

**AUDITORS' REPORT  
AND  
STATEMENT OF ACCOUNTS  
OF**

**Aftab Automobiles Limited and its subsidiary  
Dhaka  
For the Year ended June 30, 2017**

**মালেক সিদ্দিকী ওয়ালী  
MALEK SIDDIQUI WALI  
CHARTERED ACCOUNTANTS**



**Malek Siddiqui Wali**

CHARTERED ACCOUNTANTS

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

We have audited the accompanying consolidated financial statements of Aftab Automobiles Limited (the Company), which comprise the statement of financial position as at June 30, 2017, and the consolidated statement of Profit or Loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period/ year then ended, and a summary of significant accounting policies and other explanatory information disclosed in Notes 1 to 35 and Schedule-A. We have also audited the attached financial statements of Aftab Automobiles Limited which comprise the statement of financial position as at June 30, 2017 and statements of cash flows for the period/ year then ended and a summary of significant accounting policies and other explanatory notes. The financial statements of one subsidiary disclosed in note 2.7 to the financial statements are audited by Rahman Mostafa Alam & Co.

**Management's responsibility for the financial statements**

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

**Auditors' responsibility**

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

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

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

**Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of Aftab Automobiles Limited and its subsidiary as of June 30, 2017, and its financial performance and its cash flows for the period/ year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS) and comply with the applicable sections of the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations.

**Emphasis of Matter:**

We draw attention to the note no 2.23 of the Financial Statements which describes that due to the effect of changes in reporting date of the company as per direction of Finance Act 2015 the comparative statements for the Financial Statements June 30, 2017 were not specifically audited. The comparative figure has been reproduced from the audited financial statements for the period September 01, 2015 to June 30, 2016. Our opinion is not qualified in this respect.

**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  
October 19, 2017



**Malek Siddiqui wali**  
Chartered Accountants



# Aftab Automobiles Limited & its subsidiary

Consolidated Statement of Financial Position

As at June 30, 2017

	Notes	As at June 30, 2017	*Restated As at June 30, 2016
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3 (a)	1,742,323,001	1,265,523,890
Capital work-in-progress	4 (a)	289,001,994	103,416,248
Investments	5.2	38,592,330	4,869,465
Investments in associate	5.3	297,116,955	287,534,517
Receivables -Non-Current Maturity	6 (a)	2,041,737,203	2,490,724,021
<b>Total non-current assets</b>		<b>4,408,771,484</b>	<b>4,152,068,141</b>
<b>Current assets</b>			
Receivables -Current Maturity	6 (a)	1,647,745,470	1,379,266,802
Stock and stores	7 (a)	2,131,143,582	1,450,628,484
Current account with Navana Group Companies	8 (a)	1,066,437,396	-
Advances, deposits and prepayments	9 (a)	2,158,585,558	1,876,805,587
Cash and bank balances	10 (a)	481,143,486	932,642,477
<b>Total current assets</b>		<b>7,485,055,492</b>	<b>5,639,343,350</b>
<b>Total assets</b>		<b>11,893,826,976</b>	<b>9,791,411,491</b>
<b>Equity and Liabilities</b>			
<b>Capital &amp; reserves</b>			
Share capital	11	957,324,220	957,324,220
Share premium	12	1,925,858,339	1,925,858,339
Reserves	13	67,338,231	67,338,231
Retained earnings		2,722,945,676	2,416,837,684
<b>Equity attributable to owners of the Company</b>		<b>5,673,466,466</b>	<b>5,367,358,474</b>
<b>Non-controlling interests</b>		394,678	352,108
<b>Total equity</b>		<b>5,673,861,144</b>	<b>5,367,710,582</b>
<b>Non-current liabilities</b>			
Loan and deferred liabilities (unsecured)	25	25,310,440	25,310,440
Long Term loan-Non current Maturity	14 (a)	2,362,003,289	1,446,171,129
Deferred tax liability	23 (b)	121,594,814	109,208,606
<b>Total Non-current liabilities</b>		<b>2,508,908,544</b>	<b>1,580,690,175</b>
<b>Current liabilities</b>			
Long Term loan-Current Maturity	14 (a)	787,334,430	482,057,043
Short-term loan	15 (a)	1,810,578,998	1,385,165,621
Accrued and other current liabilities	16 (a)	1,113,143,860	975,788,070
<b>Total Current liabilities</b>		<b>3,711,057,287</b>	<b>2,843,010,734</b>
<b>Total liabilities</b>		<b>6,219,965,831</b>	<b>4,423,700,909</b>
<b>Total equity and liabilities</b>		<b>11,893,826,976</b>	<b>9,791,411,491</b>
<b>Net assets value per share (NAVPS)</b>		<b>59.26</b>	<b>56.07</b>

\*The details of restatement shown in note-34

The annexed notes 1 to 35 and schedule-A form an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 19/10/2017 and were signed on it's behalf by.

Director

Director

Company Secretary

Signed in terms of our separate report of even date.

Dated : Dhaka  
October 19, 2017

Malek Siddiqui Wali  
Chartered Accountants



**Aftab Automobiles Limited & its subsidiary**  
Consolidated statement of Profit or Loss and other Comprehensive Income  
For the year ended June 30, 2017



\*Restated

Particulars	Notes	For the period From July 01, 2016 to June 30, 2017	For the period From September 01, 2015 to June 30, 2016
Sales revenue	17 (a)	4,771,208,696	3,051,577,604
Less : Cost of goods sold	18(a)	3,706,219,225	2,288,161,102
<b>Gross profit</b>		<b>1,064,989,471</b>	<b>763,416,502</b>
<b>Less: Operating expenses</b>			
Administrative expenses	19 (a)	97,889,334	87,153,034
Selling and distribution expenses	20 (a)	114,734,347	89,495,001
Financial charges	21 (a)	286,050,491	205,727,744
<b>Total Operating Expense</b>		<b>(498,674,171)</b>	<b>(382,375,778)</b>
<b>Operating profit</b>		<b>566,315,300</b>	<b>381,040,724</b>
Non-operating income	22 (a)	6,215,510	8,009,033
Share of profit from associate company	5.3	7,665,950	10,047,144
<b>Profit before contribution to WPPF</b>		<b>580,196,760</b>	<b>399,096,901</b>
Less: Contribution to WPPF		(27,628,417)	(19,004,614)
<b>Net profit before tax</b>		<b>552,568,343</b>	<b>380,092,286</b>
<b>Less: Income tax expense</b>			
Current tax	23 (a)	146,197,579	99,872,172
Deferred tax	23.1 (a)	11,835,958	3,325,885
<b>Total Income Tax Expense</b>		<b>(158,033,537)</b>	<b>(103,198,057)</b>
<b>Net profit After Tax</b>		<b>394,534,806</b>	<b>276,894,230</b>
<b>Other comprehensive Income for the year :</b>			
<b>Investment Valuation surplus in share</b>			
Revaluation Gain/(Loss) on invest. in share	5.2	2,751,244	(990,998)
Deferred tax		(550,249)	-
		<b>2,200,995</b>	<b>(990,998)</b>
<b>Total comprehensive Income for the year</b>		<b>396,735,801</b>	<b>275,903,232</b>
<i>Attributable to:</i>			
<b>Equity holders of the company</b>		<b>396,693,231</b>	<b>275,873,125</b>
<b>Non-controlling interests</b>		<b>42,570</b>	<b>30,107</b>
<b>Profit for the period/year</b>		<b>396,735,801</b>	<b>275,903,232</b>
<b>Consolidated earnings per share</b>	24(a)	<b>4.12</b>	<b>2.89</b>

\*The details of restatement shown in note-34

The annexed notes 1 to 35 and schedule-A form an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 19/10/2017 and were signed on it's behalf by

Director

Director

Company Secretary

Signed in terms of our separate report of even date.

Dated : Dhaka  
October 19, 2017

Malek Siddiqui Wali  
Chartered Accountants

**Aftab Automobiles Limited and its Subsidiary**  
Consolidated Statement of Changes in Equity  
For the year ended June 30, 2017

Particulars	Share capital	Share premium	Reserves	*Restated		Attributable to equity holders of the company	Non-controlling interest	Total
				Retained earnings				
Balance as on September 01, 2015	957,324,220	1,925,858,339	67,338,231	2,247,588,021		5,198,108,811	322,001	5,198,430,812
Cash dividend paid	-	-	-	(106,623,462)		(106,623,462)	-	(106,623,462)
Total comprehensive Income for the ye	-	-	-	275,873,125		275,873,125	30,107	275,903,232
<b>Balance as at June 30, 2016</b>	<b>957,324,220</b>	<b>1,925,858,339</b>	<b>67,338,231</b>	<b>2,416,837,684</b>		<b>5,367,358,474</b>	<b>352,108</b>	<b>5,367,710,582</b>
Balance as on July 01, 2016	957,324,220	1,925,858,339	67,338,231	2,416,837,684		5,367,358,474	352,108	5,367,710,582
Cash dividend paid	-	-	-	(90,585,239)		(90,585,239)	-	(90,585,239)
Total comprehensive Income for the ye	-	-	-	396,693,231		396,693,231	42,570	396,735,801
<b>Balance as at June 30, 2017</b>	<b>957,324,220</b>	<b>1,925,858,339</b>	<b>67,338,231</b>	<b>2,722,945,676</b>		<b>5,673,466,466</b>	<b>394,678</b>	<b>5,673,861,144</b>

\*The details of restatement shown in note-34

The annexed notes 1 to 35 and schedule-A form an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 19/10/2017 and were signed on it's behalf by.

