



**aftab
automobiles
limited**

2012

ANNUAL REPORT

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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

Company Secretary
Tareq Enamur Rahim

Chief Financial Officer
Kazi Ehsanul Huq FCA

Head of Internal Audit
Mohammad Mofizul Haque Rinku ACA

Audit Committee
Syed Masud Hasan
(Independent Director)
Sajedul Islam
Farhana Islam

- Chairman
- Member
- Member

Auditors
M. M. Rahman & Co.
Chartered Accountants
PRACHI-NIKET
54, Dilkusha C/A, 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.

Raj Fulbaria, Savar
Dhaka, Bangladesh.

Main Banker
Bank Asia Limited
Agrani Bank Limited
Dhaka Bank Limited

Coatbari, Dipnagar, Gabtoli
Mirpur, Dhaka, Bangladesh.



aftab automobiles limited

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

Notice of the 32nd annual general meeting

Notice is hereby given that the 32nd Annual General Meeting (AGM) of the shareholders of the Company shall be held on Thursday, 20 December 2012 at 9:30 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 2012 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:
To re-allocate un-utilized fund of preference shares at Tk.44.50 crore as working capital of the Company.

By order of the Board

Dated : Dhaka
November 24, 2012

Sd/-
(Tareq Enamur Rahim)
Company Secretary

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., 5 December 2012 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.
- iii) The proxy form, sent with this annual report-2012 affixed with requisite revenue stamp of Tk.10/- must be deposited at the Company's Registered Office at least 48 hours prior to the AGM.

The Proxy Form & the annual report-2012 are also available in Company's website (www.aftabauto.com)

Dear Shareholders,

It is my pleasure to welcome you all to the 32nd Annual General Meeting of the Company and place before you a summarized statement of activities of the Company for the financial year ended on 31 August 2012.

You may have observed from the directors' report that during the year production in the assembling unit has increased substantially compared to last year along with a marginal increase in the bus body-building unit. The local demand for buses produced by our Company has increased manifold due to maintenance of international standard in body fabrication and automated painting. Meantime, our new model Hino RM-2 buses have achieved much popularity in the transport sector of the country compared to similar imported air-conditioned buses from abroad. Your Board of Directors is always vigilant and concerned about customer need and satisfaction.



Hon'ble Chairman's addressing at the 31st AGM of the Company

I would like to mention here that, the subsidiaries of the company could not achieve desired profit during the year.

In view of this, your board of directors after discussion at length, has taken necessary steps for achieving desired result in near future.

I would further like to inform you that the finalization of assembling of trucks; being the last part of BMRE program, is still in progress with Hino Motors Ltd., Japan. In these circumstances, your board of directors has sought approval of this annual general meeting to re-allocate the un-utilized fund of preference shares totaling Tk.44.50 crore of 2 (two) Units (Tk.36.80 crore of assembling unit and Tk.7.70 crore of body building unit) as working capital for the greater benefit of the Company. This will lead to reduction in financial expenses and thereby increase the net profit.

You will please appreciate that our Company has been able to sustain its growth even after experiencing certain uncomfortable economic situation during the year which has been reflected in the annual report. I would like to assure you that our sincere efforts shall continue for protecting and increasing shareholders investment.

I would also like to express my gratitude to the 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 sincere support.

Sd/-
(Shafiul Islam)
Chairman



A view of hon'ble shareholders at the 31st AGM

প্রিয় শেয়ারহোল্ডারবৃন্দ,

কোম্পানীর ৩২ তম বার্ষিক সাধারণ সভায় আপনাদের সবাইকে স্বাগত জানাচ্ছি এবং ৩১শে আগস্ট ২০১২ সালে সমাপ্ত অর্থবছরে কোম্পানীর কার্যক্রমের সংক্ষিপ্ত বিবরণ আপনাদের অবগতির জন্য উপস্থাপন করছি।

আপনারা পরিচালকমন্ডলীর প্রতিবেদনে লক্ষ্য করবেন যে, কোম্পানীর বাস সংযোজন ইউনিটে বিগত বছরের তুলনায় উৎপাদন উল্লেখযোগ্য পরিমাণ বেড়েছে এবং একইসাথে বাস বডি নির্মাণ ইউনিটেও উৎপাদন কিছুটা বৃদ্ধি পেয়েছে। এছাড়াও, আমাদের কোম্পানীর বাস বডি নির্মাণ এবং অটোমেটেড রং করা আন্তর্জাতিক মান সম্পন্ন হওয়ায় এর চাহিদা দেশের পরিবহন সেক্টরে বহুলাংশেই বৃদ্ধি পেয়েছে। ইতিমধ্যে, আমাদের নতুন মডেলের Hino RM-2 বাস বিদেশ থেকে আমদানিকৃত যেকোন শীতাতপ নিয়ন্ত্রিত বাসের চেয়ে অধিক জনপ্রিয়তা অর্জন করেছে। আমি আপনাদের আশ্বস্ত করতে চাই যে, আপনাদের পরিচালনা পর্ষদ অতীতের মত আগামী দিনগুলোতেও ধাঁচসমৃদ্ধির ব্যাপারে সচেষ্ট থাকবে।

আমি উল্লেখ করতে চাই যে, আলোচ্য বছরে কোম্পানীর তিনটি সাবসিডিয়ারী প্রতিষ্ঠান আশাব্যঞ্জক মুনাফা অর্জন করতে পারে নাই। এ ব্যাপারে পরিচালনা পর্ষদে বিস্তারিত আলোচনা করে আগামীতে ভাল ফলাফলের লক্ষ্যে পদক্ষেপ গ্রহণ করা হয়েছে।



ছবিঃ কোম্পানীর ৩১তম বার্ষিক সাধারণ সভায় পরিচালনা পর্ষদ

আমি আপনাদের জানাতে চাই যে, BMRE কর্মসূচীর সর্বশেষ কার্যক্রম যথা: ট্রাক সংযোজনের বিষয়টি এখনো হিনো মটরস্ লি., জাপানে প্রকৃতিবান আছে। এমতাবস্থায়, আপনাদের পরিচালনা পর্ষদ কোম্পানীর বৃহত্তর স্বার্থে এই খাতের অব্যবহৃত ৩৬.৮০ কোটি টাকা এবং বডি বিক্রি ইউনিটের BMRE কার্যক্রমে যে ৭.৭০ কোটি টাকা শাশ্বত হয়েছিল; তা সহ সর্বমোট ৪৪.৫০ কোটি টাকা চলতি মূলধন হিসাবে ব্যবহার করার জন্য সাধারণ সভার অনুমোদন চেয়েছেন। এতে করে কোম্পানীর আর্থিক ব্যয় কমে যাবে এবং তা কোম্পানীর নিট মুনাফা বৃদ্ধিতে সহায়ক ভূমিকা রাখবে।

এখানে আমি আরো উল্লেখ করতে চাই যে, দেশের অর্থনীতির এই কঠিন সময়েও আফতাব অটোমোবাইলস্ লিমিটেড তার ব্যবসায়িক ধারাবাহিকতা বজায় রেখেছে, যার প্রতিফলন আপনারা বার্ষিক প্রতিবেদনে লক্ষ্য করবেন। আমি আপনাদের আরো আশ্বস্ত করতে চাই যে, ব্যবসায়িক উন্নয়নের মাধ্যমে শেয়ারহোল্ডারগণের পরিসম্পদ বৃদ্ধিতে আমাদের আন্তরিক প্রচেষ্টা ভবিষ্যতেও অব্যাহত থাকবে।

পরিশেষে, সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন, ঢাকা স্টক এক্সচেঞ্জ লি., চট্টগ্রাম স্টক এক্সচেঞ্জ লি., রেজিস্টার অব জয়েন্ট স্টক কোম্পানীজ, সেন্ট্রাল ডিপোজিটরি বাংলাদেশ লিঃ এবং অন্যান্য সবাইকে তাদের সর্বাঙ্গিক সহযোগিতার জন্য আন্তরিক কৃতজ্ঞতা জ্ঞাপন করছি।

স্বাঃ/-
(শফিউল ইসলাম)
চেয়ারম্যান

Dear Shareholders,

Your Board of Directors have the pleasure in submitting the audited financial statements of the Company alongwith the report of the Auditors' and Directors' thereon for the year ended August 31, 2012.

PERFORMANCE

PRODUCTION

In the assembling unit of the Company, the plant has produced 424 units of vehicles consisting of 402 units Hino Diesel Bus chassis, 4 units of Hino mini-bus chassis and 18 units of Hino RM-2 bus chassis as against 340 units of vehicles consisting of 318 units Hino Diesel Bus chassis, 4 units of Hino mini-bus chassis and 18 units of Hino RM-2 bus chassis in the previous year.

Further the bus body building unit of the Company has fabricated 174 Units of Hino Bus body against 162 units in the previous year.

SALES

During the financial year, Tk.222.27 crore has been added to the Company's turnover against sale proceeds of 414 units of bus chassis.

On the otherhand, an amount of Tk.31.87 crore has been contributed to the turnover of the Company against sale proceeds of 174 units of bus body fabrication.

