IFAD AUTOS LIMITED

30 EXCITING YEARS
The Adventure Continues




# ANNUAL REPORT

## 2017-2018

## VISION

To be the No.1 company in our industry through our commitments to employees, customers and stakeholders.

## MISSION

Exceed Customers' expectations through our passion, continuous innovation and development.

## VALUES



**Customer Focus**



**Aspiration**



**Responsibilities**



**Teamwork**

TAMAR STOCK


TOWARDS . TOMORROW . TOGETHER

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ARMAN STOCK

# POWERFUL
# AFFORDABLE
# RELIABLE



# LETTER OF TRANSMITTAL

To
Esteemed Members,
The Bangladesh Securities and Exchange Commission,
The Registrar of Joint Stock Companies & Firms,
The Dhaka Stock Exchange Limited,
The Chittagong Stock Exchange Limited.

**Subject: Annual Report for the year ended June 30, 2018 of IFAD AUTOS LIMITED.**

Dear Sir/Madam(s),
We are very glad to enclose herewith a copy of the Annual Report containing Directors' Report, Auditors' Report along with Audited Financial Statements for the year ended June 30, 2018 along with notes for your kind record.

Faithfully yours,
On behalf of IFAD AUTOS LIMITED

Sd/-
**Md. Sazzad Hossain Talukdar, ACS**
Company Secretary

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# IFAD Autos Limited

Sonartori Tower (13th – 18th floor), 12-Biponon C/A,
Sonargaon Road, Dhaka-1000

## NOTICE OF THE 30th ANNUAL GENERAL MEETING

Notice is hereby given to all concerned of IFAD Autos Limited that the 30th Annual General Meeting of the Company will be held at 19th December, 2018, on Wednesday at 11.00 a.m. at Samarai Convention Center, 23/G/7, Panthapath, Dhaka – 1205 to transact the following businesses.

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 30 June, 2018 together with the report of the Directors' and Auditor's thereon.
2. To declare Dividend for the year ended 30 June , 2018 as recommended by the Board of Directors'.
3. To elect / re-elect Directors.
4. To appoint and re-appoint of the Auditors and fix remuneration.
5. To appoint and re-appoint of the Compliance Auditors and fix remuneration.
6. To change/revise Rights Share Utilization proceeds.
7. To transact any other business with the permission of the chair.

By order of the Board
Sd/-
**Md. Sazzad Hossain Talukdar, ACS**
Company Secretary

4th December, 2018
Dhaka

**Notes:**

A. The Record Date/Book-Closure was on the 18.10.2018.

B. Members, whose names will appear in the Company's register (Depository register) at the close business on the Record Date /Book-closure, will be entitled to attend the AGM.

C. A Member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote his/her behalf. The Proxy form duly stamped, must be deposited at the registered office of the Company not later than 72 hours before the time fixed for the meeting.

D. Members are requested to notify change of address, if any to the company.

E. Members are requested to maintain & updated their e-mail with their respective depository participant.

F. Admission to the meeting room will be strictly on production of the Attendance slip sent with the Annual Report.

G. The shareholders (other than company) are requested to provide their twelve digit E-TIN number to Share Department, otherwise 15% (instead of 10%) tax will be deducted from cash dividend (if any).

H. The concerned DP's are requested to provide the details of margin loan holders (share holders name, BO ID, number of share, applicable tax rate, dividend amount, bank name, accounts no. etc,) who hold company's share subject to the record date to our share department.

**As per BSEC notification no gift, Coupon will be provided in the AGM**

## Share Department:

Sonartori Tower (9th Floor), 12, Biponon C/A, Sonargaon Road, Dhaka-1000.
Phone : 9632753-7. FAX: 9632760, 9632764, 9632765.
E-mail : contact@ifadautos.com, Web : www.ifadautos.com

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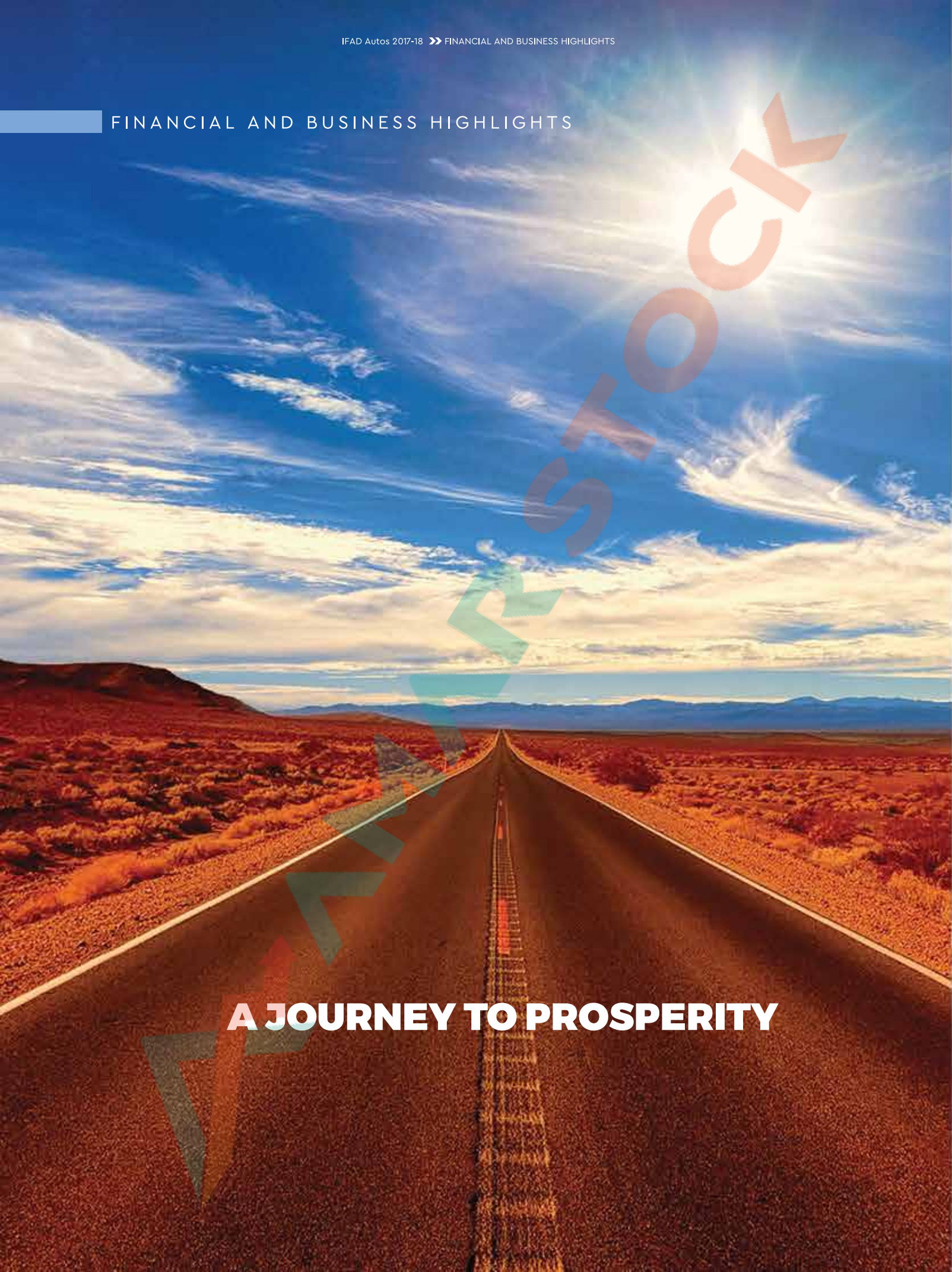
# FINANCIAL AND BUSINESS HIGHLIGHTS



# A JOURNEY TO PROSPERITY

# FINANCIAL AND BUSINESS HIGHLIGHTS



**15 bn**
REVENUE

**2.87 bn**
GROSS PROFIT

**1.55 bn**
NET PROFIT

**19.10%**
GROSS MARGIN

**10.35%**
NET MARGIN

**7.01**
EPS

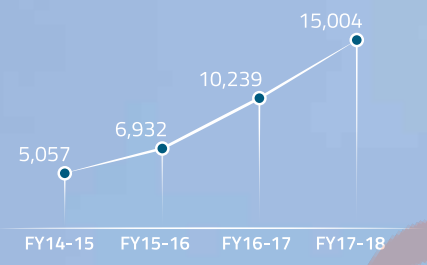
**7,503**
VEHICLE SOLD

**47%**
SALES GROWTH

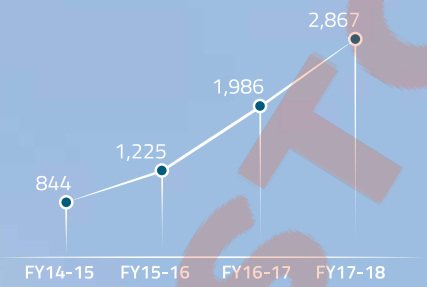
**792**
EMPLOYEE (FTE)

# FINANCIAL AND BUSINESS HIGHLIGHTS

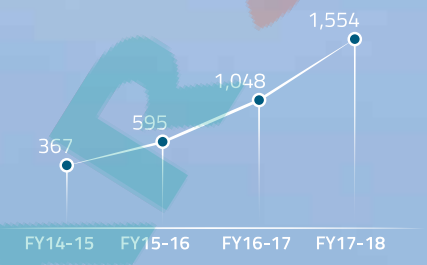
## REVENUE
**15,005**
BDT Million



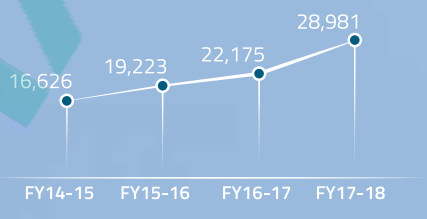

## GROSS PROFIT
**2,867**
BDT Million



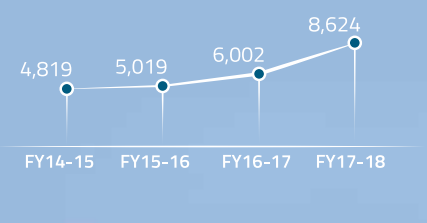

## NET PROFIT
**1,554**
BDT Million




## TOTAL ASSETS
**28,981**
BDT Million




## TOTAL EQUITY
**8,624**
BDT Million




## EPS
**7.01**






IMR STOCK

| | | FY18 | FY17 | FY16 | FY15 | FY14 |
|---|---|---|---|---|---|---|
| **OPERATING** | | | | | | |
| Sales Revenue | BDT Million | 15,004 | 10,239 | 6,932 | 5,057 | 8,152 |
| Gross Profit | " | 2,867 | 1,985 | 1,225 | 844 | 1,167 |
| Net Profit / (Loss) | " | 1,554 | 1,048 | 595 | 367 | 483 |
| Basic EPS | BDT / Share | 7.01 | 6.74 | 3.98 | 3.51 | 5.16 |
| **FINANCIAL** | | | | | | |
| Total Assets | BDT Million | 28,981 | 22,175 | 19,223 | 16,626 | 15,315 |
| Total Liabilities | " | 20,356 | 16,172 | 14,204 | 11,808 | 11,179 |
| Total Equity | " | 8,624 | 6,003 | 5,019 | 4,819 | 4,136 |
| **FINANCIAL RATIOS** | | | | | | |
| Interest Coverage Ratio | Times | 7.8 | 16.5 | 8.7 | 6.1 | 5.4 |
| Current Ratio | " | 2.14 | 2.06 | 2.09 | 2.54 | 2.76 |
| Net Debt to Equity Ratio | " | 2.36 | 2.69 | 2.83 | 2.45 | 2.70 |
| Return on Equity | Percent | 18.02 | 17.44 | 11.86 | 7.62 | 11.68 |
| Return on Assets | " | 5.36 | 4.73 | 3.10 | 2.21 | 3.15 |
| **STOCK DATA** | | | | | | |
| Year end closing stock price | BDT / Share | 110.6 | 134.90 | 84.1 | 110.6 | N/A |
| Market Capitalization | BDT Million | 24,934 | 20,974 | 12,572 | 12,719 | N/A |
| Dividend | Percent | 32 | 26 | 17 | 37 | - |
| Net Asset Value | BDT / Share | 38.25 | 38.61 | 33.58 | 41.01 | 44.12 |

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## CHAIRMAN'S COMMENTS

# Building foundation for the future

Respectable Shareholders, members of the Board, the management team and the employees of IFAD Autos Limited.

It's my immense pleasure to welcome you at the 30th Annual General Meeting of IFAD Autos and present to you the business activities of the company for the year ended 30 June, 2018.

I am delighted to announce that, IFAD AUTOS has been awarded world greatest brand in the fastest progressive motor vehicle category in the world, which was collectively organized by "The Asian Magazine" and "The URS Media". It`s certainly a reflection of an international recognition toward IFAD Autos for its extra-ordinary performance to the business sector.

We are working hard for sustainable improvement in our business that will help us to grow our business, deliver highest returns to the shareholders and contribute more to the society at large.

To achieve corporate vision of "To be the No. 1 company in our industry through our commitments to employees, customers and stakeholders," we are committed to delivering unique and innovative services with value that is recognized by our customers.



The environment surrounding the automobile is undergoing rapid changes driven by technological innovation IFAD Autos is actively working on industry requirement as well as focused on customers' need and we will further accelerate these efforts.

"The power comes from inside." This phrase embodies the efforts of all IFAD Autos employees. I strongly believe that corporate growth cannot be achieved without highly-motivated and ambitious employees. We will continue to harness the power that is inside Ifad Autos to realize and provide solutions that our customers will want and value. To create the value that customers expect, Ifad Autos employees are working together with Ashok Leyland.

Ifad Autos is a Bangladeshi company with a long history. Ifad Autos also boasts advanced technologies, a robust financial base and a countrywide business network, as well as top-quality talent with high morale. We will utilize these assets to further drive the evolution in the industry.

I would like to thank all of you for the warm and continued support.

**Progresses in FY2017-18**

Despite a challenging business climate including foreign exchange headwinds, Ifad Autos enjoyed steady growth in sales volume while enhancing operational efficiency in FY2017-18.

We have established a Truck Assembly plant in last financial year and which boost up our current financial year's gross margin. In the last couple of years we significantly increased our sales and revenues while enhancing operation efficiency and profitability. We were successful in developing our business footprint, which provides a strong foundation for further business growth in the next mid-term plan.

**FY2018-19 Priorities**

In FY2018-19, the company is starting to move toward the next level of growth based on the solid foundations built during past couple of years. Our future strategy will be based on the following themes:

- Delivering steady growth
- Focusing on Light Commercial Vehicles
- Fully leveraging benefits from our Truck Assembly and Body Building Plant
- Introducing Digital Platform

We will continue advancing Ifad Autos, backed by our organizational performance culture, customer centric approach and expressing a strong face for our brand.

I must mentioned here that, these success could not have been possible without the support of our customers and efficient direction of the Board of Directors' as well as patronization and active participation of our valued shareholders.

Finally, I would like to pay my heartfelt gratitude to the Bangladesh Securities and Exchange Commission (BSEC), the Dhaka Stock Exchange Limited (DSE), the Chittagong Stock Exchange Limited (CSE), the Registrar of Joint Stock Companies & Firms (RJSC&F), the Central Depository Bangladesh Limited (CDBL), Bankers, Insurance companies, Leasing companies, Government various department, shareholders and stakeholders for their continuous cordial co-operation toward IFAD Autos Limited.

Thank you again for your support.

**Iftekhar Ahmed Tipu**
Chairman
IFAD Autos Limited

IFAD Stock

MANAGING DIRECTOR'S COMMENTS

# Driving performance through excellence

Dear Honorable Shareholders,

On behalf of the Board of Directors' of IFAD Autos Limited I am excited to present the annual performance report of IFAD Autos business for FY2017-18. During the year, IFAD Autos celebrated its 30th anniversary. Quite fittingly, the IFAD Autos finished its 30th year with record earnings. The FY2017-18 marks the highest profit IFAD Autos has ever achieved in the Company's history. Apart from economic and industry conditions, one of the significant factors contributing to the outstanding performance is teamwork and hard work of Ifad Autos staff, aiming at the same goal of ***"Operational Excellence"***, resulting in IFAD Autos fully benefitting from the industry condition.

**Outstanding Performance from Operational Excellence**

This year IFAD Autos's net profit amounted to BDT **1,554** million, the highest in the Company's history. This success partly stemmed from external factors favoring business, such as the macroeconomic environment, Government investment in infrastructure and export growth and growth in domestic consumption. Apart from the external incidents, one of the factors contributing to the Company's outstanding performance is teamwork and hard work of the Board of Directors (the Board), the executives, and all staff carrying out the same goal to drive IFAD Autos toward Operational Excellence, embracing policy and strategy design, management, and operation. As a result, IFAD Autos fully reaped market benefits while focusing on process efficiency and process preparedness management. In addition, transforming from importing chassis in Complete Buildup Unit (CBU) to Semi-Knock Down approach initiated to generate cut expenses, which would contributed to net profit. The related measures, for example, include implementing SAP in Truck Assembly Plant, management efficiency, introducing new incentive plan for recovery, focus on untapped market, new LCV product range, management efforts to curb expenses in general.

Laying a foundation for strength and preparedness for business opportunities

besides the Company's annual goals, the Board defined a key policy to lay a foundation for IFAD Autos to enhance competitiveness and prepare for future business opportunities. FY2017-18 is truly the year for IFAD Autos in investment for Truck Body Building Plant, and ongoing projects for Bus Body Building plant, investing in ERP and digital platform. In addition to this IFAD Autos has signed a Memorandum of Understanding (MoU) with Gulf Oil Bangladesh Limited, a subsidiary company of Gulf Oil International Limited (UK), with a view to subscribe 49% of its equity shares. Gulf Oil Bangladesh Limited is engaged in importing and selling its renowned brands of lubricant, grease and car care products in Bangladesh.



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**Outline of FY2017-18**

The company recorded revenue of BDT 15,004 million for FY2017-18, increase 46.54% from last year. The company's net profit increased to BDT 1,554 million up 48.30% compared with the previous year. Earnings per share (EPS) stand at BDT 7.01 from BDT 6.74 than that of last year.

Our new segment LCV offensive continued around the country. IFAD Autos's sales volumes reached a record high with 7,503 units. The company achieved steady growth with sales exceeding 1,871 units compare to the last financial year and have a steady revenue 42% CAGR past four years.

**Commitment to Good Governance and Repay Society**

Recognizing the value of business success in parallel with organization management under good governance and code of conduct, the Board deems it significant to define key policy on good governance for all to strictly follow so as to implant a corporate culture, with regular review and assessment of process adequacy. Moreover, the procurement business process management has been reviewed and improved to be more impervious, efficient and advocating free competition and transparency.

**Special Gratification:**

I would like to express my deepest appreciation to all regulatory bodies, especially the Bangladesh Securities and Exchange Commission (BSEC), the Dhaka Stock Exchange Limited (DSE), the Chittagong Stock Exchange Limited (CSE), the Registrar of Joint Stock Companies & Firms (RJSC&F), the Central Depository Bangladesh Limited (CDBL), the National Board of Revenue (NBR), Leasing companies, Bankers and also our valued customers and shareholders for their kind and continuous support to the company.

Thank you all

**Taskeen Ahmed**
Managing Director
IFAD Autos Limited



PROFILE

# This is IFAD Autos

IFAD Autos is one of the leading automobile distributors in Bangladesh with strong growth in commercial vehicle market. IFAD Autos mainly imports and sells light, medium and heavy truck chassis, different types of bus chassis such as AC buses, deluxe buses, tractors and special vehicles like dump truck, water tankers, prime movers etc.

The company is a sole distributor of a reputed Indian automobile manufacturer - Ashok Leyland since 1994. Ashok Leyland is the second largest commercial vehicle manufacturer in India as well as the fourth largest bus manufacturer globally. The company imports different models of complete Ashok Leyland's vehicles as well as imports CKD & spares and assembles locally to promote in Bangladesh. The company also deals with Farmtrac brand agri machineries and related spares imported from Escorts and market the same in Bangladesh.






## Business Model

IFAD Autos sells vehicles through the medium-term credit facilities to the clients along with cash sells. The company borrows the fund from financial institutions to meet its import payments and also provides credit facilities to the clients. Before providing credit facility for vehicle to any client, the risk management team assesses the credit worthiness of the client. In case of credit sales, the client has to pay minimum 40%-50% of vehicle price as down payment. The client either can make the body from IFAD Autos or from outside at their own cost. The vehicles are then registered under the ownership of financial institutions and IFAD Autos. After full repayment of the installments, the company handovers the title of ownership of the vehicles to its customers. Maximum term of the credit facility is 4 years which is repayable on monthly installments. Lease or rental model allows individual drivers to purchase commercial vehicles on easy credit terms. The customers are generally able to pay monthly rent or installment from the revenue generated from the purchased vehicle.

WWW.STOCK

Heavy & Medium Vehicle



Special Vehicle



LCV



Bus



Tractor



## Competitiveness of the Business Model

### Threat of new entrants

Automobile industry requires high initial investment. In addition to that, a large amount of credit sale is also a major barrier for new entrants. It is also very time consuming to build a strong distribution channel across the country. These barriers reduce the threat of new entrants for the existing companies.

### Low bargaining power of customer

Commercial automotive industry in Bangladesh is dominated by a few numbers of companies and IFAD Autos is the leading one. Sales volume of the company is very high for a single customer to force the company to compromise its profitability. As a result, customers in this industry have very low bargaining power.

### Threat of Substitution

In Bangladesh, 70% of the cargos and passengers are transported by road vehicles. Though other modes of transportation are available, they are not very popular due to cost and inconvenience. Thus, commercial vehicles have no suitable substitute in the local market.

## Touch Points

To hold dominant portion of market share, IFAD established a strong distribution channel all over Bangladesh. IFAD uses both direct and indirect distribution channel to sell its vehicles. In the direct distribution channel, the company uses its own sales force to reach the target customer and sell vehicles. Its direct distribution channel comprises of 21 selling points, 9 mega service centers. 30 service points and 11 offices in different districts of the country. Its indirect channel consists of ~120 dealers in different corners of Bangladesh.

TIMELINE

# Evolve of IFAD Autos

## 1988
### Incorporation

IFAD Autos incorporated as a private limited company and started its business to sell commercial vehicles in the year of 1988.





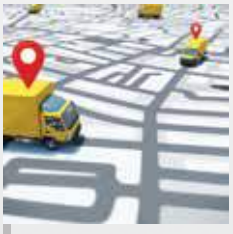
## 1994
### Sole Distributor

IFAD Autos awarded as a sole distributor of Ashok Leyland India Limited.

## 2014
### Highest Importer

Since 2014, IFAD Autos is the highest importer of Ashok Leyland's commercial vehicles all over the world.





## 2015
### Vehicle Tracking System

As a logistic solution provider the company introduced vehicle tracking system in 2015.

STOCK

## 2015
### IPO

IFAD Autos underwent IPO and became listed both exchange (DSE & CSE).



## 2017
### Truck Assembly Plant

Started its commercial Operations of Truck Assembly plant and started to change the business model from CBU to CKD.



## 2017
### Cross BDT 1b Sales

With its tremendous growth momentum the company's sales had first time ever crossed BDT billion.





## 2017
### Truck body building Plant

Started Truck body building plant to provide one-stop solution to its customer.

IFAD AUTOS PANORAMA

# Corporate Information

**Company Name**

IFAD Autos Limited

**Company Registration**

C-17301 (101)/88

**Board of Directors**

**Chairman**
Mr. Iftekhar Ahmed Tipu

**Managing Director**
Mr. Taskeen Ahmed

**Directors**
Mrs. Nilufar Ahmed
Mr. Tanveer Ahmed
Mr. Tashfeen Ahmed

**Independent Directors**
Mr. Md. Raqibul Islam, FCA
Mr. Rezwan Ali

**Chief Financial Officer**
Mr. Mohammed Al-Amin, FCA

**Head of Internal Audit and Compliance**
Mr. Md. Hemayet Hossain, ACA

**Company Secretary**
Mr. Md. Sazzad Hossain Talukdar, ACS

**Audit Committee**
**Chairperson**
Mr. Md. Raqibul Islam, FCA

**Member**
Mr. Tanveer Ahmed
Mr. Tashfeen Ahmed

**Nomination & Remuneration Committee**

**Chairperson**
Mr. Rezwan Ali, Independent Director

**Member**
Mrs. Nilufar Ahmed
Mr. Tanveer Ahmed

**Statutory Auditors**

AHMED ZAKER & CO.
Chartered Accountants

**Compliance Auditors**

ATA KHAN & CO.
Chartered Accountants

**CREDIT RATING COMPANY**

CRAB (Credit Rating Agency Bangladesh Ltd.)

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# The BOARD

## Focused on:
**simplicity, agility, efficiency, responsiveness & accountability.**



## BOARD OF DIRECTORS

### Iftekhar Ahmed Tipu
Chairman

Mr. Iftekhar Ahmed Tipu is the Chairman of IFAD Autos and a successful entrepreneur whose contribution has shaped the transport sector of Bangladesh. He started his business in 1985 by supplying the first ever Double Decker Buses from Ashok Leyland of India, to the government of Bangladesh through IFAD Enterprises Ltd. and since then he had supplied the same - four more times to the Bangladesh Road Transport Corporation under the Indian line of state credit. In the early years, Mr. Tipu had been involved with supplying to various government projects - ranging from gas pipelines to various power projects and made his mark on contributing to building our young nation.

In 1994 IFAD Autos took up the sole distributorship from Ashok Leyland in Bangladesh and ever since the company flourished under his leadership to cater to the country's transportation needs. At the time, he also was the local representative of major brands of Indian tyres such as Apollo, Vikrant, CEAT, JK and Birla.

Throughout the years his ambition and vision had materialized in the form of establishing one of the largest consumer food producing companies to cater to the population of Bangladesh and beyond.

IFAD today is a name not only known in the automobile industry, it is today a synonym of trust- be it consumer product, chemical product, information technology and few more. All these were possible due to his innovative ideas, tireless efforts, perseverance and dedication with self confidence which contributed to his successful achievements. Now the name "IFAD" inspires trust. Under his dynamic leadership, IFAD is set to continue its progress globally.

Amassing four decades of experience as a business personality, he had authored 5 books and had founded "The Daily "Nabaraj" a nationally circulated newspaper of which he is also editor in chief. He served as president of BAAMA, maintains membership in FBCCI and all other major clubs in Bangladesh. In 2018 Asia One Magazine accorded him with the "World's Greatest Leaders" Award in Dubai and also awarded IFAD Autos Ltd. the title of "World's Greatest Brand". Mr. Iftekhar Ahmed Tipu - a visionary leader, a charismatic conversationalist, a philanthropic character and a wonderful father.





**Taskeen Ahmed**

Managing Director

Mr. Taskeen Ahmed is the Managing Director of IFAD Autos and the second son to the Chairman of IFAD Autos. He has completed Bachelor's degree from Rutgers University in New Jersey, USA. He also pursued his MBA at North South University, Bangladesh. Having finished his academic career, he joined the company at a comparatively early age. But from him, age was won over by the attributes of his in-born leadership quality, exposure to reputed academic environment, family grooming and pragmatic outlook that was remarkable from his very childhood.

The company's Board of Directors along with the corporate rank and file found his presence in a unique equation. He demonstrated an appreciable skill in helping the company's ascendancy to more corporate efficacy and elevation to newer heights.

The family legacy and his own inherent qualities gave him a great sense of value and direction. Since 1999 he started work in IFAD Autos, which solely represents the Ashok Leyland brand and over the last decade turnover of the company had increased ten-fold under his leadership. He had also served as the President of India Bangladesh Chamber of Commerce and Industry (IBCCI).

He is actively engaged with a number of social and philanthropic organizations of national stature, without forgetting his root of origin.



**Nilufar Ahmed**

Director

Mrs. Nilufar Ahmed was born in 31st December 1956 in Faridpur District, Bangladesh. Her father's name is Mir Muzibur Rahman and mother's name is Mrs. Fatema Rahman. She is wife of Mr. Iftekhar Ahmed Tipu. She did her M.A in the year 1983 from the University of Dhaka. From 1987 she has been actively playing a vital role in IFAD Group.

She is director of IFAD Group, IFAD Autos Ltd., IFAD Information and Technology Ltd., IFAD Auto Services Ltd. IFAD Enterprises Ltd., IFAD Agro Complex Ltd., IFAD Multi Products Ltd., IFAD Beverage Ltd and the Managing Director of IFAD Automobiles Ltd. She is also significant shareholder of IFAD Motors Ltd. and IFAD Salt and Chemical Ltd. Other than business, she is also engaged in many social affairs and she is a permanent member of Dhaka Ladies Club.

In her personal life, she is a person of pleasant personality and loving mother of three sons.

# BOARD OF DIRECTORS



**Tanveer Ahmed**
Director

Mr. Tanveer Ahmed is the Director of IFAD Autos and eldest son of the Chairman of IFAD Autos. After completing his education from New Jersey Institute of Technology, U.S.A., he has started work in IFAD Autos in 2001. In the following year, he had established the sole dealership of ELGI Equipments of India to supply Industrial Grade Air Compressors in Bangladesh.

It was under Mr. Tanveer's direction that IFAD took the true form of a Conglomerate in Bangladesh by expanding into the Consumer Foods Sector as IFAD Multi Products Ltd in 2003. His commitment towards quality, the company achieved President's SME Award. Going above and beyond in ensuring food safety, he ensured the company had adopted the BRC (British Retail Consortium) standard and SEDEX compliance. Mr. Tanveer had spearheaded campaigns that changed the game of Corporate Social Responsibility in Bangladesh. Namely "IFAD Go Green" & "Gomi Zero Bicycle Marathons" and "IFAD Big Bangla Marathon Run". He stood in support to many more such endurance activities to raise environmental and tourism awareness.

Mr. Tashfeen Ahmed is the Director of IFAD Autos and the youngest son of the Chairman of IFAD Autos. He has a Bachelor's Degree in Finance from University of Maryland and earned his MBA from American University, Washington DC in U.S.A.

In 2012 he commenced working for IFAD group by spearheading all branding activities of the group and establishing an in-house agency for design and content development. In 2016 he had led IFAD's venture into the IT industry following the establishment of IFAD Information & Technology, developing a range of specialized software such as "iTracker" (GPS based vehicle management service) and cargo sharing app for commercial trucks.

He manages the operations of IFAD Enterprises Ltd - the sole distributor of ELGI Equipments of India to supply Industrial Grade Air Compressors in Bangladesh. Mr. Tashfeen also leads the Tractor division of IFAD Autos representing the Farmtrac Brand of Escort's Agri Machinery Ltd. from India.



**Tashfeen Ahmed**
Director



**Md. Raqibul Islam, FCA**

Independent Director

Mr. Md. Raqibul Islam, FCA obtained his Master Degree in Accounting from Dhaka University and became a Qualified Chartered Accountant in 1997 and at present a Fellow Member of the Institute of Chartered Accountants of Bangladesh.

He started his career as an Executive in Rahimafrooz (Bangladesh) Ltd; ended as Manager -Finance & Accounts. Thereafter, he worked in Padma Textile Mills Ltd-a unit of Beximco Group, Partex Beverage Ltd –a unit of Partex Group as Head of Finance & Accounts, Finance Advisor of Rangs Group of Companies. He is a partner of Aftab Ahmed & Co, Chartered Accountants.

He has long experience, over two decades in the field of Finance/Accounting & Corporate Affairs. He has been associated with IFAD Autos Limited as independent director since November 05,2014.

Mr. Rezwan Ali is the Independent Director of IFAD Autos Limited. He is a successful entrepreneur who has enormous contribution towards the Information Technology industry of Bangladesh and other south Asian countries.

Mr. Ali is an accomplished result-driven dynamic person with over 22 years of extensive experience in driving business in Information Technology industry. He had earned a Bachelor's degree in Computer Science and Engineering from Independent University of Bangladesh. Since inception of career, he had direct experience of working with global IT leaders like IBM World Trade Corporation, Hewlett Packard, Singapore, other large global SI's like FPT Information Systems, Vietnam and Thakral Group, Singapore.

Mr. Ali is one of the Co-founders of Omega Exim Ltd., an Enterprise IT Solution driven company established in Bangladesh. He is responsible for leading the sales and operational activities of the company. He has previously served as Consultant in Meghna Bank Limited. Concurrently, he is also the Co-founder and Director of Faymas Food and Beverage Ltd. Mr. Ali recently joined as an adviser to the Global Chamber Bangladesh.



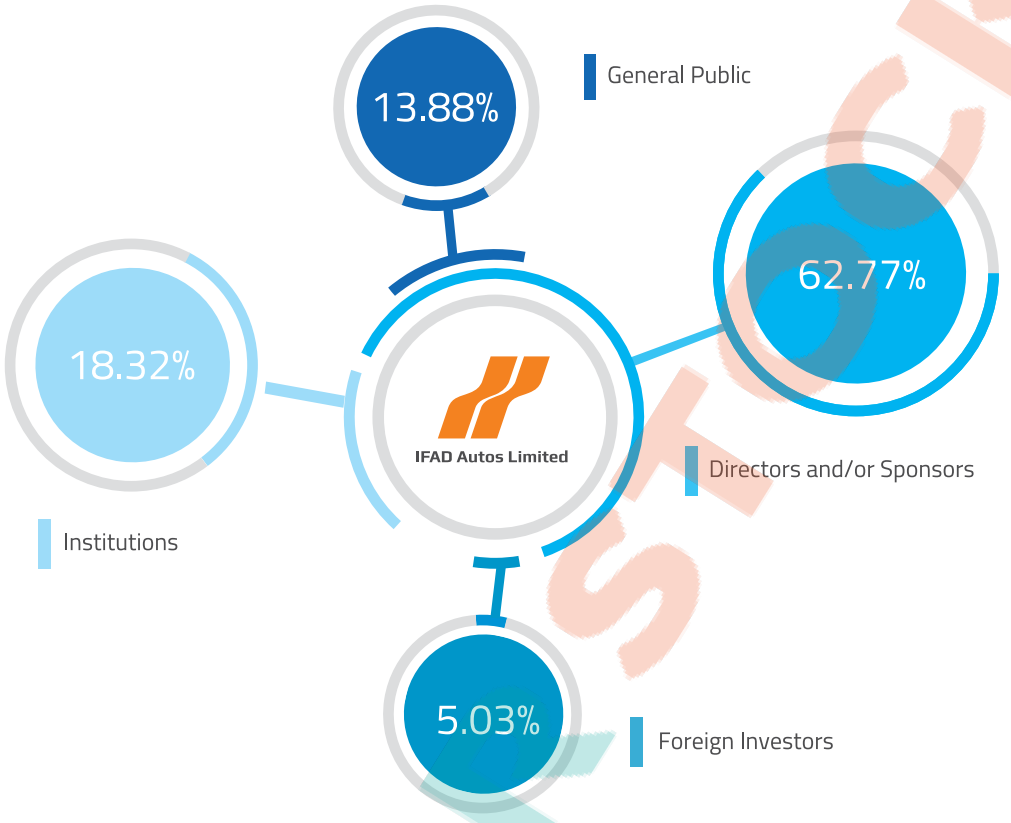
**Rezwan Ali**

Independent Director

IFAD STOCK

# THE SHAREHOLDERS

As on 18 October, 2018




## Channels of communication with stakeholders

**Annual General Meetings**
- Average attendance of shareholders in:
  Past 3 years: 182
  2016-17: 210

**2017-18 Investor Meeting**
- 8 investors road shows
- Over 50 investor meetings with potential foreign investors

**Reports and Announcements**
- Annual Report
- Quarterly financial statements
- Price sensitive disclosures
- Announcements and press releases

**2017-18 Shareholders' Visits**
- Around 45 visits by 156 shareholders

**2017-18 Analyst Briefings**
- Teleconference meetings discussing each quarter including year end financial performances

**IFAD Autos Website**
- Updates of recent financial information and latest investor information
- Analyst briefing materials





# The MANAGEMENT

## Operational Excellence Driven

# MANAGEMENT

GOLAM SAKLAEN MIAH

General Manager

MD. HEMAYET HOSSAIN, ACA

Head of Internal Audit & Compliance

MD. SAZZAD HOSSAIN TALUKDAR, ACS

Company Secretary

MIR MIZANUR RAHMAN

Project Director



UTTIYA BAKSHI ABIR

Executive Director

MOHAMMED AL-AMIN FCA

Chief Financial Officer

MD. HAFIZUR RAHMAN MANIK

GM, Sales and Marketing

KAUSHIK SARKAR

Technical Advisor

SHEJUTI A. AHMED

Director, HR



CULTURE

# Building a performance culture

The company's culture is described by a set of five carefully chosen values. They serve as a guide to our day to day behavior and they drive our decisions at all levels of the organization. They express our shared beliefs across the entities and create the base for a high performing culture through employee engagement.

## CUSTOMER CENTRIC

We truly understand our customers' need. We listen to and talk with our customers about their needs, desires and challenges. We focus on transport solutions that make customers successful and create value for society. We deliver on our promises.

## TRUST

We are transparent and have respect for the individual. We trust other teams to do their best and we respect the decisions made. We collaborate easily and create excellent results through teamwork and open dialogue. We are empowered and have the courage to act.

## PASSION

We are proud of the work and business we do. We are engaged and committed to meet our goals. We see how diversity strengthens us and try to bring out the best in everyone. We admit mistakes, fix them and learn from them. We are proud of our achievements, have fun and celebrate our successes.

## CHANGE

We are curious about the world around us. We are innovative and find smart ways to create new solutions and business. We see change and transformation as a source of inspiration and energy. We are open¬minded and share our knowledge.

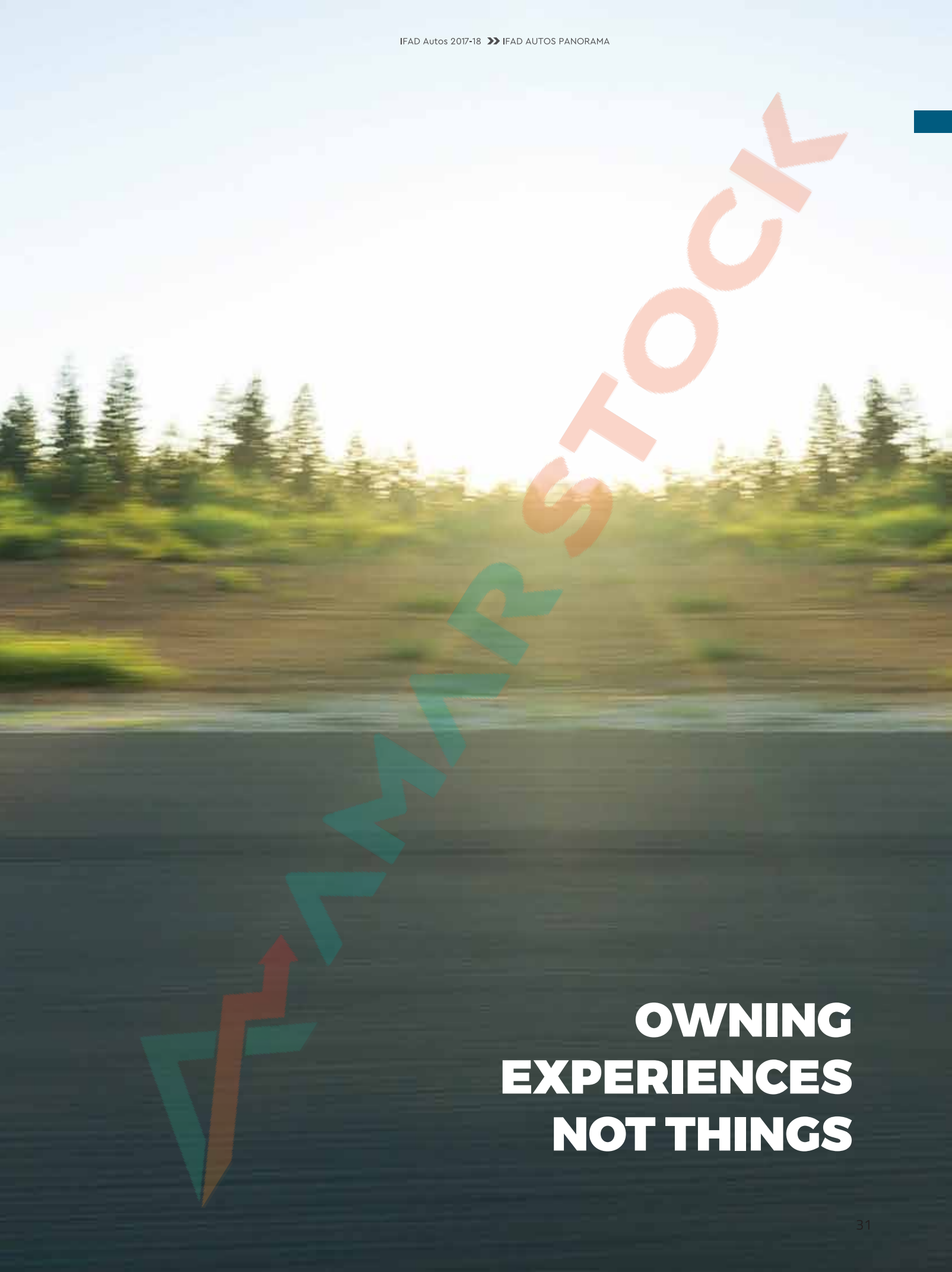
## PERFORMANCE

We have a strong business instinct. We have the skills, knowledge and intuition to do the right thing. We expect a lot from ourselves and others and walk the extra mile to do a great job. We see the big picture and know when to let go of an idea, a project or a plan.


