# Annual Report 2018

IMAR STOCK

aftab automobiles limited

# *Letter of Transmittal*

To
Hon'ble Shareholders
Regulatory Authorities and concerned

Sub : Annual Report for the year ended June 30, 2018.

Dear Sir(s):

We are pleased to enclose a copy of Annual Report together with the audited financial statements for the year ended June 30, 2018 for your kind information.

Sincerely yours,

Sd/-
(Tareq Enamur Rahim)
Company Secretary

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# CORPORATE PROFILE

## *Board of Directors*

**Chairman**
Shafiul Islam

**Managing Director**
Saiful Islam

**Directors**
Khaleda Islam
Sajedul Islam
Farhana Islam

**Independent Directors**
M. Obaidur Rahman, FCA
Ekramul Haq, FCA

**Company Secretary**
Tareq Enamur Rahim

**Chief Financial Officer**
Kazi Ehsanul Huq FCA

**Head of Internal Audit**
Muhammad Abidur Rahman FCA

**Subsidiary Company**
Navana Batteries Limited

**Principal Bankers**
Bank Asia Limited
Agrani Bank Limited
NRB Commercial BANK Limited
Sotheast Bank Limited
Dutch Bangla Bank Limited

**Audit Committee**
M. Obaidur Rahman, FCA- Chairman
(Independent Director)
Sajedul Islam- Member
(Director)
Ekramul Haq, FCA- Member
(Independent Director)

**Auditors**
Malek Siddiqui Wali
Chartered Accountants
9-G, Motijheel C/A, (2nd floor)
Dhaka, Bangladesh

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

**A] Vehicle Assembling Plant**
**B] Navana Battery Plant**
Fouzderhat Heavy Industrial Estate,
Chittagong, Bangladesh

**C] Bus-body Fabrication Plant**
Coatbari, Dipnagar, Gabtoli
Mirpur, Dhaka, Bangladesh

**Commercial Office**
House# 16/B, Road#93,
Gulshan-2, Dhaka, Bangladesh

**Registered Office**
125/A, Motijheel C/A,
Dhaka, Bangladesh
Website : www.aftabautomobiles.com
e-mail: info@aftabauto.com

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# aftab automobiles limited

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

## Notice of the 38th annual general meeting

Notice is hereby given that the 38th Annual General Meeting (AGM) of the shareholders of the Company shall be held on 09 December 2018 at 9:30 AM at International Convention City Bashundhara (Pushpoguscha, Hall-2), Kuril Bishwa Road, Purbachal Express Highway, Dhaka to transact the following businesses: -

1. To receive, consider and adopt the audited financial statements for the year ended 30 June 2018 together with auditors' and directors' reports thereon.
2. To declare dividend.
3. To re-elect directors.
4. To appoint new Independent Director and re-appoint existing Independent Director for further one term.
5. To appoint auditors and fix their remuneration.
6. Any other business with the permission of the Chair.

By order of the Board

Sd/-
(Tareq Enamur Rahim)
Company Secretary

Dated : Dhaka
28.10.2018

## *Notes*

a) 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., 20 November 2018 will be entitled to attend the AGM and receive dividend.

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

c) 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.

d) Shareholders bearing BO ID are requested to update their 12 Digit e-TIN and address through their Depository Participant (DP) by 20 November 2018 (Record Date) and shareholders bearing Folio Numbers are requested to submit their 12 Digit e-TIN Certificate to the Share Department of the Company before 09.12.2018 (AGM Date).

e) The Annual Report-2018 alongwith Attendance Slip and the Proxy Form will be available in the Company's website www.aftabautomobiles.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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# চেয়ারম্যান-এর বিবৃতি

প্রিয় শেয়ারহোল্ডারবৃন্দ,
আসসালামু আলাইকুম

আমি আপনাদের সবাইকে কোম্পানীর ৩৮তম বার্ষিক সাধারণ সভায় স্বাগত জানাচ্ছি এবং বিগত ৩০শে জুন ২০১৮ সালে সমাপ্ত অর্থবছরে কোম্পানীর কার্যক্রমের একটি সংক্ষিপ্ত বিবরন উপস্থাপন করছি।

কোম্পানীর সংযোজন ইউনিট আলোচ্য বছরে ৩৯৪ টি নন-এয়ারকন্ডিশন্ড হিনো ডিজেল বাস চেসিস সংযোজন করে যা আমাদের প্রত্যাশিত লক্ষ্যমাত্রার চেয়ে কম। এর একটি কারণ হল অন্যান্য পরিবহনের মাধ্যমে যাতায়াতের প্রবনতা বৃদ্ধি পাওয়ায় সড়ক পথে বাসের যাত্রীর সংখ্যা হ্রাস পায়। যার ফলে নতুন বাস ক্রয়ের চাহিদা হ্রাস পায়। এই পরিস্থিতি উপলব্ধি করে আলোচ্য বছরে কোম্পানী হিনো ডিজেল বাস চেসিস এর CKD যন্ত্রাংশ কম আমদানী করার সিদ্ধান্ত নেয়।

আমি আপনাদেরকে আরো অবগত করতে চাই যে, কোম্পানীর আমদানীকৃত হিনো নতুন মডেল RN8J সম্পূর্ণ তৈরী বিলাসবহুল এয়ারকন্ডিশন্ড বাস ৩০ শে জুন ২০১৮ তারিখে সমাপ্ত অর্থবছরে ২৯টি বাস বিক্রয় হয়েছে এবং আগামীতে এই বাসটির বিক্রয় আরো বৃদ্ধি পাবে বলে আমি আশা করছি।

আলোচ্য বছরে যদিও নতুন বাসের চাহিদা কিছুটা হ্রাস পায়, তথাপি কোম্পানীর বাস-বডি নির্মান ইউনিটটিতে উৎপাদন তুলনামূলকভাবে হ্রাস পায় নাই। তবে, আগামী বছরে পরিস্থিতি উন্নতি হবে বলে আমি আশাবাদী।

অপরদিকে, কোম্পানীর মোটর সাইকেল ইউনিটটিতে আলোচ্য বছরে উৎপাদন ও বিক্রয় বৃদ্ধি পায়।

সাবসিডিয়ারী কোম্পানী "নাভানা ব্যাটারীজ লিমিটেড"-এ আলোচ্য বছরে বিক্রয় খাতে ১৪৫.৪০ কোটি টাকা যোগ হয়েছে। বাজারে অসম প্রতিযোগীতা ও বিদেশ থেকে প্রচুর কমদামী ব্যাটারী আমদানী ও বাজারজাত হওয়ার কারণে এ বছরে প্রত্যাশিত ফলাফল পাওয়া যায় নাই। আশাকরি আগামী বছরে এ অবস্থার উন্নতি হবে।

আমি কোম্পানীর শেয়ারহোল্ডারবৃন্দ, গ্রাহক, রেগুলেটরী কর্তৃপক্ষ, পৃষ্ঠপোষক, শুভাকাঙ্খীদের অব্যাহত সমর্থন ও তাদের সহযোগিতার জন্য আন্তরিক ধন্যবাদ জানাচ্ছি। আশাকরি আগামীতেও তাদের সহযোগিতা অব্যাহত থাকবে।

স্বাঃ/-
**(শফিউল ইসলাম)**
চেয়ারম্যান

# Message from the Chairman

**Dear shareholders,**

Assalamu Alaikum

I am pleased to welcome you all at the 38th Annual General Meeting of the Company and place before you a summarized statement of the activities of the Company for the financial year ended June 30,2018.

The Assembling Unit of the Plant has produced 394 units of non-air-conditioned Hino Diesel Bus Chassis during the year under review which is less than our desired target. One reason for this is we have noted that the passengers have opted to switchover to other mode of transport causing decline in travelling by roads. This has ultimately created less demand for new buses. Due to such, the Company has decided to import less CKD components of Hino Diesel Bus Chassis.

As far as Hino new model RN8J completely built-up Luxurious Airconditioned Bus is concerned, the company have already sold 29 units of bus during the year ended June 30, 2018. The demand for this luxurious bus is encouraging and the Company hopes to increase it's sales in the next financial year.

Although there has been a marginal decline in demand for new buses during the year under review but body fabrication In the Bus Body Fabrication Unit has not declined comparatively. I hope situation will improve in the next financial year.

In the Motorcycle Unit of the Company production and sales of motorcycles has increased.

In the subsidiary Company "Navana Batteries Limited" Tk. 145.40 crore has been added to the sales of the Company. It may be mentioned here that due to import of low cost batteries from abroad, which had a negative impact on the market, the Company could not achieve its desired target. We hope market will improve in the next year.

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 support from them will continue in the years to come.

**Sd/-**
**(Shafiul Islam)**
Chairman

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# *Snapshots of 37th Annual General Metting*













# directors' report to the shareholders

**Dear Shareholders,**
Dear Shareholders,
The Board of Directors is please to present before you the Directors' Report and the Auditors' Report alongwith the audited financial statements of the Company for the year ended June 30, 2018.

**PRINCIPAL ACTIVITIES**
The principal activities of the Company during the year is summarized hereunder :
In the Assembling Unit of the Company, 394 units of Hino Diesel Bus Chassis (Model: AK1JMKA) were produced and 29 units CBU Hino Luxurious Airconditioned Buses (Model: RN8J) were sold. These have contributed an amount of Tk. 237 crore to the Company's turn-over.
In the Bus Body Fabrication Unit of the Company, the Unit has fabricated 180 units of Hino air-conditioned and non-air-conditioned bus body. This Unit has contributed an amount of Tk. 28 crore to the sales of the Company.

The Motorcycle Unit has assembled 7015 units of motorcycles and contributed an amount of Tk. 71 crore to the Company's sales.

**Consolidated Financial Result and Appropriation of Profit:**
(The financial results for the year ended June 30, 2018 is given hereunder comparing with the results of the previous year ended on June 30, 2017)

amount in taka

| | | 2018 | 2017 |
|---|---|---|---|
| **Retained Earnings Brought Forward** | | 2,720,243,834 | 2,416,847,684 |
| Add: Net Profit for the year after tax | | 249,296,756 | 396,639,231 |
| **Recommended for appropriations:** | | | |
| 2018 | 2017 | | |
| Cash Dividend @ 12 % | 16%(Without Sponsors) | (114,878,906) | (93,243,081) |
| **In appropriated profit carried forward** | | **2,854,661,684** | **2,720,243,834** |

## Aftab Automobiles Limited (AAL)

The operating results of AAL for the year ended June 30, 2018 is given hereunder compared to results of the previous year ended on June 30, 2017

| Particulars | 2018 | 2017 |
|---|---|---|
| Turnover | 3,359,756,688 | 3,703,934,655 |
| Gross Profit | 668,259,731 | 793,756,137 |
| Net Profit for the year after tax | 256,456,025 | 394,492,235 |
| Earnings Per Share (EPS) | 2.68 | 4.12 |
| Net Assets Value Per Share (NAVPS) | 60.89 | 59.26 |
| Net Operating Cash Flow Per Share (NOCFPS) | (0.63) | (3.72) |

## The performance of the subsidiary company – Navana Batteries Limited (NBL)

The Performance of Navana Batteries Limited for the year ended June 30, 2018 is given hereunder comparing with results of the previous year ended on June 30, 2017.

| Particulars | 2018 | 2017 |
|---|---|---|
| Turnover | 1,453,951,709 | 1,067,274,041 |
| Gross Profit | 276,601,512 | 271,233,334 |
| Net Profit After Tax | 32,231,423 | 78,202,537 |
| Earning Per Share (EPS) | 1.75 | 4.26 |
| Net Assets Value Per Share (NAVPS) | 41.22 | 39.47 |

# directors' report to the shareholders

**Mission & Vision**
The mission of the Board of Directors is engaged in market change feasibility study on different types of vehicles and Battery products in Bangladesh so as to boost up sales and increase our market share protecting the investment of shareholders.

**Risks and concerns**
The profitability of the Company may be 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).**

*amount in '000" taka*

| Particulars | June 30, 2018 | June 30, 2017 |
|---|---|---|
| Revenues (Turnover) | 4,813,708 | 4,771,209 |
| Cost of goods sold | 3,868,847 | 3,706,219 |
| Gross profit | 944,861 | 1,064,989 |
| Net profit for the year after Tax | 256,474 | 394,535 |

**Margin Analysis**
Gross profit margin and Net profit margin compare.

| | 2018 | 2017 |
|---|---|---|
| Gross Profit | 19.63% | 22.32% |
| Net Profit | 5.33% | 8.27% |

**Extra-Ordinary Events**
No events of extra ordinary gain or loss which would require adjustment or disclosure in the financial statements occurred during the reporting period.

**Related Party Transaction**
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.Disclosed on notes 36.

**Variance within the Financial Year**
There was no significant variance between quarterly financial performances during the year under review.

**Board meeting attendance fee for Directors**
The Directors of the Company including Independent Directors are receiving Taka 5000/- (Five thousand) only as board meeting attendance fee. During the year the Company paid Tk. 1,71,000/- deducting tax at source.

**Fairness of Financial Statements**
The financial statements fairly present the Company's state of affairs, the results of its operations, cash flow and changes in equity. In compliance with the requirement of the Bangladesh Securities and Exchange Commission (BSEC) notification dated August 7, 2012 Managing Director and Chief Financial Officer have given the certification about the fairness of the financial statements which is shown on page 22 of the report.

**Books of Accounts**
Proper books of accounts of the Company were maintained.

**Accounting Policies**
Appropriate accounting policies have been consistently applied in preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment.

**Application of BAS and BFRS**
Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) have been followed in preparation of the financial statements and any deviation there-from has been adequately disclosed.

**Internal Control**
The systems of internal controls were sound and were implemented and monitored effectively.

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# directors' report to the shareholders

**Going Concern**
There are no significant doubts about the Company's ability to continue as a going concern. The Board of Directors has reviewed the Company's business plan and is satisfied that the Company has adequate resources to continue its operations in the foreseeable future. Accordingly, the financial statements are prepared on the going concern basis.

**Significant Variance over the Last year's Operating Result**
There are no significant deviations from last year in the operating results of the Company.

**Investment in the associated company**
**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 2017 stood at Tk.4.07 and Tk.53.59 per share respectively.

**Next Year Plan**
The Assembling Unit of the Company have planned to assemble 400 units of Diesel Hino Bus Chassis in the next financial year.
The Bus Body Building Unit have planned to fabricate around 150 units of Hino Bus Body during the next financial year.
The Company have planned to market around 50 units of RN8J Hino Air-Conditioned luxurious Bus in the next financial year.
The Motorcycle unit have planned to assemble 12,000 units of various type of Mahindra Brand motorcycles as per trend of present market demand.

**Dividend**
The Board of Directors of your Company has recommended cash dividend @ 12% to the shareholders of the Company for the year ended June 30, 2018.

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., November 20, 2018 will be entitled to the dividend (subject to approval in the Annual General Meeting of the Company scheduled to be held on 09 December 2018).

**Board Meetings Attendance :**
In accordance with directives of the regulatory authorities, the Board supervise and review the activities of the Company and make businesses decisions, etc. During the year the Board of Directors met eight(8) times.

Board meeting attendance during the year 2018

| Name of Directors | No. of Board Meeting attended |
|---|---|
| Mr. Shafiul Islam | 6 |
| Mrs. Khaleda Islam | 4 |
| Mr. Saiful Islam | 5 |
| Mr. Sajedul Islam | 8 |
| Ms. Farhana Islam | 4 |
| Mr. M. Obaidur Rahman (Independent Director) | 6 |
| Mr. Ekramul Haq | 5 |

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# directors' report to the shareholders

**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(CEO), 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 | 26,03,467 |
| | Mr. Sajedul Islam- Director | 19,88,078 |
| | Ms. Farhana Islam- Director | 19,88,078 |
| | Mr. M. Obaidur Rahman - Independent Director | nil |
| | Mr. Ekramul Haq- Independent Director | nil |
| | Chief Financial Officer, Company Secretary and Head of Internal Audit and their spouse and minor children: | nil |
| iii. | Executives | nil |
| iv. | Shareholders holding ten percent (10%) or more voting interest in the Company: | |
| | Mr. Shafiul Islam | 1,86,26,415 |

**Recommendations for Re-election**

In terms of Article 125 and 126 of the Articles of Association of the Company, Mr. Shafiul Islam and Mrs. Khaleda Islam, Directors retire by rotation from the Board in the 38th 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. Shafiul Islam

A Bachelor of Science, Mr. Shafiul Islam joined the Islam Group, a reputed business conglomerate in Bangladesh in 1968 and started his career with automobile business as well as in the construction, real estate business. In the early years, he gained valuable experience by being involved in the management of the Group's diverse business operations. He played a major role in establishing "Navana" as the Toyota brand car trading company in Bangladesh, and finally set up Aftab Automobiles Ltd. He was also responsible for the construction company named Bengal Development Corporation (BDC) where he was directly responsible for the construction work of BDC in the Middle East and from 1981, he was also taking care of Eastern Housing Limited, then the largest real estate development company in Bangladesh. In 1996, the then Chairman of Islam Group, he separated from Islam Group with Navana Limited and Aftab Automobiles Ltd. and formed Navana Group. He has a very good relationship with all business key persons of the country.

Mr. Shafiul Islam is the Chairman of Navana Group, consisting of companies involved amongst others in vehicles assembling, bus body fabrication, trading; real estate; construction; CNG conversion and CNG stations; electronics; petroleum and renewable energy

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**Names of companies in which Mr. Shafiul Islam also holds the directorship:**
Navana Limited, Navana CNG Limited, Navana Real Estate Limited,Navana Construction Ltd.,Navana Foods Ltd.,Navana Building Products Ltd., Navana Interlinks Ltd.,Navana Electronics Ltd.,Navana Batteries Ltd., Navana Furniture Ltd.,Navana Engineering Ltd., Navana Welding Electrode Limited, Navana Plastic Products Ltd.Navana Power Generation Ltd., Navana Toyota Service Center Ltd.,Essential Industries Ltd., Eastern Printing Press Ltd., Orion Complex Ltd., Kenhill Paper Mills Ltd., Navana Computers & Tech Ltd., Navana Services Ltd., Road Linkers Ltd., Navana Taxi Cab Co. 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 Equities Ltd., Navana Electrical & Energy Saving Products Ltd., Navana Properties Ltd., and Navana LPG Limited.

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

Mrs. Khaleda Islam
Mrs. Khaleda Islam is the wife of Mr. Shafiul Islam, Chairman of the Navana Group.
She has experienced in business for more than 37 years. She traveled many countries of the world.
At present, Mrs. Khaleda Islam is a Director of Navana Group, involved, amongst others, in vehicles assembling, bus body fabrication, trading; real estate; construction; CNG conversion and CNG stations; electronics; petroleum and renewable energy.

**Names of companies in which Mrs. Khaleda Islam also holds the directorship:**
Navana 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.,Navana Properties Ltd., and Navana LPG Limited.

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

**Appointment of Auditors**
The existing auditors of the Company Malek Siddiqui Wali, Chartered Accountants has completed their audit for three consecutive years. As per Listing Regulation No. 15(2)&15(3) of Dhaka Stock Exchange (Listing) Regulations, 2015, no auditors be eligible for performing the auditing of the financial statements of the issuer of listed securities for a consecutive period of three years. In this connection, three audit firms e.g.,Ata Khan & Co., Chartered Accountants, Ashfraf Uddin& Co., Chartered Accountants and Rahman Mostafa Alam & Co., Chartered Accountants has expressed their willingness to conduct audit for the year ending on June 30, 2019.

The Board has recommended to appoint Rahman Mostafa Alam & Co., Chartered Accountants to audit the financial statements of Aftab Automobiles Limited for the year ending on June 30, 2019 and fix their remuneration at Tk. 3,00,000/- only, subject to approval by the shareholders of the Company in the ensuing Annual General Meeting scheduled to be held on December 09, 2018.

# Highlights of Financial and Key Operating Data

The summarized key operating financial data of five years.

