

নিরীক্ষা প্রতিবেদন
AUDITORS' REPORT

OF

Aftab Automobiles Limited & its Subsidiary
For the year ended August 31, 2015



রহমান মোস্তফা আলম এন্ড কোং
RAHMAN MOSTAFA ALAM & CO.
CHARTERED ACCOUNTANTS



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

We have audited the accompanying financial statements of **Aftab Automobiles Limited (the Company)**, which comprise the statement of financial position as at August 31, 2015 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information disclosed in Notes 1 to 34 and Schedule-A. We have also audited the attached financial statements of Aftab Automobiles Limited and its subsidiary, which comprise the consolidated statement of financial position as at August 31, 2015 and consolidated statements of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes. The financial statements of one subsidiary disclosed in note 2.7 to the financial statements are also audited by us.

Management's responsibility for the financial statements

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

Auditors' responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 August 31, 2015 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 15, 2015

Rahman Mostafa Alam & Co.
Chartered Accountants



Aftab Automobiles Limited & its subsidiary
Consolidated Statement of Financial Position
As at August 31, 2015

Particulars	Notes	Amount in taka	
		August 31, 2015	August 31, 2014
Non-current assets			
Property, plant and equipment, net	3 (a)	1,033,687,585	785,501,547
Capital work-in-progress	4 (a)	266,817,407	191,996,470
Investments in shares	5 (a)	5,860,463	6,819,639
Investments in associate	5.3	274,138,325	254,056,751
Receivables -Long term	6 (a)	2,877,233,972	1,723,995,335
Total non-current assets		4,457,737,752	2,962,369,742
Current assets			
Receivables -Current	6 (a)	1,450,555,891	1,074,836,385
Stock and stores	7 (a)	1,351,371,112	1,212,223,816
Income tax deducted at source	8 (a)	564,368,654	465,660,394
Advances, deposits and prepayments	9 (a)	1,390,449,967	1,540,586,409
Cash and bank balances	10 (a)	338,955,150	490,310,672
Total current assets		5,095,700,774	4,783,617,676
Total assets		9,553,438,526	7,745,987,417
Equity and Liabilities			
Capital & reserves			
Share capital		957,324,220	957,324,220
Share premium		1,925,858,339	1,925,858,339
Reserves		67,338,231	67,338,231
Retained earnings		2,247,588,021	2,088,568,769
Equity attributable to owners of the Company		5,198,108,811	5,039,089,559
Non-controlling interests		322,001	272,689
Total equity		5,198,430,812	5,039,362,248
Non-current liabilities			
Loan and deferred liabilities (unsecured)		25,310,440	25,310,440
Long Term loan-Net of current portion	14 (a)	1,455,803,601	485,345,585
Deferred tax liability	23 (b)	102,533,672	96,774,549
Total non-current liabilities		1,583,647,713	607,430,574
Current liabilities			
Long Term loan-Current portion	14 (a)	485,267,867	161,781,862
Short-term loan	15 (a)	1,331,375,391	1,211,077,046
Accrued and other current liabilities	16 (a)	954,716,743	726,335,688
Total current liabilities		2,771,360,001	2,099,194,595
Total equity and liabilities		9,553,438,526	7,745,987,417
Net assets value per share (NAVPS)		54.30	52.64

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

Chairman

Director

Company Secretary

Signed in terms of our separate report of even date.

Dated : Dhaka
November 15, 2015



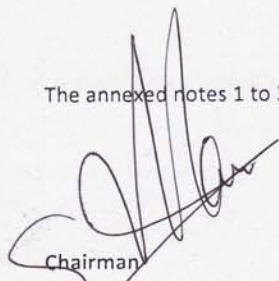
Rahman Mostafa Alam & Co.
Chartered Accountants



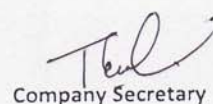
Aftab Automobiles Limited & its subsidiary
Consolidated Statement of Comprehensive Income
For the year ended August 31, 2015