...We **Listen**
We **Learn**
We **Act**
WE ARE COMMITTED TO SUCCESSFUL TRANSITION INTO NEW TECHNOLOGIES AND BUSINESS MODELS

# PRODUCTS





# OWNING EXPERIENCES NOT THINGS

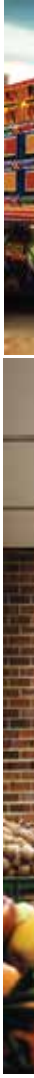










## Heavy and Medium Vehicles - Truck

TS- 1616IL/1
TS- 1616IL/2
TS-1613-H
TAURUS 2518 Strong
PRIME MOVER 3518 Cargo
PRIME MOVER U- 4019IL
PRIME MOVER 4923TT
E-COMET 1214IL
E-COMET 1212IL
E-COMET 1012IL

## Special Application vehicle

ECOMET- 1012 Dump Truck
TS-1616 IL Dump Truck
Taurus 2518 IL Dump Truck
U-2518 Dump Truck
CAPTAIN 2518 Dump Truck
Taurus 2518 BULK CARRIER
U-3718 BULK CARRIER
TAURUS-2518 RMC
REFRIGERATED VAN

MILK TANKER
WATER TANKER
ROAD SWEEPER
GARBAGE CARRIER
WRECKER
FIRE FIGHTING TRUCK









### Bus

12M AIR SUSPENSION SUNSHINE SCHOOL BUS
B-1818 (Regular + Air Suspension)
B-1616 (52 SEAT)
LYNX DIESEL (38 SEAT
B-1216
STAG 1212
STAG 1012
ARTICULATED BUS
DOUBLE DECKER BUS (TITAN)

### Light Commercial Vehicles

Dost Strong
Dost Plus
Partner (1.5 Ton)
Partner (3 Ton)
DOST EXPRESS Human Hauler

### Tractors

FT 6037
FT 6037+
FT 6050
FT 6050 Champion
FT 6055
FT 6055 Champion
FT 6060
FT 6060 (P-20)
FT 6045



STRENGTH

# New strengths

### Truck Assembly Plant

From February 2017, the company started operation of its local assembly plant for heavy-duty trucks. The assembling plant capacity is 10,000 vehicle units per year in three shifts. FY2017-18 2,300 units has been assembled and it is expected to be reach full capacity utilization by FY2021. The company transforming its business model from Complete Buildup Unit (CBU) to Semi-knock down model. It will significantly save import duty which will contribute to increase gross profit margin and increase the price competitiveness of its products.



### Truck Body Building Plant

This is the new addition of the company; the body building unit commenced its operation from November 2017. It will provide one-stop solutions for our customer. Approximately 3,000 units can be built per year.



### Cabin Manufacturing Plant

It will commence its operations in FY2018-19. The total capacity of the plant will be 6,000 units. It will add up additional gross profit margin and increase the bottom line.



### JV with Gulf Oil International Limited (UK)

The company signed a Joint Venture with Gulf Oil International Limited (UK) to subscribe 49% of its equity shares of Gulf Oil Bangladesh Limited. The Gulf Oil Bangladesh Limited is engaged in importing and selling its renowned brands of lubricants, grease, and car care products in Bangladesh. As the company has itself a huge amount of captive consumption of lubricant and grease. Besides own lubricant consumption requirement the company can sell Gulf Oil Bangladesh ltd. products through its own 9 mega service center and 30 sales & service center.



### Automation and Digitalization

In these growth momentums the company heavily invested in automation and IT infrastructure. The company implemented SAP for flawless supply chain management in the assembling plant.




ERP implementation is on the process and will be completed by FY2019. This will help the company for better operational efficiency, accelerate recovery system and service excellence.




A digital platform project is undergoing and will be in application by FY2018-19. It is basically a cargo transport solution (Truck Sharing App). It will strengthen the company's revenue as well as introduce an efficient logistics management.



# Supported by people

Corporate success depends not only on processes and quality structures, but also on the people who use them. Ifad Autos systematically trains its employees so that they can help make the company a bit better than it was before.




Experience and innovativeness of the company's own employees is one of the most valuable sources of success. Since 2016 the company is hiring lot of professionals in key areas. Ifad Autos current management team is blend with seasoned old employees and new veteran professionals. The sharing of best practices is right at the top of the priority list.



The company has initiated a number of projects envisioning radical transition to maximize the benefits for its customers through its processes, procedures and commitments. These alterations will not only affect the structure of the organization but also influence our employees both in their personal and professional lives. In pursuit of becoming the best customer centric company in the country, the company has taken a number of initiatives to find ways on improving and developing our employees within the organization. Changes in performance management model have also been brought to establish a meritocratic culture.



The company has increased its effort in attracting the best talents in the industry to further strengthen its core management structure. The company ensures equal opportunity for the job seekers and does not discriminate on the basis of gender or any other factor that does not relate to the individual's ability to perform the job. Our HR functions is exclusively built around a conducive working environment to maintain the gender balance within the organization.

Ifad Autos endeavors to make its people feel that they are recognized for their talents and valued for their contribution. The company always feels that its employees are its prime asset and nurturing their talent is the only way to get the best out of them. Like always, the company invested heavily to up-skill its human resources through numerous internal, external & foreign training programs throughout the year. Several types of well-articulated Orientation Programs are in place for new joiners in business & support divisions according to their job requirement.

STRENGTH

# Our human capital


Talent development


Career development


Employee well-being


Compensation management


Employee productivity

## Per Employee Productivity



No. of FTE (person)

710 FY17 ↑ 792 FY18



Revenue

14.4 FY17 ↑ 18.9 FY18

(in BDT million)



Gross Profit

2.80 FY17 ↑ 3.62 FY18

(in BDT million)



Operating Profit

2.26 FY17 ↑ 2.93 FY18

(in BDT million)



Profit Before Tax (PBT)

1.99 FY17 ↑ 2.61 FY18

(in BDT million)



Profit After Tax (PAT)

1.47 FY17 ↑ 1.96 FY18

(in BDT million)

## CORPORATE SOCIAL RESPONSIBILITIES

IFAD Autos is committed to sustainable development, where business goes hand in hand with societal wellbeing and environmental consciousness. With CSR as an integral part of IFAD Autos's activities, all our social initiatives are structured and focused to enhance our commitment to our employees, the stakeholders and the environment.

### Three Dimensions of CSR

Business excellence
Governance & compliance
Risk management & mitigation
Customer satisfaction
Supply chain management




Training & development
Human & labour rights Integrations
Diversity & equal opportunities
Health & safety

Commercial vechicle to lowing CO2 emission support clients and also introduce the BS-IV trucks with intelligent exhaust Gas Recirculation (iEGR) engines with their environmental target.

**Charitable Giving**

BDT **3.6** million

in philanthropic donations to college, disable children, vollyball fedaration & more.

**Employee Knowledge**

**22,560** hours

of orientation, skill development and ledership training home & abroad.

**Employee Health & Wellness**

sanitation education, factory medical facilities, health awareness program, dental care education.

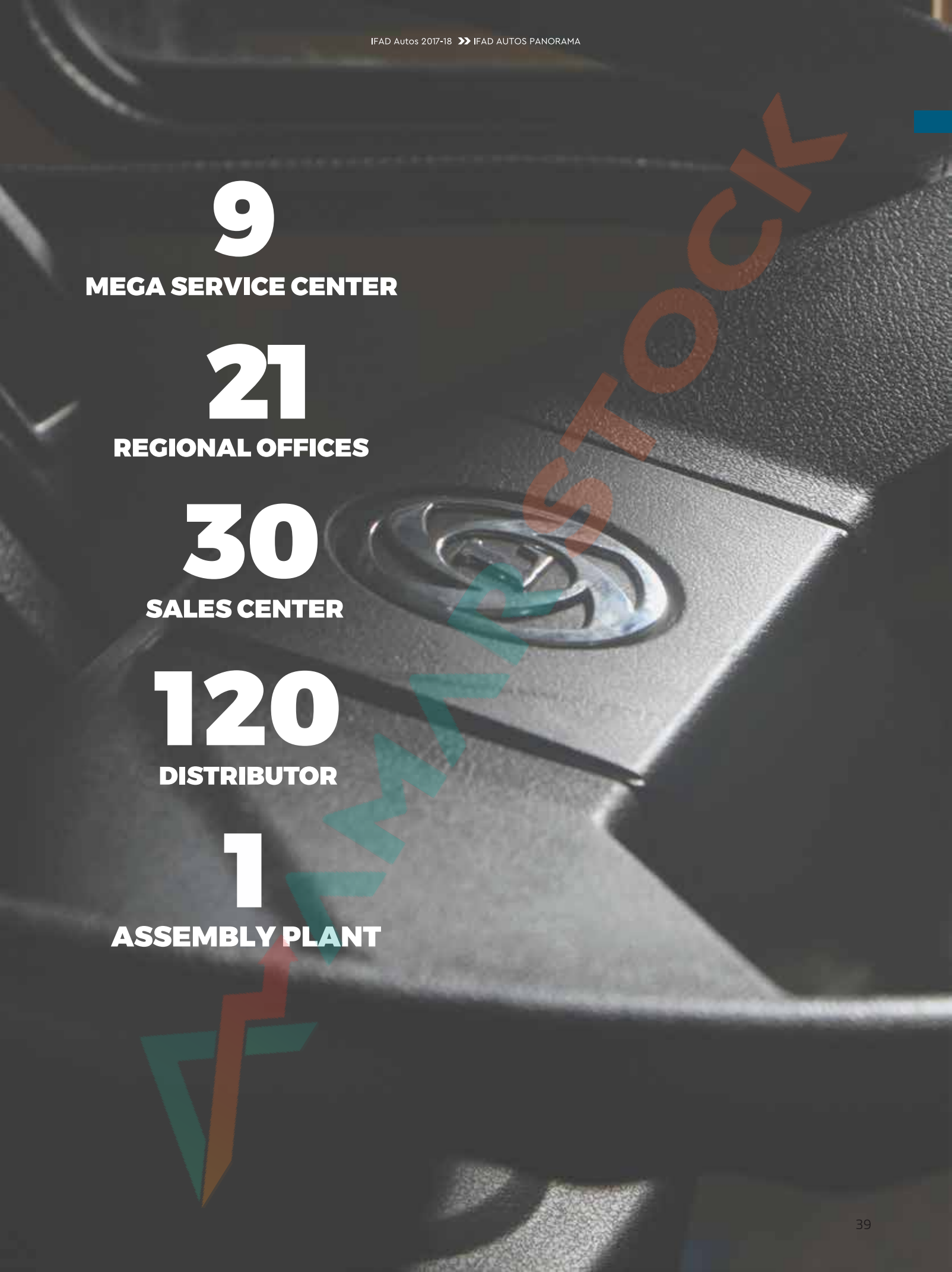
**Economic Opportunity**

BDT **51.2** billion

retail financing assistance to small entrepreneur since inception.

# REGIONAL PRESENCE





**9**
**MEGA SERVICE CENTER**

**21**
**REGIONAL OFFICES**

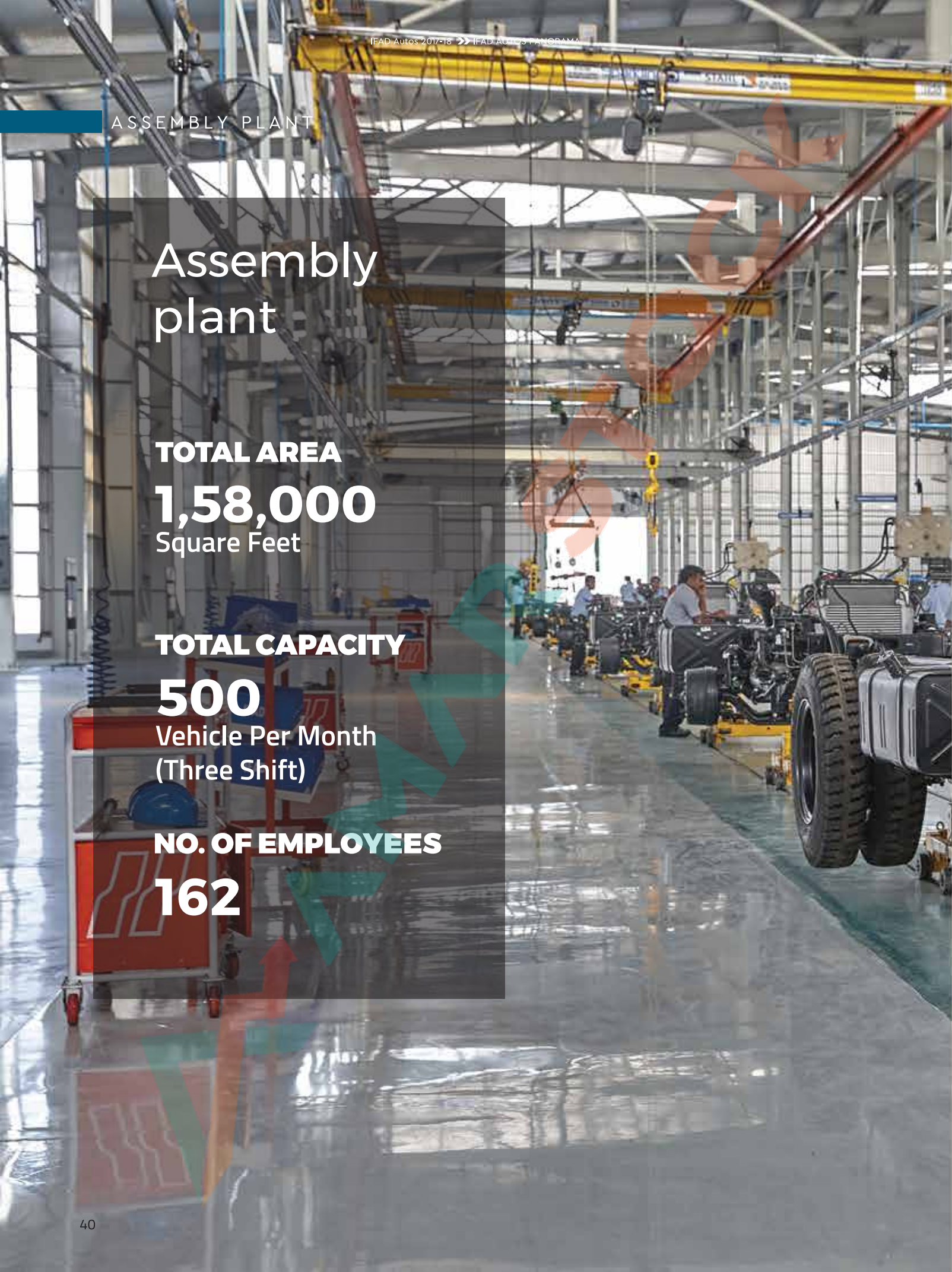
**30**
**SALES CENTER**

**120**
**DISTRIBUTOR**

**1**
**ASSEMBLY PLANT**

AMARSTOCK

# Assembly plant



**TOTAL AREA**

**1,58,000**
Square Feet

**TOTAL CAPACITY**

**500**
Vehicle Per Month
(Three Shift)

**NO. OF EMPLOYEES**

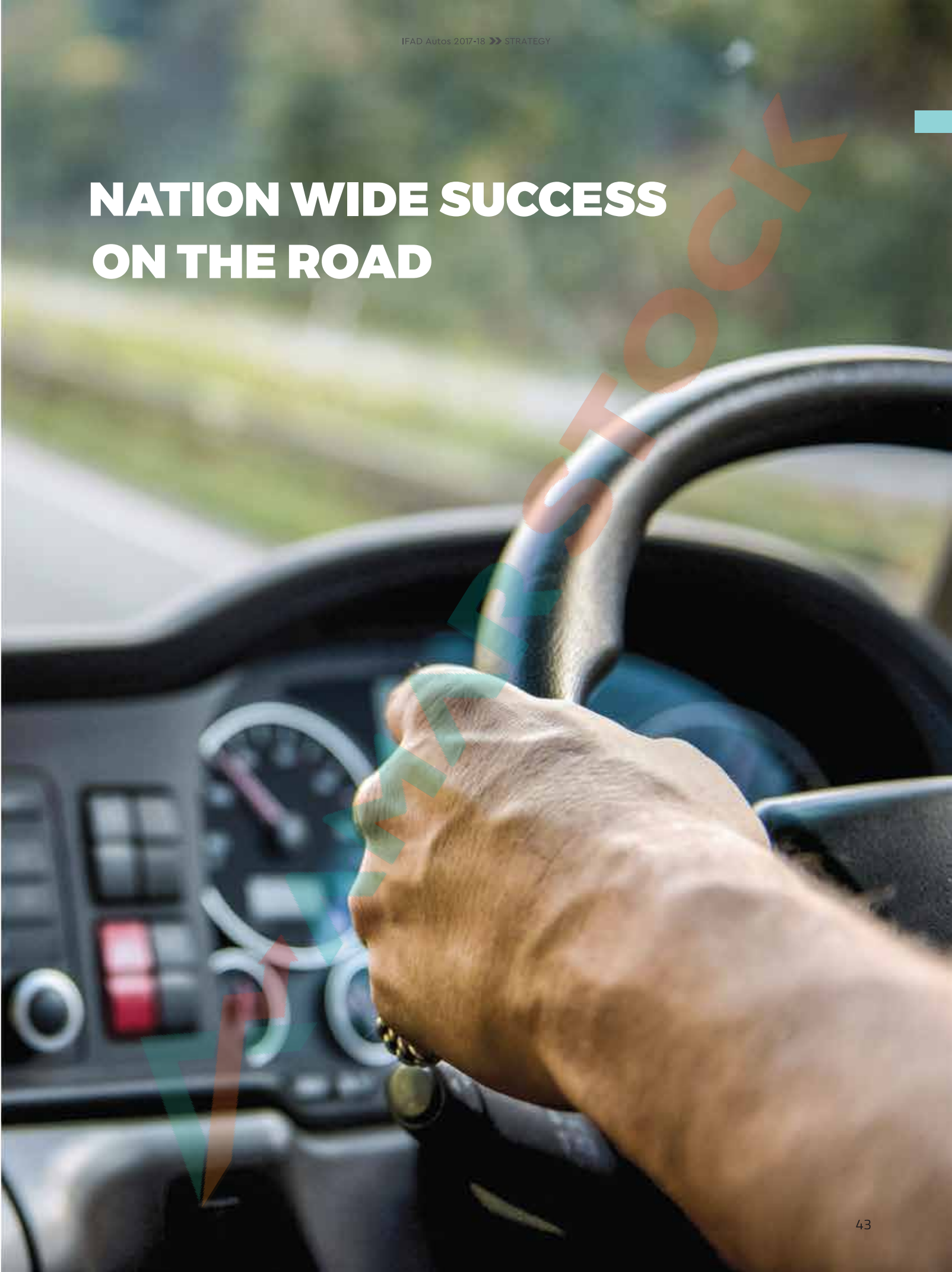
**162**



# STRATEGY



# NATION WIDE SUCCESS ON THE ROAD



STRATEGY

# Committed performance to staying ahead

Our Strategy guides what we need to do in order to secure competitiveness. In three decades of business to build scale needed to be competitive in commercial vehicles industry, IFAD Autos is now in a phase of growth momentum.

From inception to 2000 the IFAD Autos's strategy was primarily targeted to establish the brand in the commercial vehicles industry. In this first phase Ifad Autos mainly focused on customer segmentation, targeting, positioning, optimization of the sales and service channel to make a resilient footing in the commercial vehicle industry.



1988- 2010

**BRAND ESTABLISHMENT**

2010 – 2014

**TRANSFORMATION TO CLOSE THE GAP**
Product verity and distribution channel

2015-

**IMPROVED PERFORMANCE**
Customer focused, Simplicity, continuous improvement, digital transformation.

During 2010 to 2014 the IFAD Autos underwent a transformation program aimed at to increase the product portfolio and vast distribution channel throughout the country. Among the activities in the program helps the company to increase its sales volume and customer reach.

2015 onwards the company has entered the next phase with a focus on improved performance and service excellence. By building performance culture the company wants to be customer centric, employer of choice and market leader of the industry. Through strong performance we are able to invest in products, services and people – and thereby own our own destiny. Our vision is to be the most desired and successful transport solution provider in the country. We have competitive products and services with these and our people that we build lasting relations with our customers. In this phase we are focusing and investing on people, process, automation and service excellence to deliver the experience not only the product. All these efforts will make IFAD Autos the customers' preferred choice.

# Profitable business through customized solutions

### TRANSFORM CORE BUSINESS

Sharpen positioning of brands

More focus on LCVs

Move towards complete build up unit to semi knock down business model

Localization-using as much as possible local parts in semi knock down assembly plant

Develop one-stop solutions

Listen, Learn and Act approach-Increase touch points and customer interaction

Develop best-in-class user experience and customer touch points

### BUILD MOBILITY SOLUTION BUSINESS

Establish mobility solution business

Develop and expand attractive and profitable smart mobility offering

### SECURE FUNDING

Improve operational excellence

Optimize business portfolio

Integrate strategy and planning process

Balance sheet management

### DRIVE DIGITAL TRASFORMATION

### STRENGTHEN INNOVATION POWER



STRATEGY

# Our strategy for tomorrow's growth

In launching its future program -Strategy 2022, IFAD Autos has kicked off the biggest process of change in its history. Its overarching vision is to become a country-leading commercial vehicle provider. The path there will be dominated by harmonious co-existence and exchange as equals. For one reason: new times call for new forms of collaboration.

*"We must increase efficiency considerably – across the entire value chain and all segments."*

**A glimpse of our strategy is given below.**

**1 - Sharpen positioning of brands**
Optimum coverage of markets, customer segments and customer budgets is the focus in the first Company initiative. This goal will be achieved by setting up needs-based, automobile-specific customer segments.

**2 - More focus on LCVs**
The future growth will be depend on LCVs. By 2020, the portfolio in the growing LCV segment will initially be expanded by adding more than 8 models, with simultaneous development as per customers' need and also develop and offer economy products that are in conformity with market requirements.

**3 - Move towards complete build up unit to semi knock down business model**
Changing of business model gearup the company's gross profit margin as well as price compitativeness.

**4 - Localization**
Using as much as possible local parts in semi knock down assembly plant which will ultimately increase the bottom line by savings import duty.

**5 - Develop one-stop solutions**
The truck body building unit commenced its operation from November 2017. It will provide one-stop solutions for our customer. Approximately 3,000 units can be built per year.

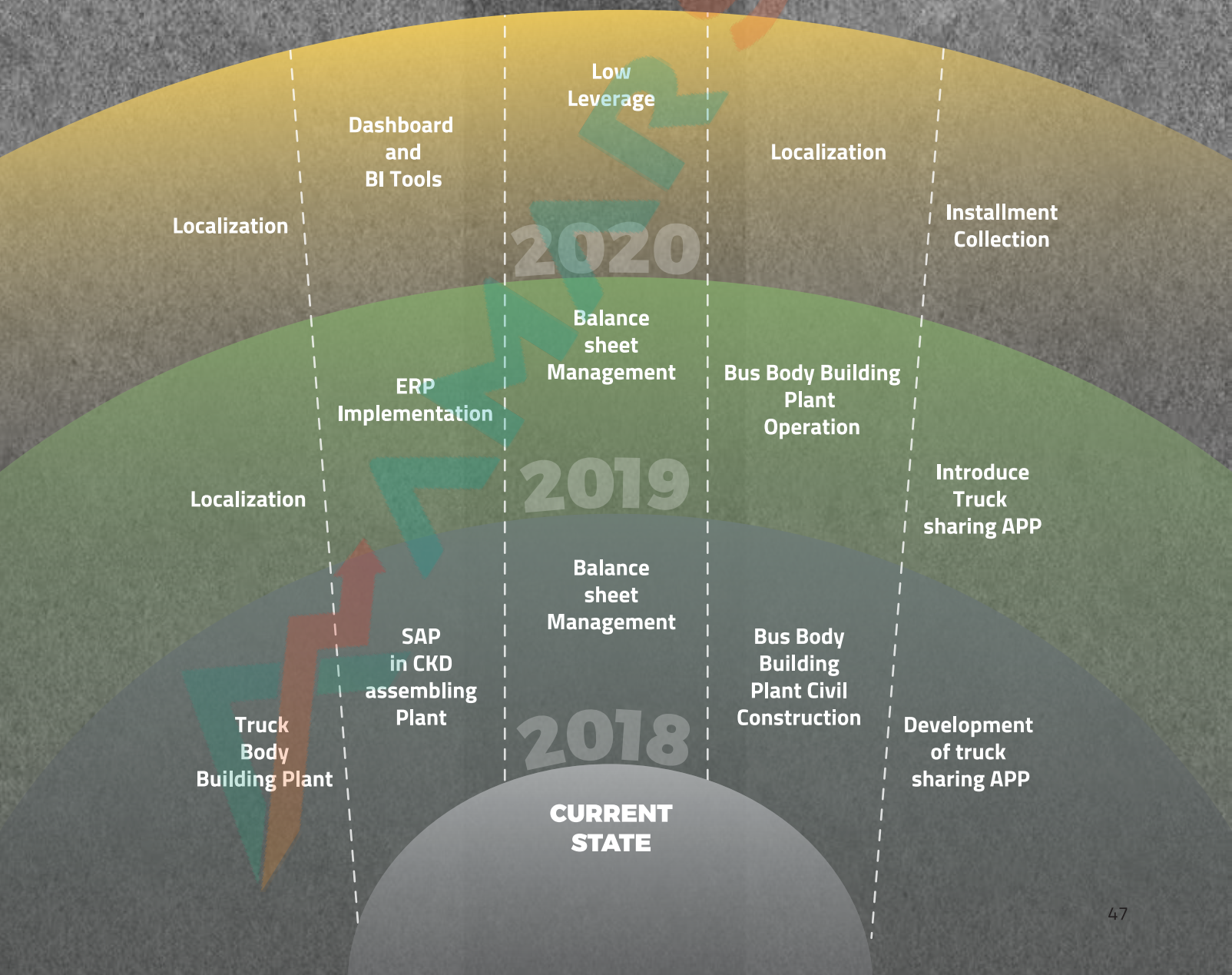
**6 - Listen, Learn and Act approach**
Adopting above approach will help the company's service excellence and customer interactions to gain market share.

**7 - Improve operational excellence**
Improving operational excellence across all the divisions is the seventh initiative. The efficiency of capex and opex costs in particular is to be enhanced. Overall, the measures are expected to lead to significant growth and higher profits as early as 2020.

**8 - Optimize business portfolio**
The goal of the eighth initiative is to make IFAD Autos a competitive, financially sound transportation solution provider. A standardized process for continuous evaluation of the Company's business portfolio will also be developed.

**9 - Drive digital transformation**
At Ifad Autos, the digital transformation is being driven forward by the ninth initiative, which covers Vehicle Tracking Systems, SAP Implementation, ERP Implementation, Dash board & BI tools and digital products and platform development. Under the new strategy, more than a 6 digitalization projects have already been pushed in the focus areas of user experience, products & services, customer & business.

# Strategic Roadmap



STRATEGY

# Strategic priority





# STRATEGIC FRAMEWORK

01
EMBEDDING CUSTOMER OBSESSION

02
INVESTING IN OUR NETWORK

03
DEVELOPING OUR PEOPLE

04
BUILDING A WORLD CLASS PORTFOLIO OF PRODUCTS & SERVICES

05
LEVERAGING THE LATEST DIGITAL & TECHNOLOGY CAPABILITIES

06
COMMITING TO OUR COMMUNITIES

07
EXPANDING THE POWER OF OUR BRAND

08
REBUILDING HEALTHY RELATIONSHIPS WITH THE STATE, REGULATOR AND OTHER BODIES

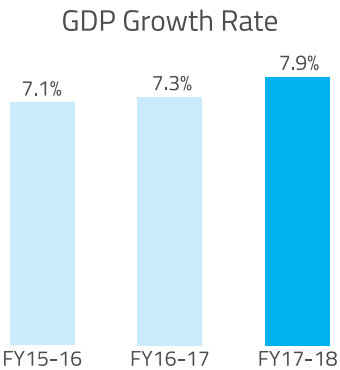
# DIRECTORS' REPORT

**Dear Shareholders,**

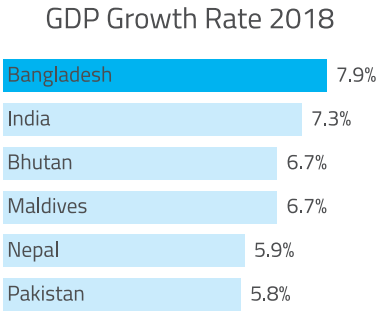
On behalf of the Board of Directors and Management, I welcome you all to the 30th Annual General Meeting (AGM) of IFAD Autos Ltd. We have the pleasure to place herewith the Directors' Report and the Auditor's Report, together with the Audited Financial Statements of the Company, for the year ended 30 June 2018 for your valued approval.

## State of Bangladesh Economy

FY 2017-18 has been a mixed year of achievements and challenges for Bangladesh. Structural reforms coupled with solid macro-economic fundamentals saw Bangladesh continue its growth trajectory. Breaking the six percent cycle that continued for a decade or so, the economic growth reached a record high 7.86%, riding on buoyant exports and robust agricultural outputs.



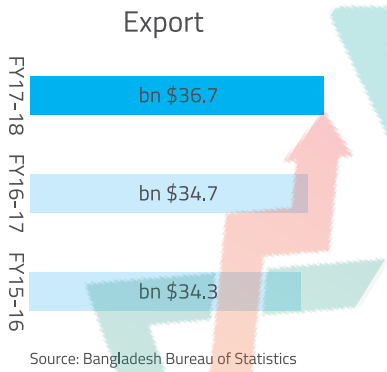
Source: Bangladesh Bureau of Statistics



Source: Asian Development Bank

Growth in FY 2017-18 was higher than expected as consumption picked up in response to rising income and increased public investment. A major boost has come from the industrial sector, followed by the services sector. Per capita income now stands at almost 2.6 times it was a decade ago. Per capita income grew 8.8% YoY to USD 1,751 in FY2017-18. Now, industry sector growth has accelerated for the fifth consecutive year. In the FY2017-18, the contribution of the agriculture sector to the country's GDP was 13.82%, while the industry and services sectors contributed 30.17% and 56% respectively.

Country's overall exports grew 5.81 per cent in the outgoing FY2017-18 to $36.67 billion from $34.65 billion of the FY2016-17 riding on the higher shipment of garment products.



Source: Bangladesh Bureau of Statistics

Robust industry growth is also reflected through strong capital machinery import growth of 31.9% YoY. Despite strong recovery in remittances inflow, lukewarm export growth (5.81% YoY) against a very strong import growth (25.2% YoY) pushed the current account balance to the negative territory (3.7% of GDP) for the first time in four years. Bangladesh's overall Balance of Payments (BoP) posted US $885m deficit during FY2017-18, hitting the negative territory for the first time in seven years, driven by wider current account deficit. As a result, FX reserve growth slowed down as central bank provided support to cushion the demand for USD. During FY2017-18, BDT depreciated ~5.0% against $US.

The year FY2017-18 looks to be a turning point for Bangladesh in many ways. The politically changed environment of a national election, ongoing infrastructure challenges, labor among others will be the material challenges. The country will continue its journey on the path to middle-income economy status along with implementation of the sustainable development goals (SDGs). Looking ahead, broader development goals, based on pro-business reforms, accelerated

resource mobilization, expanded tax base and improvements in infrastructure, should help Bangladesh continue on a path of inclusive economic growth and sustainable development.

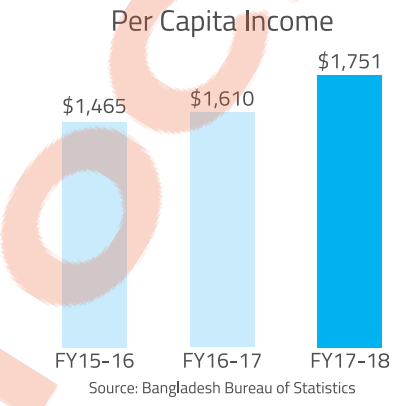
Bangladesh managed to higher growth in gross capital formation (10.1%) than it peers such as India (10.0%), Pakistan (9.5%) and Vietnam (8.4%) in 2017 according to World Bank.

## Commercial vehicle Industry Outlook and Prospects

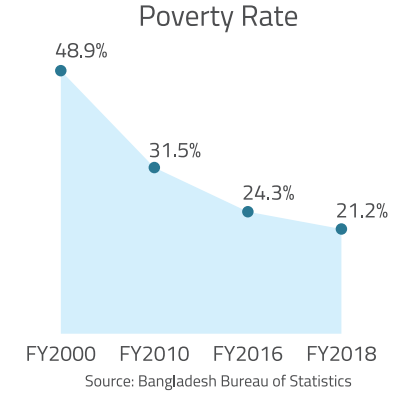
Bangladesh is a frontier market and considered to be among the next emerging economies with a projected GDP growth above 7.1% YoY till 2030 ("The World in 2030: Our long-term projections for 75 countries"- HSBC). A large population of around 171 million and a rapid growing middle class has significantly raised the domestic demands for goods and services.

Commercial vehicle (CV) business is highly correlated to macroeconomic activities and stable political environment. Bangladesh is one of the fastest growing economy in the world. The country has achieved its highest ever GDP growth of 7.86% in the latest financial year. The country has achieved 6.0%+ GDP growth for over a decade. According to World Bank estimates, the number of metro vehicles increased 16 times between 2001 and 2013. Gross capital formation (real) of Bangladesh grew at a 5-year CAGR of 8.3%, higher than that of peer economies, Vietnam (7.1%), Pakistan (3.2%). And India (3.2%). Higher growth in gross capital formation has helped Bangladesh to catch up India, whose gross capital formation as a percentage of GDP was consistently higher than Bangladesh. Growing economic activity and development projects in Bangladesh have emerged as blessings for the commercial transportation sector in this country. Bangladesh has four different transportation mode; such as road, railway, water, and air. All of these surface transportation modes except air are widely used to transport passenger and cargo. However, road transport alone carries 70% of the passenger and cargo due to availability and easy access point. According to the Road Maintenance Management System (RMMS), there are 3,790 kilometers of national highways, 4,206 kilometers of regional highways and 13,130 kilometers of Zilla highways in Bangladesh. Bangladesh Investment Development Authority (BIDA) reports that in the last 47 years, the length of road grew by 557.9%. In 2017-18, local government repaired 1,595 milometers long Zilla highways across the country.

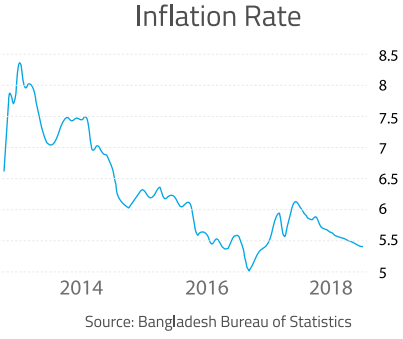
In Bangladesh the automobiles industry is mostly dominated by imported new & reconditioned vehicles which imported largely from Asian countries namely India, Japan, China and very few from Europe and USA. The vehicle manufacturing and assembling industries did not grow after independence of Bangladesh due to lack of domestic source of raw materials and backward linkage industry. Recently, very few Bangladeshi companies has established assembly and body building unites with the collaboration of foreign companies with a view to supply various vehicles namely bus, truck, pickup in to the Bangladeshi market.



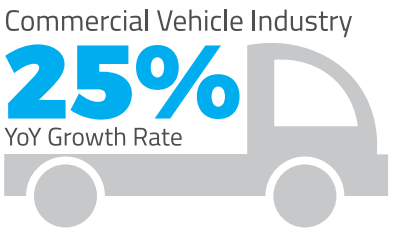
Source: Bangladesh Bureau of Statistics



Source: Bangladesh Bureau of Statistics



Source: Bangladesh Bureau of Statistics




Commercial vehicle demand is highly correlated to macroeconomic growth. Sales of commercial vehicle (CV) has grown by 25% YoY to 45,744 in 2017 while total registered CVs grew by 11.7% to 437,890. Sales of truck grew by 28.5% to 10,353. Sales of Light Commercial Vehicles (LCV) vehicles grew by 30.0% to 26,897 whereas sales of Bus declined by 13.1% to 3,268. Heavy trucks and pickups are mainly used to transport RMG products, construction materials and commodities. Recent growth in the RMG sector and large infrastructural projects are mainly driving the growth for the heavy vehicles. Connectivity with the neighboring countries like China, India, Myanmar, Nepal, Bhutan etc. through projects such as "BBIN", "Asian Highway", "One Belt, One Road" etc. is another major reason of such growth.

The main reasons for higher growth in the light commercial vehicles are traffic congestion, parking problem and narrow road in city areas. In this situation, it is comparatively easier to move light commercial vehicles than the heavy ones. LCVs take less space to move and park on the roads.



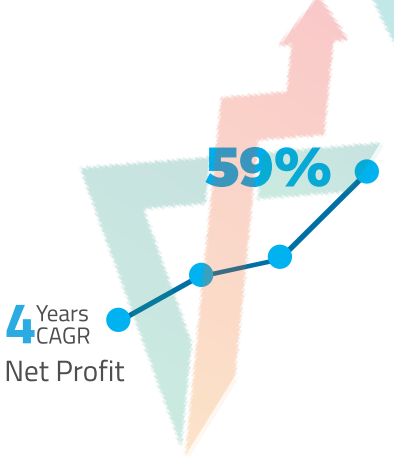

CV sales of IFAD Autos grew at a 4-year CAGR of 42% during FY2015-18, higher than that of industry (25%). Further breakdown shows that each segment of IFAD grew at a higher rate than the industry. As a result, IFAD's market share of Trucks increased 2.9 percentage points to 33.4% while market share of Buses increased 6.5 percentage points to 24.7%. IFAD Autos would continue to gain market share during FY19E-22E. We expect that the IFAD's market share in the truck and bus segment would stand at 42.0% and 30.0% respectively. Since, market share in the Light Commercial vehicles (LCV) carrier increased 1.3 percentage points to 2.4%. We expect that IFAD would be able to gain its LCVs market share to 15.0% in 2022E.




## FY2017-18 a Great Year for IFAD Autos

2018 once again saw the delivery of consistent, competitive, profitable and great growth, a trend that has been firmly established at IFAD Autos. Despite the challenging business environment, IFAD Autos's overall operations remained resilient and continued its growth momentum and maintained healthy profitability throughout the year.

- IFAD Autos delivered strong revenue in all segments of the business and recorded total revenue of BDT 15,004.63 million for FY2017-18, representing Year on Year (YoY) growth of 46.54%. Total revenue has increased BDT 4,765.24 million compared to BDT 10,239.39 million for the FY2016-17. Heavy and medium vehicles segment was the main contributor of the revenue mix.
- Gross profit during the year is BDT 2,866.74 million which is BDT 880.75 million higher than last year. Gross profit of IFAD grew 44% YoY against revenue growth of 47% YoY in FY 2017-18. Gross margin is little bit shrink due to the foreign currency loss, partly offset by rise in the share of assembling vehicles to total revenue.



- IFAD Autos achieved impressive 48% YoY growth in net profit after tax (NPAT) during FY2017-18. Current year Profit after tax stood at BDT 1,553.91 million (FY2016-17: BDT 1,047.81 million) which is BDT 506.10 million higher that of last year. The 48% YoY growth of Net Profit mainly contributed by robust growth in revenue and operational efficiency.

Consistent with previous years, the financial outcomes for FY 2017-18 were underpinned by a concerted focus on operational excellence, customer service, market performance and innovation. Whilst there was growth in revenue due to the increased vast distribution network, customer centric approach, service excellence and prudently executed marketing promotions. The products and services portfolio revamp included Truck assembly plant, Truck body building plant, more focus on service excellence and customer interaction. These initiatives have contributed to further accelerating IFAD Autos's growth.

IFAD Autos has always played a pioneering role in transportation sector in Bangladesh, to meet both the public and goods transportation solutions. Over the years, the Company has clearly established its reputation and credentials as a leading transportation solution provider in commercial vehicle sector in the country.

IFAD Autos continued to innovate and transform itself to strengthen its leadership as the best transport solutions provider in Bangladesh, serving the escalating demand for its customers. FY 2017-18 was also the year that IFAD Autos saw itself challenged to prepare the organization and its infrastructure, product & service and people capabilities to meet the challenges and opportunities of an upcoming infrastructural and economic development of the country. In line with that, the Company will continue to invest in its services, distribution network, process development and skill development ahead of demand to ensure a leading customer experience.

Our vision to empower societies extends to our sustainable initiatives. We strive to use our business model, employees, service excellence to improve people's lives.

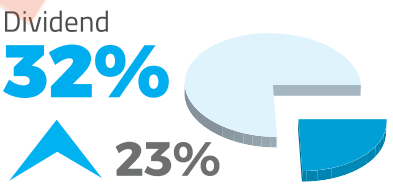
## Capital Market Overview FY2017-18

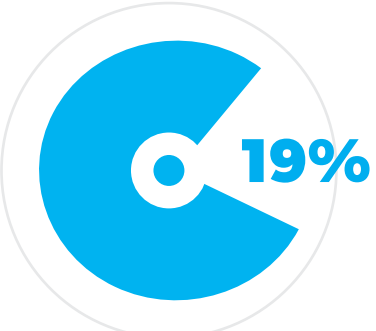
The outgoing fiscal year has been an eventful year for the stock market with national elections right around the corner. Several significant landmarks have been achieved throughout the year followed by many other macroeconomic changes that gripped investors' confidence.

Dhaka Stock Exchange (DSE) made a strategic partnership with Chinese consortium by making an agreement to sell 25% of its shares to Shenzhen Stock Exchange (SZSE) and the Shanghai Stock Exchange (SSE). This was one of the most awaited events of the year, strengthening confidence among investors. The agreement was signed in May 2018.

Stock market performed poorly this fiscal year as it was followed by a year with strong gains in FY2016-17. The benchmark index, DSEX closed at 5,405.5 points at the end of FY2017-18 after booking a loss




Gross Profit Margin




Net Profit Margin

of 4.4% during the year. Average turnover stood at BDT 645 crore in each session in FY2017-18, which was lower than the previous fiscal year by 11.9%. One-fifth of the turnover was generated by the engineering stocks, showed data obtained from Dhaka Stock Exchange.

IFAD Autos share price decreased by 22.7%, closing at BDT 110.6 at the year-end. During the year, the highest value of IFAD Autos share price was BDT 163.90 and the lowest was BDT 105.90. IFAD Autos market capitalization on 28 June 2018 stood at BDT 24.93 billion (BDT 2493.4 crore).