### The Key Operating and Financial Data (Consolidated):

Amount in '000 Taka

| Particulars | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---|---|---|---|---|
| Authorized capital | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 |
| Paid-up capital | 957,324 | 957,324 | 957,324 | 957,324 | 957,324 |
| Face Value Per Share | Tk.10/- | Tk.10/- | Tk.10/- | Tk.10/- | Tk.10/- |
| Shareholders equity | 5,829,520 | 5,673,466 | 5,367,358 | 5,198,109 | 5,039,089 |
| Fixed asset | 2,012,035 | 1,742,323 | 1,265,524 | 1,033,688 | 785,500 |
| Turnover (Net) | 4,813,708 | 4,771,209 | 3,051,578 | 3,459,065 | 2,709,873 |
| Gross profit | 944,861 | 1,064,989 | 763,416 | 840,812 | 705,854 |
| Net profit after tax | 256,474 | 394,535 | 267,707 | 291,928 | 268,297 |
| Total comprehensive income for the period/year | 249,297 | 396,736 | 276,763 | 311,101 | 268,297 |
| **Other Information** | | | | | |
| Operating cash flow per share | (4.24) | 1.32 | 10.44 | -8.29 | -9.99 |
| Book value per share | 60.89 | 59.26 | 56.07 | 54.3 | 52.64 |
| Earning per share | 2.68 | 4.12 | 2.89 | 3.05 | 4.01 |
| Cash dividend | 12% | 16% | 15% | 16% | 17% |
| Number of shareholders | 22,682 | 25,898 | 34,403 | 39,159 | 48,055 |

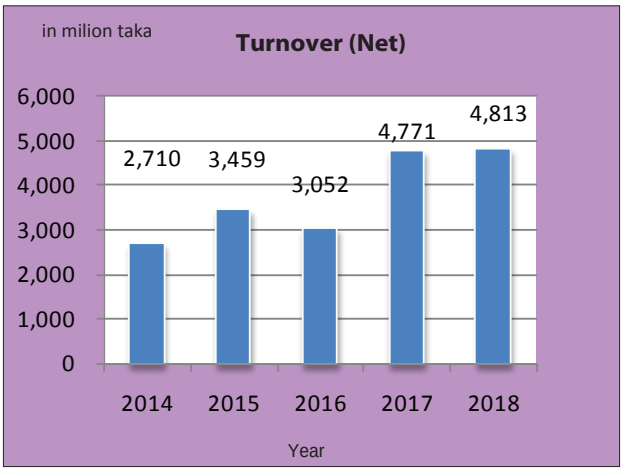
**Conclusion**

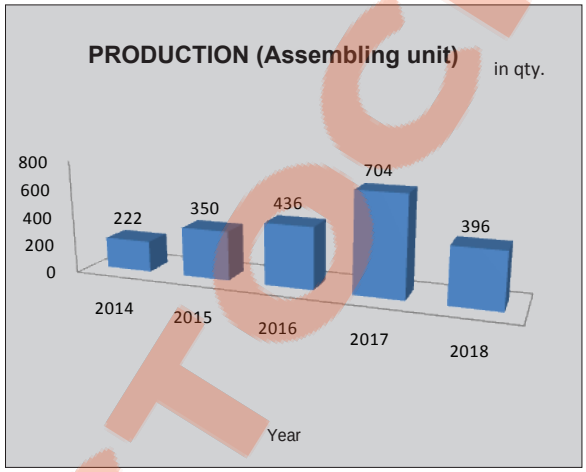
The Board wishes to express its sincere appreciation to all employees of Aftab Automobiles Limited for their contribution and at the same time, thanks to all the stakeholders and concern for their continued support and confidence.

On behalf of the Board of Directors
Sd/-
(Saiful Islam)
Managing Director

AMARSTOCK

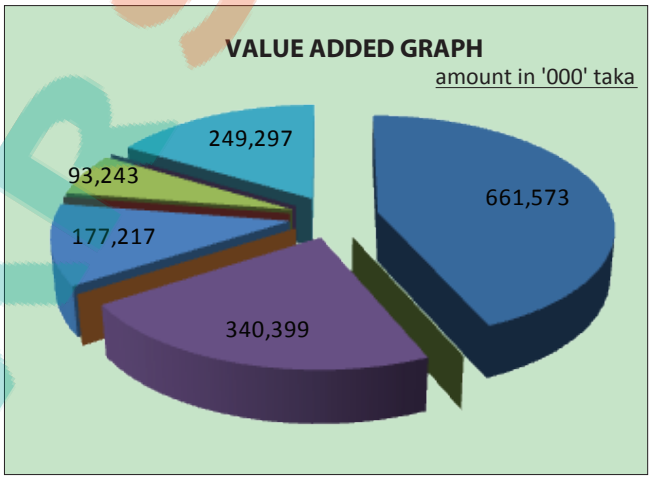
# Graphical Presentation

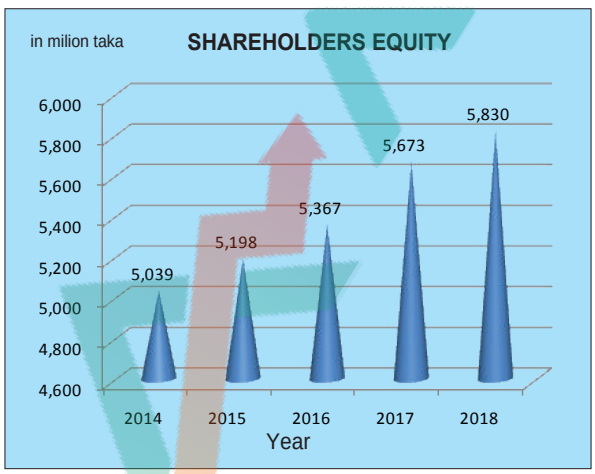


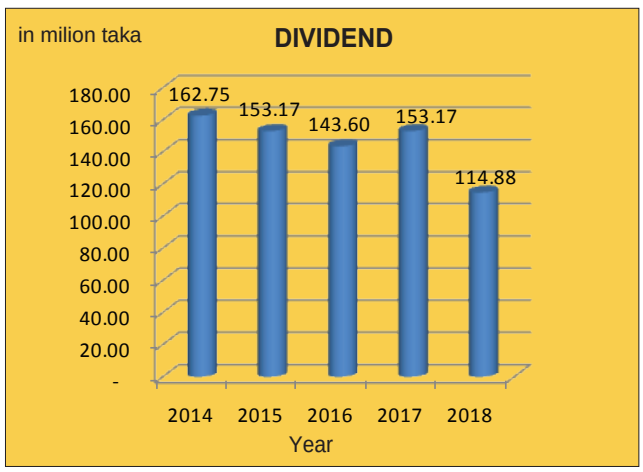




**VALUE ADDED STATEMENT**
**For the period ended June 30, 2018**

| | Amount in '000' Taka |
|---|---|
| **Sale / Turnover** | 4,813,708 |
| Bought in- Material & Service | 3,291,979 |
| **Value Added** | **1,521,729** |
| Application to National Exchequer | 661,573 |
| to providers of Loan as Interest & Charges | 340,399 |
| to providers Emp. Salaries Wages & other benefits | 177,217 |
| to providers of Capital- as Dividend | 93,243 |
| Reserve & Surplus | 249,297 |
| | **1,521,729** |




AKR STOCK

# Corporate Governance Compliance [F. Y. ended 30 June 2018]

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.

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:

**(Report under condition number 7.00)**

| Condition No. | Title | Compliance Status | | Remarks (if any) |
|---|---|---|---|---|
| | | Complied | Not Complied | |
| **1** | **Board of Directors:** | | | |
| 1.1 | Board's Size (Number of Directors – minimum 5 and maximum 20) | ✓ | | |
| 1.2 | Independent Directors: | | | |
| 1.2 (i) | At least one fifth of Directors should be Independent Directors; | ✓ | | |
| 1.2.(ii) | "Independent Director" means a director- | ✓ | | |
| 1.2 (ii) a) | Independent Director does not hold any share or holds less than 1% shares of the total paid-up capital; | ✓ | | |
| 1.2 (ii) b) | Non connectivity with the Company's sponsor or director or shareholder who holds one percent or more shares on the basis of family relationship; | ✓ | | |
| 1.2 (ii) c) | Does not have any other relationship, whether pecuniary or otherwise, with the Company or its subsidiary/associated companies; | ✓ | | |
| 1.2 (ii) d) | Not a member, director or officer of any member of stock exchange; | ✓ | | |
| 1.2 (ii) e) | Not a shareholder, Director or officer of any member of stock exchange or an intermediary of the capital market; | ✓ | | |
| 1.2 (ii) f) | Not is or was a partner or an executive during the preceding 3 (three) years of the company's statutory audit firm; | ✓ | | |
| 1.2 (ii) g) | Shall not be an Independent Director in more than 3 listed companies; | ✓ | | |
| 1.2 (ii) h) | Not convicted by court of competent jurisdiction for defaulting any loan payment to a bank / non bank financial institution; | ✓ | | |
| 1.2 (ii) i) | Non convicted for a criminal offence involving moral turpitude; | ✓ | | |
| 1.2 (iii) | Appointment of Independent Director shall be by board of Directors and subsequently approved by shareholders in the Annual General Meeting; | ✓ | | |
| 1.2 (iv) | The post of Independent Director(s) cannot remain vacant for more than 90 (ninety) days. | | | No such incidence |
| 1.2 (v) | Code of conduct for all Board members and compliance matter; | ✓ | | |
| 1.2 (vi) | Tenure of office of an Independent Director for a period of 3 (three) years, may be extended for 1 (one) term only. | ✓ | | |

## Corporate Governance Compliance [F. Y. ended 30 June 2018]

| Condition No. | Title | Compliance Status | | Remarks (if any) |
|---|---|---|---|---|
| | | Complied | Not Complied | |
| 1.3 | Qualification of Independent Director : | | | |
| 1.3 (i) | 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) | Should be a Business /Corporate Leader/Bureaucrat/University Teacher with Economics or Business Studies or Law background/ Professionals like Chartered Accountants, Cost & Management Accountants and Chartered Secretaries. Must have at least 12 (twelve) years of corporate management/ professional experiences; | ✓ | | |
| 1.3 (iii) | Relaxation of qualifications of Independent Directors subject to prior approval of the Commission; | | | Not applicable |
| 1.4 | Chairman of the Board & Chief Executive Officer (CEO) Chairman to the Board and the Chief Executive Officer shall be different individual with clearly defined respective roles and responsibilities; | ✓ | | |
| 1.5 | The Director's Report to shareholders: | | | |
| 1.5 (i) | 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) | Disclosure on related party transactions; | ✓ | | |
| 1.5 (vii) | Utilization from public issues, rights issues and/or through any others instruments; | | | Not applicable |
| 1.5 (viii) | Explanation if the financial results deteriorate after going for IPO, RPO, Rights Offer, Direct Listing, etc; | | | Not applicable |
| 1.5 (ix) | Significant variance between Quarterly Financial Performance and Annual Financial Statements and explanation thereon; | | | Not applicable |
| 1.5 (x) | Remuneration to Directors including Independent Directors; | ✓ | | |
| 1.5 (xi) | Fairness of Financial Statements; | ✓ | | |
| 1.5 (xii) | Maintenance of proper books of account; | ✓ | | |
| 1.5 (xiii) | Application of appropriate accounting policies and estimates; | ✓ | | |
| 1.5 (xiv) | Application of International Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standards (IFRS)/ Bangladesh Financial Reporting Standards (BFRS), | ✓ | | |
| 1.5 (xv) | Efficiency of Internal control system; | ✓ | | |
| 1.5 (xvi) | Going concerns (ability to continue as going concern); | ✓ | | |
| 1.5 (xvii) | Deviations in operating results (highlighting significant deviations from last year in operating result); | ✓ | | |
| 1.5 (xviii) | Key operating and financial data (summarized financial data at least preceding five years); | ✓ | | |
| 1.5 (xix) | Reason for non declaration of dividend ; | | | Not applicable |
| 1.5 (xx) | Number of Board meetings (number of Board Meetings held and attendance by each Director; | ✓ | | |
| 1.5 (xxi) | The pattern of shareholding: | ✓ | | |
| 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; | ✓ | | |

AFTABAUTOSTOCK

## Corporate Governance Compliance [F. Y. ended 30 June 2018]

| Condition No. | Title | Compliance Status | | Remarks (if any) |
|---|---|---|---|---|
| | | Complied | Not Complied | |
| 1.5 (xxi) d) | Shareholders holding ten percent (10%) or more voting interest in the company (name wise details); | ✓ | | |
| 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) | 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 (HIA) and Company Secretary (CS) | | | |
| 2.1 | Appoint of CFO, HIA and CS. The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the HIA and the CS. | ✓ | | |
| 2.2 | Presence of the CFO and CS in the Board Meeting; | ✓ | | |
| 3. | Audit Committee | | | |
| 3 (i) | Should have an Audit Committee as a sub-committee of the Board of Directors; | ✓ | | |
| 3 (ii) | Assisting Board of Directors in ensuring true and fair presentation of financial statements and also to monitor systems; | ✓ | | |
| 3 (iii) | Reporting and duties of the Audit Committee; | ✓ | | |
| 3.1 (i) | The Audit Committee shall be composed of at least 3 (three) members. | ✓ | | |
| 3.1 | Constitution of the Audit Committee | | | |
| 3.1 (i) | Composition of Audit Committee (should be composed at least 3 [three] members.) | ✓ | | |
| 3.1 (ii) | Audit Committee Members Appointment (members should appointed by the Board with at least one Independent Director); | ✓ | | |
| 3.1 (iii) | Financially literacy of committee members (members should be financially literate; | ✓ | | |
| 3.1 (iv) | Terms of Service of Audit Committee (Board to ensure continuity of minimum prescribed number of members); | ✓ | | |
| 3.1 (v) | Secretary of the committee; | ✓ | | |
| 3.1 (vi) | Quorum of the Audit Committee meeting (at least one Independent Director must present); | ✓ | | |
| 3.2 | Chairman of the Audit Committee | | | |
| 3.2 (i) | Chairman of Audit Committee(Board to select Chairman from audit committee who shall be an Independent Director); | ✓ | | |
| 3.2 (ii) | Presence of Chairman of the audit committee Annual General Meeting; | ✓ | | |
| 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 of annual financial statements before submission to the board; | ✓ | | |
| 3.3 (vi) | Review of quarterly and half yearly financial statements before submission to the board; | ✓ | | |
| 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) | Declaration to Audit Committee by the Company regards utilization of IPO/RPO, Right issue money | | | Not applicable |

LANAR STOCK

## Corporate Governance Compliance [F. Y. ended 30 June 2018]

| 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) | Report on defect in the internal control system to the Board of Directors; | ✓ | | |
| 3.4.1 (ii) c) | Suspected infringement of laws to the Board of Directors; | ✓ | | |
| 3.4.1 (ii) d) | Any other matter (out of the above a-c). | ✓ | | |
| 3.4.2 | Reporting to the Authorities- BSEC (if any material impact on the financial condition & results of operation, unreasonably ignored by the management). | | | |
| 3.5 | Reporting to the shareholders (disclosure of the activities of the audit committee in the annual report). | ✓ | | |
| 4. | External/Statutory Auditors | | | |
| 4 (i) | Appraisal or valuation services (none by the external/ statutory auditor); | ✓ | | |
| 4 (ii) | Financial information system (none by the external/ statutory auditor); | ✓ | | |
| 4 (iii) | Book-keeping or other services (none by the external/ statutory auditor); | ✓ | | |
| 4 (iv) | Broker-dealer services; (none by the external/ statutory auditor); | ✓ | | |
| 4 (v) | Actuarial services (none by the external/ statutory auditor); | ✓ | | |
| 4 (vi) | Internal audit services (none by the external/ statutory auditor); | ✓ | | |
| 4 (vii) | Any other services (none by the external/ statutory auditor); | ✓ | | |
| 4 (viii) | Not to possess any share of the company (none by the external/ statutory auditor); | ✓ | | |
| 5. | Subsidiary Company: | | | |
| 5 (i) | Composition of the Board of Directors of the subsidiary Company; | ✓ | | |
| 5 (ii) | Presence of Independent Director of holding company in the Board of subsidiary company; | ✓ | | |
| 5 (iii) | Review the Board meeting minutes of subsidiary company in the Board meeting of the holding company; | ✓ | | |
| 5 (iv) | Reflection in the holding company's Board meeting minutes about review of the affairs of subsidiary company; | ✓ | | |
| 5 (v) | Review the financial statements of subsidiary company, in particular | ✓ | | |
| | the investments made by the subsidiary company. | ✓ | | |
| 6. | Duties of Chief Executive Officer (CEO) and Chief Financial Officer (CFO): | | | |
| 6 (i) a) | Financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; | ✓ | | |
| 6 (i) b) | Financial 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) | 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) | Certification on compliance of condition of Corporate Governance Guidelines of BSEC and reporting to the shareholders; | ✓ | | |
| 7 (ii) | Directors' report should state about the compliance with the conditions of the Corporate Governance Guideline of the Commission. | ✓ | | |

**ATIK KHALED CHOWDHURY**
Chartered Accountants

Hasan Court (1st Floor)
23/1 Motijheel C/A,
Dhaka, Bangladesh

# Certificate of Compliance of Conditions of Corporate Governance Guidelines to the Shareholders of Aftab Automobiles Limited

We have examined the compliance of conditions of corporate governance guidelines of the Bangladesh Securities and Exchange Commission(BSEC) by Aftab Automobiles Limited for the yearended on June 30, 2018 as stipulated in clause 7(i) of the BSEC notification no BSEC/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 for issuing this certification was limited to the checking of procedure and implementations 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.

Dated: Dhaka
October 18, 2018

Sd/-
**Atik Khaled Chowdhury**
Chartered Accountants

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# Audit Committee

The Audit committee consists of the following members:

| | |
|---|---|
| Mr. M. Obaidur Rahman FCA, 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.

**Internal Audit**

- Audit Committee will observe the functions of internal audit department and its structure and confirm that no barrier/limitation make hindrance against the work of the internal audit department.
- Audit Committee will examine the capabilities and effectiveness of internal audit department.
- Audit Committee will observe the management's function regarding the implementation/elimination of the recommendations/errors/irregularities etc. found by the internal audit department.
- Audit Committee will submit their recommendation to the Board of Directors regarding the change of any accounting principle if they think necessary.

**External Audit**

- Audit Committee will examine the audit report and audit procedure of the external auditor of the company.
- Audit Committee will examine the implementation/elimination of the recommendation/observation/irregularities as provided by the external auditor in their report by the management properly.
- Audit Committee will submit their recommend to the Board of Directors regarding appointment of external auditor of the company.
- Implementation/existence of practice of acts, rules and regulations
- Audit Committee will examine the implementation/existence of practice of the acts, rules and regulation enforced by the Regulatory Authority like BSEC and other organizations and also adopted by the Board of Directors of the company on regular basis.

**Review of financial statements by the Audit Committee**

Audit Committee reviewed the annual financial statements for the year ended June 30, 2018 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 annualaudited financial statements.
- Review statement of significant related party transaction submitted by the management.

**The Audit Committee meeting:**

The Committee met four times during last financial year ended on June 30, 2018 to carry out the following tasks:

- The Audit Committee reviewed the financial statements for the year ended June 30, 2018;
- Reviewed and discussed the management letter, by external auditor Malek Siddiqui Wali, Chartered Accountants for the year ended June 30, 2018 on the annual audit on financial statements of Aftab Automobiles Limited;
- Reviewed reports of Internal Control & Compliance on operational/financial activities;
- Reviewed the Quarterly and Annual financial statements.

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

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# Audit Committee

**Audit Committee Report to the Board:**

28 October 2018

The Board of Directors
Aftab Automobiles Limited

Subject: 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 Aftab Automobiles Limited for the year ended 30 June 2018. The Committee found adequate arrangement to present a true and fair view of the financial statements 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 'Navana Batteries Limited' for the year ended 30 June 2018 and found adequate arrangement to present a true and fair view of the financial statements.

Sd/-
( M. Obaidur Rahman )
Chairman
Audit Committee
Aftab Automobiles Limited

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# Certification of Managing Director and Chief Financial Officer to the Board

The Board of Directors
Aftab Automobiles Limited

Subject : Certification of Managing Director and Chief Financial Officer to the Board.

Dear Sirs

Pursuant to Condition No 6 of the Bangladesh Securities and Exchange Commission Notification No. BSEC/ CMRRCD/ 2006-158/134/Admin/44, dated August 07, 2012, we, do hereby certify that :

(i) We have reviewed financial statements for the year ended June 30, 2018 and that to the best of our 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;

(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) To the best of our 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.