  
Director

  
Director

  
Company Secretary

Signed in terms of our separate report of even date.

Dated : Dhaka  
October 19, 2017

  
Malek Siddiqui Wali  
Chartered Accountants



# Aftab Automobiles Limited and its Subsidiary

Consolidated Statement of Cash Flows  
For the year ended June 30, 2017

Particulars	For the period From July 01, 2016 to June 30, 2017	For the period From September 01, 2015 to June 30, 2016
<b>A. Cash flows from operating activities</b>		
Receipts from customers	4,951,716,845	3,509,376,645
Receipts from others	6,215,510	8,009,033
Payments to suppliers and employees	(4,602,243,447)	(2,413,695,743)
<b>Cash generated from operations</b>	<b>355,688,908</b>	<b>1,103,689,935</b>
Income tax paid	(229,183,157)	(103,891,883)
<b>Net cash generated by operating activities</b>	<b>126,505,751</b>	<b>999,798,053</b>
<b>B. Cash flows from investing activities</b>		
Acquisition of property, plant & equipment	(381,063,967)	(31,290,206)
Investment in Share money deposit	(30,971,621)	-
Payments for capital work in progress	(369,418,952)	(103,416,248)
<b>Net cash used investing activities</b>	<b>(781,454,540)</b>	<b>(134,706,454)</b>
<b>C. Cash flows from financing activities</b>		
Received/(Repayments) of bank loan	1,646,522,924	40,946,934
Inter company receipts/(payments)	(1,066,437,396)	-
Bank interest paid	(286,050,491)	(205,727,744)
Dividend paid	(90,585,239)	(106,623,462)
<b>Net cash provided by financing activities</b>	<b>203,449,798</b>	<b>(271,404,272)</b>
<b>D. Net changes in cash &amp; cash equivalents for the period/ year (A+B+C)</b>	<b>(451,498,991)</b>	<b>593,687,327</b>
<b>E. Cash &amp; cash equivalents at beginning of the period/year</b>	<b>932,642,477</b>	<b>338,955,150</b>
<b>F. Cash &amp; cash equivalents at end of the period/ year (D+E)</b>	<b>481,143,486</b>	<b>932,642,477</b>
<b>Net operating cash flows per share (NOCFPS)</b>	<b>1.32</b>	<b>10.44</b>

The annexed notes 1 to 35 and schedule-A form an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 19/10/2017 and were signed on it's behalf by.



Director



Director



Company Secretary

Signed in terms of our separate report of even date.

Dated : Dhaka  
October 19, 2017



Malek Siddiqui Wali  
Chartered Accountants

# Aftab Automobiles Limited

Statement of Financial Position

As at June 30, 2017



	Notes	As at June 30, 2017	*Restated As at June 30, 2016
<b>Assets :</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	1,016,686,129	660,255,114
Capital work-in-progress	4	224,581,944	-
Investments in subsidiaries and associates	5	1,060,347,751	938,882,482
Receivables - non current maturity	6	2,041,737,203	2,490,724,021
<b>Total Non-current assets</b>		<b>4,343,353,026</b>	<b>4,089,861,617</b>
<b>Current assets :</b>			
Receivables -current maturity	6	1,324,190,437	889,697,814
Stock and stores	7	1,687,540,044	889,905,031
Current account with Navana Batteries Ltd.		194,104,312	267,477,487
Current account with Navana Group Companies	8	598,662,340	-
Advances, deposits and prepayments	9	1,523,955,271	1,290,909,562
Cash and bank balances	10	424,971,917	920,584,721
<b>Total Current assets</b>		<b>5,753,424,321</b>	<b>4,258,574,615</b>
<b>Total Assets</b>		<b>10,096,777,347</b>	<b>8,348,436,233</b>
<b>Equity and Liabilities :</b>			
<b>Equity attributable to equity holders</b>			
Share capital	11	957,324,220	957,324,220
Share premium	12	1,925,858,339	1,925,858,339
Reserves	13	67,338,231	67,338,231
Retained earnings		2,722,945,676	2,416,837,684
<b>Total Equity attributable to equity holders</b>		<b>5,673,466,466</b>	<b>5,367,358,474</b>
<b>Non-current liabilities :</b>			
Loan and deferred liabilities (unsecured)	25	25,310,440	25,310,440
Long Term loan-non current maturity	14	1,580,876,885	876,253,097
Deferred tax liability	23 (b)	77,816,301	72,260,264
<b>Total Non-current liabilities</b>		<b>1,684,003,627</b>	<b>973,823,800</b>
<b>Current liabilities :</b>			
Long Term loan-Current maturity	14	526,958,962	292,084,366
Short term loan	15	1,324,948,819	920,718,015
Accrued and other current liabilities	16	887,399,473	794,451,577
<b>Total current liabilities</b>		<b>2,739,307,255</b>	<b>2,007,253,958</b>
<b>Total liabilities</b>		<b>4,423,310,881</b>	<b>2,981,077,758</b>
<b>Total Equity and Liabilities</b>		<b>10,096,777,347</b>	<b>8,348,436,232</b>
<b>Net assets value per share (NAVPS)</b>		<b>59.26</b>	<b>56.07</b>

\*The details of restatement shown in note-34

The annexed notes 1 to 35 and schedule-A form an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 19/10 / 2017 and were signed on its behalf by

Director

Director

Company Secretary

Signed in terms of our separate report of even date.

Dated : Dhaka  
October 19, 2017

Malek Siddiqui Wali  
Chartered Accountants



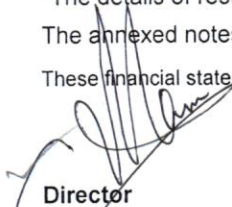
**Aftab Automobiles Limited**  
Statement of Profit or Loss and other Comprehensive Income  
For the year ended June 30, 2017

Particulars	Notes	*Restated	
		For the period From July 01, 2016 to June 30, 2017	For the period From September 01, 2015 to June 30, 2016
Sales revenue	17	3,703,934,655	2,372,686,547
Less: Cost of goods sold	18	2,910,178,518	1,798,670,937
<b>Gross profit</b>		<b>793,756,137</b>	<b>574,015,610</b>
<b>Less: Operating Expense</b>			
Administrative expenses	19	81,407,526	73,310,409
Selling and distribution expenses	20	61,302,658	46,085,548
Financial charges	21	211,703,217	159,752,681
<b>Total Operating expenses:</b>		<b>(354,413,400)</b>	<b>(279,148,638)</b>
<b>Operating Profit</b>		<b>439,342,737</b>	<b>294,866,972</b>
<b>Non-operating income :</b>			
Interest Income (FDR )	22	6,215,510	8,009,033
Add : Share of profit from associate company	5.3	7,665,950	10,047,144
<b>Profit before contribution to WPPF</b>		<b>453,224,197</b>	<b>312,923,149</b>
Less: Contribution to WPPF		21,582,105	14,901,102
<b>Profit after contribution to WPPF</b>		<b>431,642,092</b>	<b>298,022,047</b>
Add : Share of profit from subsidiaries		78,159,966	55,276,663
<b>Net profit before tax</b>		<b>509,802,059</b>	<b>353,298,709</b>
<b>Less: Income tax Expenses :</b>			
Current tax	23	110,304,036	76,518,680
Deferred tax	23.1.a	5,005,788	(84,094)
<b>Total income tax expense</b>		<b>(115,309,824)</b>	<b>(76,434,586)</b>
<b>Net profit after tax</b>		<b>394,492,235</b>	<b>276,864,123</b>
<b>Other comprehensive Income for the year:</b>			
<b>Investment Valuation surplus in share</b>			
Revaluation Gain/(Loss) on invest. in share	5.2	2,751,244	(990,998)
Deferred tax	23	(550,249)	-
		<b>2,200,995</b>	<b>(990,998)</b>
<b>Total comprehensive income for the year</b>		<b>396,693,231</b>	<b>275,873,125</b>
<b>Attributable to:</b>			
Equity holders of the company		396,650,660	275,843,018
Non-controlling interests		42,570	30,107
<b>Profit for the year</b>		<b>396,693,231</b>	<b>275,873,125</b>
<b>Earnings per share</b>	24	<b>3.30</b>	<b>2.31</b>

\*The details of restatement shown in note-34

The annexed notes 1 to 35 and schedule-A form an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 19/10/2017 and were signed on it's behalf by.



**Director**

Signed in terms of our separate report of even date.