## Risk and Concern

As with other co-existing companies, IFAD Autos business is also exposed to diverse risks that arise both from internal as well as the external fronts. Changes in the existing international or national policies can have either positive or negative impacts for the company. The Company has always remained itself prepared for concerns from the competing markets, operational issues, legal knots, interest and exchange rate volatilities and potential changes in policies at the national or global level. Moreover, the performance of the company may be affected by the political, economic instability and the upcoming government policy as well.

The risks may be, individuallly or in the aggregate, in this respect our management has diligently tried to identify some of those risks accompanied with the perception thereabout. In all instances, reasonable care and prudent judgement are strongly suggested before making any investment. The company reviews all global or national policies that concern its operation on a regular basis and adjusts its activities based on such policies.

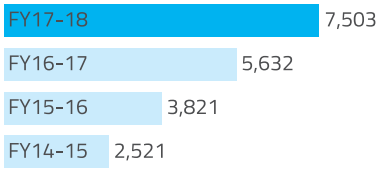
However, IFAD Autos has a befitting risk management policy and a periodic monitoring system to address the concerns and uncertainties that are likely to hit the Company's business activities, operations, liquidity and financial position for future performances.

N.B : Detailed description and management perception on risk issues has been described on Note no.3.04 to 3.04.10 of the financial statements.

## Corporate Governance

We believe a well-practiced governance regime is essential to success and sustainability. Accordingly, the Board of Directors and Management of IFAD Autos are pledge bound to continue implementation of the highest standards of Corporate Governance in the Company through a culture of accountability, transparency and well-understood policies and procedures. The Board of Directors of IFAD Autos has always played a pivotal role in meeting all stakeholders' interests and is committed to upholding the same in future as well.

Year wise No. of Vehicle Sold




YoY Growth

**33%**

No. of Vehicle Sold

4 Years CAGR

**44%**

No. of Vehicle Sold

In line with the same, the Company has complied with the conditions as stipulated in the Corporate Governance Guidelines No. SEC/CMRRCD/2006-158/207/admin/80 issued on 03 June 2018 by BSEC. In this connection, the status of compliance has been annexed to this report as Annexure-B.

Further, a certificate of compliance from ATA Khan & Co., Chartered Accountants, confirming compliance of conditions of Corporate Governance, as stipulated under condition 9 of the BSEC Guidelines is also annexed to this report as Annexure-C.

## Other Disclosure/Statements Pursuant to the Provisions of the BSEC's Corporate Governance Guidelines 2018 given below

### ▪ Segment/Product Wise Performance

IFAD Autos delivered strong revenue growth in all segments of the business and recorded consolidated revenue of BDT 15,004.63 million for FY 2017-18, representing Year on Year (YoY) growth of BDT 4,765.24 million or 47%. The Company ended the year with 7,503 Vehicles sold, a 34% growth from the previous year. It gives us great pleasure that IFAD Autos Limited contributed ~50.0% of the Truck sales in the entire country in FY 2017-18. IFAd Autos sold 5,902 units of trucks achieving a 62.0% YoY growth. In the previous year, the truck sales grew 59.3% YoY unit wise. In FY 2017-18, IFAD Autos sold 540 units of Buses & 558 units of mid-sized carriers.

### ▪ Review on Cost of Goods Sold, Gross Profit Margin and Net Profit Margin

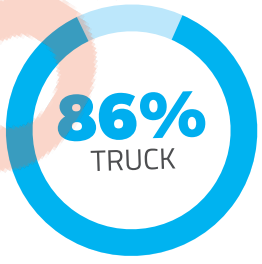
Gross Profit margin has slightly decreased ~ 30 bps compared to last year. The decrease of the margin mainly for the depreciation of BDT and appreciation of INR against US Dollars, partly offset by the duty savings of the changing business models from CBU to CKD.

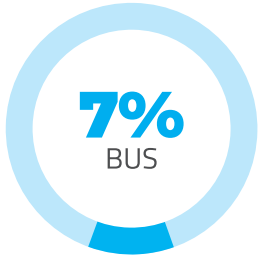
As an effect of the higher revenue growth compared to the growth in operating expenses, Profit After Tax for the FY2017-18 increased by BDT 506.1 million from last year. Net profit margin for the FY2017-18 was 10.35% compared to 10.22% in last year. Net profit after tax in FY2017-18 increased by 48.31% compared to last year due to higher growth in revenue and operational efficiency. As a result, Earnings Per Share (EPS) for the year FY2017-18 stood at BDT 7.01 compared to BDT 6.74 of FY2016-17.

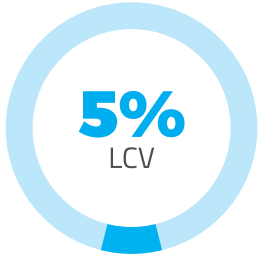
| Particulars | FY2017-2018 | FY2016-2017 | Growth rate(%) |
|---|---|---|---|
| Cost of Goods Sold | 12,137,895,792 | 8,253,401,750 | 47.07% |
| Gross margin | 2,866,738,879 | 1,985,991,838 | 44.35% |
| Net margin | 1,553,911,731 | 1,047,812,611 | 48.31% |

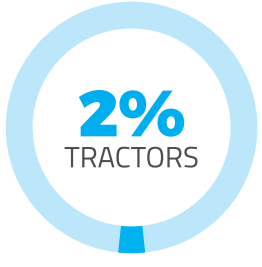
**PRODUCT WISE REVENUE CONTRIBUTION**

FY2017-18



## Annual Results and Allocations

The Directors take pleasure in reporting the financial results of the Company for the year ended 30 June 2018 and recommended the appropriation as mentioned in the 'Appropriation of Profit' table below:

| Particulars | FY2017-2018 | FY2016-2017 |
|---|---|---|
| Sales Revenue | 15,004,634,671 | 10,239,393,588 |
| Total Comprehensive Income | 1,518,353,283 | 1,055,482,401 |
| Previous year's surplus | 3,043,137,321 | 2,125,033,443 |
| Profit available for ppropriations | 4,472,004,876 | 3,043,137,321 |
| Recommended for appropriations (dividend @32%) | 410,090,537 | 199,292,830 |

- All transactions with related parties have been made on a commercial basis. Details of related parties and related party transactions have been disclosed in Note- 45 to the Financial Statements as per requirements of relevant IFRS.
- As per IAS-1, Presentation of Financial Statements, no items of income and expense are presented as 'extraordinary gain or loss' in the Financial Statements. Accordingly, no gain or loss has been presented as 'extraordinary gain or loss' in the Financial Statements.
- No significant variations have occurred between quarterly and final financial performances of the Company during the FY2017-18.
- Remunerations of the Directors including Independent Directors has mentioned in Note-33 of the Financial Statements.
- The financial statements prepared & present fairly regarding the state of affairs, the result of its operations, cash flows and changes in equity by the management of the company.
- IFAD AUTOS LIMITED has been maintained and kept its books of accounts according to the rules and regulations namely Companies Act, 1994, Securities and Exchange Rules, 1987, Income Tax Ordinance,1984, VAT ordinance 1991, BAS's and BFRS's -as applicable in Bangladesh.
- The company did not change any policy during the year. Appropriate accounting policies have been consistently applied in preparation of the financial statements.
- The financial statements have been prepared in accordance with the International Accounting Standard (IAS`s) and International Financial Reporting Standards (IFRS`s) -as applicable in Bangladesh.
- No interim dividend has been declared.
- The company already has established a vibrant internal audit department to ensure effective and efficient internal control

regarding risk management, financial control and compliance legislation.

- IFAD Autos is very concern about the Minor shareholders' interest. The states of affairs of the company are being conducted or powers of directors are being exercise in an equitable manner to one or more of its members irrespective of their shareholding status. Moreover, the shareholders/ members can exercise all rights derives from various laws time being in force. No action has been taken which cause to jeopardize the interest of the minority shareholders. IFAD Autos disclosed all material information and price sensitive information according to rules and regulations.
- While approving the financial statements, the directors have made appropriate enquiries and analyzed the significant financial operating as well as other indicators understand the ability of the company to continue its operation for a foreseeable period. Moreover, Directors are convinced and have a reasonable expectation that the company has adequate resource to continue its operation consistently for the foreseeable future.
- IFAD Autos has no subsidiary company.
- The Board of Directors has appointed Mr. Md. Hemayet Hossain, ACA as a Head of Internal Audit & Compliance (HIAC) of the company.
- The Annexure (A-O) is enclosed as per the requirements of this report.

## Dividend

The Board of Directors recommended 10% stock dividend for all shareholders and 22% cash dividend (excluding Sponsors and /or Directors) for all shareholders.

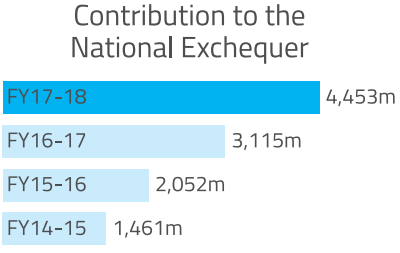
Shareholders' whose name will be appearing in the Shareholders' Registry as on the Record Date (18 October 2018) shall be eligible to receive the above Dividends subject to approval by the Shareholders in the Annual General Meeting (AGM) scheduled to be held on 19 December, 2018.

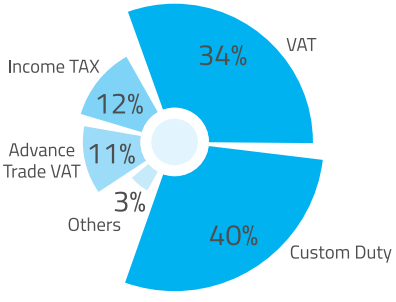
### Explanation on declaration of Stock/Bonus dividend

The Board of Directors recommended 10% stock dividend for all shareholders. The retained amount of stock/bonus dividend will be utilized for future expansion of the business of the company.

### Contribution to the National Exchequer

During the financial year 2017-18 the company has contributed BDT 4,453.70 million to the National Exchequer. This year's contribution represents 30.06% increase from the previous year.




Contribution to the National Exchequer FY2017-18

IFAD STOCK

## A Note of Thanks

The Board of Directors firmly believes that IFAD Autos has the necessary strengths, resources and commitments to enable the Company to grow and further its contribution to Bangladesh. The performance of the Company during period under review demonstrates the resolves and determination of the Board, Management and our employees to empower society. On this occasion, the Board expresses on record its appreciation to the partners of IFAD Autos, shareholders, suppliers, customers, bankers, regulators, media and all other well-wishers for their support and patronage to bring the Company to this level and we will continue to partner with them to build a healthy and conducive ecosystem to accelerate Bangladesh's transformation into a middle income group country.

For and on behalf of the Board of Directors of IFAD Autos

Sd/-
**Iftekhar Ahmed Tipu**
**Chairman**
**IFAD AUTOS LIMITED**

AMAR STOCK

## পরিচালনাপর্ষদের প্রতিবেদন

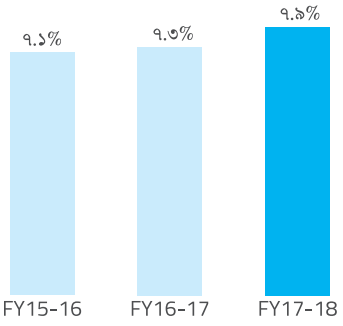
**প্রিয় শেয়ারহোল্ডার বৃন্দ,**

পরিচালনা পর্ষদ এবং ব্যবস্থাপনা পরিষদের পক্ষ হতে ইফাদ অটোজ লিমিটেড এর ৩০তম বার্ষিক সাধারণ সভায় আপনাদের সকলকে স্বাগত জানাচ্ছি। ৩০ জুন ২০১৮ইং সমাপ্ত অর্থবছরে পরিচালনা পর্ষদের প্রতিবেদন, নিরীক্ষা প্রতিবেদন নিরীক্ষিত আর্থিক বিবরণী সহ আপনাদের নিকট অনুমোদনের জন্য উপস্থাপন করতে পেরে আনন্দিত।

### বাংলাদেশের অর্থনীতির অবস্থার চিত্র ঃ-

২০১৭-১৮ইং অর্থবছর অর্জন এবং প্রতিযোগীতাপূর্ণ একটি মিশ্রিত বছর। অবকাঠামোর উন্নতির সাথে সাথে সামষ্টিক অর্থনীতির সুদৃঢ় অবস্থান বাংলাদেশেকে তার উন্নয়নের অভীষ্ঠ লক্ষ্যের দিকে ধাবিত করেছে। বর্ধিত রপ্তানী ও উচ্চ হারে কৃষি উৎপাদনের উপর ভর করে এক দশক ধরে চলতে থাকা জিডিপি'র ছয় ভাগের চক্র ভেঙ্গে, অর্থনৈতিক প্রবৃদ্ধি বেড়ে দাঁড়িয়েছে ৭.৮৬%।

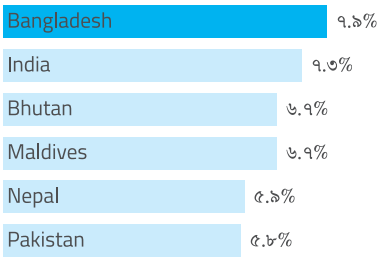
প্রবৃদ্ধির হার




Source: Bangladesh Bureau of Statistics

জনসাধারণের আয় ও বিনিয়োগ বৃদ্ধির ফলশ্রুতিতে ভোগ প্রবণতার বৃদ্ধির কারনে ২০১৮ইং অর্থবছরের প্রবৃদ্ধির হার প্রত্যাশার চেয়ে বেশী ছিল। সেবা খাতের হাত ধরে শিল্প খাতের বড় ধরনের অগ্রগতি সাধিত হয়েছে। একদশকে মাথাপিছু আয় ২.৬ গুণ বৃদ্ধি পেয়েছে। মাথাপিছু আয় ২০১৭-২০১৮ইং অর্থ বছরে ৮.৮% বৃদ্ধি পেয়ে ১৭৫১ মার্কিন ডলার হয়েছে, যেখানে শিল্প ও সেবা খাতে অবদান ছিল যথাক্রমে ৩০.১৭% ও ৫৬%।

প্রবৃদ্ধির হার ২০১৮

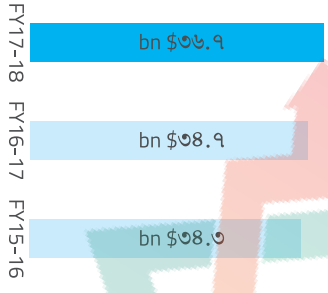



Source: Asian Development Bank

তৈরী পোষাক শিল্পের উচ্চ রপ্তানির উপর নির্ভর করে ২০১৭-২০১৮ইং অর্থ বছরে গত অর্থবছর হতে দেশের সামগ্রীক রপ্তানী ৫.৮১% বৃদ্ধি পেয়ে ৩৪.৬৫ বিলিয়ন মার্কিন ডলার হতে ৩৬.৬৭ বিলিয়ন মার্কিন ডলার হয়েছে।

মূলধনী যন্ত্রপাতি আমাদানী বৃদ্ধি পেয়েছে ৩১.৯% যার মাধ্যমে শিল্প খাতের বৃদ্ধি প্রতিয়মান হয়। রেমিট্যান্স বৃদ্ধি সত্ত্বেও, ২৫.২% উচ্চ আমদানি বৃদ্ধির বিপরীতে ৫.৮১% রপ্তানী বৃদ্ধি যা চলতি হিসাব ভারসাম্যের চার বছরের মধ্যে প্রথমবারের মত নেতিবাচক অঞ্চলের দিকে ধাবিত করেছে (যা জিডিপি'র ৩.৭%)। ২০১৭-১৮ইং অর্থ বছরে বাংলাদেশের সামগ্রিক লেনদেনের বাণিজ্য ঘাটতি ছিল ৮৮৫ মিলিয়ন মার্কিন ডলার, মূলত চলতি হিসাবের বিদ্যমান ঘাটতির কারনেই বিগত সাত বছরের মধ্যে প্রথমবারের মত বৈদেশীক মুদ্রার মজুদ ঋনাত্মক দিকে ধাবিত হয়েছে। ২০১৭-১৮ইং অর্থ বছরে, টাকার অবমূল্যায়ন হয়েছে ৫.০%।

রপ্তানী



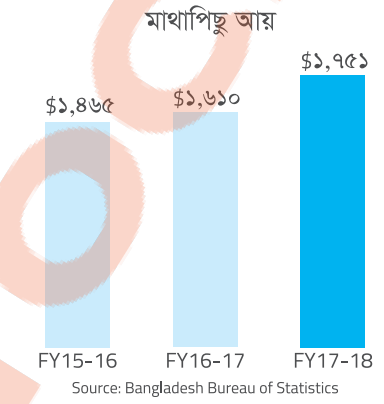

Source: Bangladesh Bureau of Statistics

২০১৭-১৮ইং অর্থবছরটি বাংলাদেশের জন্য বিভিন্ন দিক হতে ক্রান্তিকাল হিসেবে বিবেচিত। জাতীয় নির্বাচনের ক্ষেত্রে রাজনৈতিক পরিবর্তিত পরিবেশ, চলমান অবকাঠামোর উন্নয়ন কার্যক্রম ও শ্রম সহ অন্যান্য বিষয়াদি উন্নয়নের জন্য মূখ্য চ্যালেঞ্জ হয়ে দাড়াবে। দূরদৃষ্টি, উন্নয়ন লক্ষ্যমাত্রা, সম্পদের বহু ব্যবহার, অবকাঠামোর উন্নয়ন, বর্ধিত কর ভিত্তিই বাংলাদেশের সামুদায়িক অর্থনীতির বর্তমান প্রবৃদ্ধি এবং টেকসই উন্নয়নের এই ধারা অব্যহত রাখতে সহযোগীতা করবে।

বিশ্বব্যাংকের মতে ২০১৭ইং সালে বাংলাদেশ (১০.১%) তার নিকটতম প্রতিযোগী দেশ ভারত (১০.০%), পাকিস্তান (৯.৫%) এবং ভিয়েতনাম (৮.৪%) এর তুলনায় মোট পুঁজি গঠনে উচ্চতর প্রবৃদ্ধি অর্জনে সক্ষম হয়েছে।

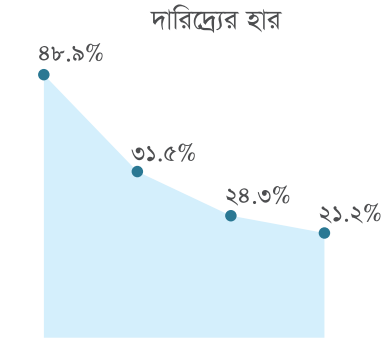
## বাণিজ্যিক যানবাহন শিল্প এবং সম্ভাব্য ভবিষ্যৎ উন্নয়ন ঃ-

বাংলাদেশ পরবর্তী উদীয়মান অর্থনীতির দেশ হিসাবে বিবেচিত হচ্ছে ২০৩০ সাল পর্যন্ত, যার প্রতিবছরের প্রাক্কলিত জিডিপি'র হার হবে ৭.১ এর উপরে ("২০৩০ইং সালের বিশ্ব ঃ ৭৫টি দেশের মধ্যে আমাদের দীর্ঘ মেয়াদী পরিকল্পনা" - এইচএসবিসি)। ১৭১ মিলিয়নের বৃহৎ জনসংখ্যা এবং দ্রুত বৃদ্ধিপ্রাপ্ত মধ্যবিত্ত শ্রেণীর উত্থানই উল্লেখযোগ্য ভাবে পণ্য এবং সেবার আভ্যন্তরীণ চাহিদা বৃদ্ধি করেছে।



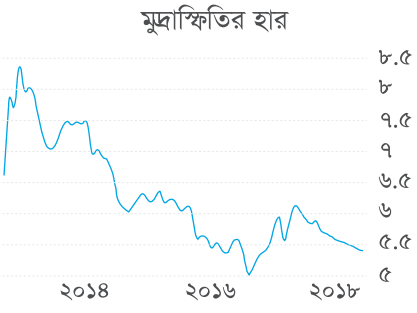
Source: Bangladesh Bureau of Statistics

বাণিজ্যিক যানবাহন ব্যবসাটি অর্থনৈতিক কার্যক্রম এবং স্থিতিশীল রাজনৈতিক পরিবেশের সাথে সরাসরি সম্পর্কযুক্ত। বাংলাদেশ বিশ্বের দ্রুত বর্ধমান অর্থনীতির অন্যতম উল্লেখযোগ্য একটি দেশ। বাংলাদেশ ২০১৭ইং অর্থবছরে এ যাবৎ কালের মধ্যে সর্বোচ্চ জিডিপি (৭.২৮%) অর্জন করেছে। দেশটি একদশক ধরে ৬.০% এর অধিক জিডিপি অর্জন করে আসছে। বিশ্বব্যাংকের হিসাব অনুযায়ী, ২০০১ইং হতে ২০১৩ইং সালের মধ্যে মেট্রো যানবাহন সংখ্যা ১৬ গুন বৃদ্ধি পেয়েছে। মোট পুঁজি গঠনের উচ্চতর প্রবৃদ্ধি বাংলাদেশকে ভারতের সমপর্যায়ে যেতে সাহায্য করেছে, যার জিডিপি'র শতকরা হিসাবে মোট পুঁজি গঠন বাংলাদেশের তুলনায় ধারাবাহিক ভাবে বেশি ছিল। বাংলাদেশে ক্রমবর্ধমান অর্থনৈতিক কার্যক্রম ও উন্নয়ন প্রকল্পগুলি বাণিজ্যিক পরিবহন খাতের আর্শীবাদ হিসাবে আবির্ভূত হয়েছে। বাংলাদেশের চারটি বিভিন্ন পরিবহন ক্ষেত্র রয়েছে; যেমন- সড়ক, রেল, পানি এবং আকাশ পথ। আকাশ পথ ব্যতীত অন্যান্য পরিবহন মাধ্যমগুলি ব্যাপক ভাবে যাত্রী ও মালবাহী পরিবহনের জন্য ব্যবহৃত হয়। সহজলভ্যতার কারণে, সড়ক পরিবহনে ৭০% যাত্রী ও পণ্য এই মাধ্যম ব্যবহার করে। সড়ক রক্ষণাবেক্ষণ পরিচালনা কর্তৃপক্ষের তথ্যানুযায়ী (আরএমএমএস) অনুযায়ী, বাংলাদেশে ৩,৭৯০ কিলোমিটার জাতীয় মহাসড়ক, ৪,২০৬ কিলোমিটার আঞ্চলিক মহাসড়ক এবং ১৩,১৩০ কিলোমিটার জিলা মহাসড়ক রয়েছে। বাংলাদেশ বিনিয়োগ উন্নয়ন কর্তৃপক্ষের (বিআইডিএ) তথ্য অনুসারে গত ৪৭ বছরে সড়কের দৈর্ঘ্য ৫৫৭.৯% বৃদ্ধি পেয়েছে। ২০১৭-১৮ইং সালে স্থানীয় সরকার দেশে ১,৫৯৫ কিলোমিটার দীর্ঘ জিলা মহাসড়ক মেরামত করেছে।



Source: Bangladesh Bureau of Statistics

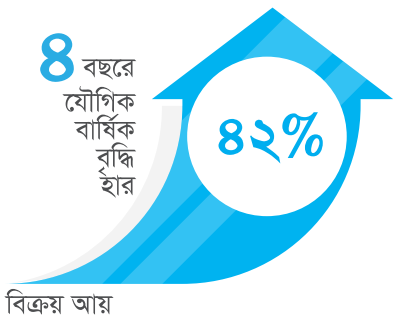
বাংলাদেশে অটোমোবাইল ইন্ডাস্ট্রীতে আমদানিকৃত রিকন্ডিশন ও নতুন গাড়ীর আধিপত্য বিশেষভাবে লক্ষ্যনীয় যার অধিকাংশই এশীয় দেশ যেমন-ভারত, জাপান, চীন ও খুব অল্প সংখ্যক ইউরোপ ও যুক্তরাষ্ট্র থেকে আসে। আভ্যন্তরীন কাঁচামালের উৎস এবং যোগানের অভাবের জন্য স্বাধীনতার পর গাড়ির উৎপাদন ও সংযোজন শিল্পটি বিকশিত হয়নি। অতি সম্প্রতি খুব অল্প সংখ্যক বাংলাদেশী কোম্পাণী বাংলাদেশের বাজারে বাস, ট্রাক, পিক-আপ সরবরাহের উদ্দেশ্যে বৈদেশীক সহযোগীদের সহযোগীতায় অ্যাসেম্বিলিং ও বডি বিল্ডিং ইউনিট স্থাপন করেছে।



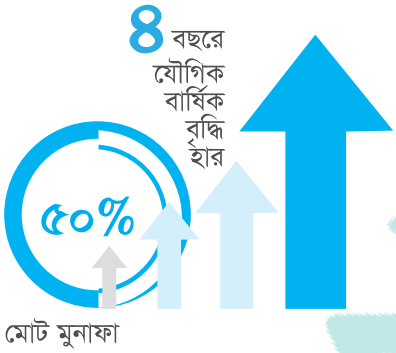
Source: Bangladesh Bureau of Statistics



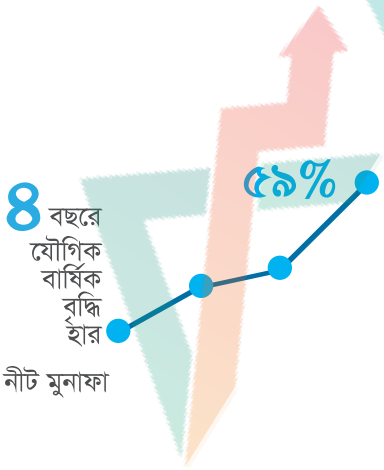

বাণিজ্যিক যানবাহনের চাহিদা সামষ্টিক অর্থনীতির বৃদ্ধির উপর নির্ভরশীল। ২০১৭ইং সালে বাণিজ্যিক যানবাহনের বিক্রি ২৫% বৃদ্ধি পেয়ে ৪৫,৭৪৪টি এবং মোট নিবন্ধিত বাণিজ্যিক যানবাহনের ১১.৭% বৃদ্ধি পেয়ে ৪৩৭,৮৯০টি গাড়ী বিক্রয় হয়েছে। ট্রাক বিক্রি ২৮.৫% বৃদ্ধি পেয়ে বিক্রয় হয়েছে ১০,৩৫৩টি। হালকা বাণিজ্যিক যানবাহনের বিক্রি ৩০.০% বৃদ্ধি পেয়ে সংখ্যাটি দাড়িয়েছে ২৬,৮৯৭টি এবং বাসের বিক্রয় ১৩.১% হ্রাস পেয়ে মোট বিক্রয় হয়েছে ৩,২৬৮টি। ভারি ট্রাক এবং পিকআপগুলি প্রধানত গার্মেন্টস শিল্প, নির্মাণ সামগ্রী এবং পণ্য পরিবহনের জন্য ব্যবহৃত হয়ে আসছে। সাম্প্রতিক সময়ে গার্মেন্টস শিল্পের বিকাশ এবং বৃহৎ অবকাঠামো প্রকল্পগুলির বৃদ্ধির ফলে ভারী যানবাহনগুলোর ব্যবহার দিনদিন বৃদ্ধি পাচ্ছে। "বিবিআইএন", "এশিয়ান হাইওয়ে, "ওয়ান বেল্ট, ওয়ান রোড" ইত্যাদি প্রকল্পের সাথে চীন, ভারত, মায়ানমার, নেপাল, ভুটান প্রভৃতি প্রতিবেশী দেশগুলির সাথে সংযোগই ভারী যানবাহন বিক্রয় প্রসারের অন্যতম কারণ হিসাবে বিবেচিত।




হালকা বাণিজ্যিক যানবাহনগুলির উচ্চতর বৃদ্ধির মূল কারণ নগর এলাকায় ট্রাফিক জটিলতা, পার্কিং সমস্যা এবং সংকীর্ণ রাস্তা। এই অবস্থায়, হালকা বাণিজ্যিক যানবাহন ভারী যানবাহনের তুলনায় চলাচলে তুলনামূলক ভাবে সহজ। সড়কগুলিতে চলাচল ও পার্ক করার জন্য হালকা যানবাহন স্বল্প জায়গা নেয়।




২০১৫ইং হতে ২০১৮ইং অর্থবছর পর্যন্ত ইফাদ অটোজ লিমিটেডের মোট আয় প্রতি বছরে বেড়েছে ৪২%, যেখানে বাণিজ্যিক যানবাহন শিল্প বেড়েছে মাত্র ২৫%। বাণিজ্যিক যানবাহন শিল্পে ইফাদ অটোজ লিমিটেডের প্রতিটি বিভাগে মার্কেট শেয়ার উচ্চ হারে বৃদ্ধি পেয়েছে। এরই ফলস্বরূপ, ইফাদ অটোজ লিমিটেডে ট্রাকের মার্কেট শেয়ার ২.৯% বেড়ে ৩৩.৪% হয়েছে এবং বাসের মার্কেট শেয়ার ৬.৫% বৃদ্ধি পেয়ে ২৪.৭% হয়েছে। ইফাদ অটোজ লিমিটেডে ২০১৯ইং হতে ২০২২ইং অর্থবছরের মধ্যে বাজার শেয়ারের প্রবৃদ্ধি ধারাবাহিক ভাবে বজায় থাকবে। আমরা আশা করি ইফাদ অটোজ লিমিটেড এর ট্রাক ও বাসের মার্কেট শেয়ার যথাক্রমে ৪২.০% এবং ৩০.০% দাঁড়াবে। হালকা বাণিজ্যিক যানবাহনের মার্কেট শেয়ার ১.৩% বৃদ্ধি পেয়ে বর্তমানে ২.৪% হয়েছে। আমরা আশা করি ইফাদ অটোজ লিমিটেড ২০২২ইং এর মধ্যে তার মার্কেট শেয়ার ১৫.০% পর্যন্ত অর্জন করতে সক্ষম হবে।




## ২০১৭-২০১৮ইং- ইফাদ অটোজ লিমিটেডের সাফল্যমন্ডিত বছর ঃ

ইফাদ অটোজ লিমিটেড পূর্ববর্তী অর্থবছরের মত ২০১৮ইং অর্থবছরেও তার প্রবৃদ্ধির ধারাবাহিকতা ও মুনাফা অর্জনের সক্ষমতার ধারা অব্যহত রেখেছে। প্রতিযোগীতা মূলক ব্যবসায় পরিবেশ থাকা সত্বেও ইফাদ অটোজ লিমিটেডের সামগ্রিক কার্যক্রম স্থিতিশীল অবস্থায় ছিল এবং তার বৃদ্ধির ধারা অব্যাহত ছিল।

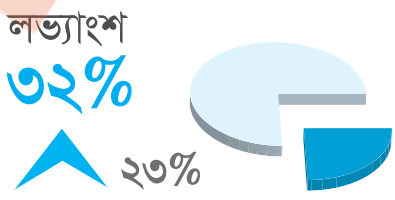
- ইফাদ অটোজ লিমিটেড ২০১৭-২০১৮ইং অর্থবছরে বিক্রয় আয় ছিল (টাকা ১৫,০০৪.৬৩ মিলিয়ন) যেখানে প্রতি বছরে এই বৃদ্ধির হার ৪৬.৫৪%। ২০১৬-১৭ইং অর্থবছরের বিক্রয় আয় ১০,২৩৯.৩৯ মিলিয়ন টাকা আয় হতে এ বছরে বৃদ্ধি পেয়েছে ৪,৭৬৫.২৪ মিলিয়ন টাকা। ভারী ও মাঝারী যানবাহনের বিক্রয় বৃদ্ধি এই আয়ের অন্যতম উৎস।

- চলতি বছরের মোট মুনাফা ছিল ২,৮৬৬.৭৪ মিলিয়ন টাকা যা গত বছরের তুলনায় ৮৮০.৭৫ মিলিয়ন টাকা বেশী। ২০১৭-২০১৮ইং অর্থবছরে বিক্রয় আয় ৪৭% বৃদ্ধির বিপরীতে ইফাদ অটোজ লিমিটেডের মোট মুনাফা ৪৪% বৃদ্ধি পেয়েছে। বৈদেশীক মুদ্রার লোকসানের কারণে মোট আয় সংকুচিত হয়েছিল যা সংযোজনকৃত যানবাহনের বিক্রিত আয়ের মাধ্যমে সমতা বিধাণ হয়েছে।

- ইফাদ অটোজ লিমিটেডের ২০১৮ইং অর্থবছরে কর পরবর্তী আশাতীতভাবে নীট মুনাফা ৪৮% বৃদ্ধি পেয়েছে। চলতি বছরে কর পরবর্তী মুনাফা ১,৫৫৩.৯১ মিলিয়ন টাকা (২০১৬-১৭ইং অর্থবছর ঃ ১,০৪৭.৮১ মিলিয়ন টাকা) যা গত বছর থেকে ৫০৬.১০ মিলিয়ন টাকা বেশী ছিল। আয়ের বিপুল প্রবৃদ্ধি এবং পরিচালন উৎকর্ষতাই নীট মুনাফার ৪৮% প্রবৃদ্ধি অর্জনে অবদান রেখেছে।

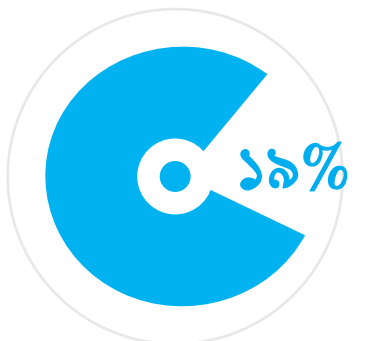
৭.০১
শেয়ার প্রতি আয়

পূর্ববর্তী বছরগুলোর সাথে সামঞ্জস্য রেখেই ২০১৭-১৮ইং সালের অর্থ বছরে পরিচালন গত উৎকর্ষতা, গ্রাহক পরিসেবা, বিপনন দক্ষতা ও নতুনত্বের মাধ্যমে অর্থনৈতিক উন্নয়ন অর্জিত হয়েছে। যেখানে সম্প্রসারিত বিতরণ ব্যবস্থা, গ্রাহক কেন্দ্রিক দৃষ্টিভঙ্গি, পরিসেবার উন্নয়ন এবং বিপননের কারনে মুনাফা বৃদ্ধি পেয়েছে । নতুন সংযোজিত পণ্য ও সেবার সমাহার, ট্রাক অ্যাসেম্বিলি প্লান্ট, বডি বিল্ডিং প্লান্ট এবং উন্নত গ্রাহক যোগাযোগ বৃদ্ধি ইফাদ অটোজ লিমিটেডের ধারাবাহিক বৃদ্ধিকে আরো ত্বরান্বিত করছে।




ইফাদ অটোজ লিমিটেড নতুন গ্রাহকদের চাহিদা পুরনে বাংলাদেশের সেরা পরিবহন সরবরাহকারী প্রতিষ্ঠান হিসাবে তার নেতৃত্বকে সুসংগঠিত করে নিজেকে নতুন রূপে রূপান্তরিত করছে।

যাত্রী ও পণ্য পরিবহনের চাহিদা মেটানোর ক্ষেত্রে ইফাদ অটোজ লিমিটেড বরাবরের মত পরিবহনখাতে নেতৃত্ব দান করে আসছে। বছরের পর বছর ধরে কোম্পাণীটি বাণিজ্যিক পরিবহনে সেবা প্রদানের ক্ষেত্রে সুনাম এবং আস্থা অর্জন করেছে। ইফাদ অটোজ লিমিটেড নিজেকে রূপান্তর এবং উদ্ভাবনের মধ্য দিয়ে পরিবহন সেবা প্রদানের ক্ষেত্রে বাংলাদেশে তার অবস্থান সুদৃঢ় করেছে। ইফাদ অটোজ লিমিটেড ২০১৭-১৮ইং অর্থ বছরে উপলব্ধি করতে পেরেছিল যে, ভবিষ্যতের অবকাঠামোগত উন্নয়ন এবং আর্থিক প্রবৃদ্ধির সুফল পেতে কোম্পাণীতে তার অবকাঠামোগত উন্নয়ন, পণ্য ও সেবার উন্নয়ন, জনবলের কার্যদক্ষতা উন্নয়নে দৃষ্টি দেওয়া প্রয়োজন।

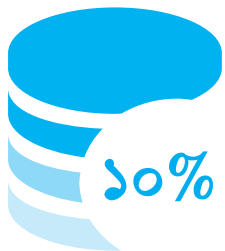


মোট মুনাফা হার

আমাদের লক্ষ্যই হলো টেকসই উদ্যোগের মাধ্যমে সমাজের ক্ষমতায়ন। সমাজের মানুষের জীবন-মান উন্নয়নই আমাদের প্রধান লক্ষ্য।

## ক্যাপিটাল মার্কেট আলোকপাত ২০১৭-১৮ইং ঃ-

স্টক মার্কেটের জন্য চলতি অর্থবছরের শেষাংশ জাতীয় নির্বাচন সহ একটি ঘটনা বহুল বছর। সামষ্টিক অর্থনীতির পরিবর্তন যা বিনিয়োগ কারীদের আত্মবিশ্বাসকে সুদৃঢ় করেছে।



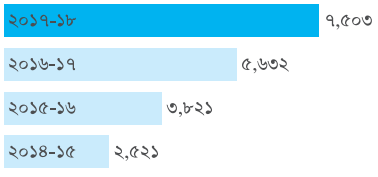
নীট মুনাফা হার

ঢাকা স্টক এক্সচেঞ্জ (ডিএসই) চীনের কনসোটিয়ামের সাথে যৌথভাবে চুক্তিবদ্ধ হয়ে ২৫% শেয়ার শেনজেন স্টক এক্সচেঞ্জ (এসজেডএসই) এবং সাংহাই স্টক এক্সচেঞ্জ (এসএসই) এর নিকট বিক্রি করার কৌশলগত অংশীদারিত্ব চুক্তি করেছে। বিনিয়োগকারীদের আস্থা শক্তিশালী করার জন্য ইহা এই বছরের বহুল প্রতীক্ষিত ঘটনা ছিল। চুক্তিটি ২০১৮ইং সালের মে মাসে স্বাক্ষরিত হয়।

স্টক মার্কেট ২০১৭ইং অর্থবছর হতে চলতি অর্থবছর নেতিবাচকভাবে সঞ্চালিত হয়েছে। ২০১৮ইং অর্থবছর শেষে বেঞ্চমার্ক ইনডেক্স, ডিএসই এক্স সূচক ৪.৪% নিম্নগামী হয়ে ৫,৪০৫.৫ পয়েন্টে শেষ হয়েছে। ডিএসই৩০ ইনডেক্স শেষ হয়েছে ১,৯৫৯.৯ পয়েন্টে ও ডিএসইএস ইনডেক্স ১,২৬৩.৮ পয়েন্টে। ২০১৮ইং অর্থবছরের প্রত্যেক সেশনে গড় টার্ন-ওভার ছিল ৬৪৫ কোটি টাকা যা গত অর্থবছর হতে ১১.৯% কম। মোট টার্ন-ওভারের এক-পঞ্চমাংশ আসে প্রকৌশল স্টক থেকে, যা ঢাকা স্টক এক্সচেঞ্জ তথ্যভান্ডার হতে প্রাপ্ত।

ইফাদ অটোজ লিমিটেডের শেয়ার মূল্য ২২.৭% হ্রাস পেয়ে ১১০.৬ টাকায় শেষ হয়েছে। চলতি বছরে ইফাদ অটোজ লিমিটেডের সর্বোচ্চ শেয়ার মূল্য ছিল ১৬৩.৯০ টাকা এবং সর্বনিম্ন মূল্য ছিল ১০৫.৯০ টাকা। ২৮জুন ২০১৮ইং ইফাদ অটোজের বাজার মূলধন ছিল ২৪.৯৩ বিলিয়ন (২৪৯৩.৪ কোটি) টাকা।

বছর প্রতি গাড়ী বিক্রয়




বছর প্রতি প্রবৃদ্ধির হার

**৩৩%**

গাড়ী বিক্রয়



## ঝুঁকি ও ব্যবস্থাপনা ঃ-

অন্যান্য প্রতিষ্ঠানের মতো ইফাদ অটোজ লিমিটেড আভ্যন্তরীণ এবং বাহ্যিক উভয় ঝুঁকি সফলভাবে মোকাবেলা করে থাকে। বর্তমান জাতীয় বা অন্তর্জাতিক নীতির পরিবর্তন প্রতিষ্ঠানের জন্য ইতিবাচক বা নেতিবাচক প্রভাব ফেলতে পারে। প্রতিযোগীতামূলক বাজার, পরিচালনগত বিষয়, আইনি বাদ্ধবাধকতা, সুদ এবং বিনিময় হার জাতীয় বা বৈশ্বিক পর্যায়ে সম্ভাব্য পরিবর্তন সম্পর্কে প্রতিষ্ঠান সর্বদা সজাগ দৃষ্টি রাখে। উপরন্তু, প্রতিষ্ঠানের কর্মক্ষমতা রাজনৈতিক, অর্থনৈতি অস্থিরতা এবং আসন্ন সরকারী নীতি দ্বারাও প্রভাবিত হতে পারে।

ঝুঁকিগুলো স্বতন্ত্র বা সামগ্রিকভাবে হতে পারে, এই বিষয়ে আমাদের প্রতিষ্ঠানের ব্যবস্থাপকগণ নিখুঁতভাবে ঝুঁকিগুলি সনাক্ত এবং উত্তোরণ এর প্রচেষ্টা চালিয়ে যাচ্ছে। সকল ক্ষেত্রে, তীক্ষ্ণ বিচার বিশ্লেষণের মাধ্যমে নতুন বিনিয়োগের সিদ্ধান্ত গ্রহন করা হয়ে থাকে। প্রতিষ্ঠানের সমস্ত কার্যক্রম - আন্তর্জাতিক ও জাতীয় নীতিমালার আলোকে পর্যালোচনা করে থাকে।

**৪** বছরে
যৌগিক বার্ষিক
বৃদ্ধি হার
**৪৪%**
গাড়ী বিক্রয়

বিঃ দ্রঃ- ঝুঁকি এবং তার ব্যবস্থাপনার আর্থিক বিবরণী টীকা ৩.০৪ থেকে ৩.০৪.১০ পর্যন্ত বিস্তারিত ভাবে বর্ণিত আছে।

