

Annual Report ■ 2014

aftab automobiles limited

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Company Information

Shafiul Islam
Chairman

Saiful Islam
Managing Director

Khaleda Islam
Director

Sajedul Islam
Director

Farhana Islam
Director

Syed Masud Hasan
Independent Director

Ekramul Haq
Independent Director

Company Secretary
Tareq Enamur Rahim

Chief Financial Officer
Kazi Ehsanul Huq FCA

Head of Internal Audit
Muhammad Abidur Rahman ACA

Audit Committee

Syed Masud Hasan - Chairman
(Independent Director)
Sajedul Islam - Member
(Director)
Md. Ekramul Haq FCA - Member
(Independent Director)

Auditors

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

Registered Office

125/A, Motijheel C/A
Dhaka, Bangladesh

Commercial Office

House # 16/B, Road # 93
Gulshan-2, Dhaka-1212.

Legal Advisor

Abdur Razzaque & Associates
67, Naya Paltan (4th Floor)
Dhaka, Bangladesh

Plant

Fouzderhat Heavy Industrial Estate
Chittagong, Bangladesh.

Main Banker

Bank Asia Limited
Dhaka Bank Limited
Mutual Trust Bank Limited

Coatbari, Dipnagar, Gabtoli
Mirpur, Dhaka, Bangladesh.



aftab automobiles limited

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

Notice of the 34th annual general meeting

Notice is hereby given that the 34th Annual General Meeting (AGM) of the shareholders of the Company shall be held on Wednesday, 24 December 2014 at 10:30 AM at Bashundhara Convention Center-2, Baridhara, Dhaka to transact the following business: -

1. To consider the audited financial statements of the Company for the year ended 31 August 2014 together with auditors' and directors' reports thereon.
2. To declare dividend.
3. To elect directors.
4. To appoint auditors and fix their remuneration.
5. Any other business:
 - 5.1 To adopt divestment of Navana Furniture Limited and Navana Paints Limited at Net Asset Value Tk. 28,64,59,719 and Tk. 11,40,88,261 respectively.
 - 5.2 To consider transfer of around 86.46 Kathas of leasehold land from Aftab Automobiles Limited to its wholly-owned subsidiary, Navana Batteries Limited for a total consideration (including costs of registration) at Tk. 10,22,57,971.

By order of the Board

Sd/-

(Tareq Enamur Rahim)
Company Secretary

Dated : Dhaka
November 18, 2014

Notes

- i) The shareholders whose names will appear in the Share Register of the Company and/or Depository Register of CDBL as on record date, i.e., 30 November 2014 will be entitled to attend the AGM and receive dividend.
- ii) Attendance to the AGM will be on production of the Attendance Slip sent with Annual Report-2014.
- iii) The Proxy Form, sent with this annual report-2014 affixed with requisite revenue stamp of Tk.20/- must be deposited at the Company's Registered Office at least 48 hours prior to the AGM.

The Proxy Form & the annual report-2014 are also available in Company's website (www.aftabauto.com).

সম্মানিত শেয়ারহোল্ডারবৃন্দের সদয় অবগতির জন্য জানানো যাচ্ছে যে, Bangladesh Securities and Exchange Commission এর বিধিনিষেধ থাকায় আসন্ন বার্ষিক সাধারণ সভায় কোন প্রকার উপহার/দ্বাপ্যায়নের ব্যবস্থা থাকবে না।

chairman's statement

Dear Shareholders,
Assalamualaikum.

It is my privilege to welcome you all to the 34th Annual General Meeting of Aftab Automobiles Limited (AAL) and would therefore like to take this opportunity to present before you a summarized position on the activities of the Company during the last year.

As we know that due to unfavorable situation prevailed in the country there was a slowdown in the transport sector during the year resulting in fall in company's Hino bus sales. On the otherhand, due to appreciation of Bangladesh taka against foreign currency, the 'cost of goods sold' declined. As a result, although the sale has dropped but the profit did not declined comparatively.

You are aware that Aftab Automobiles Limited has been appointed as distributor in Bangladesh by Mahindra & Mahindra Limited, India and have been importing CKD components of motorcycles from them and assembling those in its own assembling plant. After assembling, the motorcycles are being marketed on commercial basis. However, our assembled Mahindra motorcycles could not achieve its desired sales target due to overall situation of the country and brand of the product being newly introduced to the market. However, we are working on achieving gradual increase in market share of Mahindra motorcycles in the country. It is expected that the motorcycle unit will do much better in the coming days.

The subsidiary company 'Navana Batteries Limited', as usual, has been able to achieve desired profit in this year also.

I would like to recall your attention to the last 33rd AGM of the Company wherein the shareholders recommended and approved to divest the two subsidiary companies of Aftab Automobiles Limited e.g. 'Navana Furniture Limited' and 'Navana Paints Limited' and re-invest the sale proceeds to the core-business or any other profitable business. Divestment of the said subsidiaries has been completed this year, detail of which has been reflected in the directors' report.

I would like to assure you that, all our hard efforts to increase the shareholders' equity will continue as before. I would like to thank all our valued shareholders, patrons, well-wishers and all employees for their continued support and sincere efforts towards the growth of the Company.

I would also like to express my gratitude to the Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, Registrar of Joint Stock Companies & Firms and Central Depository Bangladesh Limited for their whole hearted support.

Sd/-
(Shafiul Islam)
Chairman



View: Hon'ble Chairman's addressing at the 33rd AGM of the Company



A view of hon'ble shareholders at the 33rd AGM

চেয়ারম্যানের বিবৃতি

শ্রিয় শেয়ারহোল্ডারবৃন্দ,
আসসালামুআলাইকুম।

আমি আপনাদের সবাইকে আফতাব অটোমোবাইলস্ লিমিটেডের ৩৪তম বার্ষিক সাধারণ সভায় খাগত জানিয়ে বিগত বছরের কোম্পানীর কার্যক্রমের উপর কিছু তথ্য উপস্থাপন করছি।

আমরা জানি যে, অস্থিতিশীল পরিস্থিতির কারণে দেশের পরিবহন খাতে স্থবিরতা বিদ্যমান ছিল। যে কারণে, এবছর কোম্পানির Hino বাস বিক্রয় কম হয়েছে। কিন্তু, বৈদেশিক মুদ্রার বিপরীতে টাকার মান বৃদ্ধি পাওয়ার উৎপাদন খরচ (cost of goods sold) কমেছে। ফলশ্রুতিতে, এবছর বিক্রয় কম হলেও মুনাফা সেই তুলনায় হ্রাস পায়নি।

আপনারা অবগত আছেন যে, আফতাব অটোমোবাইলস্ লিমিটেড ভারতীয় কোম্পানি Mahindra & Mahindra Limited কর্তৃক বাংলাদেশে তাদের মটরসাইকেলের ডিস্ট্রিবিউটর হিসাবে মটরসাইকেল এর CKD যন্ত্রাংশ আমদানী করে নিজস্ব এসেম্বলিং প্রাণ্টে সংযোজনের মাধ্যমে বাণিজ্যিকভাবে বাজারজাত করেছে। আমাদের উৎপাদিত Mahindra মটরসাইকেল দেশের সার্বিক পরিস্থিতির কারণে এবং নতুন প্রাপ্ত হওয়ায় প্রথম বছরে কাঙ্ক্ষিত বিক্রয় লক্ষ্যমাত্রা অর্জন করতে পারে নাই। তবে, আমরা ধীরে ধীরে বাজারে Mahindra মটরসাইকেলের market share বৃদ্ধির লক্ষ্যে কাজ করে যাচ্ছি। আগামীতে মটরসাইকেল ইউনিটটি আরও ভাল করবে বলে আশা করা যায়।



হবিঃ কোম্পানীর ৩৩তম বার্ষিক সাধারণ সভায় পরিচালনা পর্ষদ

সাবসিডিয়ারি কোম্পানি 'নাতানা ব্যটারিজ লিমিটেড' বরাবরের মতো এবছরও ভাল ব্যবসা করেছে এবং কাঙ্ক্ষিত মুনাফা অর্জনে সক্ষম হয়েছে।

আমি আপনাদের স্বরণ করিয়ে দিতে চাই যে, বিগত ৩৩তম বার্ষিক সাধারণ সভায়, শেয়ারহোল্ডারগণ আফতাব অটোমোবাইলস্ লিমিটেডের দুইটি সাবসিডিয়ারি কোম্পানি- 'নাতানা ফার্নিচার লিমিটেড' ও 'নাতানা পেইন্টস লিমিটেড'-কে divest করে এর থেকে প্রাপ্ত অর্থ core business বা অন্য কোন লাভজনক খাতে বিনিয়োগ করার প্রস্তাব করেছিলেন, যা সেই সাধারণ সভায় সর্বসম্মতিক্রমে অনুমোদিত হয়। এবছর divestment কার্যক্রমটি বাস্তবায়ন করা হয়েছে, যার বিস্তারিত বিবরণ পরিচালনা পর্ষদের প্রতিবেদনে দেয়া আছে।

আমি আপনাদের আশ্বস্ত করতে চাই যে, ব্যবসায়িক উন্নয়ন ও শেয়ারহোল্ডারগণের পরিসম্পদ বৃদ্ধিতে আমাদের আন্তরিক প্রচেষ্টা ভবিষ্যতেও অব্যাহত থাকবে। আমি কোম্পানীর সকল সম্মানিত শেয়ারহোল্ডারবৃন্দ, গ্রাহক, পৃষ্ঠপোষক, সত্বাকাক্ষী এবং সকল কর্মচারী ও কর্মকর্তাবৃন্দকে তাদের অব্যাহত সমর্থনের জন্য ধন্যবাদ জানাচ্ছি, যাদের সহযোগিতা ছাড়া কোম্পানীর বর্তমান অবস্থা অর্জন করা সম্ভব হতো না।

পরিশেষে, বাংলাদেশ সিনিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন, ঢাকা স্টক এক্সচেঞ্জ লি:, চট্টগ্রাম স্টক এক্সচেঞ্জ লি:, রেজিস্ট্রার অব জয়েন্ট স্টক কোম্পানীজ, সেন্ট্রাল ডিপোজিটরি বাংলাদেশ লিঃ এবং অন্যান্য সবাইকে তাদের সর্বাঙ্গিক সহযোগিতার জন্য আন্তরিক কৃতজ্ঞতা আপন করছি।

স্বাঃ/-
(শফিউল ইসলাম)
সভাপতি

directors' report to the shareholders

Dear Shareholders,

The Board of Directors of your Company is pleased to present their report before you along with the audited financial statements and auditors' report thereon for the year ended 31 August 2014.

The activities of the Company for the aforesaid year are summarized below:

PERFORMANCE

PRODUCTION

Assembling Unit: This unit has produced 222 units of vehicles which consists of 202 units Hino Diesel Bus chassis, 4 units of Hino mini-bus chassis and 16 units of Hino RM-2 bus chassis.

Bus Body Building Unit: This unit has fabricated 103 Units of Hino Bus body.

Motorcycle Unit: This unit has produced 1260 units of motorcycles during this year.

SALES

Assembling Unit: During the financial year, Tk.142.44 crore has been added to the Company's turnover from assembling unit.

Bus Body Building unit: On the other hand, an amount of Tk.16.75 crore has been contributed to the turnover of the Company against sale proceeds of 103 units of bus body building and fabrication.

Motorcycle Unit: Newly introduced motorcycle unit contributed Tk.13.81 crore to the turnover of the Company.

Consolidated Financial Result and Appropriation of Profit:

amount in taka

	2014	2013
Retained Earnings Brought Forward	1,820,327,864	1,632,485,646
Add: Net Profit for the year (after tax)	268,240,905	358,792,972
Profit available for appropriation	2,088,568,769	1,991,278,618
Recommended for appropriations:		
	<u>2014</u>	<u>2013</u>
Stock Dividend @	-	12%
Cash Dividend @	17%	8%
Un appropriated profit carried forward		
	1,925,823,651	1,820,327,864
Total	2,088,568,769	1,991,278,618

Subsidiary Operation

Navana Batteries Limited

Navana Batteries Limited (NBL) is a fully owned subsidiary Company of Aftab Automobiles Limited (AAL) holding 99.95% share. The operating results of NBL for the period ended 31 August 2014 are given below comparing operating results for the year ended 31 August 2013 as follows:

Particulars	2014 (Taka)	2013 (Taka)
Turnover	979,887,224	890,536,266
Gross Profit	265,572,310	184,519,115
Net Profit After Tax	103,523,900	54,901,893
Earnings Per Share (EPS)	5.64	2.99
Net Assets Value Per Share (NAVPS)	27.27	21.63

directors' report to the shareholders

Divestment of two fully owned subsidiary companies: Navana Furniture Limited (NFL) and Navana Paints Limited (NPL)

The shareholders in the last Annual General Meeting (AGM) of the Company held on 23 December 2013 pointed out that the two fully owned subsidiaries of the company e.g., Navana Furniture Limited (NFL) and Navana Paints Limited (NPL), are hardly making any profit and is at the stage of incurring losses which has to be borne by the shareholders. A shareholder on behalf of all shareholders present at the AGM requested the Board to divest these two subsidiaries and re-invest the sale proceeds in company's core business or any other profitable business, so as to contribute in the company's growth. Accordingly, the Chairman of the Company in a Board meeting held on 09 April 2014 constituted a divestment committee.

The Divestment Committee suggested on 05 July 2014 to transfer NFL and NPL to the flagship Company of Navana Group, Navana Limited who expressed their interest to acquire NFL and NPL at Net Asset Value thereof at 30 June 2014 i.e. Tk. 28,64,59,719 for Navana Furniture Limited and Tk.11,40,88,261 for Navana Paints Limited. The Board accepted the offer of Navana Limited as any divestment outside Navana Group may give wrong signal to the market and amongst bank/financial institutions/creditors.