Dated : Dhaka  
October 19, 2017



**Director**



**Company Secretary**



**Malek Siddiqui Wali**  
Chartered Accountants

**Aftab Automobiles Limited**  
Statement of Changes in Equity  
For the year ended June 30, 2017

Particulars	Share capital	Share premium	Reserves	*Restated Retained earnings	Total
Balance as on September 01, 2015	957,324,220	1,925,858,339	67,338,231	2,247,588,021	5,198,108,811
Cash Dividend Paid	-	-	-	(106,623,463)	(106,623,463)
Total comprehensive income for the period	-	-	-	275,873,125	275,873,125
<b>Balance as at June 30, 2016</b>	<b>957,324,220</b>	<b>1,925,858,339</b>	<b>67,338,231</b>	<b>2,416,837,684</b>	<b>5,367,358,474</b>
Balance as on July 01, 2016	957,324,220	1,925,858,339	67,338,231	2,416,837,684	5,367,358,474
Cash Dividend Paid	-	-	-	(90,585,239)	(90,585,239)
Total comprehensive income for the year	-	-	-	396,693,231	396,693,231
<b>Balance as at June 30, 2017</b>	<b>957,324,220</b>	<b>1,925,858,339</b>	<b>67,338,231</b>	<b>2,722,945,676</b>	<b>5,673,466,466</b>

The annexed notes 1 to 35 and schedule-A form an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 19/10/2017 and were signed on it's behalf by.



Director



Director



Company Secretary

Signed in terms of our separate report of even date.

Dated : Dhaka  
October 19, 2017



**Malek Siddiqui Wali**  
Chartered Accountants

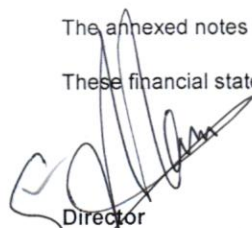


**Aftab Automobiles Limited**  
Statement of Cash Flows  
For the year ended June 30, 2017

Particulars	For the period From July 01, 2016 to June 30, 2017	For the period From September 01, 2015 to June 30, 2016
<b>A. Cash flows from operating activities</b>		
Receipts from customers	3,718,428,850	2,731,520,141
Receipts as other income	6,215,510	8,009,033
Payments to suppliers and employees	(3,894,304,636)	(1,720,228,409)
<b>Cash generated from operations</b>	<b>(169,660,276)</b>	<b>1,019,300,765</b>
Income tax paid	(186,079,779)	(79,364,467)
<b>Net cash generated by operating activities</b>	<b>(355,740,055)</b>	<b>939,936,298</b>
<b>B. Cash flows from investing activities</b>		
acquisition of property, plant & equipment	(326,609,085)	(15,614,663)
Investment in Share money deposit	(30,971,621)	-
Payments for capital work in progress	(298,443,611)	-
<b>Net cash used investing activities</b>	<b>(656,024,317)</b>	<b>(15,614,663)</b>
<b>C. Cash flows from financing activities</b>		
Receive of bank loan	1,343,729,189	(22,220,640)
Inter company receipts/(payments)	(598,662,340)	-
Inter company payments	73,373,175	56,249,616
Bank interest paid	(211,703,217)	(159,752,681)
Dividend paid	(90,585,239)	(106,623,462)
<b>Net cash used by financing activities</b>	<b>516,151,568</b>	<b>(232,347,167)</b>
<b>D. Net changes in cash &amp; cash equivalents for the year (A+B+C)</b>	<b>(495,612,804)</b>	<b>691,974,468</b>
<b>E. Cash &amp; cash equivalents at beginning of the year</b>	<b>920,584,721</b>	<b>228,610,253</b>
<b>F. Cash &amp; cash equivalents at end of the year (D+E)</b>	<b>424,971,917</b>	<b>920,584,721</b>
<b>Net operating cash flows per share (NOCFPS)</b>	<b>(3.72)</b>	<b>9.82</b>

The annexed notes 1 to 35 and schedule-A form an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 19/10/2017 and were signed on it's behalf by.



Director



Director



Company Secretary

Signed in terms of our separate report of even date.

Dated : Dhaka  
October 19, 2017



Malek Siddiqui Wali  
Chartered Accountants

**AFTABAUTOMOBILES LIMITED**  
Notes to the Financial Statements  
As at and for the year ended June 30, 2017

**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. At present the plant is running single shift. The Company has recently setup a Motor Cycle Unit with a capacity of 10,000 units of Motor Cycle per year. Sales of Motor Cycle shall be start in the year 2013-2014. The Company has one subsidiary company namely Navana Batteries Ltd, that produce and market Batteries.

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

**2.1 Statement of Compliance**

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

**2.2 Basis of Preparation**

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

**2.3 Basis of Reporting**

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

**2.4 Reporting Period**

These financial statements cover one accounting year from July 01, 2016 to June 30, 2017.

**2.5 Regulatory and Legal Compliance**

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

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

**2.6 Functional and Presentation Currency**

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

**2.7 Basis of consolidation**

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



## 2.8 Recognition of Property, Plant and Equipment



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

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

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

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

### Depreciation

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

<u>Name of the Assets</u>	<u>Rate of Depreciation in (%)</u>
Land and land development	Nil
Building	2.5
Shades	20
Plant & Machinery	10
Tools & Equipment's	20
Office equipment	10
Furniture & Fixtures	10
Transport Vehicles	20
Electric line Installation	10
Gas line Installation	10
Office decoration	10

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

## 2.9 Financial Instruments and Derivatives

### a) Investment in Shares

Investments in Shares are valued at fair market value.

### b) Investment in associates

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

### c) Derivatives

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

## 2.10 Inventories

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

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

## **2.11 Cash and Cash Equivalent**

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

## **2.12 Taxation**

### **Current Tax**

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

### **Deferred Tax**

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

## **2.13 Borrowing Costs**

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

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

## **2.14 Revenue Recognition**

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

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

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

## **2.15 Provident Fund Scheme**

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

### **Gratuity Scheme**

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

### **Group Term Insurance Scheme**

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



## 2.16 Cash Flows Statement

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

## 2.17 Provisions

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

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

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

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

## 2.18 Liabilities for Expenses

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

## 2.19 Earnings Per Share

### Basic Earnings Per Share

The company calculates Earning Per Share (EPS) in accordance with BAS 33. Basic earnings per share have been calculated taking a capital base of 95,732,422 Ordinary shares of Tk. 10 each as on June 30, which is shown in the face of the Statement of Comprehensive Income and the computation of EPS is stated in note # 24.

### Diluted Earnings Per Share

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

## 2.20 Event after the Reporting Period

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

- 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 October 10, 2017. No material event had occurred after the balance sheet date of issue of these financial statements, which could affect the values stated in the financial statement.

## 2.21 Workers Profit Participation Fund

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

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



## 2.22 Financial Assets and Liabilities

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

### i) Receivables

Receivables are stated their real value and consider good. No provision has been made for doubtful debts except the amount was written off as bad debt. Receivables that would mature after one from the date of Statement of Financial position has been shown as long term.

### ii) Payable

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

### iii) Related party disclosure

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

### iv) Borrowings

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

## 2.23 Comparative Figure:

Comparative information has been disclosed in respect of the period 2016 for all numerical data in the financial statements and also the narrative descriptive information when it is relevant for understanding of the current period's/ year's financial statements presentation. The financial information for the period July 01, 2016 to June 30, 2017 comparative for the period of September 01, 2015 to June 30, 2016 (10 months ) which is the last audited Financial statements.

## 2.25 General

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

Schedule- A

## Aftab Automobiles Limited

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

Particulars	Cost			Rate of Dep.	Depreciation				Carrying amount	
	As at 01.07.17	Add. For the year	As at 30.06.2017		As at 01.07.17	Charged during the year	Adj. during the year	As at 30.06.17	As at 30.06.2017	As at 30.06.2016
Land & Land Development	266,993,068	295,305,724	562,298,792	-	-	-	-	-	562,298,792	266,993,068
Building	137,050,037	11,903,654	148,953,691	2.5%	32,296,446	2,767,635	-	35,064,081	113,889,610	104,753,591
Shades	32,504,188	2,024,694	34,528,882	20%	11,016,031	4,500,101	-	15,516,132	19,012,750	21,488,157
	-	-	-	-	-	-	-	-	-	-
Plant & Machinery	312,852,078	38,953,195	351,805,273	10%	136,707,145	19,562,153	-	156,269,298	195,535,975	176,144,933
Tools & Equipments	30,114,512	5,780,790	35,895,302	20%	17,419,274	3,117,127	-	20,536,400	15,358,901	12,695,238
Office Equipment	28,554,947	3,885,791	32,440,738	10%	9,493,218	2,100,462	-	11,593,680	20,847,058	19,061,729
Furniture & Fixture	16,466,089	6,573,042	23,039,131	10%	5,647,498	1,410,511	-	7,058,009	15,981,122	10,818,591
Transport Vehicles	65,254,343	16,732,990	81,987,333	20%	34,125,105	7,899,147	-	42,024,251	39,963,082	31,129,238
Electrical line installation	1,456,978	41,172	1,498,150	10%	168,175	130,939	-	299,113	1,199,037	1,288,803
	-	-	-	-	-	-	-	-	-	-
Office Decoration	18,166,275	19,269,700	37,435,975	10%	2,284,508	2,551,662	-	4,836,169	32,599,804	15,881,766
<b>Total</b>	<b>909,412,515</b>	<b>400,470,752</b>	<b>1,309,883,267</b>		<b>249,157,399</b>	<b>44,039,737</b>	<b>-</b>	<b>293,197,135</b>	<b>1,016,686,129</b>	<b>660,255,114</b>