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

October 18, 2018

**Sd/-**
**(Saiful Islam)**
Managing Director

AMAR STOCK

## Hino AK1J AC Bus






## Hino RN8J Luxurious Bus









মালেক সিদ্দিকী ওয়ালী, চার্টার্ড একাউনটেন্টস
৯-জি, মতিঝিল বানিজ্যিক এলাকা, ঢাকা-১০০০

**Malek Siddiqui Wali**
CHARTERED ACCOUNTANTS
Partners: Md. Waliullah, FCA
Mr. Swadesh Ranjan Saha, FCA
Md. Habibur Rahman Sarker, FCA
Mr. Anjan Mallik, FCA

PHONE: OFF: +88029513471
PABX: 9576128: 9576118-9
FAX: 880-2-9516236
Email: wali@satcombd.com
9-G, MOTIJHEEL C/A,
Dhaka-1000, Bangladesh

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

We have audited the accompanying consolidated financial statements of Aftab Automobiles Limited (the Company), which comprise the statement of financial position as at June 30, 2018, and the consolidated statement of Profit or Loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period/ year then ended, and a summary of significant accounting policies and other explanatory information disclosed in Notes and Schedule-A. We have also audited the attached financial statements of Aftab Automobiles Limited which comprise the statement of financial position as at June 30, 2018 and statements of cash flows for the period/ 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 audited by Rahman Mostafa Alam & Co.

**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 auditor's 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 June 30, 2017, and its financial performance and its cash flows for the period/ 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.

**Emphasis of Matter:**
In our opinion financial statements give a true and fair view of the financial position of Aftab Automobiles Limited and its subsidiary as of June 30, 2018, and its financial performance and its cash flows for the period/ 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 07, 2018

**Sd/-**
**Malek Siddiqui wali**
Chartered Accountants

# Aftab Automobiles Limited and its Subsidiary

## *Consolidated Statement of Financial Position*

As at June 30, 2018

| Assets | Notes | Amount in Taka As at June 30, 2018 | Amount in Taka As at June 30, 2017 |
|---|---|---|---|
| **Non-current assets** | | | |
| Property, plant and equipment | 3 (a) | 2,012,034,921 | 1,742,323,001 |
| Capital work-in-progress | 4 (a) | 104,848,039 | 289,001,994 |
| Investments | 5.2 | 57,895,758 | 38,592,330 |
| Investments in associate | 5.3 | 321,562,941 | 297,116,955 |
| Receivables -Non-Current Maturity | 6 (a) | 2,460,241,751 | 1,954,611,446 |
| **Total non-current assets** | | **4,956,583,410** | **4,321,645,726** |
| **Current assets** | | | |
| Receivables -Current Maturity | 6 (a) | 2,217,118,700 | 1,647,745,470 |
| Stock and stores | 7 (a) | 1,930,448,231 | 2,131,143,582 |
| Current account with Navana Group Companies | 8 (a) | 1,590,392,444 | 1,066,437,396 |
| Advances, deposits and prepayments | 9 (a) | 2,546,181,187 | 2,158,585,558 |
| Cash and bank balances | 10 (a) | 460,146,251 | 481,143,486 |
| **Total current assets** | | **8,744,286,812** | **7,485,055,492** |
| **Total assets** | | **13,700,870,223** | **11,806,701,218** |
| **Equity and Liabilities** | | | |
| **Capital & reserves** | | | |
| 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 | | 2,878,999,350 | 2,722,945,676 |
| **Equity attributable to owners of the Company** | | **5,829,520,140** | **5,673,466,466** |
| **Non-controlling interests** | | 412,223 | 394,678 |
| **Total equity** | | **5,829,932,364** | **5,673,861,144** |
| **Non-current liabilities** | | | |
| Loan and deferred liabilities (unsecured) | 25 | 25,310,440 | 25,310,440 |
| Long Term loan-Non current Maturity | 14 (a) | 3,383,107,848 | 2,362,003,289 |
| Deferred tax liability | 23 ( b) | 137,062,262 | 121,594,814 |
| **Total Non-current liabilities** | | **3,545,480,550** | **2,508,908,544** |
| **Current liabilities** | | | |
| Long Term loan-Current Maturity | 14 (a) | 1,127,702,615 | 787,334,430 |
| Short-term loan | 15 (a) | 1,993,503,690 | 1,810,578,998 |
| Accrued and other current liabilities | 16 (a) | 1,204,251,006 | 1,026,018,102 |
| **Total Current liabilities** | | **4,325,457,310** | **3,623,931,530** |
| **Total liabilities** | | **7,870,937,860** | **6,132,840,073** |
| **Total equity and liabilities** | | **13,700,870,223** | **11,806,701,218** |
| **Net assets value per share (NAVPS)** | | **60.89** | **59.26** |

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

These financial statements were approved by the Board of Directors on 28/10/2018 and were signed on it's behalf by:

Sd/-
**Director**

Sd/-
**Director**

Sd/-
**Company Secretary**

Signed in terms of our separate report of even date.

Sd/-
**Malek Siddiqui Wali**
Chartered Accountants

**Dated : Dhaka**
November 07, 2018

## Aftab Automobiles Limited and its Subsidiary

***Consolidated statement of Profit or Loss and other Comprehensive Income***

For the year ended June 30, 2018

| Particulars | Notes | Amount in Taka June 30, 2018 | Amount in Taka June 30, 2017 |
|---|---|---|---|
| **Sales revenue** | 17 (a) | **4,813,708,397** | **4,771,208,696** |
| Less : Cost of goods sold | 18(a) | 3,868,847,153 | 3,706,219,225 |
| **Gross profit** | | **944,861,244** | **1,064,989,471** |
| **Less: Operating expenses** | | | |
| Administrative expenses | 19 (a) | 115,142,320 | 97,889,334 |
| Selling and distribution expenses | 20 (a) | 157,940,999 | 114,734,347 |
| Financial charges | 21 (a) | 340,399,318 | 286,050,491 |
| **Total Operating Expense** | | **613,482,637** | **498,674,171** |
| **Operating profit** | | **331,378,606** | **566,315,300** |
| Other income | 22 (a) | 17,958,672 | 6,215,510 |
| Share of profit from associate company | 5.3 | 19,556,789 | 7,665,950 |
| **Profit before contribution to WPPF** | | **368,894,067** | **580,196,760** |
| Less: Contribution to WPPF | | 17,566,384 | 27,628,417 |
| **Net profit before tax** | | **351,327,683** | **552,568,343** |
| **Less: Income tax expense** | | | |
| Current tax | 23 (a) | 83,725,612 | 146,197,579 |
| Deferred tax | 23.1 (a) | 11,128,499 | 11,835,958 |
| **Total Income Tax Expense** | | **94,854,111** | **158,033,537** |
| **Net profit After Tax** | | **256,473,572** | **394,534,806** |
| **Other comprehensive Income for the year :** | | | |
| **Investment Valuation surplus in share** | | | |
| Revaluation Gain/(Loss) on invest. in share | 5.2 | (6,609,021) | 2,751,244 |
| Deferred tax | | (550,249) | 550,249 |
| | | **(7,159,270)** | **2,200,995** |
| **Total comprehensive Income for the year** | | **249,314,302** | **392,333,811** |
| *Attributable to:* | | | |
| ***Equity holders of the company*** | | **249,296,755** | **396,693,231** |
| *Non-controlling interests* | | 17,545 | 42,570 |
| **Profit for the period/year** | | **249,314,302** | **396,735,801** |
| **Consolidated earnings per share** | 24(a) | **2.68** | **4.12** |

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

These financial statements were approved by the Board of Directors on 28/10/2018 and were signed on it's behalf by:

Sd/-
**Director**

Sd/-
**Director**

Sd/-
**Company Secretary**

Signed in terms of our separate report of even date.

**Dated : Dhaka**
November 07, 2018

Sd/-
**Malek Siddiqui Wali**
Chartered Accountants

# Aftab Automobiles Limited and its Subsidiary

## *Consolidated Statement of Cash Flows*

For the year ended June 30, 2018

| Particulars | Amount in Taka<br>June 30,2018 | Amount in Taka<br>June 30,2017 |
|---|---|---|
| **A. Cash flows from operating activities** | | |
| Receipts from customers | 3,738,704,862 | 4,951,716,845 |
| Receipts from others | 17,958,672 | 6,215,510 |
| Payments to suppliers and employees | (4,013,661,719) | (4,602,243,447) |
| **Cash generated from operations** | **(256,998,185)** | **355,688,908** |
| Income tax paid | (149,215,052) | (229,183,157) |
| **Net cash generated by operating activities** | **(406,213,237)** | **126,505,751** |
| **B. Cash flows from investing activities** | | |
| Acquisition of property, plant & equipment | (117,045,625) | (381,063,967) |
| Investment in Share money deposit | (26,924,137) | (30,971,621) |
| Payments for capital work in progress | (64,843,010) | (369,418,952) |
| Disposal Proceeds | 700,000 | - |
| Disposal of shares | 6,528,786 | - |
| **Net cash used investing activities** | **(201,583,986)** | **(781,454,540)** |
| **C. Cash flows from financing activities** | | |
| Received/(Repayments) of bank loan | 1,544,397,435 | 1,646,522,924 |
| Inter company receipts/(payments) | (523,955,048) | (1,066,437,396) |
| Bank interest paid | (340,399,318) | (286,050,491) |
| Dividend paid | (93,243,081) | (90,585,239) |
| **Net cash provided by financing activities** | **586,799,988** | **203,449,798** |
| **D. Net changes in cash & cash equivalents for the period/ year (A+B+C)** | **(20,997,235)** | **(451,498,991)** |
| **E. Cash & cash equivalents at beginning of the period/year** | **481,143,486** | **932,642,477** |
| **F. Cash & cash equivalents at end of the period/ year (D+E)** | **460,146,251** | **481,143,486** |
| **Net operating cash flows per share (NOCFPS)** | **(4.24)** | **1.32** |

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

These financial statements were approved by the Board of Directors on 28/10/2018 and were signed on it's behalf by:

Sd/-
**Director**

Sd/-
**Director**

Sd/-
**Company Secretary**

Signed in terms of our separate report of even date.

**Dated : Dhaka**
November 07, 2018

Sd/-
**Malek Siddiqui Wali**
Chartered Accountants

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# Aftab Automobiles Limited and its Subsidiary

## *Consolidated Statement of Changes in Equity*

For the year ended June 30, 2018

Amount in Taka

| Particulars | Share capital | Share premium | Reserves | Retained earnings | Attributable to equity holders of the company | Non-controlling interest | Total |
|---|---|---|---|---|---|---|---|
| **Balance as on July 01, 2016** | **957,324,220** | **1,925,858,339** | **67,338,231** | **2,416,837,684** | **5,367,358,474** | **352,108** | **5,367,710,582** |
| Cash dividend paid | - | - | - | (90,585,239) | (90,585,239) | - | **(90,585,239)** |
| Total comprehensive Income for the year | - | - | - | 396,693,231 | 396,693,231 | 42,570 | **396,735,801** |
| **Balance as at June 30, 2017** | **957,324,220** | **1,925,858,339** | **67,338,231** | **2,722,945,676** | **5,673,466,466** | **394,678** | **5,673,861,144** |
| **Balance as on July 01, 2017** | **957,324,220** | **1,925,858,339** | **67,338,231** | **2,722,945,676** | **5,673,466,466** | **394,678** | **5,673,861,144** |
| Cash dividend paid | - | - | - | (93,243,081) | (93,243,081) | - | **(93,243,081)** |
| Total comprehensive Income for the year | - | - | - | 249,296,755 | 249,296,755 | 17,545 | **249,314,300** |
| **Balance as at June 30, 2018** | **957,324,220** | **1,925,858,339** | **67,338,231** | **2,878,999,350** | **5,829,520,140** | **412,223** | **5,829,932,364** |

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

These financial statements were approved by the Board of Directors on 28/10/2018 and were signed on it's behalf by:

Sd/-
**Director**

Sd/-
**Director**

Sd/-
**Company Secretary**

Signed in terms of our separate report of even date.

Dated : Dhaka
November 07, 2018

Sd/-
**Malek Siddiqui Wali**
Chartered Accountants

AMARSTOCK

মালেকসিদ্দিকীওয়ালী, চার্টার্ড একাউনটেন্টস
৯-জি, মতিঝিল বানিজ্যিক এলাকা, ঢাকা-১০০০

**Malek Siddiqui Wali**
CHARTERED ACCOUNTANTS
Partners: Md. Waliullah, FCA
Mr. Swadesh Ranjan Saha, FCA
Md. Habibur Rahman Sarker, FCA
Mr. Anjan Mallik, FCA

PHONE: OFF: +88029513471
PABX: 9576128: 9576118-9
FAX: 880-2-9516236
Email: wali@satcombd.com
9-G, MOTIJHEEL C/A,
Dhaka-1000, Bangladesh

**Auditors' Report to the Shareholders**
**of**
**Aftab Automobiles Limited**

We have audited the accompanying financial statements of Aftab Automobiles Limited (the Company), which comprise the statement of financial position as at June 30, 2018, 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 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 (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 auditor's 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 as of June 30, 2018, 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 07, 2018

**Sd/-**
**Malek Siddiqui wali**
Chartered Accountants

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# Aftab Automobiles Limited

## *Statement of Financial Position*

As at June 30, 2018

| | Notes | Amount in Taka As at June 30, 2018 | Amount in Taka As at June 30, 2017 |
|---|---|---|---|
| **Assets :** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | **3** | 1,186,639,545 | 1,016,686,129 |
| Capital work-in-progress | **4** | 93,780,046 | 224,581,944 |
| Investments in subsidiary and associates | **5** | 1,136,311,043 | 1,060,347,751 |
| Receivables - non current maturity | **6** | 2,460,241,751 | 1,954,611,446 |
| **Total Non-current assets** | | **4,876,972,385** | **4,256,227,269** |
| **Current assets :** | | | |
| Receivables -current maturity | **6** | 1,742,308,445 | 1,324,190,437 |
| Stock and stores | **7** | 1,129,353,103 | 1,687,540,044 |
| Current account with Navana Batteries Ltd. | | 243,227,935 | 194,104,312 |
| Current account with Navana Group Companies | **8** | 1,077,561,924 | 598,662,340 |
| Advances, deposits and prepayments | **9** | 1,853,292,948 | 1,523,955,271 |
| Cash and bank balances | **10** | 367,031,655 | 424,971,917 |
| **Total Current assets** | | **6,412,776,010** | **5,753,424,321** |
| **Total Assets** | | **11,289,748,396** | **10,009,651,590** |
| **Equity and Liabilities :** | | | |
| **Equity attributable to equity holders** | | | |
| 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 | | 2,878,999,350 | 2,722,945,676 |
| **Total Equity attributable to equity holders** | | **5,829,520,140** | **5,673,466,466** |
| **Non-current liabilities :** | | | |
| Loan and deferred liabilities (unsecured) | **25** | 25,310,440 | 25,310,440 |
| Long Term loan-non current maturity | **14** | 2,201,719,971 | 1,580,876,885 |
| Deferred tax liability | **23 (b)** | 85,569,797 | 77,816,301 |
| **Total Non-current liabilities** | | **2,312,600,207** | **1,684,003,626** |
| **Current liabilities :** | | | |
| Long Term loan-Current maturity | **14** | 733,906,656 | 526,958,962 |
| Short term loan | **15** | 1,447,851,956 | 1,324,948,819 |
| Accrued and other current liabilities | **16** | 965,869,437 | 800,273,716 |
| **Total current liabilities** | | **3,147,628,049** | **2,652,181,498** |
| **Total liabilities** | | **5,460,228,256** | **4,336,185,124** |
| **Total Equity and Liabilities** | 25 | **11,289,748,396** | **10,009,651,590** |
| **Net assets value per share (NAVPS)** | | **60.89** | **59.26** |

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

These financial statements were approved by the Board of Directors on 28/10 / 2018 and were signed on it's behalf by:

Sd/-
**Director**

Sd/-
**Director**

Sd/-
**Company Secretary**

Signed in terms of our separate report of even date.

Sd/-
**Malek Siddiqui Wali**
Chartered Accountants

**Dated : Dhaka**
November 07, 2018

# Aftab Automobiles Limited

## *Statement of Profit or Loss and other Comprehensive Income*

For the year ended June 30, 2018

| Particulars | Notes | Amount in Taka June 30, 2018 | Amount in Taka June 30, 2017 |
|---|---|---|---|
| **Sales revenue** | **17** | **3,359,756,688** | **3,703,934,655** |
| Less: Cost of goods sold | **18** | 2,691,496,957 | 2,910,178,518 |
| **Gross profit** | | **668,259,731** | **793,756,137** |
| **Less: Operating Expense** | | | |
| Administrative expenses | **19** | 89,868,109 | 81,407,526 |
| Selling and distribution expenses | **20** | 78,313,163 | 61,302,658 |
| Financial charges | **21** | 220,765,998 | 211,703,217 |
| **Total Operating expenses:** | | **388,947,271** | **354,413,400** |
| **Operating Profit** | | **279,312,460** | **439,342,737** |
| **Non-operating income :** | | | |
| Other Income | **22** | 17,958,672 | 6,215,510 |
| Add : Share of profit from associate company | **5.3** | 19,556,789 | 7,665,950 |
| **Profit before contribution to WPPF** | | **316,827,921** | **453,224,197** |
| Less: Contribution to WPPF | | 15,087,044 | 21,582,105 |
| **Profit after contribution to WPPF** | | **301,740,877** | **431,642,092** |
| Add : Share of profit from subsidiaries | | 32,213,878 | 78,159,966 |
| **Net profit before tax** | | **333,954,755** | **509,802,059** |
| **Less: Income tax Expenses :** | | | |
| Current tax | **23** | 74,084,182 | 110,304,036 |
| Deferred tax | **23.1.a** | 3,414,548 | 5,005,788 |
| **Total income tax expesse** | | **77,498,730** | **115,309,824** |
| **Profit for the year** | | **256,456,025** | **394,492,235** |
| **Other comprehensive Income for the year :** | | | |
| **Investment Valuation surplus in share** | | | |
| Revaluation Gain/(Loss) on invest. in share | **5.2** | (6,609,021) | 2,751,244 |
| Deferred tax | **23** | (550,249) | 550,249 |
| | | **(7,159,270)** | **2,200,995** |
| **Total comprehensive income for the year** | | **249,296,755** | **392,291,240** |
| **Earnings per share (Restated- Note 29)** | **24** | **2.68** | **4.12** |

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

These financial statements were approved by the Board of Directors on 28/10/2017 and were signed on it's behalf by:

Sd/-
**Director**

Sd/-
**Director**

Sd/-
**Company Secretary**

Signed in terms of our separate report of even date.

Sd/-
**Malek Siddiqui Wali**
Chartered Accountants

**Dated : Dhaka**
November 07, 2018

AMARSTOCK

# Aftab Automobiles Limited

## *Statement of Cash Flows*

For the year ended June 30, 2018

| Particulars | Amount in Taka June 30,2018 | Amount in Taka June 30,2017 |
|---|---|---|
| **A. Cash flows from operating activities** | | |
| Receipts from customers | 2,436,008,375 | 3,718,428,850 |
| Receipts as other income | 17,958,672 | 6,215,510 |
| Payments to suppliers and employees | (2,429,919,613) | (3,894,304,636) |
| **Cash generated from operations** | **24,047,435** | **(169,660,276)** |
| Income tax paid | (84,521,714) | (186,079,779) |
| **Net cash generated by operating activities** | **(60,474,279)** | **(355,740,055)** |
| **B. Cash flows from investing activities** | | |
| acquisition of property, plant & equipment | (62,657,245) | (326,609,085) |
| Investment in Share money deposit | (26,924,137) | (30,971,621) |
| Payments for capital work in progress | (23,775,017) | (298,443,611) |
| Disposal Proceeds | 700,000 | - |
| Disposal of shares | 6,528,786 | - |
| **Net cash used investing activities** | **(106,127,613)** | **(656,024,317)** |
| **C. Cash flows from financing activities** | | |
| Receive of bank loan | 950,693,917 | 1,343,729,189 |
| Inter company receipts/(payments) | (478,899,584) | (598,662,340) |
| Inter company payments | (49,123,623) | 73,373,175 |
| Bank interest paid | (220,765,998) | (211,703,217) |
| Dividend paid | (93,243,081) | (90,585,239) |
| **Net cash used by financing activities** | **108,661,630** | **516,151,568** |
| **D. Net changes in cash & cash equivalents for the year (A+B+C)** | **(57,940,262)** | **(495,612,804)** |
| **E. Cash & cash equivalents at beginning of the year** | **424,971,917** | **920,584,721** |
| **F. Cash & cash equivalents at end of the year (D+E)** | **367,031,655** | **424,971,917** |
| **Net operating cash flows per share (NOCFPS) (Note 26)** | **(0.63)** | **(3.72)** |

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

These financial statements were approved by the Board of Directors on 28/10/2018 and were signed on it's behalf by:

Sd/-
**Director**

Sd/-
**Director**

Sd/-
**Company Secretary**

Signed in terms of our separate report of even date.