Financial Result and Appropriation of Profit: for the year ended August 31, 2012

amount in '000' taka

Net Profit for the year (after tax)	366,655
Add: Previous year's surplus	1,456,597
Profit available for appropriation	1,823,252
Recommended for appropriations:	
Stock Dividend @25%	170,951
Un appropriated profit carried forward	1,652,301
Total	1,823,252

Subsidiary Operation

(a) Navana Batteries Limited

Navana Batteries Limited (NBL) was incorporated on 21 April 2009 which is a fully owned subsidiary Company of Aatab Automobils Ltd. (AAL). AAL is holding 99.95% share of NBL at present. The operating results of NBL for the period ended 31 August 2012 are given below comparing operating results for the year ended 31 August 2011 as follows:

Particulars	2012 (Taka)	2011 (Taka)
Turnover	668,159,995	716,587,341
Gross Profit	150,463,905	182,026,194
Net Profit After Tax	48,322,245	72,187,980
Earnings Per Share (EPS)	2.63	3.93
Net Assets Value Per Share (NAVPS)	19.63	17.00

(b) Navana Furniture Limited

Navana Furniture Limited (NFL) was incorporated on 21 April 2009 which is a fully owned subsidiary Company of AAL. AAL is holding 99.95% share of NFL at present. The operating results of NFL for the period ended 31 August 2012 are given below comparing operating results for the year ended 31 August 2011 as follows

Particulars	2012 (Taka)	2011 (Taka)
Turnover	426,319,150	465,344,383
Gross Profit	141,272,670	162,606,453
Net Profit After Tax	14,306,310	46,594,241
Earnings Per Share (EPS)	0.66	2.14
Net Assets Value Per Share (NAVPS)	14.03	13.37

(c) Navana Paints Limited

Navana Paints Limited (NPL) was incorporated on 21 April 2009 which is a fully owned subsidiary Company of AAL. AAL is holding 99.88% share of NPL at present. The operating results of NPL for the period ended 31 August 2012 are given below comparing operating results for the year ended 31 August 2011 as follows:

Particulars	2011 (Taka)	2010 (Taka)
Turnover	99,515,552	116,193,683
Gross Profit	39,367,568	42,938,698
Net Profit After Tax	8,500,876	12,478,888
Earnings Per Share (EPS)	0.94	1.38
Net Assets Value Per Share (NAVPS)	12.95	12.01

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 affect 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.

Particulars	In '000' taka	
	August 31, 2012	August 31, 2011
Revenues	3,735,217 (100%)	3,066,223 (100%)
Cost of goods sold	2,960,006 (79.25%)	2,278,890 (74.32%)
Gross profit	775,210 (20.75%)	787,332 (25.68%)
Net profit for the year (basic operation)	363,324 (9.73%)	382,447 (12.47%)
Net profit for the year (Including non-operating income)	366,655 (9.82%)	1,052,987 (34.34%)

directors' report to the shareholders

Utilization of proceeds from issuance of preference shares

The Company raised fund against issuance of preference share for BMRE of assembling and body-building unit, working capital and repayment of bank loan. The fund utilization position as on August 31, 2012 as follows:

Est. Cost of BMRE/Project etc.		Investment so far made		Investment Yet to be made	
Item	Amount	Amount	%	Amount	%
BMRE of Assembling Unit	47.50	10.70	22.53	36.80	77.47
BMRE of Body Building Unit	22.50	14.80	65.78	7.70	34.22
Working Capital	50.00	50.00	100.00	-	-
Repayment of Bank Loan	60.00	60.00	100.00	-	-
Total:	180.00	135.50		44.50 *	

*The Company would utilize the unused BMRE fund as working capital with the consent of the AGM

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.153.70 crore through Navana Limited. No other transaction has been made with any other related party.

Investments:

(a) Aftab Automobiles Limited

Aftab Automobiles Limited is holding =87,837= shares of Navana CNG Limited at present. The acquisition cost of the said shares was Tk.5.26 per share. However, the market price of the shares of Aftab Automobiles Limited is Tk.76.00 as on 31 August 2012.

(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 2011 stood at Tk.0.75 and Tk.382 per share respectively.

Next Year Plan

The Assembling Unit of the Company is expected to assemble 440 units of Diesel Hino Bus Chassis and 40 units of RM-2 Hino Bus Chassis in the next financial year.

The Bus Body Building Unit is expected to fabricate around 240 units of Hino Bus Body and 24 units of Hino RM-2 Air-conditioned Bus Body during the next financial year.

Dividend

The Board of Directors of your Company has recommended stock dividend @25% (1 ordinary share for every 4 ordinary shares held) for the shareholders for the year ended 31 August 2012, whose names will appear in the share register of the Company and/or Depository Register of CDBL as on Record Date i.e., 05 December 2012 subject to approval by the Shareholders in the 32nd Annual General Meeting (AGM) of the Company.

Election of Directors

In terms of Article 125 and 126 of the Articles of Association of the Company, Mr. Shafiul Islam and Mrs. Khaleda Islam, Directors retire by rotation from the Board in the 32nd 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.

It may please be mentioned here that Mr. Kazi Mostafa Alam has ceased to be a Director of the Company w.e.f. 22.05.2012.

It may also be mentioned here that Mr. Syed Masud Hasan, previously appointed by the Board has been performing his duty as Independent Director. His appointment needs to be approved by the shareholders in the 32nd AGM as per clause 1.2 (iii) of SEC Notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 on Corporate Governance.

directors' report to the shareholders

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

Mr. Shafiul Islam, 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 has also taken care of Eastern Housing Limited from 1981, the then largest real estate developing company in Bangladesh. In 1996, Navana Ltd and Aftab Automobiles Ltd. separated from Islam Group and formed Navana Group with Mr. Shafiul Islam as its Chairman.

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. Shafiul Islam also holds the directorship:

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

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

directors' report to the shareholders

Mrs. Khaleda Islam, Director

Mrs. Khaleda Islam is the wife of Mr. Shafiul 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, bus-body building and trading; real estate; construction; CNG conversion and gas stations; electronics; petroleum and renewable energy; etc.

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

Interest in other Company:	Designation
Navana Ltd.	Director
Navana Real Estate Ltd.	Director
Eastern Printing Press Ltd.	Director
Navana Construction Ltd.	Director
Biponon Ltd.	Director
Navana Computers & Tech Ltd.	Director
Navana Services Ltd.	Director
Navana Interlinks Ltd.	Director
Road Linkers Ltd.	Director
Navana Taxi Cab Co. Ltd.	Director
Navana Electronics Ltd.	Director
Navana Sweaters Ltd.	Director
Navana Foods Ltd.	Director
Navana CNG Ltd.	Director
Navana Power Co. Ltd.	Director
Navana Denims Ltd.	Director
Navana Knitting Ltd.	Director
Navana Feed Mills Ltd.	Director
Navana Software Ltd.	Director
Navana Petroleum Ltd.	Director
Navana Plantation Ltd.	Director
Navana Exports Ltd.	Director
Navana Logistics Ltd.	Director
Navana Renewable Energy Ltd.	Director
Navana Lingerie Ltd.	Director
Navana Fabrics Ltd.	Director
Navana Gas Co. Ltd.	Director
Navana Building Products Ltd.	Director
Navana Toyota Service Center Ltd.	Director
Navana Equities Ltd.	Director
Navana Electrical and Energy Saving Products Ltd.	Director
Navana Engineering Ltd.	Director
Navana Welding Electrode Ltd.	Director

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

Remuneration to directors including independent directors

The Directors of the Company including Independent Director is receiving a sum of Taka 750/- (Seven Hundred Fifty) only as board meeting fee.

directors' report to the shareholders

BOARD MEETINGS

In accordance with the directives of the regulatory authorities, the Board supervise, study and review the activities of the Company and make businesses decisions, etc. During the year eleven 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 31.03.2012	Number of Board Meeting attended	Remarks
Mr. Shafiul Islam	11	11	
Mrs. Khaleda Islam	11	5	
Mr. Saiful Islam	11	6	
Mr. Sajedul Islam	11	10	
Ms. Farhana Islam	11	5	
Mr. Kazi Mostafa Alam	11	7	
Mr. Syed Masud Hasan (Independent Director)	11	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
Ms. Farhana Islam, 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 2012 and placed its recommendation to the Board of Directors.

External audit

M/s M. M. Rahman & 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;

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.

directors' report to the shareholders

Audit Committee meeting:

The Committee met four times during last financial year 2011-12 to carry out the following tasks:

- The Audit Committee reviewed the financial statements for the year ended August 31, 2012;
- Reviewed and discussed the Management Letters by external auditor M. M. Rahman & Co. for the year ended August 31, 2012 on the annual audit on financial statements of Aftab Automobiles Limited;
- The expression of interest sent by the 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 31 August 2013;
- 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: 24 November 2012.

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 2012. 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 Companies i.e. Navana Batteries Limited, Navana Furniture Limited and Navana Paints Limited for the year ended 31 August, 2012 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

APPOINTMENT OF AUDITORS

The existing auditors M/S. M. M. Rahman & Co., Chartered Accountants, have completed their audit for three consecutive years. It is therefore necessary to appoint any other statutory auditors in place of M/s. M. M. Rahman & Co., Chartered Accountants for the next financial year to be ended on 31.08.2013.