Particulars	Notes	Amount in taka	
		August 31, 2015	August 31, 2014
Revenues	17 (a)	3,459,065,205	2,709,873,313
Less : Cost of goods sold	18(a)	2,618,253,201	2,004,019,483
Gross profit		840,812,004	705,853,830
Less: Operating expenses		425,889,704	308,977,677
Administrative expenses	19 (a)	91,995,339	76,277,962
Selling and distribution expenses	20 (a)	100,234,546	77,227,400
Financial charges	21 (a)	233,659,819	155,472,315
Operating profit		414,922,300	396,876,153
Add : Non-operating income	22	10,397,721	116,536,881
Less : Contribution to WPPF		19,758,205	18,898,864
Net profit before tax		405,561,816	494,514,170
Less : Income tax expense		113,583,567	110,966,157
Current tax	23 (a)	109,284,548	116,527,098
Deferred tax		4,299,019	(5,560,941)
Net profit After Tax		291,978,249	383,548,013
Other comprehensive Income for the year			
Add : Share of profit from associate company	5.3	20,081,574	10,815,534
Revaluation Gain/(Loss) on investment in share		(959,176)	671,049
Adjustment made for divestment of Subsidiary companies.		-	(126,737,337)
Total comprehensive Income for the year		311,100,647	268,297,259
<i>Attributable to:</i>			
<i>Equity holders of the company</i>		291,928,937	383,491,659
<i>Non-controlling interests</i>		49,312	56,354
Profit for the year		291,978,249	383,548,013
Earnings per share	24(a)	3.05	4.01

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


Chairman


Director


Company Secretary

Signed in terms of our separate report of even date.

Dated : Dhaka
November 15, 2015


Rahman Mostafa Alam & Co.
Chartered Accountants





Aftab Automobiles Limited and its Subsidiary

Consolidated Statement of Cash Flows
For the year ended August 31, 2015

Particulars	Amount in taka	
	August 31, 2015	August 31, 2014
A. Cash flows from operating activities		
Receipts from customers	1,930,107,062	1,692,226,767
Receipts from others	10,397,721	116,536,881
Payments to suppliers and employees	(2,630,227,884)	(2,671,204,515)
Cash generated from operations	<u>(689,723,101)</u>	<u>(862,440,867)</u>
Income tax paid	(104,208,260)	(93,966,206)
Net cash generated by operating activities	<u>(793,931,361)</u>	<u>(956,407,073)</u>
B. Cash flows from investing activities		
Acquisition of property, plant & equipment	(126,680,997)	(31,965,128)
Deposit given	-	(96,567,748)
Divestment of subsidiary companies		400,900,000
Payments for capital work in progress	(259,293,630)	(147,168,650)
Net cash used investing activities	<u>(385,974,627)</u>	<u>125,198,474</u>
C. Cash flows from financing activities		
Received/(Repayments) of bank loan	1,414,242,367	630,356,090
Bank interest paid	(233,659,819)	(155,472,315)
Dividend paid	(152,032,082)	(68,380,302)
Net cash provided by financing activities	<u>1,028,550,466</u>	<u>406,503,473</u>
D. Net changes in cash & cash equivalents for the year (A+B+C)	<u>(151,355,522)</u>	<u>(424,705,126)</u>
E. Cash & cash equivalents at beginning of the year	490,310,672	915,015,798
F. Cash & cash equivalents at end of the year (D+E)	<u>338,955,150</u>	<u>490,310,672</u>
Net operating cash flows per share (NOCFPS)	<u>(8.29)</u>	<u>(9.99)</u>