Sd/-
**Malek Siddiqui Wali**
Chartered Accountants

**Dated : Dhaka**
November 07, 2018

AMARSTOCK

# Aftab Automobiles Limited

## *Statement of Changes in Equity*

For the year ended June 30, 2018

Amount in Taka

| Particulars | Share capital | Share premium | Reserves | Retained earnings | Total |
|---|---|---|---|---|---|
| **Balance as on July 01, 2016** | **957,324,220** | **1,925,858,339** | **67,338,231** | **2,416,837,684** | **5,367,358,474** |
| Cash Dividend Paid | - | - | - | (90,585,239) | **(90,585,239)** |
| Total comprehensive income for the year | - | - | - | 396,693,231 | **396,693,231** |
| **Balance as at June 30, 2017** | **957,324,220** | **1,925,858,339** | **67,338,231** | **2,722,945,676** | **5,673,466,466** |
| Balance as on July 01, 2017 | **957,324,220** | **1,925,858,339** | **67,338,231** | **2,722,945,676** | **5,673,466,466** |
| Cash Dividend Paid | - | - | - | (93,243,081) | **(93,243,081)** |
| Total comprehensive income for the year | - | - | - | 249,296,755 | **249,296,755** |
| **Balance as at June 30, 2018** | **957,324,220** | **1,925,858,339** | **67,338,231** | **2,878,999,350** | **5,829,520,141** |

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

These financial statements were approved by the Board of Directors on 28/10/2018 and were signed on it's behalf by:

Sd/-
**Director**

Sd/-
**Director**

Sd/-
**Company Secretary**

Signed in terms of our separate report of even date.

Sd/-
**Malek Siddiqui Wali**
Chartered Accountants

**Dated : Dhaka**
November 07, 2018

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# Aftab Automobiles Limited

## *Notes to the Financial Statements*

As at and for the year ended June 30, 2018

**1. Corporate Information and Mode of Business**

**1.1 Corporate Information**

Aftab Automobiles Limited (thecompany), was incorporated in erstwhile East Pakistan in year 1967 as East Pakistan Automobiles Limited under the Company Act, 1913. Subsequently after liberation the Company changed the name as Aftab Automobiles Limited and was certified by the Register of Joint Stock Companies, Bangladesh on the 11th day of March, 1972. It was Incorporated as a Private Limited Company since inception. However, in 1981 it was transformed into Public Limited Company under Company Act 1913. 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. At present the plant is running single shift .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.

**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 July01, 2017 toJune 30, 2018.

**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.

**2.7 Basis of consolidation**

The Company has consolidated the financial statements of Aftab Automobiles Limited andits solesubsidiary named Navana Batteries Ltd.The Consolidated financial statement has been prepared in accordance with BFRS: 10. The company accrued 99.95 % of paid –up Capital of Navana batteries Ltd.

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## notes to the financial statements

**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 &Equipment's | 20 |
| Office equipment | 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 associates**

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

**b) 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.

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## notes to the financial statements

**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. No Foreign Currency transaction is involved in Cash and Cash Equivalents.

**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 deductible 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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## notes to the financial statements

**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 Earning Per Share**
**Basic Earning 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 of95,732,422 Ordinary shares of Tk. 10 each ason June 30, 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:

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## notes to the financial statements

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 October10, 2017. 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.

Provision for Workers Profit Participation Fund (WPPF) and Worker Welfare Fund (WWF) has been restated in previous year due to consideration ofshare of profit from associate company's income.

**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 except the amount was written off as bad debt. 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 Comparative Figure :**

Comparative information has been disclosed in respect of the period 2017 for all numerical data in the financial statements and also the narrative descriptive information when it is relevant for understanding of the current year's financial statements presentation. The financial information for the period July 01, 2017 to June 30, 2018 comparative for the period of July 01, 2016 to June 30, 2017 which is the last audited Financial statements.

**2.24 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 currentyear.

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| | | Amount in Taka 30-06-2018 | Amount in Taka 30-06-2017 |
|---|---|---|---|
| **3** | **Property, plant and equipment, net** | | |
| | Land & Land Development | 740,205,819 | 562,298,792 |
| | Building | 120,279,401 | 113,889,610 |
| | Shades | 18,227,700 | 19,012,750 |
| | Plant & Machinery | 188,371,361 | 195,535,973 |
| | Tools & Equipments | 17,491,003 | 15,358,901 |
| | Office Equipment | 21,076,550 | 20,847,058 |
| | Furniture & Fixture | 15,464,411 | 15,981,122 |
| | Transport Vehicles | 33,518,959 | 39,963,082 |
| | Electrical line installation | 1,897,349 | 1,199,037 |
| | Office Decoration | 30,106,992 | 32,599,804 |
| | | **1,186,639,545** | **1,016,686,129** |
| **3 (a)** | **Consolidated property, plant and equipment, net** | | |
| | Land & Land Development | 1,063,604,227 | 833,496,052 |
| | Building | 253,007,485 | 214,275,171 |
| | Shades | 248,616,581 | 19,012,750 |
| | Plant & Machinery | 224,664,455 | 420,552,333 |
| | Tools & Equipments | 40,048,939 | 52,030,810 |
| | Office Equipment | 36,718,357 | 41,441,686 |
| | Furniture & Fixture | 34,297,639 | 28,885,285 |
| | Transport Vehicles | 43,860,535 | 61,168,580 |
| | Electrical line installation | 16,885,028 | 11,674,312 |
| | Gas line installation | 20,224,681 | 7,459,180 |
| | Office Decoration | 30,106,992 | 52,326,842 |
| | | **2,012,034,921** | **1,742,323,001** |
| **4** | **Capital work-in-progress** | | |
| | **Opening balance** | **224,581,944** | - |
| | Addition during the year | 23,775,017 | 298,443,611 |
| | | 248,356,961 | 298,443,611 |
| | Less: transfer to property, plant & equipment | 154,576,915 | 73,861,667 |
| | **Closing balance** | **93,780,046** | **224,581,944** |

Capital work in progress represents Land and Land Development , civil constructions, Plant and Machinery for BMRE of Assembling Unit , Body Building Unit and Motor Cycle Unit.Primarily estimated cost of BMRE project is Taka 100.00 crore.

| | | | |
|---|---|---|---|
| **4 (a)** | **Consolidated capital work in progress** | | |
| | **Opening balance** | **289,001,994** | **103,416,248** |
| | Addition during the year | 64,843,010 | 369,418,952 |
| | | **353,845,004** | **472,835,200** |
| | Less: Transfer to property, plant & equipment | 248,996,965 | 183,833,206 |
| | **Closing balance** | **104,848,039** | **289,001,994** |

Capital work in progress represents Land and Land Development , civil constructions Plant and Machinery for BMRE of Aftab Automobiles Ltd and Navana Batteries Ltd .

| | | | |
|---|---|---|---|
| **5** | **Investments in subsidiary and associate** | | |
| | Investment in subsidiaries (Note: 5.1 ) | 756,852,344 | 724,638,466 |
| | Investment in Marketable securities ( Note: 5.2 ) | 57,895,758 | 38,592,330 |
| | Investment in associate ( Note : 5.3 ) | 321,562,941 | 297,116,955 |
| | | **1,136,311,043** | **1,060,347,751** |

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# notes to the financial statements

| | | Amount in Taka 30-06-2018 | Amount in Taka 30-06-2017 |
|---|---|---|---|
| **5.1** | **Investment in subsidiary** | | |
| | **Navana Batteries Limited** | | |
| | **Opening Balance** | 724,638,466 | 646,478,500 |
| | Add: Profit during the year | 32,213,878 | 78,159,966 |
| | **Closing Balance** | **756,852,344** | **724,638,466** |
| **5.2** | **Investment in Marketable securities** | | |
| **5 (a)** | **Quantities details of investments in share** | | |
| | Investment in shares of Navana CNG Ltd (Note: 5 (a) 1) | | |
| | **Opening Balance** | **7,620,709** | **4,869,465** |
| | Add : revaluation gain booked to OCI | - | 2,751,244 |
| | Less revaluation gain booked to OCI | 6,609,021 | - |
| | Less Related deferred Tax | 550,249 | - |
| | Less sale of Share | 461,439 | - |
| | **Closing Balance** | **-** | **7,620,709** |
| **5 (b)** | **Investment in Share Money deposit** | | |
| | Navana Construction Ltd. | | |
| | **Opening Balance** | **30,971,621** | |
| | Add ; During the year | 26,924,137 | 30,971,621 |
| | | **57,895,758** | **30,971,621** |

Investment in Share Money deposit are consist as advance for share holding of Navana Construction ltd. Which will be consider by the approval the board and also by the shareholders .

| | | | |
|---|---|---|---|
| **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** | **277,116,955** | **267,534,517** |
| | **Share of equity from associate** | | |
| | Net Income after deferred tax ( P/L-AC ) | 19,556,789 | 7,665,950 |
| | Provision for deferred tax ( note - 23.1.b ) | 4,889,197 | 1,916,488 |
| | | **24,445,986** | **9,582,438** |
| | **Closing Balance** | **301,562,941** | **277,116,955** |
| | **Total Investment in associate** | **321,562,941** | **297,116,955** |
| | Shares investment of Navana Real Estate Ltd. at cost, represent as a | | |
| **5.3 (a)** | **Acquisition quantity 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** |
| **6** | **Receivables** | | |
| | **Receivable Non-Current (Maturity over 12 months )** | 2,565,001,751 | 2,041,737,203 |
| | Less ; Provision for Bad debts | 104,760,000 | 87,125,757 |
| | | 2,460,241,751 | 1,954,611,446 |
| | **Receivable current (Maturity less than 12 months )** | 1,742,308,445 | 1,324,190,437 |
| | | **4,202,550,196** | **3,278,801,883** |

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# notes to the financial statements

| | | Amount in Taka 30-06-2018 | Amount in Taka 30-06-2017 |
|---|---|---|---|
| | Ageing schedule of receivables : | | |
| | Duration | | |
| | 1- 30 days | 494,334,186 | 402,065,000 |
| | 31- 60 days | 462,951,775 | 361,858,500 |
| | 61- 90 days | 348,231,482 | 271,393,875 |
| | 91- 180 days | 381,941,065 | 176,406,019 |
| | 181- 365 days | 385,888,542 | 112,467,043 |
| | Over 365 days | 2,129,203,146 | 1,954,611,446 |
| | | **4,202,550,196** | **3,278,801,883** |

Net receivables are considered good . The Company holds no security other than debtors' personal security in the form of work orders etc.

| | | | |
|---|---|---|---|
| **6(a)** | **Consolidated trade debtors** | | |
| | **Receivable Non-Current (Maturity over 12 months )** | 2,565,001,751 | 2,041,737,203 |
| | Less ; Provision for Bad debts | 104,760,000 | 87,125,757 |
| | | 2,460,241,751 | 1,954,611,446 |
| | **Receivable current (Maturity less than 12 months )** | 2,217,118,700 | 1,647,745,470 |
| | | **4,677,360,451** | **3,602,356,916** |
| | Ageing schedule of receivables : | | |
| | Duration | | |
| | 1- 30 days | 494,334,186 | 434,549,520 |
| | 31- 60 days | 462,951,775 | 437,825,284 |
| | 61- 90 days | 348,231,482 | 312,853,927 |
| | 91- 180 days | 381,941,065 | 245,869,210 |
| | 181- 365 days | 385,888,542 | 216,647,529 |
| | Over 365 days - | 2,604,013,401 | 1,954,611,446 |
| | | **4,677,360,451** | **3,602,356,916** |

Net receivables are considered good . The Company holds no security other than debtors' personal security in the form of work orders etc.

| | | | |
|---|---|---|---|
| **7** | **Stock and stores** | | |
| | Finished products | 628,405,618 | 1,260,488,880 |
| | Raw materials | 219,212,998 | 182,895,268 |
| | Work-in-process | 20,176,667 | 5,636,141 |
| | Stores and spares | 3,080,234 | 2,045,821 |
| | Goods in transit | 258,477,586 | 236,473,934 |
| | | **1,129,353,103** | **1,687,540,044** |

Value of Stock of Finished product & Raw materials inclusive of -87- units Hino bus-7- units RM2 Hino Bus chassis, and -1954- units of Motor cycle .

| | | | |
|---|---|---|---|
| **7 (a)** | **Consolidated stock and stores** | | |
| | Finished products | 804,837,655 | 1,393,323,677 |
| | Raw materials | 597,801,527 | 385,462,716 |
| | Work-in-process | 117,223,316 | 77,093,746 |
| | Stores and spares | 3,080,234 | 2,045,821 |
| | Goods in transit | 407,505,499 | 273,217,622 |
| | | **1,930,448,231** | **2,131,143,582** |

Value of Stock of Finished product & Raw materials inclusive of -87- units Hino bus-7- units RM2 Hino Bus chassis, and -1954- units of Motor cycle .

| | | | |
|---|---|---|---|
| **8** | **Current account with Navana group Companies** | | |
| | Navana Ltd. | 873,991,694 | 385,492,110 |
| | Navana Engineering Ltd. | 60,000,230 | 120,000,230 |
| | Navana Real Estate Ltd. | 143,570,000 | 93,170,000 |
| | | **1,077,561,924** | **598,662,340** |

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# notes to the financial statements

| | | Amount in Taka 30-06-2018 | Amount in Taka 30-06-2017 |
|---|---|---|---|
| **8 (a)** | **Current account with Navana group Companies** | | |
| | Navana Ltd. | 1,386,822,214 | 853,267,166 |
| | Navana Engineering Ltd. | 60,000,230 | 120,000,230 |
| | Navana Real Estate Ltd. | 143,570,000 | 93,170,000 |
| | | **1,590,392,444** | **1,066,437,396** |
| **9** | **Advances, deposits and prepayments** | | |
| | Advance to suppliers | 603,867,553 | 477,669,842 |
| | Advance to employees | 2,869,964 | 3,229,048 |
| | Advance to others | 144,778,280 | 84,162,074 |
| | Current Account with VAT | 6,228,303 | 6,029,162 |
| | Deposits | 368,351,492 | 310,189,503 |
| | Advance Income tax (note-9.1) | 727,197,356 | 642,675,642 |
| | | **1,853,292,948** | **1,523,955,271** |

Advance paid to suppliers against work order and considered good. Advance to employees against expenses, salary realisable 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.

| | | | |
|---|---|---|---|
| **9.1** | **Advance Income tax** | | |
| | **Opening balance** | 642,675,642 | 466,777,177 |
| | Addition during the year | 84,521,714 | 175,898,465 |
| | | 727,197,356 | 642,675,642 |
| | Adjustment made during the year | - | - |
| | **Closing Balance** | 727,197,356 | 642,675,642 |

The above amount was deducted at the import point as well as from the bills in different times at delivery point. The company made appeal to honourable High Court against the tax assessment U/S-160 is pending for the year 2011-2012 to 2016-2017.

| | | | |
|---|---|---|---|
| **9 (a)** | **Consolidated advances, deposits and prepayments** | | |
| | Advance to suppliers | 778,216,271 | 638,320,067 |
| | Advance to employees | 49,882,754 | 34,954,455 |
| | Advance to others | 186,144,888 | 188,673,272 |
| | Current Account with VAT | 99,522,387 | 81,263,330 |
| | Deposits | 401,437,455 | 333,612,054 |
| | Advance Income tax (note-9.1 a) | 1,030,977,432 | 881,762,380 |
| | | **2,546,181,187** | **2,158,585,558** |
| **9.1 (a)** | **Consolidated Income tax deducted at source** | | |
| | **Opening balance** | 881,762,380 | 662,760,537 |
| | Addition during the year | 149,215,052 | 219,001,843 |
| | | 1,030,977,432 | 881,762,380 |
| | Adjustment made during the year | - | - |
| | **Closing Balance** | **1,030,977,432** | **881,762,380** |
| **10** | **Cash & bank balances** | | |
| | Cash in hand | 6,293,654 | 21,813,272 |
| | Cash at bank | 360,738,001 | 403,158,645 |
| | | **367,031,655** | **424,971,917** |

# notes to the financial statements

| | | Amount in Taka 30-06-2018 | Amount in Taka 30-06-2017 |
|---|---|---|---|
| **10 (a)** | **Consolidated cash & bank balances** | | |
| | Cash in hand | 60,996,075 | 27,953,804 |
| | Cash at bank | 399,150,176 | 453,189,682 |
| | | **460,146,251** | **481,143,486** |
| **11** | **Share capital** | | |
| | **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** | | |
| | 95,732,420 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 Ordinary shareholders as on June 30,2018 was as follows :**

| Particulars | Num. of Investors | Num. of Shares | Share Holding '18 | Share Holding '17 |
|---|---|---|---|---|
| Sponsors | 6 | 27,208,098 | 28.42% | 28.42% |
| Financial Institutions including ICB | 262 | 35,737,790 | 37.33% | 36.01% |
| General Public | 22,414 | 32,786,534 | 34.25% | 35.57% |
| **Total** | **22,682** | **95,732,422** | **100.00%** | **100.00%** |

**The classification of shareholders by holding as on June 30, 2018 was as follows :**

| No. of share holdings | | | No. of share. holders | No. of shares 2018 | No. of shares 2017 |
|---|---|---|---|---|---|
| 1 to | 500 | | 15338 | 2,282,821 | 2,607,917 |
| 501 to | 5000 | | 6306 | 9,796,897 | 11,242,700 |
| 5001 to | 10000 | | 550 | 3,943,851 | 4,349,848 |
| 10001 to | 20000 | | 238 | 3,337,909 | 4,035,334 |
| 20001 to | 30000 | | 78 | 1,960,017 | 2,441,866 |
| 30001 to | 40000 | | 30 | 1,066,082 | 1,238,932 |
| 40001 to | 50000 | | 22 | 1,032,257 | 1,432,813 |
| 50001 to | 100000 | | 52 | 3,649,088 | 3,168,049 |
| 100001 to | 1000000 | | 55 | 17,165,029 | 14,860,678 |
| Above | 1000000 | | 13 | 51,498,471 | 50,354,285 |
| **Total** | | | **22682** | **95,732,422** | **95,732,422** |

| | | | |
|---|---|---|---|
| **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 equalization fund | 4,000,000 | 4,000,000 |
| | General reserve | 51,000,000 | 51,000,000 |
| | | **67,338,231** | **67,338,231** |

The Company has obtained tax holiday facilities for body building unit for the period of five years with effect from may 05, 1997.