The Board of Directors of NFL and NPL have approved the share transfer to Navana Limited on 31st August 2014. Now, after divestment of the two subsidiaries e.g. 'Navana Furniture Limited' and 'Navana Paints Limited', the Company is looking for re-investment in any profitable sector related with the core business of the Company so as to sustain its profitability and growth.

Segment-wise or product-wise performance

The company is operating its business with its homogeneous products and services in a single economic and geographical segment within the territory of Bangladesh

Industry outlook and possible future developments in the industry

The company is conducting its market research and feasibility study on different types of vehicles and auto parts within Bangladesh territory. Based on such studies, the company might explore opportunities.

Risks and concerns

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

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

Particulars	In '000" taka	
	August 31, 2014	August 31, 2013
Revenues (Turnover)	2,709,873	3,332,170
Cost of goods sold	2,004,019	2,587,063
Gross profit	705,854	745,107
Net profit for the year	383,548	337,599

Total revenues during the financial year has been reduced which has caused decrease in gross profit and net profit.

Discussion on continuity of any Extra-Ordinary gain or loss

There is no significant extra-ordinary gain or loss during the financial year.

Related party transactions

As per agreement with Toyota Tsusho Corporation, Japan, all assembled vehicles of Aftab Automobiles Limited are distributed through Navana Limited (distributor of Toyota & Hino vehicles). During the year, The company sold vehicles worth Tk.123.74 crore through Navana Limited. No other transaction has been made with any other related party.
Investments:

(a) Navana CNG Limited

Aftab Automobiles Limited is holding =1,05,404= shares of Navana CNG Limited at present. The acquisition cost of the said shares was Tk.4.37 per share. However, the market price of the shares of Navana CNG Limited is Tk.52.10 as on 31 August 2014.

(b) Navana Real Estate Limited

Aftab Automobiles Limited is holding =60,00,000= shares of Tk.10/- each of Navana Real Estate Limited at present. The acquisition cost of the said shares was Tk.3.33 per share. As Navana Real Estate Limited is not listed, its market price cannot be determined. However, Navana Real Estate Limited's Earning per share (EPS) and Net asset value (NAV) as on 30 June 2013 stood at Tk.2.40 and Tk.43.51 per share respectively.

directors' report to the shareholders

Next Year Plan

The Assembling Unit of the Company is expected to assemble 360 units of Diesel Hino Bus Chassis and 36 new model RM-2 Hino Bus Chassis in the next financial year.

The Bus Body Building Unit is expected to fabricate around 200 units of Hino Bus Body and 30 units of Hino RM-2 Air-conditioned Bus Body during the next financial year.

The Motorcycle Unit is expected to assemble 4000 units during next financial year.

Dividend

The Board of Directors of your Company has recommended cash dividend @17% for the shareholders for the year ended 31 August 2014, whose names will appear in the share register of the Company and/or Depository Register of CDBL as on Record Date i.e., 30 November 2014 subject to approval by the Shareholders in the ensuing Annual General Meeting of the Company.

Election of Directors

In terms of Article 125 and 126 of the Articles of Association of the Company, Mr. Shafiu Islam and Mrs. Khaleda Islam, Directors retire by rotation from the Board in the 34th Annual General Meeting. Being eligible under Article 127 of the Articles of Association of the Company, the retiring Directors have offered themselves for re-election.

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

Mr. Shafiu Islam (Kamal), Chairman

A Bachelor of Science, Mr. Kamal joined the Islam Group, a reputed business conglomerate in Bangladesh in 1968 and started his career with automobile business as well as in the construction and real estate business. He played a major role in establishing "Navana" as the Toyota brand car trading company in Bangladesh, and finally set up Aftab Automobiles Ltd. He was also taken care of Eastern Housing Limited from 1981, then the largest real estate developing company in Bangladesh. In 1996, the then Chairman of Islam Group, he separated from Islam Group with Navana Ltd and Aftab Automobiles Ltd and formed Navana Group.

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

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

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

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

Mrs. Khaleda Islam, Director

Mrs. Khaleda Islam is the wife of Mr. Shafiu Islam Kamal, Chairman of the Navana Group.

She gained valuable experience by being involved in the management of the Group's diversified business operations. She traveled many countries of the world.

At present, Mrs. Khaleda Islam is a Director of Navana Group and involved amongst others, in vehicles assembling, body building and trading, real estate, construction, CNG conversion and gas stations, electronics, IT, petroleum and renewable energy etc.

Names of companies in which Mrs. Khaleda Islam also holds the directorship:

Navana Limited., Navana CNG Limited, Navana Construction Ltd., Biponon Ltd., Navana Computers & Tech Ltd., Navana Services Ltd., Navana Interlinks Ltd., Navana Taxi Cab Co. Ltd., Navana Electronics Ltd., Navana Power Generation Ltd., Navana Foods Ltd., Navana Real Estate Limited, Navana Power Co. Ltd., Navana Denims Ltd., Navana Knitting Ltd., Navana Feed Mills Ltd., Navana Software Ltd., Navana Petroleum Ltd, Navana Plantation Ltd., Navana Exports Ltd., Navana Logistics Ltd., Navana Renewable Energy Ltd., Navana Lingerie Ltd., Navana Fabrics Ltd., Navana Gas Co. Ltd., Navana Building Products Ltd., Navana Toyota Service Center Ltd., Navana Equities Ltd., Navana Electrical and Energy Saving Products Ltd., Navana Engineering Ltd., Navana Properties Ltd. and Navana Welding Electrode Limited, Navana Plastic Products Limited.

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

directors' report to the shareholders

Remuneration to directors including independent directors:

The Director of the Company including Independent Director is receiving a sum of Taka 5000/- (Five thousand) only as board meeting fee

BOARD MEETINGS

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

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

Name of Directors	Number of Board Meeting held during the financial year ended 31.08.2014	Number of Board Meeting attended	Remarks
Mr. Shafiu Islam	8	8	
Mrs. Khaleda Islam	8	3	
Mr. Saiful Islam	8	3	
Mr. Sajedul Islam	8	6	
Ms. Farhana Islam	8	3	
Mr. Syed Masud Hasan (Independent Director)	8	6	
Mr. Ekramul Haq (Independent Director)	8	6	

REPORT OF THE AUDIT COMMITTEE

The Audit committee consists of the following members:

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

Scope of work of Audit Committee

The Committee is authorised to investigate any matter within its terms of reference, access all documents and information of the company, seek information from any director or employee of the Group and co-opt any resources (including external professional assistance) it sees fit in order to fulfill its duties. However, the Committee has no executive function and its primary objective is to review and challenge, rather than assume responsibility for any matters within its remit. The Committee presents a summary of its activities to shareholders and other interested parties by means of this report, and the Committee Chairman attends all general meetings of the Company's shareholders to answer any questions on the committee's activities.

Review of financial statements by the Audit Committee

Audit Committee reviewed the annual financial statements for the year 31 August 2014 and placed its recommendation to the Board of Directors.

External audit

M/s. Rahman Mostafa Alam & Co. a Chartered Accountant firm registered in Bangladesh acted as the external auditors to the company throughout the year. The external auditors are not engaged on any material non-audit work such as:

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

directors' report to the shareholders

Independence of External Auditor

As a policy, the Committee would not allow the external auditors to perform any work that they may subsequently need to audit, or which might otherwise create a conflict of interests. The Committee also monitors the balance between audit and non-audit related functions to ensure that auditor independence can be shown to be maintained. The Chief Financial Officer is permitted to engage the external auditors on matters that do not create such conflicts.

The Audit Committee appraised the expertise, resources, independence and objectivity of external auditor and also reviewed their effectiveness as external auditors before reaching the recommendation to the Board that their re-election should be proposed to shareholders.

Resolutions of the Audit Committee meeting:

The Committee met four times during last financial year 2013-14 to carry out the following tasks:

- The Audit Committee reviewed the financial statements for the year ended August 31, 2014;
- Reviewed and discussed the Management Letter, by external auditor Rahman Mostafa Alam & Co. for the year ended August 31, 2014 on the annual audit on financial statements of Aftab Automobiles Limited;
- The expression of interest sent by the existing audit firm was reviewed by the Audit Committee and recommended M/s. Rahman Mostafa Alam & Co. Chartered Accountants, as auditor of the Company for the year to be ended August 2015;
- Reviewed various reports of Internal Control & Compliance Department on operational, financial procedures and branch activities;
- Reviewed the Quarterly and Half-yearly Reports of the Company.

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

Report from the Audit Committee

Dated: 18 November 2014

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

Audit Committee Report

The Committee reviewed and discussed the procedure and task of the internal audit, financial report preparation and the external auditors' observations in their reports on the draft financial statements of the Company initialed by the auditors for the year ended 31 August 2014. The Committee found adequate arrangement to present a true and fair view of the financial status of the Company; and did not find any material deviation, discrepancies or any adverse finding/observation in the areas of reporting.

The Committee also reviewed the financial statements of the subsidiary Company i.e. Navana Batteries Limited for the year ended 31 August, 2014 and also found adequate arrangement to present a true and fair view of the financial status of the Companies.

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

directors' report to the shareholders

APPOINTMENT OF AUDITORS

The existing auditors of the Company, M/S. Rahman Mostafa Alam & Co, Chartered Accountants have completed their audit for the year under review. Being eligible, they have offered themselves for re-appointment for the year to be ended on 31 August 2015 as Auditors of the Company.

CORPORATE & FINANCIAL REPORTING:

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

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



View: Hino RM-2 Bus assembled & body fabricated by AAL for UN

directors' report to the shareholders

i) Pattern of Shareholding:

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

Key operating and financial data

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

Corporate Governance Compliance Report

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

On behalf of the Board of Directors

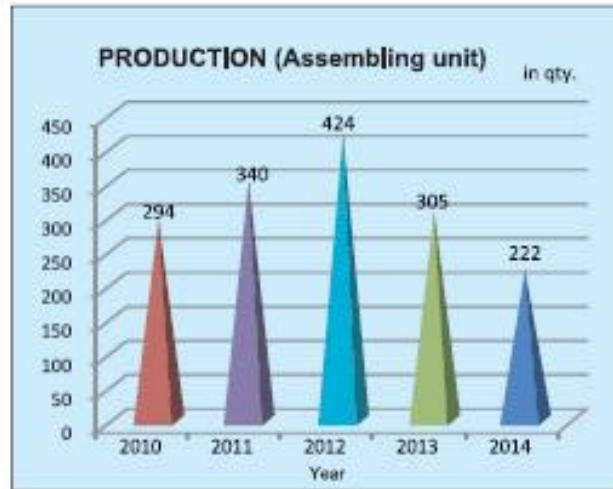
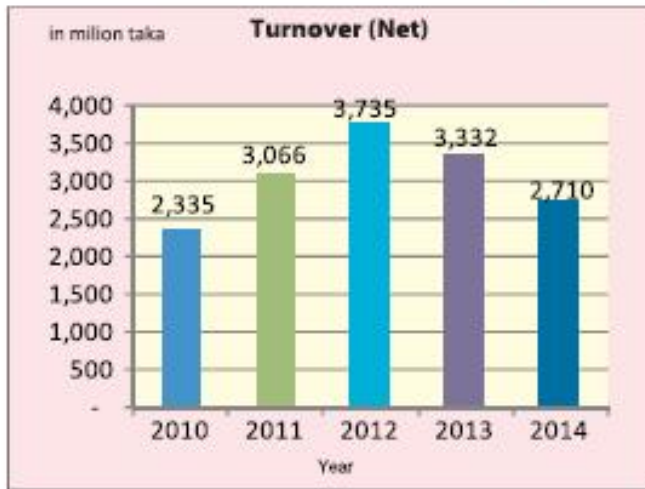
Sd/-

(Shafiu Islam)

Chairman

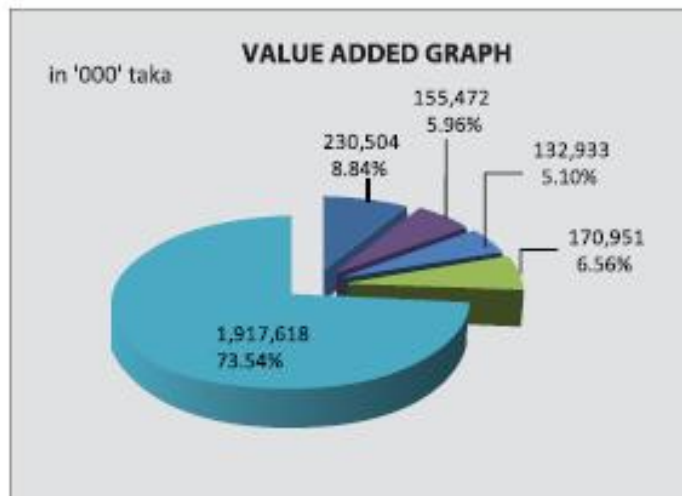
18 November 2014

Graphical Presentation



VALUE ADDED STATEMENT
For the year ended August 31, 2014

	Amount in '000' Taka
Sale / Turnover	2,709,873
Bought in Material & Service	102,395
Value Added	2,607,478
Application to National Exchequer	230,504
to providers of Loan as Interest & Charges	155,472
to providers Emp. Salaries Wages & other benefits	132,933
to providers of Capital as Dividend	170,951
Reserve & Surplus	1,917,618
	2,607,478



M. M. RAHMAN & CO.
Chartered Accountants

Landmark Sensation, Level # 01
17-18, Hossain Housing Society
Shyamoli, Dhaka-1207, Bangladesh
Tel : +88-02-8129737

Certificate of Compliance to the Shareholders of Aftab Automobiles Limited

[Issued under Condition # 7(i) of Corporate Governance Guidelines of BSEC vide
Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012]

We have examined compliance to the BSEC guidelines on Corporate Governance by Aftab Automobiles Limited ("the Company") for the financial year ended 31 August 2014. These guidelines relate to the Notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 on Corporate Governance.

Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of Corporate Governance.

According to the information and explanations provided by the Company, we hereby certify that in our opinion, the Company has complied with all the conditions of Corporate Governance Guidelines issued by BSEC.

Dated: Dhaka, 18 November 2014

Sd/-
M. M. Rahman & Co.
Chartered Accountants

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

18 November 2014

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

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

In terms of the Notification of Bangladesh Securities and Exchange Commission (BSEC) bearing No. SEC/CMRRCD/2006-158/134/Admin/44, dated 07 August 2012, we, the undersigned Managing Director and Chief Financial Officer (CFO) do hereby certify that we have reviewed the financial statements for the year ended 31 August 2014 of Aftab Automobiles Limited and to the best of our knowledge and belief:

- (i) (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
(b) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.

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

Sd/-
Saiful Islam
Managing Director

directors' report to the shareholders

Annexure : 1

The Key Operating and Financial Data (Consolidated):

Amount in '000 Taka

Particulars	2014	2013	2012	2011	2010
Authorized capital	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Paid-up capital	957,324	854,754	683,803	569,836	438,335
Face Value Per Share	Tk.10/-	Tk.10/-	Tk.10/-	Tk. 10/-	Tk.10/-
Pref. share capital (including premium)	-	-	-	-	-
Shareholders equity	5,039,089	4,907,609	4,500,177	4,083,419	3,207,347
Fixed asset	689,348	1,087,301	974,465	925,583	424,617
Turnover (Net)	2,709,873	3,332,170	3,735,217	3,066,223	2,334,640
Gross profit	705,854	745,107	775,211	787,332	531,129
Net profit after tax (including non-operating income)	268,297	351,824	366,655	920,329	693,786
Operating cash flow per share	3.63	2.53	2.57	1.83	3.06
Book value per share (Restated)	52.64	57.42	65.81	74.54	73.16
Earning per share (Basic)	4.01	3.53	5.31	5.59	1.16
Earning per share (Non-operating)	-	-	0.05	9.81	11.01
Cash dividend	17%	8%	-	20%	10%
Stock dividend	-	12%	25%	20%	30%
Number of shareholders	48,055	45883	42,426	43,669	14,557

Annexure : 2

Corporate Governance Compliance Report

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

Condition No.	Title	Compliance Status	Remarks (if any)
1.1	Board's Size	Complied	
1.2 (i)	At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors.	Complied	
1.2 (ii) a)	"Independent director" means a director- a) who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	Complied	
1.2 (ii) b)	who is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her familymembers also should not hold above mentioned shares in the company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	Complied	
1.2 (ii) c)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/ associated companies;	Complied	
1.2 (ii) d)	who is not a member, director or officer of any stock exchange;	Complied	

directors' report to the shareholders

Condition No.	Title	Compliance Status	Remarks (if any)
1.2 (ii) e)	who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market;	Complied	
1.2 (ii) f)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of any statutory audit firm;	Complied	
1.2 (ii) g)	who shall not be an independent director in more than 3 (three) listed companies;	Complied	
1.2 (ii) h)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI);	Complied	
1.2 (ii) i)	who has not been convicted for a criminal offence involving moral turpitude.	Complied	
1.2 (iii)	the independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM).	Complied	
1.2 (iv)	the post of independent director(s) can not remain vacant for more than 90 (ninety) days.	Complied	
1.2 (v)	the Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.	Complied	
1.2 (vi)	the tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.	Complied	
1.3 (i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	Complied	
1.3 (ii)	The person should be a Business Leader/Corporate Leader/ Bureaucrat/University Teacher with Economics or Business Studies or Law background/Professionals like Chartered Accountants, Cost & Management Accountants, Chartered Secretaries. The independent director must have at least 12 (twelve) years of corporate management/professional experiences.	Complied	
1.3 (iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission.		Not applicable
1.4	The positions of the Chairman of the Board and the Chief Executive Officer of the companies shall be filled by different individuals. The Chairman of the company shall be elected from among the directors of the company. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the Chief Executive Officer.	Complied	
1.5 (i)	Additional statements in the Directors' Report prepared under section 184 of the Companies Act, 1994:- Industry outlook and possible future developments in the industry.	Complied	
1.5 (ii)	Segment-wise or product-wise performance.	Complied	
1.5 (iii)	Risks and concerns.	Complied	
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	Complied	
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss.	Complied	
1.5 (vi)	Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report.	Complied	

directors' report to the shareholders

Condition No.	Title	Compliance Status	Remarks (if any)
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments.	Complied	
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.		No such deterioration.
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.		No such variance occurred.
1.5 (x)	Remuneration to directors including independent directors.	Complied	
1.5 (xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	Complied	
1.5 (xii)	Proper books of account of the issuer company have been maintained.	Complied	
1.5 (xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	Complied	
1.5 (xiv)	International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	Complied	
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	Complied	
1.5 (xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.	Complied	
1.5 (xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	Complied	
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	Complied	
1.5 (xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.		Not applicable (Declaring dividends regularly)
1.5 (xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	Complied	
1.5 (xxi)	The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:-	Complied	
1.5 (xxi) a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	Complied	
1.5 (xxi) b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	Complied	
1.5 (xxi) c)	Executives;	Complied	
1.5 (xxi) d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	Complied	
	Explanation: For the purpose of this clause, the expression "executive" means top 5 (five) salaried employees of the company other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit.		

directors' report to the shareholders

Condition No.	Title	Compliance Status	Remarks (if any)
1.5 (xxii)	In case of the appointment/ re-appointment of a director the company shall disclose the following information to the shareholders:-	Complied	
1.5 (xxii) a)	a brief resume of the director;	Complied	
1.5 (xxii) b)	nature of his/her expertise in specific functional areas;	Complied	
1.5 (xxii) c)	names of companies in which the person also holds the directorship and the membership of committees of the board.	Complied	
2.1	Appointment The company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the CS.	Complied	
2.2	Requirement to attend the Board Meetings The CFO and the Company Secretary of the companies shall attend the meetings of the Board of Directors, provided that the CFO and/or the Company Secretary shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating to their personal matters.	Complied	
3 (i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors.	Complied	
3 (ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	Complied	
3 (iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	Complied	
3.1 (i)	The Audit Committee shall be composed of at least 3 (three) members.	Complied	
3.1 (ii)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director.	Complied	
3.1 (iii)	All members of the audit committee should be "financially literate" and at least 1(one) member shall have accounting or related financial management experience.	Complied	
3.1 (iv)	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(ies) immediately or not later than 1 (one) month from the date of vacancy(ies) in the Committee to ensure continuity of the performance of work of the Audit Committee.	Complied	
3.1 (v)	The company secretary shall act as the secretary of the Committee.	Complied	
3.1 (vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1(one) independent director.	Complied	
3.2 (i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director.	Complied	

directors' report to the shareholders

Condition No.	Title	Compliance Status	Remarks (if any)
3.2 (ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM).	Complied	
3.3 (i)	Oversee the financial reporting process.	Complied	
3.3 (ii)	Monitor choice of accounting policies and principles.	Complied	
3.3 (iii)	Monitor Internal Control Risk management process.	Complied	
3.3 (iv)	Oversee hiring and performance of external auditors.		
3.3 (v)	Review along with the management, the annual financial statements before submission to the board for approval.	Complied	
3.3 (vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	Complied	
3.3 (vii)	Review the adequacy of internal audit function.	Complied	
3.3 (viii)	Review statement of significant related party transactions submitted by the management.	Complied	
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	Complied	
3.3 (x)	When money is raised through Initial Public Offering (IPO)/ Repeat Public Offering (RPO)/Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus.	Complied	
3.4.1 (i)	The Audit Committee shall report on its activities to the Board of Directors.	Complied	
3.4.1 (ii)	a) report on conflicts of interests;	Complied	
3.4.1 (ii)	b) suspected or presumed fraud or irregularity or material defect in the internal control system;	Complied	
3.4.1 (ii)	c) suspected infringement of laws, including securities related laws, rules and regulations;	Complied	
3.4.1 (ii)	d) any other matter which shall be disclosed to the Board of Directors immediately.	Complied	
3.4.2	If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.	Complied	
3.5	Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1 (ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company.	Complied	
4 (i)	Appraisal or valuation services or fairness opinions.	Complied	
4 (ii)	Financial information systems design and implementation.	Complied	
4 (iii)	Book-keeping or other services related to the accounting records or financial statements.	Complied	
4 (iv)	Broker-dealer services.	Complied	

directors' report to the shareholders

Condition No.	Title	Compliance Status	Remarks (if any)
4 (v)	Actuarial services.	Complied	
4 (vi)	Internal audit services.	Complied	
4 (vii)	Any other service that the Audit Committee determines.	Complied	
4 (viii)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.	Complied	
5 (i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	Complied	
5 (ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.	Complied	
5 (iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	Complied	
5 (iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.	Complied	
5 (v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	Complied	
6 (i) a)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	Complied	
6 (i) b)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	Complied	
6 (ii)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.	Complied	
7 (i)	The company shall obtain a certificate from a Professional Accountant/ Secretary (Chartered Accountant/Cost & Management Accountant/Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.	Complied	
7 (ii)	The directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions.	Complied	

Auditors' Report to the Shareholders

Of

Aftab Automobiles Limited. and its Subsidiary

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

Management's responsibility for the financial statements

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

Auditors' responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Aftab Automobiles Limited .and its subsidiary as of August 31, 2014, and its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS) and comply with the applicable sections of the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations.

We also report that:

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

Dated : Dhaka
November 18, 2014

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

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants

Aftab Automobiles Limited and its Subsidiary
Consolidated Statement of Financial Position

As at August 31, 2014

	Notes	31/8/14	31/8/13*
		BD Taka	BD Taka
Assets			
Non-current assets			
Property, plant and equipment, net	3 (a)	785,501,547	1,087,300,626
Capital work in progress	4 (a)	191,996,470	273,356,949
Investments in shares	5 (a)	6,819,639	6,148,590
Investments in associate	5.3	254,056,751	243,241,217
Trade debtors -Long term		1,723,995,335	981,008,700
Total non-current assets		2,962,369,742	2,591,056,082
Current assets			
Trade debtors -Current	6 (a)	1,074,836,385	800,176,474
Stock and stores	7 (a)	1,212,223,816	1,286,937,890
Income tax deducted at source	8 (a)	465,660,394	389,337,871
Advances, deposits and prepayments	9 (a)	1,540,586,409	1,541,692,745
Cash and bank balances	10 (a)	490,310,672	915,015,798
Total current assets		4,783,617,676	4,933,160,778
Total assets		7,745,987,417	7,524,216,860
Equity and Liabilities			
Capital & reserves			
Share capital		957,324,220	854,753,770
Share premium		1,925,858,339	1,925,858,339
Reserves		67,338,231	67,338,231
Retained earnings		2,088,568,769	1,991,278,615
Equity attributable to owners of the Company		5,039,089,559	4,839,228,955
Non-controlling interests		272,689	494,341
Total equity		5,039,362,248	4,839,723,296
Non-current liabilities			
Loan and deferred liabilities (unsecured)		25,310,440	25,310,440
Long Term loan-Net of current portion	14 (a)	459,133,085	224,946,032
Deferred tax liability	23 (b)	96,774,549	98,778,216
Total non-current liabilities		581,218,074	349,034,687
Current liabilities			
Long Term loan-Current portion	14 (a)	153,044,362	74,982,011
Short-term loan	15 (a)	1,246,027,046	1,392,066,321
Accrued and other current liabilities	16 (a)	726,335,688	868,410,545
Total current liabilities		2,125,407,095	2,335,458,877
Total equity and liabilities		7,745,987,417	7,524,216,860
Net assets value per share (NAVPS)		52.64	56.62

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

*Consolidated financial statements of previous year consist of three subsidiaries and current year consist of one subsidiary.

Sd/-
ChairmanSd/-
DirectorSd/-
Company Secretary

Signed in terms of our separate report of even date.

Dated : Dhaka
November 18, 2014Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants

Aftab Automobiles Limited and its Subsidiary

Consolidated Statement of Comprehensive Income

For the year ended August 31, 2014

Particulars	Notes	Year ended	Year ended
		31/8/14	31/8/13*
		BD Taka	BD Taka
Revenues	17 (a)	2,709,873,313	3,332,169,924
Less: Cost of goods sold	18(a)	2,004,019,483	2,587,063,389
Gross profit		705,853,830	745,106,535
Less: Operating expenses		308,977,677	362,808,726
Administrative expenses	19 (a)	76,277,962	82,587,720
Selling and distribution expenses	20 (a)	77,227,400	136,692,061
Financial charges	21 (a)	155,472,315	143,528,945
Operating profit		396,876,153	382,297,809
Add: Non-operating income		116,536,881	95,438,727
Less: Contribution to WPPF		18,898,864	18,204,657
Net profit before tax		494,514,170	459,531,879
Less: Income tax expense		110,966,157	121,932,808
Current tax	23 (a)	116,527,098	111,425,617
Deferred tax		(5,560,941)	10,507,191
Net profit After Tax		383,548,013	337,599,071
Other comprehensive Income for the year			
Add : Share of profit from associate company	14 & 2.8(b)	10,815,534	13,881,618
Add : Revaluation Gain/(Loss) on investment in share		671,049	343,710
Less : Adjustment made for divestment of Subsidiary companies.		126,737,337	-
Total comprehensive Income for the year		268,297,259	351,824,399
Attributable to:			
Equity holders of the company		268,240,905	351,786,286
Non-controlling interests		56,354	38,113
Profit for the year		268,297,259	351,824,399
Earnings per share (Operating)	24(a)	4.01	3.53

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

*Consolidated financial statements of previous year consist of three subsidiaries and current year consist of one subsidiary.

