
Chairman

Sd/-
Director

Sd/-
Company Secretary

Signed in terms of our separate report of even date.

Dated : Dhaka
November 15, 2015

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants

Aftab Automobiles Limited and its Subsidiary

Consolidated Statement of Cash Flows

For the year ended August 31, 2015

	Particulars	Year ended 31/8/15 BD Taka	Year ended 31/8/14 BD Taka
A.	**Cash flows from operating activities**		
	Receipts from customers	1,930,107,062	1,692,226,767
	Receipts from others	10,397,721	116,536,881
	Payments to suppliers and employees	(2,630,227,884)	(2,671,204,515)
	Cash generated from operations	**(689,723,101)**	**(862,440,867)**
	Income tax paid	(104,208,260)	(93,966,206)
	Net cash generated by operating activities	**(793,931,361)**	**(956,407,073)**
B.	**Cash flows from investing activities**		
	Acquisition of property, plant & equipment	(126,680,997)	(31,965,128)
	Deposit given	-	(96,567,748)
	Divestment of subsidiary companies	-	400,900,000
	Payments for capital work in progress	(259,293,630)	(147,168,650)
	Net cash used investing activities	**(385,974,627)**	**125,198,474**
C.	**Cash flows from financing activities**		
	Received/(Repayments) of bank loan	1,414,242,367	630,356,090
	Bank interest paid	(233,659,819)	(155,472,315)
	Dividend paid	(152,032,082)	(68,380,302)
	Net cash provided by financing activities	**1,028,550,466**	**406,503,473**
D.	**Net changes in cash & cash equivalents for the year (A+B+C)**	**(151,355,522)**	**(424,705,126)**
E.	**Cash & cash equivalents at beginning of the year**	**490,310,672**	**915,015,798**
F.	**Cash & cash equivalents at end of the year (D+E)**	**338,955,150**	**490,310,672**
	Net operating cash flows per share (NOCFPS)	**(8.29)**	**(9.99)**

Sd/-
Chairman

Sd/-
Director

Sd/-
Company Secretary

AMARSTOCK

Aftab Automobiles Limited and its Subsidiary

Consolidated Statement of Changes in Equity

For the year ended August 31, 2015

Particulars	Share capital	Share premium	Reserves	Retained earnings	Attributable to equity holders of the company	Non-controlling interest	Total
	BD Taka	BD Taka	BD Taka	BD Taka	BD Taka	BD Taka	BD Taka
Balance as on September 01, 2013	**854,753,770**	**1,925,858,339**	**67,338,231**	**1,991,278,615**	**4,839,228,955**	**494,341**	**4,839,723,296**
Issue of bonus shares	102,570,450	-	-	(102,570,450)	-	-	-
Cash dividend paid	-	-	-	(68,380,301)	(68,380,301)	-	(68,380,301)
Total comprehensive income for the year	-	-	-	268,240,905	268,240,906	(221,652)	268,019,254
Balance as at August 31, 2014	**957,324,220**	**1,925,858,339**	**67,338,231**	**2,088,568,768**	**5,039,089,559**	**272,689**	**5,039,362,248**
Balance as on September 01, 2014	**957,324,220**	**1,925,858,339**	**67,338,231**	**2,088,568,768**	**5,039,089,559**	**272,689**	**5,039,362,248**
Cash dividend paid	-	-	-	(152,032,082)	(152,032,082)	-	(152,032,082)
Total comprehensive income for the year	-	-	-	311,051,334	311,051,334	49,312	311,100,647
Balance as at August 31, 2015	**957,324,220**	**1,925,858,339**	**67,338,231**	**2,247,588,021**	**5,198,108,811**	**322,001**	**5,198,430,812**

Sd/-
Chairman

Sd/-
Director

Sd/-
Company Secretary





View: Hino RM-2 Luxuries Bus Interior by Aftab Automobiles Ltd. (Body Build. Unit)

MARSTOCK

Aftab Automobiles Limited

Statement of Financial Position

As at August 31, 2015

	Notes	31/8/15 BD Taka	31/8/14 BD Taka
Assets :			
Non-current assets :		**4,426,821,449**	**3,012,764,404**
Property, plant and equipment,net	3	575,586,994	404,160,951
Capital work in progress	4	102,799,858	123,068,621
Investments in subsidiaries and associates	5	871,200,625	761,539,497
Receivables -Long term	6	2,877,233,972	1,723,995,335
Current account with Navana Batteries Ltd.		**323,727,103**	**301,618,953**
Current assets :		**3,366,380,877**	**3,559,860,488**
Receivables -Current	6	862,021,456	853,143,824
Stock and stores	7	877,128,176	841,839,271
Income tax deducted at source	8	392,912,710	338,850,802
Advances, deposits and prepayments	9	1,005,708,282	1,077,899,344
Cash and bank balances	10	228,610,253	448,127,247
Total Assets		**8,116,929,429**	**6,874,243,845**
Equity and Liabilities :			
Equity attributable to equity holders		**5,198,108,811**	**5,039,089,558**
Share capital	11	957,324,220	957,324,220
Share premium	12	1,925,858,339	1,925,858,339
Reserves	13	67,338,231	67,338,231
Retained earnings		2,247,588,021	2,088,568,768
Non-current liabilities :		**1,013,598,555**	**552,071,348**
Loan and deferred liabilities (unsecured)		25,310,440	25,310,440
Long Term loan-Net of current portion	14	919,292,805	459,133,085
Deferred tax liability	23(b)	68,995,310	67,627,824
Current liabilities :		**1,905,222,064**	**1,283,082,939**
Long Term loan-Current portion	14	306,430,935	153,044,362
Short term loan	15	885,552,377	557,455,069
Accrued and other current liabilities	16	713,238,752	572,583,508
Total liabilities		**2,918,820,619**	**1,835,154,287**
Total Equity and Liabilities		**8,116,929,429**	**6,874,243,845**
Net assets value per share (NAVPS)		**54.30**	**52.64**

The annexed notes 1 to 34 and schedule-A form an integral part of these financial statements.

Sd/-
Chairman

Sd/-
Director

Sd/-
Company Secretary

Signed in terms of our separate report of even date.

Dated : Dhaka
November 15, 2015

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants

AMARSTOCK

Aftab Automobiles Limited

Statement of Comprehensive Income

For the year ended August 31, 2015

Particulars	Notes	Year ended 31/8/15 BD Taka	Year ended 31/8/14 BD Taka
Revenue	17	**2,457,042,702**	**1,729,986,089**
Cost of goods sold	18	1,896,049,147	1,289,704,629
Gross profit		**560,993,555**	**440,281,460**
Operating expenses:		**287,709,643**	**207,933,339**
Administrative expenses	19	74,633,514	64,109,542
Selling and distribution expenses	20	40,480,016	25,159,470
Financial charges	21	172,596,114	118,664,327
Operating Profit		**273,283,912**	**232,348,121**
Non-operating income			
Add : Profit made on divestment of Subsidiary companies		-	92,371,370
Interest Income (FDR)	22	8,126,393	24,165,511
Profit before contribution to WPPF		**281,410,305**	**348,885,002**
Contribution to WPPF		13,013,519	11,064,196
Net profit before tax		**268,396,785**	**337,820,806**
Income tax Expenses :	23	**67,006,578**	**57,796,693**
Current tax		67,099,196	67,406,244
Deferred tax		(92,618)	(9,609,551)
Net profit after tax		**201,390,207**	**280,024,113**
Other comprehensive income:			
Add : Share of profit from subsidiaries		90,538,730	69,157,933
		291,928,937	**349,182,046**
Add : Share of profit from associate company	5.3	20,081,574	10,815,534
Adj. made for divestment of Subsidiary companies.		-	(92,371,370)
Add : Revaluation Gain/(Loss) on investment in share	5.3	(959,176)	671,049
Total comprehensive income for the year		**311,051,335**	**268,297,259**
Attributable to:			
Equity holders of the company		201,390,207	268,240,905
Non-controlling interests		49,312	56,354
Profit for the year		**201,439,519**	**268,297,259**
Earnings per share	24	**2.10**	**2.93**

The annexed notes 1 to 34 and schedule-A form an integral part of these financial statements.

Sd/-
Chairman

Sd/-
Director

Sd/-
Company Secretary

Signed in terms of our separate report of even date.

Dated : Dhaka
November 15, 2015

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants

AMARSTOCK

Aftab Automobiles Limited

Statement of Cash Flows

For the year ended August 31, 2015

	Particulars	Year ended 31/8/15 BD Taka	Year ended 31/8/14 BD Taka
A.	**Cash flows from operating activities**		
	Receipts from customers	1,294,926,433	546,425,604
	Receipts as other income	8,126,393	116,536,881
	Inter company payments	(22,108,150)	14,353,247
	Payments to suppliers and employees	(1,875,004,197)	(1,413,432,158)
	Cash generated from operations	**(594,059,521)**	**(736,116,426)**
	Income tax paid	(59,561,908)	(46,426,806)
	Net cash generated by operating activities	**(653,621,429)**	**(782,543,232)**
B.	**Cash flows from investing activities**		
	acquisition of property, plant & equipment	(25,207,041)	(4,582,707)
	Divestment of subsidiary companies	-	400,900,000
	Payments for capital work in progress	(157,703,930)	-
	Net cash used investing activities	**(182,910,971)**	**396,317,293**
C.	**Cash flows from financing activities**		
	Receive of bank loan	941,643,602	177,214,542
	Bank interest paid	(172,596,114)	(118,664,327)
	Dividend paid	(152,032,082)	(68,380,302)
	Net cash used by financing activities	**617,015,406**	**(9,830,087)**
D.	**Net changes in cash & cash equivalents for the year (A+B+C)**	**(219,516,994)**	**(396,056,026)**
E.	**Cash & cash equivalents at beginning of the year**	**448,127,247**	**844,183,273**
F.	**Cash & cash equivalents at end of the year (D+E)**	**228,610,253**	**448,127,247**
	Net operating cash flows per share (NOCFPS)	**(6.83)**	**(8.17)**

Sd/-
Chairman

Sd/-
Director

Sd/-
Company Secretary



View: World Class Luxuries Hino RM-2 Bus

AMARSTOCK

Aftab Automobiles Limited

Statement of Changes in Equity

For the year ended August 31, 2015

Particulars	Share capital	Share premium	Reserves	Retained earnings	Total
	BD Taka	BD Taka	BD Taka	BD Taka	BD Taka
Balance as on September 01, 2013	**854,753,770**	**1,925,858,339**	**67,338,231**	**1,991,222,261**	**4,839,172,601**
Issue of bonus shares	102,570,450	-	-	(102,570,450)	
Cash Dividend Paid				(68,380,302)	**(68,380,302)**
Total comprehensive income for the year	-	-	-	268,297,259	**268,297,259**
Balance as at August 31, 2014	**957,324,220**	**1,925,858,339**	**67,338,231**	**2,088,568,768**	**5,039,089,558**
Balance as on September 01, 2014	**957,324,220**	**1,925,858,339**	**67,338,231**	**2,088,568,768**	**5,039,089,558**
Cash Dividend Paid	-	-	-	(152,032,082)	**(152,032,082)**
Total comprehensive income for the year	-	-	-	311,051,335	**311,051,335**
Balance as at August 31, 2015	**957,324,220**	**1,925,858,339**	**67,338,231**	**2,247,588,021**	**5,198,108,811**

Sd/-
Chairman

Sd/-
Director

Sd/-
Company Secretary



Assembling and Body Building by Aftab Automobiles Ltd.