Depreciation charged to :	Taka
Cost of goods sold ( Factory O/H)	35,231,789
Profit & Loss Account (Admin)	4,403,974
Profit & Loss Account (Selling)	4,403,974
<b>T O T A L</b>	<b>44,039,737</b>

Schedule- A

## Aftab Automobiles Limited and its Subsidiaries

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

Particulars	Cost			Rate of Dep.	Depreciation				Carrying amount	
	As at 01.07.17	Add. For the year	As at 30.06.2017		As at 01.07.17	Charged during the year	Adj. during the year	As at 30.06.17	As at 30.06.2017	As at 30.06.2016
Land & Land Development	465,127,328	368,368,724	833,496,052	-	-	-	-	-	833,496,052	465,127,328
Building	242,578,841	25,038,529	267,617,370	2.5%	48,168,971	5,173,228	-	53,342,199	214,275,171	194,409,870
Shades	32,504,188	2,024,694	34,528,882	20%	11,016,031	4,500,101	-	15,516,132	19,012,750	21,488,157
	-	-	-	-	-	-	-	-	-	-
Plant & Machinery	631,663,047	81,190,599	712,853,646	10%	250,083,865	42,217,448	-	292,301,313	420,552,333	381,579,182
Tools & Equipments	89,567,379	23,121,906	112,689,285	20%	50,541,009	10,117,465	-	60,658,474	52,030,810	39,026,370
Office Equipment	61,286,509	5,987,616	67,274,125	10%	21,560,452	4,271,986	-	25,832,439	41,441,686	39,726,057
Furniture & Fixture	32,738,023	8,794,724	41,532,747	10%	9,926,582	2,720,880	-	12,647,462	28,885,285	22,811,441
Transport Vehicles	109,219,566	19,250,990	128,470,556	20%	54,416,205	12,885,771	-	67,301,976	61,168,580	54,803,361
Electrical line installation	11,435,702	3,344,853	14,780,555	10%	1,994,923	1,111,321	-	3,106,243	11,674,312	9,440,779
Gas line installation	11,332,299	-	11,332,299	10%	3,044,321	828,798	-	3,873,119	7,459,180	8,287,978
Office Decoration	32,072,720	27,774,538	59,847,258	10%	3,249,351	4,271,064	-	7,520,414	52,326,842	28,823,367
<b>Total</b>	<b>1,719,525,602</b>	<b>564,897,173</b>	<b>2,284,422,775</b>		<b>454,001,710</b>	<b>88,098,062</b>	<b>-</b>	<b>542,099,771</b>	<b>1,742,323,001</b>	<b>1,265,523,890</b>

Depreciation charged to :	Taka
Cost of goods sold ( Factory O/H)	70,478,450
Profit & Loss Account (Admin)	8,809,806
Profit & Loss Account (Selling)	8,809,806
<b>T O T A L</b>	<b>88,098,062</b>



	30-06-2017	30-06-2016
<b>3 Property, plant and equipment, net</b>		
Land & Land Development	562,298,792	266,993,068
Building	113,889,610	104,753,591
Shades	19,012,750	21,488,157
Plant & Machinery	195,535,973	176,144,931
Tools & Equipments	15,358,901	12,695,238
Office Equipment	20,847,058	19,061,729
Furniture & Fixture	15,981,122	10,818,591
Transport Vehicles	39,963,082	31,129,238
Electrical line installation	1,199,037	1,288,805
Office Decoration	32,599,804	15,881,766
	<b>1,016,686,129</b>	<b>660,255,114</b>
<b>3 (a) Consolidated property, plant and equipment, net</b>		
Land & Land Development	833,496,052	465,127,328
Building	214,275,171	194,409,870
Shades	19,012,750	21,488,157
Plant & Machinery	420,552,332	381,579,181
Tools & Equipments	52,030,811	39,026,369
Office Equipment	41,441,687	39,726,058
Furniture & Fixture	28,885,286	22,811,442
Transport Vehicles	61,168,580	54,803,362
Electrical line installation	11,674,311	9,440,778
Gas line installation	7,459,179	8,287,977
Office Decoration	52,326,843	28,823,369
	<b>1,742,323,001</b>	<b>1,265,523,890</b>
<b>4 Capital work-in-progress</b>		
<b>Opening balance</b>	-	<b>102,799,858</b>
Addition during the year	298,443,611	-
	298,443,611	102,799,858
Less: transfer to property, plant & equipment	73,861,667	102,799,858
<b>Closing balance</b>	<b>224,581,944</b>	-
Capital work in progress represents Land and Land Development , civil constructions, Plant and Machinery for BMRE of Assembling Unit , Body Building Unit and Motor Cycle Unit. Primarily estimated cost of BMRE project is Taka 100.00 crore.		
<b>4 (a) Consolidated capital work in progress</b>		
<b>Opening balance</b>	<b>103,416,248</b>	<b>266,817,407</b>
Addition during the year	369,418,952	103,416,248
	<b>472,835,200</b>	<b>370,233,655</b>
Less: Transfer to property, plant & equipment	183,833,206	266,817,407
<b>Closing balance</b>	<b>289,001,994</b>	<b>103,416,248</b>
Capital work in progress represents Land and Land Development , civil constructions Plant and Machinery for BMRE of Aftab Automobiles Ltd and Navana Batteries Ltd .		
<b>5 Investments</b>		
Investment in subsidiaries (Note: 5.1 )	724,638,466	646,478,500
Investment in shares (Note: 5.2 )	38,592,330	4,869,465
Investment in associate ( Note : 5.3 )	297,116,955	287,534,517
	<b>1,060,347,751</b>	<b>938,882,482</b>
<b>5.1 Investment in subsidiary</b>		
<b>Navana Batteries Limited</b>		
Opening Balance	646,478,500	591,201,837
Add: Profit during the year	78,159,966	55,276,663
<b>Closing Balance</b>	<b>724,638,466</b>	<b>646,478,500</b>



	30-06-2017	30-06-2016
<b>5.2 Investment in Marketable securities</b>		
Opening Balance (note-5.a )	4,869,465	5,860,463
Revaluation Gain/(Loss) on investment in share	2,751,244	(990,998)
Investment in Share Money deposit (note -5.b )	30,971,621	-
<b>Closing Balance</b>	<b>38,592,330</b>	<b>4,869,465</b>
<b>5.3 Investment in associate</b>		
The details are stated below :		
Share Invest of NREL at cost	20,000,000	20,000,000
Share of equity from associate		
<b>Opening Balance</b>	<b>267,534,517</b>	<b>254,138,325</b>
<b>Share of equity from associate</b>		
Net Income after deferred tax ( P L AC )	7,665,950	10,047,144
Provision for deferred tax ( note - 23.b )	1,916,488	3,349,048
	<b>9,582,438</b>	<b>13,396,192</b>
<b>Closing Balance</b>	<b>277,116,955</b>	<b>267,534,517</b>
<b>Total Investment in associate</b>	<b>297,116,955</b>	<b>287,534,517</b>
Shares investment of Navana Real Estate Ltd. at cost, represent as a associate company by holding 20% of the total outstanding paid-up Capital.		
<b>5 (a) Quantities details of investments in share</b>		
Investment in shares of Navana CNG Ltd (Note: 5 (a) 1)		
<b>Opening Balance</b>	<b>4,869,465</b>	<b>5,860,463</b>
Increase/Decrease of market value shares	2,751,244	(990,998)
<b>Closing Balance</b>	<b>7,620,709</b>	<b>4,869,465</b>
<b>5 (b) Investment in Share Money deposit</b>		
Navana Construction Ltd.	30,971,621	-
	<b>30,971,621</b>	<b>-</b>
Investment in Share Money deposit are consist as advance for share holding of Navana Construction Ltd. and Navana Engreening Ltd.which will be consider by the approval of Navana CNG Ltd.and also by the shareholders .		
<b>5.2 (a) Acquisition quantity of shares of Navana CNG Ltd.at cost</b>	<b>461,439</b>	<b>461,439</b>
bonus share Up to 2014	105,404	105,404
<b>Total Share as on 30.06.2016</b>	<b>105,404</b>	<b>105,404</b>
The above quantity of shares of Navana CNG Ltd. Represent 0.15% of the total no.of 6,85,28,592 outstanding paid-up shares.		
<b>5.3 (a) Acquisition quantity of shares of Navana Real Estate Ltd.</b>	<b>20,000,000</b>	<b>20,000,000</b>
Less: shares sale during the year	-	-
	<b>20,000,000</b>	<b>20,000,000</b>
<b>Opening Balance</b>	<b>6,000,000</b>	<b>6,000,000</b>
Number of shares purchased	-	-
Number of bonus shares received during the year	-	-
<b>Total number of shares</b>	<b>6,000,000</b>	<b>6,000,000</b>
<b>6 Receivables</b>		
Receivable No-Current (Maturity over 12 months )	2,041,737,203	2,490,724,021
Receivable current (Maturity less than 12 months )	1,324,190,437	889,697,814
	<b>3,365,927,640</b>	<b>3,380,421,835</b>