## প্রাতিষ্ঠানিক সুশাসন ঃ-

আমরা বিশ্বাস করি একটি ভাল অনুশাসন সাফল্য এবং টেকসই স্থায়িত্বের জন্য অপরিহার্য। এরই প্রেক্ষিতে, ইফাদ অটোজ লিমিটেডের পরিচালনা পর্ষদ এবং ব্যবস্থাপনা পরিষদ জবাবদিহিতা, স্বচ্ছতা এবং সুশাসন নীতিমালা ও পদ্বতির মাধ্যমে প্রাতিষ্ঠানিক সুশাসনের সর্বোচ্চ মান বাস্তবায়ন চালিয়ে যাওয়ার প্রতিশ্রুতিবদ্ধ। ইফাদ অটোজ লিমিটেডের পরিচালকগণ সর্বদা স্টেকহোল্ডারদের স্বার্থ পূরণে একটি গুরুত্বপূর্ণ ভূমিকা পালন করবে এবং

ভবিষ্যতেও একই ধরনের প্রচেষ্টা চালিয়ে যাবার প্রত্যয় ব্যক্ত করেছেন।

কোম্পাণী ২০১৮ইং সালের ৩ জুন বিএসইসি কর্তৃক নির্দেশিত কর্পোরেট গভর্নেন্স নির্দেশিকা নং - (এসইসি/সিএমআরআরসিডি/২০০৬-১৫৮/২০৭/এডমিন/৮০) অনুসারে নির্ধারিত শর্ত সমূহ মেনে চলছে। এরই ধারাবাহিকতায় কম্প্ল্যায়েন্স প্রতিবেদন সযুক্তি - "বি" এ সংযুক্ত করা আছে।

অধিকন্তু, বিএসইসি নির্দেশিকা ৯(নয়) এর শর্ত অনুযায়ী আতা খাঁন এন্ড কোং, চার্টার্ড অ্যাকউন্টেন্টস হতে কম্প্ল্যায়েন্স নিশ্চিতকরণের সনদপত্র সংযুক্তি - "সি" তে সংযুক্ত করা হয়েছে।

বিএসইসি কর্তৃক কর্পোরেট গভর্নেন্স ২০১৮ইং প্রকাশিত নির্দেশিকা অনুযায়ী অন্যান্য বিবৃতি প্রকাশ করা হয়েছে ।

## খাত/পণ্য ভিত্তিক মূল্যায়ন ঃ

ইফাদ অটোজ লিমিটেড ২০১৭-২০১৮ইং অর্থবছরে বিক্রয় আয় (টাকা ১৫,০০৪.৬৩ মিলিয়ন) অর্জন করে যা পূর্ববর্তী বছর হতে ৪৭% বেশী (টাকা ৪,৭৬৫.২৪ মিলিয়ন)। কোম্পাণী চলতি অর্থবছরে ৭,৫০৩টি গাড়ী বিক্রয় করে যা গত বছর হতে ৩৪% বেশী। ইফাদ অটোজ লিমিটেড ৫,৯০২টি ট্রাক বিক্রি করেছে যা, গত বছর হতে ৬২% বেশী। আমরা উচ্ছসিত যে, সমগ্র দেশের বিক্রিত ট্রাকের মধ্যে ইফাদ অটোজ লিমিটেড ৮৫০.০% ট্রাক বিক্রি করেছে। বিগত বছরে সামগ্রীক ট্রাক বিক্রির বৃদ্ধির হার ছিল ৫৯.৩%। ২০১৭-১৮ইং অর্থবছরে ইফাদ অটোজ লিমিটেড ৫৪০টি বাস এবং ৫৫৮টি মিড-সাইজ কেরিয়ার বিক্রি করেছে।

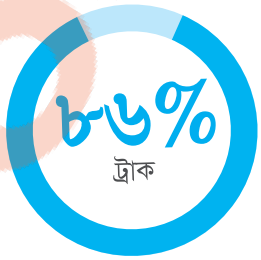
## বিক্রিত পণ্যের উৎপাদন ব্যয়, মোট ও নীট লাভ ঃ

গত বছরের তুলনায় মোট মুনাফা ৩০ বিপিএস সামান্য অবনতি হয়েছে। মার্কিন ডলারের বিপরীতে বাংলাদেশী মুদ্রার মূল্য হ্রাস এবং ভারতীয় মুদ্রার মূল্য বৃদ্ধির কারনেই মোট মুনাফা হ্রাস পেয়েছে।

পরিচালনা ব্যয় হতে বিক্রয় আয় বৃদ্ধির কারণে ২০১৭-১৮ইং অর্থ বছরে কর পরবর্তী আয় পূর্ববর্তী বছরের তুলনায় ৫০৬.১ মিলিয়ন টাকা বৃদ্ধি পেয়েছে। ২০১৭-১৮ইং অর্থবছরে নীট মুনাফা ছিল ১০.৩৫% যা গত বছরে ছিল ১০.২২%। ২০১৭-১৮ইং অর্থবছরের নীট মুনাফা ৪৮.৩০% যা গত বছরের তুলনায় বৃদ্ধি পেয়েছে। এরই ফলস্বরূপ, ২০১৭-১৮ইং অর্থবছরের শেয়ার প্রতি আয় (ইপিএস) ৭.০১ টাকা যা ২০১৬-১৭ইং অর্থবছরে ছিল ৬.৭৪ টাকা।

| বিবরণ | ২০১৭-২০১৮ইং | ২০১৬-২০১৭ইং | প্রবৃদ্ধির হার (%) |
|---|---|---|---|
| পন্যের বিক্রয় খরচ | ১২,১৩৭,৮৯৫,৭৯২ | ৮,২৫৩,৪০১,৭৫০ | ৪৭.০৭% |
| মোট মুনাফা | ২,৮৬৬,৭৩৮,৮৭৯ | ১,৯৮৫,৯৯১,৮৩৮ | ৪৪.৩৫% |
| নীট মুনাফা | ১,৫৫৩,৯১১,৭৩১ | ১,০৪৭,৮১২,৬১১ | ৪৮.৩১% |

পণ্য অনুযায়ী আয়ের অবদান ২০১৭-১৮












## বার্ষিক আর্থিক ফলাফল ও বন্টন ঃ

পরিচালনা পর্ষদ কর্তৃক ৩০ জুন ২০১৮ইং সালের আর্থিক তথ্যের বিবরণ নিম্নে প্রদান করা হলো ঃ-

| বিবরণ | ২০১৭-২০১৮ইং | ২০১৬-২০১৭ইং |
|---|---|---|
| বিক্রয় আয় | ১৫,০০৪,৬৩৪,৬৭১ | ১০,২৩৯,৩৯৩,৫৮৮ |
| সমন্বিত বাৎসরিক মোট মুনাফা | ১,৫১৮,৩৫৩,২৮৩ | ১,০৫৫,৪৮২,৪০১ |
| বিগত বছরের উদ্বৃত্ত | ৩,০৪৩,১৩৭,৩২১ | ২,১২৫,০৩৩,৪৪৩ |
| বন্টনযোগ্য আয় | ৪,৪৭২,০০৪,৮৭৬ | ৩,০৪৩,১৩৭,৩২১ |
| প্রস্তাবিত বন্টনযোগ্য লভ্যাংশ ৩২% | ৪১০,০৯০,৫৩৭ | ১৯৯,২৯২,৮৩০ |

- কোম্পাণীর সাথে সহযোগী প্রতিষ্ঠানের লেনদেনকৃত বিষয় সমূহ বাণিজ্যিক ভাবে সম্পন্ন হয়। মূল কোম্পাণীর সাথে সহযোগী প্রতিষ্ঠানের লেনদেনকৃত বিষয় সমূহ আইএফআরএস অনুযায়ী বার্ষিক আর্থিক প্রতিবেদনে টীকা- ৪৫ এ বিস্তারিত বর্ণিত আছে।

- আইএএস-১ অনুযায়ী আর্থিক বিবরণীতে অস্বাভাবিক লাভ-ক্ষতি পরিলক্ষিত হয়নি।

- ২০১৭-১৮ইং অর্থ বছরে উল্লেখযোগ্য কোন প্রকার বিচ্যুতি পরিলক্ষিত হয়নি।

- স্বতন্ত্র পরিচালক সহ পরিচালকদের পারিতোষিক আর্থিক বিবরনীর ( নোট ৩৩) উল্লেখিত আছে।

- বাংলাদেশে প্রচলিত আইন অনুসারে কোম্পাণীর ব্যবস্থাপনা কর্তৃপক্ষ নগদ প্রবাহ এবং ইকুইটি যথাযথ ও সঠিকভাবে উপস্থাপন ও প্রস্তুত করেছে।

- ইফাদ অটোজ লিমিটেড সঠিকভাবে এবং নিয়ম অনুযায়ী হিসাব বহি সংরক্ষন করে থাকে, যা কোম্পাণী আইন- ১৯৯৪, সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ রুলস- ১৯৮৭, বিএএস, বিএফআরএস, আয়কর অধ্যাদেশ-১৯৮৪ ও মূল্য সংযোজন অধ্যাদেশ-১৯৯১ইং অনুযায়ী প্রস্তুতকৃত।

- কোম্পাণী অত্র বছরে কোন নীতির পরিবর্তন করেনি। ধারাবাহিক হিসাব নীতিসমূহের আলোকে আর্থিক বিবরণী প্রস্তুত করা হয়েছে ।

- ইন্টারন্যাশনাল একাউন্টিং স্ট্যান্ডার্ড (আইএএস) এবং ইন্টারন্যাশনাল ফাইন্যান্স রিপোর্টিং স্ট্যান্ডার্ড (আইএফআরএস)এর নীতিমালা অনুযায়ী আর্থিক বিবরণী প্রস্তত করা হয়েছে।

- অন্তর্বর্তীকালীন কোন লভ্যাংশ (বোনাস/স্টক শেয়ার) প্রদান করেনি।

- আভ্যন্তরীণ নিয়ন্ত্রণ ব্যবস্থা নিশ্চিতকরণ তথা ঝুঁকি ব্যবস্থাপনা, আর্থিক নিয়ন্ত্রণ ও নীতি সমূহের প্রতিপালনের জন্য প্রতিষ্ঠানটি ইতিমধ্যে একটি শক্তিশালী আভ্যন্তরীণ নিরীক্ষা বিভাগ প্রতিষ্ঠা করেছে।

- ইফাদ অটোজ লিমিটেড ক্ষুদ্র বিনিয়োগকারীদের অধিকার সংরক্ষনের প্রতি খুবই

সচেতন। ব্যবসা পরিচালনায় পরিচালকদের ক্ষমতার ভারসাম্যের ক্ষেত্রে ইফাদ অটোজ লিমিটেড সমতার নীতিমালা অনুযায়ী পরিচালিত হয়। ক্ষুদ্র বিনিয়োগকারী ক্ষতিগ্রস্থ হয় এমন কোন সিদ্ধান্ত কোম্পাণী গ্রহন করেনা উপরন্তু শেয়ারহোল্ডারগণ বিদ্যমান আইন অনুযায়ী তাদের সকল অধিকার প্রয়োগের অধিকারী। ব্যবসা সংক্রান্ত বিভিন্ন গুরূত্বপূর্ণ ও সংবেদনশীল তথ্য নিয়মনীতি অনুসরণ করে বিস্তারিতভাবে প্রকাশ করা হয়।

- আর্থিক বিবরণী অনুমোদনের প্রাক্কালে পরিচালকবৃন্দ প্রতিষ্ঠানের তাৎপর্যপূর্ণ আর্থিক, পরিচালন এবং অন্যান্য গুরুত্বপূর্ণ উপাদানসমূহের যথাযথ অনুসন্ধান এবং বিশ্লেষণ পূর্বক এই সিদ্ধান্তে উপনীত হয়েছেন যে, প্রতিষ্ঠান তার বর্তমান কার্যক্রম ভবিষ্যতেও অব্যহত রাখতে সক্ষম হবে। অধিকন্তু, পরিচালকবৃন্দ আশ্বস্ত হয়েছেন যে, ব্যবসা পরিচালনায় সচ্ছলতা থাকায় ধারাবাহিকভাবে কার্যক্রম অব্যহত রাখতে সক্ষম।

- ইফাদ অটোজ লিমিটেড এর কোন অধিনস্থ্য প্রতিষ্ঠান নাই।

- পরিচালনা পর্ষদ জনাব, মোঃ হেমায়েত হোসেন, এসিএ কে মূখ্য আভ্যন্তরীণ নিরীক্ষা ও কমপ্লায়েন্স হিসাবে নিয়োগ প্রদান করেছেন।

- এই প্রতিবেদন সংক্রান্ত সংযুক্তি সমূহ (এ-ও) উল্লেখিত আছে।

## লভ্যাংশ ঃ

পরিচালনা পর্ষদ ২০১৭-২০১৮ইং অর্থবছরের জন্য ২২% নগদ লভ্যাংশ (পরিচালক এবং/অথবা উদ্যোক্তা ব্যতিত) এবং স্টক লভ্যাংশ ১০% সকল শেয়ার হোল্ডারদের জন্য সুপারিশ করেছে।

১৮ অক্টোবর ২০১৮ইং রেকর্ড ডেট অনুযায়ী সদস্য বহিতে অন্তর্ভূক্ত শেয়ারহোল্ডারগণই লভ্যাংশ লাভের যোগ্য হবেন যা, ১৯ ডিসেম্বর ২০১৮ইং তারিখে অনুষ্ঠিতব্য বার্ষিক সাধারণ সভায় উপস্থিত হওয়ার যোগ্য শেয়ারহোল্ডার কর্তৃক অনুমোদিত হবে।

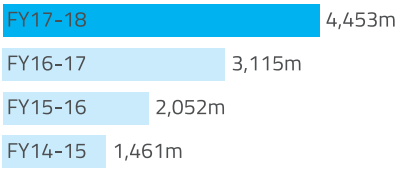
## স্টক/বোনাস ঘোষনার ব্যখ্যা ঃ

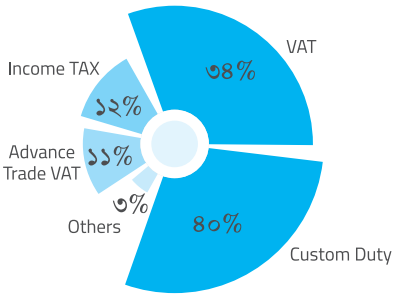
পরিচালনা পর্ষদ সকল শেয়ার হোল্ডারদের জন্য ১০% স্টক/বোনাস সুপারিশ করেছে। স্টক/বোনাস বাবদ অর্থ কোম্পাণীর ভবিষ্যৎ সম্প্রসারণের কাজে ব্যবহৃত হবে।

## রাষ্ট্রীয় কোষাগারে অবদান ঃ

ইফাদ অটোজ লিমিটেড ২০১৭-২০১৮ইং অর্থবছরে রাষ্ট্রীয় কোষাগারে টাকা ৪,৪৫৩.৭০ (মিলিয়ন) পরিশোধ করেছে যা, গত অর্থবছর হতে ৩০.০৬% বৃদ্ধি পেয়েছে।

**রাষ্ট্রীয় কোষাগারে অবদান**




**রাষ্ট্রীয় কোষাগারে অবদান**
২০১৭-২০১৮ অর্থবছর

## কৃতজ্ঞতা স্বীকার ঃ

পরিচালনা পর্ষদ দৃঢ় ভাবে বিশ্বাস করেন যে, ইফাদ অটোজ লিমিটেডের প্রয়োজনীয় পর্যাপ্ত শক্তি, সম্পদ দ্বারা কোম্পাণীকে সম্প্রসারিত করে বাংলাদেশকে এগিয়ে নিতে সক্ষম হবে। কোম্পাণীর কর্মদক্ষতা পর্যালোচনায় পরিলক্ষিত হয় যে, পরিচালনা পর্ষদ, ব্যবস্থাপনা পরিষদ, কর্মীবাহিনীর সঠিক ও দৃঢ় সিদ্ধান্ত দ্বারা সমাজে নেতৃত্ব দানে সক্ষম হবে। এই শুভক্ষনে বিশেষভাবে কৃতজ্ঞতা জ্ঞাপন করছি সকল নিয়ন্ত্রক প্রতিষ্ঠান, শেয়ার হোল্ডার, পরিবেশক, গ্রাহক, ব্যাংক, সংবাদ মাধ্যম এবং ইফাদ অটোজ লিমিটেডের সকল শুভাকাঙ্ক্ষী সহ সকল অংশীদারদের তাদের অব্যহত সহযোগীতায় কোম্পাণীর অবস্থানকে আরো উন্নত করার জন্য এবং সেই সাথে বাংলাদেশকে একটি মধ্যম আয়ের দেশ হিসাবে প্রতিষ্ঠা করার জন্য তাদের এই প্রচেষ্টাকে আন্তরিক সাধুবাদ জানাচ্ছি।

ইফাদ অটোজ লিমিটেডের পরিচালনা পর্ষদের পক্ষে,

ইফতেখার আহমেদ টিপু
চেয়ারম্যান
ইফাদ অটোজ লিমিটেড

AMAR STOCK

# DIRECTORS' REPORT ANNEXURE

- Declaration by Managing Director and CFO.
  Annexure – A
- Compliance Certificate on the corporate governance code.
  Annexure-B
- Reports on corporate governance code.
  Annexure – C
- Report on management's discussion & analysis.
  Annexure – D
- Directors' involvement in other organization.
  Annexure- E
- Board Structure.
  Annexure F
- Appointment or reappointment of directors' disclosure.
  Annexure-G
- During FY2017-18, a total of 26 (twenty-six) Board meetings were held, which met the regulatory requirements in this respect. The attendance records of the Directors are shown in Annexure-H
- Appointment of Auditors and fixation of their Remuneration. -
  Annexure – I
- Appointment of auditors/practicing professional for issuing certificate on compliance of conditions of corporate governance code and fixation of their remuneration.
  Annexure – J
- Statutory functions of External Auditors.
  Annexure – K
- The Company Initial Public Offering (IPO) was made in 2014 and Rights share issue in 2017 . The details of right share issues and utilizations of right shares proceeds is given in Annexure- L
- Shareholding pattern of the Company as on 30 June 2018 is shown in Annexure-M
- Five Years key operating and financial highlights shown in Annexure-N
- Propose revise Right Issue utilization proceeds shown in Annexure-O

AMAR STOCK

Annexure – A
[As per condition No. 1(5)(xxvi)]

**IFAD Autos Limited**
**Declaration by Managing Director and CFO**

Date: 29 September, 2018
The Board of Directors
IFAD Autos Limited
Sonartori Tower (13th -18th Floor),
12, Biponon C/A, Sonargaon Road, Dhaka-1000.

Subject: Declaration on Financial Statements for the year ended on 30 June 2018.

Dear Sirs,
Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. SEC/CMRRCD/2006/158/207/Admin/80 Dated 3rd June, 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

1. The Financial Statements of IFAD Autos Limited for the year ended on 30 June 2018 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
2. The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
6. The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:
(i) We have reviewed the financial statements for the year ended on 30 June 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 collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
(ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.
Sincerely Yours,

**Sd/-**
**TASKEEN AHMED**
**Managing Director**

**Sd/-**
**MOHAMMED AL-AMIN, FCA**
**Chief Financial Officer**

Annexure – B

**ATA KHAN & CO.**
CHARTERED ACCOUNTANTS

MAQBUL AHMED, B. COM. (HONS) M. COM. FCA
G.M. MUNIR AHMED, B.COM. (HONS) M.COM. FCA
M. ZABED ALI MRIDHA, B.COM, FCA
KAZI MUNMUN AHMED, BBA, MBA (DU), ACA

67, MOTIJHEEL COMMERCIAL AREA
(1ST FLOOR) , DHAKA-1000
BANGLADESH
TEL: OFF: 880-2-9560933, 9560716
FAX: 880-2-9567351, MOBILE: 01819-228521
Email: maqbul.ahmed@yahoo.com
Website:www.atakhanca.com

## REPORT TO THE SHAREHOLDERS OF IFAD AUTOS LIMITED ON COMPLIANCE ON THE CORPORATE GOVERNANCE CODE

We have examined the compliance status to the Corporate Governance Code by IFAD AUTOS LIMITED for the year ended on 30 June 2018. This Code relates to the Notification No.SEC/CMRRCD/2006-158/207/Admin/80, dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation there of as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not in consistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

(a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;

(b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;

(c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and

(d) The Governance of the company is satisfactory.

Sd/-
For Ata Khan & Co.
Chartered Accountants
Maqbul Ahmed, FCA
Managing Partner

Date: Dhaka,
22 November 2018

ATA KHAN & CO.
Chartered Accountants

Annexure – C

# IFAD AUTOSLIMITED

## Compliance Status on Corporate Governance Code

### The Compliance with of notification of Bangladesh Securities and Exchange Commission

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969 (XVII of 1969). (Report-under Condition no.9.00) is presented below:

| Condition No. | Title | Compliance Status (Put √ in the appropriate column) | | Remarks(If any) |
|---|---|---|---|---|
| | | Complied | Not Complied | |
| 1 | Board of Directors | | | |
| 1(1) | Board's Size: | | | |
| | The total number of members of a Company's Board of Directors (hereinafter referred to as Board") shall not be less than 5 (five) and more than20(twenty). | √ | | |
| 1(2) | Independent Directors | | | |
| 1(2)(a) | At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors. Any fraction shall be considered to the next integer or whole number for calculating number of independent director(s). | √ | | 02 Independent Directors out of 07, is appointed by the Board vide BSEC's letter No.SEC/SRMIC/98-299/384 dated 12.02.2012 |
| 1(2)(b)(i) | Who either does not hold any share in the company holds less than One percent (1%) shares of the total paid-up shares of the company. | √ | | Independent Director does not hold any shares of total paid up capital |
| 1(2)(b)(ii) | Who is not sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entitles who hold one (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not above mentioned shares in the company. | √ | | |
| 1(2)(b)(iii) | Who has not been an executive of the company in immediately preceding 2 (two) financial years. | √ | | |
| 1(2)(b)(iv) | Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated company; | √ | | |
| 1(2)(b)(v) | who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of anystock exchange; | √ | | |
| 1(2)(b)(vi) | who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market; | √ | | |
| 1(2)(b)(vii) | who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code; | √ | | |
| 1(2)(b)(viii) | who is not independent director in more than 5 (five) listedcompanies; | √ | | |
| 1(2)(b)(ix) | who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial institution (NBFI); and | √ | | |

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| 1(2)(b)(x) | who has not been convicted for a criminal offence involving moral turpitude; | √ | | |
| 1(2)(c) | The independent director(s) shall be appointed by the Boardand approved by the shareholders in the Annual General Meeting (AGM); | √ | | The independent directors were appointed by the Board and in AGM |
| 1(2)(d) | The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and | √ | | There was no such vacancy |
| 1(2)(e) | The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only: . | √ | | |
| 1(3) | Qualification of Independent Director(ID) | | | |
| 1(3)(a) | Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business; | √ | | |
| 1(3)(b)(i) | Business Leader who is or was a promoter or director of anunlisted company having minimum paid-up capital of Tk.100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or | √ | | |
| 1(3)(b)(ii) | Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company; or | √ | | |
| 1(3)(b)(iii) | Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law; or | N/A | | |
| 1(3)(b)(iv) | University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or | √ | | |
| 1(3)(b)(v) | Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification; | √ | | |
| 1(3)(c) | The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b); | √ | | |
| 1(3)(d) | In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission' | N/A | | |
| 1(4) | Duality of Chairman of the Board and Managing Director or Chief Executive Officer;- | | | |
| 1(4)(a) | The position of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals; | √ | | |
| 1(4)(b) | The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same Position in another listed company | √ | | |
| 1(4)(c) | The Chairperson of the Board shall be elected from among the non-executive directors of the company; | √ | | |

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| 1(4)(d) | The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer; | √ | | |
| 1(4)(e) | In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from nonexecutive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes' | √ | | |
| 1(5) | The Directors' Report to Shareholders | | | |
| 1(5)(i) | An industry outlook and possible future developments in the industry; | √ | | |
| 1(5)(ii) | The segment-wise or product-wise performance; | √ | | |
| 1(5)(iii) | Risk and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any; | √ | | |
| 1(5)(iv) | A Discussion on cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable; | √ | | |
| 1(5)(v) | A discussion on continuity of any extraordinary activities and their implications (gain or loss); | N/A | | The Company has no such gain/loss. |
| 1(5)(vi) | A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions; | √ | | |
| 1(5)(vii) | A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments; | √ | | Rights share utilization proceeds disclosed quarterly. |
| 1(5)(viii) | An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.; | N/A | | |
| 1(5)(ix) | An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements; | N/A | | |
| 1(5)(x) | A statement of remuneration paid to the directors including independent directors; | √ | | |
| 1(5)(xi) | A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity; | √ | | |
| 1(5)(xii) | A statement that proper books of account of the issuer company have been maintained; | √ | | |
| 1(5)(xiii) | A statement that 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; | √ | | |
| 1(5)(xiv) | A statement that International Accounting Standards (lAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed; | √ | | |
| 1(5)(xv) | A statement that the system of internal control is sound in design and has been effectively implemented and monitored; | √ | | |
| 1(5)(xvi) | A statement that minority shareholders have been protected from abusive actions by, or in the interest of controlling shareholders acting either directly or indirectly and have effective means of redress; | √ | | |
| 1(5)(xvii) | A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if | √ | | No doubt regarding going concern issue. |

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| | the issuer company is not considered to be a going concern. the fact along with reasons there of shall be disclosed; | | | |
| 1(5)(xviii) | An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained; | √ | | |
| 1(5)(xix) | A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized; | √ | | |
| 1(5)(xx) | An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year; | √ | | Included in the Directors' Report. |
| 1(5)(xxi) | Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend; | √ | | Included in the Directors' Report. |
| 1(5)(xxii). | The total number of Board meetings held during the year and attendance by each director; | √ | | |
| 1(5)(xxiii) | A report o the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where sated below) held by:- | | | |
| 1(5)(xxiii)(a) | Parent or Subsidiary or Associated Companies and other related parties (name-wise details); | √ | | |
| 1(5)(xxiii)(b) | Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of lnternal Audit and Compliance and their spouses and minor children (name-wise details); | √ | | |
| 1(5)(xxiii)c. | Executives; and | √ | | |
| 1(5)(xxiii)(d) | Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details); | N/A | | There are no such shareholders. |
| 1(5)(xxiv) | In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:- | | | |
| 1(5)(xxiv)(a) | a brief resume of the director; | √ | | |
| 1(5)(xxiv)(b) | nature of his or her expertise in specific functional areas; and | √ | | |
| 1(5)(xxiv)(c) | names of companies in which the person also holds the directorship and the membership of committees of the Board; | √ | | |
| 1(5)(xxv) | A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on: | | | |
| 1(5)(xxv)(a) | accounting policies and estimation for preparation of financial statements; | √ | | |
| 1(5)(xxv)(b) | changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes; | √ | | |
| 1(5)(xxv)(c) | comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof; | √ | | |
| 1(5)(xxv)(d) | compare such financial performance or results and financial position as well as cash flows with the peer industry scenario; | √ | | |
| 1(5)(xxv)(e) | briefly explain the financial and economic scenario of the country and the globe; | √ | | |
| 1(5)(xxv)(f) | risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and | √ | | |
| 1(5)(xxv)(g) | future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM; | √ | | |

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| 1(5)(xxvi) | Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; and | √ | | |
| 1(5)(xxvii) | The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C. | √ | | |
| 1(6) | Meetings of the Board of Directors<br>The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code. | √ | | |
| 1(7) | Code of conduct for the Chairperson, other Board Members and Chief Executives Officer | | | |
| 1(7)(a) | The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company; | √ | | |
| 1(7)(b) | The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency. | √ | | |
| 2 | Governance of Board of Directors of Subsidiary Company:- | | | |
| 2(a) | Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company; | N/A | | Ifad Autos Limited has no subsidiary company |
| 2(b) | At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company; | N/A | | Ifad Autos Limited has no subsidiary company |
| 2(c) | The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company; | N/A | | Ifad Autos Limited has no subsidiary company |
| 2(d) | The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also; | N/A | | Ifad Autos Limited has no subsidiary company |
| 2(e) | The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company. | N/A | | Ifad Autos Limited has no subsidiary company |
| 3 | Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS):- | | | |
| 3(i) | Appointment | | | |
| 3(i)(a) | The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC); | √ | | |
| 3(i)(b) | The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals; | √ | | |

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| 3(i)(c) | The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time; | √ | | |
| 3(i)(d) | The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS; | √ | | |
| 3(i)(e) | The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and Stock Exchange. | √ | | |
| 3(2) | Requirement to attend the Board Meetings | | | |
| | The CFO, HIAC and the Company Secretary of the company shall attend the meetings of the Board of Directors, provided that the CFO, HIAC and/or the Company Secretary shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating to their personal matters. | √ | | |
| 3(3) | Duties of Managing Director (MD) or Chief Executive Officer (CEO) Chief Financial Officer (CFO) | | | |
| 3(3)(a) | The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief: | | | |
| 3(3)(a)(i) | these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and | √ | | |
| 3(3)(a)(ii) | these statements together present a true and a fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws; | √ | | |
| 3(3)(b) | The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year - which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members; | √ | | |
| 3(3)(c) | The certification of the MD or CEO shall be disclosed in the Annual Report, | √ | | |
| 4 | Board of Director's Committee:- | | | |
| 4(i) | Audit Committee; and | √ | | |
| 4(ii) | Nomination and Remuneration Committee. | √ | | |
| 5 | Audit Committee:- | | | |
| 5(1) | Responsibility to the Board of Director's | | | |
| 5(1)(a) | The company shall have an Audit committee as a sub-committee of the Board; | √ | | |
| 5(1)(b) | The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business. | √ | | |
| 5(1)(c) | The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing. | √ | | |
| 5(2) | Constitution of the Audit Committee | | | |
| 5(2)(a) | The Audit Committee shall be composed of at least 3 (three) members. | √ | | |
| 5(2)(b) | The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director. | √ | | |

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| 5(2)(c) | All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience. | √ | | |
| 5(2)(d) | When the term of service of the committee members expires or there is any circumstance causing any committee member to be unable to hold office until expiration of the term of service, thus making the number of the committee members to be lower than the prescribed number of 3 (three) persons, the Board of Directors shall appoint the new committee member(s) to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancyin the committee to ensure continuity of the performance of work of the Audit Committee. | √ | | |
| 5(2)(e) | The company secretary shall act as the secretary of the audit Committee | √ | | |
| 5(2)(f) | The quorum of the Audit committee meeting shall not constitute without at least 1 (one) independent Director. | √ | | |
| 5(3) | Chairperson of the Audit Committee | | | |
| 5(3)(a) | The Board of Directors shall select 1 (one) member of the Audit Committee to be chairperson of the Audit Committee, who shall be an independent Director. | √ | | |
| 5(3)(b) | In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes, | √ | | |
| 5(3)(c) | Chairperson of the audit committee shall remain present in the Annual General Meeting (AGM). | √ | | |
| 5(4) | Meeting of the Audit Committee | | | |
| 5(4)(a) | The Audit Committee shall conduct at least its four meetings in a financial year: | √ | | |
| 5(4)(b) | The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must. | √ | | |
| 5(5) | Role of Audit Committee<br>The Audit Committee:- | | | |
| 5(5)(a) | Oversee the financial reporting process. | √ | | |
| 5(5)(b) | Monitor choice of accounting policies and principles. | √ | | |
| 5(5)(c) | monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;. | √ | | |
| 5(5)(d) | Oversee hiring and performance of external auditors. | √ | | |
| 5(5)(e) | hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption; | √ | | |
| 5(5)(f) | Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval. | √ | | |

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| 5(5)(g) | review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval; | √ | | |
| 5(5)(h) | review the adequacy of internal audit function; | √ | | |
| 5(5)(i) | review the Management's Discussion and Analysis before disclosing in the Annual Report; | √ | | |
| 5(5)(j) | review statement of all related party transactions submitted by the management; | √ | | |
| 5(5)(k) | review Management Letters or Letter of lnternal Control weakness issued by statutory auditors; | √ | | |
| 5(5)(l) | oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and | √ | | |
| 5(5)(m) | oversee whether the proceeds raised through Initial public Offering (lPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission: | √ | | |
| 5(6) | Reporting of the Audit committee | | | |
| 5(6)(a) | Reporting to the Board of Directors | | | |
| 5(6)(a)(i) | The Audit Committee shall report on its activities to the Board of Directors. | √ | | |
| 5(6)(a)(ii)(a) | Report on conflicts of interest; | N/A | | |
| 5(6)(a)(ii)(b) | Suspected or presumed fraud or irregularity or material defect in the internal control systems; | N/A | | |
| 5(6)(a)(ii)(a) | Suspected infringement of laws, including securities related laws, rules and regulations; and | N/A | | |
| 5(6)(a)(ii)(a) | Any other matter which shall be disclosed to the Board of Directors immediately. | √ | | |
| 5(6)(b) | Reporting to the Authorities | | | |
| | If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6 (six) months from the date of | N/A | | |
| 5(7) | Reporting to the shareholders and General investors. | | | |
| | Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 5(6)(a)(ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer Company. | N/A | | No such special case arose during the financial year under condition no. 5 (6) (a) (ii) |
| 6 | Nomination and Remuneration Committee (NRC):- | | | |
| 6(1) | Responsibility to the Board of Directors | | | |
| 6(1)(a) | The company shall have a Nomination and Remuneration Committee (NRC)as a subcommittee of the Board; | √ | | |

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| 6(1)(b) | The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, toplevel executive; | √ | | |
| 6(1)(c) | The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No.6(5)(b). | √ | | |
| 6(2) | Constitution of the NRC | | | |
| 6(2)(a) | The Committee shall comprise of at least three members including an independent director; | √ | | |
| 6(2)(b) | All members of the Committee shall be non-executive directors; | √ | | |
| 6(2)(c) | Members of the Committee shall be nominated and appointed by the Board; | √ | | |
| 6(2)(d) | The Board shall have authority to remove and appoint any member of the Committee; | √ | | |
| 6(2)(e) | ln case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee; | √ | | |
| 6(2)(f) | The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee; | √ | | |
| 6(2)(g) | The company secretary shall act as the secretary of the Committee; | √ | | |
| 6(2)(h) | The quorum of the NRC meeting shall not constitute without attendance of at least an independent director; | √ | | |
| 6(2)(i) | No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company. | √ | | |
| 6(3) | Chairperson of the NRC | | | |
| 6(3)(a) | The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director; | √ | | |
| 6(3)(b) | In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes; | √ | | |
| 6(3)(c) | The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: | √ | | |
| 6(4) | Meeting of the NRC | | | |
| 6(4)(a) | The NRC shall conduct at least one meeting in a financial year; | √ | | |
| 6(4)(b) | The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC; | √ | | |
| 6(4)(c) | The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where | √ | | |

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| | presence of an independent director is must as required under condition No. 6(2)(h); | | | |
| 6(4)(d) | The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC. | √ | | |
| 6(5) | Role of the NRC | | | |
| 6(5)(a) | NRC shall be independent and responsible or accountable to the Board and to the shareholders; | √ | | |
| 6(5)(b) | NRC shall oversee, among others, the following matters and make report with recommendation to the Board | | | |
| 6(5)(b)(i)(a) | the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully; | √ | | |
| 6(5)(b)(i)(b) | the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and | √ | | |
| 6(5)(b)(i)(c) | remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals; | √ | | |
| 6(5)(b)(ii) | devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality; | √ | | |
| 6(5)(b)(iii) | identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board; | √ | | |
| 6(5)(b)(iv) | formulating the criteria for evaluation of performance of independent directors and the Board; | √ | | |
| 6(5)(b)(v) | identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and | √ | | |
| 6(5)(b)(vi) | developing, recommending and reviewing annually the company's human resources and training policies; | √ | | |
| 6(5)(c) | The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report. | √ | | |
| 7 | External/Statutory Auditors:- | | | |
| 7(1) | The issuer company should not engage its external/statutory auditors to perform the following services of the company; namely: | | | |
| 7(1)(i) | Appraisal or valuation services or fairness opinions | √ | | |
| 7(1)(ii) | Financial information systems design and implementation. | √ | | |
| 7(1)(iii) | Book keeping or other services related to the accounting records or financial statements. | √ | | |
| 7(1)(iv) | Broker –dealer services; | √ | | |
| 7(1)(v) | Actuarial services; | √ | | |
| 7(1)(vi) | internal audit services or special audit services; | √ | | |
| 7(1)(vii) | Any other service that the Audit Committee determines; | √ | | |
| 7(1)(viii) | audit or certification services on compliance of corporate governance as required under condition No, 9(1); and | √ | | |
| 7(1)(ix) | any other service that creates conflict of interest. | √ | | |

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| 7(2) | No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company: | √ | | |
| 7(3) | Representative of external or statutory auditors shall remainpresent in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders. | √ | | |
| 8 | Maintaining a website by the Company:- | | | |
| 8(1) | The company shall have an official website linked with the website of the stock exchange. | √ | | |
| 8(2) | The company shall keep the website functional from the date of listing. | √ | | |
| 8(3) | The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s). | √ | | |
| 9 | Reporting and Compliance of Corporate Governance:- | | | |
| 9(1) | The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report. | √ | | |
| 9(2) | The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting. | √ | | |
| 9(3) | The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not. | √ | | Disclosed in Directors' Report. |

## Management Discussion & Analysis

Annexure – D

### FY2017-18 Key Highlights

IFAD Autos's overall operations remained resilient and continued its growth momentum and maintained healthy profitability throughout the year. In FY 2017-18 IFAD Autos generated BDT 15,004 million in revenue (FY 2016-17: BDT 10,239 million), representing growth of 47%, and generated net profit after tax of BDT 1,554 million (2016: BDT 1,048 million) which is 48% YOY growth. During the year IFAD Autos sold 5,902 units of trucks achieving a 62.0% YoY growth. In the previous year, the truck sales grew 59.3% YoY unit wise. In FY 2017-18, IFAD Autos sold 540 units of Buses, 558 units of mid-sized carriers and 503 units of Tractors.

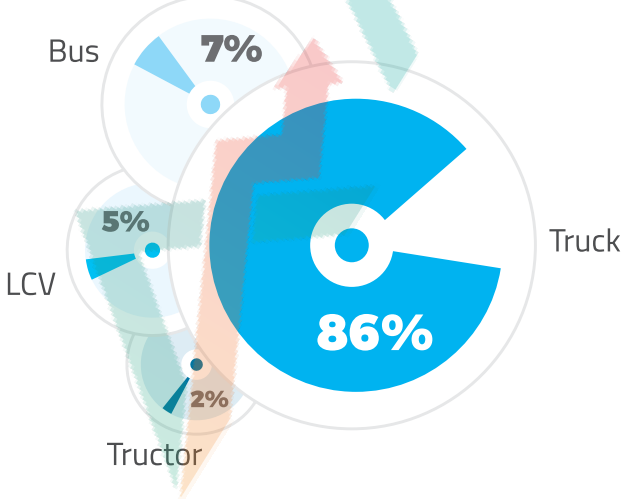
FY 2017-18 has been an exceptional year for IFAD Autos with significant growth in Revenue by a strong focus on OPEX, customer centric approach, service excellence and diverse product portfolio. Gross profit of IFAD Autos grew 44.35% YoY against revenue growth of 47% YoY in FY 2017-18. Despite the devolution of BDT and appreciation of INR against US$ , rise in the share of assembling vehicles to total revenue mix helped to manage the dent in the Gross Margin in FY 2017-18. The contribution of assembling vehicles to revenue mix increased to 18.2% in FY2017-18 from 6.5% in last year.

Our continued focus on Operational Excellence also resulted in a 45% growth in operating profit with a robust margin of 15.46%. Cost of operation has decreased to 3.65% from 3.75% than that of last year.

IFAD Autos achieved impressive 48% YoY growth in net profit after tax (NPAT) during FY2017-18. Profit after tax for the year stood at BDT 1,553.91 million (FY2016-17: BDT 1,047.81 million) which increased by BDT 506.10 million due to robust growth in revenue growth, operational efficiency and lower Financial expense, partly offset by BDT devaluation against US$, distribution expenses & and lower other income. The net profit margin stood at 10.35% which was 10.25% last year.

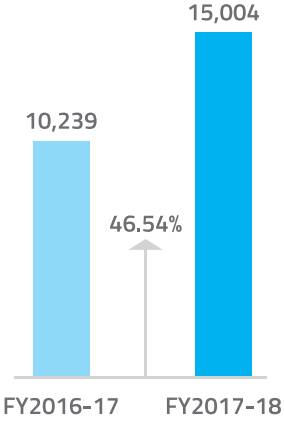
CV sales of IFAD grew at a 4-year CAGR of 42% during FY15-FY18, higher than that of industry (25%). Further breakdown shows that each segment of IFAD grew at a higher rate than the industry. As a result, IFAD's market share of Trucks increased 2.9 percentage points to 33.4% while market share of Buses increased 6.5 percentage points to 24.7%. IFAD Autos would continue to gain market share during FY19E-FY22E. We expect that the IFAD's market share in the truck and bus segment would stand at 42.0% and 30.0% respectively by FY2022. Since, market share in the Light Commercial vehicles (LCV) carrier increased 1.3 percentage points to 2.4%. We expect that IFAD would be able to gain its market share to 15.0% in 2022E.