In view of above, the Board of Directors of the Company appointed M/s. Rahman Mostafa Alam & Co., Chartered Accountants among the panel of auditors for the year ending 31.08.2013 subject to approval by the shareholders in the 32nd AGM.

directors' report to the shareholders

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

Namewise details		No. of Shares held
i.	<u>Parent/Subsidiary/Associated Companies and other related parties</u>	
	Navana CNG Limited	53,632
	Navava Real Estate Limited	15
ii.	<u>Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouse and minor children:</u>	
	Mr. Shafiul Islam-Chairman	1,33,04,583
	Mr. Saiful Islam- Managing Director	14,20,154
	Mrs. Khaleda Islam-Director	14,53,015
	Mr. Sajedul Islam- Director	14,20,056
	Ms. Farhana Islam- Director	14,20,056
	Mr. Syed Masud Hasan - Independent Director	nil
	Chief Financial Officer, Company Secretary and Head of Internal Audit and their spouse and minor children:	nil
iii.	Executives	nil
iv.	<u>Shareholders holding ten percent (10%) or more voting interest in the Company:</u>	
	Mr. Shafiul Islam	1,33,04,583

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

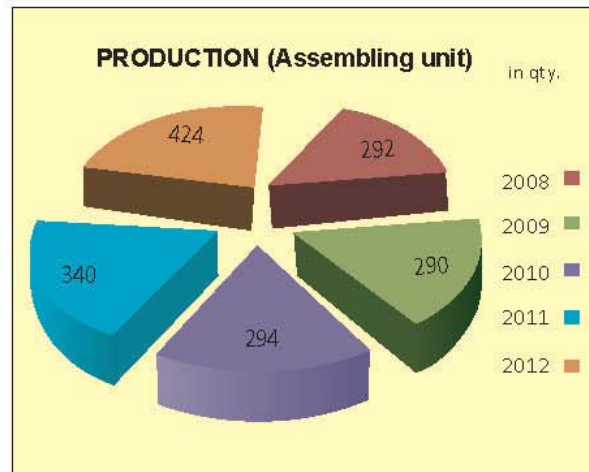
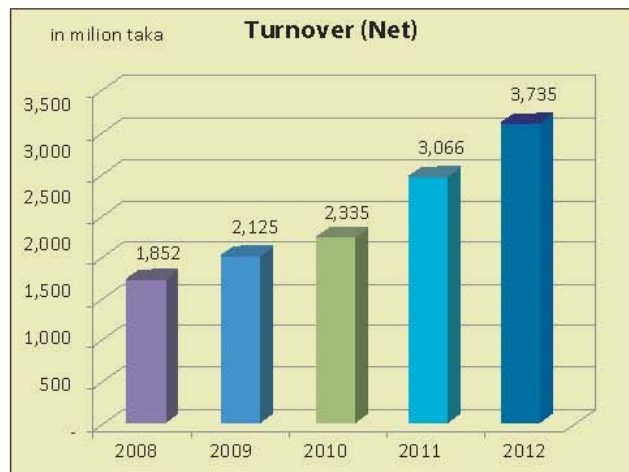
Sd/-

(Shafiul Islam)

Chairman

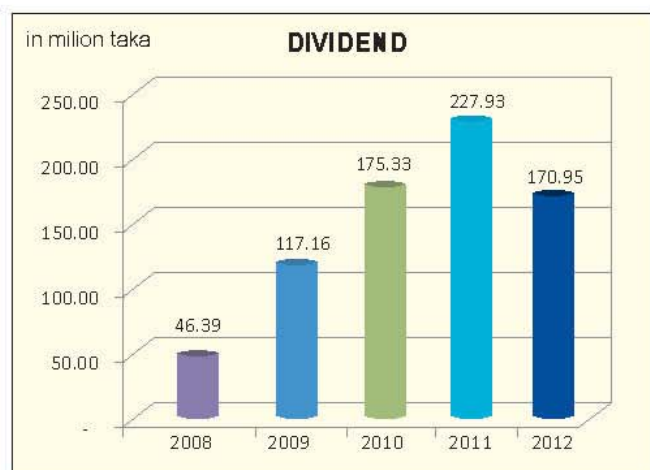
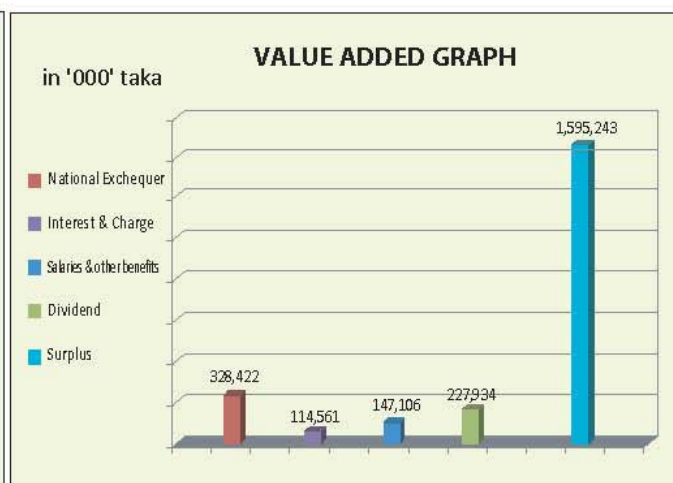
24 November 2012

Graphical Presentation



VALUE ADDED STATEMENT
For the year ended august 31, 2012

	Amount in '000' Taka
Sale / Turnover	3,735,217
Bought in- Material & Service	1,321,951
Value Added	2,413,266
Application to National Exchequer	328,422
to providers of Loan as Interest & Charges	114,561
to providers Emp. Salaries Wages & other benefits	147,106
to providers of Capital- as Dividend	227,934
Reserve & Surplus	1,595,243
	2,413,266



Annexure : 1

The Key Operating and Financial Data (Consolidated):

Amount in '000 Taka

Particulars	2012	2011	2010	2009	2008
Authorized capital	3,000,000	3,000,000	3,000,000	700,000	400,000
Paid-up capital	683,803	569,836	438,335	231,957	185,565
Face Value Per Share	Tk.10/-	Tk. 10/-	Tk.10/-	Tk.10/-	Tk.10/-
Shareholders equity	4,500,177	4,083,419	3,207,347	905,519	621,051
Fixed asset	974,465	925,583	424,617	603,563	559,279
Turnover (Net)	3,735,217	3,066,223	2,334,640	2,124,638	1,851,769
Gross profit	775,211	787,332	531,129	391,327	259,774
Net profit after tax (including non-operating income)	366,655	920,329	693,786	316,617	57,424
Operating cash flow per share	3.21	1.83	3.06	13.75	2.02
Book value per share (Restated)	65.81	74.54	73.16	40.2	32.9
Earning per share (Basic)	5.31	5.59	1.16	1.05	3.10
Earning per share (Non-operating)	0.05	9.81	11.01	5.53	-
Cash dividend	-	20%	10%	10%	-
Stock dividend	25%	20%	30%	40%	25%
Number of shareholders	42,426	43,669	14,557	9,049	11,533

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 (Report under Condition no. 7.00) :

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).	Will comply within 31.12.2012	
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.	Will comply within 31.12.2012	
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	
	Additional statements in the Directors' Report prepared under section 184 of the Companies Act, 1994:-		
1.5 (i)	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.	Complied	
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:-		Not applicable (Declaring dividends regularly)
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	

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:-		
1.5 (xxii) a)	a brief resume of the director; Complied	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.	Will comply within 31.12.2012	
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.		No such reporting
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.	Will comply within 31.12.2012	
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.	Will comply within 31.12.2012	
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.	Will comply within 31.12.2012	
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.	Will comply within 31.12.2012	
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	



Independent Auditors' Report

To the shareholders of

Aftab Automobiles Limited and its subsidiaries

We have audited the accompanying financial statements of Aftab Automobiles Limited (the Company), which comprise the statement of financial position as at August 31, 2012, 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 notes. We have also audited the attached financial statements of Aftab Automobiles Limited and its subsidiaries, which comprise the consolidated statement of financial position as at August 31, 2012, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes. The financial statements of 3 subsidiaries disclosed in notes 1 to 34 the financial statements, are also audited by us.

Management's responsibility for the financial statements

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

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 Financial Reporting Standards (BFRS) 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, the auditor considers 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 subsidiaries as of August 31, 2012, 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 24, 2012

PRACHI-NIKET
54, Dilkusha C/A, Dhaka.