Chairman

Director

Company Secretary





Aftab Automobiles Limited

Statement of Financial Position

As at August 31, 2015

Particulars	Notes	Amount in taka	
		August 31, 2015	August 31, 2014
Assets :			
Non-current assets :		4,426,821,449	3,012,764,404
Property, plant and equipment, net	3	575,586,994	404,160,951
Capital work-in-progress	4	102,799,858	123,068,621
Investments in subsidiaries and associates	5	871,200,625	761,539,497
Receivables -Long term	6	2,877,233,972	1,723,995,335
 Current account with Navana Batteries Ltd.		 323,727,103	 301,618,953
Current assets :		3,366,380,877	3,559,860,488
Receivables -Current	6	862,021,457	853,143,824
Stock and stores	7	877,128,176	841,839,271
Income tax deducted at source	8	392,912,710	338,850,802
Advances, deposits and prepayments	9	1,005,708,281	1,077,899,344
Cash and bank balances	10	228,610,253	448,127,247
Total Assets		8,116,929,429	6,874,243,845
Equity and Liabilities :			
Equity attributable to equity holders		5,198,108,811	5,039,089,558
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		2,247,588,021	2,088,568,768
Non-current liabilities :		1,013,598,554	552,071,348
Loan and deferred liabilities (unsecured)		25,310,440	25,310,440
Long Term loan-Net of current portion	14	919,292,805	459,133,085
Deferred tax liability	23(b)	68,995,309	67,627,824
Current liabilities :		1,905,222,064	1,283,082,939
Long Term loan-Current portion	14	306,430,935	153,044,362
Short term loan	15	885,552,377	557,455,069
Accrued and other current liabilities	16	713,238,752	572,583,508
Total liabilities		2,918,820,618	1,835,154,287
Total Equity and Liabilities		8,116,929,429	6,874,243,845
Net assets value per share (NAVPS)		54.30	52.64

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

Chairman

Director

Company Secretary

Signed in terms of our separate report of even date.

Dated : Dhaka
November 15, 2015



Rahman Mostafa Alam
Rahman Mostafa Alam & Co.
Chartered Accountants



Aftab Automobiles Limited
Statement of Comprehensive Income
For the year ended August 31, 2015

Particulars	Notes	Amount in taka	
		August 31, 2015	August 31, 2014
Revenue	17	2,457,042,702	1,729,986,089
Cost of goods sold	18	1,896,049,147	1,289,704,629
Gross profit		560,993,555	440,281,460
Operating expenses:		287,709,643	207,933,339
Administrative expenses	19	74,633,514	64,109,542
Selling and distribution expenses	20	40,480,016	25,159,470
Financial charges	21	172,596,114	118,664,327
Operating Profit		273,283,912	232,348,121
Non-operating income			
Add : Profit made on divestment of Subsidiary companies.		-	92,371,370
Interest Income (FDR)	22	8,126,393	24,165,511
Profit before contribution to WPPF		281,410,305	348,885,002
Contribution to WPPF		13,013,519	11,064,196
Net profit before tax		268,396,785	337,820,806
Income tax Expenses :		67,006,578	57,796,693
Current tax	23	67,099,196	67,406,244
Deferred tax		(92,618)	(9,609,551)
Net profit after tax		201,390,207	280,024,113
<u>Other comprehensive income:</u>			
Add : Share of profit from subsidiaries		90,538,730	69,157,933
		291,928,937	349,182,046
Add : Share of profit from associate company	5.3	20,081,574	10,815,534
Adj. made for divestment of Subsidiary companies.		-	(92,371,370)
Add : Revaluation Gain/(Loss) on investment in share	5.3	(959,176)	671,049
Total comprehensive income for the year		311,051,335	268,297,259
Attributable to:			
Equity holders of the company		201,390,207	268,240,905
Non-controlling interests		49,312	56,354
Profit for the year		201,439,519	268,297,259
Earnings per share	24	2.10	2.93

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

Chairman

Director

Company Secretary

Signed in terms of our separate report of even date.

Dated : Dhaka
November 15, 2015



Rahman Mostafa Alam & Co.
Chartered Accountants



Aftab Automobiles Limited
Statement of Changes in Equity
For the year ended August 31, 2015

Particulars	Share capital	Share premium	Reserves	Retained earnings	Total
Balance as on September 01, 2013	854,753,770	1,925,858,339	67,338,231	1,991,222,261	4,839,172,601
Issue of bonus shares	102,570,450	-	-	(102,570,450)	
Cash Dividend Paid				(68,380,302)	(68,380,302)
Total comprehensive income for the year	-	-	-	268,297,259	268,297,259
Balance as at August 31, 2014	957,324,220	1,925,858,339	67,338,231	2,088,568,768	5,039,089,558
Balance as on September 01, 2014	957,324,220	1,925,858,339	67,338,231	2,088,568,768	5,039,089,558
Cash Dividend Paid	-	-	-	(152,032,082)	(152,032,082)
Total comprehensive income for the year	-	-	-	311,051,335	311,051,335
Balance as at August 31, 2015	957,324,220	1,925,858,339	67,338,231	2,247,588,021	5,198,108,811