AMARSTOCK

Aftab Automobiles Limited

Notes to the Financial Statements

As at and for the year ended August 31, 2015

1. Corporate Information and Mode of Business

1.1 Corporate Information

Aftab Automobiles Limited (the company), was incorporated in Bangladesh in 1967 as a Private Limited Company. In 1981 the company registered itself as a Public Limited Company which is one of the largest automobile assembling plants in the private sector. The Registered Office of the Company is located at 125/A, Motijheel Commercial Area, Dhaka-1000. The Company was listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited in the year 1987 and 1996 respectively.

1.2 Mode of Business

The principal activities of the Company throughout the period were assembling of Toyota Land Cruiser soft top / Pick-up, Land Cruiser Prado, Hino Bus, Hino Mini Bus / Truck Chassis with a production Capacity of 2400 units of vehicles in 3 shifts in Assembling Unit. The Company has recently setup a Motor Cycle Unit with a capacity of 10,000 units of Motor Cycle per year. Sales of Motor Cycle shall be start in the year 2013-2014. The Company has one subsidiary company namely Navana Batteries Ltd, that produce and market Batteries.

2. Significant Accounting Policies and basis of preparation of the financial statements

2.1 Statement of Compliance

The financial statements have been prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) and as per requirements of the Companies Act 1994, The Securities and Exchange Rules 1987, and other applicable laws and regulations.

2.2 Basis of Preparation

The financial statements of the company have been prepared assuming going concern basis based on the accrual basis of accounting following under the historical cost convention.

Although , the company has negative operating cash Flows, its continuous as a going concern is not at all in doubt as it has continuous Loan flows from banks to meet its deficit in operating cash flows / long term receivables.

2.3 Basis of Reporting

The financial statements are prepared and presented for external users by the company in accordance with identified financial reporting framework. Presentation has been made in compliance with the requirement of BAS 1- "Presentation of Financial Statements".

2.4 Reporting Period

These financial statements cover one accounting year from September 1, 2014 to August 31, 2015.

2.5 Regulatory and Legal Compliance

The company complied with the requirements of the following regulatory and legal authorities:

i) The Companies Act, 1994;
ii) The Securities and Exchange Rules, 1987;
iii) The Securities and Exchange Ordinance, 1969;
iv) The Income Tax Ordinance, 1984,
v) The Value Added Tax (VAT), 1991,

2.6 Functional and Presentation Currency

Financial statements are prepared in Bangladeshi Taka which is the company's functional currency.

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2.7 Basis of consolidation

The Company has consolidated the financial statements of Aftab Automobiles Limited and its sole subsidiary named Navana Batteries Ltd. The Consolidated financial statement prepared in accordance with **BAS: 27 Consolidated and separate financial statement .**

2.8 Recognition of Property, Plant and Equipment

These are capitalized at cost of acquisition and subsequently stated at original cost minus accumulated depreciation and accumulated impairment losses, if any, in compliance with the relevant accounting standard (BAS-16). The cost of the Assets is inclusive of cost paid to the vendors along with all incidental expenses to install or construct the same assets for its intended use. Expenditure incurred after the assets have been put in to operation, such as repairs and maintenance is normally charged off as revenue expenditure in the period in which it is incurred.

On retirement or otherwise disposed off, the cost and accumulated depreciation are eliminated and any gain or loss on such disposal is reflected in the Profit and Loss Account which is determined with reference to net book value of the assets and net sale proceeds.

Capital Work-in-progress represents capital works of a unit still in progress and not in a operation .Once a unit is completed, it is transferred to" Property, Plant and Equipment".

No revaluation of fixed assets has been made by the Company.

Depreciation

No depreciation has been charged on Land and Land Development considering the unlimited useful life. In respect of all other assets, the quantum of annual depreciation charge is calculated over their estimated useful lives using the diminishing balance method of depreciation. All the assets acquired or disposed off during the period have been depreciated for the period of its use. The rate at which the assets are depreciated per annum depended on the nature and estimated useful life of each assets are consistently applied since the inception of the company which are given below :

Name of the Assets	Rate of Dep. (%)
Land and land development	Nil
Building	2.5
Shades	20
Plant & Machinery	10
Tools & Equipments	20
Office Equipments	10
Furniture& Fixtures	10
Transport Vehicles	20
Electric line Installation	10
Gas line Installation	10
Office decoration	10

The whole amount of depreciation has been charged off partly to cost of sales and partly as expense in consistent with practice followed in the earlier years.

2.9 Financial Instruments and Derivatives

a) Investment in Shares

Investments in Shares are valued at fair market value.

b) Investment in associates

Investment in associates has been disclosed as per **BAS-28 Investment in associates.**

C) Derivatives

The company is not a party to any derivative contract at the balance sheet date, such as forward exchange contract, currency swap agreement or interest rate option contract to hedge currency exposure related to import of raw materials and others or principal and interest obligations of foreign currency loans.

2.10 Inventories

In compliance with the requirements with BAS 2 "Inventories" Raw materials and stores are valued at the lower of average cost and the net realizable value. Stock of finished vehicles, Bus body building unit are valued at cost which is determined by taking into consideration the value of raw materials and production overhead. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to present condition and includes wherever applicable appropriate overheads based on normal level of activity.

No provision has been made for slow moving & obsolete stocks during the financial year.

2.11 Cash and Cash Equivalent

Cash and Cash Equivalents includes cash in hand, cash at banks, which are held and available for use by the company without any restriction and having maturity dates of three months or less from the respective date of deposit. There is insignificant risk of change in value of same.

2.12 Taxation

Current Tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The applicable tax rate for the company is 25.00 % as the company qualifies as a "publicly traded company". Provision for taxation has been made as per law.

Deferred Tax

Deferred tax is recognized liabilities in accordance with BAS 12 "Income Tax "on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that the taxable profits will be available against which deductable temporary differences, unused tax loses or unused tax credits can be utilized.

2.13 Borrowing Costs

In compliance with the requirements of BAS 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.

Borrowing costs are recognized as expenses in the period in which they incurred and capitalized the same that incurred before commencement of commercial operation.

2.14 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, commission, rebates, and other sales taxes where applicable.

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

i) the enterprise has transferred to the buyer the significant risk and rewards of ownership of the goods;
ii) the enterprise retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
iii) the amounts of revenue can be measured reliably;
iv) it is probable that the economic benefits associated with the transaction will flow to the enterprise; and
v) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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2.15 Provident Fund Scheme

The company operates a Contributory Provident Fund Scheme for its permanent employees. The company's contribution to the fund is charged off as revenue expenditure during the year to which the contribution relates. The fund is operated by a Board of Trustees consisting 5 (Five) members. All confirmed employees of the company are contributing 10% of their basic salary as subscription to the fund. The company also contributes equal amount of the employees' contribution. Interest earned from the investments is credited to the members account on yearly basis.

Gratuity Scheme

The company operates an unfunded gratuity scheme, provision in respect of which is made annually for the company's permanent eligible employees as per BAS-19, "Employee Benefits".

Group Term Insurance Scheme

The company has Group Term Insurance Scheme for its permanent employees and the provision for premium of the same is made annually.

2.16 Cash Flows Statement

Statement of cash flows is prepared principally in accordance with BAS 7 "Cash Flow Statements" and cash flows from operating activities have been presented under direct method as required by the Securities and Exchange Rules, 1987.

2.17 Provisions

The preparation of the financial statements in conformity with the Bangladesh Accounting Standards BAS 37 "Provision, Contingent Liabilities and Contingent Assets" requires management to make estimates and assumptions that affect of the reported amounts of revenue and expenses, assets and liabilities and the disclosure requirements for contingent assets and liabilities at the date of the financial statements.

In accordance with the guidelines as prescribed by BAS 37, provisions were recognized in the following situations:

i) when the company has a present obligation as a result of past event;
ii) when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
iii) reliable estimates can be made of the amount of obligation.

The provisions have been made in the accounts at an appropriate level with regard to an adequate risks and uncertainties. An amount recorded as a provision represents the best estimate of the probable expenditure required to fulfill the current obligation on the balance sheet date.

2.18 Liabilities for Expenses

While the provision for certain standing charges and known liabilities is made at the balance sheet date based on estimate, the difference arising there from on receipts of bills/ demands and/ or actual payments is adjusted in the subsequent year when such liabilities are settled.

2.19 Earnings Per Share

Basic Earnings Per Share

The company calculates Earning Per Share (EPS) in accordance with BAS 33. Basic earnings per share have been calculated taking a capital base of 95,732,422 Ordinary shares of Tk. 10 each as on August 31, which is shown in the face of the Statement of Comprehensive Income and the computation of EPS is stated in note # 24.

Diluted Earnings Per Share

No diluted earnings per is required to be calculated for the year as there was no scope for dilution during the year under review.

2.20 Event after the Reporting Period

As per BAS- 10, Events after the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. Two types of events can be identified:

i) those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period) and
ii) those that are indicative of conditions that arose after the reporting period (no adjusting events after the reporting period).

These financial statements were authorized for issued by the Board of Directors on November 15, 2015. No material event had occurred after the balance sheet date of issue of these financial statements, which could affect the values stated in the financial statement.

2.21 Workers Profit Participation Fund

Provision for Workers Profit Participation Fund (WPPF) and Worker Welfare Fund (WWF) has been made @ 5% on net profit as per provision of The Bangladesh Labour Law,2006 and payable to workers as defined in the said law.

2.22 Financial Assets and Liabilities

Financial assets and liabilities are recognized on the balance sheet date when the entity has become a party to a contractual provision of the instruments.

i) Receivables

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. Receivables that would mature after one from the date of Statement of Financial position has been shown as long term.

ii) Payable

Liabilities are recorded at the amount payable for settlement in respect of goods and services received by the company.

iii) Related party disclosure

As per BAS -24 parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company has carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with related parties.

iv) Borrowings

Interest bearing bank loans and overdrafts are recorded at the proceeds received net of direct issue costs. Financial charges are accounted for on an accrual basis.