	30-06-2017	30-06-2016
<u>Ageing schedule of receivables :</u>		
<u>Duration</u>		
1- 30 days	402,065,000	301,530,300
31- 60 days	361,858,500	256,300,755
61- 90 days	271,393,875	192,225,566
91- 180 days	176,406,019	105,724,061
181- 365 days	112,467,043	33,917,131
Over 365 days	2,041,737,203	2,490,724,021
	<b>3,365,927,640</b>	<b>3,380,421,835</b>

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

#### 6(a) Consolidated trade debtors

Receivable No-Current (Maturity over 12 months )	2,041,737,203	2,490,724,021
Receivable current (Maturity less than 12 months )	1,647,745,470	1,379,266,802
	<b>3,689,482,673</b>	<b>3,869,990,823</b>

#### Ageing schedule of receivables :

<u>Duration</u>		
1- 30 days	434,549,520	371,530,300
31- 60 days	437,825,284	341,807,876
61- 90 days	312,853,927	290,536,695
91- 180 days	245,869,210	217,902,522
181- 365 days	216,647,529	157,489,409
Over 365 days	2,041,737,203	2,490,724,021
	<b>3,689,482,673</b>	<b>3,869,990,823</b>

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

#### 7 Stock and stores

Finished products	1,260,488,880	493,889,274
Raw materials	182,895,268	230,619,284
Work-in-process	5,636,141	12,701,357
Stores and spares	2,045,821	14,134,354
Goods in transit	236,473,934	138,560,762
	<b>1,687,540,044</b>	<b>889,905,031</b>

Value of Stock of Finished product & Raw materials inclusive of -230- units Hino bus-6- units RM2 Hino Bus chassis,-16-units HINO RN8J CBU Bus,and -1058- units of Motor cycle .

#### 7 (a) Consolidated stock and stores

Finished products	1,393,323,677	691,271,591
Raw materials	385,462,716	483,717,804
Work-in-process	77,093,746	92,694,840
Stores and spares	2,045,821	14,134,354
Goods in transit	273,217,622	168,809,895
	<b>2,131,143,582</b>	<b>1,450,628,484</b>

Value of Stock of Finished product & Raw materials inclusive of -230- units Hino bus 6- units RM2 Hino Bus chassis,-16-units HINO RN8J CBU Bus,and -1058- units of Motor cycle .

#### 8 Current account with Navana group Companies

Navana Ltd.	385,492,110	-
Navana Engineering Ltd.	120,000,230	-
Navana Real Estate Ltd.	93,170,000	-
	<b>598,662,340</b>	<b>-</b>



	30-06-2017	30-06-2016
<b>8 (a) Current account with Navana group Companies</b>		
Navana Ltd.	853,267,166	-
Navana Engneering Ltd.	120,000,230	-
Navana Real Estate Ltd.	93,170,000	-
	<b>1,066,437,396</b>	<b>-</b>
<b>9 Advances, deposits and prepayments</b>		
Advance to suppliers	477,669,842	443,952,890
Advance to employees	3,229,048	2,939,727
Deposits for motor Cycle Unit	69,475,636	69,475,636
Advance to others	14,686,438	13,311,072
Current Account with VAT	6,029,162	-
Deposits	310,189,503	294,453,061
Advance Income tax (note-9.1)	642,675,642	466,777,177
	<b>1,523,955,271</b>	<b>1,290,909,562</b>
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.		
<b>9.1 Advance Income tax</b>		
Opening balance	466,777,177	392,912,710
Addition during the year	175,898,465	73,864,467
	642,675,642	466,777,177
Adjustment made during the year	-	-
<b>Closing Balance</b>	<b>642,675,642</b>	<b>466,777,177</b>
The above amount was deducted at the import point as well as from the bills in different times at delivery point. The company made appeal to honorable High Court against the tax assessment U/S-160 is pending for the year 2011-2012 to 2013-2014.		
<b>9 (a) Consolidated advances, deposits and prepayments</b>		
Advance to suppliers	638,320,067	560,162,131
Advance to employees	34,954,455	40,028,978
Deposits for motor Cycle Unit	69,475,636	69,475,636
Advance to others	119,197,636	125,448,867
Current Account with VAT	81,263,330	85,878,554
Deposits	333,612,054	333,050,884
Advance Income tax (note-9.1 a)	881,762,380	662,760,537
	<b>2,158,585,558</b>	<b>1,876,805,587</b>
<b>9.1 (a) Consolidated Income tax deducted at source</b>		
Opening balance	662,760,537	564,368,654
Addition during the year	219,001,843	98,391,883
	881,762,380	662,760,537
Adjustment made during the year	-	-
<b>Closing Balance</b>	<b>881,762,380</b>	<b>662,760,537</b>
<b>10 Cash &amp; bank balances</b>		
Cash in hand	21,813,272	22,073,257
Cash at bank	403,158,645	898,511,464
	<b>424,971,917</b>	<b>920,584,721</b>
<b>10 (a) Consolidated cash &amp; bank balances</b>		
Cash in hand	27,953,804	26,865,874
Cash at bank	453,189,682	905,776,603
	<b>481,143,486</b>	<b>932,642,477</b>



# 11 Share capital

## Authorized capital:

	30-06-17 BD Taka	30-06-16 BD Taka
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
	<b>3,000,000,000</b>	<b>3,000,000,000</b>

## Ordinary Share capital:

### Issued, subscribed and paid up

95,732,420 Ordinary shares of Tk. 10 each		
Sponsors	291,939,445	291,939,445
General Public	665,384,775	665,384,775
	<b>957,324,220</b>	<b>957,324,220</b>

The Position of Ordinary shareholders as on June 30,2017 was as follows :

Particulars	Num. of Investors	Num. of Shares	Share Holding '17	Share Holding '16
Sponsors	6	27,208,098	28.42%	28.42%
Financial Institutions including ICB	310	34,470,030	36.01%	27.37%
General Public	25,582	34,054,294	35.57%	44.21%
<b>Total</b>	<b>25,898</b>	<b>95,732,422</b>	<b>100.00%</b>	<b>100.00%</b>

The classification of shareholders by holding as on June 30, 2017 was as follows :

No. of share holdings	No. of share. holders	No. of shares 2017	No. of shares 2016
1 to 500	17429	2,607,917	3,503,043
501 to 5000	7299	11,242,700	16,301,140
5001 to 10000	607	4,349,848	6,079,300
10001 to 20000	288	4,035,334	5,418,743
20001 to 30000	98	2,441,866	2,547,167
30001 to 40000	35	1,238,932	1,844,876
40001 to 50000	30	1,432,813	1,741,049
50001 to 100000	45	3,168,049	3,704,308
100001 to 1000000	55	14,860,678	14,040,017
Above 1000000	12	50,354,285	40,552,779
<b>Total</b>	<b>25898</b>	<b>95,732,422</b>	<b>95,732,422</b>

# 12 Share premium.

Net Premium Up to 2006	250,191,730	250,191,730
Net Premium in 2010	1,675,666,609	1,675,666,609
	<b>1,925,858,339</b>	<b>1,925,858,339</b>

# 13 Reserves

Tax holiday reserve	12,338,231	12,338,231
Dividend equalization fund	4,000,000	4,000,000
General reserve	51,000,000	51,000,000
	<b>67,338,231</b>	<b>67,338,231</b>