Chairman

Director

Company Secretary





Aftab Automobiles Limited
Statement of Cash Flows
For the year ended August 31, 2015

Particulars	Amount in taka	
	August 31, 2015	August 31, 2014
A. Cash flows from operating activities		
Receipts from customers	1,294,926,433	546,425,604
Receipts as other income	8,126,393	116,536,881
Inter company payments	(22,108,150)	14,353,247
Payments to suppliers and employees	(1,875,004,197)	(1,413,432,158)
Cash generated from operations	(594,059,521)	(736,116,426)
Income tax paid	(59,561,908)	(46,426,806)
Net cash generated by operating activities	(653,621,429)	(782,543,232)
B. Cash flows from investing activities		
Acquisition of property, plant & equipment	(25,207,041)	(4,582,707)
Divestment of subsidiary companies	-	400,900,000
Payments for capital work in progress	(157,703,930)	-
Net cash used investing activities	(182,910,971)	396,317,293
C. Cash flows from financing activities		
Receive of bank loan	941,643,602	177,214,542
Bank interest paid	(172,596,114)	(118,664,327)
Dividend paid	(152,032,082)	(68,380,302)
Net cash used by financing activities	617,015,406	(9,830,087)
D. Net changes in cash & cash equivalents for the year (A+B+C)	(219,516,994)	(396,056,026)
E. Cash & cash equivalents at beginning of the year	448,127,247	844,183,273
F. Cash & cash equivalents at end of the year (D+E)	228,610,253	448,127,247
Net operating cash flows per share (NOCFPS)	(6.83)	(8.17)

Chairman

Director

Company Secretary





AFTAB AUTOMOBILES LIMITED & ITS SUBSIDIARY
Notes to the Financial Statements
For the year ended August 31, 2015

1. Corporate Information and Mode of Business

1.1 Corporate Information

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

1.2 Mode of Business

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

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

2.1 Statement of Compliance

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

2.2 Basis of Preparation

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

Although , the company has negative operating cash Flows, its continuous as a going concern is not at all in doubt as it has continuous Loan flows from banks to meet its deficit in operating cash flows / long term receivables.

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, 2014 to August 31, 2015.

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 prepared in accordance with **BAS: 27 Consolidated and separate financial statement**.

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 & Equipments	20
Office Equipments	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.

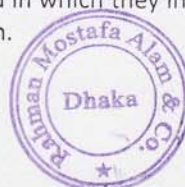
Deferred Tax

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 August 31, which is shown in the face of the Statement of Comprehensive Income and the computation of EPS is stated in note # 24.

Diluted Earnings Per Share

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

2.20 Event after the Reporting Period

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

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

These financial statements were authorized for issued by the Board of Directors on November 15, 2015. No material event had occurred after the balance sheet date of issue of these financial statements, which could affect the values stated in the financial statement.

2.21 Workers Profit Participation Fund

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

2.22 Financial Assets and Liabilities

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

i) Receivables

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. 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 **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	Depreciation				Carrying amount	
Particulars	As at 01.09.2014	Add. For the year	As at 31.08.2015	Dep.	As at 01.09.2014	Charged during the year	Adj. during the year	As at 31.08.2015	As at 31.08.2015	As at 31.08.2014
Land & Land Development	135,643,550	53,257,200	188,900,750	-	-	-	-	-	188,900,750	135,643,550
Building	127,190,726	2,570,720	129,761,446	2.5%	27,607,974	2,521,703	-	30,129,677	99,631,769	99,582,752
Shades	5,665,715	26,838,473	32,504,188	20%	3,626,762	3,091,638	-	6,718,400	25,785,788	2,038,953
Plant & Machinery	228,477,750	67,763,200	296,240,950	10%	105,624,528	15,673,482	-	121,298,010	174,942,940	122,853,222
Tools & Equipments	20,934,686	8,478,366	29,413,052	20%	12,376,961	2,559,382	-	14,936,343	14,476,709	8,557,725
Office Equipment	19,247,959	7,274,967	26,522,926	10%	6,161,868	1,672,357	-	7,834,225	18,688,701	13,086,092
Furniture & Fixture	11,389,552	4,834,689	16,224,241	10%	3,657,883	1,014,901	-	4,672,784	11,551,457	7,731,670
Transport Vehicles	39,268,322	13,574,481	52,842,803	20%	24,601,334	4,290,846	-	28,892,180	23,950,623	14,666,988
Electrical line installation	-	1,204,113	1,204,113	10%	-	60,206	-	60,206	1,143,907	-
Office Decoration	-	17,383,525	17,383,525	10%	-	869,176	-	869,176	16,514,349	-
Total	587,818,260	203,179,734	790,997,994		183,657,310	31,753,691	-	215,411,001	575,586,994	404,160,951