Sd/-
M.M. RAHMAN & CO.
Chartered Accountants

M. Obaidur Rahman, FCA

Aftab Automobiles Limited and its Subsidiaries**Consolidated Statement of Financial Position**

As at August 31, 2012

		31/8/12	31/8/11
	Notes	BD Taka	BD Taka
Assets			
Non-current assets			
Property, plant and equipment, net	3 (a)	974,464,894	925,582,840
Capital work in progress	4 (a)	241,264,775	280,952,372
Investments in shares	5 (a)	461,439	461,439
Investments in associate	5.3	229,359,599	224,876,732
Total non-current assets		1,445,550,707	1,431,873,383
Current assets			
Stock and stores	6 (a)	1,125,948,662	1,111,291,786
Trade debtors	7 (a)	1,463,199,253	1,306,734,844
Income tax deducted at source	8 (a)	282,573,527	235,736,796
Advances, deposits and prepayments	9 (a)	1,269,902,988	995,339,271
Cash and bank balances	10 (a)	867,445,092	794,796,426
Total current assets		5,009,069,522	4,443,899,123
Total assets		6,454,620,229	5,875,772,506
Equity and Liabilities			
Capital & reserves			
Share capital		683,803,020	569,835,850
Share premium		1,925,858,339	1,925,858,339
Reserves		67,338,231	67,338,231
Retained earnings	14 (a)	1,823,177,398	1,684,456,391
Equity attributable to owners of the Company		4,500,176,988	4,247,488,811
Non-controlling interests		466,077	423,810
Total equity		4,500,643,065	4,247,912,621
Non-current liabilities		92,023,455	86,710,048
Loan and deferred liabilities (unsecured)		25,310,440	25,310,440
Deferred tax liability	23 (b)	66,713,015	61,399,608
Current liabilities			
Short-term loan	15 (a)	996,661,490	840,060,214
Accrued and other current liabilities	16 (a)	865,292,219	701,089,623
Total current liabilities		1,861,953,709	1,541,149,837
Total equity and liabilities		6,454,620,229	5,875,772,506
Net assets value per share (NAVPS)		65.81	74.54

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

Sd/-
ChairmanSd/-
Managing DirectorSd/-
Company Secretary

Signed in terms of our separate report of even date.

Dated : Dhaka
November 24, 2012Sd/-
M.M. RAHMAN & CO.
Chartered Accountants

Aftab Automobiles Limited and its Subsidiaries**Consolidated Statement of Comprehensive Income**

For the year ended August 31, 2012

Particulars	Notes	Year ended 31/8/12	Year ended 31/8/11
		BD Taka	BD Taka
Revenues	17 (a)	3,735,217,015	3,066,223,102
Less: Cost of goods sold	18(a)	2,960,006,062	2,278,890,871
Gross profit		775,210,953	787,332,231
Less: Operating expenses		358,068,295	289,379,875
Administrative expenses	19 (a)	86,863,866	76,314,985
Selling and distribution expenses	20 (a)	156,642,741	142,990,704
Financial charges	21 (a)	114,561,688	70,074,186
Operating profit		417,142,658	497,952,356
Add: Non-operating income		84,736,697	598,434,780
Less: Contribution to WPPF		19,863,936	24,908,039
Net profit before tax		482,015,419	1,071,479,097
Less: Income tax expense		118,691,161	151,149,536
Current tax	23 (a)	114,422,296	150,100,923
Deferred tax		4,268,865	1,048,613
Net profit After Tax		363,324,258	920,329,561
Share of profit from associate company	14 & 2.8 (b)	3,373,357	132,732,854
Total Comprehensive Income for the year		366,697,615	1,053,062,415
Attributable to:			
Equity holders of the company		366,655,348	1,052,987,927
Non-controlling interests		42,267	74,488
Profit for the year		366,697,615	920,329,560
Earnings per share (Operating)	24(a)	5.31	5.59
Earnings per share (Non-operating)		0.05	9.81

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

Sd/-
ChairmanSd/-
Managing DirectorSd/-
Company Secretary

Signed in terms of our separate report of even date.

Dated : Dhaka
November 24, 2012Sd/-
M.M. RAHMAN & CO.
Chartered Accountants

Aftab Automobiles Limited and its Subsidiaries
Consolidated Statement of Cash Flows

For the year ended August 31, 2012

	Year ended 31/8/12	Year ended 31/8/11
	BD Taka	BD Taka
A. Cash flows from operating activities		
Receipts from customers	3,578,752,606	2,382,767,525
Receipts from others	84,736,697	598,434,780
Payments to suppliers and employees	(3,324,330,057)	(2,745,816,069)
Cash generated from operations	339,159,246	235,386,236
Income tax paid	(119,905,623)	(110,022,349)
Net cash generated by operating activities	219,253,623	125,363,887
B. Cash flows from investing activities		
Payments for acquisition of property, plant & equipment	(44,786,994)	(240,360,977)
Payments for capital work in progress	(29,890,381)	(230,015,164)
Investment in shares	-	15,151,724
Net cash used investing activities	(74,677,375)	(455,224,417)
C. Cash flows from financing activities		
Received/(Repayments) of bank loan	156,601,276	490,327,814
Bank interest paid	(114,561,688)	(70,074,186)
Dividend paid	(113,967,170)	(43,833,527)
Net cash provided by financing activities	(71,927,582)	376,420,101
D. Net changes in cash & cash equivalents for the year (A+B+C)	72,648,666	46,559,571
E. Cash & cash equivalents at beginning of the year	794,796,426	748,236,855
F. Cash & cash equivalents at end of the year	867,445,092	794,796,426
Net operating cash flows per share (NOCFPS)	3.21	1.83

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Company Secretary

Dated : Dhaka
November 24, 2012

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

For the year ended August 31, 2012

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 at August 31, 2010	438,335,270	1,925,858,339	67,338,231	775,465,687	3,206,997,527	349,322	3,207,346,849
Prior years' Adj. for Changes in Accounting Policy				31,336,887	31,336,887		31,336,887
Balance as on September 01, 2010	438,335,270	1,925,858,339	67,338,231	806,802,574	3,238,334,414	349,322	3,238,683,736
Cash dividend on ordinary shares	-	-	-	(43,833,528)	(43,833,528)	-	(43,833,528)
Issue of bonus shares	131,500,580	-	-	(131,500,580)	-	-	-
Total comprehensive income for the year	-	-	-	1,052,987,925	1,052,987,925	74,488	1,053,062,413
Balance as at August 31, 2011	569,835,850	1,925,858,339	67,338,231	1,684,456,391	4,247,488,811	423,809	4,247,912,621
Balance as at September 01, 2011	569,835,850	1,925,858,339	67,338,231	1,684,456,391	4,247,488,811	423,809	4,247,912,621
Cash dividend on ordinary shares	-	-	-	(113,967,170)	(113,967,170)	-	(113,967,170)
Issue of bonus shares	113,967,170	-	-	(113,967,170)	-	-	-
Total comprehensive income for the year	-	-	-	366,655,348	366,655,348	42,267	366,697,615
Balance as at August 31, 2012	683,803,020	1,925,858,339	67,338,231	1,823,177,398	4,500,176,988	466,077	4,500,643,065

Sd/-
ChairmanSd/-
Managing DirectorSd/-
Company SecretaryDated : Dhaka
November 24, 2012Sd/-
M.M. RAHMAN & CO.
Chartered Accountants

View : Assembling of Hino Bus



Aftab Automobiles Limited**Statement of Financial Position**

As at August 31, 2012

	Notes	31/8/12 BD Taka	31/8/11 BD Taka
Assets			
Non-current assets :		1,469,234,968	1,414,248,989
Property, plant and equipment, net	3	384,714,781	378,398,833
Capital work in progress	4	72,036,300	98,936,300
Investments in subsidiaries and associates	5	1,012,483,887	936,913,856
Current account with Navana Paints Ltd.		1,973,578	843,122
Current account with Navana Batteries Ltd.		300,918,953	273,373,088
Current account with Navana Furniture Ltd.		304,597,638	218,230,099
Current assets :		3,800,663,223	3,451,226,176
Stock and stores	6	728,649,604	684,708,288
Trade debtors	7	1,090,824,279	1,037,198,899
Income tax deducted at source	8	212,196,233	186,248,672
Advance, deposits and prepayments	9	928,958,104	767,559,149
Cash and bank balances	10	840,035,003	775,511,168
Total Assets		5,877,388,360	5,357,921,474
Equity and Liabilities :			
Equity attributable to equity holders		4,500,176,988	4,247,488,811
Share capital	11	683,803,020	569,835,850
Share premium	12	1,925,858,339	1,925,858,339
Reserves	13	67,338,231	67,338,231
Retained earnings	14	1,823,177,398	1,684,456,391
Non-current liabilities :		92,023,455	86,710,048
Loan and deferred liabilities (unsecured)		25,310,440	25,310,440
Deferred tax liability	23 (b)	66,713,015	61,399,608
Current liabilities :		1,285,187,917	1,023,722,615
Short term loan	15	646,622,338	539,530,542
Accrued and other current liabilities	16	638,565,579	484,192,073
Total liabilities		1,377,211,372	1,110,432,663
Total Equity and Liabilities		5,877,388,360	5,357,921,474
Net assets value per share (NAVPS)		65.81	74.54

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

Sd/-
ChairmanSd/-
Managing DirectorSd/-
Company Secretary

Signed in terms of our separate report of even date.