2.23 General

i) Figures shown in the accounts have been rounded off to the nearest Bangladeshi Taka.
ii) Comparative figures and account titles in the financial statements have been re-arranged/re-classified where necessary, to conform to changes in presentation in the current year.

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Shedule- A

Aftab Automobiles Limited

3. Property, plant and equipment, net

Aftab Automobiles Ltd	Cost			Rate of Dep.	Depreciation				Carrying amount	
Particulars	As at 01.09.2014	Add./(Adj.) for the year	As at 31.08.2015		As at 01.09.2014	Charged during the year	Adj. during the year	As at 31.08.2015	As at 31.08.2015	As at 31.08.2014
Land & Land Development	135,643,550	53,257,200	188,900,750	-	-	-	-	-	188,900,750	135,643,550
Building	127,190,726	2,570,720	129,761,446	2.5%	27,607,974	2,521,703	-	30,129,677	99,631,769	99,582,752
Shades	5,665,715	26,838,473	32,504,188	20%	3,626,762	3,091,638	-	6,718,400	25,785,788	2,038,953
Plant & Machinery	228,477,750	67,763,200	296,240,950	10%	105,624,528	15,673,482	-	121,298,010	174,942,940	122,853,222
Tools & Equipments	20,934,686	8,478,366	29,413,052	20%	12,376,961	2,559,382	-	14,936,343	14,476,709	8,557,725
Office Equipment	19,247,959	7,274,967	26,522,926	10%	6,161,868	1,672,357	-	7,834,225	18,688,701	13,086,092
Furniture & Fixture	11,389,552	4,894,689	16,224,241	10%	3,667,883	1,014,901	-	4,672,784	11,551,457	7,731,670
Transport Vehicles	39,268,322	13,574,481	52,842,803	20%	24,601,334	4,290,846	-	28,892,180	23,950,623	14,666,988
Electrical line installation	-	1,204,113	1,204,113	10%	-	60,206	-	60,206	1,143,907	-
Office Decoration	-	17,383,525	17,383,525	10%	-	869,176	-	869,176	16,514,349	-
Total	587,818,260	203,179,734	790,997,994		183,857,310	31,753,691	-	215,611,001	575,586,994	404,160,951

Depreciation charged to :	Taka
Cost of goods sold	25,402,953
Profit & Loss Account (Admin)	3,175,369
Profit & Loss Account (Selling)	3,175,369
T O T A L	31,753,691

Shedule- A

Aftab Automobiles Limited and it's Subsidiary

3 (a). Property, plant and equipment, net

Consolidated	Cost			Rate of Dep.	Depreciation				Carrying amount	
Particulars	As at 01.09.2014	Add./(Adj.) for the year	As at 31.08.2015		As at 01.09.2014	Charged during the year	Adj. during the year	As at 31.08.2015	As at 31.08.2015	As at 31.08.2014
Land & Land Development	236,194,058	53,257,200	289,451,258	-	-	-	-	-	289,451,258	236,194,058
Building	216,429,029	9,782,844	226,211,873	2.5%	39,629,613	4,542,271	-	44,171,884	182,039,989	176,799,416
Shades	5,665,715	26,838,473	32,504,188	20%	3,626,762	3,091,638	-	6,718,400	25,785,788	2,038,953
Plant & Machinery	443,366,759	142,260,780	585,627,539	10%	184,021,280	33,047,587	-	217,068,867	368,558,672	259,345,479
Tools & Equipments	62,896,386	14,418,133	77,314,519	20%	37,118,592	6,597,372	-	43,715,964	33,598,555	25,777,794
Office Equipment	43,043,684	12,113,931	55,157,615	10%	14,735,329	3,436,532	-	18,171,862	36,985,754	28,308,355
Furniture & Fixture	19,642,252	6,672,215	26,314,467	10%	6,431,736	1,654,662	-	8,086,399	18,228,069	13,210,516
Transport Vehicles	67,172,684	19,037,415	86,210,099	20%	37,447,515	7,848,775	-	45,296,290	40,913,809	29,725,169
Electrical line installation	4,298,388	6,453,095	10,751,483	10%	454,508	707,042	-	1,161,551	9,589,932	3,843,880
Gas line installation	11,332,299	-	11,332,299	10%	1,286,266	1,004,603	-	2,290,869	9,041,433	10,046,036
Office Decoration	223,045	20,319,604	20,542,649	10%	11,152	1,037,169	-	1,048,321	19,494,328	211,893
Total	1,110,264,299	311,153,690	1,421,417,989		324,762,753	62,967,652	-	387,730,405	1,033,687,585	785,501,549

Depreciation charged to :	Taka
Cost of goods sold	50,374,122
Profit & Loss Account (Admin)	6,296,765
Profit & Loss Account (Selling)	6,296,765
T O T A L	62,967,652

		31/8/15	31/8/14
		BD Taka	BD Taka
3	**Property, plant and equipment, net**		
	Land & Land Development	188,900,750	135,643,550
	Building	99,631,769	99,582,752
	Shades	25,785,788	2,038,953
	Plant & Machinery	174,942,940	122,853,222
	Tools & Equipments	14,476,709	8,557,725
	Office Equipment	18,688,701	13,086,091
	Furniture & Fixture	11,551,457	7,731,669
	Transport Vehicles	23,950,623	14,666,988
	Electrical line installation	1,143,907	-
	Office Decoration	16,514,349	-
		575,586,994	**404,160,951**
3 (a)	**Consolidated property, plant and equipment, net**		
	Land & Land Development	289,451,258	236,194,058
	Building	182,039,989	176,799,416
	Shades	25,785,788	2,038,953
	Plant & Machinery	368,558,672	259,345,480
	Tools & Equipments	33,598,555	25,777,794
	Office Equipment	36,985,753	28,308,355
	Furniture & Fixture	18,228,068	13,210,517
	Transport Vehicles	40,913,809	29,725,170
	Electrical line installation	9,589,932	3,843,879
	Gas line installation	9,041,430	10,046,032
	Office Decoration	19,494,328	211,893
		1,033,687,584	**785,501,547**
4	**Capital work in progress**		
	Opening balance	123,068,621	60,220,560
	Addition during the year	157,703,930	62,848,061
		280,772,551	123,068,621
	Less: transfer to property, plant & equipment	177,972,693	-
	Closing balance	**102,799,858**	**123,068,621**

Capital work in progress represents Land and Land Development , civil constructions, Plant and Machinery for BMRE of Assembling Unit and Body Building Unit and Motor Cycle Unit.

4 (a)	**Consolidated capital work in progress**		
	Opening balance	191,996,470	273,356,949
	Addition during the year	259,293,630	147,168,650
		451,290,100	**420,525,599**
	Less: Transfer to property, plant & equipment	184,472,693	123,535,421
	Less : Adjustment made for op.balance desolve subsidiries	-	104,993,708
	Closing balance	**266,817,407**	**191,996,470**
5	**Investments**		
	Investment in subsidiaries (Note: 5.1)	591,201,837	500,663,107
	Investment in shares (Note: 5.2)	5,860,463	6,819,639
	Investment in associate (Note : 5.3)	274,138,325	254,056,751
		871,200,625	**761,539,497**

AMARSTOCK

		31/8/15	31/8/14
		BD Taka	BD Taka
5.1	**Investment in subsidiary**		
	Navana Batteries Limited		
	Opening Balance	500,663,107	397,195,561
	Add: Profit during the year	90,538,730	103,467,546
		591,201,837	**500,663,107**
5.2	**Investment in shares**		
	Opening Balance	6,819,639	6,148,590
	Revaluation Gain/(Loss) on investment in share	(959,176)	671,049
		5,860,463	6,819,639
	Less: Shares sale during the year	-	-
	Closing Balance	**5,860,463**	**6,819,639**
5.3	**Investment in associate**		
	The details are stated below :		
	Share Invest of NREL at cost	**20,000,000**	**20,000,000**
	Share of equity from associate		
	Opening Balance	**234,056,751**	**223,241,217**
	Add: Share of equity from associate	20,081,574	10,815,534
	Add: Bonus Share from associate	-	-
	Closing Balance	254,138,325	234,056,751
	Total Investment in associate	**274,138,325**	**254,056,751**
5 (a)	**Quantative details of investments in share**		
	Investment in shares of Navana CNG Ltd at cost (Note: 5 (a) 1)	6,819,639	6,148,590
	Decrease of market value shares	(959,176)	671,049
		5,860,463	**6,819,639**
	Details of investment in shares:		
5 (a) 1	**Acquisition quantaty of shares of Navana CNG Ltd.**	**461,439**	**461,439**
	Less: shares sale during the year	-	-
	Total number of shares	**461,439**	**461,439**
	Opening Balance	105,404	87,837
	bonus share	-	17,567
	Total number of shares	105,404	105,404
	Total number of shares	**566,843**	**566,843**
5 (a) 2	**Acquisition quantaty of shares of Navana Real Estate Ltd.**	**20,000,000**	**20,000,000**
	Less: shares sale during the year	-	-
		20,000,000	20,000,000
	Opening Balance	**6,000,000**	**6,000,000**
	Number of shares purchased	-	-
	Number of bonus shares received during the year	-	-
	Total number of shares	**6,000,000**	**6,000,000**

AMAR STOCK

		31/8/15	31/8/14
		BD Taka	BD Taka
6	**Receivables**		
	Long Term receivabile	2,877,555,973	1,723,995,335
	Short Term receivabile	862,021,457	853,143,824
		3,739,577,430	**2,577,139,159**

Receivables are considered good and as such ,no provision has been made in the accounts for doubtful debts.
The Company holds no security other than debtors' personal security in the form of work orders.

6(a)	**Consolidated receivables**		
	Long Term receivabile	2,877,233,972	1,723,995,335
	Short Term receivabile	1,450,555,891	1,074,836,385
		4,327,789,863	**2,798,831,720**
7	**Stock and stores**		
	Finished products	580,428,847	693,890,012
	Raw materials	232,365,491	97,329,871
	Work-in-process	24,040,833	17,960,127
	Stores and spares	12,457,514	6,674,746
	Goods in transit	27,835,491	25,984,515
		877,128,176	**841,839,271**

Value of Stock of Finished product & Raw materials inclusive of -102- units Hino bus ,-20- units RM2 Hino Bus chassis ,-15 -.units HINO 3TON CBU TrucK and -903- units of Motor cycle .