# notes to the financial statements

| | | Amount in Taka 30-06-2018 | Amount in Taka 30-06-2017 |
|---|---|---|---|
| **14** | **Long Term loan-Net of current portion** | | |
| | Agrani Bank Ltd. | 512,617,234 | 309,656,546 |
| | Meghna bank Ltd AC 631-4 | 56,570,080 | 92,255,036 |
| | South-bangla Agricultural & commerce | 71,049,368 | 78,668,132 |
| | Standard bank ltd. | 141,902,741 | 94,628,221 |
| | Mutual trust bank ltd. | 264,304,560 | 137,678,765 |
| | Bank Asia Ltd. | 200,119,253 | 153,057,140 |
| | City bank Ltd.STL | 64,991,141 | 105,453,111 |
| | Uttara Finance | - | 37,023,159 |
| | Prime bank Ltd. HP loan | 63,903,407 | 107,667,397 |
| | Midland Bank Ltd. O/D AC | 99,145,612 | 53,344,675 |
| | Peoples Leasing | 162,637,460 | 109,325,620 |
| | Mercantile bank Ltd. Term loan | 76,496,136 | 85,864,144 |
| | One Bank Lease Loan | 400,341,511 | 53,677,613 |
| | NCC Bank Ltd TL AC | 152,930,641 | 126,117,047 |
| | NRB Commercial | 25,229,197 | - |
| | Bay Leasing | 89,239,082 | 97,452,706 |
| | GSP Finance | 187,429,117 | 191,949,553 |
| | Midas financing | 31,225,924 | 39,961,080 |
| | Union Capital | 145,093,674 | 150,912,320 |
| | Southeast Bank | 127,805,806 | - |
| | Modhumoti bank Ltd. | 62,594,683 | 83,143,582 |
| | | **2,935,626,627** | **2,107,835,847** |
| | **less: Long Term loan-Current maturity** | **733,906,656** | **526,958,962** |
| | **Long Term loan-Net of Non-current maturity** | **2,201,719,971** | **1,580,876,885** |
| **14( a )** | **Consolidated Long Term loan-Net of current portion** | | |
| | Agrani Bank Ltd. | 1,027,162,123 | 309,656,546 |
| | Meghna bank Ltd AC 631-4 | 56,570,080 | 92,255,036 |
| | South-bangla Agricultural & commerce | 71,049,368 | 78,668,132 |
| | Standard bank ltd. | 141,902,741 | 94,628,221 |
| | Mutual trust bank ltd. | 264,304,560 | 137,678,765 |
| | Bank Asia Ltd. | 200,119,253 | 153,057,140 |
| | City bank Ltd.STL | 64,991,141 | 105,453,111 |
| | Uttara Finance | - | 37,023,159 |
| | Prime bank Ltd. HP loan | 63,903,407 | 107,667,397 |
| | Midland Bank Ltd. O/D AC | 99,145,612 | 53,344,675 |
| | Peoples Leasing | 162,637,460 | 109,325,620 |
| | Mercantile bank Ltd. Term loan | 76,496,136 | 85,864,144 |
| | One Bank Lease Loan | 400,341,511 | 53,677,613 |
| | Al-Arafah Islami Bank Ltd. | - | 30,344,500 |
| | Trust Bank Ltd. | 387,295,430 | 357,037,083 |
| | Dutch-bangla Bank Ltd. | 621,385,483 | 600,956,291 |
| | Social Islami Bank Ltd. | 51,958,035 | 53,163,998 |
| | NCC Bank Ltd TL AC | 152,930,641 | 126,117,047 |
| | NRB Commercial | 25,229,197 | - |
| | Bay Leasing | 89,239,082 | 97,452,706 |
| | GSP Finance | 187,429,117 | 191,949,553 |
| | Midas financing | 31,225,924 | 39,961,080 |
| | Union Capital | 145,093,674 | 150,912,320 |
| | Southeast Bank | 127,805,806 | - |
| | Modhumoti bank Ltd. | 62,594,683 | 83,143,582 |
| | | **4,510,810,463** | **3,149,337,719** |
| | **less: Long Term loan-Current maturity** | **1,127,702,615** | **787,334,430** |
| | **Long Term loan-Net of Non-current maturity** | **3,383,107,848** | **2,362,003,289** |

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# notes to the financial statements

| | | Amount in Taka 30-06-2018 | Amount in Taka 30-06-2017 |
|---|---|---|---|
| 15 | **Short-term loan** | | |
| | Bank Asia Ltd. | 465,037,971 | 493,992,758 |
| | Standard Bank Ltd CC AC | 42,794,066 | 40,849,043 |
| | NRB Commercial | 228,022,713 | 210,978,466 |
| | NCC bank CC AC | 82,725,899 | - |
| | Dhaka Bank Ltd. | 51,388,456 | 51,084,123 |
| | Mercantile Bank | 61,746,132 | 62,858,955 |
| | The City Bank Ltd O/D Ac | 31,896,563 | 30,632,288 |
| | Midland Bank Ltd. O/D AC | 21,350,740 | 21,238,258 |
| | Prime bank Ltd. SOD A/C | 51,554,429 | 49,703,569 |
| | SBSC | 34,206,739 | 31,108,233 |
| | Mutual trust bank ltd. | 52,705,121 | 51,554,572 |
| | Southeast Bank Ltd. | 82,188,304 | 81,865,901 |
| | Dutch-Bangla Bank SOD AC | 199,999,768 | 103,064,857 |
| | IFIC Bank Ltd. - SOD | 39,895,590 | - |
| | Jamuna Bank Ltd. - CC | 2,339,465 | - |
| | One bank Ltd. SOD A/C | | 96,017,796 |
| | | **1,447,851,956** | **1,324,948,819** |
| 15 ( a ) | **Consolidated Short-term loan** | | |
| | Bank Asia Ltd. | 465,037,971 | 493,992,758 |
| | Standard Bank Ltd CC AC | 42,794,066 | 40,849,043 |
| | NRB Commercial | 228,022,713 | 210,978,466 |
| | NCC bank CC AC | 134,656,777 | 66,560,591 |
| | Dhaka Bank Ltd. | 51,388,456 | 51,084,123 |
| | Mercantile Bank | 72,054,431 | 73,124,367 |
| | The City Bank Ltd O/D Ac | 31,896,563 | 30,632,288 |
| | Midland Bank Ltd. O/D AC | 21,350,740 | 21,238,258 |
| | Prime bank Ltd. SOD A/C | 51,554,429 | 49,703,569 |
| | SBSC | 34,206,739 | 31,108,233 |
| | Mutual trust bank ltd. | 52,705,121 | 51,554,572 |
| | Southeast Bank Ltd. | 346,462,295 | 335,271,369 |
| | Modhumoti Bank Ltd. | 20,832,910 | 122,227,158 |
| | Shahjalal Islami bank ltd | 166,444,443 | - |
| | Dutch-Bangla Bank SOD AC | 199,999,768 | 103,064,857 |
| | Al-Arafah Islami Bank Ltd. | 31,861,213 | 33,171,550 |
| | IFIC Bank Ltd. - SOD | 39,895,590 | - |
| | Jamuna Bank Ltd. - CC | 2,339,465 | - |
| | One bank Ltd. SOD A/C | - | 96,017,796 |
| | | **1,993,503,690** | **1,810,578,998** |

Non Financial Information of Short Term and Long Term loan are given below :

| NAME OF BANK | NATURE OF FACILITY | SANCTIONED LIMIT (in Million BDT) | RATE OF INTEREST | MONTHLY INSTAL. SIZE | PARTICULARS OF SECURITY |
|---|---|---|---|---|---|
| **Funded** | | | | | |
| Agrani Bank Ltd. | C C (H) | 500.00 | 10.00% | - | 25.41 Deci.Land at Kaligonj & Lien 55,67,460 Shares of Aftab Automobiles Ltd |
| Agrani Bank Ltd. | Trans, L | 800.00 | 11.50% | 21.11 | 47.32 Million FDR |
| Al-Arafah Islami Bank Ltd. | MPI-TR | 50.00 | 13.00% | - | |
| BRAC Bank Limited | LTR | 237.50 | 10.00% | - | Lien of 300,000 Shares of Navana CNG Ltd. |
| BRAC Bank Limited | TL | 50.00 | 10.00% | - | Registered Mortgage 283.75 Decimal of Land at Chittagong & Registered Mortgage of 204 Decimal of Land at Mongla, District-Bagerhat |

## notes to the financial statements

| NAME OF BANK | NATURE OF FACILITY | SANCTIONED LIMIT (in Million BDT) | RATE OF INTEREST | MONTHLY INSTAL. SIZE | PARTICULARS OF SECURITY |
|---|---|---|---|---|---|
| Bank Asia Limited | O/D | 450.00 | 10.50% | - | 12.33 Acre Land with factory Building at Fouzdarhat & 196.015 Deci. Land at Keton, Panjura,Kaligong. |
| Bank Asia Limited | D L | 250.00 | 10.50% | - | |
| Bank Asia Limited | O/D | 37.50 | 8.00% | - | 42.56 Million FDR |
| Bank Asia Limited | LTR | 700.00 | 10.50% | - | Lien of 220,000 Shares of Aftab Automobiles Ltd. |
| Dhaka Bank Ltd. | STL | 100.00 | 11.50% | - | |
| Dhaka Bank Ltd. | O/D | 50.00 | 11.50% | - | |
| Meghna Bank Ltd. | TL | 300.00 | 11.00% | 4.814 | |
| Mercantile Bank Ltd. | TL | 136.79 | 9.00% | - | 151.01 Dcimal land at Katun, Kaligong & 299.54 Decimal Land at Panjora. |
| Mercantile Bank Ltd. | TL | 117.17 | 9.00% | - | Lien 2,00,000 Shares of Aftab Automobiles Limited |
| Mercantile Bank Ltd. | O/D | 50.00 | 9.00% | - | |
| Midland Bank Ltd | Time L | 190.00 | 13.00% | - | Lien 1,100,000 Shares of Aftab Automobiles Limited |
| Midland Bank Ltd | Time L | 30.00 | 13.00% | - | Lien 3,450,000 Shares of Navana CNG Limited |
| Midland Bank Ltd | Time L | 40.00 | 13.00% | - | |
| Midland Bank Ltd | LTR | 40.00 | 13.00% | - | |
| Midland Bank Ltd | O/D | 20.00 | 13.00% | - | |
| Mutual Trust Bank Ltd. | L G | 400.00 | 12.00% | - | Lien 800,000 Shares of Aftab Automobiles Limited |
| Mutual Trust Bank Ltd. | C C (H) | 50.00 | 12.00% | - | |
| NCC Bank Ltd. | TL | 195.00 | 12.00% | 4.67 | |
| NRB Commercial Bank Ltd. | LTR | 300.00 | 12.00% | - | Lien 250,000 Shares of Navana CNG Limited |
| NRB Commercial Bank Ltd. | O/D | 200.00 | 12.00% | - | Registered Mortgage 634 Decimal Land at Mongla, District-Bagerhat |
| NRB Commercial Bank Ltd. | O/D | 50.00 | 11.00% | | Lien 1,250,000 Shares of Aftab Automobiles Limited |
| One Bank Limited | LTR | 400.00 | 11.00% | - | |
| One Bank Limited | Time L | 380.00 | 11.00% | - | Lien on Fixed Deposit BDT 2.08 Million |
| One Bank Limited | Lease | 100.00 | 11.00% | 1.30 | |
| Prime Bank Ltd. | O/D | 50.00 | 11.50% | - | |
| Prime Bank Ltd. | HP | 140.00 | 13.00% | 3.76 | |
| South Bangla Agriculture and Commerce Bank Limited | LTR | 30.00 | 14.00% | - | |
| South Bangla Agriculture and Commerce Bank Limited | C C (H) | 30.00 | 14.00% | - | Registered Mortgage of 122 Decimal of Land at Kaligonj, District-Gazipur |
| South Bangla Agriculture and Commerce Bank Limited | Lease | 150.00 | 14.00% | 3.72 | |
| Southeast Bank Ltd. | O/D | 80.00 | 13.00% | - | Registered Mortgage of 681.66 Decimal Land at Mongla |
| Southeast Bank Ltd. | Time L | 83.61 | 13.00% | - | |
| Southeast Bank Ltd. | LTR | 120.00 | 13.00% | - | |
| Standard Bank Ltd. | C C (H) | 40.00 | 12.50% | - | Lien of 800,000 shares of Aftab Automobiles Ltd. |
| Standard Bank Ltd. | TL | 120.00 | 12.50% | - | |

# notes to the financial statements

| NAME OF BANK | NATURE OF FACILITY | SANCTIONED LIMIT (in Million BDT) | RATE OF INTEREST | MONTHLY INSTAL. SIZE | PARTICULARS OF SECURITY |
|---|---|---|---|---|---|
| The City Bank Limited | O/D | 30.00 | 12.50% | - | Lien 1,000,000 Share of Aftab Automobiles Limited |
| The City Bank Limited | STL | 100.00 | 12.50% | - | Lien on Fixed Deposit BDT 11.8 Million |
| **Non-funded** | | | | | |
| Agrani Bank Ltd. | L/ C | **500.00** | 12.50% | - | Covered by securities under Funded Facilities of same sanction |
| Al-Arafah Islami Bank Ltd. | L/ C | **100.00** | 12.50% | - | Do' |
| Bank Asia Limited | L/ C | 700.00 | **10.50%** | - | Do' |
| BRAC Bank Limited | L/ C | 250.00 | **10.00%** | - | Do' |
| Dhaka Bank Ltd | L/ C | 200.00 | **11.50%** | - | Do' |
| Meghna Bank Ltd. | L/ C | 400.00 | **13.00%** | - | Do' |
| Midland Bank Ltd | L/ C | 250.00 | **13.00%** | - | Do' |
| Mutual Trust Bank Ltd. | L/ C | 500.00 | **12.00%** | - | Do' |
| Mutual Trust Bank Ltd. | B/ G | 40.00 | **0.00%** | - | Do' |
| NRB Commercial Bank Ltd. | L/ C | 500.00 | **11.00%** | - | Do' |
| One Bank Limited | L/ C | 400.00 | **11.00%** | - | Do' |
| Prime Bank Ltd. | L/ C | 100.00 | **11.00%** | - | Do' |
| South Bangla Agriculture and Commerce Bank Limited | L/ C | 200.00 | **14.00%** | - | Do' |
| Southeast Bank Ltd. | L/ C | 200.00 | **13.00%** | - | Do' |
| Standard Bank Ltd. | L/ C | 200.00 | **12.50%** | - | Do' |
| | | **Leasing Company** | | | |
| BD. Finance | Lease | 150.00 | **13.00%** | | |
| Bay Leasing & Finance Limited | Lease | 100.00 | **13.00%** | | Registered Mortgage 237.50 Decimal Land at District-Manikgong |
| GSP Finance Company (Bangladesh) Limited | Lease | 200.00 | **13.00%** | | |
| MIDAS Financing Limited | Lease | 50.00 | **13.00%** | | Lien on Fixed Deposit BDT 2.6 Million |
| PLFS Limited | Lease | 300.00 | **13.00%** | | Registered Mortgage 168.60 Decimal Land at Kaligonj, District- Gazipur & 630,000 Share of Aftab Automobiles Limited |
| Union Capital Limited | Lease | 200.00 | **13.00%** | | 711 Decimal land at Manikganj. |

| | | Amount in Taka 30-06-2018 | Amount in Taka 30-06-2017 |
|---|---|---|---|
| 16 | **Accrued and other current liabilities** | | |
| | For goods supplied | 73,124,406 | 42,018,479 |
| | For expenses | 51,271,590 | 37,577,710 |
| | For Income tax | 628,796,559 | 554,712,377 |
| | For gratuity | 49,486,140 | 43,576,031 |
| | For Workers' P.P.F. and W.F. | 26,351,486 | 45,180,171 |
| | For other finance | 66,568,536 | 26,938,711 |
| | Unclaimed dividend | 70,270,720 | 50,270,237 |
| | | **965,869,437** | **800,273,716** |

The company made appeal to honourable High Court against the tax assessment U/S-160 is pending for the year 2011-2012 to 2016-2017.

# notes to the financial statements

| | | Amount in Taka 30-06-2018 | Amount in Taka 30-06-2017 |
|---|---|---|---|
| **16 (a)** | **Consolidated accrued and other current liabilities** | | |
| | For goods supplied | 78,570,814 | 46,280,571 |
| | For expenses | 60,839,520 | 56,171,430 |
| | For Income tax | 817,244,168 | 733,518,556 |
| | For gratuity | 63,176,895 | 45,156,617 |
| | For Workers' P.P.F. and W.F. | 31,577,633 | 52,047,186 |
| | Provision for bad debts | 6,149,979 | - |
| | For other finance | 76,421,277 | 42,573,505 |
| | Unclaimed dividend | 70,270,720 | 50,270,237 |
| | | **1,204,251,006** | **1,026,018,102** |
| **17** | **Revenues ( Net Sales )** | | |
| | Automobiles assembling unit | 2,366,456,456 | 2,971,002,930 |
| | Body building unit | 278,578,956 | 260,275,257 |
| | Motor Cycle unit | 714,721,276 | 472,656,468 |
| | | **3,359,756,688** | **3,703,934,655** |

The quantity of sales during the year are Hino Bus chassis -364- units, RM2 AC Bus -0.- units , Hino RN8J-29- units, and -7015-units of Motor cycle.

| | | | |
|---|---|---|---|
| **17 (a)** | **Consolidated revenues** | | |
| | Aftab automobiles Ltd. | 3,359,756,688 | 3,703,934,655 |
| | Navana Batteries Limited | 1,453,951,709 | 1,067,274,041 |
| | | **4,813,708,397** | **4,771,208,696** |
| **18** | **Cost of goods sold** | | |
| | Opening stock of direct raw materials | 182,895,268 | 230,619,284 |
| | Purchases of direct raw material | 1,926,775,355 | 3,432,667,263 |
| | Direct raw materials available for consumption | 2,109,670,623 | 3,663,286,547 |
| | Closing stock of direct raw materials (Note 7 ) | 219,212,998 | 182,895,268 |
| | Raw materials consumed | 1,890,457,625 | 3,480,391,279 |
| | Add : Opening WIP | 5,636,141 | 12,701,357 |
| | | 1,896,093,766 | 3,493,092,636 |
| | Less : Closing WIP ( Note-7 ) | 20,176,667 | 5,636,141 |
| | | 1,875,917,099 | 3,487,456,495 |
| | Indirect materials | 70,134,566 | 97,857,395 |
| | **Total consumption** | 1,946,051,665 | 3,585,313,890 |
| | Factory overhead ( Note-18.1 ) | 113,362,031 | 91,464,234 |
| | Cost of production | 2,059,413,696 | 3,676,778,124 |
| | Opening Finished products | 1,260,488,880 | 493,889,274 |
| | | 3,319,902,576 | 4,170,667,398 |
| | Closing Finished products ( Note-7 ) | 628,405,618 | 1,260,488,880 |
| | | 2,691,496,957 | 2,910,178,518 |
| **18.1** | **Factory overhead** | | |
| | Salary and allowances | 21,158,382 | 18,583,037 |
| | Wages | 13,027,372 | 8,127,611 |
| | Contribution to P.F. | 1,557,128 | 1,801,917 |
| | Overtime | 3,503,950 | 3,142,359 |
| | Bonus | 3,479,044 | 2,722,740 |
| | Leave pay | 698,005 | 700,782 |
| | Gratuity | 202,183 | 755,783 |
| | Liveries and Uniform | 175,970 | 174,409 |
| | Telephone, Fax, Mobile | 279,424 | 427,457 |
| | Fuel and Lubricants | 3,442,722 | 4,009,499 |

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# notes to the financial statements

| | Amount in Taka 30-06-2018 | Amount in Taka 30-06-2017 |
|---|---|---|
| Travelling and Conveyance | 457,680 | 324,382 |
| Entertainment | 1,041,058 | 1,367,696 |
| Office Expenses | 199,770 | 35,306 |
| Maintenance expenses | 738,994 | 1,392,516 |
| Electric Expenses | 8,645,856 | 6,817,736 |
| Duty and Allowance | 1,349,150 | 13,848 |
| Canteen Subsidies | 510,906 | 204,818 |
| Eid greeting | 135,000 | 213,996 |
| Rent Rates & Taxes | 9,220,790 | 1,808,250 |
| Insurance | 3,827,388 | 1,764,751 |
| Welfare expenses | 374,788 | 609,634 |
| Carrying & handling | 355,125 | 205,142 |
| Papers & periodical | 8,913 | 8,913 |
| General charges | 80,463 | 355,814 |
| Repairs and maintenance ( vehicle) | 245,628 | 199,250 |
| Chemicals | 2,268 | 748 |
| Annual picnic | 261,268 | 242,128 |
| Printing & Stationary | 159,782 | 221,924 |
| Depreciation | 38,223,024 | 35,231,789 |
| | **113,362,031** | **91,464,234** |

The number of employees received annual salary and wages above Tk. 36,000 during the year are 165 .