Dated : Dhaka
November 24, 2012Sd/-
M.M. RAHMAN & CO.
Chartered Accountants

Aftab Automobiles Limited
Statement of Comprehensive Income
For the year ended August 31, 2012

Particulars	Notes	Year ended 31/8/12	Year ended 31/8/11
		BD Taka	BD Taka
Revenue	17	2,541,222,318	1,768,097,695
Cost of goods sold	18	2,097,115,507	1,368,336,810
Gross profit		444,106,811	399,760,885
Operating expenses:		125,366,632	102,919,016
Administrative expenses	19	50,013,062	43,075,581
Selling and distribution expenses	20	19,508,421	18,973,834
Financial charges	21	55,845,149	40,869,601
Operating Profit		318,740,179	296,841,869
Non-operating income	22	84,736,697	598,434,780
Profit before contribution to WPPF		403,476,876	895,276,649
Contribution to WPPF		15,178,105	15,331,349
Net profit before tax		388,298,771	879,945,300
Income tax Expenses :	23	96,103,946	90,876,848
Current tax		91,835,081	89,828,235
Deferred tax		4,268,865	1,048,613
Net profit after tax		292,194,825	789,068,452
Other comprehensive income:			
Share of profit from subsidiaries		71,087,164	131,186,620
		363,281,989	920,255,072
Add : Share of profit from associate company	14 & 2.8 (b)	3,373,357	132,732,854
Total comprehensive income for the year		366,655,346	1,052,987,926
Earnings per share (Operating)	24	5.31	5.59
Earnings per share (Non-operating)		0.05	9.81

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

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Company Secretary

Signed in terms of our separate report of even date.

Dated : Dhaka
November 24, 2012

Sd/-
M.M. RAHMAN & CO.
Chartered Accountants

Aftab Automobiles Limited**Statement of Cash Flows**

For the year ended August 31, 2012

	Year ended 31/8/12	Year ended 31/8/11
	BD Taka	BD Taka
A. Cash flows from operating activities		
Receipts from customers	2,487,596,938	1,188,440,270
Receipts as other income	84,736,697	598,434,780
Payments to suppliers and employees	(2,229,946,214)	(1,467,340,888)
Cash generated from operations	342,387,421	319,534,162
Income tax paid	(99,016,453)	(83,284,937)
Net cash generated by operating activities	243,370,968	236,249,225
B. Cash flows from investing activities		
Acquisition of property, plant & equipment	(1,082,750)	(83,748,423)
Payments for capital work in progress	-	(65,084,400)
Investment in shares	-	15,151,724
Net cash used investing activities	(1,082,750)	(133,681,099)
C. Cash flows from financing activities		
Receive of bank loan	107,091,796	327,968,107
Inter company payments	(115,043,860)	(281,283,300)
Bank interest paid	(55,845,149)	(40,869,601)
Dividend paid	(113,967,170)	(43,833,527)
Net cash provided by financing activities	(177,764,383)	(38,018,321)
D. Net changes in cash & cash equivalents for the year (A+B+C)	64,523,835	64,549,805
E. Cash & cash equivalents at beginning of the year	775,511,168	710,961,363
F. Cash & cash equivalents at end of the year	840,035,003	775,511,168
Net operating cash flows per share (NOCFPS)	3.56	4.15

Sd/-
ChairmanSd/-
Managing DirectorSd/-
Company SecretaryDated : Dhaka
November 24, 2012

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

For the year ended August 31, 2012

Particulars	Share capital	Share premium	Reserves	Retained earnings	Total
	BD Taka	BD Taka	BD Taka	BD Taka	BD Taka
Balance as at August 31, 2010	438,335,270	1,925,858,339	67,338,231	775,465,687	3,206,997,527
Prior years' Adj. for Changes in Accounting Policy	-	-	-	31,336,887	31,336,887
Balance as at September 01, 2010	438,335,270	1,925,858,339	67,338,231	806,802,574	3,238,334,414
Issue of bonus shares	131,500,580	-	-	(131,500,580)	-
Cash dividend on ordinary shares	-	-	-	(43,833,528)	(43,833,528)
Total comprehensive income for the year	-	-	-	1,052,987,926	1,052,987,926
Balance as at August 31, 2011	569,835,850	1,925,858,339	67,338,231	1,684,456,391	4,247,488,811
Balance as at September 01, 2011	569,835,850	1,925,858,339	67,338,231	1,684,456,392	4,247,488,811
Issue of bonus shares	113,967,170	-	-	(113,967,170)	-
Cash dividend on ordinary shares	-	-	-	(113,967,170)	(113,967,170)
Total comprehensive income for the year	-	-	-	366,655,346	366,655,346
Balance as at August 31, 2012	683,803,020	1,925,858,339	67,338,231	1,823,177,398	4,500,176,988

Sd/-
ChairmanSd/-
Managing DirectorSd/-
Company SecretaryDated : Dhaka
November 24, 2012Sd/-
M.M. RAHMAN & CO.
Chartered Accountants

View : Hino RM-2 air-conditioned bus

Aftab Automobiles Limited***Accounting Policies and Explanatory Notes to the Financial Statements***

As at and for the year ended August 31, 2012

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 three subsidiary companies namely Navana Batteries Ltd, Navana Furniture Ltd. and Navana Paints Ltd. that produce and market Batteries, Furniture and Paints respectively .

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, 2011 to August 31, 2012.

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 Securities and Exchange Commission Act, 1993;
- v) The Securities and Exchange (Public Issues) Rules, 2006;
- vi) The Income Tax Ordinance, 1984,
- vii) The Value Added Tax (VAT), 1991,
- viii) Dhaka Stock Exchange (DSC), Chittagong Stock Exchange (CSE), and Central Depository Limited (CDBL) rules and regulations,

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 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 :

Name of the Assets Rate of Depreciation in (%)

<u>Land and land development</u>	<u>Nil</u>
Building	2.5
Shades	20
Plant & Machinery	10
Tools & Equipments	20
Office Equipments	10
Furniture & Fixtures	10
Transport Vehicles	20

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.

2.8 Financial Instruments and Derivatives

A) Investment in Shares

Investment in shares is stated at cost.

B) Investment in associates

Investment in associates is stated at fair value, i.e. equivalent of deferred tax at 24.75% on the share of profit on associate.

C) Derivatives

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

2.9 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.

Notes to the Financial Statements

2.10 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.

2.11 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" it is entitled to a 10% rebate if dividend declared is more than 20% of the paid up capital. Provision for taxation has been made on the basis of the Finance Act 2011.

Deferred Tax

Deferred tax is recognized liabilities in accordance with BAS 12 "Income Tax" 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.

2.12 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.

2.13 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.

Notes to the Financial Statements

2.14 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.

2.15 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.

2.16 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.

2.17 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.

2.18 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 68,380,302 Ordinary shares of Tk. 10 each as on August 31, 2012 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.

Notes to the Financial Statements

2.19 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 24, 2012. 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.

2.20 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.

2.21 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.

2.22 Foreign Currency Translation

Transactions in foreign currencies are translated into BDT at the rate of exchange ruling on date of transaction. Monetary assets and liabilities expressed in foreign currencies are translated into BDT at the rate of exchange ruling at the balance sheet date. Gain or losses resulting from foreign currency transitions are taken to the Statement of Comprehensive Income complying with BAS 21.

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

Aftab Automobiles Ltd	Cost			Rate of Dep.	Depreciation				Carrying amount	
	As at 01.09.2011	Add./ (Adj.) Dur. the year	As at 31.08.2012		As at 01.09.2011	Charged during the year	Adj. during the year	As at 31.08.2012	As at 31.08.2012	As at 31.08.2011
Land & Land Development	133,409,387	-	133,409,387	-	-	-	-	-	133,409,387	133,409,387
Building	109,825,582	3,000,000	112,825,582	2.5%	20,446,608	2,271,974	-	22,718,582	90,107,000	89,378,974
Shed	5,665,715	-	5,665,715	20%	1,683,386	796,466	-	2,479,852	3,185,863	3,982,329
Plant & Machinery	184,141,408	20,022,250	204,163,658	10%	65,336,565	12,881,597	-	78,218,162	125,945,496	118,804,843
Tools & Equipments	14,102,125	1,840,555	15,942,680	20%	7,084,686	1,587,544	-	8,672,230	7,270,451	7,017,439
Office Equipment	11,662,048	172,000	11,834,048	10%	3,110,091	863,796	-	3,973,887	7,860,161	8,551,957
Furniture & Fixture	6,374,338	637,583	7,011,921	10%	1,891,635	480,149	-	2,371,784	4,640,137	4,482,703
Transport Vehicles	28,970,053	2,310,362	31,280,415	20%	16,198,852	2,785,278	-	18,984,130	12,296,285	12,771,201
Total	494,150,656	27,982,750	522,133,406		115,751,823	21,666,804	-	137,418,627	384,714,781	378,398,833

Depreciation charged to :	Taka
Cost of goods sold	17,333,443
Profit & Loss Account (Admin)	4,333,361
T O T A L	21,666,804