7 (a)	**Consolidated stock and stores**		
	Finished products	675,113,345	767,975,872
	Raw materials	471,546,167	245,824,629
	Work-in-process	95,364,595	79,947,253
	Stores and spares	12,457,514	6,674,746
	Goods in transit	96,889,491	111,801,316
		1,351,371,112	**1,212,223,816**
8	**Income tax deducted at source**		
	Opening balance	**338,850,802**	**292,423,996**
	Addition during the year	54,061,908	46,426,806
		392,912,710	338,850,802
	Adjustment made during the year	-	-
		392,912,710	**338,850,802**

The above amount was deducted at the import point as well as from the bills in different times at delivery point.

AMAR STOCK

		31/8/15	31/8/14
		BD Taka	BD Taka
8 (a)	**Consolidated Income tax deducted at source**		
	Opening balance	**465,660,394**	**389,337,871**
	Addition during the year	98,708,260	93,966,206
		564,368,654	483,304,077
	Adjustment made during the year	-	3,417,369
	Adjustment made for desolve subsidiries	-	14,226,314
		564,368,654	**465,660,394**
9	**Advances, deposits and prepayments**		
	Advance to suppliers	584,439,130	665,280,646
	Advance to employees	16,463,768	3,266,363
	Deposits for motor Cycle Unit	69,475,636	84,066,374
	Advance to others	17,631,119	-
	Deposits	317,698,628	325,285,961
		1,005,708,281	**1,077,899,344**

Advance paid to suppliers against work order and considered good. Advance to employees against expenses, salary releasable on production of documents and monthly salary respectively are considered good. Deposits consist of utility deposits, security money against tender and bank guarantee are considered good.

9 (a)	**Consolidated advances, deposits and prepayments**		
	Advance to suppliers	716,399,355	820,259,007
	Advance to employees	59,117,117	23,853,483
	Deposits for motor Cycle Unit	69,475,636	84,066,374
	Advance to others	98,395,019	122,080,290
	Current Account with VAT	38,024,587	58,853,448
	Deposits	409,038,253	431,473,807
		1,390,449,967	**1,540,586,409**
10	**Cash & bank balances**		
	Cash in hand	8,559,963	7,743,424
	Cash at bank	220,050,290	440,383,823
		228,610,253	**448,127,247**
10 (a)	**Consolidated cash & bank balances**		
	Cash in hand	12,117,766	9,955,665
	Cash at bank	326,837,384	480,355,007
		338,955,150	**490,310,672**

AMARSTOCK

		31/8/15	31/8/14
11	**Share capital**	**BD Taka**	**BD Taka**
	Authorized capital:		
	120,000,000 Ordinary shares of Tk. 10 each	1,200,000,000	1,200,000,000
	180,000,000 Cum. redeemable preference shares of Tk. 10 each	1,800,000,000	1,800,000,000
		3,000,000,000	**3,000,000,000**
	Ordinary Share capital:		
	Issued, subscribed and paid up		
	95,732,422 Ordinary shares of Tk. 10 each		
	Sponsors	291,939,445	291,939,445
	General Public	665,384,775	665,384,775
		957,324,220	**957,324,220**

The Position of Ordinery shareholders as on August 31, 2015 was as follows :

Type of investors	No.of investors	No. of shares	Holding % 2015	Holding % 2014
Sponsors	12	29,092,758	30.39%	30.39%
Financial Instutations including ICB	322	25,154,366	26.28%	23.71%
General Public	38,825	41,485,298	43.33%	45.90%
Total	**39,159**	**95,732,422**	**100.00%**	**100.00%**

The classification of shareholders by holding as on August 31, 2015 was as follows :

Type of investors			No.of investors	No. of shares	Total Holding %
1	To	500	25812	4,005,815	4.18%
501	To	5,000	11855	18,216,703	19.03%
5,001	To	10,000	875	6,213,957	6.49%
10,001	To	20,000	359	5,071,385	5.30%
20,001	To	30,000	88	2,127,980	2.22%
30,001	To	40,000	39	1,390,990	1.45%
40,001	To	50,000	30	1,358,123	1.42%
50,001	To	100,000	54	3,813,257	3.98%
100,001	To	1,000,000	36	12,559,486	13.12%
Above		1,000,000	11	40,974,726	42.80%
			39159	**95,732,422**	**100%**

12	**Share premium.**		
	Net Premium Up to 2006	250,191,730	250,191,730
	Net Premium in 2010	1,675,666,609	1,675,666,609
		1,925,858,339	**1,925,858,339**
13	**Reserves**		
	Tax holiday reserve	12,338,231	12,338,231
	Dividend equalisation fund	4,000,000	4,000,000
	General reserve	51,000,000	51,000,000
		67,338,231	**67,338,231**

		31/8/15	31/8/14
		BD Taka	BD Taka
14	**Long Term loan-Net of current portion**		
	Agrani Bank Ltd.	312,045,936	341,081,262
	Meghna bank Ltd AC 631-4	162,458,396	96,692,468
	South-bangla Agricultural & commerce	127,209,347	101,019,520
	Standard bank ltd.	31,839,687	21,178,444
	Mutual trust bank ltd.	74,997,061	52,205,752
	Uttara Finance	198,397,331	-
	Midland Bank Ltd. O/D AC	63,157,902	-
	Peoples Leasing	245,538,080	-
	One Bank Lease Loan	10,080,000	-
		1,225,723,740	**612,177,446**
	less: Long Term loan-Current portion	**306,430,935**	**153,044,362**
	Long Term loan-Net of current portion	**919,292,805**	**459,133,085**
14(a)	**Long Term loan-Net of current portion**		
	Agrani Bank Ltd.	312,045,936	341,081,262
	Meghna bank Ltd AC 631-4	162,458,396	96,692,468
	South-bangla Agricultural & commerce	127,209,347	101,019,520
	Standard bank ltd.	31,839,687	21,178,444
	Mutual trust bank ltd.	74,997,061	52,205,752
	Uttara Finance	198,397,331	-
	Midland Bank Ltd. O/D AC	63,157,902	-
	Peoples Leasing	245,538,080	-
	One Bank Lease Loan	10,080,000	-
	Al-Arafah Islami Bank Ltd.	35,059,444	34,950,000
	Trust Bank Ltd.	236,925,000	-
	Dutch-bangla Bank Ltd.	392,610,890	-
	Social Islami Bank Ltd.	45,825,329	-
	IDLC Finance	3,223,065	-
	National finance Ltd	1,704,000	-
		1,941,071,468	**647,127,446**
	less: Long Term loan-Current portion	**485,267,867**	**161,781,862**
	Long Term loan-Net of current portion	**1,455,803,601**	**485,345,585**
15	**Short-term loan**		
	Bank Asia Ltd.	466,463,146	348,448,959
	Standard Bank Ltd CC AC	41,736,785	41,918,287
	NRB Commercial	90,000,000	49,888,885
	NCC Bank Ltd CC AC	33,305,996	40,004,803
	Dhaka Bank Ltd.	102,443,324	54,744,504
	Mercantile Bank	9,274,802	22,449,631
	The City Bank Ltd O/D Ac	29,975,419	-
	Prime bank Ltd. SOD A/C	49,944,622	-
	One bank Ltd. SOD A/C	30,907,799	-
	SBAC	31,500,484	-
		885,552,377	**557,455,069**
15(a)	**Short-term loan**		
	Bank Asia Ltd.	466,463,146	348,448,959
	Standard Bank Ltd CC AC	41,736,785	41,918,287
	NRB Commercial	90,000,000	49,888,885
	NCC Bank Ltd CC AC	69,643,558	76,171,342
	Dhaka Bank Ltd.	102,443,324	54,744,504
	Mercantile Bank	19,270,192	45,712,381
	Southeast Bank Ltd.	195,963,321	55,047,443
	National Bank Ltd. CC loan	199,869,921	497,079,967
	Shahjalal Islami bank ltd	3,656,820	42,065,278
	The City Bank Ltd O/D Ac	29,975,419	-
	Prime bank Ltd. SOD A/C	49,944,622	-
	One bank Ltd. SOD A/C	30,907,799	-
	SBAC	31,500,484	-
		1,331,375,391	**1,211,077,046**

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		31/8/15	31/8/14
		BD Taka	BD Taka
16	**Accrued and other current liabilities**		
	For goods supplied	32,045,454	36,544,569
	For expenses	79,172,478	44,975,838
	For Income tax	397,395,535	331,072,057
	For gratuity	35,326,140	31,326,140
	For Workers' P.P.F. and W.F.	39,476,406	32,214,518
	For other finance	97,608,445	74,728,470
	Unclaimed dividend	32,214,294	21,721,916
		713,238,752	**572,583,508**
16 (a)	**Consolidated accrued and other current liabilities**		
	For goods supplied	75,793,436	53,451,515
	For expenses	132,839,958	72,950,370
	For Income tax	513,544,702	439,942,759
	For gratuity	35,326,140	31,326,140
	For Workers' P.P.F. and W.F.	47,004,558	32,214,518
	Unclaimed dividend	117,993,654	74,728,470
	For other finance	32,214,294	21,721,916
		954,716,742	**726,335,688**
17	**Revenues (Net Sales)**		
	Automobiles assembling unit	1,846,319,790	1,424,440,000
	Body building unit	283,881,796	167,460,245
	Motor Cycle unit	326,841,116	138,085,844
		2,457,042,702	**1,729,986,089**

The quantity of sales during the year are Hino Bus chassis -342. units,Hino Mini Bus chassis-3 - units, RM2 AC Bus-3 units ,Hino 3Ton Truck-5 units and 2875 units of Motor cycle.