**18 (a) Consolidated cost of goods sold**

| | | |
|---|---|---|
| Opening stock of direct raw materials | 385,462,716 | 483,717,804 |
| Purchases of direct raw material | 3,232,224,650 | 4,012,347,434 |
| Direct raw materials available for consumption | 3,617,687,366 | 4,496,065,238 |
| Closing stock of direct raw materials (Note 7.a ) | 597,801,527 | 385,462,716 |
| Raw materials consumed | 3,019,885,839 | 4,110,602,522 |
| Add : Opening WIP | 77,093,746 | 92,694,840 |
| | 3,096,979,585 | 4,203,297,362 |
| Less : Closing WIP ( Note-7.a ) | 117,223,316 | 77,093,746 |
| | 2,979,756,269 | 4,126,203,616 |
| Indirect materials | 79,998,358 | 105,382,845 |
| **Total consumption** | 3,059,754,627 | 4,173,457,588 |
| Factory overhead ( Note-18.a.1 ) | 220,606,506 | 176,684,851 |
| Cost of production | 3,280,361,133 | 4,501,308,569 |
| Opening Finished products | 1,393,323,677 | 691,271,591 |
| | 4,673,684,809 | 6,027,467,043 |
| Closing Finished products ( Note-7.a ) | 804,837,655 | 1,393,323,677 |
| | 3,868,847,153 | 3,706,219,225 |

**18 (a .1) Factory overhead**

| | | |
|---|---|---|
| Salary and allowances | 26,224,170 | 22,481,025 |
| Wages | 19,103,104 | 13,540,230 |
| Contribution to P.F. | 2,063,707 | 2,191,716 |
| Overtime | 3,814,274 | 3,418,814 |
| Bonus | 4,407,504 | 3,498,623 |
| Leave pay | 1,561,390 | 1,025,615 |
| Gratuity | 2,490,955 | 3,341,167 |
| Liveries and Uniform | 175,970 | 493,902 |
| Telephone, Fax, Mobile | 592,130 | 797,695 |
| Fuel and Lubricants | 4,161,593 | 4,532,746 |
| Travelling and Conveyance | 604,332 | 520,127 |
| Entertainment | 1,238,908 | 1,478,193 |
| Office Expenses | 316,809 | 139,571 |
| Maintenance expenses | 910,495 | 1,545,299 |
| Electric Expenses | 43,837,609 | 31,942,447 |
| Duty and Allowance | 2,284,300 | 254,583 |

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# notes to the financial statements

| | | Amount in Taka | Amount in Taka |
|---|---|---|---|
| | | 30-06-2018 | 30-06-2017 |
| | Canteen Subsidies | 2,479,399 | 1,459,368 |
| | Eid greeting | 159,768 | 236,060 |
| | Rent Rates & Taxes | 9,220,790 | 1,808,250 |
| | Insurance | 7,440,972 | 2,773,479 |
| | Gas | 2,066,177 | 520,172 |
| | Welfare expenses | 521,179 | 740,047 |
| | Carrying & handling | 698,778 | 517,980 |
| | Papers & periodical | 1,475,951 | 8,913 |
| | General charges | 80,463 | 355,814 |
| | Repairs and maintenance ( vehicle) | 440,743 | 373,070 |
| | Security Exps | - | 792,977 |
| | Chemicals | 33,088 | 196,563 |
| | store & Spare | 141,040 | 20,991 |
| | Foreign Technician Remuneration | 1,587,838 | 2,000,000 |
| | Annual picnic | 1,202,436 | 980,498 |
| | Printing & Stationary | 159,782 | 221,924 |
| | Screen Printing | 64,411 | 605,936 |
| | Labour Charges | 335,488 | 516,205 |
| | Laboratory Exps | 285,452 | 274,599 |
| | Generator Maintenance | 803,098 | 459,766 |
| | Fire Extinguisher | 159,438 | 142,037 |
| | Depreciation | 77,462,966 | 70,478,449 |
| | | **220,606,506** | **176,684,851** |
| **19** | **Administrative expenses** | | |
| | Salary and allowances | 32,524,439 | 29,173,841 |
| | Wages | 7,432,168 | 6,362,855 |
| | Cont. to C.P.F. | 1,655,818 | 606,715 |
| | Bonus | 2,859,552 | 2,678,820 |
| | Overtime | 2,447,168 | 2,781,471 |
| | Welfare expenses | 127,168 | 168,278 |
| | Medical Expenses | 1,183,402 | 1,277,046 |
| | Gratuity | 6,703,985 | 6,712,433 |
| | Leave pay | 1,540,006 | 1,523,835 |
| | Entertainment | 1,375,363 | 1,197,411 |
| | AGM expenses. | 452,844 | 409,813 |
| | TA and Conveyance | 1,031,784 | 1,355,883 |
| | Travelling Exp - Foreign | 397,321 | 1,133,897 |
| | Car maintenance | 2,065,168 | 2,840,003 |
| | Stationery | 884,224 | 1,040,776 |
| | Fees and Registration | 2,370,123 | 1,759,087 |
| | Telephone | 586,020 | 721,741 |
| | Electric expenses | 707,396 | 500,438 |
| | Rent, rates and taxes | 3,639,364 | 4,027,382 |
| | Insurance premium | 2,477,272 | 224,136 |
| | Liveries and Uniform | 90,895 | 51,164 |
| | Bank charges | 2,119,714 | 677,133 |
| | Bank Guarantee & Charge documents | 91,588 | 1,034,297 |
| | Audit fees | 287,500 | 250,000 |
| | Duty allowance | 115,875 | 107,791 |
| | Paper and periodicals | 31,094 | 69,289 |
| | Postage and telegram | 601,390 | 531,472 |
| | Night allowances | 62,772 | 58,392 |
| | Advertisement and Publicity | 50,000 | 544,462 |
| | Directors fee | 218,500 | 230,000 |
| | Office maintenance | 843,906 | 319,147 |
| | Maintenance expenses | 198,240 | 475,652 |
| | General Expenses | 389,865 | 332,421 |
| | WASA Bill | 7,694 | 33,020 |

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# notes to the financial statements

| | Amount in Taka 30-06-2018 | Amount in Taka 30-06-2017 |
|---|---|---|
| Carrying & Handling | 765,336 | 765,336 |
| Gas | 111,909 | 110,679 |
| CDBL Fee | 37,000 | 236,872 |
| Canteen Subsidy | 589,390 | 310,694 |
| Security Exps | 982,111 | 1,419,894 |
| Donation | 757,845 | 804,674 |
| Promotion Exp. | 3,649,546 | 552,127 |
| Fuel & Lubricants | 627,479 | 1,593,176 |
| Depreciation | 4,777,878 | 4,403,974 |
| | **89,868,109** | **81,407,526** |

The number of employees who received annual salary and allowances above Tk. 36,000 during the year were 89.

**19 (a) Consolidated administrative expenses**

| | | |
|---|---|---|
| Salary and allowances | 39,901,587 | 33,161,812 |
| Wages | 9,415,754 | 7,158,685 |
| Cont. to C.P.F. | 2,364,390 | 606,715 |
| Bonus | 3,688,114 | 3,011,151 |
| Overtime | 2,447,168 | 2,781,471 |
| Welfare expenses | 144,680 | 372,669 |
| Medical Expenses | 1,183,402 | 1,277,046 |
| Gratuity | 11,316,739 | 7,991,143 |
| Leave pay | 1,540,006 | 1,523,835 |
| Entertainment | 1,737,343 | 1,729,579 |
| AGM expenses. | 452,844 | 409,813 |
| TA and Conveyance | 1,155,332 | 1,694,185 |
| Travelling Exp - Foreign | 834,839 | 1,733,266 |
| Car maintenance | 2,217,530 | 3,435,310 |
| Stationery | 936,594 | 1,296,792 |
| Fees and Registration | 2,685,123 | 2,147,030 |
| Telephone | 806,217 | 828,679 |
| Electric expenses | 707,396 | 500,438 |
| Rent, rates and taxes | 4,598,696 | 4,027,382 |
| Insurance premium | 2,477,272 | 224,136 |
| Liveries and Uniform | 90,895 | 51,164 |
| Bank charges | 2,119,714 | 677,133 |
| Bank Guarantee & Charge documents | 112,527 | 1,136,724 |
| Audit fees | 533,500 | 307,500 |
| Duty allowance | 115,875 | 107,791 |
| Paper and periodicals | 33,514 | 86,892 |
| Postage and telegram | 603,370 | 608,063 |
| Publicity | - | 357,763 |
| Night allowances | 62,772 | 58,392 |
| Advertisement and Publicity | 50,000 | 544,462 |
| Directors fee | 233,500 | 245,000 |
| Office maintenance | 929,858 | 757,526 |
| Maintenance expenses | 305,136 | 666,215 |
| General Expenses | 389,865 | 332,421 |
| WASA Bill | 7,694 | 33,020 |
| Carrying & Handling | 1,612,038 | 1,698,629 |
| Gas | 111,909 | 110,679 |
| CDBL Fee | 37,000 | 236,872 |
| Canteen Subsidy | 589,390 | 310,694 |
| Security Exps | 982,111 | 1,419,894 |
| Donation | 757,845 | 804,674 |
| Promotion Exp. | 3,649,546 | 552,127 |
| ISO | 341,213 | - |
| Fuel & Lubricants | 627,479 | 1,593,177 |
| Guest House Maintenance | 152,119 | 120,790 |
| Membership fee & others | 399,556 | 350,790 |
| Depreciation | 9,682,871 | 8,809,806 |
| | **115,142,320** | **97,889,334** |

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# notes to the financial statements

| | | Amount in Taka 30-06-2018 | Amount in Taka 30-06-2017 |
|---|---|---|---|
| **20** | **Selling and distribution expenses** | | |
| | Salary & Allowance | 14,673,962 | 10,912,032 |
| | Wages | 1,070,589 | 981,208 |
| | Bonus | 2,355,983 | 1,631,281 |
| | Leave pay | 198,223 | 215,124 |
| | Welfare | 109,057 | 99,952 |
| | P/F company's Contribution | 231,296 | 258,149 |
| | Gratuity | 1,695,775 | 1,081,893 |
| | Overtime | 715,745 | 776,691 |
| | Fuel & Lubricant | 652,144 | 637,052 |
| | Transit Insurance | 292,572 | 481,854 |
| | Promotional Exps | 8,914,064 | 970,731 |
| | Training Exp. | 4,940,674 | 504,164 |
| | Driving Charge | 160,789 | 393,869 |
| | Toll Charge | 147,931 | 78,619 |
| | Delivery Exps | 1,006,821 | 454,912 |
| | Rent Rates & Taxes | 9,550,345 | 9,610,136 |
| | Conveyance | 897,302 | 597,329 |
| | Entertainment | 470,019 | 862,276 |
| | Stationery | 36,352 | 6,555 |
| | Telephone | 1,026,078 | 257,717 |
| | Publicity Exp. | 1,981,675 | 1,058,936 |
| | Fees & Registration | 150,230 | 404,965 |
| | Maintenance | 62,300 | 99,242 |
| | Car Maintenance | 844,088 | 489,283 |
| | Electrical Expenses | 310,636 | - |
| | Postage & Telegram | 243,780 | 253,135 |
| | Papers & Periodicals | 6,120 | 10,772 |
| | Bank Charges | 25,790 | 44,488 |
| | Security Guard salary | 205,120 | 383,482 |
| | Office Maintenance | 105,790 | 404,758 |
| | Showroom Exps | 555,932 | 835,489 |
| | Transportation Charges | 852,695 | 2,102,680 |
| | Gift & Donation | 178,431 | 168,350 |
| | Bad debts | 17,634,243 | 17,240,000 |
| | Chemical & Packing exps | 22,154 | 34,481 |
| | Dealer conference Exp. | 807,039 | 2,215,608 |
| | Transit Insurance | 403,541 | 341,472 |
| | Depreciation | 4,777,878 | 4,403,974 |
| | | **78,313,163** | **61,302,658** |

The number of employees who received annual salary and allowances above Tk. 36,000 during the year were 40.

| | | | |
|---|---|---|---|
| **20 (a)** | **Consolidated selling and distribution expenses** | | |
| | Salary & Allowance | 50,908,211 | 37,603,148 |
| | Wages | 3,209,560 | 2,798,731 |
| | Bonus | 6,141,377 | 3,855,541 |
| | Leave pay | 485,755 | 215,124 |
| | Welfare | 109,057 | 417,590 |
| | P/F company's Contribution | 3,854,721 | 2,927,260 |
| | Gratuity | 5,907,946 | 3,637,213 |
| | Overtime | 1,759,590 | 1,541,587 |
| | Fuel & Lubricant | 1,196,044 | 1,370,759 |
| | Transit Insurance | 292,572 | 688,163 |
| | Promotional Exps | 9,264,064 | 1,312,349 |
| | Trade fare Exp. | 997,780 | - |
| | Training Exp. | 4,940,674 | 504,164 |
| | Driving Charge | 160,789 | 393,869 |
| | Toll Charge | 147,931 | 78,619 |
| | Delivery Exps | 1,006,821 | 856,569 |

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# notes to the financial statements

| | | Amount in Taka 30-06-2018 | Amount in Taka 30-06-2017 |
|---|---|---|---|
| | Rent Rates & Taxes | 15,594,507 | 12,953,898 |
| | Conveyance | 1,043,881 | 753,315 |
| | Entertainment | 1,396,508 | 1,311,015 |
| | Stationery | 58,852 | 293,676 |
| | Telephone | 1,144,591 | 967,804 |
| | Publicity Exp. | 2,207,662 | 1,174,240 |
| | Fees & Registration | 625,230 | 871,889 |
| | Maintenance | 332,594 | 302,253 |
| | Car Maintenance | 1,174,968 | 683,537 |
| | Electrical Expenses | 2,431,404 | 1,053,980 |
| | Postage & Telegram | 325,126 | 430,311 |
| | Papers & Periodicals | 52,619 | 32,771 |
| | Bank Charges | 149,921 | 47,749 |
| | Security Guard salary | 2,424,930 | 1,494,679 |
| | Office Maintenance | 181,661 | 455,017 |
| | Showroom Exps | 863,875 | 1,352,110 |
| | Transportation Charges | 1,785,081 | 2,538,454 |
| | Utility Bill ( WASA ) | 321,101 | 70,938 |
| | Gift & Donation | 329,221 | 427,089 |
| | Bad debts | 23,784,222 | 17,240,000 |
| | Chemical & Packing exps | 162,433 | 261,077 |
| | Dealer conference Exp. | 1,055,808 | 2,436,398 |
| | Transit Insurance | 403,541 | 341,472 |
| | Others | 25,500 | 230,182 |
| | Depreciation | 9,682,871 | 8,809,807 |
| | | **157,940,999** | **114,734,347** |
| **21** | **Financial charges** | | |
| | **Aftab Automobiles Ltd.** | | |
| | Assembling Unit | 191,285,103 | 185,268,112 |
| | Body building unit | 2,327,019 | - |
| | Motor cycle Unit | 27,153,876 | 26,435,105 |
| | | **220,765,998** | **211,703,217** |
| **21 (a)** | **Consolidated financial charges** | | |
| | Aftab Automobiles Ltd. | 220,765,998 | 211,703,217 |
| | Navana Batteries Ltd. | 119,633,320 | 74,347,274 |
| | | **340,399,318** | **286,050,491** |
| **22** | **Other income** | | |
| | FDR Interest | 11,203,287 | 5,860,400 |
| | Share dividend ( navana Cng ) | - | 355,110 |
| | Profit on sale of shares | 6,067,347 | - |
| | Profit on sale of car | 688,038 | - |
| | | **17,958,672** | **6,215,510** |
| **22 (a)** | **Consolidated other income** | | |
| | FDR Interest | 11,203,287 | 5,860,400 |
| | Share dividend ( navana Cng ) | - | 355,110 |
| | Profit on sale of shares | 6,067,347 | - |
| | Profit on sale of car | 688,038 | - |
| | | **17,958,672** | **6,215,510** |

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# notes to the financial statements

| | | | Amount in Taka | Amount in Taka |
|---|---|---|---|---|
| | | | 30-06-2018 | 30-06-2017 |
| **23** | **Income tax expense** | | | |
| | Current tax | | 74,084,182 | 110,304,036 |
| | Deferred tax | | 3,414,548 | 5,005,788 |
| | | | **77,498,730** | **115,309,824** |
| | **Calculation of Deferred tax** | | | |
| | **Associate company** | | | |
| | **Opening Balance** | **55,423,391** | | |
| | Add :Provision during the year | 4,889,197 | | |
| | Investment in Associate Balance as on 30.06.18 | 60,312,588 | 60,312,588 | 55,423,391 |
| | Investment Valuation surplus in share | | - | 550,249 |
| | **Aftab Automobiles Ltd.** | | | |
| | WDV on PPE as per Accounting Calculation | 1,186,639,545 | | |
| | WDV on PPE as per Taxable Calculation | 1,085,610,708 | | |
| | Temporary Difference | 101,028,837 | | |
| | **Deferred Tax 25% on different** | **25,257,209** | 25,257,209 | 21,842,661 |
| | **opening Balance** | **21,842,661** | | |
| | add : during the year (PL AC ) | 3,414,548 | | |
| | **closing Balance** | **25,257,209** | | |
| | **Aftab Automobiles Ltd.** | | **85,569,797** | **77,816,301** |
| | Movement of deferred tax | | | |
| | **opening Balance** | 77,816,301 | 77,816,301 | 72,260,264 |
| | add : during the year ( PL AC ) | 3,414,548 | 3,414,548 | 5,005,788 |
| | add : during the year (Associate co. ) | 4,889,197 | 4,889,197 | - |
| | add : during the year( OCI ) | (550,249) | (550,249) | 550,249 |
| | **closing Balance** | **85,569,797** | **85,569,797** | **77,816,301** |
| **23 (a)** | **Consolidated Income tax expense** | | | |
| | **Current tax** | | | |
| | Aftab Automobiles Ltd. | | 74,084,182 | 110,304,036 |
| | Navana Batteries Ltd | | 9,641,430 | 35,893,543 |
| | | | **83,725,612** | **146,197,579** |
| **23.1 (a)** | **Consolidated Income tax expense** | | | |
| | **Deferred tax** | | | |
| | Aftab Automobiles Ltd. | | 3,414,548 | 5,005,788 |
| | Navana Batteries Ltd | | 7,713,952 | 6,830,170 |
| | | | **11,128,499** | **11,835,958** |
| **23 (b)** | **Deferred tax** | | | |
| | Aftab Automobiles Ltd. | | 85,569,797 | 77,816,301 |
| | Navana Batteries Ltd | | 51,492,465 | 43,778,513 |
| | | | **137,062,262** | **121,594,814** |
| **23.1(b)** | **Deferred tax Liability** | | | |
| | Assembling ,Body unit & Cycle Unit | | 25,257,209 | 21,842,661 |
| | Associate Company | | 60,312,588 | 55,423,391 |
| | Investment Valuation surplus in share | | - | 550,249 |
| | **Aftab Automobiles Ltd.** | | **85,569,797** | **77,816,301** |
| | **Navana Batteries Ltd** | | 51,492,465 | 43,778,513 |
| | | | **137,062,262** | **121,594,814** |

# notes to the financial statements

| | | | Amount in Taka 30-06-2018 | Amount in Taka 30-06-2017 |
|---|---|---|---|---|
| 24 | **Earnings per share (EPS )** | Profit attributable to shareholders/ Number of ordinary shares | | |
| | Total comprehensive income | | 256,456,026 | 394,492,236 |
| | Ordinary share(Paid Up capital ) | | 95,732,422 | 95,732,422 |
| | **Earnings per share (EPS )** | | **2.68** | **4.12** |
| 24 (a) | Consolidated earnings per share (EPS ) | | | |
| | **Profit attributable to the equity holders** | | **256,456,026** | **394,492,236** |
| | **No. of shares** | | 95,732,422 | 95,732,422 |
| | **Earnings per Share (EPS )** | | **2.68** | **4.12** |
| 25 | **Net assets value per share (NAVPS)** | (Total Asset-Total Liabilities)/ Number of ordinary shares | | |
| | Net assets value | | 5,829,520,140 | 5,673,466,466 |
| | **Number of ordinary shares used to compute NAVPS** | | 95732422 | 95,732,422 |
| | **Net assets value per share** | | **60.89** | **59.26** |
| 25 (a) | **Consolidated net assets value per share (NAVPS)** | | | |
| | Net assets value | | 5,829,520,140 | 5,673,466,466 |
| | **Number of ordinary shares used to compute NAVPS** | | 95732422 | 95,732,422 |
| | **Net assets value per share** | | **60.89** | **59.26** |
| 26 | **Net operating cash flows per share (NOCFPS)** | Net operating cash flow/ Number of ordinary shares | | |
| | Net operating cash flows | | (60,474,279) | (355,740,055) |
| | Number of ordinary shares used to compute NOCFPS | | **95,732,422.00** | **95,732,422.00** |
| | Net operating cash flows per share | | **(0.63)** | **(3.72)** |
| 26 (a) | **Consolidated net operating cash flows per share (NOCFPS)** | | | |
| | Net operating cash flows | | (406,213,237) | 126,505,751 |
| | Number of ordinary shares used to compute NOCFPS | | **95,732,422.00** | **95,732,422.00** |
| | Net operating cash flows per share | | **(4.24)** | **1.32** |

**27 Loan and deferred liabilities (Unsecured ) :**

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

**28 Claims against the Company :**

There is no known claim against the Company.