Aftab Automobiles Limited and its Subsidiaries

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

Aftab Automobiles Ltd	Cost			Rate of Dep.	Depreciation				Carrying amount	
	As at 01.09.2011	Add./ (Adj.) Dur. the year	As at 31.08.2012		As at 01.09.2011	Charged during the year	Adj. during the year	As at 31.08.2012	As at 31.08.2012	As at 31.08.2011
Land & Land Development	232,398,762	70,500	232,469,262	-	-	-	-	-	232,469,262	240,055,770
Building	276,513,065	15,642,211	292,155,276	2.5%	35,837,298	6,212,422	-	42,049,719	250,105,557	233,018,758
Shades	5,665,715	-	5,665,715	20%	1,683,386	796,466	-	2,479,852	3,185,863	3,982,329
Electrical line installation	3,674,484	6,744,940	10,419,424	20%	1,133,455	1,182,700	-	2,316,155	8,103,269	2,541,028
Plant & Machinery	464,528,007	60,594,059	525,122,066	10%	142,674,427	35,215,061	-	177,889,488	347,232,578	321,853,581
Tools & Equipments	71,771,540	8,328,567	80,100,107	20%	33,960,866	8,394,991	-	42,355,857	37,744,250	37,810,673
Office Equipment	46,699,364	5,999,668	52,699,032	10%	14,606,990	3,509,221	-	18,116,211	34,582,821	32,092,374
Furniture & Fixture	29,887,908	2,528,410	32,416,318	10%	7,430,971	2,372,114	-	9,803,085	22,613,233	22,456,938
Transport Vehicles	72,647,599	14,456,617	87,104,216	20%	40,876,210	7,799,942	-	48,676,152	38,428,064	31,771,389
Total	1,203,786,444	114,364,972	1,318,151,416		278,203,603	65,482,917	-	343,686,520	974,464,894	925,582,840

Depreciation charged to :	Taka
Cost of goods sold	51,582,413
Profit & Loss Account (Admin)	13,900,504
T O T A L	65,482,917

Notes To The Financial Statements

aftab automobiles limited

		31/8/12	31/8/11
		BD Taka	BD Taka
3	Property, plant and equipment, net		
	Land & Land Development	133,409,387	133,409,387
	Building	90,107,000	89,378,974
	Shades	3,185,863	3,982,329
	Plant & Machinery	125,945,496	118,804,843
	Tools & Equipments	7,270,451	7,017,439
	Office Equipment	7,860,161	8,551,957
	Furniture & Fixture	4,640,138	4,482,703
	Transport Vehicles	12,296,285	12,771,201
		384,714,781	378,398,833
3 (a)	Consolidated property, plant and equipment, net		
	Land & Land Development	232,469,262	232,398,762
	Building	250,105,555	240,675,766
	Electrical line installation	8,103,269	2,541,029
	Shades	3,185,863	3,982,329
	Plant & Machinery	347,232,577	321,853,581
	Tools & Equipments	37,744,251	37,810,673
	Office Equipment	34,582,820	32,092,374
	Furniture & Fixture	22,613,233	22,456,937
	Transport Vehicles	38,428,064	31,771,389
		974,464,894	925,582,840
4	Capital work in progress		
	Opening balance	98,936,300	331,020,700
	Addition during the year	-	65,084,400
		98,936,300	396,105,100
	Less: transfer to property, plant & equipment	26,900,000	297,168,800
	Closing balance	72,036,300	98,936,300
	Capital work in progress represents Land and Land Development , civil constructions, Plant and Machinery for BMRE Assembling unit and Body building unit		
4 (a)	Consolidated capital work in progress		
	Opening balance	280,952,372	594,033,470
	Addition during the year	29,890,381	126,860,208
		310,842,753	720,893,678
	Less: transfer to property, plant & equipment	69,577,978	439,941,306
	Closing balance	241,264,775	280,952,372
5	Investments		
	Investment in subsidiaries (Note: 5.1)	782,662,849	711,575,685
	Investment in shares (Note: 5.2)	461,439	461,439
	Investment in associate (Note : 5.3)	229,359,599	224,876,732
		1,012,483,887	936,913,856

Notes To The Financial Statements

aftab automobiles limited

		31/8/12	31/8/11
		BD Taka	BD Taka
5.1	Investment in subsidiaries		
	Navana Batteries Limited	360,401,313	312,105,373
	Navana Furniture Limited	305,116,301	290,816,565
	Navana Paints Limited	117,145,235	108,653,747
		782,662,849	711,575,685
5.2	Investment in shares		
	Share purchase of Navana CNG	461,439	15,613,163
	Less: Shares sale during the year	-	15,151,724
		461,439	461,439
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	204,876,732	41,643,704
	Add: Share of equity from associate	4,482,867	123,233,028
	Add: Bonus Share from associate	-	40,000,000
	Closing Balance	209,359,599	204,876,732
	Total Investment in associate	229,359,599	224,876,732
5(a)	Consolidated investments		
	Investment in shares of Navana CNG Ltd (Note: 5 {a} 1)	461,439	461,439
		461,439	461,439
5(a)1	Details of investment in shares:		
	Acquisition of shares of Navana CNG Ltd.	461,439	15,613,163
	Less: shares sale during the year	-	15,151,724
		461,439	461,439
	Opening Balance	67,000	2,267,000
	Number of bonus shares received during the year	9,380	-
	Total number of shares	76,380	2,267,000
	Less: sales during the year	-	2,200,000
	Balance of shares	76,380	67,000
5(a)2	Acquisition 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

Notes To The Financial Statements

aftab automobiles limited

		31/8/12	31/8/11
		BD Taka	BD Taka
6	Stock and stores		
	Finished products	455,367,200	386,323,300
	Work-in-process	13,812,460	14,039,433
	Raw materials	123,336,003	75,017,933
	Stores and spares	2,165,720	1,577,230
	Goods in transit	133,968,221	207,750,392
		728,649,604	684,708,288
	Value of Stock of Finished product & Raw materials inclusive of -51- units Hino bus ,21 units RM2 Bus and -5- units Hino Mini Bus chassis .		
6 (a)	Consolidated stock and stores		
	Finished products	574,166,709	498,525,846
	Work-in-process	149,613,874	77,531,076
	Raw materials	206,788,943	235,546,305
	Stores and spares	2,165,720	1,577,230
	Goods in transit	193,213,416	298,111,329
		1,125,948,662	1,111,291,786
7	Trade debtors		
	Below six months	916,963,529	898,508,226
	Over six months	173,860,750	138,690,673
		1,090,824,279	1,037,198,899
	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.		
7 (a)	Consolidated trade debtors		
	Below six months	1,185,998,250	1,079,126,762
	Over six months	277,201,003	227,608,082
		1,463,199,253	1,306,734,844
8	Income tax deducted at source		
	Opening balance	186,248,672	102,963,735
	Addition during the year	99,016,453	83,284,937
		285,265,125	186,248,672
	Adjustment made during the year	73,068,892	-
		212,196,233	186,248,672

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

Notes To The Financial Statements

aftab automobiles limited

		31/8/12	31/8/11
		BD Taka	BD Taka
8 (a)	Consolidated Income tax deducted at source		
	Opening balance	235,736,796	125,714,447
	Addition during the year	119,905,623	110,022,349
		355,642,419	235,736,796
	Adjustment made during the year	73,068,892	-
		282,573,527	235,736,796
9	Advances, deposits and prepayments		
	Advance to suppliers	888,475,164	720,313,500
	Advance to employees	2,578,250	2,290,740
	Deposits	37,904,690	44,954,909
		928,958,104	767,559,149
	Advance paid to suppliers against work order and considered good. Advance to employees against expenses, salary releasable on production of documents and monthly salary respectively are considered good. Deposits consist of utility deposits, security money against tender and bank guarantee are considered good.		
9 (a)	Consolidated advances, deposits and prepayments		
	Advance to suppliers	1,162,462,851	963,951,297
	Advance to employees	10,512,428	2,425,195
	Deposits	96,927,709	28,962,779
		1,269,902,988	995,339,271
10	Cash & bank balances		
	Cash in hand	4,694,245	2,847,943
	Cash at bank	835,340,758	772,663,225
		840,035,003	775,511,168
10 (a)	Consolidated cash & bank balances		
	Cash in hand	7,569,050	5,512,787
	Cash at bank	859,876,042	789,283,639
		867,445,092	794,796,426

Notes To The Financial Statements

	31/8/12	31/8/11
	BD Taka	BD Taka
11 Share capital		
Authorized capital:		
120,000,000 Ordinary shares of Tk. 10 each	1,200,000,000	1,200,000,000
180,000,000 Cum. redeemable preference shares of Tk. 10 each	1,800,000,000	1,800,000,000
	3,000,000,000	3,000,000,000
Ordinary Share capital:		
Issued, subscribed and paid up		
68,380,302 Ordinary shares of Tk. 10 each		
Sponsors	208,528,230	174,850,078
General Public	475,274,790	394,985,772
	683,803,020	569,835,850

The Position of Ordinary Shareholders as on August 31, 2010 was as follows :

Type of investors	No. of investors	No. of shares	Holding % 2012	Holding % 2011
Sponsors	13	20,852,823	30.50%	30.50%
General public	643	12,839,174	18.77%	29.29%
Financial Institutions including ICB	41,770	34,688,305	50.73%	40.21%
Total	42,426	68,380,302	100.00%	100.00%

Type of investors	No. of investors	No. of shares	Holding % 2011
Less than 500 To -	32437	4,870,767	7.12%
501 To 5,000	9073	12,541,358	18.34%
5,001 To 10,000	461	3,217,957	4.71%
10,001 To 20,000	198	2,691,274	3.94%
20,001 To 30,000	87	2,153,048	3.15%
30,001 To 40,000	29	1,010,357	1.48%
40,001 To 50,000	26	1,133,104	1.66%
50,001 To 100,000	56	3,776,058	5.52%
100,001 To 1,000,000	50	14,082,351	20.59%
1,000,001 To Above	9	22,904,028	33.50%
	42426	68,380,302	100%