Segment Wise Revenue Contribution



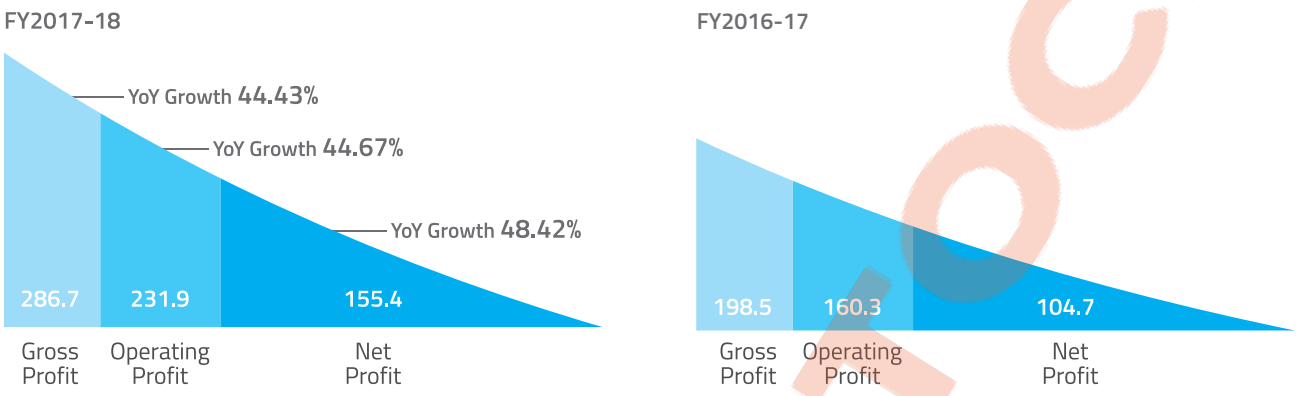

**Sales Revenue**

BDT in Million



## Profitability

BDT in Million




## Cost and Margin Review

For the FY2017-18, total cost base of IFAD Autos increased by 37.04% to BDT 844.63 million (FY2016-17: BDT 616.34 million), mainly due to higher depreciation & amortization, distribution expenses, software expenses, consultancy expenses and Financial expenses. FY2017-18 the total expenses have increased in absolute number but Cost to Revenue ratio has decreased to 5.63% (FY2016-17: 6.02%). This ultimately hit the bottom line and increased the net profit margin to10.35% from 10.25%.

Capital Expenditure In 2017, IFAD Autos invested BDT 227.10 million with capex to sales at 1.5 %. The majority of the investment was for the Truck Body building Plant, Civil work for Bus Body Building Plant. Besides investing in plant IFAD Autos is planning to investing more on Automation and process development in coming years.
Balance Sheet

Total asset increased to BDT 28,980.60 million (FY2016-7: BDT 22,175.05 million). Total Assets growth YoY 30.69% (BDT 6,805.55 million) However, non-current assets YoY grew only 6.15%. Current Assets YoY growth is 35% or BDT 6,689.97 million, mainly due to increase in accounts receivables (YoY 29% or 443.23 million), Inventories (YoY 28% or 319.24 million) due to support the tremendous sales growth for current and coming year. Cash & cash equivalent has also significantly increased (YoY 83% or BDT 1,278.82)
Total liabilities increased 26% or 4,183.78 during FY2017-18 mainly Long-term Leasehold obligation (YoY 27% or 1,580.51 million), Accounts & other payable (YoY 1,150.22 million, short term bank loan (YoY 48% or 1,440.77 million) but Long-term loan decreased by 21% or 157.10 million. Debt to Equity Ratio stood at 2.36 from 2.69.

Total equity increased to BDT 8,624.24 million (FY2016-17: BDT 6,002.47 million) due to increased profit, share premium and paid-up capital.

## Creating Future Fit Organization:

In its journey towards prosperity, IFAD Autos has focused on employee, service, customer, agility and ethics to create future fit organization for near future. The highly engaged and enabled team of IFAD Autos creates a sustainable competitive advantage that results in superior business performance and delighted customers.

Sd/-
Taskeen Ahmed
Managing Director

## Directors' Involvement in other organization

Annexure – E

| Name | | Directorship/Sponsorship/ Ownership | Position |
|---|---|---|---|
| Mr. Iftekhar Ahmed Tipu | Chairman | IFAD Enterprises Ltd. | Chairman & MD |
| | | IFAD Agro Complex Ltd. | Chairman |
| | | IFAD Multi Products Ltd. | Chairman |
| | | IFAD Automobiles Ltd. | Chairman |
| | | IFAD Beverage Ltd. | Chairman |
| | | IFAD Salt & Chemical ltd. | Chairman |
| | | IFAD Information & Technology Ltd. | Managing Director |
| | | IFAD Motors Ltd. | Managing Director |
| | | IFAD Auto Services Ltd. | Chairman |
| Mr. Taskeen Ahmed | Managing Director | IFAD Enterprises Ltd. | Director |
| | | IFAD Agro Complex Ltd. | Director |
| | | IFAD Multi Products Ltd. | Director |
| | | IFAD Automobiles Ltd. | Director |
| | | IFAD Beverage Ltd. | Director |
| | | IFAD Salt & Chemical ltd. | Director |
| | | IFAD Information & Technology Ltd. | Director |
| | | IFAD Motors Ltd. | Director |
| | | IFAD Auto Services Ltd. | Director |
| Mr. Tanveer Ahmed | Director | IFAD Enterprises Ltd. | Director |
| | | IFAD Agro Complex Ltd. | Managing Director |
| | | IFAD Multi Products Ltd. | Managing Director |
| | | IFAD Automobiles Ltd. | Director |
| | | IFAD Beverage Ltd. | Managing Director |
| | | IFAD Information & Technology Ltd. | Director |
| | | IFAD Motors Ltd. | Director |
| | | IFAD Salt & Chemical ltd. | Managing Director |
| | | IFAD Auto Services Ltd. | Managing Director |
| Mrs. Nilufar Ahmed | Director | IFAD Enterprises Ltd. | Director |
| | | IFAD Agro Complex Ltd. | Director |
| | | IFAD Multi Products Ltd. | Director |
| | | IFAD Automobiles Ltd. | Managing Director |
| | | IFAD Beverage Ltd. | Director |
| | | IFAD Salt & Chemical ltd. | Shareholder |
| | | IFAD Information & Technology Ltd. | Director |
| | | IFAD Motors Ltd. | Shareholder |
| | | IFAD Auto Services Ltd. | Director |
| Mr. Tashfeen Ahmed | Director | IFAD Multi Products Ltd. | Shareholder |
| | | IFAD Automobiles Ltd. | Shareholder |
| | | IFAD Beverage Ltd. | Director |
| | | IFAD Information & Technology Ltd. | Director |
| | | IFAD Motors Ltd. | Director |
| | | IFAD Salt & Chemical ltd. | Director |
| | | IFAD Auto Services Ltd. | Director |

## Board structure

Annexure – F

Board of Directors of the company comprises with 7 (Seven) Directors including 2(Two) Independent Directors.

| Sponsors/Directors | Position |
|---|---|
| Mr. Iftekhar Ahmed Tipu | Chairman |
| Mr. Taskeen Ahmed | Managing Director |
| Mr. Tanveer Ahmed | Director |
| Mrs. Nilufar Ahmed | Director |
| Mr. Tashfeen Ahmed | Director |
| Mr. Md. Raqibul Islam, FCA | Independent director |
| Mr. Rezwan Ali | Independent director |

## Directors' Appointment and Re-Appointment:

Annexure – G

With regard to the appointment, retirement and re-appointment of directors, the company is governed by its Articles of Association, the Companies Act. 1994 and other related legislations. Accordingly, the following Directors of the Board will retire at the forthcoming Annual General Meeting:

1. Mrs. Nilufar Ahmed
2. Mr. Tanveer Ahmed
3. Mr. Tashfeen Ahmed

They are however eligible for re-appointment and have expressed their desire and given respective consent to be re-elected.

*N.B : The details information of Board of Directors' has presented on the page no. 20-23 of this Annual Report.

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Annexure – H

**The total number of Board Meetings held and attendance of each Director.**

The Board of Directors' meetings held regularly and with due manner. A total of twenty six (26) Board of Directors' meeting were held during the FY2017-2018.

| Name of Directors | Position | Attendance |
|---|---|---|
| Mr. Iftekhar Ahmed Tipu | Chairman | 26 |
| Mr. Taskeen Ahmed | Managing Director | 26 |
| Mrs. Nilufar Ahmed | Director | 23 |
| Mr. Tanveer Ahmed | Director | 26 |
| Mr. Tashfeen Ahmed | Director | 25 |
| Mr. Md. Raqibul Islam, FCA | Independent Director | 12 |
| Mr. Rezwan Ali | Independent Director | 08 |

N.B: CFO (Chief Financial Officer) & CS (Company Secretary) were also present in all Board of Directors meeting during the FY-2017-2018.

Annexure – I

**Appointment of Auditors and fixation of their Remuneration.**
**Statutory Auditors:**

Ahmed Zaker & Co, Chartered Accountants, was appointed as the statutory Auditor of the company at the 28th AGM held on 20th December, 2016. They have completed their appointment of three consecutive years and will retire at the 30th AGM of the company to be held on 19th December 2018.

As per letter No.BSEC/CMRRCD/2006-158/208/ADMIN/81 dated 20 June, 2018, the Bangladesh Securities and Exchange Commission advised that the company shall not appoint any firm of chartered accountants as its statutory auditors for a consecutive period exceeding three years and the audit firm or any of its partners/auditors shall not also be eligible for performing the auditing of financial statements of the company for a consecutive period exceeding three years.

Therefore, the retiring statutory Auditors shall be ineligible for reappointment at the 30th AGM of the company. New statutory Auditors shall have to be appointed for fiscal year 2018-2019 (till to the next AGM) and their remuneration shall have to be fixed. The remuneration of the retiring auditors was fixed at Tk. 300,000 (Taka Three Lac only) plus VAT. The following two Auditors have shown their intention to become a statutory Auditor of the company:

1. Mahfel Huq & Co, Chartered Accountants
2. MABS & J Partners, Chartered Accountants

The Board of Directors of the company in its 252nd meeting held on 29 September 2018 have recommended Mahfel Huq & Co. Chartered Accountants as a new statutory auditors of the company for the year 2018 -2019(till to the next AGM) at a fee of BDT 3,30,000/- (Taka Three Lac Thirty Thousand only) plus VAT subject to approval of the shareholders in forth coming 30th Annual General Meeting (AGM) of the company.

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Annexure – J

**Appointment of auditors/practicing professional for issuing certificate on compliance of conditions of corporate governance code and fixation of their remuneration:**

For issuing certificate on compliance of conditions of corporate governance code, the following two Auditors have shown their intention to become a Compliance Auditor of the company:

1. Podder & Associates, Chartered Accountants
2. ATA Khan & Co., Chartered Accountants

The Board of Directors of the company in its 252nd meeting held on 29 September 2018 have recommended Podder & Associates, Chartered Accountants as a new compliance Auditors for the company, who will provide the certificate on compliance of Corporate Governance Code for the year 2018 -2019 at a fee of BDT 35,000/- (Taka Thirty Five Thousand only) plus VAT subject to approval of the shareholders in 30th Annual General Meeting (AGM) of the company.

Annexure – K

## Statutory functions of External Auditors

The BSEC guidelines are being strictly followed in engaging statutory Auditors. The company did not engage its external/statutory auditors to perform the following services of the company;

1. Book keeping or other services related to the accounting records or financial statements.
2. Actuarial services.
3. Financial information systems design and implementation.
4. Appraisal or valuation services or fairness opinions.
5. Broker-dealer services.
6. Internal audit services or special audit services.
7. Any other services that the audit committee determines.
8. Audit or certification services on compliance of corporate governance as required under condition No. 9(1); and
9. Any other service that creates conflict of interest.

» No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her familymembers also shall not hold any shares in the said company.

## Rights Share issues:

Annexure – L

IFAD Autos has raised its paid up capital through issuance of 62,192,000 Ordinary Shares of BDT 10.00 each issuing at a price of BDT 20.00 including a premium of BDT 10.00 each totaling BDT 1,243,840,000 on the basis of 2(R):5 (i.e. two rights shares for every five existing shares held). The purpose of issuance of Rights Share is to expansion of the business, to meet the requirement of working capital and to pay off debts of the company.

**A statement of utilization of Rights issue proceeds according to audited report as on 30 June 2018 :**

The Company has utilized total amount of BDT 557,062,429 as on 30 June, 2018 from Rights Share Issue proceeds (RI) according to BESC approval letter no. BSEC/CI/RI-113/2017/535 dated 26 September 2017 as described in the ROD (Rights Offer Documents) as follows:

**a.** In respect of civil and steel works, the company has utilized an amount of BDT 81.7 million for expansion of Assembling, Body building and cabin manufacturing unit.

**b.** In respect of Assembling, Body building and cabin manufacturing units, the Company has utilized an amount of BDT 78.0 million. Out of this, an amount of BDT 68.42 million has been paid by the Company as advances to their supplier to acquire the machineries. The machineries are expected to be received and installed in the subsequent period.

**c.** The company has utilized an amount of BDT 29.42 million in respect to acquisition and payment registration expense related to Land and Land Development. Specifically, the company has acquired 444.25 decimal lands in Gazipur.

**d.** In respect of re-payment of Loans, the company has utilized an amount of BDT 350 million to re-pay loans to Mercantile Bank Limited, Prime Finance & investment Limited, and Premier Leasing & Financing Limited.

**e.** The Company has utilized an amount of BDT 17.96 million against Right issue expenses. The Company has also expensed, an additional BDT 1.5 million in excess of the ROD. The additional expense has been funded through the Company's own funds without using the RI proceeds.

IFAD STOCK

## Statement on utilization of fund of RI proceeds for the quarter ended on June 30, 2018

| Sl. No. | Date of Subscription | Amount of Subscription (In BDT) | Purpose of issue | Item wise budgeted amount of Rights share (as per ROD) | | Estimate time for completing scheme | Investment so far made | | | | Investment yet to be made | | Remarks |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Item | Amount (In BDT) | | (In BDT) Utilized up to March 31, 2018 (In BDT) | During the Quarter (In BDT) | Total Utilized Amount (In BDT) | % | Total Un-Utilized Amount (In BDT) | % | |
| 1 | 19 Nov 17 | 1,243,840,000 | Civil and Steel Works | Expansion of Assembling Unit | 144,161,831 | Within 2 years of receiving Rights Share Proceed | 26,194,736 | 13,263,158 | 39,457,894 | 27.4% | 104,703,937 | 72.6% | |
| | | | | Expansion of Body Building Unit | 86,839,086 | Within 2 years of receiving Rights Share Proceed | 19,010,526 | - | 19,010,526 | 21.9% | 67,828,560 | 78.1% | |
| | | | | Cabin Manufacturing Unit | 133,249,084 | Within 2 years of receiving Rights Share Proceed | 23,210,526 | - | 23,210,526 | 17.4% | 110,038,558 | 82.6% | |
| 2 | | | Machinery & Equipments | Expansion of Assembling Unit | 29,286,003 | Within 2 years of receiving Rights Share Proceed | 23,431,578 | - | 23,431,578 | 80.0% | 5,854,425 | 20.0% | |
| | | | | Expansion of Body Building Unit | 63,200,000 | Within 2 years of receiving Rights Share Proceed | 28,957,896 | 25,616,589 | 54,574,485 | 86.4% | 8,625,515 | 13.6% | |
| | | | | Cabin Manufacturing Unit | 59,141,880 | Within 2 years of receiving Rights Share Proceed | - | - | - | 0.0% | 59,141,880 | 100.0% | |
| 3 | | | Land and Land Development | Land Purchase, Land Development (Earth/Sand Filling Etc.) | 310,000,000 | Within 2 years of receiving Rights Share Proceed | - | 29,420,000 | 29,420,000 | 9.5% | 280,580,000 | 90.5% | |
| 4 | | | Repayment of Loan | Mercantile bank Ltd., Prime Finance & Investment Ltd., Premier Leasing & Finance Ltd. | 350,000,000 | Within 3 month of receiving Rights Share Proceed | 350,000,000 | - | 350,000,000 | 100.0% | - | 0.0% | |
| 5 | | | Working Capital | Assembling Unit, Body Fabrication, Cabin Fabrication | 50,000,000 | Within 2 years of receiving Rights Share Proceed | - | - | - | 0.0% | 50,000,000 | 100.0% | |
| 6 | | | Rights Issue Expenses | Bank Commission & Charge for Rights Issue Collection, Issue Management fee, Underwriting fee, Post | 17,962,117 | Immediately | 17,957,420 | - | 17,957,420 | 100.0% | 4,697 | 0.0% | |
| | | **Total** | | | **1,243,840,000** | | **488,762,682** | **68,299,747** | **557,062,429** | | **686,777,572** | | |

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## Shareholding pattern as on 30 June 2018

Annexure –M

| Parent or Subsidiary or Associated Companies and other related parties | Position | Shareholding Status | Percent (%) |
|---|---|---|---|
| IFAD Multi Products Limited | Shareholder | 3,195,164 | 1.41% |
| IFAD Enterprises Limited | Shareholder | 3,195,164 | 1.41% |
| IFAD Agro Complex Limited | Shareholder | 1,419,600 | 0.63% |
| IFAD Salt and Chemical Limited | Shareholder | 2,251,307 | 1.00% |

| Directors and Sponsors | Position | Shareholding Status | Percent (%) |
|---|---|---|---|
| Mr. Iftekhar Ahmed Tipu | Chairman | 75,352,875 | 33.42% |
| Mr. Taskeen Ahmed | Managing Director | 16,540,875 | 7.34% |
| Mr. Tanveer Ahmed | Director | 16,540,875 | 7.34% |
| Mrs. Nilufar Ahmed | Director | 18,378,750 | 8.15% |
| Mr. Tashfeen Ahmed | Director | 14,703,290 | 6.52% |
| Mr. Md. Raqibul Islam, FCA | Independent Director | Nil | Nil |
| Mr. Rezwan Ali | Independent Director | Nil | Nil |

| Spouses and Minor Children (Sponsor and Directors), CFO, Company Secretary,Head of Internal Audit & Compliance | Position | Shareholding Status |
|---|---|---|
| Mr. Mohammed Al-Amin, FCA | Chief Financial Officer | Nil |
| Mr. Md. Sazzad Hossain Talukdar, ACS | Company Secretary | Nil |
| Mr. Md. Hemayet Hossain, ACA | Head Of Internal Audit & Compliance | Nil |
| Spouses and Minor Children | | Nil |

| Top 5 salaried executives other than those executives mentioned above | Position | Shareholding Status |
|---|---|---|
| Mr.Uttiya Bakshi Abir | Executive Director | Nil |
| Mrs. Shejuti A. Ahmed | Director, HR | Nil |
| Lt.Col (Retd.) Zafar Ahmed Mansur | GM, Recovery | Nil |
| Mr.Md. Mainul Alam | Controller of Account's | Nil |
| Mr. Md. Hafizur Rahman Manik | GM, Sales & Marketing | Nil |
| Shareholders holding ten percent (10%) or more | | N/A |

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## Five Years key operating and financial highlights

Annexure – N

### Income Statements

| Particulars | 2017-2018 | 2016-2017 | 2015-2016 | 2014-2015 (Restated) | 2013-2014 |
|---|---|---|---|---|---|
| Sales | 15,004,634,671 | 10,239,393,588 | 6,932,578,110 | 5,057,046,311 | 8,152,791,865 |
| Cost of sales | 12,137,895,792 | 8,253,401,750 | 5,707,340,829 | 4,213,488,324 | 6,985,029,943 |
| Administrative expenses | 314,806,202 | 234,930,890 | 277,933,942 | 188,905,863 | 194,492,936 |
| Selling expenses | 232,897,639 | 147,216,223 | 108,008,266 | 114,908,620 | 170,320,598 |
| Financial expenses | 296,922,550 | 234,197,291 | 96,133,289 | 88,507,633 | 148,570,240 |
| Operating Profit | 2,319,035,038 | 1,603,844,725 | 839,295,073 | 539,743,504 | 802,948,388 |
| Net Profit before Income Tax | 2,066,086,621 | 1,415,340,126 | 863,765,839 | 533,921,449 | 751,252,646 |
| Income tax expenses | 512,174,890 | 367,527,515 | 268,629,004 | 166,641,545 | 267,488,226 |
| Net Profit after Income Tax | 1,553,911,731 | 1,047,812,611 | 595,136,835 | 367,279,904 | 483,764,420 |
| Total Comprehensive Income | 1,518,353,283 | 1,055,482,401 | 588,212,675 | 378,584,335 | 476,306,255 |
| Earnings Per Share (EPS) (BASIC) | 7.01 | 6.74 | 3.98 | 3.51 | 5.16 |

### Balance Sheet

| Particulars | June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 | June 30, 2014 |
|---|---|---|---|---|---|
| Paid up Capital | 2,254.46 | 1,554.80 | 1,4950 | 1,1500 | 937.50 |
| Shareholders' equity | 8,624.24 | 6,002.47 | 5,018.73 | 4,818.66 | 4,136.04 |
| Total Liabilities | 20,356.36 | 1,617.25 | 1,420.46 | 1,180.83 | 1,117.91 |
| Current assets | 26,062.24 | 1,937.22 | 1,662.22 | 1,410.85 | 1,317.73 |
| Current liabilities | 12,157.91 | 9,396.28 | 7,950.55 | 5,557.35 | 4,772.01 |
| Total assets | 28,980.60 | 2,217.50 | 1,922.33 | 1,662.69 | 1,531.51 |

ANAND STOCK

## Ratios

| Particulars | June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 | June 30, 2014 |
|---|---|---|---|---|---|
| I. Liquidity Ratios | | | | | |
| Current ratio | 2.14 | 2.06 | 2.09 | 2.54 | 2.76 |
| Quick ratio | 2.02 | 1.94 | 1.97 | 2.39 | 2.65 |
| Times interest earned | 7.8 | 16.5 | 8.7 | 6.1 | 5.4 |
| Debt-equity ratio | 2.36 | 2.69 | 2.83 | 2.45 | 2.70 |

## Ratios

| Particulars | June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 | June 30, 2014 |
|---|---|---|---|---|---|
| II. Operating Ratios | | | | | |
| Accounts receivable turnover ratio | 0.86 | 0.73 | 0.59 | 0.49 | 1.95 |
| Assets turnover | 0.52 | 0.49 | 0.39 | 0.32 | 0.61 |
| Inventory turnover | 6.03 | 8.07 | 6.38 | 6.27 | 16.44 |
| III. Profitability Ratios | | | | | |
| Gross margin | 19.11% | 19.39 | 17.67% | 16.68% | 14.32% |
| Operating income | 15.46% | 15.66% | 12.11% | 10.67% | 9.85% |
| Net income | 10.35% | 10.23% | 8.58% | 7.26% | 5.93% |
| Return on assets | 5.36% | 4.76% | 3.32% | 2.30% | 3.63% |
| Return on equity (after tax) | 18.02% | 17.44 % | 12.10% | 8.20% | 12.41% |
| Earnings per share @ Tk. 10 each* | 7.01 | 6.74 | 3.98 | *3.51 | *5.16 |

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## Propose revise Right Issue utilization proceeds

This is for information of all concerned that the Board of Directors` of IFAD Autos Limited in their 256th meeting has decided to revise the use of Rights issue proceed subject to approval of shareholders in 30th AGM and Bangladesh Securities and Exchange Commission. Details of the best use of utilization proceeds required changes are as follows:

Annexure – O

| Particulars | Existing Condition as per Rights Share Offer Document (ROD) | Current Status | Revised Condition | Economic Benefits | Estimated Cost required | Implementation Schedule |
|---|---|---|---|---|---|---|
| **Land Purchase** | 495 decimals land at Maona, Gazipur price BDT. 99,000,000.00 | The company already purchased 444.25 decimals land only at BDT. 29,420,000.00 | The company will purchase another 820 decimals land at Gazipur, Maona cost of which is BDT. 69,580,000.00 | Since the company has made a huge savings by procuring land at a cheaper rate at Maona, Gazipur. Remaining balances will be used for procurement of another 820 decimals land on the same area. | **BDT. 69,580,000.00** | Additional one year required than the time specified in Rights Offer Document (ROD). |
| **Land Purchase** | 198 Decimal land at Gazipur. | Not purchased yet. | The Company will purchase approximately 1050 Decimals land at Dhamrai, Dhaka. | Land to be purchased adjacent to the existing assembly plant at Dhamrai which will be used for future expansion. | **BDT.118,800,000.00** | Additional one year required than the time specified in Rights Offer Document (ROD). |
| **Expansion of Assembling unit** | The job for expansion of the existing assembly plant was given to GL Steel Ltd. and a payment of BDT. 67,038,661.00 have been made to GL Steel for the performed tasks. However, the management and Ashok Leyland India found the work completed by Naif Engineering& Builders are better than the work of GL Steel Limited. | The remaining job will be performed by Naif Engineering. A change in the design for assembling unit has been suggested by the technical team and size of assembling unit has been reduced by 22,000 Sft. cost savings BDT. 37,123,170.00 Heavy earth soling is in under process for stability of the plant. | The job of BDT. 40,000,000.00 will be given to Naif Engineering & Builders for the remaining tasks. | Tk. 37,123,170.00 will be saved from the Rights issue proceeds. The Company will spend the remaining balance of BDT. 37,123,170.00 for land development. | **BDT. 40,000,000.00** | Additional one year required than the time specified in Rights Offer Document (ROD). |
| **Land Development** | The company will procure additional 1672 decimals land other than the land declared in use of proceed. As such a huge development cost will be required for the additional land. | Development work will be required on the purchased land. | The Company will spend the remaining balance of BDT. 37,123,170.00 for land development. | | **BDT. 37,123,170.00** | Additional one year required than the time specified in Rights Offer Document (ROD). |

All other conditions of the use of proceed declared in ROD will remain unchanged.

# GOVERNANCE

## Audit Committee and Report

For the year 2017-2018
Audit committee is the sub-committee of the Board. The Committee assists the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.

The Audit Committee consists of the following persons:

| | | |
|---|---|---|
| Mr. Md.Raqibul Islam FCA, Independent Director | : | Chairperson of the Committee |
| Mr. Tanveer Ahmed, Director | : | Member of the Committee |
| Mr. Tashfeen Ahmed ,Director | : | Member of the Committee |
| Mr. Md. Sazzad Hossain Talukdar, ACS | : | Secretary of the Committee |

The scope of Audit Committee was defined as under:

(i) Oversee the financial reporting process.

(ii) Monitor choice of accounting policies and principles.

(iii) Monitor Internal Control Risk management process.

(iv)Oversee hiring and performance of external auditors.

(v)Review along with the management, the annual financial statements before submission to the board for approval.

(vi)Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.

(vii) Review the adequacy of internal audit function.

(viii) Review statement of significant related party transactions submitted by the management.

(ix) Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.

(x) When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus.

The audit committee meetings held regularly and with due manner. A total of five (05) meetings were held during the year.

**The attendance record of the members as follows:**

| Member of the Committee | Position | Attendence |
|---|---|---|
| Mr. Md.Raqibul Islam, FCA, Indipendent Director | Chairperson of the Committee | 05 |
| Mr. Tanveer Ahmed, Director | Member of the Committee | 05 |
| Mr. Tashfeen Ahmed ,Director | Member of the Committee | 05 |

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## Audit Committee Report

Date: September 29, 2018

The Chairperson
Board of Directors
IFAD AUTOS LIMITED
Dhaka-1000.

**Subject: Audit committee Report.**

Dear Sir,

We hereby submit to you the following report on our activities:

1. We have discharged the audit activities of IFAD AUTOS LIMITED throughout the financial year 2017-2018 and we found that the financial reporting process, accounting policies and principles, internal control risk management process, the hiring and performance external auditors, etc. are in line with the requirement of the company.

2. We reviewed the quarterly, half-yearly as well as annual financial statements of IFAD AUTOS LIMITED for the financial year ended June 30, 2018 before submission to the Board of Directors for approval and we found those in order.

3. We also reviewed the internal audit functions, monitoring system prevailing within the business

4. We reviewed the Rights Share Issue funds utilization report.

5. During the discharge of our responsibilities we neither found any weakness in the internal control system of the company nor any irregularity or any other matter which should be reported to the Board of Directors.

Thanking you,
Yours sincerely,

Sd/-
Md. Raqibul Islam, FCA
Chairperson
Audit Committee

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# GOVERNANCE

## Nomination and Remuneration Committee

The Nomination and Remuneration committee (NRC) is the sub-committee of the Board. The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive. As per Corporate Governance Code IAL has recently formed a new Nomination and Remuneration Committee (NRC).

The Nomination and Remuneration Committee consists of the following members:

| | | |
|---|---|---|
| 1. Mr. Rezwan Ali, Independent Director | : | Chairperson of the Committee. |
| 2. Mrs. Nilufar Ahmed | : | Member of the Committee. |
| 3. Mr. Tanveer Ahmed | : | Member of the Committee. |
| 4. Mr. Md. Sazzad Hossain Talukdar, ACS | : | Secretary of the Committee. |

**Scope and role of NRC:**

NRC shall be responsible to the Board and to the shareholders of the company.
NRC shall oversee and formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:

(i) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;

(ii) the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

(iii) remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;

(iv) devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;

(v) identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;

(vi) formulating the criteria for evaluation of performance of independent directors and the Board;

(vii) identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;

(vi) developing, recommending and reviewing annually the company's human resources and training policies and any other services that the Board of Directors determines time to time.

## Certificate of Bangladesh Association of Publicly Listed Companies



BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

BAPLC

Ref. No: CM-2018/035

Date of issue : February 14, 2018

Renewed Certificate

This is to certify that

IFAD AUTOS LIMITED

is anOrdinary Member of Bangladesh Association of Publicly Listed Companies and is entitled to all the rights and privileges appertaining thereto.

This certificate remains current until 31st December 2018.

Secretary-General
(Acting)

# GOVERNANCE

## Capital Structure

Authorized Capital : Tk.300,00,00,000

Paid- Up Capital : Tk.225,44,60,000

Total Outstanding Shares : 22,54,46,000

IFAD Autos Limited's share capital raising information as follows:

| Member of the Committee | Position | Position | Attendence |
|---|---|---|---|
| Subscription | 17/02/1988 | 10,000 | 100,000 |
| Bonus Issue | 20/04/2003 | 990,000 | 9,900,000 |
| Fresh Issue | 31/10/2010 | 9,000,000 | 90,000,000 |
| Bonus Issue | 16/02/2011 | 20,000,000 | 200,000,000 |
| Fresh Issue | 16/02/2011 | 20,000,000 | 200,000,000 |
| Bonus Issue | 11/03/2013 | 12,500,000 | 125,000,000 |
| Bonus Issue | 28/10/2013 | 31,250,000 | 312,500,000 |
| IPO Issue | 24/12/2014 | 21,250,000 | 212,500,000 |
| Bonus Issue | 04/01/2016 | 34,500,000 | 345,000,000 |
| Bonus Issue | 12/01/2017 | 5,980,000 | 59,800,000 |
| Rights Issue | 03/01/2018 | 62,192,000 | 621,920,000 |
| Bonus Issue | 04/01/2018 | 7,774,000 | 77,740,000 |

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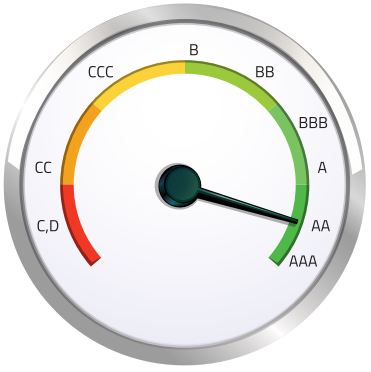
# Glimpse of 29th AGM and 5th EGM



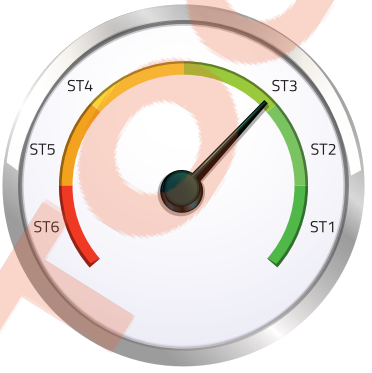
## CREDIT RATING

IFAD AUTOS LIMITED has secured AA3 (Double A Three) in long term and ST-3 (Short term} rating with "STABLE" outlook rated by CRAB (Credit Rating Agency Bangladesh Ltd.) based on Audited Financial Statements up to 30 June, 2017. The long term credit rating is getting better Year on Year.




**AA3**

"Companies rated in this category have very strong capacity to meet financial commitments. These companies are judged to be of very high quality, subject to very low credit risk."



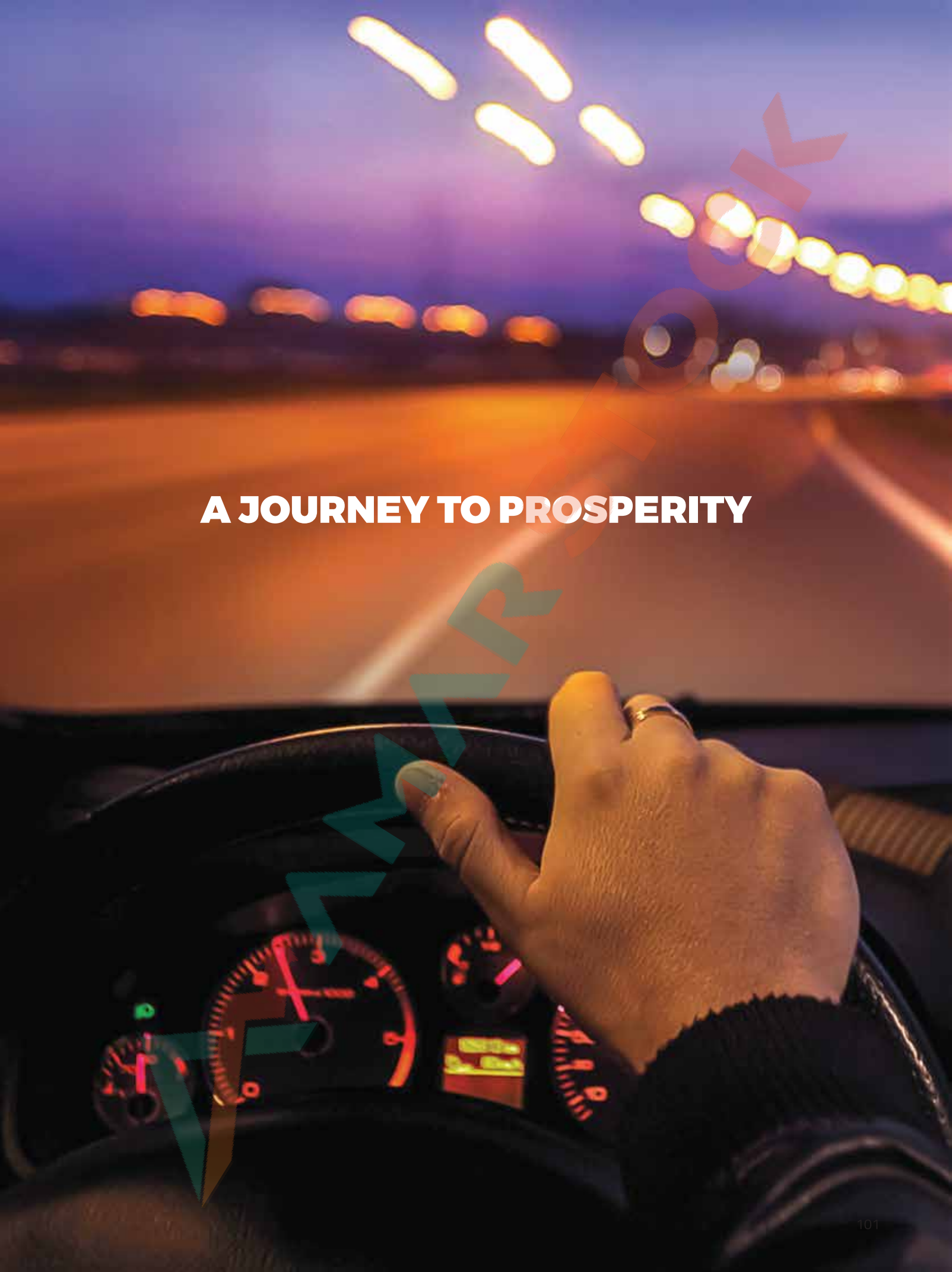

**ST-3**

"Companies rated in this category have degree of safety regarding timely payment on the loans/facilities is adequate."

**Outlook of rating of IFAD Autos (5 Years)**

| Year | Long Term(L.T) | Short Term(S.T.) | Outlook |
|---|---|---|---|
| 2013 | A1 | ST-3 | Stable |
| 2014 | A1 | ST-3 | Stable |
| 2015 | A1 | ST-3 | Stable |
| 2016 | AA3 | ST-3 | Stable |
| 2017 | AA3 | ST-3 | Stable |

Please visit CRAB's website at www.crabrating.com for a full explanation of their rating methodology.



# A JOURNEY TO PROSPERITY



# Auditor's Report & Audited Financial Statements

Ahmed Zaker & Co.
CHARTERED ACCOUNTANTS

Head Office :
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Website: www.ahmed-zaker.com Email: azcbangladesh@ahmed-zaker.com
Phone: +88-02-8300501-8, Fax: +88-02-8300509

# Independent Auditor's Report

## To the Shareholders of IFAD Autos Ltd.

### Report on the financial statements

We have audited the accompanying financial statements of **IFAD Autos Ltd.** which comprise the Statement of Financial Position as at 30 June 2018 along with Statement of Profit or Loss and Other 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 notes.

### Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with international Financial Reporting Standards (IFRS), the Company Act 1994, the Securities and Exchange Rules 1987. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditor's 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 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 circumstances, 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 the Company as at 30 June 2018 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), the Companies Act 1994 and the Securities and Exchange Rules 1987 and other applicable laws and regulations.

### Report on other legal and regulatory requirements

We also report that;

a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
b) in our opinion proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns; and
d) the expenditures incurred were for the purpose of the Company's business.

Place: Dhaka;
Dated: September 29, 2018

**Ahmed Zaker & Co.**
Chartered Accountants

GGi INDEPENDENT MEMBER

Uttara Office:
Plot#15 (G.Floor), Road # 17, Sector # 4, Uttara Model Town, Dhaka-1230, Tel: (R) 8918246, 8923233 Mobile: 01755-603600 E-mail: sultanhmed1@ahmed-zaker.com
Chittagong Office:
74, Sk. Mujib Road, Agrabad, C/A Chittagong-4100. Tel: 031-634103 Cell No. 01819385193 E-mail: arupchy@ahmed-zaker.com

# IFAD Autos 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*** | | **2,918,365,362** | **2,749,561,939** |
| Property, plant and equipment | 4.00 | 2,596,253,798 | 2,654,552,103 |
| Construction WIP | 5.00 | 266,111,564 | 39,009,836 |
| Investment in shares | 6.00 | 56,000,000 | 56,000,000 |
| ***Current assets*** | | **26,062,237,634** | **19,372,265,608** |
| Inventories | 7.00 | 1,447,449,917 | 1,128,210,719 |
| Accounts receivable & others receivable | 8.00 | 19,735,516,498 | 15,303,181,783 |
| Investment in shares | 9.00 | 103,693,304 | 350,024,070 |
| Advances, deposits and prepayments | 10.00 | 1,954,030,552 | 1,048,123,172 |
| Cash & cash equivalents | 11.00 | 2,821,547,363 | 1,542,725,864 |
| ***Non-current assets held for sale*** | 12.00 | - | **53,223,916** |
| ***Total Assets*** | | **28,980,602,996** | **22,175,051,463** |
| ***SHAREHOLDERS' EQUITY & LIABILITIES*** | | | |
| ***Equity attributable to the Shareholders*** | | **8,624,240,847** | **6,002,470,738** |
| Ordinary share capital | 13.00 | 2,254,460,000 | 1,554,800,000 |
| Share premium | 14.00 | 990,799,620 | 388,330,508 |
| Revaluation surplus | 15.00 | 928,700,587 | 1,002,368,697 |
| Retained earnings | 16.00 | 4,472,004,876 | 3,043,137,321 |
| Unrealized gain/(loss) | 17.00 | (21,724,236) | 13,834,212 |
| ***Liabilities*** | | | |
| ***Non-current liabilities*** | | **8,198,448,576** | **6,775,760,596** |
| Deferred tax liability | 18.00 | 221,923,362 | 221,015,914 |
| Security deposits (Dealer) | 19.00 | 13,250,000 | 14,895,000 |
| Long term loans | 20.00 | 588,033,956 | 745,114,379 |
| Leasehold obligations | 21.00 | 7,375,241,258 | 5,794,735,303 |
| ***Current liabilities*** | | **12,157,913,573** | **9,396,820,129** |
| Current portion of long term loans | 22.00 | 118,675,177 | 216,860,147 |
| Current portion of leasehold obligations | 23.00 | 5,107,415,791 | 5,150,024,823 |
| Accounts & others payable | 24.00 | 1,267,264,883 | 117,046,463 |
| Dividend payable | 25.00 | 772,816 | 1,057,338 |
| Unallocated IPO and Rights shares subscription | 26.00 | 2,632,976 | 2,370,000 |
| Advance against sales | 27.00 | 17,682,820 | 69,287,515 |
| Short term bank loans and credits | 28.00 | 4,418,010,519 | 2,977,244,598 |
| Provision for income tax | 29.00 | 1,079,640,866 | 767,484,079 |
| Provision for expenses | 30.00 | 145,817,725 | 95,445,166 |
| ***Total liabilities*** | | **20,356,362,149** | **16,172,580,725** |
| ***Total Shareholders' Equity and Liabilities:*** | | **28,980,602,996** | **22,175,051,463** |
| ***Net Assets Value Per Share (NAVPS)*** | | **38.25** | **38.61** |

The annexed notes 01 to 47 are an integral part of these financial statements.

| Chairman | Managing Director | Director | CFO | Company Secretary |
|---|---|---|---|---|

Signed as per our separate report on same date.