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

	30-06-17 BD Taka	30-06-16 BD Taka
<b>14 Long Term loan-Net of current portion</b>		
Agrani Bank Ltd.	309,656,546	341,006,301
Meghna bank Ltd AC 631-4	92,255,036	72,178,781
South-bangla Agricultural & commerce Ltd.	78,668,132	109,773,994
Standard bank Ltd.	94,628,221	-
Mutual trust bank Ltd.	137,678,765	51,849,400
Bank Asia Ltd.	153,057,140	-
City bank Ltd.STL	105,453,111	-
Uttara Finance and investment Ltd.	37,023,159	130,576,627
Prime bank Ltd. HP loan	107,667,397	44,995,583
Midland Bank Ltd. O/D AC	53,344,675	-
Peoples Leasing & Financial Services Ltd	109,325,620	190,751,250
Mercantile bank Ltd. Term loan	85,864,144	218,810,323
One Bank Ltd. Lease Loan	53,677,613	8,395,203
NCC Bank Ltd TL AC	126,117,047	-
Bay Leasing and investment Ltd.	97,452,706	-
GSP Finance co.(Bd ) Ltd.	191,949,553	-
Midas financing Ltd.	39,961,080	-
Union Capital Ltd.	150,912,320	-
Modhumoti bank Ltd.Lease Loan	83,143,582	-
	<b>2,107,835,847</b>	<b>1,168,337,462</b>
<b>less: Long Term loan-Current maturity</b>	<b>526,958,962</b>	<b>292,084,366</b>
<b>Long Term loan-Net of Non-current maturity</b>	<b>1,580,876,885</b>	<b>876,253,097</b>
<b>14( a ) Consolidated Long Term loan-Net of current portion</b>		
Agrani Bank Ltd.	309,656,546	341,006,301
Meghna bank Ltd AC 631-4	92,255,036	72,178,781
South-bangla Agricultural & commerce Ltd.	78,668,132	109,773,994
Standard bank Ltd.	94,628,221	-
Mutual trust bank Ltd.	137,678,765	51,849,400
Bank Asia Ltd.	153,057,140	-
City bank Ltd.STL	105,453,111	-
Uttara Finance & investment Ltd.	37,023,159	130,576,627
Prime bank Ltd. HP loan	107,667,397	44,995,583
Midland Bank Ltd. O/D AC	53,344,675	-
Peoples Leasing & Financial services Ltd.	109,325,620	190,751,250
Mercantile bank Ltd. Term loan	85,864,144	218,810,323
One Bank Ltd. Lease Loan	53,677,613	8,395,203
Al-Arafah Islami Bank Ltd.	30,344,500	35,059,444
Trust Bank Ltd.	357,037,083	252,954,870
Dutch-bangla Bank Ltd.	600,956,291	416,749,383
Social Islami Bank Ltd.	53,163,998	52,326,698
IDLC Finance Ltd.	-	1,522,315
National finance Ltd	-	1,278,000
NCC Bank Ltd TL AC	126,117,047	-
Bay Leasing and investment Ltd.	97,452,706	-
GSP Finance co.(Bd ) Ltd.	191,949,553	-
Midas financing Ltd.	39,961,080	-
Union Capital Ltd.	150,912,320	-
Modhumoti bank Ltd.	83,143,582	-
	<b>3,149,337,719</b>	<b>1,928,228,172</b>
<b>less: Long Term loan-Current maturity</b>	<b>787,334,430</b>	<b>482,057,043</b>
<b>Long Term loan-Net of Non-current maturity</b>	<b>2,362,003,289</b>	<b>1,446,171,129</b>

	30-06-17 BD Taka	30-06-16 BD Taka
<b>15 Short-term loan</b>		
Bank Asia Ltd.SOD A/C	493,992,758	465,514,890
Standard Bank Ltd CC A/C	40,849,043	40,986,098
NRB Commercial	210,978,466	155,406,545
Dhaka Bank Ltd.	51,084,123	51,476,858
Mercantile Bank Ltd.	62,858,955	73,334,846
The City Bank Ltd O/D Ac	30,632,288	30,989,022
Midland Bank Ltd. O/D AC	21,238,258	21,008,760
Prime bank Ltd. SOD A/C	49,703,569	50,731,112
One bank Ltd. SOD A/C	96,017,796	-
South-bangla Agricultural & commerce bank Ltd.	31,108,233	31,269,884
Mutual trust bank Ltd.	51,554,572	-
Southeast Bank Ltd.	81,865,901	-
Dutch-Bangla Bank SOD AC	103,064,857	-
	<b>1,324,948,819</b>	<b>920,718,015</b>
<b>15 ( a ) Consolidated Short-term loan</b>		
Bank Asia Ltd.SOD A/C	493,992,758	465,514,890
Standard Bank Ltd CC A/C	40,849,043	40,986,098
NRB Commercial Ltd.	210,978,466	155,406,545
NCC Bank Ltd CC AC	66,560,591	-
Dhaka Bank Ltd.	51,084,123	51,476,858
Mercantile Bank Ltd	73,124,367	83,330,236
The City Bank Ltd O/D Ac	30,632,288	30,989,022
Midland Bank Ltd. O/D AC	21,238,258	21,008,760
Prime bank Ltd. SOD A/C	49,703,569	50,731,112
One bank Ltd. SOD A/C	96,017,796	31,269,884
South-bangla Agricultural & commerce bank Ltd.	31,108,233	-
Mutual trust bank Ltd.	51,554,572	-
Southeast Bank Ltd.	335,271,369	219,746,952
National Bank Ltd. CC A/C	-	149,723,012
Modhumoti Bank Ltd.	122,227,158	82,762,054
Shahjalal Islami bank Ltd.	-	2,220,198
Dutch-Bangla Bank Ltd. SOD A/C	103,064,857	-
Al-Arafah Islami Bank Ltd.	33,171,550	-
	<b>1,810,578,998</b>	<b>1,385,165,621</b>
<b>16 Accrued and other current liabilities</b>		
For goods supplied	69,086,363	79,205,239
For expenses	82,577,710	125,113,851
For Income tax	554,712,377	454,589,655
For gratuity	43,576,031	39,326,140
For Workers' P.P.F. and W.F.	45,180,171	41,479,389
For other finance	41,996,585	21,283,454
Unclaimed dividend	50,270,237	33,453,849
	<b>887,399,473</b>	<b>794,451,577</b>
The company made appeal to honorable High Court against the tax assessment U/S-160 is pending for the year 2011-2012 to 2013-2014.		
<b>16 (a) Consolidated accrued and other current liabilities</b>		
For goods supplied	73,348,455	82,953,221
For expenses	101,171,430	145,301,004
For Income tax	733,518,556	597,502,292
For gratuity	45,156,617	39,326,140
For Workers' P.P.F. and W.F.	52,047,186	45,582,902
For other finance	57,631,379	31,668,663
Unclaimed dividend	50,270,237	33,453,849
	<b>1,113,143,860</b>	<b>975,788,070</b>



	For the period From July 01, 2016 to June 30, 2017	For the period From September 01, 2015 to June 30, 2016
<b>17 Revenues ( Net Sales )</b>		
Automobiles assembling unit	2,971,002,930	1,789,475,210
Body building unit	260,275,257	306,560,087
Motor Cycle unit	472,656,468	276,651,250
	<b>3,703,934,655</b>	<b>2,372,686,547</b>
The quantity of sales during the year are Hino Bus chassis -590- units, RM2 AC Bus -14.- units, Hino 3Ton Truck -05- units and -5711-units of Motor cycle.		
<b>17 (a) Consolidated revenues</b>		
Aftab automobiles Ltd.	3,703,934,655	2,372,686,547
Navana Batteries Limited	1,067,274,041	678,891,057
	<b>4,771,208,696</b>	<b>3,051,577,604</b>
<b>18 Cost of goods sold</b>		
Opening stock of direct raw materials	230,619,284	232,365,491
Purchases of direct raw material	3,432,667,263	1,436,447,236
Direct raw materials available for consumption	3,663,286,547	1,668,812,727
Closing stock of direct raw materials (Note 7 )	(182,895,268)	(230,619,284)
Raw materials consumed	3,480,391,279	1,438,193,443
Add : Opening WIP	12,701,357	24,040,833
	3,493,092,636	1,462,234,276
Less : Closing WIP ( Note-7 )	(5,636,141)	(12,701,357)
	3,487,456,495	1,449,532,919
Indirect materials	97,857,394	179,741,472
<b>Total consumption</b>	<b>3,585,313,889</b>	<b>1,629,274,391</b>
Factory overhead ( Note-18.1 )	91,464,234	82,856,973
Cost of production	3,676,778,124	1,712,131,364
Opening Finished products	493,889,274	580,428,847
	4,170,667,398	2,292,560,211
Closing Finished products ( Note-7 )	(1,260,488,880)	(493,889,274)
	<b>2,910,178,518</b>	<b>1,798,670,937</b>
<b>18.1 Factory overhead</b>		
Salary and allowances	18,583,037	17,465,801
Wages	8,127,611	10,236,701
Contribution to P.F.	1,801,917	1,294,941
Overtime	3,142,359	3,694,503
Bonus	2,722,740	2,409,760
Leave pay	700,782	488,646
Gratuity	755,783	1,069,618
Liveries and Uniform	174,409	155,552
Telephone, Fax, Mobile	427,457	381,242
Fuel and Lubricants	4,009,499	3,576,010
Travelling and Conveyance	324,382	289,311
Entertainment	1,367,696	1,219,827
Office Expenses	35,306	31,489
Maintenance expenses	1,392,516	1,241,964
Electric Expenses	6,817,736	5,665,258
Duty and Allowance	13,848	12,351
Canteen Subsidies	204,818	182,674
Eid greeting	213,996	190,859
Rent Rates & Taxes	1,808,250	3,158,190
Insurance	1,764,751	1,573,953
Welfare expenses	609,634	475,646
Carrying & handling	205,142	117,588
Papers & periodical	8,913	7,949
General charges	355,814	317,345
Repairs and maintenance ( vehicle)	199,250	177,708
Chemicals	748	667
Annual picnic	242,128	215,950
Printing & Stationary	221,924	208,353
Depreciation	35,231,789	26,997,120
	<b>91,464,234</b>	<b>82,856,973</b>