**29 Restated EPS**

The company's EPS for the year ended June 30, 2017 was calculated without considering the parent's (AAL) share of profit from subsidiary to make correction of the mentioned error. The EPS for the cmparative financial statements was restated from 3.30 to 4.12. We confirm that the profit for the comparative year as well as net asset value or net operating cash were not affected at all.

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# notes to the financial statements

**30 Amount Due by Directors:**

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

**31 Amount paid to Directors:**

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

**32 General Nature of Credit Facilities:**

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

**33 Disclosure for purchase in foreign currency during the year :**

Disclosure as per Para 8 of Schedule XI (kh) of the Companies Act 1994 regarding purchase made in foreign currency during the year are as follows:

| Type of expenditure | Amount in Foreign currency | Amount in BDT |
|---|---|---|
| Import of Raw material (Hino Bus Chassis CKD) | JYP 1,297,381,949 | 982,865,113 |
| Import of Raw material (Mahindra motorcycle Skd) | $ 4,584,930 | 386,262,022 |
| **Total** | | **1,369,127,135** |

**34 Contingent liability :**

The Company has issued guarantee to the tune of Tk. 40.00 crores against sale of Aftab Assembled vehicles under lease finance of different parties.

**35 Production Capacity :**

The production capacity of the company is 2400 units Toyota & Hino vehicles in Assembling unit under three shifts and 400 units Hino buses in Body Building unit. Actual production for the year- 396- units bus assembled in Assembling unit -163.-units body fabrication in Body Building Unit.

The production capacity of the company is 10000 .units Motor Cycle in Motor Cycle unit under three shifts . Actual production for the period 7560 units bike assembled in Motor Cycle unit.

**36 Related Parties Disclosure:**

As per agreement with Toyota Tsusho Corporation, Japan, certain Vehicles of Aftab Automobiles Ltd. are distributed through Navana Ltd.( distributor of Toyota & Hino Vehicles). During the year, the company has made the following transactions with Navana Group companies.

| Name of Company | Nature of Relation | Transactions | | | |
|---|---|---|---|---|---|
| | | Op. Balance | Dr. | Cr. | Cl. Balance |
| **Navana Ltd.** | **Sales** | 385,492,110 | 847,424,996 | 358,925,412 | **873,991,694** |
| **Navana Real Estate Ltd.** | **Sales / Land purchase** | 93,170,000 | 50,400,000 | - | **143,570,000** |
| **Navana Construction Ltd.** | **Sales /Construction** | 30,971,621 | 26,924,137 | - | **57,895,758** |
| **Navana Engineering Ltd.** | **Sales** | 120,000,230 | - | 60,000,000 | **60,000,230** |

**37 Event after the Reporting Period**

The Directors in the meeting held on October 28,2018, recommended 12 % 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 December 09,2018.

"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."

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# notes to the financial statements

**38 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 | 233,500 | - |
| Managerial remuneration | 1,502,712 | 991,296 |
| Gratuity | 525,949 | 346,954 |
| Company's contribution to P / F | 150,271 | 99,130 |
| Bonus | 250,452 | 165,216 |
| **Perquisites** : | | |
| Housing | 1,277,305 | 842,602 |
| Transport | 300,542 | 198,259 |
| Medical | 90,163 | 59,478 |
| Entertainment | 315,569 | 208,172 |
| Telephone | 300,000 | 76,130 |
| Others | 25,200 | 65,700 |
| | 4,971,664 | 3,052,937 |

**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.2,33,500/- and

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

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# notes to the financial statements

Schedule- A

## Aftab Automobiles Limited

### 3. Property, plant and equipment, net

| Particulars | Cost | | | | | Depreciation | | | | Carrying amount | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.07.17 | Add. For the year | Adj. For the year | As at 30.06.2018 | Rate of DEP. | As at 01.07.17 | Charged during the year | Adj. for the year | As at 30.06.18 | As at 30.06.2018 | As at 30.06.2017 |
| Land & Land Development | 562,298,792 | 177,907,027 | - | **740,205,819** | - | - | - | - | - | 740,205,819 | **562,298,792** |
| Building | 148,953,691 | 9,430,228 | - | **158,383,919** | 2.50% | 35,064,081 | 3,040,437 | - | 38,104,518 | 120,279,401 | **113,889,610** |
| Shed | 34,528,882 | 3,550,000 | - | **38,078,882** | 20% | 15,516,132 | 4,335,050 | - | 19,851,182 | 18,227,700 | **19,012,750** |
| Plant & Machinery | 351,805,273 | 13,411,868 | - | **365,217,141** | 10% | 156,269,300 | 20,576,480 | - | 176,845,780 | 188,371,361 | **195,535,973** |
| Tools & Equipments | 35,895,302 | 6,168,658 | - | **42,063,960** | 20% | 20,536,400 | 4,036,557 | - | 24,572,957 | 17,491,003 | **15,358,901** |
| Office Equipment | 32,440,738 | 2,506,571 | - | **34,947,309** | 10% | 11,593,680 | 2,277,078 | - | 13,870,759 | 21,076,550 | **20,847,058** |
| Furniture & Fixture | 23,039,131 | 1,170,622 | - | **24,209,753** | 10% | 7,058,009 | 1,687,334 | - | 8,745,342 | 15,464,411 | **15,981,122** |
| Trabsport Vehicles | 81,987,333 | 1,869,676 | 510,000 | **83,347,009** | 20% | 42,024,251 | 8,301,836 | 498,038 | 49,828,050 | 33,518,959 | **39,963,082** |
| Electrical line installation | 1,498,150 | 892,599 | - | **2,390,749** | 10% | 299,113 | 194,287 | | 493,400 | 1,897,349 | **1,199,037** |
| Office Decoration | 37,435,975 | 836,911 | - | **38,272,886** | 10% | 4,836,169 | 3,329,723 | | 8,165,892 | 30,106,992 | **32,599,804** |
| Total | **1,309,883,267** | **217,744,160** | **510,000** | **1,527,117,427** | | **293,197,136** | **47,778,782** | **498,038** | **340,477,880** | **1,186,639,545** | **1,016,686,129** |

| Deprecation charged to : | Taka |
|---|---|
| Cost of goods sold ( Factory O/H) | 38,223,024 |
| Profit & Loss Account (Admin) | 4,777,878 |
| Profit & Loss Account (Selling) | 4,777,878 |
| T O T A L | **47,778,782** |

Schedule- A

## Aftab Automobiles Limited and its Subsidiariy

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

| Particulars | Cost | | | | | Depreciation | | | | Carrying amount | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 01.07.17 | Add. For the year | Adj. for the year | As at 30.06.2018 | Rate of DEP. | As at 01.07.17 | Charged during the year | Adj. for the year | As at 30.06.18 | As at 30.06.2018 | As at 30.06.2017 |
| Land & Land Development | 833,496,052 | 230,108,175 | - | 1,063,604,227 | - | - | - | - | - | 1,063,604,227 | 833,496,052 |
| Building | 267,617,370 | 44,873,105 | - | 312,490,475 | 2.5% | 53,342,199 | 6,140,790 | - | 59,482,990 | 253,007,485 | 214,275,171 |
| Shades | 34,528,882 | 3,550,000 | - | 38,078,882 | 20% | 15,516,132 | 4,335,050 | - | 19,851,182 | 18,227,700 | 19,012,750 |
| Plant & Machinery | 712,853,646 | 43,277,038 | - | 756,130,684 | 10% | 292,301,314 | 45,069,127 | - | 337,370,441 | 418,760,243 | 420,552,333 |
| Tools & Equipments | 112,689,285 | 14,194,312 | - | 126,883,597 | 20% | 60,658,474 | 12,441,026 | - | 73,099,500 | 53,784,097 | 52,030,810 |
| Office Equipment | 67,274,125 | 6,816,681 | - | 74,090,806 | 10% | 25,832,438 | 4,623,882 | - | 30,456,320 | 43,634,486 | 41,441,686 |
| Furniture & Fixture | 41,532,747 | 5,486,400 | - | 47,019,147 | 10% | 12,647,461 | 3,265,468 | - | 15,912,930 | 31,106,217 | 28,885,285 |
| Transport Vehicles | 128,470,556 | 4,026,018 | 510,000 | 131,986,574 | 20% | 67,301,976 | 12,830,448 | 498,038 | 79,634,386 | 52,352,188 | 61,168,580 |
| Electrical line installation | 14,780,555 | 1,871,702 | - | 16,652,257 | 10% | 3,106,244 | 1,307,088 | - | 4,413,332 | 12,238,925 | 11,674,312 |
| Office Decoration | 59,847,258 | 3,483,711 | - | 63,330,969 | 10% | 7,520,414 | 5,478,880 | - | 12,999,294 | 50,331,673 | 52,326,842 |
| Gas line installation | 11,332,299 | 8,865,448 | - | 20,197,747 | 10% | 3,873,120 | 1,336,948 | - | 5,210,068 | 14,987,679 | 7,459,180 |
| Total | **2,284,422,775** | **366,552,590** | **510,000** | **2,650,465,365** | | **542,099,772** | **96,828,708** | **498,038** | **638,430,442** | **2,012,034,921** | **1,742,323,001** |

| Deprecation charged to : | Taka |
|---|---|
| Cost of goods sold ( Factory O/H) | 77,462,966 |
| Profit & Loss Account (Admin) | 9,682,871 |
| Profit & Loss Account (Selling) | 9,682,871 |
| T O T A L | 96,828,708 |

Rahman Mostafa Alam & Co.
Chartered Accountants

Paramount Heights (7th Floor - D2 & C1)
65/2/1, Box-culvurt Road,
Purana Paltan, Dhaka-1000
Phone: +88-02-9553449,9551128

## AUDITORS' REPORT

**TO THE SHAREHOLDERS OF NAVANA BATTERIES LIMITED**

We have audited the accompanying financial statements of Navana Bafteries Limited ("the Company") which comprise the statement of financial position as at June 30, 2018 and the statement of proflt or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information disclosed in note 1 to 19 and annexure - A.

**Management's Responsibility for the Financial Statements**

Management of the company is responsible for the preparation and fair presentation of these flnancial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs), Companies Act 1994, and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statement 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 (BSAs). 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, 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 circumstance, 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 Bafteries Limited as at June 30, 2018 and its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs) and comply with the applicable section of the Companies Act 1994 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 these books; and

c) The company's statement of financial position and the statement of profit and loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns.

Dated : Dhaka
October 02, 2018

**Sd/-**
**Rahman Mostafa Alam & Co.**
Chartered Accountants

## Navana Batteries Limited

***Statement of Financial Position***

As at June 30, 2018

| Particulars | Notes | Amount in Taka | |
|---|---|---|---|
| | | June 30, 2018 | June 30, 2017 |
| **ASSETS** | | | |
| **Non-current assets** | | **836,463,369** | **790,056,922** |
| Property, plant and equipment | 03 | 825,395,376 | 725,636,872 |
| Capital work in progress | 04 | 11,067,993 | 64,420,050 |
| **Current assets** | | **2,574,738,737** | **1,925,735,484** |
| Current account with Navana Group | | 512,830,520 | 467,775,056 |
| Trade receivables | 05 | 474,810,255 | 323,555,033 |
| Inventory | 06 | 801,095,128 | 443,603,538 |
| Advance, deposits and prepayments | 07 | 692,888,238 | 634,630,288 |
| Cash and cash equivalents | 08 | 93,114,596 | 56,171,569 |
| **Total assets** | | **3,411,202,106** | **2,715,792,406** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Share capital | 09 | 183,702,690 | 183,702,690 |
| Retained earnings | 10 | 573,561,877 | 541,330,454 |
| **Total Equity** | | **757,264,567** | **725,033,144** |
| **Non current liabilities** | | **1,232,880,342** | **824,904,917** |
| Deferred tax liability | | 51,492,465 | 43,778,513 |
| Long term loan-non current portion | 11 | 1,181,387,877 | 781,126,404 |
| **Current liabilities** | | **1,421,057,197** | **1,165,854,346** |
| Long term loan- current portion | 11 | 393,795,959 | 260,375,468 |
| Short term loan | 12 | 545,651,734 | 485,630,179 |
| Inter company liabilities (Aftab Automobiles Ltd.) | | 243,227,936 | 194,104,312 |
| Accrued and other liabilities | 13 | 238,381,568 | 225,744,386 |
| **Total Equity and liabilities** | | **3,411,202,106** | **2,715,792,406** |
| **Net assets value per share (NAV)** | | **41.22** | **39.47** |

The annexed notes 1 to 19 & annexure-A form an integral part of these financial statements.

**Sd/-**
**Director**

**Sd/-**
**Director**

**Sd/-**
**Rahman Mostafa Alam & Co.**
**Chartered Accountants**

**Dated : Dhaka**
October 02, 2018

## Navana Batteries Limited

***Statement of Profit or Loss and other Comprehensive Income***

For the year ended June 30, 2018

| Particulars | Notes | Amount in Taka | |
|---|---|---|---|
| | | July 01, 2017 to June 30, 2018 | July 01, 2016 to June 30, 2017 |
| **Turnover ( Net of VAT)** | **14** | **1,453,951,709** | **1,067,274,041** |
| Cost of goods sold | **15** | 1,177,350,197 | 796,040,708 |
| **Gross profit** | | **276,601,512** | **271,233,334** |
| **Operating expenses:** | | **224,535,367** | **144,260,771** |
| Administrative expenses | **16** | 25,274,211 | 16,481,808 |
| Selling and distribution expenses | **17** | 79,627,836 | 53,431,689 |
| Financial charges | | 119,633,320 | 74,347,274 |
| **Operating Profit** | | **52,066,145** | **126,972,563** |
| Non-operating income | | - | - |
| **Profit before contribution to WPPF** | | **52,066,145** | **126,972,563** |
| Contribution to WPPF | | 2,479,340 | 6,046,313 |
| **Net profit before tax** | | **49,586,805** | **120,926,250** |
| **Income tax expense** | | **17,355,382** | **42,723,713** |
| Current tax | **18** | 9,641,430 | 35,893,543 |
| Deferred tax | | 7,713,952 | 6,830,171 |
| **Net profit after tax** | | **32,231,423** | **78,202,537** |
| **Earning per share ( EPS )** | **19** | **1.75** | **4.26** |

The annexed notes 1 to 19 & annexure-A form an integral part of these financial statements.

Sd/-
**Director**

Sd/-
**Director**

Signed in terms of our separate report of even date.

Sd/-
**Rahman Mostafa Alam & Co.**
**Chartered Accountants**

**Dated : Dhaka**
October 02, 2018

## Navana Batteries Limited

***Statement of Changes in Equity***

For the year ended June 30, 2018

| Particulars | Share capital | Retained earnings | Total equity |
|---|---|---|---|
| **Balance as on July 01, 2017** | **183,702,690** | **463,127,917** | **646,830,607** |
| Add: Profit during the year | - | 78,202,537 | 78,202,537 |
| **Balance as on June 30, 2017** | **183,702,690** | **541,330,454** | **725,033,144** |
| **Balance as on July 01, 2018** | **183,702,690** | **541,330,454** | **725,033,144** |
| Add: Profit during the year | - | 32,231,423 | 32,231,423 |
| **Balance as on June 30, 2018** | **183,702,690** | **573,561,877** | **757,264,567** |

Sd/-
**Director**

Sd/-
**Director**

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## Navana Batteries Limited

***Statement of Cash Flows***

For the year ended June 30, 2018

| Particulars | | Amount in Tk. | |
|---|---|---|---|
| | | July 01, 2017 to June 30, 2018 | July 01, 2016 to June 30, 2017 |
| **A. Cash flows from operating activities** | | | |
| Cash receipt from customer | | 1,302,696,487 | 1,233,287,995 |
| Cash Paid to suppliers and employees | | (1,583,742,107) | (707,938,811) |
| Cash generated from operations | | **(281,045,620)** | **525,349,184** |
| Income tax Paid | | (64,693,338) | (43,103,378) |
| **Net cash used in operating activities** | **19.01** | **(345,738,958)** | **482,245,806** |
| **B. Cash flows from investing activities** | | | |
| Acquisition of property, plant & equipment | | (54,388,380) | (54,454,882) |
| Payments for capital work in progress | | (41,067,993) | (70,975,341) |
| **Net cash used in investing activities** | | **(95,456,373)** | **(125,430,223)** |
| **C. Cash flows from financing activities** | | | |
| Proceeds from bank loan | | 593,703,519 | 302,793,735 |
| Inter company transaction | | 49,123,624 | (73,373,175) |
| Current account with Navana Group | | (45,055,464) | (467,775,056) |
| Bank Interest Paid | | (119,633,320) | (74,347,274) |
| **Net cash flows from financing activities** | | **478,138,358** | **(312,701,770)** |
| **Net Changes in cash & cash equivalents** | | **36,943,027** | **44,113,813** |
| Opening cash & cash equivalents | | 56,171,569 | 12,057,756 |
| Closing cash & cash equivalents | | **93,114,596** | **56,171,569** |

Sd/-
**Director**

Sd/-
**Director**

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# Navana Batteries Limited

## *Accounting Policies and Explanatory Notes to the Financial Statements*

For the year ended June 30, 2018

### 1. Corporate Information and Mode of Business

#### 1.1 Corporate Information

The company incorporated on 21st April, 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 (BASs) and Bangladesh Financial Reporting Standards (BFRSs)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 userin 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 period from July01, 2017to June 30, 2018.

#### 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.

#### 2.7 Depreciation

No depreciation has been charged onland 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.

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| 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 |

**2.8 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.

**2.9 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.

**2.10 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.

**2.11 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 Labor Law,2006) and payable to workers as defined in the said laws.