17 (a)	**Consolidated revenues**		
	Aftab automobiles Ltd.	2,457,042,702	1,729,986,089
	Navana Batteries Limited	1,002,022,503	979,887,224
		3,459,065,205	**2,709,873,313**
18	**Cost of goods sold**		
	Opening stock of direct raw materials	97,329,871	223,909,920
	Purchases of direct raw material	1,747,629,450	1,261,903,076
	Direct raw materials available for consumption	**1,844,959,321**	**1,485,812,996**
	Closing stock of direct raw materials (Note-7)	232,365,491	97,329,871
	Raw materials cosumed	**1,612,593,830**	**1,388,483,125**
	Add : Opening wip	17,960,127	4,922,027
		1,630,553,957	**1,393,405,152**
	Less : Closing wip (Note-7)	24,040,833	17,960,127
		1,606,513,124	**1,375,445,025**
	Indirect materials	86,832,074	87,724,974
	Total consumption	**1,693,345,198**	**1,463,169,999**
	Factory overhead (Note-18.1)	89,242,784	69,029,878
	Cost of production	**1,782,587,982**	**1,532,199,877**
	Opening Finished products	693,890,012	451,394,764
		2,476,477,994	**1,983,594,641**
	Closing Finished products (Note-7)	580,428,847	693,890,012
		1,896,049,147	**1,289,704,629**

		31/8/15	31/8/14
		BD Taka	BD Taka
18.1	**Factory overhead**		
	Salary and allowances	19,960,915	14,121,206
	Wages	11,699,087	12,123,226
	Contribution to P.F.	1,479,933	494,827
	Overtime	4,222,289	3,209,924
	Bonus	2,754,011	2,589,957
	Leave pay	558,452	380,257
	Gratuity	1,222,420	-
	Liveries and Uniform	177,774	101,220
	Telephone,Fax, Mobile	435,705	431,723
	Fuel and Lubricants	4,086,869	1,940,073
	Travelling and Conveyance	330,641	388,574
	Entertainment	1,394,088	1,307,759
	Office Expenses	35,987	516,221
	Maintenance expenses	1,419,388	1,087,434
	Electric Expenses	6,474,581	4,802,023
	Duty and Allowance	14,115	27,722
	Canteen Subsidies	208,770	161,664
	Eid greeting	218,125	275,021
	Rent Rates & Taxes	3,609,360	277,449
	Insurance	1,798,803	2,648,298
	Gas	-	31,547
	Welfare expenses	543,595	977,473
	Carrying & handling	134,386	675,519
	Papers & periodical	9,085	60,801
	General charges	362,680	94,879
	Repairs and maintenance (vehicle)	203,095	504,513
	Security Exps	-	157,567
	Chemicals	762	693
	Annual pinic	246,800	-
	Printing & Stationary	238,117	187,873
	Depreciation	25,402,952	19,454,434
		89,242,785	**69,029,879**

The number of employees received annual salary and wages above Tk. 36,000 during the year are 162 .

18 (a)	**Consolidated cost of goods sold**		
	Opening stock of direct raw materials	245,824,629	348,171,505
	Purchases of direct raw material	2,488,960,734	2,018,596,239
	Direct raw materials available for consumption	**2,734,785,363**	**2,366,767,744**
	Closing stock of direct raw materials (Note-7.a)	471,546,167	245,824,629
	Raw materials cosumed	**2,263,239,196**	**2,120,943,115**
	Add : Opening wip	79,947,253	135,319,740
		2,343,186,449	**2,256,262,855**
	Less : Closing wip (Note-7.a)	95,364,595	79,947,253
		2,247,821,854	**2,176,315,602**
	Indirect materials	95,999,454	98,046,346
	Total consumption	**2,343,821,308**	**2,274,361,948**
	Factory overhead (Note-18.a.1)	181,569,365	147,631,393
	Cost of production	**2,525,390,673**	**2,421,993,341**
	Opening Finished products	767,975,872	551,039,443
		3,293,366,545	**2,973,032,784**
	Closing Finished products (Note-7.a)	675,113,345	767,975,872
		2,618,253,200	**2,205,056,912**
	Less : adjustment op. stocks for divestment of Subsidireis	-	201,037,429
		2,618,253,200	**2,004,019,483**

AMARSTOCK

	31/8/15	31/8/14
	BD Taka	BD Taka
18 (a .1) Factory overhead		
Salary and allowances	24,465,853	17,536,874
Wages	17,954,497	17,072,474
Contribution to P.F.	2,434,377	1,177,960
Overtime	4,541,791	5,130,776
Bonus	2,796,770	3,454,868
Leave pay	906,092	632,609
Gratuity	1,692,744	858,583
Liveries and Uniform	703,644	427,009
Telephone,Fax, Mobile	863,593	686,223
Fuel and Lubricants	5,681,129	2,647,570
Travelling and Conveyance	788,007	731,818
Entertainment	1,521,790	1,331,558
Office Expenses	156,487	552,187
Maintenance expenses	2,786,698	1,785,649
Electric Expenses	39,080,211	34,869,787
Duty and Allowance	292,335	164,479
Canteen Subsidies	3,970,081	1,714,384
Eid greeting	243,625	289,601
Rent Rates & Taxes	3,609,360	277,449
Insurance	4,795,949	5,016,427
Gas	1,141,378	1,585,884
Welfare expenses	694,315	1,080,263
Carrying & handling	495,936	959,053
Papers & periodical	9,085	60,801
General charges	362,680	94,879
Repairs and maintenance (vehicle)	865,883	1,083,958
Security Exps	916,450	1,047,797
Chemicals	458,209	981,330
store & Spare	24,260	255,790
Foreign Technician Remunaration	2,400,000	1,800,000
Annual pinic	1,100,140	-
Printing & Stationary	938,402	187,873
Screen Printing	596,582	64,842
Labour Charges	317,355	430,045
Laboratory Exps	-	139,412
Generator Maintenance	1,425,384	465,316
Fire Extinguisher	164,153	62,940
Depreciation	50,374,121	40,972,923
	181,569,365	**147,631,393**

AMARSTOCK

		31/8/15	31/8/14
		BD Taka	BD Taka
19	**Administrative expenses**		
	Salary and allowances	29,986,680	26,000,214
	Wages	8,392,483	3,692,020
	Cont. to C.P.F.	634,652	791,300
	Bonus	3,644,791	3,389,635
	Overtime	895,046	645,322
	Welfare expenses	27,101	28,546
	Medical Expenses	55,720	127,360
	Gratuity	4,000,000	4,390,320
	Leave pay	1,133,843	893,593
	Entertainment	1,214,393	720,791
	AGM expenses.	428,684	1,530,774
	TA and Conveyance	1,300,323	1,245,729
	Travelling Exp - Foreign	1,099,220	788,784
	Car maintenance	2,065,821	1,957,112
	Stationery	1,041,932	640,708
	Fees and Registration	3,167,656	3,407,542
	Telephone	720,873	679,846
	Electric expenses	188,016	431,090
	Rent, rates and taxes	3,055,622	355,934
	Insurance premium	234,457	354,012
	Liveries and Uniform	26,760	57,939
	Bank charges	636,920	756,245
	Bank Guarantee & Charge documents	2,038,622	773,513
	Audit fees	130,000	100,000
	Duty allowance	112,754	214,829
	Paper and periodicals	70,795	19,669
	Postage and telegram	555,946	166,490
	Night allowances	61,081	58,611
	Advertisement and Publicity	569,537	5,707
	Directors fee	175,000	175,000
	Office maintenance	427,376	564,969
	Maintenance expenses	474,724	205,195
	General Expenses	340,465	229,870
	WASA Bill	54,604	12,273
	Carrying & Handling	320,769	660,347
	Gas	115,775	47,930
	CDBL Fee	-	930,320
	Canteen Subsidy	325,000	395,970
	Security Exps	520,708	45,001
	Donation	111,000	49,769
	Promotion Exp.	772,396	480,089
	DGDP Exps	-	1,225,567
	Guest House Maintenance	330,600	-
	Depreciation	3,175,369	4,863,607
		74,633,514	**64,109,542**

The number of employees received annual salary and allowances above Tk. 36,000 during the year are 87.

AMARSTOCK

		31/8/15	31/8/14
		BD Taka	BD Taka
19 (a)	**Consolidated administrative expenses**		
	Salary and allowances	33,776,246	28,515,812
	Wages	8,837,909	4,018,840
	Cont. to C.P.F.	634,652	791,300
	Bonus	4,102,574	3,669,963
	Overtime	895,046	645,322
	Welfare expenses	257,101	128,546
	Medical Expenses	55,720	127,360
	Gratuity	4,224,568	4,620,032
	Leave pay	1,133,843	893,593
	Entertainment	1,813,239	1,205,571
	AGM expenses.	428,684	1,530,774
	TA and Conveyance	1,455,953	1,467,237
	Travelling Exp - Foreign	2,108,866	1,148,904
	Car maintenance	3,898,721	2,921,822
	Stationery	1,467,752	926,428
	Fees and Registration	4,295,008	3,857,822
	Telephone	841,210	737,496
	Electric expenses	188,016	431,090
	Rent, rates and taxes	3,055,622	355,934
	Insurance premium	234,457	354,012
	Liveries and Uniform	26,760	57,939
	Bank charges	636,920	756,245
	Bank Guarantee & Charge documents	2,153,883	786,836
	Audit fees	180,000	150,000
	Duty allowance	112,754	214,829
	Paper and periodicals	79,351	19,669
	Postage and telegram	642,133	168,543
	Publicity	65,000	72,798
	Night allowances	61,081	58,611
	Advertisement and Publicity	569,537	5,707
	Directors fee	190,000	190,000
	Office maintenance	486,372	990,489
	Maintenance expenses	1,484,370	850,716
	General Expenses	340,465	229,870
	WASA Bill	54,604	12,273
	Carrying & Handling	1,370,999	1,634,773
	Gas	115,775	47,930
	CDBL Fee	-	930,320
	Canteen Subsidy	325,000	395,970
	Security Exps	520,708	45,001
	Donation	111,000	49,769
	Promotion Exp.	772,396	480,089
	DGDP Exps	-	1,225,567
	ISO	504,477	313,599
	Fuel & Lubricants	328,382	-
	Guest House Maintenance	330,600	203,804
	Membership fee & others	530,820	485,337
	Depreciation	6,296,765	7,553,418
		91,995,339	**76,277,962**

AMARSTOCK

20 Selling and distribution expenses	31/8/15 BD Taka	31/8/14 BD Taka
Salary & Allowance	9,375,006	10,174,296
Wages	1,094,824	409,112
Bonus	1,617,304	620,323
Leave pay	240,034	847,858
Welfare	111,526	95,720
P/F company's Contribution	288,040	508,715
Overtime	110,785	789,720
Fuel & Lubricant	710,754	150,890
Transit Insurance	220,520	320,641
Promotional Exps	444,254	1,109,916
Training Exp.	230,730	150,236
Driving Charge	180,254	225,160
Toll Charge	35,980	52,500
Delivery Exps	208,190	325,790
Rent Rates & Taxes	6,709,584	7,820,413
Conveyance	273,367	117,740
Entertainment	394,620	95,758
Stationery	3,000	55,720
Telephone	117,944	405,848
Publicity Exp.	937,821	-
Fees & Registration	185,332	-
Maintenance	45,418	-
Car Maintenance	123,920	65,721
Postage & Telegram	115,847	80,301
Papers & Periodicals	4,930	5,274
Bank Charges	20,360	15,724
Security Guard salary	175,500	179,528
Office Maintenance	185,237	109,537
Showroom Exps	382,361	-
Transportation Charges	495,802	116,910
Gift & Donation	5,620	5,200
Bad debts	12,144,945	-
Chemical & Packing exps	10,520	15,478
Dealer conference Exp.	-	220,150
Transit Insurance	104,318	-
Others	-	69,291
Depreciation	3,175,369	-
	40,480,016	**25,159,470**