12 Share premium		
374,880 ordinary shares @ Tk.150 per share in the year 1996	56,232,000	56,232,000
1,124,640 ordinary shares @ Tk. 200 per share in the year 2006	224,928,000	224,928,000
	281,160,000	281,160,000
Opening Balance of share premium	250,191,730	281,160,000
Less : Deferred expenses written off during the year	-	(30,968,270)
	250,191,730	250,191,730
Opening Balance of Convertable ordinary share premium.	1,675,666,609	-
Add : 11,359,547 Pref. Share Converted to Ordinary Shares @ Tk. 158.46	-	1,686,404,530
Less : Pref. share Issue cost	-	(10,737,921)
	1,675,666,609	1,675,666,609
Total Balance of share premium	1,925,858,339	1,925,858,339

Notes To The Financial Statements

aftab automobiles limited

		31/8/12	31/8/11
		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	Retained earnings		
	Opening Balance	1,684,456,391	806,802,572
	Add : Profit for the year	292,194,826	789,068,453
	Add : Profit from associate	3,373,357	132,732,854
	Add : Other comprehensive income from subsidiaries	71,087,164	131,186,620
		2,051,111,738	1,859,790,499
	Payments of cash dividend on ordinary shares	(113,967,170)	(43,833,528)
	Issue of bonus shares	(113,967,170)	(131,500,580)
	Closing balance	1,823,177,398	1,684,456,391
14 (a)	Consolidated retained earnings		
	Opening Balance	1,684,456,391	806,802,572
	Add : Other comprehensive income	3,373,357	132,732,854
	Total comprehensive income for the year	363,281,990	920,255,073
		2,051,111,738	1,859,790,499
	Payments of cash dividend on ordinary shares	(113,967,170)	(43,833,528)
	Issue of bonus shares	(113,967,170)	(131,500,580)
	Closing balance	1,823,177,398	1,684,456,391
15	Short-term loan		
	Bank Asia Ltd.	186571132	136,143,450
	Dhaka Bank Ltd.	43647884	48,895,850
	Agrani Bank	333844682	298,204,128
	Agrani Bank Ltd.(FDL AC)	38,835,808	29,667,312
	Mutual Trust Bank Ltd. (LTR AC)	43722832	26,619,802
		646,622,338	539,530,542
15 (a)	Consolidated short-term loan		
	Bank Asia Ltd.	186,571,132	136,143,450
	Dhaka Bank Ltd.	43,647,884	48,895,850
	Agrani Bank	333,844,682	298,204,128
	Agrani Bank Ltd.(FDL AC)	38,835,808	29,667,312
	Mutual Trust Bank Ltd. (LTR AC)	43,722,832	26,619,802
	Bank loan of Navana Batteries Ltd	91,826,507	84,091,763
	Bank loan of Navana Furniture Ltd	211,838,643	185,250,901
	Bank loan of Navana Paints Ltd	46,374,002	31,187,008
		996,661,490	840,060,214

Notes To The Financial Statements

aftab automobiles limited

	31/8/12	31/8/11
	BD Taka	BD Taka
16 Accrued and other current liabilities		
For goods supplied	239,411,771	160,780,550
For expenses	81,649,989	63,438,176
For Income tax	175,917,110	164,039,034
For gratuity	23,326,140	21,826,140
For Workers' P.P.F. and W.F.	20,370,679	21,454,103
Unclaimed dividend	17,737,112	6,205,159
For other finance	80,152,778	46,448,911
	638,565,579	484,192,073
16 (a) Consolidated accrued and other current liabilities		
For goods supplied	336,498,529	263,788,065
For expenses	99,043,884	77,115,662
For Income tax	241,989,841	267,797,237
For gratuity	23,326,140	21,826,140
For Workers' P.P.F. and W.F.	25,056,511	31,030,794
Unclaimed dividend	17,737,112	6,205,159
For other finance	121,640,201	33,326,566
	865,292,219	701,089,623
17 Revenues (Net Sales)		
Automobiles assembling unit	2,222,717,095	1,537,036,855
Body building unit	318,505,223	231,060,840
	2,541,222,318	1,768,097,695
The quantity of sales during the year are Hino Bus chassis -399- units,Hino Mini Bus chassis- 2 - units & RM2 AC Bus-13.		
The quantity of sales during the year are -174 - units Hino Bus body,-13- units HINO RM2 AC bus body and 4 units Mini bus body.		
17 (a) Consolidated revenues		
Aftab automobiles Ltd.	2,541,222,318	1,768,097,695
Navana Batteries Limited	668,159,995	716,587,341
Navana Furniture Limited	426,319,150	465,344,383
Navana Paints Limited	99,515,552	116,193,683
	3,735,217,015	3,066,223,102
18 Cost of goods sold		
Opening stock of direct raw materials	75,017,933	82,081,562
Purchases of direct raw material	2,118,562,159	1,259,812,171
Direct raw materials available for consumption	2,193,580,092	1,341,893,733
Closing stock of direct raw materials	(123,336,003)	(75,017,933)
Direct raw materials consumed	2,070,244,089	1,266,875,800
Indirect materials	20,850,974	14,268,380
Total consumption of materials	2,091,095,063	1,281,144,180
Opening works in process	14,039,433	24,018,976
Closing works in process	(13,812,460)	(14,039,433)
Factory overhead (Note :18.01)	74,837,371	62,298,687
Cost of production	2,166,159,407	1,353,422,410
Opening finished goods	386,323,300	401,237,700
Closing finished goods	(455,367,200)	(386,323,300)
	2,097,115,507	1,368,336,810

Notes To The Financial Statements

aftab automobiles limited

	31/8/12	31/8/11
	BD Taka	BD Taka
18.1 Factory overhead		
Salary and allowances	11,386,504	11,520,846
Wages	19,267,416	16,654,766
Contribution to P.F.	349,106	342,935
Overtime	5,741,902	4,457,789
Bonus	3,082,927	2,868,297
Leave pay	376,476	385,307
Gratuity	243,717	325,960
Liveries and Uniform	59,865	189,960
Telephone, Fax, Mobile	92,885	107,240
Fuel and Lubricants	2,523,684	2,255,745
Travelling and Conveyance	783,962	411,018
Entertainment	1,553,265	1,489,979
Office Expenses	273,775	96,978
Maintenance expenses	2,455,759	2,029,039
Electric Expenses	3,577,944	3,057,223
Duty and Allowance	46,856	19,720
Canteen Subsidies	132,560	420,187
Eid greeting	430,752	105,730
Rent Rates & Taxes	1,500,000	1,542,000
Insurance	2,263,700	1,902,816
Gas	79,736	67,657
Welfare expenses	320,300	285,230
Carrying & handling	570,300	56,450
Papers & periodical	6,932	6,563
General charges	150,746	142,725
Repairs and maintenance (vehicle)	-	255,198
Printing & Stationary	232,860	220,470
Depreciation	17,333,443	11,080,859
	74,837,371	62,298,687

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	235,546,305	159,098,380
Purchases of direct raw material	2,812,144,178	2,205,069,670
Direct raw materials available for consumption	3,047,690,483	2,364,168,050
Closing stock of direct raw materials	(206,788,943)	(235,546,305)
Direct raw materials consumed	2,840,901,540	2,128,621,745
Indirect materials	50,055,288	55,677,340
Total consumption of materials	2,890,956,828	2,184,299,085
Opening works in progress	105,333,466	88,170,767
Closing works in progress	(149,613,874)	(105,333,466)
Factory overhead	188,970,505	157,231,701
Cost of production	3,035,646,925	2,324,368,087
Opening finished goods	498,525,846	453,048,629
Closing finished goods	(574,166,709)	(498,525,846)
	2,960,006,062	2,278,890,871

Notes To The Financial Statements

aftab automobiles limited

		31/8/12	31/8/11
		BD Taka	BD Taka
19	Administrative expenses		
	Salary and allowances	16,957,068	15,110,053
	Wages	2,350,430	1,530,960
	Cont. to C.P.F.	659,897	490,629
	Bonus	2,221,375	1,244,754
	Overtime	1,581,007	51,662
	Welfare expenses	14,151	403,119
	Medical Expenses	52,200	32,720
	Gratuity	2,068,824	1,522,068
	Leave pay	640,154	816,429
	Entertainment	575,899	764,082
	AGM expenses.	2,718,216	3,574,217
	TA and Conveyance	686,403	674,917
	Travelling Exp - Foreign	520,484	930,300
	Car maintenance	1,657,930	1,620,713
	Stationery supplies	650,643	397,336
	Fees and Registration	1,886,835	1,719,035
	Telephone	502,589	476,179
	Electric expenses	315,000	240,700
	Rent, rates and taxes	66,927	204,325
	Insurance premium	225,373	99,318
	Liveries and Uniform	9,915	30,183
	Bank charges	1,391,434	1,185,300
	Bank Guarantee & Charge documents	1,741,097	1,748,561
	Audit fees	70,000	70,000
	Duty allowance	205,785	185,230
	Paper and periodicals	19,565	19,022
	Postage and telegram	379,854	249,722
	Night allowances	13,000	27,683
	Advertisement and Publicity	80,200	120,330
	Directors fee	37,500	22,500
	Office maintenance	81,781	100,735
	Maintenance expenses	297,410	263,955
	General Expenses	178,842	82,983
	WASA Bill	7,668	10,725
	Bond Establishment	53,922	483,543
	Carrying & Handling	420,698	230,785
	Gas	69,644	75,579
	Canteen Subsidy	307,011	288,000
	Security Exps	37,916	11,495
	Donation	25,000	7,500
	Promotion Exp.	680,782	1,567,320
	DGDP Exps	1,500,000	1,500,000
	Other expenses	2,001,773	120,700
	Depredation	4,333,361	2,770,214
		50,013,062	43,075,581