Depreciation charged to :	Taka
Cost of goods sold	25,402,953
Profit & Loss Account (Admin)	3,175,369
Profit & Loss Account (Selling)	3,175,369
T O T A L	31,753,691

Schedule- A
Aftab Automobiles Limited and its Subsidiaries
3 (a). Property, plant and equipment, net

Consolidated	Cost			Rate	Depreciation				Carrying amount	
Particulars	As at 01.09.2014	Add. For the year	As at 31.08.2015	of Dep.	As at 01.09.2014	Charged during the year	Adj. during the year	As at 31.08.2015	As at 31.08.2015	As at 31.08.2014
Land & Land Development	236,194,058	53,257,200	289,451,258	-	-	-	-	-	289,451,258	236,194,058
Building	216,429,029	9,782,844	226,211,873	2.5%	39,629,613	4,542,271	-	44,171,884	182,039,989	176,799,416
Shades	5,665,715	26,838,473	32,504,188	20%	3,626,762	3,091,638	-	6,718,400	25,785,788	2,038,953
Plant & Machinery	443,366,759	142,260,780	585,627,539	10%	184,021,280	33,047,587	-	217,068,867	368,558,672	259,345,479
Tools & Equipments	62,896,386	14,418,133	77,314,519	20%	37,118,592	6,597,372	-	43,715,964	33,598,555	25,777,794
Office Equipment	43,043,684	12,113,931	55,157,615	10%	14,735,329	3,436,532	-	18,171,862	36,985,754	28,308,355
Furniture & Fixture	19,642,252	6,672,215	26,314,467	10%	6,431,736	1,654,662	-	8,086,399	18,228,069	13,210,516
Transport Vehicles	67,172,684	19,037,415	86,210,099	20%	37,447,515	7,848,775	-	45,296,290	40,913,809	29,725,169
Electrical line installation	4,298,388	6,453,095	10,751,483	10%	454,508	707,042	-	1,161,551	9,589,932	3,843,880
Gas line installation	11,332,299	-	11,332,299	10%	1,286,266	1,004,603	-	2,290,869	9,041,433	10,046,036
Office Decoration	223,045	20,319,604	20,542,649	10%	11,152	1,037,169	-	1,048,321	19,494,328	211,893
Total	1,110,264,299	311,153,690	1,421,417,989		324,762,753	62,967,652	-	387,730,405	1,033,687,585	785,501,549

Depreciation charged to :	Taka
Cost of goods sold	50,374,122
Profit & Loss Account (Admin)	6,296,765
Profit & Loss Account (Selling)	6,296,765
T O T A L	62,967,652