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

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

	For the period From July 01, 2016 to June 30, 2017	For the period From September 01, 2015 to June 30, 2016
Opening stock of direct raw materials	483,717,804	471,546,167
Purchases of direct raw material	4,012,347,434	1,970,456,991
Direct raw materials available for consumption	4,496,065,238	2,442,003,158
Closing stock of direct raw materials (Note 7.a)	(385,462,716)	(483,717,804)
Raw materials consumed	4,110,602,522	1,958,285,354
Add : Opening WIP	92,694,840	95,364,595
	4,203,297,362	2,053,649,949
Less : Closing WIP ( Note-7.a )	(77,093,746)	(92,694,840)
	4,126,203,616	1,960,955,109
Indirect materials	105,382,844	184,798,460
<b>Total consumption</b>	<b>4,231,586,460</b>	<b>2,145,753,569</b>
Factory overhead ( Note-18.a.1 )	176,684,851	158,565,780
Cost of production	4,408,271,311	2,304,319,349
Opening Finished products	691,271,591	675,113,345
	5,099,542,902	2,979,432,694
Closing Finished products ( Note-7.a )	(1,393,323,677)	(691,271,591)
	<b>3,706,219,225</b>	<b>2,288,161,102</b>

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

Salary and allowances	22,481,025	20,938,357
Wages	13,540,230	15,058,580
Contribution to P.F.	2,191,716	2,030,659
Overtime	3,418,814	3,940,785
Bonus	3,498,623	2,442,720
Leave pay	1,025,615	756,618
Gratuity	3,341,167	1,432,159
Liveries and Uniform	493,902	560,910
Telephone,Fax, Mobile	797,695	711,072
Fuel and Lubricants	4,532,746	4,551,130
Travelling and Conveyance	520,127	641,864
Entertainment	1,478,193	1,318,264
Office Expenses	139,571	124,374
Maintenance expenses	1,545,299	1,824,189
Electric Expenses	31,942,447	30,798,765
Duty and Allowance	254,583	226,812
Canteen Subsidies	1,459,368	3,082,018
Eid greeting	236,060	210,516
Rent Rates & Taxes	1,808,250	3,158,190
Insurance	2,773,479	2,561,673
Gas	520,172	879,812
Welfare expenses	740,047	591,826
Carrying & handling	517,980	396,282
Papers & periodical	8,912	7,949
General charges	355,814	317,345
Repairs and maintenance ( vehicle)	373,070	688,607
Security Exps	792,977	706,430
Chemicals	196,563	353,282
store & Spare	20,991	18,700
Foreign Technician Remuneration	2,000,000	2,000,000
Annual picnic	980,498	873,733
Printing & Stationary	221,924	208,353
Screen Printing	605,936	539,803
Labour Charges	516,205	459,865
Laboratory Exps	274,599	244,629
Generator Maintenance	459,766	765,930
Fire Extinguisher	142,037	126,535
Depreciation	70,478,450	53,017,045
	<b>176,684,851</b>	<b>158,565,780</b>



	For the period From July 01, 2016 to June 30, 2017	For the period From September 01, 2015 to June 30, 2016
<b>19 Administrative expenses</b>		
Salary and allowances	29,173,841	27,617,884
Wages	6,362,855	7,654,446
Cont. to C.P.F.	606,715	555,321
Bonus	2,678,820	3,375,334
Overtime	2,781,471	2,545,861
Welfare expenses	168,278	154,024
Medical Expenses	1,277,046	700,307
Gratuity	6,712,433	4,000,000
Leave pay	1,523,835	1,394,756
Entertainment	1,197,411	1,095,982
AGM expenses.	409,813	375,099
TA and Conveyance	1,355,883	1,241,028
Travelling Exp - Foreign	1,133,897	1,037,845
Car maintenance	2,840,003	2,599,441
Stationery	1,040,776	952,616
Fees and Registration	1,759,087	1,610,078
Telephone	721,741	660,604
Electric expenses	500,438	164,514
Rent, rates and taxes	4,027,382	3,172,501
Insurance premium	224,136	205,150
Liveries and Uniform	51,164	46,830
Bank charges	677,133	619,774
Bank Guarantee & Charge documents	1,034,297	1,783,794
Audit fees	250,000	172,500
Duty allowance	107,791	98,660
Paper and periodicals	69,289	63,420
Postage and telegram	531,472	486,453
Night allowances	58,392	53,446
Advertisement and Publicity	544,462	498,345
Directors fee	230,000	185,000
Office maintenance	319,147	373,954
Maintenance expenses	475,652	435,362
General Expenses	332,421	304,262
WASA Bill	33,020	30,223
Carrying & Handling	765,336	700,505
Gas	110,679	101,303
CDBL Fee	236,872	216,807
Canteen Subsidy	310,694	284,375
Security Exps	1,419,894	1,299,621
Donation	804,674	90,000
Promotion Exp.	552,127	505,359
Fuel & Lubricants	1,593,176	472,987
Depreciation	4,403,974	3,374,640
	<b>81,407,526</b>	<b>73,310,409</b>

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

<b>19 (a) Consolidated administrative expenses</b>		
Salary and allowances	33,161,812	31,170,602
Wages	7,158,685	8,007,075
Cont. to C.P.F.	606,715	555,321
Bonus	3,011,151	3,806,159
Overtime	2,781,471	2,545,861
Welfare expenses	372,669	336,107
Medical Expenses	1,277,046	700,307
Gratuity	7,991,143	4,168,426
Leave pay	1,523,835	1,394,756
Entertainment	1,729,579	1,570,068
AGM expenses.	409,813	375,099

	For the period From July 01, 2016 to June 30, 2017	For the period From September 01, 2015 to June 30, 2016
TA and Conveyance	1,694,185	1,364,235
Travelling Exp - Foreign	1,733,266	1,393,627
Car maintenance	3,435,310	3,575,205
Stationery	1,296,792	1,358,861
Fees and Registration	2,147,030	1,955,681
Telephone	828,679	755,871
Electric expenses	500,438	164,514
Rent, rates and taxes	4,027,382	3,172,501
Insurance premium	224,136	205,150
Liveries and Uniform	51,164	46,830
Bank charges	677,133	619,774
Bank Guarantee & Charge documents	1,136,724	1,875,043
Audit fees	307,500	230,000
Duty allowance	107,791	98,661
Paper and periodicals	86,892	70,193
Postage and telegram	608,063	554,684
Publicity	357,763	51,458
Night allowances	58,392	53,446
Advertisement and Publicity	544,462	498,345
Directors fee	245,000	200,000
Office maintenance	757,526	420,659
Maintenance expenses	666,215	1,228,727
General Expenses	332,421	304,262
WASA Bill	33,020	30,223
Carrying & Handling	1,698,629	1,531,937
Gas	110,679	101,303
CDBL Fee	236,872	216,807
Canteen Subsidy	310,694	284,375
Security Exps	1,419,894	1,299,621
Donation	804,674	90,000
Promotion Exp.	552,127	505,359
ISO	-	485,581
Fuel & Lubricants	1,593,177	472,987
Guest House Maintenance	120,790	259,970
Membership fee & others	350,790	420,233
Depreciation	8,809,806	6,627,131
	<b>97,889,334</b>	<b>87,153,034</b>

## 20 Selling and distribution expenses

Salary & Allowance	10,912,032	9,054,160
Wages	981,208	1,301,071
Bonus	1,631,281	1,531,042
Leave pay	215,124	196,903
Welfare	99,952	91,486
P/F company's Contribution	258,149	236,283
Gratuity	1,081,893	-
Overtime	776,691	410,845
Fuel & Lubricant	637,052	583,093
Transit Insurance	481,854	189,041
Promotional Exps	970,731	380,837
Training Exp.	504,164	272,219
Driving Charge	393,869	154,523
Toll Charge	78,619	30,844
Delivery Exps	454,912	178,471
Rent Rates & Taxes	9,610,136	6,915,329
Conveyance	597,329	234,344
Entertainment	862,276	338,288
Stationery	6,555	2,572



	For the period From July 01, 2016 to June 30, 2017	For the period From September 01, 2015 to June 30, 2016
Telephone	257,717	101,107
Publicity Exp.	1,058,936	889,646
Fees & Registration	404,965	158,876
Maintenance	99,242	38,935
Car Maintenance	489,283	223,920
Postage & Telegram	253,135	99,310
Papers & Periodicals	10,772	4,226
Bank Charges	44,488	17,454
Security Guard salary	383,482	150,447
Office Maintenance	404,758	158,794
Showroom Exps	835,489	327,779
Transportation Charges	2,102,680	1,095,802
Gift & Donation	168,350	4,818
Bad debts	17,240,000	17,240,000
Chemical & Packing exps	34,481	9,018
Dealer conference Exp.	2,215,608	-
Transit Insurance	341,472	89,427
Depreciation	4,403,974	3,374,640
	<b>61,302,658</b>	<b>46,085,548</b>