AMARSTOCK

	31/8/15	31/8/14
	BD Taka	BD Taka
20 (a) Consolidated selling and distribution expenses		
Salary & Allowance	38,149,878	33,825,788
Wages	1,621,727	980,150
Bonus	3,732,364	2,448,043
Leave pay	240,034	847,858
Welfare	463,540	186,094
P/F company's Contribution	2,036,943	1,970,241
Gratuity	2,266,833	1,422,664
Overtime	889,544	1,877,510
Fuel & Lubricant	1,953,644	2,066,857
Transit Insurance	1,001,490	320,641
Promotional Exps	675,144	2,196,781
Training Exp.	230,730	150,236
Driving Charge	180,254	225,160
Toll Charge	35,980	52,500
Delivery Exps	956,467	688,696
Rent Rates & Taxes	11,112,826	10,916,763
Conveyance	845,277	832,335
Entertainment	851,492	781,688
Stationery	736,774	920,759
Telephone	1,708,538	1,649,319
Publicity Exp.	1,283,031	192,603
Fees & Registration	1,802,851	249,304
Maintenance	533,059	603,888
Car Maintenance	321,695	706,887
Electrical Expenses	1,291,345	1,181,826
Postage & Telegram	296,234	205,320
Papers & Periodicals	27,327	25,605
Bank Charges	23,680	216,141
Security Guard salary	1,653,025	1,234,618
Office Maintenance	236,407	492,996
Showroom Exps	1,370,491	702,866
Transportation Charges	1,002,062	1,138,063
Utility Bill (WASA)	78,246	94,800
Gift & Donation	587,743	610,374
Bad debts	12,144,945	-
Chemical & Packing exps	441,100	867,676
Dealer conference Exp.	529,773	1,585,247
Transit Insurance	104,318	-
Others	520,969	69,292
Depreciation	6,296,765	2,689,811
	100,234,546	**77,227,400**

AMARSTOCK

		31/8/15	31/8/14
		BD Taka	BD Taka
21	**Financial charges**		
	Aftab Automobiles Ltd.	172,596,114	118,664,327
	Assembling Unit	142,973,283	96,486,365
	Body building Unit	4,469,088	6,507,290
	Motor cycle Unit	25,153,743	15,670,672
		172,596,114	**118,664,327**
21 (a)	**Consolidated financial charges**		
	Aftab Automobiles Ltd.	172,596,114	118,664,327
	Navana Batteries Ltd.	61,063,705	36,807,988
		233,659,819	**155,472,315**
22	**Non-operating income**		
	FDR Interest	10,397,721	24,165,511
	Profit made for divestment of Subsidiry companies.	-	92,371,370
		10,397,721	**116,536,881**
23	**Income tax expense**		
	Current tax	67,099,196	67,406,244
	Deferred tax	(92,618)	(9,609,551)
		67,006,578	**57,796,693**
23 (a)	**Consolidated income tax expense**		
	Current tax		
	Aftab Automobiles Ltd.	67,099,196	67,406,244
	Navana Batteries Ltd	42,185,351	49,120,854
		109,284,547	**116,527,098**
23 (b)	**Deferred tax Liability**		
	Assembling ,Body unit & M.Cycle Unit	14,167,645	18,683,649
	Associate Company	54,827,664	48,944,175
	Aftab Automobiles Ltd.	**68,995,309**	**67,627,824**
	Navana Batteries Ltd	33,538,363	29,146,725
		102,533,672	**96,774,549**
24	**Earnings per share (EPS)**		
	Total comprehensive income	201,390,207	280,024,113
	Ordinary share(Paid Up capital)	95,732,422	95,732,422
	Earnings per share (EPS)	**2.10**	**2.93**
	Earnings per share (EPS) Operating	**2.10**	**1.96**

24 (a) Consolidated earnings per share (EPS)

The calculation of consolidated basic earnings per share at 31 August 2015 was based on the consolidated profit attributable to ordinary shareholders as follows:

Profit attributable to the equity holders	**291,928,937**	**383,491,659**
No. shares	**95,732,422**	**95,732,422**
Earnings per Share (EPS)	**3.05**	**4.01**
Earnings per share (EPS) Operating	**3.05**	**3.04**

AMAR STOCK

25 Loan and deferred liabilities (unsecured) :

Long- term interest free loan from sponsors is carried forward since 1982

26 Claims against the Company :

There is no known claim against the Company.

27 Amount Due by Directors:

There is no advance in the name of directors or Associates undertaking of the company.

28 Amount paid to Directors:

The Directors have been paid only the meeting attendance fee during the year

29 General Nature of Credit Facilities:

There is no other Credit facility available to the Company other than the credit facilities shown in this account.

30 Contingent liability :

The Company has issued guarantee to the tune of Tk. 31.00 crores against sale of Aftab Assembled vehicles under lease finance of different parties.

31 Production Capacity :

The production capacity of the company is 2400 units Toyota & Hino vehicles in Assembling unit under three shifts and 360 units Hino buses in Body Building unit. Actual production for the year 332 units bus assembled in Assembling unit -176-units body fabrication in Body Building Unit.

The production capacity of the company is 10,000 units Motor Cycle in Motor Cycle unit under three shifts . Actual production for the year 2803 units byke assembled in Motor Cycle unit.

32 Related Parties Disclosure:

As per agreement with Toyota Tsusho Corporation, Japan, certian Velivles of Aftab Automobiles Ltd. are distributed through Navana Ltd.(distributor of Toyota & Hino Vehicles). During the year, the company sold vehicles worth Tk. 120.00 crore through Navana Ltd. No other transaction has been made with any other related party.

33 Event after the Reporting Period

The Directors in the meeting held on 15 November 2015, recommended 16 % cash dividend for the shareholders whose name will be appeared in the shareholders' registers at the date of book closure which is subject to shareholders' approval at the forthcoming annual general meeting to be held on 21 December 2015.

"Except the fact stated above, no circumstances have arisen since the balance sheet date which would require adjustment or disclosure in the financial statements or notes thereto."

AMAR STOCK

34 Payment / Perquisites to Directors and officers :

The aggregate amount paid / provided during the period in respect of " Directors " and " Officers " of the Company as defined in the Securities and Exchange Commission Rules 1987 are disclosed below :

	Directors	Officers
Board meeting attendance fee	175,000	-
Managerial remuneration	1,069,601	790,255
Gratuity	374,360	276,589
Company's contribution to P / F	106,960	79,026
Bonus	178,267	131,709
Perquisites :		
Housing	909,161	671,717
Transport	213,920	158,051
Medical	64,176	47,415
Entertainment	224,616	165,954
Telephone	300,000	76,130
Others	20,500	50,500
	3,636,562	**2,447,346**

during the year under review :

i) no compensation was allowed by the company to the Chief executive officer of the company who is also a Director.

ii) the rate at which Directors have drawn Board meeting attendance fees @ Tk.5000/- per Director per meeting. The total Board meeting attendance fee incurred during the year under review was Tk.1,75,000/- and

iii) no amount of money was spent by the company for compensating any member of the board for special services rendered.





View: World Class Motorcycle (Mahindra & Mahindra) assembled by aftab automobiles ltd. (Motorcycle Unit)

AMAR STOCK

AUDITORS' REPORT

TO THE SHAREHOLDERS OF NAVANA BATTERIES LIMITED

We have audited the accompanying financial statements of Navana Batteries Limited (the Company), which comprise the statement of Financial Position as at August 31, 2015, and the statement of Comprehensive Income, Statement of Cash Flows and statement of changes in equity for the year ended August 31, 2015 and a summary of significant accounting policies and other explanatory information disclosed in Notes 1 to 18 and schedule-A.

Management's Responsibility for the Financial Statements

Management of the company is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management of the company, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion, the financial statements present fairly, in all material respects, the financial position of Navana Batteries Limited as at August 31, 2015, and its financial performance and its cash flows for the year then ended in accordance with BFRS and comply with the applicable sections of the Companies Act, 1994, the Securities & Exchange Rule, 1987 and other applicable laws and regulations.

We also report that:

a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;

c) the company's Statements of Financial Position and the Statement of Comprehensive Income dealt with by the report are in agreement with the books of accounts ; and

d) the expenditure incurred was for the purpose of the company's business.

Dated : Dhaka
November 08, 2015

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants

Navana Batteries Limited

Statement of Financial Position

As at August 31, 2015

	Notes	31.08.2015 BD Taka	31.08.2014 BD Taka
Assets :			
Non-current assets :			
Property, plant and equipment,net	3	458,100,591	381,340,596
Capital work in progress	4	164,017,549	68,927,849
Total non-current assets :		**622,118,140**	**450,268,445**
Current assets :			
Receivables	5	588,534,434	221,692,560
Stock and stores	6	474,242,936	370,384,545
Income tax deducted at source	7	171,455,944	126,809,592
Advance, deposits and prepayments	8	384,741,686	462,687,065
Cash and bank balances	9	110,344,897	42,183,425
Total current assets :		**1,729,319,897**	**1,223,757,187**
Total Assets		**2,351,438,037**	**1,674,025,632**
Equity and Liabilities :			
Equity attributable to equity holders			
Share capital	10	183,702,690	183,702,690
Retained earnings	11	407,821,149	317,233,106
Total Equity		**591,523,839**	**500,935,796**
Non current liabilities :			
Deferred Tax Liability		33,538,363	29,146,726
Long Term loan- Net of Current portion	12	536,510,796	26,212,500
Total non current liabilities :		**570,049,159**	**55,359,226**
Current liabilities :			
Long Term loan-Current portion	12	178,836,932	8,737,500
Short term loan	12	445,823,014	653,621,977
Inter company liabilities		323,727,103	301,618,953
Accrued and other current liabilities		241,477,990	153,752,180
Total current liabilities		**1,189,865,039**	**1,117,730,610**
Total Equity and Liabilities		**2,351,438,037**	**1,674,025,632**
Net assets value per share (NAVPS)		**32.20**	**27.27**

The annexed notes 1 to 18 & schedule A form an integral part of these financial statements.

Sd/-
Chairman

Sd/-
Director

Signed in terms of our separate report of even date.