Place : Dhaka
Dated: September 29, 2018

Ahmed Zaker & Co.
Chartered Accountants

# IFAD Autos Limited
## Statement of Profit or Loss and Other Comprehensive Income
For the year ended June 30, 2018

| Particulars | Notes | Amount in Taka | |
|---|---|---|---|
| | | 2017-2018 | 2016-2017 |
| Sales Revenue | 31.00 | 15,004,634,671 | 10,239,393,588 |
| **Less:** Cost of Sales | 32.00 | 12,137,895,792 | 8,253,401,750 |
| **Gross Profit** | | **2,866,738,879** | **1,985,991,838** |
| **Less:** Administrative Expenses | 33.00 | 314,806,202 | 234,930,890 |
| **Less:** Distribution Expenses | 34.00 | 232,897,639 | 147,216,223 |
| **Operating Profit** | | **2,319,035,038** | **1,603,844,725** |
| **Add:** Other Income | 35.00 | 147,278,464 | 116,459,698 |
| **Less:** Financial Expenses | 36.00 | 296,922,550 | 234,197,291 |
| **Profit before WPPF and Income Tax** | | **2,169,390,952** | **1,486,107,132** |
| **Less:** Workers Profit Participation Fund | | 103,304,331 | 70,767,006 |
| **Profit before Income Tax** | | **2,066,086,621** | **1,415,340,126** |
| **Less:** Income Tax Expenses | 37.00 | 512,174,890 | 367,527,515 |
| Current Tax | 37.01 | 492,872,719 | 345,374,728 |
| Deferred Tax | 18.00 | 19,302,171 | 22,152,787 |
| **Profit after Income Tax for the year** | | **1,553,911,731** | **1,047,812,611** |
| Other Comprehensive Income /(Loss) net of Tax | 38.00 | (35,558,448) | 7,669,790 |
| **Total Comprehensive Income for the year** | | **1,518,353,283** | **1,055,482,401** |
| **Basic Earnings per Share (EPS)** | 39.00 | **7.01** | **4.81** |

The annexed notes 01 to 47 are an integral part of these financial statements.

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

Signed as per our separate report on same date.

Place : Dhaka
Dated: September 29, 2018

Ahmed Zaker & Co.
Chartered Accountants

AMARSTOCK

# IFAD Autos Limited
## Statement of Changes in Equity
For the year ended June 30, 2018

Ahmed Zaker & Co.
CHARTERED ACCOUNTANTS

| Particulars | Amount in Taka | | | | | |
|---|---|---|---|---|---|---|
| | Ordinary Share Capital | Share Premium | Revaluation Surplus | Retained Earnings | Unrealized Gain/(Loss) | Total |
| Balance as on July 01, 2017 | 1,554,800,000 | 388,330,508 | 1,002,368,697 | 3,043,137,321 | 13,834,212 | 6,002,470,738 |
| Stock Dividend | 77,740,000 | - | - | (77,740,000) | - | - |
| Cash Dividend | - | - | - | (121,552,830) | - | (121,552,830) |
| Issue of Rights Shares | 621,920,000 | 602,469,112 | - | - | - | 1,224,389,112 |
| Depreciation on Revaluation transfer to Retained Earnings | - | - | (2,322,172) | 2,322,172 | - | - |
| Deferred Tax Income/(Expenses) on Revaluation Surplus during the year | - | - | 580,544 | - | - | 580,544 |
| Transfer of Revaluation Surplus to Retained Earnings for Sale of Land | - | - | (71,926,482) | 71,926,482 | - | - |
| Profit after Income Tax for the year | - | - | - | 1,553,911,731 | - | 1,553,911,731 |
| Other Comprehensive Income /(Loss) | - | - | - | - | (35,558,448) | (35,558,448) |
| **Balance as on June 30, 2018** | **2,254,460,000** | **990,799,620** | **928,700,587** | **4,472,004,876** | **(21,724,236)** | **8,624,240,847** |

# IFAD Autos Limited
## Statement of Changes in Equity
For the year ended June 30, 2017

| Particulars | Amount in Taka | | | | | |
|---|---|---|---|---|---|---|
| | Ordinary Share Capital | Share Premium | Revaluation Surplus | Retained Earnings | Unrealized Gain/(Loss) | Total |
| Balance as on July 01, 2016 | 1,495,000,000 | 388,330,508 | 1,004,201,992 | 2,125,033,443 | 6,164,422 | 5,018,730,365 |
| Stock Dividend | 59,800,000 | - | - | (59,800,000) | - | - |
| Cash Dividend | - | - | - | (72,353,125) | - | (72,353,125) |
| Depreciation on Revaluation transfer to Retained Earnings | - | - | (2,444,392) | 2,444,392 | - | - |
| Deferred Tax Income/(Expenses) on Revaluation Surplus during the year | - - | - | 611,097 | - | - | 611,097 |
| Profit after Income Tax for the year | - | - | - | 1,047,812,611 | - | 1,047,812,611 |
| Other Comprehensive Income /(Loss) | - | - | - | - | 7,669,790 | 7,669,790 |
| **Balance as on June 30, 2017** | **1,554,800,000** | **388,330,508** | **1,002,368,697** | **3,043,137,321** | **13,834,212** | **6,002,470,738** |

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

Signed as per our separate report on same date.

Place : Dhaka
Dated: September 29, 2018

Ahmed Zaker & Co.
Chartered Accountants

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# IFAD Autos Limited
## Statement of Cash Flows
For the year ended June 30, 2018

| Particulars | Notes | Amount in Taka | |
|---|---|---|---|
| | | 2017-2018 | 2016-2017 |
| **Cash flow from operating activities:** | | | |
| Cash receipts from customers and others | 41.00 | 10,685,194,237 | 7,986,225,224 |
| Cash payment to suppliers and employees | 42.00 | (12,323,996,608) | (8,646,674,677) |
| **Cash generated from operations** | | **(1,638,802,371)** | **(660,449,453)** |
| Financial expenses | | (296,922,550) | (234,197,291) |
| Income tax paid during the year | | (497,378,206) | (348,189,920) |
| **Net cash used to operating activities: (A)** | | **(2,433,103,127)** | **(1,242,836,664)** |
| **Cash flow from investing activities:** | | | |
| Payment for property, plant and equipment | | (189,785,530) | (152,116,629) |
| Sale of property, plant and equipment | | 220,034,800 | - |
| Advance against office floor purchase | | (22,000,000) | - |
| Construction WIP | | (340,560,514) | (39,009,836) |
| Investment in shares | | 232,000,255 | 26,763,274 |
| Dividend income | | 1,044,773 | 7,984,622 |
| Realised gain/(loss) on investment in shares | | (12,453,810) | (29,353,577) |
| **Net cash used to investing activities: (B)** | | **(111,720,026)** | **(185,732,147)** |
| **Cash flow from financing activities:** | | | |
| Long term bank loan (paid)/received-Net | | (255,265,393) | 474,200,772 |
| Leasehold obligation (paid)/received -Net | | 1,536,974,388 | 1,633,208,335 |
| Proceed from issuance of share capital (Rights) | | 621,920,000 | - |
| Share premium received | | 621,920,000 | - |
| Rights issue expenses | | (19,450,888) | - |
| Security deposits (Dealer) | | (1,645,000) | (30,000) |
| Unallocated IPO and Rights shares subscription-Net | | 262,976 | (83,400) |
| Dividend paid | | (121,837,352) | (71,641,658) |
| Short term bank loan (paid)/received-Net | | 1,440,765,921 | (635,681,501) |
| **Net cash provided by financing activities: (C)** | | **3,823,644,652** | **1,399,972,548** |
| **Net cash inflow/ outflow( A+B+C)** | | 1,278,821,499 | (28,596,263) |
| Cash & cash equivalents at the beginning of the year | | 1,542,725,864 | 1,571,322,128 |
| **Cash & cash equivalents at the end of the year** | | **2,821,547,363** | **1,542,725,864** |
| **Net operating cash flow per share** | | **(10.98)** | **(7.99)** |

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

Signed as per our separate report on same date.

Place : Dhaka
Dated: September 29, 2018

Ahmed Zaker & Co.
Chartered Accountants

# IFAD AUTOS LIMITED

## Notes to the Financial Statements

For the year ended June 30, 2018

**1.00 Background and Introduction**

**1.01 Formation and Legal Status:**

IFAD Autos Limited (hereinafter referred to as "The Company") was incorporated on February 17, 1988, vide Registration No. C-17301 (101) of 1988 as a Private Limited Company in Bangladesh under the Companies Act, 1913. The Company was converted into a Public Limited Company on September 30, 2011. The Company floated its share to the public through IPO in December 2014 and the Company listed in Dhaka Stock Exchange on January 18, 2015 & Chittagong Stock Exchange on January 17, 2015. The registered office and principal place of business of the company is located at Sonartori Tower (14th-18th Floor), 12 Biponon C/A, Sonargaon Road, Dhaka-1000, Bangladesh.

**1.02 Nature of Business:**

The Company carries out the business of dealings in vehicles with different sectors of Bangladesh. The Company imports different models of complete Ashok Leyland's Indian Vehicles as well as imports CKD & Spares from Ashok Leyland and assemble, body building locally to promote in Bangladesh. The Company also deals in Farmtrac brand agri machineries and the related spares imported from Escorts Limited and market the same in Bangladesh.

**2.00 Summary of Significant Accounting Policies and Disclosures**

**2.01 Basis of Accounting:**

These Financial Statements prepared under the historical cost convention and in accordance with the requirements of the Companies Act, 1994 and the Bangladesh Accounting Standards (BASs), Bangladesh Financial Reporting Standards (BFRSs) as applicable to this Company. The Board of Directors is responsible for preparing and presenting the financial statements including adequate disclosures, which approved and authorized for issue of this financial statements.

**2.02 Statement on Compliance with local Laws and Regulations:**

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1994, The Securities and Exchange Rules, 1987, The Securities and Exchange Ordinance, 1969, The Income Tax Ordinance, 1984, The Income Tax Rules, 1984, The Value Added Tax Act, 1991 and The Value Added Tax Rules, 1991.

**2.03 Statement on Compliance of Bangladesh Accounting Standards:**

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

The following BAS is applicable to the financial statements for the year under review:

| Name of the accounting standards | Ref. No. | Status of Application |
|---|---|---|
| Presentation of Financial Statements | BAS 1 | Applied |
| Inventories | BAS 2 | Applied |
| Statement of Cash Flows | BAS 7 | Applied |
| Accounting Policies, Changes in Accounting Estimates and Errors | BAS 8 | Applied |
| Events after the Reporting period | BAS 10 | Applied |
| Income Taxes | BAS 12 | Applied |
| Property, Plant and Equipment | BAS 16 | Applied |
| Leases | BAS 17 | Applied |
| Employee Benefits | BAS 19 | Applied |
| The Effect of Change in Foreign Exchange Rates | BAS 21 | Applied |
| Borrowing Costs | BAS 23 | Applied |
| Related Party Disclosures | BAS 24 | Applied |
| Financial Instruments: Presentation | BAS 32 | Applied |
| Earnings per Share | BAS 33 | Applied |
| Impairment of Assets | BAS 36 | Applied |

| Name of the accounting standards | Ref. No. | Status |
|---|---|---|
| Provisions, Contingent Liabilities and Contingent Assets | BAS 37 | Applied |
| Financial Instrument: Recognition and Measurement | BAS 39 | Applied |
| First Time Adoption of International Financial Reporting Standards | BFRS 1 | Applied |
| Non-current Assets Held for sale and Discontinued Operations | BFRS 5 | Applied |
| Financial Instruments: Disclosure | BFRS 7 | Applied |
| Operating Segments | BFRS 8 | Applied |
| Revenue from Contracts with Customers | BFRS 15 | Applied (Early Adoption) |

**2.04 Structure Contents and Presentation of Financial Statements:**

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

i) Statement of Financial Position as at June 30, 2018.

ii) Statement of Profit or Loss and Other Comprehensive Income for the year ended June 30, 2018.

iii) Statement of Changes in Equity for the year ended June 30, 2018.

iv) Statement of Cash Flows for the year ended June 30, 2018.

v) Notes, comprising a summary of significant accounting policies and other explanatory information.

**2.05 Comparative Information:**

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

**2.06 Leases**

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

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

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

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

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

In accordance with the guidelines in BAS-37 "Provisions, Contingent Liabilities and Contingent Assets", provisions are recognized in the following situations:

- When the company has a present obligation as a result of past events.
- When it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation.
- When a reliable estimate can be made of the amount of the obligation.

**2.08 Accruals & Deferrals:**

Deferrals and accruals have been made as per the guidance in BAS-I "Presentation of Financial Statements". In order to meet their objectives, Financial Statements, except for the Statement of Cash Flows and related information, are prepared on accrual basis of accounting. Under the basis the effects of transactions and other events are recognized when they occur (and not when cash or its equivalent is received or paid) and they are recorded in the accounting records and reported in the Financial Statements of the year to which they relate.

**2.09 Going Concern:**

As per BAS-1 a company is required to make assessment at the end of each year to assess its capability to continue as going concern. Management of the Company makes such assessment each year. The company has adequate resources to continue in operation for the foreseeable future and has wide coverage of its liabilities. For this reason the Directors continue to adopt the going concern assumption while the financial statements are prepared.

**2.10 Financial Instruments:**

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

**Financial assets:**

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

**Financial liability:**

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

**2.11 Impairment:**

**I) Financial Assets:**

Accounts receivable and others receivable are assessed at each reporting date to determine whether there is any objective evidence of impairment. Financial assets are impaired if objective indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Objective evidence that financial assets are impaired can include default of delinquency by a debtor, indicates that a debtor of issuer will enter bankruptcy etc.

**II) Non-Financial assets:**

An asset is impaired when its carrying amount exceeds its recoverable amount. The company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exits, the company estimates the recoverable amount of the asset. The recoverable amount of an asset is the higher of its fair value less cost to sell and its value in use. Carrying amount of the assets is reduced to its recoverable amount by recognizing an impaired loss is recognized immediately in the statement of profit or loss and other comprehensive income unless the asset is carried at revalued amount. Any impaired loss of a revalued asset treated as a revaluation decrease. During the year no impaired loss occurred to recognize in the Financial Statements.

**2.12 Cash and Cash Equivalents and Statement of Cash Flows:**

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

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

**2.13 Related Party Disclosures:**

The Company in normal course of business carried out a number of transactions with directors/entities that fall within the definition of related party contained in Bangladesh Accounting Standard 24: "Related Party Disclosures." The disclosure relating to related parties have been shown in note # 45.

**2.14 Events after the Reporting period:**

In compliance with the requirements of BAS 10: Adjusting Events after the reporting year, "Post Balance Events" that provide additional information about the company's position at the balance date are reflected in the financial statements and events after the balance sheet date that are not adjusting events are disclosed in the notes when material.

**2.15 Revenue Recognition:**

**Revenue recognition as per BFRS-15 (Early Adoption)**

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

"BFRS 15 is a 5-steps approach to revenue recognition:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation"

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

**Warranty:**

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

**2.16 Property, Plant and Equipment:**

**2.16.01 Recognition and Measurement:**

Property, Plant and Equipment (including assets acquired under finance lease) are capitalized at cost of acquisition and subsequently stated at cost /revalued amount less depreciation in compliance with the requirements of BAS-16 "Property, Plant and Equipment". The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties non-refundable taxes and un-allocated expenditures etc. The land and land developments and building have been revalued by an in depended value to reflect fair value (prevailing market price) thereof following "Current Cost Method". The Company has adopted "Revaluation Model" for stating property, plant & equipment.

**2.16.02 Subsequent Expenditure:**

The Company recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred, it is probable that the future economic benefits embodied with the item will flow to company and the cost of the item can be measured reliably. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance is normally charged off as revenue expenditure in the year in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an additional cost of the assets. All other cost are recognized to the profit and loss account as expenses if incurred. All up-gradation/enhancement are generally charged off as revenue expenditure unless they bring similar significant additional benefits.

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**2.16.03 Disposal of Property, Plant and Equipment:**

On disposal of Property, Plant and Equipment, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the statement of profit or loss and other comprehensive income , which is determined with reference to the net book value of the assets and net sale proceeds.

**2.16.04 Depreciation of Property, Plant and Equipment:**

Depreciation is provided to amortize the cost or valuation of the assets after commissioning, over the year of their expected useful lives, in accordance with the provisions of BAS-16 "Property, Plant and Equipment". Depreciation is provided on all fixed assets except Land & Land development from the date when the related assets are available for use over the years appropriate to the estimated useful lives of the different types of assets at the following rates on reducing balance basis:

| Particular of Assets | Rate of Depreciation |
|---|---|
| Land & Land Developments | 0% |
| Buildings & Civil Construction | 5% |
| Flat | 2% |
| Tools & Equipment | 10% |
| Plant & Machinery | 10% |
| Furniture & Fixtures | 10% |
| Office Equipment | 10% |
| Electric Equipment | 10% |
| Motor Vehicles | 10% |

The fair value of the property, plant and equipment on 30.06.2018 is not materially differing with the carrying amount except the revaluation made as follows:

**Revaluation of Property, Plant and Equipment**

The Company made revaluation of its land and land developments and buildings on June 30, 2016 to reflect fair value of the property in terms of the prevailing market price of the properties. Details of revaluation are shown below :-

| Particulars of the Assets | Name of the Valuer | Qualification of the Valuer | Date of Revaluation | Carrying amount of Assets | Value of Assets after Revaluation | Revaluation Surplus |
|---|---|---|---|---|---|---|
| Land and Land developments | Mahfel Hoq & Co. | Chartered Accountants | June 30,2016 | 711,701,943 | 1,841,566,386 | 1,129,864,443 |
| Buildings & Civil Construction | Mahfel Hoq & Co. | Chartered Accountants | June 30,2016 | 393,225,600 | 442,113,434 | 48,887,834 |
| Flat | Mahfel Hoq & Co. | Chartered Accountants | June 30,2016 | 22,733,680 | 22,733,680 | - |
| **Total** | | | | **1,127,661,223** | **2,306,413,500** | **1,178,752,277** |

**2.17 Inventories:**

Inventories are valued at the lower of cost and net realizable value as per BAS-2 Initial costs of inventories consist of purchase price cost of conversion import duties and other non-refundable taxes and other costs incurred in bringing the inventories to their present location and condition Subsequent cost of inventory is assigned by using FIFO (First In First Out) cost formula. Net realizable value is based on estimated selling price less estimated cost for completion and selling expenses.

**2.18 Receivables:**

Trade Receivables are stated their real value and considered good. No provision has been made for doubtful debts and no amount was written off as bad.

**2.19 Advances, Deposits and Prepayments:**

Advances are initially measured at cost. After initial recognition advances are carried at cost less deductions or adjustments. Deposits are measured at payment value. Prepayments are initially measured at cost. After initial recognition prepayments are carried at cost less charges to the statement of Profit or Loss and other Comprehensive Income.

**2.20 Income Tax:**

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

**Current Tax**

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

**Deferred Tax**

Deferred tax liabilities are the amount of income taxes payable in future years in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future years in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or subsequently enacted at the financial statement date.

**2.21 Foreign Currency Transaction:**

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

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

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

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

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

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

**2.22 Employee Benefits**

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

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

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

**Provident Fund (PF):**

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

**Workers Profit Participation Fund (WPPF):**

During 2014-2015, the Company has introduced Worker Profit Participation Fund for its employees in accordance with provisions of **Bangladesh Labour Act 2006 Sec-232(1).**

**2.23 Earnings Per Share:**

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

**Basic Earnings per Share**

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

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

**2.24 Borrowing Costs:**

The borrowing cost were capitalized unless active development of related assets were interrupted or cease when the active development were cease the borrowing cost directly transferred to the expenses as per BAS-23 "Borrowing Costs".

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

**2.25 Non-current Assets Held for Sale and Discontinued Operations:**

The company shall classify a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. An entity shall measure a non-current asset (or disposal group) classified as held for sale at the lower of its carrying amount and fair value less costs to sell.

**2.26 Operating Segments**

An operating segment is a component of an entity

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

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

(C ) for which discrete financial information is available

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

(a) Its reported revenue

(b) The absolute amount of its reported profit or loss

(C ) Its assets are 10 percent or more of the combined assets of all operating segments

Detail disclosed in **Annexure number # G**

**2.27 Statements of Changes in Equity:**

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

**2.28 Interim Financial Reporting:**

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

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

**2.29 Capital Work-in-progress:**

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

**2.30 Net Asset Value per share (NAVPS):**

Net Asset Value per share (NAVPS) has been calculated by dividing net asset value reported in the statement of financial position by the number of ordinary shares in issue.

**3.00 General:**

Figures appearing in the financial statements have been rounded off to the nearest Taka.

**3.01 Reporting year:**

The Financial year of the company covers 12 months from July 01, 2017 to June 30, 2018.

**3.02 Financial & Reporting Currency:**

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

**3.03 Date of Authorization:**

These Financial Statements have been authorized for issue by the Board of Directors on September 29, 2018.

### 3.04 Risk Exposure:

An investment in equity shares involves a high degree of risk. The Company is operating in an industry involving both external and internal risk factors having direct as well as indirect effects on the investment by the investors. All the investors should carefully consider all of the information in these financial statements, including the risk factors, both external and internal, and management perception there about enumerated hereunder before making an investment decision. If any of following risks actually occurs, their business, result of operations and financial condition could suffer, the trading price of their equity shares decline, and investors may lose all or part of their investment.

#### 3.04.01 Interest rate risks:

Interest rate is concerned with borrowed funds of short term & long-term maturity. Interest rate risk is the risk that the Company faces due to unfavorable movements in the interest rates. Volatility in money market & increased demand for loans /investment funds raise the rate of interest. A change in the government's policy also tends to increase the interest rate. High rate of interest enhances the cost of fund of a company. Such rise in interest rates however mostly affect companies having floating rate loans.

**Management perception**

IFAD Autos Limited maintains a reasonable debt/ equity ratio; and accordingly, adverse impact of interest rate fluctuation will not adversely affect the Company's performance as such interest is recoverable from the customer. The project was started with the Company's own funds and the capacity was also expanded with own funds. Additionally, the management of the Company emphasizes on equity base financing to reduce the dependency on borrowing. Therefore, management perceives that the fluctuation of interest rate on borrowing would have little impact upon the performance of the Company.

#### 3.04.02 Exchange rate risks:

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

**Management perception**

The products of the company are sold against local currency and payments for raw materials are made mostly in foreign currency. The exchange rate of the country traditionally witnessed upward trends. If foreign exchange rate rises, it will affect the whole market of the commercial vehicles. The sales price of the commodities is adjusted for exchange fluctuation accordingly. Since, IAL has a good brand image in the market; exchange fluctuation will not affect its sales. Therefore, volatility of exchange rate will have little impact on profitability of the Company.

#### 3.04.03 Industry risks:

Industry risk refers to the risk of increased competition from foreign and domestic sources leading to lower prices, revenues, profit margin, and market share which could have an adverse impact on the business, financial condition and results of operation. Auto industry in Bangladesh is a flourishing sector with vast local demand for its different product lines.

**Management perception**

IFAD Autos Limited has established its brand name in commercial vehicles market with its quality products, range of products and customer services. However, to develop an infrastructure, both public and private sector participation is required. This is the focal point of IAL's future expansion plans that would reduce industry risk.

#### 3.04.04 Market and technology-related risks:

**Market risks**

Market risk refers to the risk of adverse market conditions affecting the sales and profitability of the Company. Mostly, the risk arises from falling demand for the product or service which would harm the performance of the company. On the other hand, strong marketing and brand management would help the company to increase their customer base.

**Management perception**

Market for imported commercial vehicles in Bangladesh is growing at an exponential rate with growth of urbanization and incremental income level of consumers along with their preference to convenience. In spite of high growth of this market, there is scarcity of investment in this sector which creates a

demand-supply enabling the Company to penetrate and capture the leading position with its unique branding and positioning strategy taking opportunity of this fast growing market.

**Technology-related Risks**

Technology always plays a vital role for the existence of any industrial concern, ensuring better services to the customers and minimizing the cost in various aspects. The assembling facilities of the Company are based on currently available technology. Any invention of new and more cost involving technology may cause technological obsolescence and negative operational efficiency. Any serious defects in the plant and machinery may affect production and profitability calling for additional investment for replacement.

**Management perception**

The key to securing market share in trading of commercial vehicles is by satisfying the needs of the customers. IFAD Autos Limited utilizes its Market Research Team that is continuously working for in-depth understanding of the customer needs and preferences and accordingly, arranging its product range.

**3.04.05 Potential or existing government regulations risks:**

The Company operates under Companies Act, 1994; Income-tax Ordinance, 1984; Income Tax Rules, 1984; Value Added Tax (VAT) Act, 1991 and Value Added Tax (VAT) Rules, 1991. Any abrupt changes of the policies made by the regulatory authorities may affect its activities.

**Management perception**

Unless any policy change that may negatively and materially affect the industry as a whole, the business of the Company is expected not to be affected significantly. Auto industry in Bangladesh is a flourishing sector with considerable local demand for different product lines. Therefore, it is highly unlikely that the Government will initiate any fiscal measure that may have adverse effect on the growth of the industry.

**3.04.06 Potential changes in global or national policies:**

The performance of the company may be affected by the political and economical instability, both in Bangladesh and worldwide. Any instance of political turmoil and disturbance in the country may adversely affect the economy in general.

**Management perception**

The Company can prosper in a situation of political stability and a congenial business environment. Political turmoil and disturbance are bad for the economy and so also for this sector. The Company is always aware of all types of turmoil and if the smooth supply of material is hampered or faces any kind of disruptions, it will supply it in future and try to keep its operations smooth.

**3.04.07 History of non-operation, if any:**

History of non operation indicates weak operational management of the Company. Non operation leads to negative cash flow, incurring of losses and bankruptcy in worst case scenario.

**Management perception**

The Company is in business since 1988. There is no history of non operation in business of the Company till now. The Company has an independent body which is operated by its Memorandum & Articles of Association and other applicable laws and regulations of the country. The financial strength of the Company is very satisfactory. The Directors of the Board are well reputed and experienced and the operation of the company is guided by a good team of professionals. The chance of non-operation of the business of the Company is negligible

**3.04.08 Operational Risks:**

Operational risks refer to the possibility of plant shut down due to disruption in supply of gas, technological failure, natural calamities, human errors and other unforeseen events. Such incidences may lead to non operation, large overhauling costs and financial losses.

The core business operation of IFAD Autos Limited is directly related to assembling and maintaining the products. Country wide severe power shortage is compelling IFAD Autos Limited to utilize captive power which builds up cost. Also port congestion and inland immobility due to political instability poses a great operational risk to IFAD Autos Limited.

**Management perception**

Bangladesh Government is meeting this challenge by opening the energy generation to private sector; and also making massive investment, which is expected to ensure availability of energy for uninterrupted operation. IFAD Autos Limited perceives that allocation of its resources properly with contingency approaches can reduce this risk factor to great extent.

**3.04.09 Input Cost Risks:**

Input cost risk is the risk of a business when procuring materials or commodities in high global demand. Increasing demand and supply shortages create volatility in these commodity values; and therefore, the timing, quantity and price of purchase must be closely planned.

**Management Perception**

Management of IFAD Autos Limited would hedge their exposure to input price volatility by adjusting its selling price.

**3.04.10 Distribution Risk:**

For any company, the most crucial wing is the distribution channel. Wide distribution network and monitoring over the network is essential to make its product available to the consumer at right time and price.

**Management perception**

IFAD Autos Limited offers a wide range of commercial vehicles in local market. Its distribution strategy comprises of distributors for local markets and distribution network of dealers and outlets for domestic market. IFAD Autos Limited plans to eliminate distribution risk implications by smartly planning its distribution network with great flexibility.

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| | | | Amount in Taka | |
|---|---|---|---|---|
| | | | June 30, 2018 | June 30, 2017 |
| **4.00** | **Property, Plant and Equipment : Tk. 2,596,253,798** | | | |
| | This is made up as follows: | | | |
| | **Particulars** | | | |
| | **Cost:** | | | |
| | Opening Balance | | 1,654,313,402 | 1,417,505,846 |
| | **Add:** Addition during the year | | 189,761,554 | 236,807,556 |
| | | | **1,844,074,956** | **1,654,313,402** |
| | **Less:** Disposal of Property, Plant and Equipment | | 127,759,962 | - |
| | **Closing Balance** | | **1,716,314,994** | **1,654,313,402** |
| | **Accumulated Depreciation on Cost:** | | | |
| | Opening Balance | | 176,069,184 | 134,495,891 |
| | **Add:** Charged during the year | | 50,666,606 | 41,573,293 |
| | | | **226,735,790** | **176,069,184** |
| | **Less:** Adjusted during the year | | 4,615,363 | - |
| | **Closing Balance** | | **222,120,427** | **176,069,184** |
| | **Revaluation:** | | | |
| | Opening Balance | | 1,183,980,827 | 1,183,980,827 |
| | Add: Addition during the year | | - | - |
| | | | **1,183,980,827** | **1,183,980,827** |
| | **Less:** Disposal of Property, Plant and Equipment | | 71,926,482 | - |
| | **Closing Balance** | | **1,112,054,345** | **1,183,980,827** |
| | **Accumulated Depreciation on Revaluation:** | | | |
| | Opening Balance | | 7,672,942 | 5,228,550 |
| | **Add:** Charged during the year | | 2,322,172 | 2,444,392 |
| | | | **9,995,114** | **7,672,942** |
| | **Less:** Adjusted during the year | | - | - |
| | **Closing Balance** | | **9,995,114** | **7,672,942** |
| | **Written Down Value as at June 30, 2018** | | **2,596,253,798** | **2,654,552,103** |
| | The details Schedule of Property, Plant & Equipment are shown in attached **Annexure- A.** | | | |
| **5.00** | **Construction WIP : Tk. 266,111,564** | | | |
| | This is made up as follows: | | | |
| | **Particulars** | | | |
| | Opening Balance | | 39,009,836 | 30,137,061 |
| | **Add:** Under construction building at Tejgaon C/A | | 159,047,305 | 39,009,836 |
| | **Add:** Civil & Steel Works: Expansion of Assembling Unit | | 39,457,894 | - |
| | **Add:** Civil & Steel Works: Expansion of Body Building Unit | | 19,010,526 | - |
| | **Add:** Machinery & Equipment's: Expansion of AU, BBU, CMU | | 9,586,003 | - |
| | | | **266,111,564** | **69,146,897** |
| | **Less:** Transferred to Property, Plant and Equipment | | - | 30,137,061 |
| | **Total:** | | **266,111,564** | **39,009,836** |
| **6.00** | **Investment in Shares: Tk. 56,000,000** | | | |
| | Bangla Industries Limited | | 26,000,000 | 26,000,000 |
| | Ifad Salt & Chemical Limited | | 30,000,000 | 30,000,000 |
| | **Total** | | **56,000,000** | **56,000,000** |
| **7.00** | **Inventories: Tk.1,447,449,917** | | | |
| | This is made up as follows: | | | |
| | **Particulars** | | | |
| | Imported vehicles | Note: 7.01 | 1,098,895,070 | 1,068,899,229 |
| | Assembling Vehicles | Note: 7.02 | 348,554,847 | 59,311,490 |
| | **Total:** | | **1,447,449,917** | **1,128,210,719** |

| | | Amount in Taka | |
|---|---|---|---|
| | | June 30, 2018 | June 30, 2017 |
| **7.01** | **Inventories (Imported Vehicles): Tk.1,098,895,070** | | |
| | This is made up as follows: | | |
| | **Particulars** | | |
| | Imported Vehicles June 30, 2018: 948 Nos (June 30, 2017: 799 Nos) | 1,098,895,070 | 1,068,899,229 |
| | **Total:** | **1,098,895,070** | **1,068,899,229** |
| **7.02** | **Inventories (Assembling Vehicles): Tk.348,554,847** | | |
| | This is made up as follows: | | |
| | **Particulars** | | |
| | Finished Vehicles June 30, 2018: 117 Nos (June 30, 2017: 16 Nos) | 192,057,271 | 55,638,012 |
| | Work-in-Process | 73,341,326 | 3,673,478 |
| | Raw Materials | 83,156,250 | - |
| | **Total:** | **348,554,847** | **59,311,490** |
| **8.00** | **Accounts Receivable & Others Receivable: Tk. 19,735,516,498** | | |
| | This is made up as follows: | | |
| | **Particulars** | | |
| | Accounts Receivable | 19,699,385,805 | 15,277,918,632 |
| | Others Receivable | 36,130,693 | 25,263,151 |
| | **Total:** | **19,735,516,498** | **15,303,181,783** |

| **Particulars** | **Accounts Receivable** | **Others Receivable** | | |
|---|---|---|---|---|
| Dues within three months | 2,421,920,903 | 16,754,915 | 2,438,675,818 | 1,671,352,011 |
| Dues over three months but within six months | 2,469,274,002 | 5,060,739 | 2,474,334,741 | 1,709,249,887 |
| Dues over six months | 14,808,190,900 | 14,315,039 | 14,822,505,939 | 11,922,579,885 |
| **Total:** | **19,699,385,805** | **36,130,693** | **19,735,516,498** | **15,303,181,783** |

**Classification schedule as required by Schedule XI of Companies Act 1994 is as follows:**

| | | |
|---|---|---|
| i) Accounts Receivable considered good in respect of which the company is fully secured | - | - |
| ii) Accounts Receivable considered good in respect of which the company holds no security other than the debtor's personal security | 19,699,385,805 | 15,277,918,632 |
| iii) Accounts Receivable considered doubtful or bad | - | - |
| iv Accounts Receivable due by any director or other officer of the company | - | - |
| v) Accounts Receivable due by Common management | - | - |
| vi) The maximum amount of receivable due by any director or other officer of the company | - | - |
| **Total:** | **19,699,385,805** | **15,277,918,632** |

| | | | |
|---|---|---|---|
| **9.00** | **Investment in Shares: Tk. 103,693,304** | | |
| | This is made up as follows: | | |
| | **Particulars** | | |
| | Marketable Securities: Cost Value | 127,831,344 | 359,831,599 |
| | Unrealized Gain/(Loss) on Investment on Marketable Securities | (24,138,040) | (9,807,529) |
| | Marketable Securities: Market Value | **103,693,304** | **350,024,070** |
| | The details schedule of investment in shares are shown in attached **Annexure-B.** | | |

| | | | Amount in Taka | |
|---|---|---|---|---|
| | | | June 30, 2018 | June 30, 2017 |
| **10.00** | **Advances, Deposits & Prepayments: Tk.1,954,030,552** | | | |
| | This is made up as follows: | | | |
| | **Particulars** | | | |
| | Advance Income Tax | Note: 10.01 | 1,068,615,752 | 762,742,450 |
| | Advance against Property, Plant & Equipment | | 41,155,546 | 36,131,570 |
| | Advance against House Rent | | 33,917,337 | 32,215,066 |
| | Advance against Salary | | 6,553,118 | 8,420,522 |
| | Advance against Office Floor | | 22,000,000 | - |
| | Advance against L/C for Import | | 498,058,736 | 153,300,396 |
| | Advance against Construction WIP | | 113,458,786 | - |
| | Other Advances | | 97,811,330 | 20,083,115 |
| | VAT Current Account | | 36,585,543 | 5,549,684 |
| | Security Deposit | Note: 10.02 | 35,874,404 | 29,680,369 |
| | **Total:** | | **1,954,030,552** | **1,048,123,172** |
| **10.01** | **Advance Income Tax: TK. 1,068,615,752** | | | |
| | This is made up as follows: | | | |
| | **Particulars** | | | |
| | Advance Income Tax-2011-12 | | 325,872 | 325,872 |
| | Advance Income Tax-2013-14 | | 622,869 | 622,869 |
| | Advance Income Tax-2014-15 | | 6,200,000 | 170,692,804 |
| | Advance Income Tax-2015-16 | | 229,655,706 | 255,467,806 |
| | Advance Income Tax-2016-17 | | 345,374,728 | 335,633,099 |
| | Advance Income Tax-2017-18 | Note: 10.01A | 486,436,577 | - |
| | **Total:** | | **1,068,615,752** | **762,742,450** |
| **10.01A** | **Advance Income Tax (2017-18): Tk. 486,436,577** | | | |
| | This is made up as follows: | | | |
| | **Particulars** | | | |
| | Advance Income Tax on Import Vehicle | | 378,627,631 | 307,082,410 |
| | Advance Income Tax on Import CKD, Cabin & Spare parts on Assembling Plant | | 85,397,882 | 1,659,103 |
| | Advance Income Tax on Import Machinery | | - | 288,434 |
| | Advance Income Tax on Car | | 848,000 | 475,000 |
| | Advance Income Tax through A/C Payee Cheque | | 4,000,000 | 11,000,000 |
| | Advance Income Tax on Placement Share | | - | 157,000 |
| | Advance Income Tax on Land Sale | | 3,367,110 | - |
| | TDS on FDR Interest | | 6,422,848 | 10,522,859 |
| | TDS on STD Interest | | 578,446 | 542,772 |
| | TDS on CD Interest | | 2,752,510 | 49,723 |
| | TDS on Sales of vehicles | | 4,077,195 | 2,183,883 |
| | TDS on Income from rent | | 156,000 | 75,000 |
| | TDS on Dividend Income | | 208,955 | 1,596,915 |
| | **Total:** | | **486,436,577** | **335,633,099** |
| **10.02** | **Security Deposits: Tk. 35,874,404** | | | |
| | This is made up as follows: | | | |
| | **Particulars** | | | |
| | Lease Deposit | | 27,900,644 | 26,978,109 |
| | Earnest Money | | 6,178,000 | 906,500 |
| | Others Security Deposit | | 1,795,760 | 1,795,760 |
| | **Total:** | | **35,874,404** | **29,680,369** |

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| | | | Amount in Taka | |
|---|---|---|---|---|
| | | | June 30, 2018 | June 30, 2017 |
| **11.00** | **Cash & Cash Equivalents: Tk. 2,821,547,363** | | | |
| | This is made up as follows: | | | |
| | **Particulars** | | | |
| | Cash in Hand | | 25,425,989 | 23,671,976 |
| | Cash at Bank | Note: 11.01 | 2,796,121,374 | 1,519,053,888 |
| | **Total:** | | **2,821,547,363** | **1,542,725,864** |
| **11.01** | **Cash at Bank: Tk. 2,796,121,374** | | | |
| | This is made up as follows: | | | |
| | **Particulars** | | | |
| | CD Accounts | Annexure-C | 1,041,186,985 | 148,981,942 |
| | STD Accounts | Annexure-D | 533,497,037 | 322,430,582 |
| | FDR | Annexure-E | 1,221,189,968 | 1,047,351,022 |
| | Balance with Brokerage House | | 247,384 | 290,342 |
| | **Total:** | | **2,796,121,374** | **1,519,053,888** |
| **12.00** | **Non-Current Assets Held for Sale: Tk. Nil** | | | |
| | This is made up as follows: | | | |
| | **Particulars** | | | |
| | **Carrying Amount of Land and land development:** | | - | **113,959,743** |
| | Cost | | - | 26,145,220 |
| | Revaluation | | - | 87,814,523 |
| | Fair Value of land and land development: | | - | 53,223,916 |
| | **Less:** Cost to sale | | - | - |
| | **Net Fair Value** | | - | **53,223,916** |
| | Non-Current Assets held for sale shall be Lower of | | | |
| | Carring Value and fair value less costs to sell | | - | 53,223,916 |
| | **Gain/(Loss) for Classification of Non-current assets held for sale** | | - | **(60,735,827)** |
| | Gain/(Loss) recognized in Statement of Profit or Loss | | - | 27,078,696 |
| | Derecognition of revaluation surplus | | - | (87,814,523) |
| | **Capital Gain Tax @ 15%** | | - | **4,061,804** |
| | **Post Tax Profit** | | - | **23,016,892** |

The company has sold the 452.5 dec. land on October 04, 2017 which was recognized under non-current assets held for sale.

| | | | |
|---|---|---|---|
| **13.00** | **Ordinary Share Capital: Tk. 2,254,460,000** | | |
| | This is made up as follows: | | |
| | **Authorized Share Capital** | | |
| | 300,000,000 Ordinary Shares of Tk. 10 each | 3,000,000,000 | 2,000,000,000 |
| | | **3,000,000,000** | **2,000,000,000** |
| | **Issued, Subscribed & Paid- up Capital** | | |
| | Opening Balance | 1,554,800,000 | 1,495,000,000 |
| | Stock Dividend | 77,740,000 | 59,800,000 |
| | Issue of Rights Shares | 621,920,000 | - |
| | **Total:** | **2,254,460,000** | **1,554,800,000** |

**The aforesaid share capital is subscribed as under:**

| Name | No. of Shares | Holding (%) | Amount (Tk.) | Amount (Tk.) |
|---|---|---|---|---|
| Sponsors/Directors | 141,516,665 | 62.77% | 1,415,166,650 | 975,977,000 |
| Institutions | 34,736,091 | 15.41% | 347,360,910 | 288,882,190 |
| Foreign | 10,790,478 | 4.79% | 107,904,780 | 835,200 |
| General Public | 38,402,766 | 17.03% | 384,027,660 | 289,105,610 |
| **Total:** | **225,446,000** | **100%** | **2,254,460,000** | **1,554,800,000** |

| | Amount in Taka | |
|---|---|---|
| | June 30, 2018 | June 30, 2017 |

During the year Paid-up Capital has been increased to Taka 2,254,460,000 through allotment of Rights Shares (2R:5) dated January 03, 2018 according to Bangladesh Securities and Exchange Commission approval for issuance of Rights Shares vide letter no. BSEC/CI/RI-113/2017/535 September 26, 2017 and allotment of Bonus Shares @ 5% dated December 10, 2017.