Amount in taka		
	August 31,2015	August 31,2014
3 Property, plant and equipment, net		
Land & Land Development	188,900,750	135,643,550
Building	99,631,769	99,582,752
Shades	25,785,788	2,038,953
Plant & Machinery	174,942,940	122,853,222
Tools & Equipments	14,476,709	8,557,725
Office Equipment	18,688,701	13,086,091
Furniture & Fixture	11,551,457	7,731,669
Transport Vehicles	23,950,623	14,666,988
Electrical line installation	1,143,907	-
Office Decoration	16,514,349	-
	<u>575,586,994</u>	<u>404,160,951</u>
3 (a) Consolidated property, plant and equipment, net		
Land & Land Development	289,451,258	236,194,058
Building	182,039,989	176,799,416
Shades	25,785,788	2,038,953
Plant & Machinery	368,558,672	259,345,480
Tools & Equipments	33,598,555	25,777,794
Office Equipment	36,985,753	28,308,355
Furniture & Fixture	18,228,068	13,210,517
Transport Vehicles	40,913,809	29,725,170
Electrical line installation	9,589,932	3,843,879
Gas line installation	9,041,430	10,046,032
Office Decoration	19,494,328	211,893
	<u>1,033,687,584</u>	<u>785,501,547</u>
4 Capital work in progress		
Opening balance	123,068,621	60,220,560
Addition during the year	<u>157,703,930</u>	<u>62,848,061</u>
	280,772,551	123,068,621
Less: transfer to property, plant & equipment	<u>177,972,693</u>	<u>-</u>
Closing balance	<u>102,799,858</u>	<u>123,068,621</u>
Capital work in progress represents Land and Land Development , civil constructions, Plant and Machinery for BMRE of Assembling Unit and Body Building Unit and Motor Cycle Unit.		
4 (a) Consolidated capital work in progress		
Opening balance	191,996,470	273,356,949
Addition during the year	<u>259,293,630</u>	<u>147,168,650</u>
	451,290,100	420,525,599
Less: Transfer to property, plant & equipment	<u>184,472,693</u>	<u>123,535,421</u>
Less : Adjustment made for op.balance desolve subsidiaries	-	104,993,708
Closing balance	<u>266,817,407</u>	<u>191,996,470</u>
5 Investments		
Investment in subsidiaries (Note: 5.1)	591,201,837	500,663,107
Investment in shares (Note: 5.2)	5,860,463	6,819,639
Investment in associate (Note : 5.3)	274,138,325	254,056,751
	<u>871,200,625</u>	<u>761,539,497</u>





		Amount in taka	
		August 31, 2015	August 31, 2014
5.1	Investment in subsidiary		
	Navana Batteries Limited		
	Opening Balance	500,663,107	397,195,561
	Add: Profit during the year	90,538,730	103,467,546
		<u>591,201,837</u>	<u>500,663,107</u>
5.2	Investment in shares		
	Opening Balance	6,819,639	6,148,590
	Revaluation Gain/(Loss) on investment in share	(959,176)	671,049
		<u>5,860,463</u>	<u>6,819,639</u>
	Less: Shares sale during the year	-	-
	Closing Balance	<u>5,860,463</u>	<u>6,819,639</u>
5.3	Investment in associate		
	The details are stated below :		
	Share Invest of NREL at cost	<u>20,000,000</u>	<u>20,000,000</u>
	Share of equity from associate		
	Opening Balance	234,056,751	223,241,217
	Add: Share of equity from associate	20,081,574	10,815,534
	Add: Bonus Share from associate	-	-
	Closing Balance	<u>254,138,325</u>	<u>234,056,751</u>
	Total Investment in associate	<u>274,138,325</u>	<u>254,056,751</u>
5 (a)	Quantities details of investments in share		
	Investment in shares of Navana CNG Ltd at cost (Note: 5 (a) 1)	6,819,639	6,148,590
	Decrease of market value shares	(959,176)	671,049
		<u>5,860,463</u>	<u>6,819,639</u>
	Details of investment in shares:		
5 (a) 1	Acquisition quantity of shares of Navana CNG Ltd.	461,439	461,439
	Less: shares sale during the year	-	-
	Total number of shares	<u>461,439</u>	<u>461,439</u>
	Opening Balance	105,404	87,837
	bonus share	-	17,567
	Total number of shares	<u>105,404</u>	<u>105,404</u>
	Total number of shares	<u>566,843</u>	<u>566,843</u>
5 (a) 2	Acquisition quantity of shares of Navana Real Estate Ltd.	20,000,000	20,000,000
	Less: shares sale during the year	-	-
		<u>20,000,000</u>	<u>20,000,000</u>
	Opening Balance	6,000,000	6,000,000
	Number of shares purchased	-	-
	Number of bonus shares received during the year	-	-
	Total number of shares	<u>6,000,000</u>	<u>6,000,000</u>