Dated : Dhaka
November 08, 2015

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants

AMARSTOCK

Navana Batteries Limited

Statement of Comprehensive Income

For the year ended August 31, 2015

Particulars	Notes	Year ended 31.08.2015 BD Taka	Year ended 31.08.2014 BD Taka
Revenues (Net)	13	**1,002,022,503**	**979,887,224**
Cost of goods sold	14	722,204,054	714,314,854
Gross profit		**279,818,449**	**265,572,370**
Operating expenses:		**138,180,061**	**101,044,338**
Administrative expenses	15	17,361,826	12,168,420
Selling and distribution expenses	16	59,754,530	52,067,930
Financial charges		61,063,705	36,807,988
Operating Profit		**141,638,388**	**164,528,032**
Non-operating income		2,271,328	-
Profit before contribution to WPPF		**143,909,716**	**164,528,032**
Contribution to WPPF		6,744,685	7,834,668
Net profit before tax		**137,165,031**	**156,693,364**
Provision for income tax :		**46,576,989**	**53,169,464**
Current tax	17	42,185,351	49,120,854
Deferred tax		4,391,637	4,048,610
Net profit after tax		**90,588,043**	**103,523,900**
Earning per share (EPS)	18	**4.93**	**5.64**

The annexed notes 1 to 18 & schedule-A form an integral part of these financial statements.

Sd/-
Chairman

Sd/-
Director

Signed in terms of our separate report of even date.

Dated : Dhaka
November 08, 2015

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants

AMARSTOCK

Navana Batteries Limited

Statement of Cash Flows

For the year ended August 31, 2015

Particulars	Year ended 31.08.2015 BD Taka	Year ended 31.08.2014 BD Taka
Cash Flows from Operating Activities		
Cash Collection from Sales	635,180,629	936,147,266
Inter company receipts	22,108,150	(14,353,247)
Receipts from other Income	2,271,328	-
Cash Paid to Suppliers and Employees	(755,223,687)	(1,000,454,807)
Cash generated from operations	(95,663,580)	(78,660,788)
Income tax Paid	(44,646,352)	(47,539,400)
Net Cash generated from operations	**(140,309,932)**	**(126,200,188)**
Cash Flows from Investing Activities		
Acquisition of property, plant & equipment	(101,473,956)	(27,382,421)
Deposit given	-	(96,567,748)
Payments for capital work in progress	(101,589,700)	(147,168,650)
Net Cash used in Investing Activities	**(203,063,656)**	**(271,118,819)**
Cash Flows from Financing Activities		
Proceeds from bank loan	472,598,765	453,141,548
Bank Interest Paid	(61,063,705)	(36,807,988)
Net Cash provided by Financing Activities	**411,535,060**	**416,333,560**
Net Changes in Cash & Cash Equivalents	**68,161,472**	**19,014,553**
Cash & Cash Equivalents at Beginning of the Year	42,183,425	23,168,872
Cash & Cash Equivalents at End of the Year	110,344,897	42,183,425
Net operating cash flows per share (NOCFPS)	**(7.64)**	**(6.87)**

Sd/-
Chairman

Sd/-
Director

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Navana Batteries Limited

Statement of Changes in Equity

For the year ended August 31, 2015

Particulars	Share capital	Retained earnings	Total Equity
	BD Taka	BD Taka	BD Taka
Balance as on September 01, 2013	**183,702,690**	**213,709,206**	**397,411,896**
Surplus for the year	-	103,523,900	103,523,900
Balance as on August 31, 2014	**183,702,690**	**317,233,106**	**500,935,796**
Balance as on September 01, 2014	**183,702,690**	**317,233,106**	**500,935,796**
Surplus for the year	-	90,588,042	90,588,042
Balance as on August 31, 2015	**183,702,690**	**407,821,148**	**591,523,838**

Sd/-
Chairman

Sd/-
Director





View: Finished Product at Navana Battery Plant

Navana Batteries Limited

Accounting Policies and Explanatory Notes to the Financial Statements

As at and for the year ended August 31, 2015

1. Corporate Information and Mode of Business

1.1 Corporate Information

The company incorporated on 21stApril ,2009 vide registration # C76441/09.

1.2 Mode of Business

The principal activities of the company are manufacturing of Automotive, Industrial and Solar Batteries in the plant located at Fouzdarhat Industrial Area, Chittagong, Bangladesh.

2. Significant Accounting Policies and Basis of Preparation of Financial Statement

2.1 Statement of Compliance

The financial statements have been prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) and as per requirements of the Companies Act 1994, the Securities and Exchange Rules 1987, and other applicable laws and regulations.

2.2 Basis of Preparation

The financial statements of this unit have been prepared assuming going concern basis based on the accrual basis of accounting following under the historical cost convention.

2.3 Basis of Reporting

The financial statements of this unit is prepared and presented for external user in accordance with the identified financial reporting framework. Presentation has been made in compliance with the requirement of BAS 1 "Presentation of Financial Statements."

2.4 Reporting Period

These financial statements cover one accounting year from September 1, 2014 to August 31, 2015.

2.5 Functional and Presentation Currency

Financial Statements are prepared in Bangladeshi Taka which is the functional currency.

2.6 Recognition of Property, Plant and Equipment

These are capitalized at cost of acquisition and subsequently stated at original cost minus accumulated depreciation and accumulated impairment losses, if any, in compliance with the relevant accounting standard (BAS 16). The cost of the assets is inclusive of cost paid to the vendors along with all incidental expenses to install or construct the same assets for its intended use. Expenditure incurred after the assets have been put in to operation, such as repairs and maintenance is normally charged off as revenue expenditure in the period in which it is incurred.

Depreciation

No depreciation has been charged on land development considering the unlimited useful life. In respect of all other assets, the quantum of annual depreciation charge is calculated over their estimated useful life lives using the diminishing balance method of depreciation. All the assets acquired or disposed of during the period have been depreciated for the period of its uses. The rate at which the assets are depreciated per annum depended on the nature and estimated useful life of each assets are consistently applied since inception of the Unit which are given below.

VAR STOCK

Name of the Assets	Rate of Depreciation in (%)
Building	2.5
Plant & Machinery	10
Tools & Equipment	20
Office Equipment	10
Furniture & Fixtures	10
Transport Vehicles	20
Electric line installation	10
Gas line installation	10
Office decoration	10

2.7 Inventories

In compliance with the requirements with BAS 2 "Inventories" Raw Materials and Stores are valued at the lower of average cost and the net realizable value. Stocks of finished goods are valued at cost which is determined by taking into consideration the value of raw materials and production overhead. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to present condition and includes wherever applicable appropriate overheads based on normal level of activity.

No provision has been made for slow moving & obsolete stocks during the financial year.

2.8 Cash and Cash Equivalent

Cash and cash equivalents includes cash in hand, cash at banks, which are held and available for use by the unit without any restriction and having maturity dates of three months or less from the respective date of deposit. There is insignificant risk of change in value of same.

2.9 Liabilities for Expenses

While the provision for certain standing charges and know liabilities is made at the Statement of Financial Position date based on estimate, the difference arising there from on receipts of bills/demands and/or actual payments is adjusted in the subsequent year when such liabilities are settled.

2.10 Workers Profit Participation Fund

Provision for Workers Profit Participation Fund (WPPF) has been made @5% on net profit as per provision of the Companies Profit (Bangladesh Labour Law,2006) and payable to workers as defined in the said laws.

2.11 Financial Assets and Liabilities

Financial assets and liabilities are recognized on the Statement of Financial Position date when the unit has become a party to a contractual provision of the instruments

I) Receivables: Trade receivables are stated their real value and consider good. No provision has been made doubtful debts and no amount was written off as bad.
II) Payables: Liabilities are recorded at the amount payable for settlement in respect of goods and services received by the Unit.
III) Borrowings: Interest bearing bank loans are recorded at the proceeds received net of direct issue costs.

2.12 General

1. Figures shown in the accounts have been rounded off to the nearest Bangladeshi Taka.
2. Comparative figures and account titles in the financial statements have been re-arranged/re-classified where necessary, to conform to changes in presentation in the current year.

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Navana Batteries Limited

Schedule-A

3. Property, plant and equipment, net

Particulars	Cost			Rate of Dep.	Depreciation				Carrying amount	
	As at 01.09.2014	Addi./adj during the year	As at 31.08.2015		As at 01.09.2014	Charged during the year	Adj. during the year	As at 31.08.2015	As at 31.08.2015	As at 31.08.2014
Land & Land Development	100,550,508	-	100,550,508	-	-	-	-	-	100,550,508	100,550,508
Building	89,238,303	7,212,124	96,450,427	2.50%	12,021,639	2,020,568	-	14,042,207	82,408,220	77,216,664
Plant & Machinery	214,889,009	74,497,580	289,386,589	10%	78,396,751	17,374,105	-	95,770,856	193,615,733	136,492,258
Tools & Equipments	41,961,700	5,939,767	47,901,467	20%	24,741,631	4,037,991	-	28,779,622	19,121,845	17,220,069
Office Equipment	23,795,725	4,838,964	28,634,689	10%	8,573,461	1,764,174	-	10,337,635	18,297,054	15,222,264
Furniture & Fixture	8,252,700	1,837,526	10,090,226	10%	2,773,853	639,761	-	3,413,614	6,676,612	5,478,847
Transport Vehicles	27,904,362	5,462,934	33,367,296	20%	12,846,180	3,557,930	-	16,404,109	16,963,187	15,058,182
Electric line installation	4,298,388	5,248,982	9,547,370	10%	454,508	646,837	-	1,101,346	8,446,024	3,843,879
Gas line installation	11,332,299	-	11,332,299	10%	1,286,267	1,004,603	-	2,290,870	9,041,429	10,046,032
Office Decoration	223,045	2,936,079	3,159,124	10%	11,152	167,993	-	179,145	2,979,979	211,893
Total	522,446,039	107,973,956	630,419,995		141,105,443	31,213,961		172,319,404	458,100,591	381,340,596

Depreciation charged to :	Taka
Cost of goods sold	24,971,169
Administrative	3,121,396
Selling & distribution	3,121,396
TOTAL	31,213,961





View: Testing Lab at Navana Battery Plant

		31.08.2015 BD Taka	31.08.2014 BD Taka
4	**Capital work in progress Tk 164,017,549**		
	Opening balance	68,927,849	108,142,681
	Add : Addition made during the year	101,589,700	84,320,589
		170,517,549	192,463,270
	Less: Transferred to Property ,plant & equipment	6,500,000	123,535,421
	Closing balance	**164,017,549**	**68,927,849**
5	**Receivables Tk 588,534,434**		
	Below six Months	516,518,714	168,671,835
	Over six Months	72,015,720	53,020,725
		588,534,434	**221,692,560**

Trade Debtors are considered good and as such no provision has been made in the accounts for doubtful debts. Company holds no security other than debtor's personal security in the form of work orders.

6	**Stock and stores Tk 474,242,936**		
	Finished stock	94,684,498	74,085,860
	Work-in-process	71,323,762	61,987,126
	Raw materials	239,180,676	148,494,758
	Goods in transit	69,054,000	85,816,801
		474,242,936	**370,384,545**

The quantity of closing stock are 12 Volts NS-2,083 pcs , N-339 pcs , PNE-497 pcs , NG- 10,110 pcs , NKP-1,478 pcs , IPS-521 pcs , EV-1,907 pcs, 6NSP-2,570 pcs and MC-12,312. Automotive, Home Appliance & Solar Batteries.