Sd/-
Chairman

Sd/-
Director

Sd/-
Company Secretary

Signed in terms of our separate report of even date.

Dated : Dhaka
November 18, 2014

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants

Aftab Automobiles Limited and its Subsidiary**Consolidated Statement of Cash Flows**

For the year ended August 31, 2014

Particulars	Year ended 31/8/14	Year ended 31/8/13*
	BD Taka	BD Taka
A. Cash flows from operating activities		
Receipts from customers	2,225,559,504	2,811,158,129
Receipts from others	116,536,881	95,438,727
Payments to suppliers and employees	(1,900,621,487)	(2,557,601,342)
Cash generated from operations	441,474,898	348,995,514
Income tax paid	(93,966,206)	(106,764,345)
Net cash generated by operating activities	347,508,692	242,231,170
B. Cash flows from investing activities		
Pay for acquisition of property, plant & equipment	-	(10,349,148)
acquisition of property, plant & equipment	(31,965,128)	-
Deposit given	(96,567,748)	(312,297,772)
Changes in long term trade debtors	(895,352,113)	(203,025,874)
Payments for capital work in progress	(147,168,650)	(172,211,348)
Payments for Deferred Exps	-	(34,147,780)
Net cash used investing activities	(1,171,053,639)	(732,031,922)
C. Cash flows from financing activities		
Received/(Repayments) of bank loan	630,356,091	695,332,873
Bank interest paid	(155,472,315)	(157,961,415)
Dividend paid	(68,380,302)	-
Net cash used by financing activities	406,503,474	537,371,458
D. Net changes in cash & cash equivalents for the year (A+B+C)	(417,041,473)	47,570,706
E. Cash & cash equivalents at beginning of the year	915,015,798	867,445,092
Less : Adjustment for divestment of Subsidiaris	(7,663,653)	-
	907,352,145	867,445,092
F. Cash & cash equivalents at end of the year (D+E)	490,310,672	915,015,798
Net operating cash flows per share (NOCFPS)	3.63	2.53

*Consolidated financial statements of previous year consist of three subsidiaries and current year consist of one subsidiary.

Sd/-
ChairmanSd/-
DirectorSd/-
Company Secretary

Aftab Automobiles Limited and its Subsidiary**Consolidated Statement of Changes in Equity**

For the year ended August 31, 2014

Particulars	Share capital	Share premium	Reserves	Retained earnings	Attributable to equity holders of the company	Non-controlling interest	Total
	BD Taka	BD Taka	BD Taka	BD Taka	BD Taka	BD Taka	BD Taka
Balance as on September 01, 2012	683,803,020	1,925,858,339	67,338,231	1,810,443,080	4,487,442,670	456,228	4,487,898,898
Issue of bonus shares	170,950,750	-	-	(170,950,750)	-	-	-
Total comprehensive income for the year	-	-	-	351,786,285	351,786,285	38,113	351,824,398
Balance as at August 31, 2013	854,753,770	1,925,858,339	67,338,231	1,991,278,615	4,839,228,955	494,341	4,839,723,296
Balance as on September 01, 2013	854,753,770	1,925,858,339	67,338,231	1,991,278,615	4,839,228,955	494,341	4,839,723,296
Issue of bonus shares	102,570,450	-	-	(102,570,450)	-	-	-
Cash dividend paid	-	-	-	(68,380,301)	(68,380,301)	-	(68,380,301)
Total comprehensive income for the year	-	-	-	268,240,905	268,240,905	(221,652)	268,019,253
Balance as at August 31, 2014	957,324,220	1,925,858,339	67,338,231	2,088,568,769	5,039,089,559	272,689	5,039,362,248

Sd/-
ChairmanSd/-
DirectorSd/-
Company Secretary

View: Hino AKLJ AC Bus body fabricated by
Aftab Automobiles Ltd. (Body Build. Unit)

Aftab Automobiles Limited**Statement of Financial Position**

As at August 31, 2014

	Notes	31/8/14	31/8/13
		BD Taka	BD Taka
Assets :			
Non-current assets :		3,012,764,404	2,541,075,836
Property, plant and equipment, net	3	404,160,951	418,625,695
Capital work in progress	4	123,068,621	60,220,560
Investments in subsidiaries and associates	5	761,539,497	1,081,220,881
Trade debtors-Long Term	6	1,723,995,335	981,008,700
Current account with Navana Paints Ltd.		-	5,367,729
Current account with Navana Batteries Ltd.		301,618,953	315,972,200
Current account with Navana Furniture Ltd.		-	138,235,612
Current assets :		3,559,860,488	3,558,106,960
Trade debtors -Current	6	853,143,824	412,569,974
Stock and stores	7	841,839,271	813,509,912
Income tax deducted at source	8	338,850,802	292,423,996
Advances, deposits and prepayments	9	1,077,899,344	1,155,419,805
Cash and bank balances	10	448,127,247	884,183,273
Total Assets		6,874,243,845	6,558,758,337
Equity and Liabilities :			
Equity attributable to equity holders		5,039,089,558	4,839,228,955
Share capital	11	957,324,220	854,753,770
Share premium	12	1,925,858,339	1,925,858,339
Reserves	13	67,338,231	67,338,231
Retained earnings		2,088,568,768	1,991,278,615
Non-current liabilities :		552,071,348	323,936,577
Loan and deferred liabilities (unsecured)		25,310,440	25,310,440
Long Term loan-Net of current portion	14	459,133,085	224,946,032
Deferred tax liability	23(b)	67,627,824	73,680,106
Current liabilities :		1,283,082,939	1,395,592,805
Long Term loan-Current portion	14	153,044,362	74,982,011
Short term loan	15	557,455,069	692,489,931
Accrued and other current liabilities	16	572,583,508	628,120,863
Total liabilities		1,835,154,287	1,719,529,382
Total Equity and Liabilities		6,874,243,845	6,558,758,337
Net assets value per share (NAVPS)		52.64	56.62

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

Sd/-
Chairman

Sd/-
Director

Sd/-
Company Secretary

Signed in terms of our separate report of even date.

Dated : Dhaka
November 18, 2014

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants

Aftab Automobiles Limited
Statement of Comprehensive Income

For the year ended August 31, 2014

Particulars	Notes	Year ended	Year ended
		31/8/14	31/8/13
		BD Taka	BD Taka
Revenue	17	1,729,986,089	1,989,267,641
Cost of goods sold	18	1,289,704,629	1,562,069,965
Gross profit		440,281,460	427,197,676
Operating expenses:		207,933,339	150,224,658
Administrative expenses	19	64,109,542	52,003,979
Selling and distribution expenses	20	25,159,470	21,240,470
Financial charges	21	118,664,327	76,980,209
Operating Profit		232,348,121	276,973,018
Non-operating income:	22		
Interest Income (FDR)		24,165,511	95,438,727
Profit made on divestment of Subsidiary companies.		92,371,370	-
Profit before contribution to WPPF		348,885,002	372,411,745
Contribution to WPPF		11,064,196	13,189,191
Net profit before tax		337,820,806	359,222,554
Income tax Expenses :	23	57,796,693	88,907,582
Current tax		67,406,244	85,410,896
Deferred tax		(9,609,551)	3,496,686
Net profit after tax		280,024,113	270,314,972
Other comprehensive income:			
Add : Share of profit from subsidiaries		69,157,933	67,284,099
		349,182,046	337,599,071
Add : Share of profit from associate company	14 & 2.8(b)	10,815,534	13,881,618
Less : Adjustment made for divestment of subsidiary companies		(92,371,370)	-
Add : Revaluation Gain/(Loss) on investment in share	14 & 2.8(b)	671,049	343,710
Total comprehensive income for the year		268,297,259	351,824,399
Attributable to:			
Equity holders of the company		268,240,905	351,786,286
Non-controlling interests		56,354	38,113
Profit for the year		268,297,259	351,824,399
Earnings per share	24	2.93	2.82

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

Sd/-
Chairman

Sd/-
Director

Sd/-
Company Secretary

Signed in terms of our separate report of even date.

Dated : Dhaka
November 18, 2014

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants

Aftab Automobiles Limited**Statement of Cash Flows**

For the year ended August 31, 2014

Particulars	Year ended 31/8/14	Year ended 31/8/13
	BD Taka	BD Taka
A. Cash flows from operating activities		
Receipts from customers	1,289,412,238	1,483,487,372
Receipts as other income	116,536,881	95,438,727
Inter company payments	14,353,247	147,914,628
Payments to suppliers and employees	(1,052,532,157)	(1,297,765,155)
Cash generated from operations	367,770,209	429,075,572
Income tax paid	(46,426,806)	(80,227,764)
Net cash generated by operating activities	321,343,403	348,847,808
B. Cash flows from investing activities		
Pay for acquisition of property, plant & equipment	-	(9,611,068)
acquisition of property, plant & equipment	(4,582,707)	-
Deposit given	-	(312,297,772)
Changes in long term trade debtors	(742,986,635)	(203,025,874)
Payments for Deferred Exps	-	(34,147,780)
Net cash used investing activities	(747,569,342)	(559,082,494)
C. Cash flows from financing activities		
Receive of bank loan	177,214,542	345,795,635
Bank interest paid	(118,664,327)	(91,412,679)
Dividend paid	(68,380,302)	-
Net cash provided by financing activities	(9,830,087)	254,382,956
D. Net changes in cash & cash equivalents for the year (A+B+C)	(436,056,026)	44,148,270
E. Cash & cash equivalents at beginning of the year	915,015,798	867,445,092
Less : Adjustment for divestment of Subsidiaries	(7,663,653)	-
	907,352,145	867,445,092
F. Cash & cash equivalents at end of the year (D+E)	490,310,672	915,015,798
Net operating cash flows per share (NOCFPS)	3.36	3.64

Sd/-
ChairmanSd/-
DirectorSd/-
Company Secretary

Aftab Automobiles Limited**Statement of Changes in Equity**

For the year ended August 31, 2014

Particulars	Share capital	Share premium	Reserves	Retained earnings	Total
	BD Taka	BD Taka	BD Taka	BD Taka	BD Taka
Balance as on September 01, 2012	683,803,020	1,925,858,339	67,338,231	1,828,520,839	4,505,520,429
Adj. for sale of subsidiary Companies				(18,077,759)	(18,077,759)
Revised balance as on Sept. 01, 2012	683,803,020	1,925,858,339	67,338,231	1,810,443,080	4,487,442,670
Issue of bonus shares	170,950,750	-	-	(170,950,750)	-
Total comprehensive income for the year	-	-	-	351,786,285	351,786,285
Balance as at August 31, 2013	854,753,770	1,925,858,339	67,338,231	1,991,278,615	4,839,228,955
Balance as on September 01, 2013	854,753,770	1,925,858,339	67,338,231	1,991,278,615	4,839,228,955
Issue of bonus shares	102,570,450	-	-	(102,570,450)	
Cash Dividend Paid				(68,380,302)	(68,380,302)
Total comprehensive income for the year	-	-	-	268,240,905	268,240,905
Balance as at August 31, 2014	957,324,220	1,925,858,339	67,338,231	2,088,568,769	5,039,089,559

Sd/-
ChairmanSd/-
DirectorSd/-
Company Secretary

View: Aftab Automobiles Ltd. (Body Build. Unit)

Aftab Automobiles Limited**Notes to the Financial Statements**

As at and for the year ended August 31, 2014

1. Corporate Information and Mode of Business**1.1 Corporate Information**

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

1.2 Mode of Business

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

2. Significant Accounting Policies and basis of preparation of the financial statements**2.1 Statement of Compliance**

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

2.2 Basis of Preparation

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

2.3 Basis of Reporting

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

2.4 Reporting Period

These financial statements cover one accounting year from September 1, 2013 to August 31, 2014.

2.5 Regulatory and Legal Compliance

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

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

2.6 Functional and Presentation Currency

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

notes to the financial statements

2.7 Basis of consolidation

The Company has consolidated the financial statements of Aftab Automobiles Limited and its sole subsidiary named Navana Batteries Ltd. The Consolidated financial statement prepared in accordance with BAS: 27 Consolidated and separate financial statement. The Consolidated financial statement is prepared to common financial year ended on August 31, 2014. However, the Consolidated financial statement of previous year included the financial statement of the following subsidiaries :

- a) Navana Batteries Ltd.
- b) Navana Furniture Ltd.
- c) Navana Paints Ltd.

2.8 Recognition of Property, Plant and Equipment

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

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

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

Depreciation

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

<u>Name of the Assets</u>	<u>Rate of Dep. (%)</u>
Land and land development	Nil
Building	2.5
Shades	20
Plant & Machinery	10
Tools & Equipments	20
Office Equipments	10
Furniture & Fixtures	10
Transport Vehicles	20
Electrical line installation	10
Gas line installation	10
Office Decoration	10

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

2.9 Financial Instruments and Derivatives

a) Investment in Shares

Investments in Shares are valued at fair market value.

b) Investment in associates

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

C) Derivatives

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

notes to the financial statements

2.10 Inventories

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

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

2.11 Cash and Cash Equivalent

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

2.12 Taxation

Current Tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The applicable tax rate for the company is 27.50% as the company qualifies as a "publicly traded company". Provision for taxation has been made as per law.

Deferred Tax

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

2.13 Borrowing Costs

In compliance with the requirements of BAS 23 "Borrowing Costs" borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

2.14 Revenue Recognition

In compliance with the requirements of BAS 18 "Revenue", revenue is recognized to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable excluding Vat, discounts, commission, rebates, and other sales taxes where applicable.