**History of share capital**

| Allotment | Date of Allotment | Number of Shares Issued | | | 30.06.2018 | |
|---|---|---|---|---|---|---|
| | | Consideration in Cash | Bonus Share | Total | Paid-up Capital (Nos) | Paid-up Capital (Tk.) |
| Subscription | 17-02-88 | 10,000 | | 10,000 | 10,000 | 100,000 |
| Bonus Issue | 20-04-03 | | 990,000 | 990,000 | 1,000,000 | 10,000,000 |
| Fresh Issue | 31-10-10 | 9,000,000 | | 9,000,000 | 10,000,000 | 100,000,000 |
| Bonus Issue | 16-02-11 | | 20,000,000 | 20,000,000 | 30,000,000 | 300,000,000 |
| Fresh Issue | 16-02-11 | 20,000,000 | | 20,000,000 | 50,000,000 | 500,000,000 |
| Bonus Issue | 11-03-13 | | 12,500,000 | 12,500,000 | 62,500,000 | 625,000,000 |
| Bonus Issue | 28-10-13 | | 31,250,000 | 31,250,000 | 93,750,000 | 937,500,000 |
| IPO Issue | 24-12-14 | 21,250,000 | | 21,250,000 | 115,000,000 | 1,150,000,000 |
| Bonus Issue | 04-01-16 | | 34,500,000 | 34,500,000 | 149,500,000 | 1,495,000,000 |
| Bonus Issue | 12-01-17 | | 5,980,000 | 5,980,000 | 155,480,000 | 1,554,800,000 |
| Rights Shares Issue | 03-01-18 | 62,192,000 | - | 62,192,000 | 225,446,000 | 2,254,460,000 |
| Bonus Issue | 04-01-18 | | 7,774,000 | 7,774,000 | 163,254,000 | 1,632,540,000 |
| **Total** | **487,826** | **112,452,000** | **112,994,000** | **225,446,000** | **225,446,000** | **2,254,460,000** |

**Classification of shares by holding:**

| Class by number of shares | 30.06.2018 | | | 30.06.2017 | | |
|---|---|---|---|---|---|---|
| | No of Shareholder | No. of Share | Holding (%) | No of Shareholder | No. of Share | Holding (%) |
| 0-500 | 4,933 | 1,006,295 | 0.45% | 3,957 | 738,107 | 0.47% |
| 500-5000 | 3,217 | 5,807,084 | 2.58% | 2,277 | 4,261,799 | 2.74% |
| 5001-10000 | 508 | 3,729,475 | 1.65% | 372 | 2,821,962 | 1.82% |
| 10001-20000 | 259 | 3,775,094 | 1.67% | 229 | 3,479,855 | 2.24% |
| 20001-30000 | 107 | 2,682,925 | 1.19% | 101 | 2,574,938 | 1.66% |
| 30001-40000 | 53 | 1,869,729 | 0.83% | 52 | 1,808,666 | 1.16% |
| 40001-50000 | 44 | 2,039,674 | 0.90% | 26 | 1,208,522 | 0.78% |
| 50001-100000 | 71 | 5,294,128 | 2.35% | 72 | 5,563,288 | 3.58% |
| 100001-1000000 | 100 | 23,709,523 | 10.52% | 65 | 20,305,233 | 13.06% |
| Above 1000000 | 19 | 175,532,073 | 77.86% | 12 | 112,717,630 | 72.50% |
| **Total** | **9,311** | **225,446,000** | **100%** | **7,163** | **155,480,000** | **100%** |

**14.00 Share Premium: Tk. 990,799,620**

This is made up as follows:

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

**15.00 Revaluation Surplus: Tk. 928,700,587**

This is made up as follows:

| Particulars | | |
|---|---|---|
| Opening Balance | 1,002,368,697 | 1,004,201,992 |
| **Less:** Depreciation on revaluation transfer to retained earnings | (2,322,172) | (2,444,392) |
| **Add/(Less):** Deferred Tax Income/(Expenses) on revaluation surplus during the year | 580,544 | 611,097 |
| **Less:** Transfer of revaluation surplus to retained earnings for sale of land | (71,926,482) | - |
| **Closing Balance:** | **928,700,587** | **1,002,368,697** |

| | | Amount in Taka | |
|---|---|---|---|
| | | June 30, 2018 | June 30, 2017 |
| **16.00** | **Retained Earnings: Tk. 4,472,004,876** | | |
| | This is made up as follows: | | |
| | **Particulars** | | |
| | Opening Balance | 3,043,137,321 | 2,125,033,443 |
| | **Add:** Profit after Income Tax during the year | 1,553,911,731 | 1,047,812,611 |
| | **Add:** Transfer of revaluation surplus to retained earnings for sale of land | 71,926,482 | - |
| | **Add:** Depreciation on revaluation surplus | 2,322,172 | 2,444,392 |
| | **Less:** Stock dividend | (77,740,000) | (59,800,000) |
| | **Less:** Cash dividend | (121,552,830) | (72,353,125) |
| | **Closing Balance:** | **4,472,004,876** | **3,043,137,321** |
| **17.00** | **Unrealized Gain/(Loss): Tk. -21,724,236** | | |
| | Unrealized loss arrived on marketable Securities | | |
| | **Particulars** | | |
| | Opening Balance | 13,834,212 | 6,164,422 |
| | Add/(Loss) during the year | (35,558,448) | 7,669,790 |
| | **Closing Balance:** | **(21,724,236)** | **13,834,212** |
| **18.00** | **Deferred Tax Liability: Tk. 221,923,362** | | |
| | This is made up as follows: | | |
| | **Particulars** | | |

| Particulars | Carrying Amount Asset/(Liability) | Tax Base | Temporary Difference | Rate of Tax | Deferred Tax (Assets) / Liabilities | Deferred Tax (Assets) / Liabilities |
|---|---|---|---|---|---|---|
| Property, Plant & Equipment-Cost | 1,494,194,567 | 1,275,729,947 | 218,464,620 | 25% | 54,616,155 | 35,313,984 |
| **Sub Total (a)** | **1,494,194,567** | **1,275,729,947** | **218,464,620** | | **54,616,155** | **35,313,984** |
| **Property, Plant & Equipment Revaluation:** | | | | | | |
| Land & Land Development | 1,057,937,961 | - | 1,057,937,961 | 15% | 158,690,694 | 169,479,666 |
| Building & Civil Construction | 44,121,270 | - | 44,121,270 | 25% | 11,030,317 | 11,610,861 |
| **Sub Total (b)** | **1,102,059,231** | **-** | **1,102,059,231** | | **169,721,011** | **181,090,527** |
| **Other Comprehensive Income /(loss):** | | | | | | |
| Unrealized Gain/ (Loss) on Investment on Marketable Securities | (24,138,040) | - | (24,138,040) | 10% | (2,413,804) | 4,611,404 |
| **Sub Total (c)** | **(24,138,040)** | **-** | **(24,138,040)** | | **(2,413,804)** | **4,611,404** |
| **Total Deferred Tax (Assets)/Liabilities (a+b+c)** | **2,572,115,758** | **1,275,729,947** | **1,296,385,811** | | **221,923,362** | **221,015,914** |

| | | |
|---|---|---|
| **Deferred Tax (Income)/Expenses recognized in Statement of Profit or Loss:** | | |
| Closing Deferred Tax Liability | 54,616,155 | 35,313,984 |
| **Less:** Opening Deferred Tax Liability | 35,313,984 | 13,161,198 |
| **Deferred Tax (Income)/Expenses** | **19,302,171** | **22,152,786** |
| **Deferred Tax (Income)/Expenses recognized in Revaluation Surplus:** | | |
| Closing Deferred Tax Liability | 169,721,011 | 181,090,527 |
| **Less:** Opening Deferred Tax Liability | 181,090,527 | 181,701,624 |
| **Add:** Deferred Tax Liability transfer to provision for income tax for sale of land | 10,788,972 | - |
| **Deferred Tax (Income)/Expenses** | **(580,544)** | **(611,097)** |

| | | | Amount in Taka | |
|---|---|---|---|---|
| | | | June 30, 2018 | June 30, 2017 |
| | **Deferred Tax (Income)/Expenses recognized in Other Comprehensive Income /(loss):** | | | |
| | Closing Deferred Tax Liability/(Asset) | | (2,413,804) | 4,611,404 |
| | **Less:** Opening Deferred Tax Liability | | 4,611,404 | 2,054,808 |
| | **Deferred Tax (Income)/Expenses** | | **(7,025,208)** | **2,556,596** |
| **19.00** | **Security Deposits (Dealer): Tk. 13,250,000** | | | |
| | This is made up as follows: | | | |
| | **Particulars** | | | |
| | Arpa Traders | | 50,000 | 50,000 |
| | Khan Motors | | 50,000 | 50,000 |
| | Land Mark Auto Mobile | | 100,000 | 100,000 |
| | M.R Enterprise | | 200,000 | 200,000 |
| | R.M Motors | | 50,000 | 50,000 |
| | Tutul Motors | | 20,000 | 20,000 |
| | Alam Transport | | 80,000 | 80,000 |
| | Delight Auto Network | | 100,000 | - |
| | Eastern Paribahan | | 930,000 | 930,000 |
| | Islam Enterprise | | 70,000 | 70,000 |
| | Khan Enterprise | | 560,000 | 885,000 |
| | Khan Motors | | 250,000 | 250,000 |
| | KSK Traders | | 780,000 | 2,200,000 |
| | M Roshni Motors | | 5,000 | 5,000 |
| | M.R Enterprise | | 6,170,000 | 6,170,000 |
| | M.S Traders | | 420,000 | 420,000 |
| | Makshud Enterprise | | 110,000 | 110,000 |
| | Mohastan Motors | | 1,465,000 | 1,465,000 |
| | N.H Enterprise | | 340,000 | 340,000 |
| | Narail Trading Agencey | | 10,000 | 10,000 |
| | Orion Motors | | 535,000 | 535,000 |
| | Others | | 15,000 | 15,000 |
| | S.S Motors | | 495,000 | 495,000 |
| | Sangram Motors | | 180,000 | 180,000 |
| | Tutul Motors | | 265,000 | 265,000 |
| | **Total:** | | **13,250,000** | **14,895,000** |
| **20.00** | **Long Term Loans: Tk. 588,033,956** | | | |
| | This is made up as follows: | | | |
| | **Particulars** | | | |
| | Mercantile Bank Ltd | | - | 148,793,441 |
| | Union Capital Ltd. | | 32,191,793 | 39,702,069 |
| | Premier Leasing Ltd | | - | 119,527,510 |
| | Meridian Finance & Investment Ltd | | 87,869,628 | - |
| | Shahjalal Islami Bank Ltd | | 203,662,908 | 27,604,611 |
| | Social Islamic Bank Ltd. | | 264,654,963 | 301,587,380 |
| | Prime Finance & Investment Ltd. | | - | 175,991,807 |
| | Brac Bank Ltd. | | 118,329,841 | 148,767,708 |
| | | | **706,709,133** | **961,974,526** |
| | **Less:** Current Portion of Long term loans transferred to current liability | Note: 22.00 | 118,675,177 | 216,860,147 |
| | **Total:** | | **588,033,956** | **745,114,379** |

| | Amount in Taka | |
|---|---|---|
| | June 30, 2018 | June 30, 2017 |

**21.00 Leasehold Obligations: Tk. 7,375,241,258**

This is made up as follows:

**Particulars**

| Bank Name | Types of A/C | Branch | Account No. | 30.06.2018 | 30.06.2017 |
|---|---|---|---|---|---|
| Al Arafah Islami Bank Ltd. | Lease | Mouchak | Various | 776,536,184 | 752,847,563 |
| Bank Asia Ltd. | Lease | Corporate Br. | Various | 604,712,573 | 674,051,174 |
| Brac Bank Ltd. | Lease | Head Office | Various | 836,528,500 | 837,518,183 |
| City Bank Ltd. | Lease | Kawranbazar | Various | 378,222,696 | 189,544,635 |
| Commercial Bank of Ceylon | Lease | Motijheel Br. | Various | 312,294,312 | 148,937,214 |
| Dhaka Bank Ltd. | Lease | Moghbazar | Various | 401,431,125 | 260,598,961 |
| Dutch Bangla Bank Ltd. | Lease | Kawran Bazar | Various | 188,913,920 | 234,187,605 |
| Estern Bank Ltd. | Lease | Sonargaon Road | Various | 1,023,293,622 | 1,166,798,001 |
| EXIM Bank | Lease | Panthapath | Various | 18,363,417 | 29,760,784 |
| IDLC Finance Ltd. | Lease | Dilkusha | Various | 67,626,113 | 115,468,726 |
| IFIC Bank Ltd | Lease | Dhanmondi | Various | 71,775,377 | 154,269,313 |
| ILF Service Ltd. | Lease | Rajuk Avenue | Various | 20,425,196 | 28,108,968 |
| Jamuna Bank Ltd. | Lease | Sonargaon Road | Various | 349,955,860 | 318,674,091 |
| LankaBangla Finance Ltd. | Lease | Banani | Various | 60,079,387 | 79,622,752 |
| Mercantile Bank Ltd. | Lease | Satmasjid Road | Various | 572,906,225 | 639,664,975 |
| Midland Bank Ltd. | Lease | Gulshan | Various | 85,108,077 | - |
| Modhumoti Bank Ltd. | Lease | Motijheel | Various | 313,895,397 | 152,983,672 |
| National Finance Ltd. | Lease | Progoti Soroni | Various | 642,455,187 | 469,668,758 |
| National Housing Finance And Investment Ltd. | Lease | Corporate | Various | - | 11,414,198 |
| NCC Bank Ltd. | Lease | Dilkusha | Various | 272,315,080 | 351,926,070 |
| NRB Commercial Bank Ltd. | Lease | Principal | Various | 233,283,808 | 241,147,451 |
| One Bank Ltd. | Lease | Moghbazar | Various | 547,218,520 | 646,147,003 |
| Premier Bank Ltd. | Lease | Elephant Road. | Various | 386,759,218 | 457,665,293 |
| Premier Leasing & Finance Ltd. | Lease | Motijheel | Various | - | 3,218,738 |
| Prime Bank Ltd. | Lease | Kawran Bazar | Various | 907,016,562 | 386,923,967 |
| Pubali Bank Ltd. | Lease | Lab. Road | Various | 601,882,457 | 212,821,265 |
| Shahjalal Islami Bank Ltd. | Lease | Kawran Bazar | Various | 805,111,019 | 372,163,822 |
| Social Islamic Bank Ltd. | Lease | Panthapath | Various | 743,296,068 | 640,554,472 |
| SBAC Bank Ltd. | Lease | Principal | Various | 100,809,832 | 201,482,765 |
| Standard Bank Ltd. | Lease | Panthapath | Various | 305,890,326 | 351,004,771 |
| State Bank of India | Lease | Motijheel | Various | 60,651,186 | - |
| Trust Bank Ltd. | Lease | Kawranbazar | Various | 452,788,052 | 545,085,929 |
| United Commercial Bank Ltd. | Lease | Foreign Exchange | Various | 140,055,566 | 47,446,117 |
| Uttara Bank Ltd. | Lease | Corporate Br. | Various | 201,056,187 | 223,052,890 |
| | | | | **12,482,657,049** | **10,944,760,126** |
| **Less:** Current portion of Leasehold obligation transferred to Current Liability | | Note: 23.00 | | 5,107,415,791 | 5,150,024,823 |
| | | | | **7,375,241,258** | **5,794,735,303** |

**22.00 Current Portion of Long Term Loans: Tk. 118,675,177**

This is made up as follows:

| **Particulars** | | |
|---|---|---|
| Mercantile Bank Ltd | - | 43,589,128 |
| Union Capital Ltd. | 10,018,035 | 8,651,586 |
| Premier Leasing Ltd | - | 28,191,330 |
| Meridian Finance & Investment Ltd | 17,158,464 | - |
| Shahjalal Islami Bank Ltd | 13,062,726 | - |
| Social Islamic Bank Ltd. | 52,524,660 | 48,938,017 |
| Prime Finance & Investment Ltd. | - | 62,292,311 |
| Brac Bank Ltd. | 25,911,292 | 25,197,775 |
| **Current Portion of Long Term Loans** | **118,675,177** | **216,860,147** |

| | Amount in Taka | |
|---|---|---|
| | June 30, 2018 | June 30, 2017 |

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

**Summary of Term Loan are provided below:**

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

**23.00 Current Portion of Leasehold Obligations : Tk. 5,107,415,791**

This is made up as follows:

| Particulars | | |
|---|---|---|
| Al Arafah Islami Bank Ltd. | 395,855,243 | 436,049,048 |
| Bank Asia Ltd. | 266,589,296 | 323,116,024 |
| Brac Bank Ltd. | 334,554,478 | 393,618,172 |
| City Bank Ltd. | 152,315,153 | 97,104,064 |
| Commercial Bank of Ceylon | 134,504,333 | 87,975,215 |
| Dhaka Bank Ltd. | 137,388,206 | 125,142,198 |
| Dutch Bangla Bank Ltd. | 65,795,497 | 115,952,012 |
| Estern Bank Ltd. | 502,224,454 | 438,514,180 |
| Export Import Bank of Bangladesh Ltd. | 9,646,971 | 12,252,973 |
| IDLC Finance Ltd. | 46,926,605 | 55,588,187 |
| International Finance Investment and Commerce Bank Ltd | 33,783,262 | 80,773,490 |
| International Leasing & Financial Service Ltd. | 20,425,196 | 12,407,279 |
| Jamuna Bank Ltd. | 115,995,983 | 173,512,811 |
| LankaBangla Finance Ltd. | 33,433,716 | 27,852,199 |
| Mercantile Bank Ltd. | 305,679,038 | 324,951,759 |
| Midland Bank Ltd. | 17,411,687 | - |
| Modhumoti Bank Ltd. | 116,103,591 | 66,857,995 |
| National Finance Ltd. | 157,484,809 | 107,952,837 |
| National Housing Finance And Investment Ltd. | - | 11,414,198 |
| National Credit & Commerce Bank Ltd. | 139,353,700 | 176,644,177 |
| NRB Commercial Bank Ltd. | 108,388,299 | 137,740,197 |
| One Bank Ltd. | 224,214,681 | 301,593,673 |
| Premier Bank Ltd. | 187,511,160 | 257,601,935 |
| Premier Leasing & Finance Ltd. | - | 3,218,738 |
| Prime Bank Ltd. | 293,763,435 | 187,084,851 |
| Pubali Bank Ltd. | 227,928,940 | 98,926,751 |
| Shahjalal Islami Bank Ltd. | 324,556,464 | 192,582,689 |
| Social Islamic Bank Ltd. | 273,711,948 | 266,774,564 |
| South Bangla Agricultuer and Commarce Bank Ltd. | 44,947,878 | 98,404,250 |
| Standard Bank Ltd. | 115,516,638 | 145,769,418 |
| State Bank of India | 15,993,503 | - |
| Trust Bank Ltd. | 189,920,261 | 245,384,086 |
| United Commercial Bank Ltd. | 32,743,876 | 24,327,198 |
| Uttara Bank Ltd. | 82,747,490 | 122,937,655 |
| **Current portion of Leasehold obligation** | **5,107,415,791** | **5,150,024,823** |

| | Amount in Taka | |
|---|---|---|
| | **June 30, 2018** | **June 30, 2017** |

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

**Payment Schedule of Leasehold Obligations**

| **Particulars** | | |
|---|---|---|
| Within one year | 5,107,415,791 | 5,150,024,823 |
| More than one year & less than five year | 7,375,241,258 | 5,794,735,303 |
| More than five year | - | - |
| **Total:** | **12,482,657,049** | **10,944,760,126** |

**Summary of Leasehold Obligation are provided below:**

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

**24.00 Accounts & Others Payable: Tk. 1,267,264,883**

This is made up as follows:

| **Particulars** | | |
|---|---|---|
| GL Steel | 8,297,420 | 18,325,420 |
| Payable for goods | 1,190,054,248 | 90,447,766 |
| Others Payable | 68,913,215 | 8,273,277 |
| **Total:** | **1,267,264,883** | **117,046,463** |

**25.00 Dividend Payable: Tk. 772,816**

This is made up as follows:

| **Particulars** | | |
|---|---|---|
| Unclaimed Dividend | 772,816 | 1,057,338 |
| **Total:** | **772,816** | **1,057,338** |

The above represents the cash dividend payable to the shareholders' against which dividend warrant already issued but not presented to bank by them for collection.

**26.00 Unallocated IPO and Rights Shares Subscription: Tk.2,632,976**

This is made up as follows:

| **Particulars** | | |
|---|---|---|
| Refundable fund of IPO subscribers | 2,214,000 | 2,370,000 |
| Refundable fund of Rights Shares subscribers | 418,976 | - |
| **Total:** | **2,632,976** | **2,370,000** |

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

| **Bank Name** | **Account Types** | **Currency** | **Account No.** | **30.06.2018** | **30.06.2017** |
|---|---|---|---|---|---|
| BRAC Bank | SND | BDT | 1501202256548001 | 1,962,000 | 1,980,000 |
| BRAC Bank | FC | USD | 1501202256548002 | 228,000 | 270,000 |
| BRAC Bank | FC | GBP | 1501202256548003 | - | 96,000 |
| BRAC Bank | FC | EURO | 1501202256548004 | 24,000 | 24,000 |
| **Total** | | | | **2,214,000** | **2,370,000** |
| BRAC Bank | SND | BDT | 1501202256548005 | 418,976 | - |
| **Total:** | | | | **2,632,976** | **2,370,000** |

**27.00 Advance Against Sales: Tk. 17,682,820**

This is made up as follows:

| **Particulars** | | |
|---|---|---|
| Advance against sale of vehicles | 17,682,820 | 16,063,599 |
| Advance against sale of land | - | 53,223,916 |
| **Total:** | **17,682,820** | **69,287,515** |

| | | | Amount in Taka | |
|---|---|---|---|---|
| | | | June 30, 2018 | June 30, 2017 |

**28.00 Short Term Bank Loans and Credits: Tk. 4,418,010,519**

This is made up as follows:

**Particulars**

| | | | |
|---|---|---|---|
| Short term bank loans and credits | Annexure-F | 4,418,010,519 | 2,977,244,598 |
| **Total:** | | **4,418,010,519** | **2,977,244,598** |

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

**29.00 Provision for Income Tax: Tk.1,079,640,866**

This is made up as follows:

**Particulars**

| | | |
|---|---|---|
| Opening balance | 767,484,079 | 422,109,351 |
| Provision made during the year | 492,872,719 | 345,374,728 |
| Reversal of deferred tax for sale of land | 10,788,972 | - |
| **Less:** Adjustment during the year | 191,504,904 | - |
| **Total:** | **1,079,640,866** | **767,484,079** |

**30.00 Provision for Expenses: Tk. 145,817,725**

This is made up as follows:

**Particulars**

| | | | |
|---|---|---|---|
| Salary & Allowances | | 23,323,299 | 10,651,817 |
| Remuneration | | 2,793,000 | 2,793,000 |
| Audit Fees (Statutory and Rights Issue Proceeds Utilization) | | 402,500 | 345,000 |
| Wages | | 2,200,471 | 1,289,862 |
| Security Service Charge | | 2,668,010 | 82,630 |
| Telephone, Mobile & Internet Bills | | 772,626 | 504,812 |
| Electricity Bill | | 605,875 | 657,989 |
| Office Rent & Others | | 196,558 | 371,463 |
| Provision for Value Added Tax | | 6,751,779 | 6,751,779 |
| Provision for PF | | 778,670 | 1,229,808 |
| Provision for WPPF | Note: 30.01 | 103,304,331 | 70,767,006 |
| Others | | 2,020,606 | - |
| **Total:** | | **145,817,725** | **95,445,166** |

**30.01 Provision for WPPF: Tk. 103,304,331**

This is made up as follows:

**Particulars**

| | | |
|---|---|---|
| Opening Balance | 70,767,006 | 43,188,292 |
| Addition during the year | 103,304,331 | 70,767,006 |
| | **174,071,337** | **113,955,298** |
| Payment made during the year | 70,767,006 | 43,188,292 |
| **Closing balance:** | **103,304,331** | **70,767,006** |

| | | | Amount in Taka | |
|---|---|---|---|---|
| | | | 2017-2018 | 2016-2017 |

**31.00 Sales Revenue: Tk. 15,004,634,671**

This is made up as follows:

**Particulars**

| | | | |
|---|---|---|---|
| Sales of Vehicles (Imported Vehicles) | Note: 31.01 | 12,683,033,533 | 10,219,493,138 |
| Sales of Vehicles (Assembling Vehicles) | Note: 31.02 | 2,308,156,677 | 19,900,450 |
| Sales of Body Building Unit | Note: 31.03 | 13,444,461 | - |
| **Total:** | | **15,004,634,671** | **10,239,393,588** |

| | | Amount in Taka | |
|---|---|---|---|
| | | 2017-2018 | 2016-2017 |
| 31.01 | **Sales Revenue (Imported Vehicles): Tk. 12,683,033,533** | | |
| | This is made up as follows: | | |
| | **Particulars** | | |
| | Sales of Vehicles June 30, 2018: 6,435 Nos (June 30, 2017: 5,620 Nos) | 12,683,033,533 | 10,219,493,138 |
| | **Total:** | **12,683,033,533** | **10,219,493,138** |
| 31.02 | **Sales Revenue (Assembling Vehicles): Tk. 2,308,156,677** | | |
| | This is made up as follows: | | |
| | **Particulars** | | |
| | Sales of Vehicles June 30, 2018: 1,068 Nos (June 30, 2017: 12 Nos) | 2,654,380,179 | 22,885,518 |
| | Less: VAT | 346,223,502 | 2,985,068 |
| | **Total:** | **2,308,156,677** | **19,900,450** |
| 31.03 | **Sales Revenue (Body Building Unit): Tk. 13,444,461** | | |
| | This is made up as follows: | | |
| | **Particulars** | | |
| | Sales of Body Building Unit June 30, 2018: 40 Nos | 14,248,470 | - |
| | Less: VAT | 804,009 | - |
| | **Total:** | **13,444,461** | **-** |
| 32.00 | **Cost of Sales: Tk. 12,137,895,792** | | |
| | This is made up as follows: | | |
| | **Particulars** | | |
| | Cost of Imported Vehicles | 10,191,869,749 | 8,236,807,547 |
| | Raw Materials | 2,018,387,237 | 45,514,292 |
| | Bank Charge for PAD | 462,817 | 552,284 |
| | Canteen Subsidies | 2,016,409 | 47,668 |
| | Car Maintenance | 701,000 | 148,921 |
| | Carrying & Handling | 3,188,336 | 471,230 |
| | Carriage Inward | 2,623,008 | 884,805 |
| | Depreciation | 27,733,475 | 20,545,220 |
| | Documentation & Service Charges | 6,929,495 | 8,019,765 |
| | Electricity Expenses | 2,777,087 | 3,199,331 |
| | Entertainment | 382,350 | 467,250 |
| | Factory Maintenance | 3,134,324 | 1,868,950 |
| | Gas Charge | 456,270 | 56,270 |
| | Insurance | 681,205 | - |
| | Photocopy & Stationary | 147,454 | 146,206 |
| | Quality Control Expenses | 1,289,120 | 2,387,653 |
| | Repair & Maintenance | 492,963 | 269,368 |
| | Salaries & Allowances | 5,594,631 | 2,105,199 |
| | Security Service Charge | 11,287,716 | 500,173 |
| | Rent | 8,730,059 | 4,545,762 |
| | Servicing Charge | 120,310,496 | 84,839,106 |
| | Travelling & Conveyance | 22,250 | 145,159 |
| | Telephone, Mobile & Internet Expenses | 150,226 | - |
| | Uniform Expenses | 28,996 | 145,285 |
| | Vehicle Mobile Set & VTS | 11,539,653 | 6,262,000 |
| | Wages | 29,983,763 | 6,179,668 |
| | Spare Parts & Tools | 6,214,901 | 1,216,828 |

AMARSTOCK

| | Amount in Taka | |
|---|---|---|
| | 2017-2018 | 2016-2017 |
| | **12,457,134,990** | **8,427,325,940** |
| **Add:** Opening Raw Materials | - | - |
| **Less:** Closing Raw Materials | 83,156,250 | - |
| | **12,373,978,740** | **8,427,325,940** |
| **Add:** Opening Work-in-Process | 3,673,478 | - |
| **Less:** Closing Work-in-Process | 73,341,326 | 3,673,478 |
| | **12,304,310,892** | **8,423,652,462** |
| **Add:** Opening Finished Goods | 1,124,537,241 | 954,286,529 |
| **Less:** Closing Finished Goods | 1,290,952,341 | 1,124,537,241 |
| **Total:** | **12,137,895,792** | **8,253,401,750** |

Previous year's interest an amount of BDT 145,925,900 included in cost of imported vehicles has been reclassified as financial expenses and servicing charge related costs of previous year BDT 77,367,540 have been regrouped from comparative amount in single accounting head as servicing charge under the head imported vehicles, rent, Wages expenses.

**32.01 Cost of Sales (Imported Vehicles): Tk. 10,343,412,313**

This is made up as follows:

| **Particulars** | | |
|---|---|---|
| Cost of Imported Vehicles | 10,191,869,749 | 8,236,807,547 |
| Bank Charge for PAD | 462,817 | 552,284 |
| Carriage Inward | 2,623,008 | 884,805 |
| Documentation & Service Charges | 6,929,495 | 8,019,765 |
| Electricity Expenses | 796,142 | 2,205,021 |
| Quality Control Expenses | 1,166,850 | 2,387,653 |
| Security Service Charge | 7,325,067 | 500,173 |
| Rent | 8,730,059 | 4,545,762 |
| Servicing Charge | 120,310,496 | 84,839,106 |
| Uniform Expenses | 28,996 | - |
| Vehicle Mobile Set & VTS | 11,539,653 | 6,262,000 |
| Wages | 17,770,967 | 3,840,447 |
| Spare Parts & Tools | 3,854,855 | 1,101,113 |
| | **10,373,408,154** | **8,351,945,676** |
| **Add:** Opening Finished Goods | 1,068,899,229 | 954,286,529 |
| **Less:** Closing Finished Goods | 1,098,895,070 | 1,068,899,229 |
| **Total:** | **10,343,412,313** | **8,237,332,976** |

**32.02 Cost of Sales (Assembling Vehicles): Tk. 1,782,912,931**

This is made up as follows:

| **Particulars** | | |
|---|---|---|
| Raw Materials | 2,008,782,637 | 45,514,292 |
| Car Maintenance | 689,000 | 148,921 |
| Canteen Subsidies | 2,016,409 | 47,668 |
| Carrying & Handling | 3,188,336 | 471,230 |
| Depreciation | 26,603,827 | 20,545,220 |
| Electricity Expenses | 1,808,745 | 994,310 |
| Entertainment | 382,350 | 467,250 |
| Factory Maintenance | 3,134,324 | 1,868,950 |
| Gas Charge | 431,170 | 56,270 |
| Insurance Expense | 681,205 | - |
| Photocopy & Stationary | 147,454 | 146,206 |
| Quality Control Expenses | 122,270 | - |
| Repair & Maintenance | 492,963 | 269,368 |

AMARSTOCK

| | | Amount in Taka | |
|---|---|---|---|
| | | 2017-2018 | 2016-2017 |
| | Salaries & Allowances | 5,186,631 | 2,105,199 |
| | Security Service Charge | 3,962,649 | - |
| | Travelling & Conveyance | 22,250 | 145,159 |
| | Telephone, Mobile & Internet Expenses | 150,226 | - |
| | Uniform Expenses | - | 145,285 |
| | Wages | 11,993,796 | 2,339,221 |
| | Spare Parts & Tools | 2,360,046 | 115,715 |
| | | **2,072,156,288** | **75,380,264** |
| | **Add:** Opening Raw Materials | - | - |
| | **Less:** Closing Raw Materials | 83,156,250 | - |
| | | **1,989,000,038** | **75,380,264** |
| | **Add:** Opening Work-in-Process | 3,673,478 | - |
| | **Less:** Closing Work-in-Process | 73,341,326 | 3,673,478 |
| | | **1,919,332,190** | **71,706,786** |
| | **Add:** Opening Finished Goods | 55,638,012 | - |
| | **Less:** Closing Finished Goods | 192,057,271 | 55,638,012 |
| | **Total:** | **1,782,912,931** | **16,068,774** |
| **32.03** | **Cost of Sales (Body Building Unit): Tk. 11,570,548** | | |
| | This is made up as follows: | | |
| | **Particulars** | | |
| | Raw Materials | 9,604,600 | - |
| | Car Maintenance | 12,000 | - |
| | Depreciation | 1,129,648 | - |
| | Electricity Expenses | 172,200 | - |
| | Gas Charge | 25,100 | - |
| | Salaries & Allowances | 408,000 | - |
| | Wages | 219,000 | - |
| | | **11,570,548** | - |
| | **Add:** Opening Raw Materials | - | - |
| | **Less:** Closing Raw Materials | - | - |
| | | **11,570,548** | - |
| | **Add:** Opening Work-in-Process | - | - |
| | **Less:** Closing Work-in-Process | - | - |
| | | **11,570,548** | - |
| | **Add:** Opening Finished Goods | - | - |
| | **Less:** Closing Finished Goods | - | - |
| | **Total:** | **11,570,548** | **-** |
| **33.00** | **Administrative Expenses: Tk. 314,806,202** | | |
| | This is made up as follows: | | |
| | **Particulars** | | |
| | Directors' Remuneration | 43,200,000 | 43,200,000 |
| | Salaries & Allowances | 128,752,396 | 79,044,328 |
| | Audit Fees (Statutory and Rights Issue Proceeds Utilization) | 460,000 | 345,000 |
| | Conveyance | 3,310,433 | 2,809,786 |
| | CSR Expenses | 3,744,318 | 1,870,070 |
| | Depreciation | 25,255,303 | 23,472,465 |
| | AGM Expenses | 1,031,775 | 945,750 |
| | EGM Expenses | 257,925 | - |
| | Electricity Expenses | 5,847,373 | 3,690,861 |
| | Entertainment | 5,305,594 | 4,856,998 |

| | | Amount in Taka | |
|---|---|---|---|
| | | 2017-2018 | 2016-2017 |
| | Gas Charge | 303,395 | 315,632 |
| | Office Maintenance | 21,645,913 | 12,308,833 |
| | Stationary & Photocopy | 4,455,348 | 2,907,848 |
| | Postage Expenses | 1,851,059 | 1,551,250 |
| | Provident Fund Expense | 4,253,627 | 3,572,824 |
| | Consultancy, Legal, Professional Fees & Others | 8,860,134 | 5,054,601 |
| | Rent, Rates & Taxes | 35,574,989 | 27,541,796 |
| | Stamp Expenses | 3,164,744 | 1,935,475 |
| | Telephone, Mobile & Internet Expenses | 8,023,492 | 7,792,735 |
| | Tours & Travelling Expenses | 8,897,602 | 8,913,718 |
| | Vehicle Registration & Insurance | 610,782 | 2,800,920 |
| | **Total:** | **314,806,202** | **234,930,890** |

**34.00 Distribution Expenses: Tk. 232,897,639**

This is made up as follows:

| Particulars | | |
|---|---|---|
| Advertisement & Publicity | 12,389,767 | 6,017,346 |
| Dealers' Commission | 11,322,000 | 12,380,000 |
| Entertainment | 6,558,189 | 6,154,723 |
| Inspecting Charges | 926,200 | 191,640 |
| Marketing Expenses | 44,158,313 | 29,760,075 |
| Recovery Expenses | 14,647,107 | 8,902,096 |
| Travelling Expenses | 13,746,533 | 10,846,348 |
| Salaries & Allowances | 129,149,530 | 72,963,995 |
| **Total:** | **232,897,639** | **147,216,223** |

**35.00 Other Income: Tk. 147,278,464**

This is made up as follows:

| Particulars | | | |
|---|---|---|---|
| Income from Interest | Note: 35.01 | 107,990,060 | 136,546,043 |
| Gain/(Loss) on sale of Land | | 31,803,908 | - |
| Gain/(Loss) on sale of Vehicle | | (1,840,189) | - |
| Realized Gain/(Loss) on Investment on Marketable Securities | | 15,799,335 | (29,353,577) |
| Foreign Currency Exchange gain/(loss) | | (10,804,423) | (217,390) |
| Income from Office Rent | | 3,285,000 | 1,500,000 |
| Dividend Income | | 1,044,773 | 7,984,622 |
| **Total:** | | **147,278,464** | **116,459,698** |

**35.01 Income from Interest: Tk. 107,990,060**

This is made up as follows:

| Particulars | | |
|---|---|---|
| Interest on Fixed Deposit | 74,706,847 | 131,387,860 |
| Interest on STD | 5,761,657 | 4,660,953 |
| Interest on CD | 27,521,556 | 497,230 |
| **Total:** | **107,990,060** | **136,546,043** |

**36.00 Financial Expense: Tk. 296,922,550**

This is made up as follows:

| Particulars | | |
|---|---|---|
| Bank charge & Commission | 7,887,725 | 9,097,067 |
| Interest on loans and credits | 289,034,825 | 225,100,224 |
| **Total:** | **296,922,550** | **234,197,291** |

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

| | | | Amount in Taka | |
|---|---|---|---|---|
| | | | 2017-2018 | 2016-2017 |
| **37.00** | **Income Tax Expenses: Tk. 512,174,890** | | | |
| | This is made up as follows: | | | |
| | **Particulars** | | | |
| | Current tax | Note: 37.01 | 492,872,719 | 345,374,728 |
| | Deferred tax | Note:18 | 19,302,171 | 22,152,787 |
| | **Total:** | | **512,174,890** | **367,527,515** |
| **37.01** | **Current tax: Tk. 492,872,719** | | | |
| | This is made up as follows: | | | |
| | **Particulars** | | | |
| | Income tax on business income | Note: 37.01A | 460,074,413 | 309,266,293 |
| | Income tax on other income | Note: 37.01B | 32,798,306 | 36,108,435 |
| | **Total:** | | **492,872,719** | **345,374,728** |
| **37.01A** | **Income Tax on Business Income: Tk. 460,074,413** | | | |
| | This is made up as follows: | | | |
| | **Particulars** | | | |
| | Income before tax during the year | | 2,066,086,621 | 1,415,340,126 |
| | Less: Other Income | | 147,278,464 | 116,459,698 |
| | Add: Accounting depreciation | | 52,988,779 | 44,017,685 |
| | Less: Tax depreciation | | 131,499,286 | 130,184,438 |
| | Taxable Income | | 1,840,297,650 | 1,212,713,675 |
| | Tax Rate | | 25% | 25% |
| | Current Tax payable | | 460,074,413 | 303,178,419 |
| | Tax deducted at sources u/s 82C | | 382,704,826 | 309,266,293 |
| | As Tax deducted at source is higher than income tax calculated @25% on business income, tax payable shall be the higher one: | | **460,074,413** | **309,266,293** |
| **37.01B** | **Income Tax on Other Income : Tk. 32,798,306** | | | |
| | This is made up as follows: | | | |
| | **Particulars** | | | |
| | Income from Interest | | 26,997,515 | 34,136,511 |
| | Gain/(Loss) on sale of Land | | 4,770,586 | - |
| | Income from Office Rent | | 821,250 | 375,000 |
| | Dividend Income | | 208,955 | 1,596,924 |
| | | | **32,798,306** | **36,108,435** |
| | No income tax provided for on Realized gain on investment in shares since it will be set off against loss carried forward from previous year(s) under same head u/s 37 of ITO-1984. | | | |
| **38.00** | **Other Comprehensive Income /(loss) net of tax: Tk. -35,558,448** | | | |
| | This is made up as follows: | | | |
| | **Particulars** | | | |
| | Unrealized Gain/(Loss) on Investment on Marketable Securities | | (42,583,656) | 10,226,385 |
| | **Total:** | | **(42,583,656)** | **10,226,385** |
| | **Add:** Deferred Tax | | 7,025,208 | (2,556,596) |
| | **Total:** | | **(35,558,448)** | **7,669,790** |
| **39.00** | **Earnings Per Share (EPS): Tk. 7.01** | | | |
| | **Basic Earnings per share:** | | | |
| | Earnings attributable to Ordinary shares: | | | |
| | Net profit after tax as per statement of comprehensive income | | 1,553,911,731 | 1,047,812,611 |
| | Weighted average number of shares (Note: 39.01) | | 221,517,272 | 163,254,000 |
| | Basic Earning Per share (Per value of Taka. 10) | | 7.01 | 6.42 |
| | Basic Earning per share for Rights Issue (Basic Earnings per share/Adjusting Factor) | | **7.01** | **4.81** |

| | Amount in Taka | |
|---|---|---|
| | 2017-2018 | 2016-2017 |

**39.01 Calculation of Weighted Number of Shares :**

| Date | Particulars | Number of Shares | Time | Bonus Factor | Adjusting factor for Rights Issue |
|---|---|---|---|---|---|
| 01-07-17 | Opening Balance | 155,480,000 | 0.44 | 1.05 | 1.33 |
| 10-12-17 | Bonus Shares | 7,774,000 | | | |
| | | 163,254,000 | 0.07 | - | 1.33 |
| 03-01-18 | Rights Shares | 62,192,000 | | | |
| 30-06-18 | Closing Balance | 225,446,000 | 0.49 | - | - |
| | | | 1.00 | | |

**Calculation of Adjusting Factor**

| | | | |
|---|---|---|---|
| Fair Value before Rights Issue | 5 | 161 | 805 |
| Exercise Price | 2 | 20 | 40 |
| | 7 | | 845 |
| Theoretical Ex-right fair value per share (845/7) | | | 120.71 |
| Adjusting factor for rights issue (161/120.71) | | | 1.33 |

**40.00 Contingent Liabilities:**

The company is contingently liable for bank guarantees amount of Tk. 26,452,800 issued against corporate tender as tender security.

The Company is defendant in an order of Commissioner, Custom Excise and VAT for non deduction of VAT at source against various expenses shown in quarterly unaudited financial statements for the period from Jul 13 to Mar 14 and Jul 14 to Mar 15 claiming total BDT 3,532,784 as VAT deducted at source and BDT 1,474,348.52 for noncompliance of VAT payment. The Company has paid BDT 3,532,784 into government treasury as VDS. An appeal has been filed to Appellate Tribunal against the order that the claim for non-compliance of VAT payment was not justified with the facts. The preliminary hearings and discovery proceedings are in progress. The ultimate outcome for non compliance payment could not presently be determined, so it has been considered as contingent liabilities.

**41.00 Cash Receipts From Customers and Others : Tk. 10,685,194,237**

This is made up as follows:

| Particulars | | |
|---|---|---|
| Sales revenue | 15,004,634,671 | 10,239,393,588 |
| Opening accounts receivable | 15,277,918,632 | 12,913,400,516 |
| Closing accounts receivable | (19,699,385,805) | (15,277,918,632) |
| Opening advance against sales of vehicle | (16,063,599) | (17,496,739) |
| Closing advance against sales of vehicle | 17,682,820 | 16,063,599 |
| Other income except dividend & capital gain | 100,407,518 | 112,782,892 |
| **Total:** | **10,685,194,237** | **7,986,225,224** |

**42.00 Cash Payment to Suppliers and Employees : Tk. -12,323,996,608**

This is made up as follows:

| Particulars | | |
|---|---|---|
| Cost of sales | (12,137,895,792) | (8,253,401,750) |
| Administrative Expenses | (314,806,202) | (234,930,890) |
| Distribution Expenses | (232,897,639) | (147,216,223) |
| Depreciation charged during the year (non cash exp.) | 52,988,779 | 44,017,685 |
| (Increase)/ Decrease in inventories | (319,239,198) | (173,924,190) |
| (Increase)/ Decrease in advances, deposits and prepayments | (458,628,781) | 52,636,060 |
| Increase/ (Decrease) in trade and other payables | 1,150,218,420 | 94,928,027 |
| Foreign Currency Exchange gain/(loss) | (10,804,423) | (217,390) |
| Increase/ (Decrease) in accrued expenses | 17,835,234 | 14,622,287 |
| Payment of WPPF | (70,767,006) | (43,188,292) |
| **Total:** | **(12,323,996,608)** | **(8,646,674,676)** |

**43.00 Additional disclosure**

(a) The major reason for significant deviation increase in EPS is for increased sales which is 46.54% higher with compared to corresponding previous year.