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

Notes To The Financial Statements

aftab automobiles limited

	31/8/12	31/8/11
	BD Taka	BD Taka
19 (a) Consolidated administrative expenses		
Salary and allowances	28,765,371	25,423,678
Wages	2,350,430	1,530,960
Cont. to C.P.F.	659,897	490,629
Bonus	3,218,966	2,311,014
Overtime	2,569,654	853,936
Welfare expenses	1,208,817	1,391,708
Medical Expenses	52,200	32,720
Gratuity	4,006,935	3,327,007
Leave pay	727,024	1,021,811
Entertainment	1,153,242	1,264,974
AGM Expenses	2,718,216	3,574,217
TA and Conveyance	1,222,337	1,183,589
Travelling Exp - Foreign	1,503,079	1,932,566
Car maintenance	3,581,986	3,608,900
Stationery	1,545,190	1,130,718
Fees and Registration	3,172,907	2,333,273
Telephone	1,052,475	1,031,133
Electric expenses	1,155,948	588,362
Rent, rates and taxes	344,657	437,106
Insurance premium	1,075,373	933,824
Liveries and Uniform	9,915	30,183
Bank charges	1,420,023	1,200,495
Bank Guarantee & Charge documents	1,747,809	1,757,814
Audit fees	145,000	145,000
Duty allowance	205,785	185,230
Paper and periodicals	31,657	27,242
Postage and telegram	381,499	259,215
Night allowances	13,000	27,683
Publicity	331,110	641,404
Directors fee	82,500	67,500
Office maintenance	542,466	768,625
Maintenance	1,342,898	1,449,662
General Expenses	210,501	96,416
WASA Bill	32,788	33,875
Bond Establishment	53,922	483,543
Carrying & Handling	1,441,875	1,302,459
Gas	69,644	75,579
Canteen Subsidy	307,011	288,000
Security Exps	78,516	49,995
Donation	25,000	7,500
Promotion Exp.	680,782	1,567,320
DGDP Exps	1,500,000	1,500,000
Other expenses	2,452,481	369,114
Guest House Maintenance	70,983	874,743
BSTI	-	105,000
ISO Exps	534,258	42,938
Fuel & Lubricant	804,175	272,253
Preliminary exps W/O	-	778,955
Depreciation	10,263,564	7,505,117
	86,863,866	76,314,985

Notes To The Financial Statements

aftab automobiles limited

	31/8/12	31/8/11
	BD Taka	BD Taka
20 Selling and distribution expenses		
Salary & Allowance	425,233	395,720
Fuel & Lubricant	3,046,468	2,757,147
Transit Insurance	1,653,210	580,372
Promotional Exps	1,024,210	3,247,319
Trade fare Exp.	1,530,741	1,191,390
Training Exp.	1,530,150	1,828,058
Driving Charge	906,235	839,772
Toll Charge	43,402	235,746
Delivery Exps	2,394,750	2,205,569
Escorting	815,064	741,005
Recovery Dept. Exp.	5,263,720	4,584,269
Inspection	519,497	338,327
Others	55,742	29,139
	19,508,421	18,973,834
20 (a) Consolidated selling and distribution expenses		
Salary & Allowance	52,619,513	47,814,037
Fuel & Lubricant	5,959,191	4,294,349
Transit Insurance	1,653,210	1,181,820
Promotional Exps	8,123,743	11,605,122
Trade fare Exp.	3,580,657	2,104,885
Training Exp.	1,530,150	1,828,058
Driving Charge	906,235	839,772
Toll Charge	343,402	235,746
Delivery Exps	10,293,960	9,585,771
Escorting	815,064	741,005
Recovery Dept. Exp.	5,263,720	4,584,269
Inspection	519,497	338,327
Wages	3,009,203	3,111,593
Bonus	5,803,789	5,590,399
Leave pay	277,945	232,789
Welfare	77,980	115,405
P/F company's Contribution	919,736	799,170
Gratuity	21,617	446,163
Rent Rates & Taxes	13,013,996	11,752,172
Conveyance	6,658,434	4,912,267
Entertainment	2,671,374	2,835,948
Stationery	2,096,781	2,271,668
Telephone	2,881,661	2,349,691
Publicity Exp.	667,397	1,438,250
Fees & Registration	129,020	336,538
Maintenance	911,499	846,152
Car Maintenance	3,541,132	3,364,921
Electrical Expenses	3,885,763	2,208,829
Postage & Telegram	776,717	436,067
Papers & Periodicals	43,217	44,639
Bank Charges	231,948	224,794
Security Guard salary	608,893	707,407
Office Maintenance	2,017,884	530,908
Canteen Subsidy	-	225,550
Showroom Exps	2,975,170	2,113,060
Transportation Charges	2,675,339	2,765,857
Utility Bill (WASA)	426,731	364,631
Gift & Donation	104,113	504,096
Chemical & Packing exps	803,539	692,793
Dealer conference Exp.	2,117,544	3,036,380
Others	1,931,538	954,909
Depreciation	3,354,439	2,624,496
	156,642,741	142,990,704

Notes To The Financial Statements

aftab automobiles limited

	31/8/12	31/8/11
	BD Taka	BD Taka
21 Financial charges		
Interest on bank loan	55,845,149	40,869,601
	55,845,149	40,869,601
21 (a) Consolidated financial charges		
Aftab Automobiles Ltd.	55,845,149	40,869,601
Navana Batteries Ltd.	23,512,102	15,133,389
Navana Furniture Ltd.	30,162,420	9,768,123
Navana Paints Ltd.	5,042,017	4,303,073
	114,561,688	70,074,186
22 Non-operating income		
FDR Interest	84,736,697	60,552,210
Other Income	-	25,116,453
Profit on investment in shares	-	512,766,117
	84,736,697	598,434,780
23 Income tax expense		
Current tax	91,835,081	89,828,235
Deferred tax	4,268,865	1,048,613
	96,103,946	90,876,848
23 (a) Consolidated Income tax expense		
Current tax		
Aftab Automobiles Ltd.	91,835,081	89,828,235
Navana Batteries Ltd.	17,416,503	33,743,029
Navana Furniture Ltd.	3,060,442	22,045,697
Navana Paints Ltd.	2,110,271	4,483,962
	114,422,296	150,100,923
23 (b) Deferred tax liability		
Aftab Automobiles Ltd.	24,796,513	20,592,616
Associate company	41,916,502	40,806,992
	66,713,015	61,399,608
24 Earnings per share (EPS)		
Total comprehensive income	366,655,346	1,052,987,926
Weighted average number of ordinary shares outstanding during the year	68,380,302	68,380,302
Earnings per share (EPS)	5.36	15.40
EPS on operating income	5.31	5.59
EPS on non-operating income	0.05	9.81

24 (a) Consolidated earnings per share (EPS)

The calculation of consolidated basic earnings per share at 31 August 2012 was based on the consolidated profit attributable to ordinary shareholders as follows:

	31/8/12	31/8/11
	BD Taka	BD Taka
Total non-operating income	3,373,357	670,615,424
Total operating income	363,324,258	382,446,991
Total comprehensive income for the year	366,655,348	1,052,987,927
EPS on operating income	5.31	5.59
EPS on non-operating income	0.05	9.81
Total EPS	5.36	15.40
No. shares (rest.)	68380302	68380302



View : Bus body building unit

Notes To The Financial Statements

- 25 **Long Term Loan :**
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. 32.50 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 -424- units bus assembled in Assembling unit -174-units body fabrication in Body Building 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. 162.50 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 24 November ,2012, recommended 25 % stock 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 20 December ,2012.

"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 :

	Directors	Officers
Board meeting attendance fee	37,500	-
Managerial remuneration	826,841	610,897
Gratuity	275,613	213,814
Company's contribution to P / F	82,684	61,090
Bonus	137,807	101,816
Perquisites :		
Housing	702,815	519,263
Transport	165,368	122,179
Medical	49,610	36,654
Entertainment	173,637	128,288
Telephone	300,000	76,130
Others	10,500	35,500
	<u>2,762,375</u>	<u>1,905,632</u>

during the year under review :

- no compensation was allowed by the company to the Chief executive officer of the company who is also a Director.
- the rate at which Directors have drawn Board meeting attendance fees @ Tk.750/- per Director per meeting. The total Board meeting attendance fee incurred during the year under review was Tk. 37,500/- and
- no amount of money was spent by the company for compensating any member of the board for special services rendered.

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Company Secretary

Dated : Dhaka
November 24, 2012

Sd/-
M.M. RAHMAN & CO.
Chartered Accountants