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

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

2.15 Provident Fund Scheme

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

Gratuity Scheme

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

Group Term Insurance Scheme

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

2.16 Cash Flows Statement

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

2.17 Provisions

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

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

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

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

2.18 Liabilities for Expenses

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

2.19 Earnings Per Share**Basic Earnings Per Share**

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

Diluted Earnings Per Share

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

2.20 Event after the Reporting Period

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

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

These financial statements were authorized for issued by the Board of Directors on November 18, 2014. No material event had occurred after the balance sheet date of issue of these financial statements, which could affect the values stated in the financial statement.

2.21 Workers Profit Participation Fund

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

2.22 Financial Assets and Liabilities

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

i) Receivables

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

ii) Payable

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

iii) Related party disclosure

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

iv) Borrowings

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

2.23 General

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

Schedule- A

Aftab Automobiles Limited

3. Property, plant and equipment, net

Particulars	Cost			Rate of Dep.	Depreciation			Carrying amount	
	As at 01.09.2013	Add./ (Adj.) for the year	As at 31.08.2014		As at 01.09.2013	Charged during the year	Adj. during the year	As at 31.08.2014	As at 31.08.2014
Land & Land Development	135,643,550	-	135,643,550	-	-	-	-	135,643,550	135,643,550
Building	123,389,332	3,801,394	127,190,726	2.5%	25,103,305	2,504,858	-	27,607,974	99,582,752
Shades	5,665,715	-	5,665,715	20%	3,117,024	509,738	-	3,626,762	2,038,953
Plant & Machinery	228,477,750	-	228,477,750	10%	91,974,170	13,850,358	-	105,824,528	122,653,222
Tools & Equipments	19,219,750	1,714,896	20,934,646	20%	10,451,892	1,925,069	-	12,376,961	8,557,725
Office Equipment	16,307,350	2,850,609	19,247,959	10%	4,866,225	1,295,643	-	6,161,868	13,086,092
Furniture & Fixture	10,056,902	1,332,650	11,389,552	10%	2,872,845	785,038	-	3,657,883	7,731,670
Transport Vehicles	39,114,572	153,750	39,268,322	20%	20,953,806	3,647,528	-	24,601,334	14,666,988
Total	577,964,961	9,851,299	587,816,260		159,339,267	24,318,043	-	183,657,310	404,160,951

Depreciation charged to :	Taka
Cost of goods sold	19,454,434
Profit & Loss Account (Admin)	4,863,609
TOTAL	24,318,043

Schedule- A

Aftab Automobiles Limited and its Subsidiaries

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

Particulars	Cost			Rate of Dep.	Depreciation			Carrying amount	
	As at 01.09.2013	Add./ (Adj.) for the year	As at 31.08.2014		As at 01.09.2013	Charged during the year	Adj. during the year	As at 31.08.2014	As at 31.08.2014
Land & Land Development	340,041,058	96,153,000	236,194,058	-	-	-	-	236,194,058	237,270,835
Building	208,999,654	7,429,375	216,429,029	2.5%	35,191,543	4,438,070	-	39,629,613	176,799,416
Shades	5,665,715	-	5,665,715	20%	3,117,024	509,738	-	3,626,762	2,038,953
Plant & Machinery	439,734,214	3,632,545	443,366,759	10%	155,406,923	28,614,356	-	184,021,280	259,345,479
Tools & Equipments	56,109,860	6,786,526	62,896,386	20%	31,522,459	5,596,133	-	37,118,592	25,777,794
Office Equipment	38,376,461	4,667,223	43,043,684	10%	11,849,247	2,886,083	-	14,735,329	28,308,355
Furniture & Fixture	17,539,356	2,102,896	19,642,252	10%	5,080,729	1,351,008	-	6,431,736	13,210,516
Transport Vehicles	60,311,980	6,890,704	67,172,684	20%	30,873,810	6,573,704	-	37,447,515	29,725,169
Electrical line installation	2,522,000	1,776,388	4,298,388	10%	126,100	328,400	-	454,508	3,843,880
Gas line installation	7,575,281	3,757,018	11,332,299	10%	378,764	907,502	-	1,286,266	10,046,036
Office Decoration	-	223,045	223,045	10%	-	13,152	-	13,152	211,893
Total	976,675,579	133,888,720	1,110,264,299		273,546,598	51,216,156	-	324,762,753	785,501,547



View: Mahindra Motorcycle assembling on progress at Aftab Automobiles Ltd. (Motorcycle Unit)

notes to the financial statements

	31/8/14	31/8/13
	BD Taka	BD Taka
3 Property, plant and equipment, net		
Land & Land Development	135,643,550	135,643,550
Building	99,582,752	98,286,026
Shades	2,038,953	2,548,691
Plant & Machinery	122,853,222	136,503,580
Tools & Equipments	8,557,725	8,767,898
Office Equipment	13,086,091	11,531,126
Furniture & Fixture	7,731,669	7,184,058
Transport Vehicles	14,666,988	18,160,766
	404,160,951	418,625,695
3 (a) Consolidated property, plant and equipment, net		
Land & Land Development	236,194,058	237,270,855
Building	176,799,416	277,913,645
Shades	2,038,953	2,548,691
Plant & Machinery	259,345,480	384,341,351
Tools & Equipments	25,777,794	40,368,267
Office Equipment	28,308,355	41,564,843
Furniture & Fixture	13,210,517	34,668,052
Transport Vehicles	29,725,170	49,790,725
Electrical line installation	3,843,879	11,637,680
Gas line installation	10,046,032	7,196,517
Office Decoration	211,893	-
	785,501,547	1,087,300,626
4 Capital work in progress		
Opening balance	60,220,560	72,036,300
Addition during the year	62,848,061	34,147,780
	123,068,621	106,184,080
Less: transfer to property, plant & equipment	-	45,963,520
Closing balance	123,068,621	60,220,560
Capital work in progress represents Land and Land Development , civil constructions, Plant and Machinery for BMRE Assembling unit ,Body building unit and Motor cycle unit.		
4 (a) Consolidated capital work in progress		
Opening balance	273,356,949	241,264,775
Addition during the year	147,168,650	206,359,128
	420,525,599	447,623,903
Less: transfer to property, plant & equipment	123,535,421	174,266,954
Less: adjustmet made for Op. balance divestment of subsidiaries	104,993,708	-
Closing balance	191,996,470	273,356,949
5 Investments		
Investment in subsidiaries (Note: 5.1)	500,663,107	831,831,074
Investment in shares (Note: 5.2)	6,819,639	6,148,590
Investment in associate (Note : 5.3)	254,056,751	243,241,217
	761,539,497	1,081,220,881

	31/8/14	31/8/13
	BD Taka	BD Taka
5.1 Investment in subsidiaries		
Navana Batteries Limited	500,663,107	397,195,561
Navana Furniture Limited	-	313,557,972
Navana Paints Limited	-	121,077,541
	500,663,107	831,831,074
5.2 Investment in shares		
Opening Balance	6,148,590	5,804,880
Share purchase of Navana CNG Cost price	-	-
Revaluation Gain/(Loss) on investment in share	671,049	343,710
	6,819,639	6,148,590
Less: Shares sale during the year	-	-
Closing Balance	6,819,639	6,148,590
5.3 Investment in associate		
The details are stated below :		
Share Invest of NREL at cost	20,000,000	20,000,000
Share of equity from associate		
Opening Balance	223,241,217	209,359,599
Add: Share of equity from associate	10,815,534	13,881,618
Add: Bonus Share from associate	-	-
Closing Balance	234,056,751	223,241,217
Total Investment in associate	254,056,751	243,241,217
5 (a) Quantative details of investments in share		
Investment in shares of Navana CNG Ltd at cost (Note: 5 (a) 1)	6,148,590	5,804,880
Increment of market value shares	671,049	343,710
	6,819,639	6,148,590
Details of investment in shares:		
5 (a) 1 Acquisition quantaty of shares of Navana CNG Ltd.	461,439	461,439
Less: shares sale during the year	-	-
Total number of shares	461,439	461,439
Opening Balance	87,837	76,380
bonus share	17,567	11,457
Total number of shares	105,404	87,837
Total number of shares	566,843	549,276
5 (a) 2 Acquisition quantaty of shares of Navana Real Estate Ltd.	20,000,000	20,000,000
Less: shares sale during the year	-	-
	20,000,000	20,000,000
Opening Balance	6,000,000	6,000,000
Number of shares purchased	-	-
Number of bonus shares received during the year	-	-
Total number of shares	6,000,000	6,000,000

	31/8/14	31/8/13
	BD Taka	BD Taka
6 Trade debtors		
Below six months	853,143,824	412,569,974
Over six months	1,723,995,335	981,008,700
	2,577,139,159	1,393,578,674
Trade Debtors are considered good and as such ,no provision has been made in the accounts for doubtful debts. The Company holds no security other than debtors' personal security in the form of work orders.		
6(a) Consolidated trade debtors		
Below six months	1,074,836,385	800,176,474
Over six months	1,723,995,335	981,008,700
	2,798,831,720	1,781,185,174
7 Stock and stores		
Finished products	693,890,012	456,316,791
Work-in-process	17,960,127	35,052,200
Raw materials	97,329,871	197,384,640
Stores and spares	6,674,746	2,552,723
Goods in transit	25,984,515	122,203,558
	841,839,271	813,509,912
Value of Stock of Finished product & Raw materials inclusive of -72- units Hino bus , 3 units RM2 Bus , -2- units Hino Mini Bus chassis and 380 units of Motor cycle		
7 (a) Consolidated stock and stores		
Finished products	767,975,872	551,039,443
Work-in-process	79,947,253	173,759,900
Raw materials	245,824,629	321,646,225
Stores and spares	6,674,746	2,552,723
Goods in transit	111,801,316	237,939,599
	1,212,223,816	1,286,937,890
8 Income tax deducted at source		
Opening balance	292,423,996	212,196,233
Addition during the year	46,426,806	80,227,764
	338,850,802	292,423,996
Adjustment made during the year	-	-
	338,850,802	292,423,996

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

	31/8/14	31/8/13
	BD Taka	BD Taka
8 (a) Consolidated Income tax deducted at source		
Opening balance	389,337,871	282,573,527
Addition during the year	93,966,206	106,764,345
	483,304,077	389,337,871
Adjustment made during the year	3,417,369	-
Adjustment made for desolve subsidiaries	14,226,314	-
	465,660,394	389,337,871
9 Advances, deposits and prepayments		
Advance to suppliers	665,280,646	801,362,285
Advance to employees	3,266,363	3,855,058
Deposits for motorcycle Unit	84,066,374	187,752,750
Deposits	325,285,961	162,449,712
	1,077,899,344	1,155,419,805
<p>Advance paid to suppliers against work order and considered good. Advance to employees against expenses, salary releasable on production of documents and monthly salary respectively are considered good. Deposits consist of utility deposits, security money against tender and bank guarantee are considered good.</p>		
9 (a) Consolidated advances, deposits and prepayments		
Advance to suppliers	820,259,007	1,002,508,028
Advance to employees	23,853,483	16,543,630
Deposits for motorcycle Unit	84,066,374	187,752,750
Advance to others	122,080,290	78,319,195
Current Account with VAT	58,853,448	21,701,663
Deposits	431,473,807	234,867,479
	1,540,586,409	1,541,692,745
10 Cash & bank balances		
Cash in hand	7,743,424	3,984,752
Cash at bank	440,383,823	880,198,521
	448,127,247	884,183,273
10 (a) Consolidated cash & bank balances		
Cash in hand	9,955,665	7,469,716
Cash at bank	480,355,007	907,546,082
	490,310,672	915,015,798

notes to the financial statements

11 Share capital	31/8/14	31/8/13
	BD Taka	BD Taka
Authorized capital:		
120,000,000 Ordinary shares of Tk. 10 each	1,200,000,000	1,200,000,000
180,000,000 Cum. redeemable preference shares of Tk. 10 each	1,800,000,000	1,800,000,000
	3,000,000,000	3,000,000,000
Ordinary Share capital:		
Issued, subscribed and paid up		
95,732,422 Ordinary shares of Tk. 10 each		
Sponsors	291,939,445	260,660,220
General Public	665,384,775	594,093,550
	957,324,220	854,753,770

The Position of Ordinary shareholders as on August 31, 2014 was as follows :

Type of investors	No. of investors	No. of shares	Holding % 2014	Holding % 2013
Sponsors	12	29,092,758	30.39%	30.50%
Financial Institutions including ICB	471	22,700,240	23.71%	22.01%
General public	47,572	43,939,424	45.90%	47.49%
Total	48,055	95,732,422	100.00%	100.00%

Type of investors	No. of investors	No. of shares	Total Holding %
Less than 500 To -	33131	4,711,796	4.92%
501 To 5,000	13402	19,892,975	20.78%
5,001 To 10,000	923	6,408,430	6.69%
10,001 To 20,000	348	4,796,504	5.01%
20,001 To 30,000	82	1,961,360	2.05%
30,001 To 40,000	41	1,432,078	1.50%
40,001 To 50,000	30	1,341,955	1.40%
50,001 To 100,000	46	3,255,602	3.40%
100,001 To 1,000,000	41	12,040,273	12.58%
1,000,001 To Above	11	39,893,449	41.67%
	48055	95,734,422	100%

12 Share premium.		
Net Premium Up to 2006	250,191,730	250,191,730
Net Premium in 2010	1,675,666,609	1,675,666,609
	1,925,858,339	1,925,858,339