7	**Income tax deducted at source Tk 171,455,944**		
	Opening balance	126,809,592	82,687,561
	Add: during the year	44,646,352	47,539,400
		171,455,944	130,226,961
	Less: adjustment	-	3,417,369
	Closing balance	**171,455,944**	**126,809,592**

The above amount was deducted at the import point as well as from the Bills in different times at delivery point.

8	**Advance, deposits and prepayments Tk 384,741,686**		
	Advance to suppliers	131,960,225	223,358,663
	Advance to others	80,763,900	122,080,290
	Advance to employees	42,653,349	20,587,120
	Deposits	38,024,587	37,807,544
	Current Account with VAT	91,339,625	58,853,448
		384,741,686	**462,687,065**

Advance paid to suppliers against work order and considered good. Advance to employees against expenses, salary releasable on production of documents and monthly salary respectively are considered good. Deposits consist of utility deposits, security money against tender and bank guarantee are considered good.

9	**Cash & bank balances Tk 110,344,897**		
	Cash in Hand Factory	1,309,287	844,479
	Cash Balance Dhaka Sales Center	2,026,893	1,183,676
	Cash Balance CTG. Sales Center	221,623	184,086
	Cash at Bank	106,787,094	39,971,184
		110,344,897	**42,183,425**

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		31.08.2015 BD Taka	31.08.2014 BD Taka
10	**Share capital.**		
	Authorised :		
	50,000,000 ordinary shares of Taka 10/- each	500,000,000	500,000,000
		500,000,000	**500,000,000**
	Issued, Subscribed and Paid up capital Tk 183,702,690		
	Ordinary shares 18,370,269 shares of Taka 10 each		
	Non-controling interest (sponsors)	100,000	100,000
	Aftab Automobiles Ltd.	183,602,690	183,602,690
		183,702,690	**183,702,690**
11	**Retained earnings Tk 407,821,149**		
	Opening Balance	317,233,106	213,709,206
	Add : Profit for the year	90,588,043	103,523,900
		407,821,149	**317,233,106**
	Less.adjustment with Deferred Tax	-	-
	Closing balance	**407,821,149**	**317,233,106**
12	**Long Term loan-Net of current portion Tk 536,510,796**		
	Al-Arafah Islami Bank Ltd.	35,059,444	34,950,000
	Trust Bank Ltd.	236,925,000	-
	Dutch-bangla Bank Ltd.	392,610,890	-
	Social Islami Bank Ltd.	45,825,329	-
	IDLC Finance	3,223,065	-
	National finance Ltd	1,704,000	-
		715,347,728	**34,950,000**
	less: Long Term loan-Current portion	**178,836,932**	**8,737,500**
	Long Term loan-Net of current portion	**536,510,796**	**26,212,500**
12	**Short term loan Tk 445,823,014**		
	NCC Bank Ltd CC AC	36,337,562	36,166,539
	Mercantile Bank	9,995,390	23,262,750
	Southeast Bank Ltd.	195,963,321	55,047,443
	National Bank Ltd. CC loan	199,869,921	497,079,967
	Shahjalal Islami bank ltd	3,656,820	42,065,278
		445,823,014	**653,621,977**
13	**Revenue (Net) Tk 1,002,022,503**		
		1,002,022,503	**979,887,224**
		1,002,022,503	**979,887,224**

The quantity of Sales during the year are 12 Volts NS-23,631 pcs ,N-2052 pcs ,PNE-14,749 pcs ,NG-93,248 pcs , NKP-10,278 pcs ,IPS-3543 pcs ,EV-26,652 pcs, 6NSP-13,808 pcs and MC 47,123 pcs. Automotive, Home Appliance & Solar Batteries.

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			31.08.2015 BD Taka	31.08.2014 BD Taka
14	**Cost of goods Sold Tk 722,204,054**			
	Raw materials consumed	14.1	650,645,366	688,255,605
	Indirect materials		9,167,380	10,321,372
	Total consumption		659,812,746	698,576,977
	Add : Opening WIP		61,987,126	45,084,113
			721,799,872	743,661,090
	Less : Closing WIP	6	71,323,762	61,987,126
			650,476,110	681,673,964
	Factory overhead	14.2	92,326,582	78,601,515
	Cost of production		742,802,692	760,275,479
	Finished products (opening)		74,085,860	28,125,235
			816,888,552	788,400,714
	Finished products (closing)	6	94,684,498	74,085,860
			722,204,054	**714,314,854**
	14.1 Raw materials consumed Tk 650,645,366			
	Opening stock		148,494,758	80,057,200
	Purchases	14.1.1	741,331,284	756,693,163
			889,826,042	836,750,363
	Closing stock	6	239,180,676	148,494,758
			650,645,366	**688,255,605**
	14.1.1 Purchases Tk 741,331,284			
	C & F price		651,368,916	578,937,128
	Insurance premium		4,279,582	4,057,884
	L/C opening charges		7,201,926	6,853,087
	C & F charges		27,568,446	27,720,419
	Custom duty		40,018,562	41,532,928
	Local purchase		10,893,852	97,591,717
			741,331,284	**756,693,163**
14.2.	**Factory overhead Tk 92,326,582**			
	Salary and allowances		4,504,938	3,415,668
	Wages		6,255,410	4,949,248
	PF (Company Contribution)		954,444	683,134
	Overtime		319,502	1,920,852
	Bonus		42,759	864,911
	Earned Leave		347,640	252,352
	Gratuity		470,324	858,583
	Liveries & Uniform		525,870	325,789
	Telephone & Mobile		427,888	254,500
	Fuel & Lubricants for Generator		1,594,260	707,497
	Travelling & Conveyance		457,366	343,244
	Entertainment		127,702	23,798
	Office exp.		120,500	35,967
	Repairs & Maintenance		1,367,310	698,214
	Electricity Expenses		32,605,630	30,067,764
	Night allowance		278,220	136,758
	Canteen Subsidy		3,761,311	1,552,720
	Eid Gratia		25,500	14,580
	Insurance Exp		2,997,146	2,368,129
	Gas bill		1,141,378	1,554,337
	Welfare expenses		150,720	102,790
	Carrying & Handling		361,550	283,534
	Car Maintenance		662,788	579,445
	Security Expenses		916,450	890,230

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		31.08.2015 BD Taka	31.08.2014 BD Taka
	Chemicals	457,447	980,637
	Store & spares	24,260	255,790
	Foreign Technician Remu.	2,400,000	1,800,000
	Annual picnic	853,340	-
	Screen Printing	700,285	64,842
	Labour Charges	596,582	430,045
	Laboratory Exps	317,356	139,412
	Generator Maintenance	1,425,384	465,316
	Fire Extinguisher	164,153	62,941
	Depreciation	24,971,169	21,518,489
		92,326,582	**78,601,515**

The number of employees received annual salary and wages above Tk. 36,000 during the year are 120.

15	**Administrative expenses Tk 17,361,826**		
	Salary and allowances	3,789,566	2,515,598
	wages	445,426	326,820
	Bonus	457,783	280,328
	Welfare expenses	230,000	100,000
	Gratuity	224,568	229,712
	Entertainment	598,846	484,780
	TA and Conveyance	155,630	221,508
	Travelling Exp - Foreign	1,009,646	360,120
	Car maintenance	1,832,900	964,710
	Stationery	425,820	285,720
	Fees and Registration	1,127,352	450,280
	Telephone	120,337	57,650
	Bank Guarantee & Charge documents	115,261	13,323
	Audit fees	50,000	50,000
	Paper & peoridicals	8,556	-
	Postage and telegram	86,187	2,053
	Publicity	65,000	72,798
	Directors fee	15,000	15,000
	Office maintenance	58,996	425,520
	Maintenance	1,009,646	645,521
	Carrying & Handling	1,050,230	974,427
	ISO Exps	504,477	313,599
	Guest House Maintenance	328,383	203,804
	Membership fee & others	530,820	485,338
	Depreciation	3,121,396	2,689,811
		17,361,826	**12,168,420**

The number of employees received annual salary and allowances above Tk. 36,000 during the year are 59



View: Battery production process

AMAR STOCK

		31.08.2015	31.08.2014
		BD Taka	BD Taka
16	**Selling and distribution expenses Tk 59,754,530**		
	Salary & Allowance	28,774,872	23,651,492
	Wages	526,903	571,038
	Bonus	2,115,060	1,827,720
	Welfare	352,014	90,374
	P/F company's Contribution	1,748,903	1,461,526
	Gratuity	2,266,833	1,422,664
	Overtime	778,759	1,087,790
	Fuel & Lubricant	1,242,890	1,915,967
	Transit Insurance	780,970	-
	Promotional Exps	230,890	1,086,865
	Delivery Exps	748,277	362,906
	Rent Rates & Taxes	4,403,242	3,096,350
	Conveyance	571,910	714,595
	Entertainment	456,872	685,930
	Stationery	733,774	865,039
	Telephone	1,590,594	1,243,471
	Publicity Exp.	345,210	192,603
	Fees & Registration	1,617,519	249,304
	Maintenance	487,641	383,459
	Car Maintenance	197,775	641,166
	Electrical Expenses	1,291,345	1,181,826
	Postage & Telegram	180,387	125,019
	Papers & Periodicals	22,397	20,331
	Bank Charges	3,320	200,417
	Security Guard salary	1,477,525	1,055,090
	Office Maintenance	51,170	603,888
	Showroom Exps	988,130	702,866
	Transportation Charges	506,260	1,021,153
	Utility Bill (WASA)	78,246	94,800
	Gift & Donation	582,123	605,174
	Chemical & Packing exps	430,580	852,198
	Dealer conference Exp.	529,773	1,365,097
	Others	520,970	-
	Depreciation	3,121,396	2,689,811
		59,754,530	**52,067,930**

The number of employees received annual salary and allowances above Tk. 36,000 during the year are 54

17	**Income tax expenses Tk 42,185,351**		
	Profit before Tax	137,165,031	156,693,364
	Add: Accounting Depreciation	31,213,961	26,898,112
	Less: Tax Depreciation	(47,849,417)	(43,246,178)
	Adjusted Profit for tax calculation	120,529,575	140,345,298
	Tax @ 35 % (transferred to Compreh. Income statement)	**42,185,351**	**49,120,854**
18	Earning per share (EPS) Tk 4.93		
	Net profit after tax	**90,588,043**	**103,523,900**
	Number of ordinary share	18,370,269	18,370,269
	Earning per share (EPS)	**4.93**	**5.64**

AMARSTOCK



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