**2.12 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.

**2.13 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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| | | Amount in taka | |
|---|---|---|---|
| | | June 30, 2018 | June 30, 2017 |
| 03 | **Property, plant and equipment** | | |
| | **a) Cost :** | | |
| | Opening balance at original cost | 974,539,508 | 810,113,087 |
| | Add: Addition during the year | 148,808,430 | 164,426,421 |
| | | **1,123,347,938** | **974,539,508** |
| | Less: Adjustment during the year | - | - |
| | **Sub Total** | **1,123,347,938** | **974,539,508** |
| | **b) Less: Accumulated depreciation** | (297,952,562) | (248,902,636) |
| | **WDV (a-b)** | **825,395,376** | **725,636,872** |

*An elaborate schedule of PPE are shown in annexure -A.

| | | | |
|---|---|---|---|
| 04 | **Capital work in progress** | | |
| | **Opening balance** | 64,420,050 | 103,416,248 |
| | Add : Addition made during the year | 41,067,993 | 70,975,341 |
| | | **105,488,043** | **174,391,589** |
| | Less: Transferred to property ,plant & equipment | 94,420,050 | 109,971,539 |
| | **Closing balance** | **11,067,993** | **64,420,050** |

Capital work-in-progress represents land and land development, civil constructions etc.

| | | | |
|---|---|---|---|
| 05 | **Trade receivables** | | |
| | Receivable current (Maturity less than 12 months ) | 474,810,255 | 323,555,033 |
| | | **474,810,255** | **323,555,033** |

Trade receivables 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.

| | | | |
|---|---|---|---|
| 06 | **Inventory** | | |
| | Raw materials | 378,588,529 | 202,567,448 |
| | Work-in-process | 97,046,649 | 71,457,605 |
| | Finished stock | 176,432,037 | 132,834,797 |
| | Goods in transit | 149,027,913 | 36,743,688 |
| | | **801,095,128** | **443,603,538** |

The quantity of closing stock are 12 Volts NS-3804,NG-4504 ,PNE-2135,NKP-450,IPS-2347,TTB-35, EV-4192,,MC-5183 ,Solar-3210,UPS-847,DZM-9814 Automotive, Home Appliance Batteries.

| | | | |
|---|---|---|---|
| 07 | **Advance, deposits and prepayments** | | |
| | Advance to suppliers | 174,348,718 | 160,650,225 |
| | Advance to others | 41,366,607 | 104,511,198 |
| | Advance to employees | 47,012,790 | 31,725,407 |
| | Deposits | 33,085,963 | 23,422,551 |
| | Current account with VAT | 93,294,084 | 75,234,168 |
| | Income tax deducted at source (**Note- 7.a** ) | 303,780,076 | 239,086,738 |
| | | **692,888,238** | **634,630,288** |

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| | | Amount in taka | |
|---|---|---|---|
| | | June 30, 2018 | June 30, 2017 |
| 7.a | **Income tax deducted at source** | | |
| | **Opening balance** | 239,086,738 | 195,983,360 |
| | Add: during the year | 64,693,338 | 43,103,378 |
| | | **303,780,076** | 239,086,738 |
| | Less: adjustment | - | - |
| | **Closing balance** | **303,780,076** | **239,086,738** |

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

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.

| | | | |
|---|---|---|---|
| 08 | **Cash & Cash Equivalents** | | |
| | Cash in hand factory | 15,742,384 | 4,360,799 |
| | Cash balance of sales centers | 38,960,037 | 1,779,733 |
| | Cash at banks | 38,412,175 | 50,031,037 |
| | | **93,114,596** | **56,171,569** |
| 09 | **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** | | |
| | Ordinary shares 18,370,269 shares of Taka 10 each | | |
| | Aftab Automobiles Ltd. | 183,602,690 | 183,602,690 |
| | Others | 100,000 | 100,000 |
| | | **183,702,690** | **183,702,690** |
| 10 | **Retained earnings** | | |
| | **Opening balance** | 541,330,454 | 463,127,917 |
| | Add: during the year | 32,231,423 | 78,202,537 |
| | | **573,561,877** | **541,330,454** |
| | Less.adjustment | - | - |
| | **Closing balance** | **573,561,877** | **541,330,454** |
| 11 | **Long term loan-net of current portion** | | |
| | Al-Arafah Islami Bank Ltd. | - | 30,344,500 |
| | Trust Bank Ltd. | 387,295,430 | 357,037,083 |
| | Dutch-bangla Bank Ltd. | 621,385,483 | 600,956,291 |
| | Social Islami Bank Ltd. | 51,958,035 | 53,163,998 |
| | Agrani Bank Ltd. | 514,544,889 | - |
| | | **1,575,183,836** | **1,041,501,872** |
| | **less: Long term loan - Current portion** | 393,795,959 | 260,375,468 |
| | **Long term loan-net of current portion** | **1,181,387,877** | **781,126,404** |

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| | | | Amount in taka | |
|---|---|---|---|---|
| | | | June 30, 2018 | June 30, 2017 |
| **12** | **Short term loan** | | | |
| | NCC Bank Ltd CC AC | | 51,930,878 | 66,560,591 |
| | Mercantile Bank Ltd. | | 10,308,299 | 10,265,412 |
| | Southeast Bank Ltd. | | 264,273,991 | 253,405,468 |
| | Modhumoti Bank Ltd. | | 20,832,910 | 122,227,158 |
| | Al-Arafah Islami Bank Ltd. | | 31,861,213 | 33,171,550 |
| | Shahjalal Islami bank ltd. | | 166,444,443 | - |
| | | | **545,651,734** | **485,630,179** |
| **13** | **Accrued and other current liabilities.** | | | |
| | For goods supplied | | 5,446,408 | 4,262,092 |
| | For expenses | | 9,567,930 | 18,593,720 |
| | For income tax | | 188,447,609 | 178,806,179 |
| | For gratuity | | 13,690,755 | 1,580,586 |
| | For workers' P.P.F. | | 5,226,146 | 6,867,015 |
| | For bad debts | | 6,149,979 | - |
| | For other finance | | 9,852,741 | 15,634,794 |
| | | | **238,381,568** | **225,744,386** |
| **14** | **Turnover ( Net of VAT)** | | | |
| | Turnover | | 1,453,951,709 | 1,067,274,041 |
| | | | **1,453,951,709** | **1,067,274,041** |

The quantity of Sales during the period are 12 Volts NS-18189,NG-33321,PNE-6717,IPS-9582,EV-73018,DZM-32096,Solar-14451,MC-2740 pcs. Automotive, Home Appliance .

| | | | | |
|---|---|---|---|---|
| **15** | **Cost of goods sold.** | | | |
| | Raw materials consumed | | 1,129,428,214 | 630,211,243 |
| | Direct materials | | 9,863,792 | 7,525,450 |
| | Total consumption | | **1,139,292,006** | **637,736,693** |
| | Add : Opening WIP | | 71,457,605 | 79,993,483 |
| | | | **1,210,749,611** | **717,730,176** |
| | Less : Closing WIP | | 97,046,649 | 71,457,605 |
| | | | **1,113,702,962** | **646,272,571** |
| | Factory overhead | 15.2 | 107,244,475 | 85,220,617 |
| | Cost of production | | **1,220,947,437** | **731,493,188** |
| | Opening Finished Goods | | 132,834,797 | 197,382,317 |
| | | | **1,353,782,234** | **928,875,505** |
| | Closing Finished Goods | | 176,432,037 | 132,834,797 |
| | **Total Balance** | | **1,177,350,197** | **796,040,708** |

| | | | July 01, 2017 to June 30, 2018 | July 01, 2016 to June 30, 2017 |
|---|---|---|---|---|
| **15.1** | **Raw materials consumed.** | | | |
| | Opening stock | | 202,567,448 | 253,098,520 |
| | Purchases | '15.1.1 | 1,305,449,295 | 579,680,171 |
| | | | **1,508,016,743** | **832,778,691** |
| | Closing stock | | 378,588,529 | 202,567,448 |
| | | | **1,129,428,214** | **630,211,243** |
| **15.1.1** | **Purchases.** | | | |
| | C & F price | | 1,251,574,100 | 525,070,482 |
| | Insurance premium | | 7,391,806 | 3,938,029 |
| | L/C opening charges | | 8,319,676 | 6,563,381 |
| | C & F charges | | 8,592,220 | 17,592,220 |
| | Custom duty | | 29,451,816 | 19,952,678 |
| | Local purchase | | 119,677 | 6,563,381 |
| | | | **1,305,449,295** | **579,680,171** |
| **15.2** | **Factory overhead** | | | |
| | Salary and allowances | | 5,065,788 | 3,897,988 |
| | Wages | | 6,075,732 | 5,412,619 |
| | PF (Company Contribution) | | 506,579 | 389,799 |
| | Overtime | | 310,325 | 276,456 |
| | Bonus | | 928,460 | 775,884 |
| | Earned Leave | | 863,385 | 324,832 |
| | Gratuity | | 2,288,772 | 2,585,384 |
| | Liveries & uniform | | - | 319,493 |
| | Telephone & mobile | | 312,706 | 370,239 |
| | Fuel & lubricants for generator | | 718,871 | 523,247 |
| | Travelling & conveyance | | 146,652 | 195,745 |
| | Entertainment | | 197,850 | 110,497 |
| | Office exp. | | 117,039 | 104,265 |
| | Repairs & maintenance | | 171,501 | 152,783 |
| | Electricity expenses | | 35,191,753 | 25,124,711 |
| | Night allowance | | 935,150 | 240,735 |
| | Canteen subsidy | | 1,968,493 | 1,254,550 |
| | Eid gratia | | 24,768 | 22,064 |
| | Insurance expense | | 3,613,584 | 1,008,728 |
| | Gas bill | | 2,066,177 | 520,172 |
| | Welfare expenses | | 146,391 | 130,414 |
| | Carrying & handling | | 343,653 | 312,838 |
| | Security expenses | | 1,467,038 | 792,977 |
| | Car maintenance | | 195,115 | 173,820 |
| | Chemicals | | 30,820 | 195,815 |
| | Store & spares | | 141,040 | 20,991 |
| | Foreign technician remu. | | 1,587,838 | 2,000,000 |
| | Annual picnic | | 941,168 | 738,370 |
| | Screen printing | | 64,411 | 605,936 |
| | Labour charges | | 335,488 | 516,205 |

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| | July 01, 2017 to June 30, 2018 | July 01, 2016 to June 30, 2017 |
|---|---|---|
| Laboratory expense | 285,452 | 274,599 |
| Generator maintenance | 803,098 | 459,766 |
| Fire extinguisher | 159,438 | 142,037 |
| Depreciation | 39,239,941 | 35,246,660 |
| | **107,244,475** | **85,220,617** |

The number of employees received annual salary and wages above Tk. 36,000 during the year are 125.

**16 Administrative expenses.**

| | | |
|---|---|---|
| Salary and allowances | 7,377,148 | 3,987,971 |
| wages | 1,983,586 | 795,830 |
| Company Contributory P.F | 708,572 | - |
| Bonus | 828,562 | 332,331 |
| Welfare expenses | 17,512 | 204,391 |
| Gratuity | 4,612,754 | 1,278,710 |
| Entertainment | 361,980 | 532,168 |
| TA and conveyance | 123,548 | 338,301 |
| Travelling exp. - foreign | 437,518 | 599,370 |
| Car maintenance | 152,362 | 595,307 |
| Stationery | 52,370 | 256,016 |
| Fees and registration | 315,000 | 387,944 |
| Telephone | 220,197 | 106,938 |
| Office rent | 959,332 | - |
| Bank guarantee & charge documents | 20,939 | 102,427 |
| Audit fees | 246,000 | 57,500 |
| Paper & peoridicals | 2,420 | 17,603 |
| Postage and telegram | 1,980 | 76,591 |
| Publicity | - | 357,763 |
| Directors fee | 15,000 | 15,000 |
| Office maintenance | 85,952 | 438,379 |
| Maintenance | 106,896 | 190,563 |
| Carrying & handling | 846,702 | 933,293 |
| ISO audit | 341,213 | - |
| Guest house maintenance | 152,119 | 120,790 |
| Membership fee & others | 399,556 | 350,790 |
| Depreciation | 4,904,993 | 4,405,833 |
| | **25,274,211** | **16,481,808** |

The number of employees received annual salary and allowances above Tk. 36,000 during the year are 64.

**17 Selling and distribution expenses.**

| | | |
|---|---|---|
| Salary & allowance | 36,234,249 | 26,691,117 |
| Wages | 2,138,971 | 1,817,523 |
| Bonus | 3,785,394 | 2,224,260 |
| Welfare | 287,532 | 317,637 |
| P/F company's contribution | 3,623,425 | 2,669,112 |
| Gratuity | 4,212,171 | 2,555,320 |

| | July 01, 2017 to June 30, 2018 | July 01, 2016 to June 30, 2017 |
|---|---|---|
| Overtime | 1,043,845 | 764,896 |
| Fuel & Lubricant | 543,900 | 733,707 |
| Transit Insurance | - | 206,309 |
| Promotional Exps | 350,000 | 341,618 |
| Delivery Exps | 997,780 | 401,657 |
| Rent ( Showrooms ) | 6,044,162 | 3,343,762 |
| Conveyance | 146,579 | 155,987 |
| Entertainment | 926,489 | 448,739 |
| Stationery | 22,500 | 287,121 |
| Telephone | 118,513 | 710,087 |
| Publicity exp. | 225,987 | 115,304 |
| Fees & registration | 475,000 | 466,924 |
| Maintenance | 270,294 | 203,011 |
| Car maintenance | 330,880 | 194,254 |
| Electrical expenses | 2,120,768 | 1,053,980 |
| Postage & telegram | 81,346 | 177,176 |
| Papers & periodicals | 46,499 | 21,998 |
| Bank charges | 124,131 | 3,261 |
| Security guard salary | 2,219,810 | 1,111,198 |
| Office maintenance | 75,871 | 50,259 |
| Showroom expense | 307,943 | 516,621 |
| Transportation charges | 932,386 | 435,775 |
| Utility bill ( WASA ) | 321,101 | 70,938 |
| Gift & donation | 150,790 | 258,739 |
| Bad debts | 6,149,979 | - |
| Chemical & packing expense | 140,279 | 226,596 |
| Dealer conference expense | 248,769 | 220,790 |
| Others | 25,500 | 230,182 |
| Depreciation | 4,904,993 | 4,405,833 |
| | **79,627,836** | **53,431,689** |

The number of employees received annual salary and allowances above Tk. 36,000 during the year are 60.

**18 Income tax expenses**

| | | |
|---|---|---|
| Profit before Tax | 49,586,805 | 120,926,250 |
| Add: Accounting depreciation | 49,049,926 | 44,058,325 |
| Less: Tax depreciation | (71,089,790) | (62,431,596) |
| Adjusted profit for tax calculation | 27,546,942 | 102,552,979 |
| **Tax @ 35 % ( transferred to compreh. income statement )** | **9,641,430** | **35,893,543** |

**19 Earning per share (EPS )**

| | | |
|---|---|---|
| **Net profit after tax** | **32,231,423** | **78,202,537** |
| Number of ordinary share | 18,370,269 | 18,370,269 |
| **Earning per share (EPS )** | **1.75** | **4.26** |

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| | | July 01, 2017 to June 30, 2018 | July 01, 2016 to June 30, 2017 |
|---|---|---|---|
| 19.01 | **Cash flows from operating activities** | | |
| | Net profit/(loss) before interest & income tax during the year | 169,220,125 | - |
| | **Adjustments to reconcile net income to net cash provided by operating activities:** | | |
| | Depreciation | 49,049,926 | - |
| | Income tax expense | (9,641,430) | - |
| | **Changes in current assets and liabilities:** | | |
| | Advance, deposits & prepayments | (58,257,951) | - |
| | Trade receivables | (151,255,222) | - |
| | Inventories | (357,491,590) | - |
| | Accrued and other liabilities | 12,637,182 | - |
| | **Net cash flow from operating activities** | **(345,738,958)** | |
| | **Net operating cash flow per share** | **(18.82)** | |

AMARSTOCK

Schedule of Property, Plant & Equipment
For the year ended June 30, 2018

| Particulars | Cost | | | Rate of Dep. | Depreciation | | | | WDV |
|---|---|---|---|---|---|---|---|---|---|
| | As at 01.07.17 | Add./(Adj.) Dur. the year | As at 30.06.18 | | As at 01.07.17 | Charged Dur. the year | Adj. D. the year | As at 30.06.18 | As at 30.06.18 |
| Land & Land Development | 271,197,260 | 52,201,148 | 323,398,408 | - | - | - | - | - | 323,398,408 |
| Building | 118,663,679 | 35,442,877 | 154,106,556 | 2.50% | 18,278,118 | 3,100,354 | - | 21,378,471 | 132,728,085 |
| Plant & Machinery | 361,048,373 | 29,865,170 | 390,913,543 | 10% | 136,032,015 | 24,492,647 | - | 160,524,662 | 230,388,881 |
| Tools & Equipments | 76,793,983 | 8,025,654 | 84,819,637 | 20% | 40,122,074 | 8,404,469 | - | 48,526,543 | 36,293,094 |
| Office Equipment | 34,833,387 | 4,310,110 | 39,143,497 | 10% | 14,238,758 | 2,346,804 | - | 16,585,561 | 22,557,936 |
| Furniture & Fixture | 18,493,616 | 4,315,778 | 22,809,394 | 10% | 5,589,453 | 1,578,135 | - | 7,167,587 | 15,641,807 |
| Transport Vehicles | 46,483,223 | 2,156,342 | 48,639,565 | 20% | 25,277,725 | 4,528,612 | - | 29,806,336 | 18,833,229 |
| Electric line Installation | 13,282,405 | 979,103 | 14,261,508 | 10% | 2,807,131 | 1,112,801 | - | 3,919,932 | 10,341,576 |
| Gas line Installation | 11,332,299 | 8,865,448 | 20,197,747 | 10% | 3,873,120 | 1,336,948 | - | 5,210,068 | 14,987,679 |
| Office Decoration | 22,411,283 | 2,646,800 | 25,058,083 | 10% | 2,684,245 | 2,149,157 | - | 4,833,402 | 20,224,681 |
| **Total** | **974,539,508** | **148,808,430** | **1,123,347,938** | | **248,902,636** | **49,049,926** | **-** | **297,952,562** | **825,395,376** |

| Deprection charged to : | Taka |
|---|---|
| Cost of goods sold ( Factory O/H ) | 39,239,941 |
| Administrative | 4,904,993 |
| Selling & disribution | 4,904,993 |
| **T otal** | **49,049,926** |

| | |
|---|---|
| Transferred from C-WIP | 94,420,050 |
| Addition during the period | 54,388,380 |
| **Total** | **148,808,430** |



Navana Batteries Plant

SMARTSTOCK

# Share Capital & other Information

| | | |
|---|---|---|
| Authorised Capital | : | Tk. 3,000,000,000 |
| Paid-up Capital | : | Tk. 957,324,220 |
| Class of Shares | : | Ordinary share of Tk. 10 each. |
| Stock Exchange Listing | : | Listed with Dhaka and Chittagong Stock Exchange Limited. |
| Dividend recommended by the Board | : | 12% |
| Market Value per share | : | Highest during the year 75.20<br>Lowest during the year 50.80 |

**The position of shareholders as on June 30, 2018 was as follows:**

| Particulars | Number of Investors | Number of Shares | % of Share Holdings |
|---|---|---|---|
| Sponsors and Directors | 6 | 27208098 | 28.42% |
| Financial Institution | 262 | 35737790 | 37.33% |
| General Public | 22414 | 32786534 | 34.25% |
| **Total** | **22682** | **95732422** | **100.00%** |

**The classification of shareholders by shareholding as on June 30, 2018 was as follows:**

| Particulars | Number of Investors | Number of Shares | % of Share Holdings |
|---|---|---|---|
| 1 to 500 | 15338 | 2282821 | 2.39% |
| 501 to 5000 | 6306 | 9796897 | 10.23% |
| 5001 to 10000 | 550 | 3943851 | 4.12% |
| 10001 to 20000 | 238 | 3337909 | 3.49% |
| 20001 to 30000 | 78 | 1960017 | 2.05% |
| 30001 to 40000 | 30 | 1066082 | 1.11% |
| 40001 to 50000 | 22 | 1032257 | 1.08% |
| 50001 to 100000 | 52 | 3649088 | 3.81% |
| 100001 to 1000000 | 55 | 17165029 | 17.93% |
| Above 1000000 | 13 | 51498471 | 53.79% |
| **Total** | **22682** | **95732422** | **100.00%** |

# aftab automobiles limited

125/A, Motijheel C/A, Dhaka-1000

# Proxy Form

I / We ---------- of

---------- being

a member of Aftab Automobiles Limited do hereby appoint Mr. / Ms. ----------

of ----------

as my/our proxy to attend and vote for me/us and on my/our behalf at the 38th Annual General Meeting of the Company to be held on 09 December 2018 at 9:30 a.m. at International Convention City Bashundhara [PUSHPOGUSCHO, Hall-02], Kuril Bishwa Road, Purbachal Express Highway, Dhaka and at any adjournment thereof.

Revenue Stamp Taka 20.00

Name of Shareholder ----------

No. of Shares held ----------

Folio No. ----------

B.O. A/C No. | | | | | | | | | | | | | | |

Name of Proxy ----------

Signature of Proxy ----------

Date ----------

Signature of shareholder ----------

Note : A member entitled to attend and vote at the Annual General Meeting may appoint another member/ any one as a proxy to attend and vote in his/her behalf. The Proxy Form, duly stamped must be deposited at the Registered Office of the Company atleast 48 hours before the meeting.

# aftab automobiles limited

## Attendance Slip

I/We hereby record my/our presence at the 38th Annual General Meeting on 09 December 2018 at 9:30 a.m. at International Convention City Bashundhara [PUSHPOGUSCHO, Hall-02], Kuril Bishwa Road, Purbachal Express Highway, Dhaka.

Name of Shareholder ----------

No. of Shares held ----------

Folio No. ----------

B.O. A/C No. | | | | | | | | | | | | | | |

Name of Proxy ----------

Signature of Proxy ----------

Date ----------

Signature of shareholder ----------

N.B. Please present this slip at the Registration Desk. Signature must match with your recorded signature.

***Hon'ble Shareholders are hereby informed that due to restriction imposed by Bangladesh Securities and Exchange Commission there shall be no arrangement for any sort of gift / entertainment in the Annual General Meeting of the Company***

AMAR STOCK

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Scan code with a QR code reader-enable device to find out more about the company

aftab automobiles limited
Islam Chamber
125/A, Motijheel Commercial Area
Dhaka, Bangladesh