	31/8/14	31/8/13
	BD Taka	BD Taka
13 Reserves		
Tax holiday reserve	12,338,231	12,338,231
Dividend equalisation fund	4,000,000	4,000,000
General reserve	51,000,000	51,000,000
	67,338,231	67,338,231
14 Long Term loan-Net of current portion		
Agrani Bank Ltd.	341,081,262	299,928,042
Meghna bank Ltd AC 631-4	96,692,468	-
South-bangla Agricultural & commerce	101,019,520	-
Standard bank Ltd.	21,178,444	-
Mutual trust bank Ltd.	52,205,752	-
	612,177,446	299,928,042
less: Long Term loan-Current portion	153,044,362	74,982,011
Long Term loan-Net of current portion	459,133,085	224,946,032
15 Short-term loan		
Bank Asia Ltd.	348,448,959	395,986,265
Standard Bank Ltd CC AC	41,918,287	38,182,556
NRB Commercial	49,888,885	-
NCC Bank Ltd CC AC	40,004,803	53,576,803
Dhaka Bank Ltd.	54,744,504	46,369,248
Mercantile Bank	22,449,631	158,375,059
	557,455,069	692,489,931
15(a) Short-term loan		
Bank Asia Ltd.	348,448,959	395,986,265
Standard Bank Ltd CC AC	41,918,287	38,182,556
NRB Commercial Bank Ltd.	49,888,885	-
NCC Bank Ltd CC AC	76,171,342	68,501,747
Dhaka Bank Ltd.	54,744,504	46,369,248
Mercantile Bank	45,712,381	163,229,768
National Bank Ltd. CC loan	497,079,967	220,505,484
Al-Arafah Islami Bank Ltd.	34,950,000	-
Shahjalal Islami bank ltd	42,065,278	2,529,766
Southeast Bank Ltd. (Overdraft)	55,047,443	-
Rupali Bank Ltd	-	447,200,000
Pubali Bank Ltd.	-	812,468
Prime Finance & Invest. Ltd	-	5,951,350
Gsp finance Ltd.	-	1,788,528
National Finance Ltd.	-	857,490
Uttara Finance Ltd.	-	151,651
	1,246,027,046	1,392,066,321

	31/8/14	31/8/13
	BD Taka	BD Taka
16 Accrued and other current liabilities		
For goods supplied	36,544,569	151,312,835
For expenses	44,975,838	42,709,338
For Income tax	331,072,057	263,161,966
For gratuity	31,326,140	27,326,140
For Workers' P.P.F. and W.F.	32,214,518	32,658,104
For other finance	74,728,470	93,235,052
Unclaimed dividend	21,721,916	17,717,428
	572,583,508	628,120,863
16 (a) Consolidated accrued and other current liabilities		
For goods supplied	53,451,515	245,340,181
For expenses	72,950,370	69,854,752
For Income tax	439,942,759	337,832,918
For gratuity	31,326,140	27,326,140
For Workers' P.P.F. and W.F.	32,214,518	38,870,476
Unclaimed dividend	74,728,470	129,212,206
For other finance	21,721,916	17,717,428
Advance against Sale	-	2,256,444
	726,335,688	868,410,545
17 Revenues (Net Sales)		
Automobiles assembling unit	1,424,440,000	1,706,676,965
Body building unit	167,460,245	282,590,676
Motor Cycle unit	138,085,844	-
	1,729,986,089	1,989,267,641
The quantity of sales during the year are Hino Bus chassis -219. units,Hino Mini Bus chassis-7 - units, RM2 AC Bus-5 and 1299 units of Motorcycle		
17 (a) Consolidated revenues		
Aftab automobiles Ltd.	1,729,986,089	1,989,267,641
Navana Batteries Limited	979,887,224	890,536,266
Navana furniture Ltd.	-	392,307,287
Navana Paints Ltd.	-	60,058,730
	2,709,873,313	3,332,169,924
18 Cost of goods sold		
Opening stock of direct raw materials	223,909,920	123,336,003
Purchases of direct raw material	1,261,903,076	1,551,001,897
Direct raw materials available for consumption	1,485,812,996	1,674,337,900
Closing stock of direct raw materials	97,329,871	223,909,920
Raw materials cosumed	1,388,483,125	1,450,427,980
Add : Opening wip	4,922,027	13,812,460
	1,393,405,152	1,464,240,440
Less : Closing wip	17,960,127	4,922,027
	1,375,445,025	1,459,318,413
Indirect materials	87,724,974	33,204,400
Total consumption	1,463,169,999	1,492,522,813
Factory overhead	69,029,878	65,574,716
Cost of production	1,532,199,877	1,558,097,529
Finished products (opening)	451,394,764	455,367,200
	1,983,594,641	2,013,464,729
Finished products (closing)	693,890,012	451,394,764
	1,289,704,629	1,562,069,965

	31/8/14	31/8/13
	BD Taka	BD Taka
18.1 Factory overhead		
Salary and allowances	14,121,206	11,931,307
Wages	12,123,226	15,179,242
Contribution to P.F.	494,827	450,707
Overtime	3,209,924	2,902,520
Bonus	2,589,957	2,246,659
Leave pay	380,257	346,353
Gratuity	-	100,000
Liveries and uniform	101,220	92,195
Telephone, Fax, Mobile	431,723	393,230
Fuel and Lubricants	1,940,073	1,557,142
Travelling and conveyance	388,574	337,213
Entertainment	1,307,759	1,158,774
Office expenses	516,221	213,801
Maintenance expenses	1,087,434	830,962
Electric expenses	4,802,023	4,652,938
Duty and allowance	27,722	25,250
Canteen subsidies	161,664	147,250
Eid greeting	275,021	250,500
Rent Rates & Taxes	277,449	252,711
Insurance	2,648,298	2,412,171
Gas	31,547	28,734
Welfare expenses	977,473	890,320
Carrying & handling	675,519	29,481
Papers & periodical	60,801	-
General charges	94,879	618,916
Repairs and maintenance (vehicle)	504,513	130,743
Security expenses	157,567	-
Chemicals	693	-
Printing & stationary	187,872	171,122
Depreciation	19,454,434	18,224,475
	69,029,878	65,574,716

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

18 (a) Consolidated cost of goods sold		
Opening stock of direct raw materials	348,171,505	206,788,943
Purchases of direct raw material	2,018,596,239	2,445,626,106
Direct raw materials available for consumption	2,366,767,744	2,652,415,048
Closing stock of direct raw materials	245,824,629	348,171,505
Raw materials consumed	2,120,943,115	2,304,243,543
Add : Opening wip	135,319,740	149,613,874
	2,256,262,855	2,453,857,418
Less : Closing wip	79,947,253	138,707,700
	2,176,315,602	2,315,149,718
Indirect materials	98,046,346	64,525,148
Total consumption	2,274,361,948	2,379,674,866
Factory overhead	147,631,393	184,261,257
Cost of production	2,421,993,341	2,563,936,123
Finished products (opening)	551,039,443	574,166,709
	2,973,032,784	3,138,102,832
Finished products (closing)	767,975,872	551,039,443
	2,205,056,912	2,587,063,389
Less : adjustment op. stocks for divestment of Subsidiaries	201,037,429	-
	2,004,019,483	2,587,063,389

	31/8/14	31/8/13
	BD Taka	BD Taka
18 (a .1) Factory overhead		
Salary and allowances	17,536,874	25,749,147
Wages	17,072,474	22,118,595
Contribution to P.F.	1,177,960	1,275,917
Overtime	5,130,776	5,009,594
Bonus	3,454,868	6,364,380
Leave pay	632,609	580,017
Gratuity	858,583	3,116,749
Liveries and Uniform	427,009	582,019
Telephone, Fax, Mobile	686,223	908,289
Fuel and Lubricants	2,647,570	4,649,716
Travelling and Conveyance	731,818	829,264
Entertainment	1,331,558	1,753,890
Office Expenses	552,187	247,104
Maintenance expenses	1,785,649	2,098,660
Electric Expenses	34,869,787	29,815,660
Duty and Allowance	164,479	25,250
Canteen Subsidies	1,714,384	2,236,129
Eid greeting	289,601	322,745
Rent Rates & Taxes	277,449	442,711
Insurance	5,016,427	4,812,171
Gas	1,585,884	1,818,033
Welfare expenses	1,080,263	1,188,547
Carrying & handling	959,053	1,769,016
Papers & periodical	60,801	32,351
General charges	94,879	1,038,930
Repairs and maintenance (vehicle)	1,083,958	791,367
Security Exps	1,047,797	1,387,196
Chemicals	981,330	1,126,961
store & Spare	255,790	1,557,320
Foreign Technician Remunaratio	1,800,000	2,500,000
Printing & Stationary	187,873	558,599
Screen Printing	64,842	-
Labour Charges	430,045	-
Laboratory Exps	139,412	-
Generator Maintenance	465,316	-
Fire Extinguisher	62,940	-
Depreciation	40,972,923	57,554,930
	147,631,393	184,261,257

	31/8/14	31/8/13
	BD Taka	BD Taka
19 Administrative expenses		
Salary and allowances	26,000,214	18,798,397
Wages	3,692,020	3,363,782
Cont. to C.P.F.	791,300	720,950
Bonus	3,389,635	2,691,663
Overtime	645,322	587,950
Welfare expenses	28,546	26,008
Medical Expenses	127,360	65,271
Gratuity	4,390,320	4,000,000
Leave pay	893,593	407,762
Entertainment	720,791	656,265
AGM expenses.	1,530,774	2,210,860
TA and Conveyance	1,245,729	812,861
Travelling Exp - Foreign	788,784	575,770
Car maintenance	1,957,112	2,188,655
Stationery	640,708	472,640
Fees and Registration	3,407,542	2,566,393
Telephone	679,846	584,468
Electric expenses	431,090	315,000
Rent, rates and taxes	355,934	236,510
Insurance premium	354,012	208,308
Liveries and Uniform	57,939	20,680
Bank charges	756,245	665,485
Bank Guarantee & Charge documents	773,513	704,744
Audit fees	100,000	90,000
Duty allowance	214,829	195,730
Paper and periodicals	19,669	17,900
Postage and telegram	166,490	151,688
Night allowances	58,611	53,400
Advertisement and Publicity	5,707	5,200
Directors fee	175,000	175,000
Office maintenance	564,969	19,937
Maintenance expenses	205,195	154,420
General Expenses	229,870	95,926
WASA Bill	12,273	11,182
Carrying & Handling	660,347	280,720
Gas	47,930	43,669
CDBL Fee	930,320	959,757
Canteen Subsidy	395,970	310,000
Security Exps	45,000	41,000
Donation	49,769	28,000
Promotion Exp.	480,089	433,909
DGDP Exps	1,225,567	1,500,000
Depreciation	4,863,609	4,556,118
	64,109,542	52,003,979

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

	31/8/14	31/8/13
	BD Taka	BD Taka
19 (a) Consolidated administrative expenses		
Salary and allowances	28,515,812	29,689,967
Wages	3,692,020	3,363,782
Cont. to C.P.F.	791,300	720,950
Bonus	3,669,963	3,656,592
Overtime	645,322	1,234,400
Welfare expenses	128,546	255,692
Medical Expenses	127,360	65,271
Gratuity	4,620,032	4,295,000
Leave pay	893,593	454,512
Entertainment	1,205,571	1,575,483
AGM expenses.	1,530,774	2,210,860
TA and Conveyance	1,467,237	1,319,034
Travelling Exp - Foreign	1,148,904	1,844,682
Car maintenance	3,248,642	3,207,264
Stationery	926,428	1,526,086
Fees and Registration	3,857,822	3,004,354
Telephone	737,496	917,974
Electric expenses	431,090	925,000
Rent, rates and taxes	355,934	485,145
Insurance premium	354,012	208,308
Liveries and Uniform	57,939	20,680
Bank charges	756,245	694,060
Bank Guarantee & Charge documents	786,836	704,744
Audit fees	150,000	165,000
Duty allowance	214,829	195,730
Paper and periodicals	19,669	185,294
Postage and telegram	168,543	155,643
Night allowances	58,611	53,400
Advertisement and Publicity	5,707	90,925
Directors fee	190,000	220,000
Office maintenance	990,489	589,877
Maintenance expenses	850,716	742,385
General Expenses	229,870	106,647
WASA Bill	12,273	38,432
Carrying & Handling	1,634,773	1,378,988
Gas	47,930	43,669
CDBL Fee	930,320	959,756
Canteen Subsidy	395,970	310,000
Security Exps	45,000	98,200
Donation	49,769	28,000
Promotion Exp.	552,887	433,909
DGDP Exps	1,225,567	1,500,000
Other expenses	-	58,400
ISO	313,599	611,500
Guest House Maintenance	203,804	-
Membership fee & others	485,338	-
Depreciation	7,553,418	11,706,759
	76,277,962	82,587,720

	31/8/14	31/8/13
	BD Taka	BD Taka
20 Selling and distribution expenses		
Salary & allowance	10,174,296	9,085,627
Wages	409,112	1,320,785
Bonus	620,323	520,140
Leave pay	847,858	757,136
Welfare	95,720	80,214
P/F company's contribution	508,715	454,281
Overtime	789,720	385,123
Fuel & Lubricant	150,890	222,056
Transit Insurance	320,641	150,369
Promotional exps	1,109,916	2,830,150
Trade fare exps.	-	1,086,181
Training exps.	150,236	160,700
Driving charges	225,160	320,330
Toll charges	52,500	65,190
Delivery exps	325,790	425,230
Rent Rates & Taxes	7,820,413	423,925
Conveyance	117,740	220,897
Entertainment	95,758	55,125
Stationery	55,720	45,471
Telephone	405,848	320,147
Publicity Exp.	-	450,200
Car maintenance	65,721	375,487
Postage & telegram	80,301	74,214
Papers & periodicals	5,274	6,521
Bank charges	15,724	13,258
Security Guard salary	179,528	170,850
Office maintenance	109,537	15,287
Transportation charges	116,910	225,800
Gift & Donation	5,200	25,000
Chemical & packing exps	15,478	35,795
Dealer conference exps.	220,150	550,700
Others	69,291	368,281
Depreciation		
	25,159,470	21,240,470