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

**20 (a) Consolidated selling and distribution expenses**

Salary & Allowance	37,603,148	32,832,173
Wages	2,798,731	1,762,111
Bonus	3,855,541	3,381,720
Leave pay	215,124	196,903
Welfare	417,590	374,456
P/F company's Contribution	2,927,260	1,766,573
Gratuity	2,743,086	1,479,888
Overtime	1,541,587	1,092,259
Fuel & Lubricant	1,370,759	1,503,980
Transit Insurance	688,163	372,833
Promotional Exps	1,206,476	501,767
Training Exp.	504,164	272,219
Driving Charge	393,869	154,523
Toll Charge	78,619	30,844
Delivery Exps	856,569	536,291
Rent Rates & Taxes	12,953,898	9,894,148
Conveyance	753,315	373,306
Entertainment	1,311,015	738,051
Stationery	293,676	258,356
Telephone	967,804	733,694
Publicity Exp.	1,174,240	992,366
Fees & Registration	871,889	574,839
Maintenance	302,253	219,789
Car Maintenance	683,537	396,973
Electrical Expenses	1,053,980	938,947
Postage & Telegram	430,311	257,148
Papers & Periodicals	32,771	23,824
Bank Charges	47,749	20,359
Security Guard salary	1,494,679	1,140,367
Office Maintenance	455,017	203,568
Showroom Exps	1,352,110	788,015
Transportation Charges	2,538,454	1,216,758
Utility Bill ( WASA )	70,938	63,196
Gift & Donation	427,089	235,318
Bad debts	17,240,000	17,240,000
Chemical & Packing exps	261,077	210,883
Dealer conference Exp.	3,436,398	-
Transit Insurance	341,472	89,427
Others	230,182	-
Depreciation	8,809,806	6,627,131
	<b>114,734,347</b>	<b>89,495,001</b>

	For the period From July 01, 2016 to June 30, 2017	For the period From September 01, 2015 to June 30, 2016
<b>21 Financial charges</b>		
<b>Aftab Automobiles Ltd.</b>		
Assembling Unit	185,268,112	137,723,427
Motor cycle Unit	26,435,105	22,029,254
	<b>211,703,217</b>	<b>159,752,681</b>
<b>21 (a) Consolidated financial charges</b>		
Aftab Automobiles Ltd.	211,703,217	159,752,681
Navana Batteries Ltd.	74,347,274	45,975,063
	<b>286,050,491</b>	<b>205,727,744</b>
<b>22 Non-operating income</b>		
FDR Interest	5,860,400	8,009,033
Share dividend (Navana CNG )	355,110	-
	<b>6,215,510</b>	<b>8,009,033</b>
<b>22 (a) Non-operating income</b>		
FDR Interest	5,860,400	8,009,033
Share dividend (Navana CNG )	355,110	-
	<b>6,215,510</b>	<b>8,009,033</b>
<b>23 Income tax expense</b>		
Current tax	110,304,036	76,518,680
Deferred tax	5,005,788	(84,094)
	<b>115,309,824</b>	<b>76,434,586</b>
<b>Calculation of Deferred tax</b>		
<b>Associate company</b>		
Opening Balance	58,176,712	
Less :Excess Provision From Last year(PL AC )	2,753,321	
Investment in Association Balance as on 30.06.17	55,423,391	55,423,391
('277116955 *20%) note-5.3		
Investment Valuation surplus in share	550,249	-
<b>Aftab Automobiles Ltd.</b>		
WDV on PPE as per Accounting Calculation	1,016,686,129	
WDV on PPE as per Taxable Calculation	929,315,483	
Temporary Defference	87,370,645	
Deferred Tax 25% on different	21,842,661	21,842,661
	<b>77,816,301</b>	<b>72,260,264</b>
<b>Aftab Automobiles Ltd.</b>		
<b>Movement of deferred tax</b>		
opening Balance	72,260,264	72,344,358
add : during the year ( PL AC )	5,005,788	(84,094)
add : during the year( OCI )	550,249	-
closing Balance	<b>77,816,301</b>	<b>72,260,264</b>
<b>23 (a) Consolidated Income tax expense</b>		
Current tax	110,304,036	76,518,680
Aftab Automobiles Ltd.	35,893,543	23,353,492
Navana Batteries Ltd		
	<b>146,197,579</b>	<b>99,872,172</b>



	For the period From July 01, 2016 to June 30, 2017	For the period From September 01, 2015 to June 30, 2016
23.1 (a) Consolidated Income tax expense		
Deferred tax		
Aftab Automobiles Ltd.	5,005,788	(84,094)
Navana Batteries Ltd	6,830,170	3,409,979
	<u>11,835,958</u>	<u>3,325,885</u>
23 (b) Deferred tax		
Aftab Automobiles Ltd.	77,816,301	72,260,264
Navana Batteries Ltd	43,778,513	36,948,342
	<u>121,594,814</u>	<u>109,208,606</u>
24 Earnings per share (EPS )		
Total comprehensive income	316,332,269	221,587,460
Ordinary share(Paid Up capital )	95,732,422	95,732,422
	<u>3.30</u>	<u>2.31</u>
24 (a) Consolidated earnings per share (EPS )		
The calculation of consolidated basic earnings per share at 30 June 2017 was based on the consolidated profit attributable to ordinary shareholders as follows:		
Profit attributable to the equity holders	394,534,806	276,864,123
No. shares	95,732,422	95,732,422
	<u>4.12</u>	<u>2.89</u>
25 Loan and deferred liabilities (Unsecured ) :		
Long- term interest free loan from sponsors is carried forward since 1982		
26 Claims against the Company :		
There is no known claim against the Company.		
27 Amount Due by Directors:		
There is no advance in the name of directors or Associates undertaking of the company.		
28 Amount paid to Directors:		
The Directors have been paid only the meeting attendance fee during the year.		
29 General Nature of Credit Facilities:		
There is no other Credit facility available to the Company other than the credit facilities shown in this account.		
30 Contingent liability :		
The Company has issued guarantee to the tune of Tk. 40.00 crores against sale of Aftab Assembled vehicles under lease finance of different parties.		
31 Production Capacity :		
The production capacity of the company is 2400 units Toyota & Hino vehicles in Assembling unit under three shifts and 400 units Hino buses in Body Building unit. Actual production for the year 840 units bus assembled in Assembling unit - 192-units body fabrication in Body Building Unit.		
The production capacity of the company is 10,000 units Motor Cycle in Motor Cycle unit under three shifts . Actual production for the period 5742 units bike assembled in Motor Cycle unit.		

For the period From  
July 01, 2016 to June  
30, 2017

For the period From  
September 01, 2015  
to June 30, 2016

**32 Related Parties Disclosure:**

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

Name of Company	Nature of Relation	Transactions		Balance
		Dr.	Cr.	
Navana Ltd.	Sales	920,984,220	535,492,110	385,492,110
Navana Real Estate Ltd.	Sales/Land purchase	93,170,000	-	93,170,000
Navana Construction Ltd.	Sales /Constructio	30,971,621	-	30,971,621
Navana Engineering Ltd.	Sales	120,000,230	-	120,000,230

**33 Event after the Reporting Period**

The Directors in the meeting held on October 19, 2017, recommended 16% cash dividend for the shareholders whose name will be appeared in the shareholders' registers at the date of book closure which is subject to shareholders' approval at the forthcoming annual general meeting to be held on December 11, 2017.

"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 Restatement Statement**

The Company's accounting policy was to accounted for the share of income from associates and subsidiaries through presenting in other comprehensive income. During the year the company has changed its policy to recognized the such income in the face of profit or loss statement. The comparative financial statements have been rearranged/restated in this respect resulting changes in profit as well as provision for WPPF. Net impact was increase in provision of WPPF and decreasing of net asset of the company by Tk. 859819.



### 35 Payment / Perquisites to Directors and officers :

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

	<u>Directors</u>	<u>Officers</u>
Board meeting attendance fee	230,000	-
Managerial remuneration	1,341,707	991,296
Gratuity	469,598	346,954
Company's contribution to P / F	134,171	99,130
Bonus	223,618	165,216
<b>Perquisites :</b>		
Housing	1,140,451	842,602
Transport	268,341	198,259
Medical	80,502	59,478
Entertainment	281,759	208,172
Telephone	300,000	76,130
Others	25,200	65,700
	<u><b>4,495,347</b></u>	<u><b>3,052,937</b></u>

during the year under review :

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

ii) the rate at which Directors have drawn Board meeting attendance fees @ Tk.5000/- per Director per meeting. The total Board meeting attendance fee incurred during the year under review was Tk.2,30,000/- and

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