(b) As there is a growth in revenue and receivable operating cash flow has become negative. IFAD Autos Limited met its obligations on time and has no classified lease/loan finance from banks/financial institutions. Hence negative operating cash outflow is not a going concern threat for IFAD Autos Limited. In view of the company's sales of vehicles up to 60 installments the cash received from customers falls short of cash paid to suppliers and employees, the shortfall being funded by finance from bank and financial institutions.

(c) Net Asset Value per share decreased due to the fact that number of shares increased on bonus and rights shares issued.

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

**44.01 Commission , Brokerage or Discount against sales:**

(a) There was no brokerage or discount against sales during the year.
(b) During the year Tk. 11,322,000 has been paid as dealers commission.

**45.00 Related party disclosures**

The company has entered into transaction with other entities that fall within the definition of related party as contained in BAS-24 "Related Party Disclosures" The company opines that terms of related transaction do not significantly differ from those that could have been obtained from third parties . Total transactions of the significant related parties as at June 30, 2018 are as follows :

**(a) Transaction with related company**

i) Balance with related party.

ii) Transfer with related party.

| Name of the Party | Nature of Relationship | Nature of Transaction | Opening Balance | Transaction during the Year-Net | Closing Balance |
|---|---|---|---|---|---|
| IFAD Salt & Chemicals Ltd. | Common Management | Investment | 30,000,000 | - | 30,000,000 |
| IFAD Auto Services Ltd. | Common Management | Trading | 5,595,867 | 51,701,718 | 57,297,585 |
| IFAD Information & Technology Ltd. | Common Management | Trading | - | 4,225,669 | 4,225,669 |

**(b) Key Management Personnel:**

| Particulars | July 01, 2017 to June 30, 2018 | July 01, 2016 to June 30, 2017 |
|---|---|---|
| (a) managerial remuneration paid or payable during the year to the directors, including managing directors, a managing agent or manager | 59,130,562 | 53,209,750 |
| (b) expenses reimbursed to Managing Agent | Nil | Nil |
| (c) commission or Remuneration payable separately to a managing agent or his associate | Nil | Nil |
| (d) commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into by such concerns with the company | Nil | Nil |
| (e) the money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial year. | Nil | Nil |
| (f) any other perquisite or benefits in cash or in kind stating, approximate money value where practicable. | Nil | Nil |
| (g) other allowances and commission including guarantee commission | Nil | Nil |
| (h) pensions etc. | Nil | Nil |
| (i) pensions | Nil | Nil |
| (ii) gratuities | Nil | Nil |
| (iii) Payments from a provident funds, in excess of own subscription and interest thereon | 246,304 | 157,575 |
| (iv) compensation for loss or office | Nil | Nil |
| (v) consideration in connection with retirement from office | Nil | Nil |

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

| **Particulars:** | | |
|---|---|---|
| (a) Short-term employee benefits; | 59,130,562 | 53,209,750 |
| (b) Post-employment benefits; | 246,304 | 157,575 |
| (c ) Other long-term benefits | Nil | Nil |
| (d) Termination benefits; and | Nil | Nil |
| (e ) Share-based payment. | Nil | Nil |

**46.00 Number of Employees**

| All the employee receive salary/wages in excess of tk. 3000 per month | Number of Employes | |
|---|---|---|
| | July 01, 2017 to June 30, 2018 | July 01, 2016 to June 30, 2017 |
| Number of permanent employee | 792 | 710 |
| Number of temporary employee | 194 | 156 |
| **Total:** | **986** | **866** |

**47.00 Events after the Reporting Period:**

**Declaration of Dividend**

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

# IFAD AUTOS LIMITED

## Schedule of Property, Plant & Equipment

As at 30 June, 2018

**Annexure-A**

| Sl No. | Assets | Cost Value | | | | Dep. Rate (%) | Accumulated Depreciation | | | | Written Down Value |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | As at 01.07.2017 | Additions during the year | Disposal during the year | As at 30.06.2018 | | As at 01.07.2017 | Charged during the year | Adjusted during the year | As at 30.06.2018 | |
| **(a) Property, plant and equipment (Written Down Value less Depreciation)** | | | | | | | | | | | |
| 1 | Land and Land Developments | 767,527,309 | 41,939,875 | 113,804,410 | 695,662,774 | - | - | - | - | - | 695,662,774 |
| 2 | Buildings & Civil Construction | 535,703,786 | 42,476,839 | - | 578,180,625 | 5% | 74,216,198 | 24,137,832 | - | 98,354,030 | 479,826,595 |
| 3 | Flat | 22,847,920 | - | - | 22,847,920 | 2% | 568,914 | 445,580 | - | 1,014,494 | 21,833,426 |
| 4 | Tools & Equipment | 14,542,940 | 1,488,984 | - | 16,031,924 | 10% | 8,618,249 | 646,396 | - | 9,264,645 | 6,767,279 |
| 5 | Plant & Machinery | 59,070,635 | 18,267,778 | - | 77,338,413 | 10% | 2,590,449 | 6,267,311 | - | 8,857,760 | 68,480,653 |
| 6 | Furniture & Fixtures | 17,353,685 | 3,022,209 | - | 20,375,894 | 10% | 5,198,521 | 1,355,717 | - | 6,554,238 | 13,821,656 |
| 7 | Office Equipment | 30,101,533 | 7,685,414 | - | 37,786,947 | 10% | 7,610,602 | 2,582,499 | - | 10,193,101 | 27,593,846 |
| 8 | Electric Equipment & Installation | 20,727,981 | 1,242,455 | - | 21,970,436 | 10% | 3,052,369 | 1,813,247 | - | 4,865,616 | 17,104,820 |
| 9 | Motor Vehicles | 186,437,613 | 73,638,000 | 13,955,552 | 246,120,061 | 10% | 74,213,882 | 13,418,025 | 4,615,363 | 83,016,544 | 163,103,517 |
| | **Sub Total** | **1,654,313,402** | **189,761,554** | **127,759,962** | **1,716,314,994** | | **176,069,184** | **50,666,606** | **4,615,363** | **222,120,427** | **1,494,194,567** |

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

| Sl No. | Assets | Cost Value | | | | Dep. Rate (%) | Accumulated Depreciation | | | | Written Down Value |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | As at 01.07.2017 | Additions during the year | Disposal during the year | As at 30.06.2018 | | As at 01.07.2017 | Charged during the year | Adjusted during the year | As at 30.06.2018 | |
| 1 | Land and Land Developments | 1,129,864,443 | - | 71,926,482 | 1,057,937,961 | - | - | - | | - | 1,057,937,961 |
| 2 | Buildings & Civil Construction | 54,116,384 | - | - | 54,116,384 | 5% | 7,672,942 | 2,322,172 | - | 9,995,114 | 44,121,270 |
| | **Sub Total** | **1,183,980,827** | - | **71,926,482** | **1,112,054,345** | | **7,672,942** | **2,322,172** | - | **9,995,114** | **1,102,059,231** |
| | **Grand Total (As at June 30, 2018)** | **2,838,294,229** | **189,761,554** | **199,686,444** | **2,828,369,339** | | **183,742,126** | **52,988,778** | **4,615,363** | **232,115,541** | **2,596,253,798** |
| | **Grand Total (As at June 30, 2017)** | **2,601,486,673** | **236,807,556** | - | **2,838,294,229** | | **139,724,441** | **44,017,685** | - | **183,742,126** | **2,654,552,103** |

**Depreciation Allocation:**

| Particulars | Amount |
|---|---|
| Cost of Sales | 27,733,476 |
| Administrative Expenses | 25,255,303 |
| Total | 52,988,779 |

IFAD STOCK

# IFAD AUTOS LIMITED

## Schedule of Investment in Shares

As at 30 June, 2018

**Investment In quoted ordinary Shares:**

**Annexure-B**

| SI. NO | Name of Company | No. of Share Held | Face value Per Share | Cost Holding | Average Cost | Quoted Rate Per Share as on 30.06.2018 | Total Market Value of Shares as on 30.06.2018 | Unrealized Gain/(Loss) |
|---|---|---|---|---|---|---|---|---|
| 1 | BD Thai Aluminium Ltd | - | 10 | - | 32.09 | 22.70 | - | - |
| 2 | Islami Insurance | 201,600.00 | 10 | 6,266,556 | 31.08 | 27.40 | 5,523,840 | (742,716) |
| 3 | Phoenix Finance | 714,400.00 | 10 | 26,668,063 | 37.33 | 32.80 | 23,432,320 | (3,235,743) |
| 4 | Pragati Life Insurance | 125,307.00 | 10 | 24,089,068 | 192.24 | 94.00 | 11,778,858 | (12,310,210) |
| 5 | Shahjibazar Power Co.LTD | 158,455.00 | 10 | 16,515,960 | 104.23 | 82.20 | 13,025,001 | (3,490,959) |
| 6 | Atlas Bangla | 54,380.00 | 10 | 8,266,468 | 152.01 | 166.10 | 9,032,518 | 766,050 |
| 7 | SALVOCHEM | 735,694.00 | 10 | 18,919,851 | 25.72 | 24.50 | 18,024,503 | (895,348) |
| 8 | Beximco Pharmaceuticals | 29,000.00 | 10 | 3,078,611 | 106.16 | 93.90 | 2,723,100 | (355,511) |
| 9 | Envoy Textiles Limited | 0.68 | 10 | 34 | 49.50 | 34.70 | 24 | (10) |
| 10 | Golden Harvest Agro Industries | 200,000.00 | 10 | 8,604,827 | 43.02 | 37.60 | 7,520,000 | (1,084,827) |
| 11 | I.D.L.C. LTD | 50,000.00 | 10 | 4,217,835 | 84.36 | 66.30 | 3,315,000 | (902,835) |
| 12 | Investment Corporation | 51,700.00 | 10 | 9,571,539 | 185.14 | 151.80 | 7,848,060 | (1,723,479) |
| 13 | NCC Bank Ltd | 100,000.00 | 10 | 1,632,445 | 16.32 | 14.70 | 1,470,000 | (162,445) |
| 14 | Popular Life Insurance co. | 0.80 | 10 | 86 | 107.16 | 98.60 | 79 | (7) |
| **Total** | | | | **127,831,343** | | | **103,693,302** | **(24,138,041)** |

STOCK

# IFAD AUTOS LIMITED

**Statement of CD Accounts**

As at June 30, 2018

**Annexure-C**

| Sl.No. | Name of The Bank | Branch | Account No. | 30.06.2018 | 30.06.2017 |
|---|---|---|---|---|---|
| 1 | AB Bank Ltd. | Motijheel Branch | 4004-145831-000 | 101,681 | 52,056 |
| 2 | AB Bank Ltd. | Kawran Bazar Branch | 4002-758648-000 | 1,907 | 1,815,789 |
| 3 | AB Bank Ltd. | Kalampur Branch | 4041758229-000 | 457,028 | - |
| 4 | Al Arafah Islami Bank Ltd. | Mouchak Branch | 0241020011664 | 18,502 | 14,489,199 |
| 5 | Bangladesh Krishi Bank Ltd. | Local Principal office Branch | 4001-0210033445 | 2,965 | 4,115 |
| 6 | Bank Asia Ltd. | Corporate Branch | 00233004553 | 24,160,756 | 22,369,294 |
| 7 | Bank Asia Ltd. | Khulna Branch | 02533001975 | 3,735 | - |
| 8 | Brac Bank Ltd. | Head Office Branch | 1506200374314001 | 160,854 | 60,548 |
| 9 | Brac Bank Ltd. | Head Office Branch | 1520201854420001 | 3,831,946 | 110,680 |
| 10 | Brac Bank Ltd. | Head Office Branch | 1501202256548001 | 2,391,593 | 2,571,917 |
| 11 | Brac Bank Ltd. | Head Office Branch | 1501202256548002 | 234,000 | 270,000 |
| 12 | Brac Bank Ltd. | Head Office Branch | 1501202256548003 | - | 96,000 |
| 13 | Brac Bank Ltd. | Head Office Branch | 1501202256548004 | 24,000 | 24,000 |
| 14 | Brac Bank Ltd. | Head Office Branch | 1501202256548005 | 711,779,563 | - |
| 15 | The City Bank Ltd | Kawran Bazar Branch | 1101065556001 | 1,832,635 | 1,802,180 |
| 16 | Commercial Bank of Ceylon | Motijheel Branch | 1802008897 | 870 | 2,765 |
| 17 | Dhaka Bank Ltd | Shahjahanpur Branch | 02171000007402 | 2,190,395 | 18,058 |
| 18 | Dutch-Bangla Bank Ltd. | Kawran Bazar Branch | 1071100008237 | 6,796,888 | 14,774,293 |
| 19 | Eastern Bank Ltd. | Sonargaon Road Branch | 1051070006284 | 9,697,605 | 5,303,650 |
| 20 | Eastern Bank Ltd. | Bogra Branch | 3311060141490 | 3,965 | - |
| 21 | Farmers Bank Ltd. | Motijheel Branch | 0111100009181 | 3,383 | 94,906 |
| 22 | IFIC Bank Ltd. | Dhanmondi Branch | 1006-128859-001 | 150 | 459,115 |
| 23 | Islami Bank Bangladesh Ltd. | Head Office Branch | 20502130100114302 | 9,461,723 | 9,434,250 |
| 24 | Islami Bank Bangladesh Ltd. | Elephant Road Branch | 20502150100132708 | 13,427,459 | 1,498,800 |
| 25 | Jamuna Bank Ltd. | Sonargaon Road Branch | 0012-0211001080 | 663 | 43,308 |
| 26 | Jamuna Bank Ltd. | Sonargaon Road Branch | 0002-0210003957 | 10,321,759 | 197,720 |
| 27 | Meghna Bank Ltd. | Sonargaon Road Branch | 111800079 | 100,000,000 | - |
| 28 | Mercantile Bank Ltd | Satmasjid Road Branch | 012311100001220 | 799,461 | 362,418 |
| 29 | Mercantile Bank Ltd | Jessore Branch | 114611123563351 | 3,620 | - |
| 30 | Mutual Trust Bank Ltd. | Bashundhara City Branch | 0016-0210010069 | 749 | 118,394 |
| 31 | Mutual Trust Bank Ltd. | Mymensingh Branch | 0054-0210001000 | 8,759,225 | 12,001 |
| 32 | Modhumoti Bank Ltd. | Motijheel Branch | 110111100000046 | 49,881 | 14,239,927 |
| 33 | Midland Bank Ltd. | Dhanmondi Branch | 0008-1050000239 | 12,261 | 268,880 |
| 34 | Midland Bank Ltd. | Agrabad Branch | 0003-1050007433 | 6,065 | - |
| 35 | Midland Bank Ltd. | Gulshan Branch | 0011-1050000501 | 280,002 | 46,232 |
| 36 | National Bank Ltd. | Kawran Bazar Branch | 1048000657381 | 744,815 | 213,330 |
| 37 | NCC Bank Ltd. | Dilkusha Branch | 0028-0210006285 | 829,296 | 48,713 |
| 38 | NCC Bank Ltd. | Tongi Branch | 0080-0210006209 | 124 | 1,274 |
| 39 | NRB Commercial Bank Ltd. | Principal Branch | 010133300000118 | 7,572,476 | 1,368,320 |
| 40 | One Bank Ltd. | Moghbazar Branch | 0500460960002 | 14,646,324 | - |
| 41 | One Bank Ltd. | Moghbazar Branch | 0501020000884 | 8,822,359 | 5,210,223 |
| 42 | The Premier Bank Ltd. | Elephant Road Branch | 011411100004949 | 59,427 | 62,690 |

# IFAD AUTOS LIMITED

**Statement of CD Accounts**

As at June 30, 2018

| Sl.No. | Name of The Bank | Branch | Account No. | 30.06.2018 | 30.06.2017 |
|---|---|---|---|---|---|
| 43 | Prime Bank Ltd. | Mohakali Branch | 11011080009999 | 4,591,676 | 711,715 |
| 44 | Prime Bank Ltd. | New Eskaton Branch | 12811010013915 | 143,293 | 925,387 |
| 45 | Prime Bank Ltd. | Kawran Bazar Branch | 11311050026266 | 12,070,236 | 3,088,150 |
| 46 | Pubali Bank Ltd. | Dhaka Stadium Branch | 0939901029186 | 99,930 | 919,274 |
| 47 | Pubali Bank Ltd. | Laboratory Road Branch | 1345901024619 | 2,826,169 | 1,335,473 |
| 48 | Pubali Bank Ltd. | Nayapaltan Branch | 2438901040151 | 19,114,926 | 294,619 |
| 49 | Rupali Bank Ltd. | Local office Branch | 0018020007016 | 7,736 | 8,932 |
| 50 | State Bank of India | Gulshan Branch | 05420404420201 | 6,465,624 | 2,908,378 |
| 51 | State Bank of India | Motijheel Branch | 05160292720001 | 3,076,255 | 1,404,134 |
| 52 | Shahjalal Islami Bank Ltd. | Dhaka Main Branch | 4001-11100000429 | 23,499 | 24,649 |
| 53 | Shajalal Islami Bank Ltd. | Kawran Bazar Branch | 400711100000022 | 944,390 | 210,560 |
| 54 | Shajalal Islami Bank Ltd. | Uttara Branch | 400811100007371 | 3,851 | 8,147 |
| 55 | Social Islami Bank Ltd | Panthapath Branch | 0151330012142 | 6,459,315 | 20,528 |
| 56 | Social Islami Bank Ltd | Dhamrai SME/Krishi Branch | 0611330005483 | 3,418 | 510,355 |
| 57 | Sonali Bank Ltd. | Sonargaon Road Branch | 4434001005417 | 24,292,990 | 23,699,606 |
| 58 | Sonali Bank Ltd. | Local office Branch | 000233034856 | 1,334 | 6,454 |
| 59 | Standerd Bank Ltd. | Panthapath Branch | 01733100033 | 1,999,737 | 1,327,618 |
| 60 | Standard Bank Ltd. | Panthapath Branch | 01733001709 | 12,396,342 | 4,034,619 |
| 61 | Trust Bank Ltd. | Kawran Bazar Branch | 0030-0210004578 | 5,903,314 | 1,305,929 |
| 62 | United Commercial Bank Ltd. | Foreign Exchange Branch | 0721101000000628 | 500,697 | 4,981,817 |
| 63 | Uttara Bank Ltd. | Corporate Office Branch | 154512200211414 | 770,146 | 3,810,555 |
| **Total** | | | | **1,041,186,985** | **148,981,942** |

# IFAD AUTOS LIMITED

**Statement of STD Accounts**

As at June 30, 2018

**Annexure-D**

| Sl. No. | Name of The Bank | Branch | Account No. | 30.06.2018 | 30.06.2017 |
|---|---|---|---|---|---|
| 1 | AB Bank Ltd. | Motijheel Branch | 4004-676756-430 | 60,241 | 61,299 |
| 2 | Al Arafah Islami Bank Ltd. | Mouchak Branch | 0241220000412 | 47,491 | 89,347 |
| 3 | Bank Asia Ltd. | Corporate Branch | 00236000590 | 124,642,067 | 96,910,086 |
| 4 | The City Bank Ltd. | Kawran Bazar Branch | 3101065556001 | 82,627 | 4,377,286 |
| 5 | Commercial Bank of Ceylon | Motijheel Branch | 1802012062 | 1,679 | 62,376 |
| 6 | Dutch-Bangla Bank Ltd. | Kawran Bazar Branch | 1071200002966 | 8,872,893 | 1,809,168 |
| 7 | Dhaka Bank Ltd | Shahjahanpur Branch | 0217150000000527 | 20,064 | 231,579 |
| 8 | Eastern Bank Ltd. | Sonargaon Road Branch | 1051280071348 | 5,704,779 | 7,910,409 |
| 9 | Exim Bank Ltd. | Panthapath Branch | 00213100153351 | 384 | 2,069,685 |
| 10 | IFIC Bank Ltd. | Dhanmondi Branch | 1006-128859-041 | 1,977,678 | 306,323 |
| 11 | Jamuna Bank Ltd. | Sonargaon Road Branch | 0002-0320000340 | 204,059 | 17,985 |
| 12 | Mercantile Bank Ltd. | Satmasjid Road Branch | 012313100000172 | 985,585 | - |
| 13 | Midland Bank Ltd. | Gulshan Branch | 00111090000589 | 3,015 | - |
| 14 | Mutual Trust Bank Ltd. | Mymensingh Branch | 0054-0320000106 | 347,220,884 | 186,333,402 |
| 15 | Modhumoti Bank Ltd. | Motijheel Branch | 1101-13500000012 | 4,860,011 | 238,881 |
| 16 | NCC Bank Ltd. | Dilkusha Branch | 0028-0325000797 | 145,497 | 6,713,119 |
| 17 | NRB Commercial Bank Ltd. | Principal Branch | 010136000000027 | 5,419,557 | 1,479,196 |
| 18 | One Bank Ltd. | Moghbazar Branch | 0505460960004 | 5,680,792 | 548,663 |
| 19 | The Premier Bank Ltd | Elephant Road Branch | 011413100000262 | 72,591 | 75,650 |
| 20 | Pubali Bank Ltd. | Laboratory Road Branch | 1345102001557 | 7,176,588 | 4,413,539 |
| 21 | Prime Bank Ltd. | Kawran Bazar Branch | 11331080026768 | 3,610,742 | 755,419 |
| 22 | Shahjalal Islami Bank Ltd. | Kawran Bazar Branch | 400713100000596 | 385,116 | 149,303 |
| 23 | Sonali Bank Ltd. | Sonargaon Road Branch | 4434004000065 | 834,641 | 2,936,987 |
| 24 | Social Islami Bank Ltd. | Panthapath Branch | 0151360001176 | 3,477,883 | 121,835 |
| 25 | Standard Bank Ltd. | Panthapath Branch | 01736000204 | 7,830,313 | 146,142 |
| 26 | State Bank of India | Motijheel Branch | 05160292720201 | 56,435 | - |
| 27 | South Bangla Agriculture & Commerce Bank Ltd. | Principal Branch | 0002130000450 | 1,992,426 | 17,048 |
| 28 | Trust Bank Ltd. | Kawran Bazar Branch | 0030-0320000319 | 2,043,565 | 593,089 |
| 29 | United Commercial Bank Ltd. | Foreign Exchange Branch | 0721301000000223 | 7,102 | 4,016,662 |
| 30 | Uttara Bank Ltd | Corporate Office Branch | 154514100041161 | 80,330 | 46,106 |
| | | **Total** | | **533,497,037** | **322,430,582** |

# IFAD AUTOS LIMITED

**Statement of FDR Accounts**

As at June 30, 2018

**Annexure-E**

| Sl.No. | Name of The Bank | Branch | Account No. | 30.06.2018 | 30.06.2017 |
|---|---|---|---|---|---|
| 1 | Alarafah Bank Ltd. | Mouchak Branch | Various | 88,600,659 | 90,165,259 |
| 2 | Bank Asia Ltd. | Corporate Branch | Various | 65,069,286 | 75,918,028 |
| 3 | BFIC Ltd. | Dilkusha Branch | Various | 8,000,000 | 8,000,000 |
| 4 | BIFC Ltd. | Dilkusha Branch | Various | 2,026,000 | 2,026,000 |
| 5 | City Bank | Kawranbazar Branch | Various | 32,768,151 | 17,362,897 |
| 6 | Eastern Bank Ltd. | Kakrail Branch | Various | 103,600,000 | 100,000,000 |
| 7 | Exim Bank Ltd. | Panthapath Branch | Various | 9,199,707 | 8,697,713 |
| 8 | IDLC Ltd. | Dilkusha Branch | Various | 8,374,740 | 8,405,789 |
| 9 | ILFS Ltd. | Rajuk Avenue Branch | Various | 2,198,200 | 2,844,837 |
| 10 | IPDC Finance Ltd. | Gulshan Branch | Various | 10,000,000 | - |
| 11 | Jamuna Bank Ltd. | Sonargaon Road Branch | Various | 31,890,416 | 27,743,488 |
| 12 | Lanka Bangla Finance Ltd. | Banani Branch | Various | 6,354,014 | 5,653,322 |
| 13 | Mercantile Bank Ltd. | Satmasjid Road Branch | Various | 113,939,204 | 95,506,921 |
| 14 | National Finance Ltd. | Progoti Soroni Branch | Various | 52,012,424 | 47,282,343 |
| 15 | National Housing Ltd. | Corporate Head Office | Various | - | 3,662,905 |
| 16 | NCC Bank Ltd. | Dilkusha Branch | Various | 39,442,112 | 33,629,145 |
| 17 | NRB Commercial Bank Ltd. | Principal Branch | Various | 49,035,694 | 39,045,047 |
| 18 | One Bank Ltd. | Moghbazar Branch | Various | 140,532,370 | 113,685,807 |
| 19 | Premier Bank Ltd. | Elephant Road Branch | Various | 152,979,919 | 141,593,123 |
| 20 | Premier Leasing Ltd. | Motijheel Branch | Various | - | 6,940,623 |
| 21 | Pubali Bank Ltd. | Laboratory Branch | Various | 36,148,395 | - |
| 22 | Shajalal Islami Bank Ltd. | Kawranbazar Branch | Various | 6,986,000 | - |
| 23 | SIBL | Panthapath Branch | Various | 80,342,531 | 54,550,774 |
| 24 | SBAC Bank Ltd. | Principal Branch | Various | 20,391,191 | 19,197,008 |
| 25 | Standard Bank Ltd. | Panthapath Branch | Various | 86,897,660 | 74,044,444 |
| 26 | Trust Bank Ltd. | Kawranbazar Branch | Various | 55,825,139 | 53,553,899 |
| 27 | Uttara Bank Ltd. | Corporate Branch | Various | 18,576,156 | 17,841,651 |
| | | **Total** | | **1,221,189,968** | **1,047,351,022** |

# IFAD AUTOS LIMITED

## Statement of Short Term Loan & Credits

As at June 30, 2018

**Annexure-F**

| Sl.No. | Name of The Bank | Types of A/C | Branch | Account No. | 30.06.2018 | 30.06.2017 |
|---|---|---|---|---|---|---|
| 1 | Al Arafah Islami Bank Ltd. | LTR | Mouchak | Various | 108,201,276 | 176,188,369 |
| 2 | Bank Asia Ltd. | LTR | Corporate | Various | 105,892,689 | 120,824,152 |
| 3 | Brac Bank Ltd. | LTR | Head Office | Various | 158,934,187 | 114,239,498 |
| 4 | City Bank Ltd. | LTR | Kawranbazar | Various | 46,852,248 | - |
| 5 | Commercial Bank of Ceylon | LTR | Motijheel | Various | 1,227,329 | - |
| 6 | Dhaka Bank Ltd. | LTR | Shahjahanpur | Various | 89,627,487 | 21,938,753 |
| 7 | Dutch Bangla Bank Ltd. | LTR | Kawran Bazar | Various | 104,222,843 | 29,106,351 |
| 8 | Estern Bank Ltd. | LTR | Head Office | Various | 61,081,123 | 22,281,499 |
| 9 | Exim Bank Ltd. | LTR | Panthapath | Various | - | - |
| 10 | Jamuna Bank Ltd. | LTR | Sonargaon Road | Various | 35,178,958 | 13,005,125 |
| 11 | Mercantile Bank Ltd. | LTR | Satmasjid Road | Various | 255,684,619 | 62,738,690 |
| 12 | Midland Bank Ltd. | LTR | Gulshan | Various | 39,103,223 | - |
| 13 | Modhumoti Bank Ltd. | LTR | Motijheel | Various | - | 16,496,394 |
| 14 | NCC Bank Ltd. | LTR | Dilkusha | Various | 78,830,929 | 81,492,530 |
| 15 | NRB Commercial Bank Ltd. | LTR | Principal | Various | 28,515,282 | 16,893,751 |
| 16 | One Bank Ltd. | LTR | Moghbazar | Various | 1,966,680 | 65,410,674 |
| 17 | Premier Bank Ltd. | LTR | Elephant Road. | Various | 13,100,228 | 47,994,654 |
| 18 | Prime Bank Ltd. | LTR | Kawran Bazar | Various | 135,648,916 | 74,642,898 |
| 19 | Pubali Bank Ltd. | LTR | Laboratory | Various | 297,601,187 | 93,239,246 |
| 20 | Shahjalal Islami Bank Ltd. | LTR | Kawran Bazar | Various | 282,192,929 | 118,024,430 |
| 21 | Social Islamic Bank Ltd. | LTR | Panthapath | Various | - | 24,158,851 |
| 22 | SBAC Bank Ltd. | LTR | Principal | Various | - | 982,553 |
| 23 | Standard Bank Ltd. | LTR | Panthapath | Various | 69,048,813 | 4,715,166 |
| 24 | State Bank of India | LTR | Motijheel | Various | 62,787,107 | - |
| 25 | Trust Bank Ltd. | LTR | Kawran Bazar | Various | 27,238,601 | 7,726,788 |
| 26 | UCBL | LTR | Foreign Exchange Branch | Various | 95,161,999 | - |
| 27 | Uttara Bank Ltd. | LTR | Motijheel | Various | 18,919,570 | 23,333,099 |
| 28 | Bank Asia Ltd. | SOD | Corporate | Various | 57,414,123 | 53,463,649 |
| 29 | Brac Bank Ltd. | SOD | Head Office | Various | 61,466,342 | 54,039,146 |
| 30 | City Bank Ltd. | SOD | Kawranbazar | Various | 21,294,245 | 9,065,575 |
| 31 | Commercial Bank of Ceylon | SOD | Motijheel | Various | 31,003,435 | - |
| 32 | Dhaka Bank Ltd. | SOD | Shahjahanpur | Various | 50,625,302 | 10,045,707 |
| 33 | Dutch Bangla Bank Ltd. | SOD | Kawran Bazar | Various | 60,323,501 | 36,872,729 |
| 34 | Estern Bank Ltd. | SOD | Head Office | Various | 12,649,000 | 17,308,785 |
| 35 | IFIC Bank Ltd. | SOD | Dhanmondi | Various | - | (669) |
| 36 | Jamuna Bank Ltd. | SOD | Sonargaon Road | Various | 44,725,531 | 18,177,798 |
| 37 | Mercantile Bank Ltd. | SOD | Satmasjid Road | Various | 93,087,780 | 435,442,584 |
| 38 | Midland Bank Ltd. | SOD | Head Office | Various | 30,193,032 | - |
| 39 | Modhumoti Bank Ltd. | SOD | Motijheel | Various | 10,966,378 | 38,097,440 |
| 40 | NRB Commercial Bank Ltd. | SOD | Principal | Various | 6,444,735 | 13,764,624 |
| 41 | Premier Bank Ltd. | SOD | Elephant Road. | Various | 8,326,960 | 248,234,933 |
| 42 | Prime Bank Ltd. | SOD | Kawran Bazar | Various | 22,444,956 | 48,681,406 |
| 43 | Pubali Bank Ltd. | SOD | Laboratory | Various | 56,251,467 | 53,804,683 |
| 44 | SBAC Bank Ltd. | SOD | Principal | Various | - | 4,823,025 |
| 45 | Social Islami Bank Ltd. | SOD | Panthapath | Various | 51,554,396 | 16,813,944 |
| 46 | Standard Bank Ltd. | SOD | Panthapath | Various | 32,748,367 | 9,559,821 |
| 47 | State Bank of India | SOD | Motijheel | Various | 40,246,819 | - |
| 48 | Trust Bank Ltd. | SOD | Kawran Bazar | Various | 25,070,921 | 6,609,849 |
| 49 | Uttara Bank Ltd. | SOD | Motijheel | Various | 16,514,233 | 541,523,070 |
| 50 | Alarafah Islami Bank | STL | Mouchak | Various | 273,062,504 | - |
| 51 | City Bank | STL | Kawranbazar | Various | 284,172,928 | - |
| 52 | Dhaka Bank | STL | Shahjahanpur | Various | 37,055,793 | - |
| 53 | IPDC | STL | Head Office | Various | 100,114,583 | 100,000,000 |
| 54 | Prime Bank Ltd. | STL | Kawran Bazar | Various | 163,117,778 | - |
| 55 | Pubali Bank Ltd. | STL | Laboratory | Various | 203,518,130 | |
| 56 | Jamuna Bank | STL | Sonargaon Road | Various | 95,916,741 | - |
| 57 | Uttara Bank Ltd. | STL | Motijheel | Various | 287,327,500 | - |
| 58 | UNICAP Investment Ltd. | Margin Loan | Head Office | 1494 | 94,475,661 | 94,463,372 |
| 59 | Abaci Investments Ltd | Margin Loan | Head Office | C1605 | 264 | - |
| 60 | Prime Islami Securities Ltd. | Margin Loan | Head Office | 00984 | - | 782,409 |
| 61 | Prime Bank Investment Ltd. | Margin Loan | Head Office | 3366 | 28,878,892 | 30,237,248 |
| | | **Total:** | | | **4,418,010,519** | **2,977,244,598** |

# IFAD AUTOS LIMITED

## Report of Operating Segment

For the year ended June 30, 2018

**Information about business segments:** **Annexure-G**

| Particulars | Amount in Taka | | | |
|---|---|---|---|---|
| | Imported Vehicles | Assembling Vehicles | Body Building Unit | Total |
| **Revenue:** | | | | |
| External sales | 12,683,033,533 | 2,308,156,677 | 13,444,461 | 15,004,634,671 |
| Inter segment sales | - | - | - | - |
| **Total revenue** | **12,683,033,533** | **2,308,156,677** | **13,444,461** | **15,004,634,671** |
| **Less:** Cost of Sales | 10,343,412,313 | 1,782,912,931 | 11,570,548 | 12,137,895,792 |
| **Gross Profit** | **2,339,621,220** | **525,243,746** | **1,873,913** | **2,866,738,879** |
| | | | | |
| **Unallocated expenses:** | | | | |
| **Less:** Administrative expenses | - | - | - | 314,806,202 |
| **Less:** Distribution expenses | - | - | - | 232,897,639 |
| **Add:** Other income | - | - | - | 147,278,464 |
| **Segment result** | **-** | **-** | **-** | **2,466,313,502** |
| | | | | |
| **Unallocated expenses:** | | | | |
| Financial expenses | | | | 296,922,550 |
| Workers profit participation fund | | | | 103,304,331 |
| Income tax expenses | | | | 512,174,890 |
| **Profit for the year** | | | | **1,553,911,731** |
| | | | | |
| **Other information:** | | | | |
| **Segment assets (a)** | **1,541,615,587** | **1,014,606,114** | **40,032,097** | **2,596,253,797** |

# IFAD AUTOS LIMITED

## Report of Operating Segment

As at June 30, 2018

**Annexure-G/A**

| Segment assets | Imported Vehicles | | | Assembling Vehicles | | | Body Building | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| | Acquisition of Property, plant & Equipment less Accumulated Depreciation | Depreciation | Written down value as on 30.06.2018 | Acquisition of Property, plant & Equipment less Accumulated Depreciation | Depreciation | Written down value as on 30.06.2018 | Acquisition of Property, plant & Equipment less Accumulated Depreciation | Depreciation | Written down value as on 30.06.2018 | Written down value as on 30.06.2018 |
| Land and Land Developments | 1,178,338,591 | - | 1,178,338,591 | 575,262,144 | - | 575,262,144 | - | - | - | 1,753,600,735 |
| Buildings & Civil Construction | 132,644,614 | 6,453,672 | 126,190,942 | 392,990,933 | 19,421,811 | 373,569,122 | 24,772,322 | 584,521 | 24,187,801 | 523,947,865 |
| Flat | 22,279,006 | 445,580 | 21,833,426 | - | - | - | - | - | - | 21,833,426 |
| Tools & Equipment | 7,413,674 | 646,396 | 6,767,278 | - | - | - | - | - | - | 6,767,278 |
| Plant & Machinery | - | - | - | 58,358,541 | 5,722,184 | 52,636,357 | 16,389,423 | 545,127 | 15,844,296 | 68,480,653 |
| Furniture & Fixtures | 14,367,485 | 1,274,728 | 13,092,757 | 809,888 | 80,989 | 728,899 | - | - | - | 13,821,656 |
| Office Equipment | 30,100,114 | 2,574,876 | 27,525,238 | 76,230 | 7,623 | 68,607 | - | - | - | 27,593,845 |
| Electric Equipment & Installation | 6,128,275 | 534,268 | 5,594,007 | 12,789,794 | 1,278,979 | 11,510,815 | - | - | - | 17,104,822 |
| Motor Vehicles | 175,599,131 | 13,325,784 | 162,273,347 | 922,411 | 92,241 | 830,170 | - | - | - | 163,103,517 |
| **Total** | **1,566,870,890** | **25,255,303** | **1,541,615,587** | **1,041,209,941** | **26,603,827** | **1,014,606,114** | **41,161,745** | **1,129,648** | **40,032,097** | **2,596,253,797** |

**The basis of measurement about reported segment:**

1. Sales : Number of Vehicle sales

2. Assets : Using class of fixed assets

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## GLOSSARY

**IAL**
IFAD Autos Limited

**IMPL**
IFAD Multi Products Limited

**IITL**
IFAD Information & Technology Limited

**IASL**
IFAD Auto Services Limited

**IML**
IFAD Motors Limited

**ISCL**
IFAD Salt & Chemical Limited

**IACL**
IFAD Agro Complex Limited

**IEL**
IFAD Enterprises Limited

**DSE**
Dhaka Stock Exchange Limited

**CSE**
Chittagong Stock Exchange Limited

**BSEC**
Bangladesh Securities and Exchange Commission

**BAS**
Bangladesh Accounting Standard

**BFRS**
Bangladesh Financial Reporting Standard

**IAS**
International Accounting Standard

**IFRS**
International Financial Reporting Standard

**Accounting Policies**
The specific principles, bases, conventions, rules, and Practices adopted by an enterprise in preparing and Presenting Financial Statements.

**Accrual Basis**
Recording revenues & expenses in the period in which They are earned or incurred regardless of whether cash is Received or disbursed in that period.

**Cost of Goods Sold -COGS**
The Cost of Goods Sold. This generally refers to the cost of Producing of produce.

**Amortization**
The systematic allocation of the depreciable amount of an Intangible asset over its useful life.

**EBITDA**
Earnings before interest, tax, depreciation and amortization.

**Value Additions**
The quantum of wealth generated by the activities of the Company and its application.

**Economic Value Addition-EVA**
EVA is an internal management performance measure that Compares net operating profit to total cost of capital.

**Earnings per Share - EPS**
Profit attributable to ordinary shareholders divided by the Number of ordinary shares in ranking for dividend.

**Price Earnings Ratio - PE**
Market Price of a share divided by earnings per share.

**Market Capitalization**
Number of Shares issues multiplied by the market value of Each share at the year end.

**Shareholders' Funds**
Stated Capital, Capital Reserves and Revenue Reserves.

**Net Assets**
Sum of fixed Assets and Current Assets less total Liabilities.

**Net Assets per Share**
Net Assets at the end of the year divided by the number of Ordinary Shares issued.

**Return on Equity**
Attributable profits divided by average shareholders' funds.

**Related Parties**
Parties who could control or significantly influence the Financial and operating policies of the Company.

**Contingent Liabilities**
Conditions or situations at the balance sheet date, the Financial effects of which are to be determined by future Events, which may or may not occur.

**Working Capital**
Current assets exclusive of liquid funds and interest-bearing Financial receivables less operating liabilities and Non-interest-bearing provisions.

**Cash Equivalents**
Liquid investments with original maturities of three Months or less.

**Current Ratio**
Current Assets divided by current liabilities

**Debt to Equity Ratio**
Borrowing divided by equity

IFAD AUTOS LIMITED

Sonartori Tower (13th -18th Floor), 12 Biponon C/A,
Sonargaon Road, Dhaka-1000, Bangladesh.

## Proxy Form

I/we ..... being a member(s) of IFAD AUTOS LIMITED do hereby appoint Mr/Mrs..... as my/ our Proxy to attend and vote on behalf of me/us at the 30th Annual General Meeting of the Company to be held on Wednesday, the19th December, 2018 at 11.00 am at Samarai Convention Center, 23/G/7, Panthapath, Dhaka-1205 and any adjournment thereof.

As witness my/our hand this ..... Day of ..... 2018.

..... .....

Signature of the PROXY Signature of the Member(s)

Number of Shares held .....

| BO ID No. | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|

Revenue Stamp BDT 20

N.B : This Form of Proxy, duly signed (as recorded with the company), stamped and completed must be submitted to the Registered Office or Share Department (the Company's registered office: Sonartori Tower (13th – 18th Floor), 12 Biponon C/A, Sonargaon Road, Dhaka-1000, Bangladesh) of the Company at least 72 (Seventy Two) hours before the Meeting.

Signature Verified by

.....

Authorised Signatory of the Company

IFAD AUTOS LIMITED

Sonartori Tower (13th -18th Floor), 12 Biponon C/A,
Sonargaon Road, Dhaka-1000, Bangladesh.

## Attendance Slip

I do hereby submit the attendance slip in connection with the 30th Annual General Meeting of IFAD AUTOS LIMITED held on Wednesday , the 19 December,2018 at 11.00 am at Samarai Convention Center, 23/G/7, Panthapath, Dhaka-1205.

Full Name of the Member ----------

| BO ID No. | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|

Full Name of the Attorney/Proxy ----------

Signature Verified by

..... .....

Signature of the Member/Proxy Authorised Signatory of the Company

N.B.: Shareholders are requested to handover the Attendance Slip at the entrance of the Meeting.

SAMARSTOCK

AMAR STOCK

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**Annual Report 2017-2018**

**IFAD Autos Limited**
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