View: Mahindra Motorcycle assembled by Aftab Automobiles Ltd. (Motorcycle Unit)

	31/8/14	31/8/13
	BD Taka	BD Taka
20 (a) Consolidated selling and distribution expenses		
Salary & Allowance	33,825,788	57,657,937
Wages	980,150	5,183,257
Bonus	2,448,043	5,673,384
Leave pay	847,858	1,024,348
Welfare	186,094	162,534
P/F company's Contribution	1,970,241	1,785,555
Gratuity	1,422,664	830,000
Overtime	1,877,510	1,075,443
Fuel & Lubricant	2,066,857	2,788,740
Transit Insurance	320,641	150,369
Promotional Exps	2,196,781	4,658,463
Trade fare Exp.	-	2,871,341
Training Exp.	150,236	160,700
Driving Charge	225,160	320,330
Toll Charge	52,500	65,190
Delivery Exps	688,696	5,250,759
Rent Rates & Taxes	10,916,763	11,532,944
Conveyance	832,335	3,755,228
Entertainment	781,688	1,519,571
Stationery	920,759	1,285,328
Telephone	1,649,319	2,485,216
Publicity Exp.	192,603	772,297
Fees & Registration	249,304	231,086
Maintenance	603,888	912,511
Car Maintenance	706,887	2,357,444
Electrical Expenses	1,181,826	4,163,523
Postage & Telegram	205,320	241,613
Papers & Periodicals	25,605	325,040
Bank Charges	216,141	208,131
Security Guard salary	1,234,618	1,477,584
Office Maintenance	492,996	1,099,352
Showroom Exps	702,866	2,781,274
Transportation Charges	1,138,063	1,282,161
Utility Bill (WASA)	94,800	332,078
Gift & Donation	610,374	362,963
Chemical & Packing exps	867,676	812,045
Dealer conference Exp.	1,585,247	3,748,700
Others	69292	1712021
Depreciation	2689811	3635601
	77,227,400	136,692,061

	31/8/14	31/8/13
	BD Taka	BD Taka
21 Financial charges		
Aftab Automobiles Ltd.	118,664,327	76,980,209
Assembling Unit	96,486,365	71,412,679
Body building Unit	6,507,290	5,567,530
Motor cycle Unit	15,670,672	-
	118,664,327	76,980,209
21 (a) Consolidated financial charges		
Aftab Automobiles Ltd.	118,664,327	76,980,209
Navana Batteries Ltd.	36,807,988	32,180,950
Navana Furniture Ltd.	-	27,610,509
Navana Paints Ltd.	-	6,757,277
	155,472,315	143,528,945
22 Non-operating income		
FDR Interest	24,165,511	95,438,727
Profit made for divestment of Subsidiary companies.	92,371,370	-
	116,536,881	95,438,727
23 Income tax expense		
Current tax	67,406,244	85,410,896
Deferred tax	(9,609,551)	3,496,686
	57,796,693	88,907,582
23 (a) Consolidated Income tax expense		
Current tax		
Aftab Automobiles Ltd.	67,406,244	85,410,896
Navana Batteries Ltd	49,120,854	25,930,631
Navana Furniture Ltd	-	61,298
Navana Paints Ltd	-	22,792
	116,527,098	111,425,617
23 (b) Deferred tax Liability		
Assembling & Body unit	18,683,649	28,293,200
Associate Company	48,944,175	45,386,906
Aftab Automobiles Ltd.	67,627,824	73,680,106
Navana Batteries Ltd	29,146,725	25,098,110
	96,774,549	98,778,216
24 Earnings per share (EPS)		
Total comprehensive income	280,024,113	270,314,972
Ordinary share(Paid Up capital)	95,732,422	95,732,422
Earnings per share (EPS)	2.93	2.82

	31/8/14	31/8/13
	BD Taka	BD Taka
24 (a) Consolidated earnings per share (EPS)		
The calculation of consolidated basic earnings per share at 31 August 2014 was based on the consolidated profit attributable to ordinary shareholders as follows:		
Profit attributable to the equity holders	383,548,013	337,599,071
No. shares	95,732,422	95,732,422
Earnings per Share (EPS)	4.01	3.53

25 Loan and deferred liabilities (unsecured) :

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

26 Claims against the Company :

There is no known claim against the Company.

27 Amount Due by Directors:

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

28 Amount paid to Directors:

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

29 General Nature of Credit Facilities:

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

30 Contingent liability :

The Company has issued guarantee to the tune of Tk. 34.00 crores against sale of Aftab Assembled vehicles under lease finance of different parties.

31 Production Capacity :

The production capacity of the company is 2400 units Toyota & Hino vehicles in Assembling unit under three shifts and 360 units Hino buses in Body Building unit. Actual production for the year 222 units bus assembled in Assembling unit -103-units body fabrication in Body Building Unit.

The production capacity of the company is 10,000 units Motor Cycle in Motor Cycle unit under three shifts . Actual production for the year 1684 units byke assembled in Motor Cycle unit.

32 Related Parties Disclosure:

As per agreement with Toyota Tsusho Corporation, Japan, all Assembled vehicles of Aftab Automobiles Ltd. are distributed through Navana Ltd.(distributor of Toyota & Hino Vehicles). During the year, the company sold vehicles worth Tk. 105.80 crore through Navana Ltd. No other transaction has been made with any other related party.

33 Event after the Reporting Period

The Directors in the meeting held on 18 November 2014, recommended 17 % cash dividend for the shareholders whose name will be appeared in the shareholders' registers at the date of book closure which is subject to shareholders' approval at the forthcoming annual general meeting to be held on 24 December 2014.

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

34 Payment / Perquisites to Directors and officers :

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

	<u>Directors</u>	<u>Officers</u>
Board meeting attendance fee	175,000	-
Managerial remuneration	955,001	705,585
Gratuity	334,250	246,955
Company's contribution to P / F	95,500	70,559
Bonus	159,167	117,598
Perquisites :		
Housing	811,751	599,747
Transport	191,000	141,117
Medical	57,300	42,335
Entertainment	200,550	148,173
Telephone	300,000	76,130
Others	20,500	50,500
	<u>3,300,020</u>	<u>2,198,698</u>

during the year under review :

- i) no compensation was allowed by the company to the Chief executive officer of the company who is also a Director.
- ii) the rate at which Directors have drawn Board meeting attendance fees @ Tk.5000/- per Director per meeting. The total Board meeting attendance fee incurred during the year under review was Tk.1,75,000/- and
- iii) no amount of money was spent by the company for compensating any member of the board for special services rendered.



View: Mahindra Motorcycle assembling process of Aftab Automobiles Ltd. (Motorcycle Unit)

AUDITORS' REPORT**TO THE SHAREHOLDERS OF NAVANA BATTERIES LIMITED**

We have audited the accompanying financial statements of Navana Batteries Limited (the Company), which comprise the statement of Financial Position as at August 31, 2014, and the statement of Comprehensive Income, Statement of Cash Flows and statement of changes in equity for the year ended August 31, 2014 and a summary of significant accounting policies and other explanatory information disclosed in Notes 1 to 18 and Schedule-A.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion:

In our opinion, the financial statements present fairly, in all material respects, the financial position of Navana Batteries Limited as at August 31, 2014, and its financial performance and its cash flows for the year then ended in accordance with BFRS and comply with the applicable sections of the Companies Act, 1994, the Securities & Exchange Rule, 1987 and other applicable laws and regulations.

We also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- c) The company's Statements of Financial Position and the Statement of Comprehensive Income dealt with by the report are in agreement with the books of accounts ; and
- d) The expenditure incurred was for the purpose of the company's business.

Dated : Dhaka
November 10, 2014

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants

Navana Batteries Limited
Statement of Financial Position

As at August 31, 2014

	Notes	31.08.2014 BD Taka	31.08.2013 BD Taka
Assets :			
Non-current assets :			
Property, plant and equipment, net	3	381,340,596	284,703,287
Capital work in progress	4	68,927,849	108,142,681
Total non-current assets :		450,268,445	392,845,968
Current assets :			
Trade debtors	5	221,692,560	177,952,602
Stock and stores	6	370,384,545	231,647,518
Income tax deducted at source	7	126,809,592	82,687,561
Advance, deposits and prepayments	8	462,687,065	167,464,669
Cash and bank balances	9	42,183,425	23,168,872
Total current assets :		1,223,757,187	682,921,222
Total Assets		1,674,025,632	1,075,767,190
Equity and Liabilities			
Equity attributable to equity holders			
Share capital	10	183,702,690	183,702,690
Retained earnings	11	317,233,106	213,709,206
Total Equity		500,935,796	397,411,896
Deferred Tax Liability		29,146,726	25,098,110
Current liabilities :			
Short term loan	12	688,571,977	235,430,428
Inter company liabilities		301,618,953	315,972,200
Accrued and other current liabilities		153,752,180	101,854,556
Total current liabilities		1,143,943,110	653,257,184
Total Equity and Liabilities		1,674,025,632	1,075,767,190
Net assets value per share (NAVPS)		27.27	21.63

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

Sd/-
Chairman

Sd/-
Director

Signed in terms of our separate report of even date.

Dated : Dhaka
November 10, 2014

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants

Navana Batteries Limited
Statement of Comprehensive Income
 For the year ended August 31, 2014

Particulars	Notes	Year ended	Year ended
		31.08.2014	31.08.2013
		BD Taka	BD Taka
Revenues (Net)	13	979,887,224	890,536,266
Cost of goods sold	14	714,314,854	706,017,151
Gross profit		265,572,370	184,519,115
Operating expenses:		101,044,338	92,283,935
Administrative expenses	15	12,168,420	10,987,287
Selling and distribution expenses	16	52,067,930	49,115,698
Financial charges		36,807,988	32,180,950
Profit before contribution to WPPF		164,528,032	92,235,180
Contribution to WPPF		7,834,668	4,392,151
Net profit before tax		156,693,364	87,843,029
Provision for income tax :	17	53,169,464	32,941,136
Current tax		49,120,854	25,930,631
Deferred tax		4,048,610	7,010,505
Net profit after tax		103,523,900	54,901,893
Earning per share (EPS)	18	5.64	2.99

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

Sd/-
Chairman

Sd/-
Director

Signed in terms of our separate report of even date.

Dated : Dhaka
November 10, 2014

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants

Navana Batteries Limited**Statement of Cash Flows**

For the year ended August 31, 2014

Particulars	Year ended 31.08.2014 BD Taka	Year ended 31.08.2013 BD Taka
Cash Flows from Operating Activities		
Cash Collection from Sales	936,147,266	861,558,698
Inter company receipts	(14,353,247)	15,053,247
Cash Paid to Suppliers and Employees	(848,089,330)	(881,276,970)
Cash generated from operations	73,704,689	(4,665,025)
Income tax Paid	(47,539,400)	(25,262,517)
Net Cash generated in Operating Activities	26,165,289	(29,927,542)
Cash Flows from Investing Activities		
acquisition of property, plant & equipment	(27,382,421)	-
Deposit given	(96,567,748)	-
Changes in long term trade debtors	(152,365,478)	-
Payments for capital work in progress	(147,168,650)	(81,578,190)
Net Cash used investing Activities	(423,484,297)	(81,578,190)
Cash Flows from Financing Activities		
Proceeds from bank loan	453,141,548	143,603,921
Bank Interest Paid	(36,807,988)	(32,180,950)
Net Cash provided by Financing Activities	416,333,560	111,422,971
Net Changes in Cash & Cash Equivalents	19,014,553	(82,761)
Cash & Cash Equivalents at Beginning of the Year	23,168,872	23,251,633
Cash & Cash Equivalents at End of the Year	42,183,425	23,168,872
Net operating cash flows per share (NOCFPS)	1.42	(1.63)

Sd/-
ChairmanSd/-
Director

Navana Batteries Limited
Statement of Changes in Equity
 For the year ended August 31, 2014

Particulars	Share capital BD Taka	Retained earnings BD Taka	Total Equity BD Taka
Balance as on September 01, 2012	183,702,690	176,894,918	360,597,608
Adjustment for Prior year's deferred tax	-	(18,087,605)	(18,087,605)
Restated balance as on September 01, 2012	183,702,690	158,807,313	342,510,003
Surplus for the year	-	54,901,893	54,901,893
Balance as on August 31, 2013	183,702,690	213,709,206	397,411,896
Balance as on September 01, 2013	183,702,690	213,709,206	397,411,896
Surplus for the year	-	103,523,900	103,523,900
Balance as on August 31, 2014	183,702,690	317,233,106	500,935,796

Sd/-
Chairman

Sd/-
Director



View: Battery production process

Navana Batteries Limited**Accounting Policies and Explanatory Notes to the Financial Statements**

As at and for the year ended August 31, 2014

1. Corporate Information and Mode of Business**1.1 Corporate Information**

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

1.2 Mode of Business

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

2. Significant Accounting Policies and Basis of Preparation of Financial Statement**2.1 Statement of Compliance**

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

2.2 Basis of Preparation

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

2.3 Basis of Reporting

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

2.4 Reporting Period

This report has been prepared as of August 31, 2014.

2.5 Functional and Presentation Currency

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

2.6 Recognition of Property, Plant and Equipment

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

Depreciation

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

notes to the financial statements

<u>Name of the Assets</u>	<u>Rate of Depreciation in (%)</u>
Building	2.5
Plant & Machinery	10
Tools & Equipment	20
Office Equipment	10
Furniture & Fixtures	10
Transport Vehicles	20
Electrical line installation	10
Gas line installation	10
Office Decoration	10

2.7 Inventories

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

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

2.8 Cash and Cash Equivalent

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

2.9 Liabilities for Expenses

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

2.10 Workers Profit Participation Fund

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

2.11 Financial Assets and Liabilities

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

I) Receivables: Trade receivables are stated their real value and consider good. No provision has been made doubtful debts and no amount was written off as bad.

II) Payables: Liabilities are recorded at the amount payable for settlement in respect of goods and services received by the Unit.

III) Borrowings: Interest bearing bank loans are recorded at the proceeds received net of direct issue costs.

2.12 General

1. Figures shown in the accounts have been rounded off to the nearest Bangladeshi Taka.

2. Comparative figures and account titles in the financial statements have been re-arranged/re-classified where necessary, to conform to changes in presentation in the current year.

Navana Batteries Limited

3. Property, plant and equipment, net

Schedule-A

Particulars	Cost			Rate of Dep.	Depreciation				Carrying amount	
	As at 01.09.2012	Add./adj during the year	As at 31.08.2014		As at 01.09.2012	Charged during the year	Adj. during the year	As at 31.08.2014	As at 31.08.2014	As at 31.08.2013
Land & Land Development	4,397,508	96,153,000	100,550,508	-	-	-	-	100,550,508	4,397,508	
Building	85,610,322	3,627,981	89,238,303	2.50%	10,088,237	1,933,402	-	12,021,639	77,216,664	75,522,085
Plant & Machinery	211,256,464	3,632,545	214,889,009	10%	63,432,753	14,963,998	-	78,396,751	136,492,258	147,623,711
Tools & Equipments	36,850,070	5,071,630	41,961,700	20%	21,070,567	3,671,064	-	24,741,631	17,220,069	15,819,503
Office Equipment	21,979,111	1,816,614	23,795,725	10%	6,983,022	1,590,439	-	8,573,461	15,222,264	14,996,089
Furniture & Fixture	7,482,454	770,246	8,252,700	10%	2,207,884	565,969	-	2,773,853	5,478,847	5,274,570
Transport Vehicles	21,157,408	6,706,954	27,904,362	20%	9,920,004	2,926,176	-	12,846,180	15,058,182	11,277,404
Electric line Installation	2,522,000	1,776,388	4,298,388	10%	126,100	328,409	-	454,509	3,843,879	2,395,900
Gas line Installation	7,575,281	3,757,018	11,332,299	10%	378,764	907,503	-	1,286,267	10,046,032	7,196,517
Office Decoration		223,045	223,045	10%		11,152		11,152	211,893	-
Total	398,910,618	123,535,421	522,446,039		114,207,331	26,898,112		141,105,443	381,340,596	284,703,287

Depreciation charged to :	Taka
Cost of goods sold	21,518,489
Administrative	2,689,811
Selling & distribution	2,689,811
T O T A L	26,898,112



View: Quality controlled by foreign technical expert.

notes to the financial statements

	31.08.2014	31.08.2013
	BD Taka	BD Taka
4 Capital work in progress Tk 68,927,849		
Opening balance	108,142,681	84,314,504
Less : Addition made during the year	84,320,589	81,578,190
	192,463,270	165,892,694
Less: Transferred to Property ,plant & equipment	123,535,421	57,750,013
Closing balance	68,927,849	108,142,681
5 Trade debtors Tk 221,692,560		
Below six months	168,671,835	145,885,072
Over six months	53,020,725	32,067,530
	221,692,560	177,952,602
Trade Debtors are considered good and as such no provision has been made in the accounts for doubtful debts. Company holds no security other than debtor's personal security in the form of work orders.		
6 Stock and stores Tk 370,384,545		
Finished stock	74,085,860	28,125,235
Work-in-process	61,987,126	45,084,113
Raw materials	148,494,758	80,057,200
Goods in transit	85,816,801	78,380,970
	370,384,545	231,647,518
The quantity of closing stock are 12 Volts NS-2825 pcs ,N-288pcs ,PNE-1955 pcs ,NG-4667 pcs ,NKP-1387 pcs, IPS-430 pcs ,EV-934 pcs and 6NSP-2218 pcs Automotive, Home Appliance & Solar Batteries.		
7 Income tax deducted at source Tk 126,809,592		
Opening balance	82,687,561	57,425,044
Add: during the year	47,539,400	25,262,517
	130,226,961	82,687,561
Less: adjustment	3,417,369	-
Closing balance	126,809,592	82,687,561
The above amount was deducted at the import point as well as from the Bills in different times at delivery point.		
8 Advance, deposits and prepayments Tk 462,687,065		
Advance to suppliers	223,358,663	38,606,584
Advance to others	122,080,290	78,319,195
Advance to employees	20,587,120	11,525,472
Deposits	37,807,544	21,701,663
Current Account with VAT	58,853,448	17,311,755
	462,687,065	167,464,669
Advance paid to suppliers against work order and considered good. Advance to employees against expenses, salary releasable on production of documents and monthly salary respectively are considered good. Deposits consist of utility deposits, security money against tender and bank guarantee are considered good.		
9 Cash & bank balances Tk 42,183,425		
Cash in Hand Factory	844,479	393,575
Cash Balance Dhaka Sales Center	1,183,676	1,732,827
Cash Balance CTG. Sales Center	184,086	79,909
Cash at Bank	39,971,184	20,962,561
	42,183,425	23,168,872

		31.08.2014	31.08.2013
		BD Taka	BD Taka
10	Share capital.		
	Authorised :		
	50,000,000 ordinary shares of Taka 10/- each	500,000,000	500,000,000
		500,000,000	500,000,000
	Issued, Subscribed and Paid up capital Tk 183,702,690		
	Ordinary shares 18,370,269 shares of Taka 10 each		
	Non-controlling Interest (sponsors)	100,000	100,000
	Aftab Automobiles Ltd.	183,602,690	183,602,690
		183,702,690	183,702,690
11	Retained earnings Tk 317,233,106		
	Opening Balance	213,709,206	176,894,918
	Add : Profit for the year	103,523,900	54,901,893
		317,233,106	231,796,811
	Less.adjustment with Deferred Tax	-	(18,087,605)
	Closing balance	317,233,106	213,709,206
12	Short term loan Tk 688,571,977		
	NCC Bank Ltd CC AC	36,166,539	201,197,125
	NCC Bank Ltd (Hypo) AC	-	14,924,944
	Mercantile Bank	23,262,750	-
	National Bank Ltd. CC loan	497,079,967	19,308,359
	Al-Arafah Islami Bank Ltd.	34,950,000	-
	Shahjalal Islami bank ltd	42,065,278	-
	Southeast Bank Ltd. (Overdraft)	55,047,443	-
		688,571,977	235,430,428
13	Revenue (Net) Tk 979,887,224	979,887,224	890,536,266
		979,887,224	890,536,266
	The quantity of Sales during the year are 12 Volts NNS-2825 pcs ,N-288pcs ,PNE-1955 pcs ,NG-4667 pcs ,NKP-1387 pcs, IPS-430 pcs ,EV-934 pcs and 6NSP-2218 pcs .Automotive, Home Appliance & Solar Batteries.		
14	Cost of goods Sold. Tk 714,314,854		
	Raw materials consumed	14.1	688,255,605
	Indirect materials		10,321,372
	Total consumption		698,576,977
	Add : Opening WIP		45,084,113
			743,661,090
	Less : Closing WIP	5	61,987,126
			681,673,964
	Factory overhead	14.2	78,601,515
	Cost of production		760,275,479
	Finished products (opening)		28,125,235
			788,400,714
	Finished products (closing)	5	74,085,860
			714,314,854
			706,017,151
	14.1 Raw materials consumed Tk 688,255,605		
	Opening stock		80,057,200
	Purchases	14.1.1	756,693,163
			836,750,363
	Closing stock	5	148,494,758
			688,255,605
			620,152,279

	31.08.2014	31.08.2013
	BD Taka	BD Taka
14.1.1 Purchases Tk 756,693,163		
C & F price	578,937,128	502,488,524
Insurance premium	4,057,884	3,681,822
L/C opening charges	6,853,087	6,217,983
C & F charges	27,720,419	25,151,450
Custom duty	41,532,928	37,683,895
Local purchase	97,591,717	93,663,149
	756,693,163	668,886,823
14.2. Factory overhead Tk 78,601,515		
Salary and allowances	3,415,668	3,162,720
Wages	4,949,248	4,582,730
PF (Company Contribution)	683,134	825,210
Overtime	1,920,852	1,856,120
Bonus	864,911	800,860
Earned Leave	252,352	233,664
Gratuity	858,583	795,000
Liveries & Uniform	325,789	489,824
Telephone & Mobile	254,500	201,527
Fuel & Lubricants for Generator	707,497	2,569,028
Travelling & Conveyance	343,244	317,825
Entertainment	23,798	22,036
Office exp.	35,967	33,303
Repairs & Maintenance	698,214	646,508
Electricity Expenses	30,067,764	20,600,412
Night allowance	136,758	126,630
Canteen Subsidy	1,552,720	2,088,879
Eid Gratia	14,580	13,500
Insurance Exp	2,368,129	2,400,000
Gas bill	1,554,337	1,165,013
Welfare expenses	102,790	125,320
Carrying & Handling	283,534	262,537
Car Maintenance	579,445	536,534
Security Expenses	890,230	1,387,196
Chemicals	980,637	1,068,681
Store & spares	255,790	1,557,320
Foreign Technician Remu.	1,800,000	2,500,000
Screen Printing	64,842	60,040
Labour Charges	430,045	398,198
Laboratory Exps	139,412	129,088
Generator Maintenance	465,316	430,857
Fire Extinguisher	62,941	58,280
Depreciation	21,518,489	19,929,975
	78,601,515	71,374,815

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

notes to the financial statements

	31.08.2014	31.08.2013
	BD Taka	BD Taka
15 Administrative expenses Tk 12,168,420		
Salary and allowances	2,515,598	1,926,968
Bonus	280,328	164,250
Welfare expenses	100,000	30,430
Gratuity	229,712	245,000
Entertainment	484,780	350,472
TA and Conveyance	221,508	201,758
Travelling Exp - Foreign	360,120	1,030,887
Car maintenance	1,291,530	621,145
Stationery	285,720	770,870
Fees and Registration	450,280	358,041
Telephone	57,650	52,510
Bank Guarantee & Charge documents	13,323	5,250
Audit fees	50,000	25,000
Postage and telegram	2,053	1,870
Publicity	72,798	30,000
Directors fee	15,000	15,000
Office maintenance	425,520	455,447
Maintenance	645,521	587,965
Carrying & Handling	974,427	887,545
Guest House Maintenance	203,804	185,632
ISO Exps	313,599	550,000
Membership fee & others	485,338	-
Depreciation	2,689,811	2,491,247
	12,168,420	10,987,287

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

16 Selling and distribution expenses Tk 52,067,930		
Salary & Allowance	23,651,492	21,543,660
Overtime	1,087,790	690,320
Fuel & Lubricant	1,915,967	1,745,215
Promotional Exps	1,086,865	957,482
Delivery Exps	362,906	330,564
Wages	571,038	520,147
Bonus	1,827,720	1,792,641
Welfare	90,374	82,320
P/F company's Contribution	1,461,526	1,331,274
Gratuity	1,422,664	830,000
Rent Rates & Taxes	3,096,350	304,259
Conveyance	714,595	650,910
Entertainment	685,930	624,800
Stationery	865,039	749,514
Telephone	1,243,471	903,155
Publicity Exp.	192,603	175,438
Fees & Registration	249,304	227,086
Maintenance	383,459	349,285
Car Maintenance	641,166	633,032
Electrical Expenses	1,181,826	1,594,313
Postage & Telegram	125,019	45,005
Papers & Periodicals	20,331	18,519
Bank Charges	200,417	182,556
Security Guard salary	1,055,090	855,455
Office Maintenance	603,888	390,775
Showroom Exps	702,866	2,781,274
Transportation Charges	1,021,153	930,147
Utility Bill (WASA)	94,800	80,290
Gift & Donation	605,174	337,963
Chemical & Packing exps	852,198	776,250
Dealer conference Exp.	1,365,097	3,198,000
Others	-	992,802
Depreciation	2,689,811	2,491,247
	52,067,930	49,115,698

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

notes to the financial statements

	31.08.2014	31.08.2013
	BD Taka	BD Taka
17		
Income tax expenses Tk 49,120,854		
Profit before Tax	156,693,364	87,843,029
Add : Accounting Depreciation	26,898,112	24,912,469
Less : Tax Depreciation	(43,246,178)	(43,607,149)
Adjusted Profit for tax calculation	140,345,298	69,148,349
Tax @ 35 % (transferred to Compreh. Income statement)	49,120,854	25,930,631
18		
Earning per share (EPS) Tk 5.64		
Net profit after tax	103,523,900	54,901,893
Number of ordinary share	18,370,269	18,370,269
Earning per share (EPS)	5.64	2.99



View: Finished stocks of Navana Batteries Ltd.

aftab automobiles limited

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

Proxy Form

I / We of
..... being
a member of Aftab Automobiles Limited do hereby appoint Mr. / Ms.
of
as my/our proxy to attend and vote for me/us and on my/our behalf at the 34th Annual General Meeting of the Company to be held on the 24 December
2014 at 10:30 AM at Bashundhara Convention Center-2, Baridhara, Dhaka and at any adjournment thereof.

Revenue Stamp
Taka 20.00

Name of Shareholder

Name of Proxy

No. of Shares held

Signature of Proxy

Folio No.

Date

B.O. A/C No.

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Signature of shareholder

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

aftab automobiles limited

Attendance Slip

I/We hereby record my/our presence at the 34th Annual General Meeting on 24 December 2014 at 10:30 AM at Bashundhara Convention Center-2, Baridhara, Dhaka.

Name of Shareholder(s)

Name of Proxy

No. of Shares held

Signature of Proxy

Folio No.

Date

B.O. A/C No.

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Signature of shareholder

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

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



aftarb automobiles limited

Islam Chamber
125/A, Motijheel Commercial Area
Dhaka, Bangladesh