Amount in taka	
August 31, 2015	August 31, 2014
2,877,233,972	1,723,995,335
862,021,457	853,143,824
<u>3,739,255,429</u>	<u>2,577,139,159</u>

6 Receivables

Long Term receivable
Short Term receivable

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

6(a) Consolidated trade debtors

Long Term receivable
Short Term receivable

2,877,233,972	1,723,995,335
1,450,555,891	1,074,836,385
<u>4,327,789,863</u>	<u>2,798,831,720</u>

7 Stock and stores

Finished products
Raw materials
Work-in-process
Stores and spares
Goods in transit

580,428,847	693,890,012
232,365,491	97,329,871
24,040,833	17,960,127
12,457,514	6,674,746
27,835,491	25,984,515
<u>877,128,176</u>	<u>841,839,271</u>

Value of Stock of Finished product & Raw materials inclusive of -102- units Hino bus, -20- units RM2 Hino Bus chassis, -15- units HINO 3TON CBU Truck and -903- units of Motor cycle.

7 (a) Consolidated stock and stores

Finished products
Raw materials
Work-in-process
Stores and spares
Goods in transit

675,113,345	767,975,872
471,546,167	245,824,629
95,364,595	79,947,253
12,457,514	6,674,746
96,889,491	111,801,316
<u>1,351,371,112</u>	<u>1,212,223,816</u>

8 Income tax deducted at source

Opening balance
Addition during the year

338,850,802	292,423,996
54,061,908	46,426,806
392,912,710	338,850,802
-	-
<u>392,912,710</u>	<u>338,850,802</u>

Adjustment made during the year

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

8 (a) Consolidated Income tax deducted at source

Opening balance
Addition during the year

465,660,394	389,337,871
98,708,260	93,966,206
564,368,654	483,304,077
-	3,417,369
-	14,226,314
<u>564,368,654</u>	<u>465,660,394</u>

Adjustment made during the year
Adjustment made for desolve subsidiaries





Amount in taka	
August 31, 2015	August 31, 2014

9 Advances, deposits and prepayments

Advance to suppliers	584,439,130	665,280,646
Advance to employees	16,463,768	3,266,363
Deposits for motor Cycle Unit	69,475,636	84,066,374
Advance to others	17,631,119	-
Deposits	317,698,628	325,285,961
	<u>1,005,708,281</u>	<u>1,077,899,344</u>

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	716,399,355	820,259,007
Advance to employees	59,117,117	23,853,483
Deposits for motor Cycle Unit	69,475,636	84,066,374
Advance to others	98,395,019	122,080,290
Current Account with VAT	38,024,587	58,853,448
Deposits	409,038,253	431,473,807
	<u>1,390,449,967</u>	<u>1,540,586,409</u>

10 Cash & bank balances

Cash in hand	8,559,963	7,743,424
Cash at bank	220,050,290	440,383,823
	<u>228,610,253</u>	<u>448,127,247</u>

10 (a) Consolidated cash & bank balances

Cash in hand	12,117,766	9,955,665
Cash at bank	326,837,384	480,355,007
	<u>338,955,150</u>	<u>490,310,672</u>





11 Share capital

Authorized capital:

	Amount in taka	
	August 31, 2015	August 31, 2014
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
	<u>3,000,000,000</u>	<u>3,000,000,000</u>

Ordinary Share capital:

Issued, subscribed and paid up

95,732,422 Ordinary shares of Tk. 10 each		
Sponsors	291,939,445	291,939,445
General Public	665,384,775	665,384,775
	<u>957,324,220</u>	<u>957,324,220</u>

The Position of Ordinary shareholders as on August 31, 2015 was as follows :

Particulars	Num. of Investors	Num. of Shares	Share Holding '15	Share Holding '14
Sponsors	12	29,092,758	30.39%	30.39%
Financial Institutions including ICB	322	25,154,366	26.28%	23.71%
General Public	38,825	41,485,298	43.33%	45.90%
Total	39,159	95,732,422	100.00%	100.00%

The classification of shareholders by holding as on August 31, 2015 was as follows :

No. of share holdings	No. of share holders	No. of shares held	Total Share holding %
1 to 500	25812	4,005,815	4.18%
501 to 5000	11855	18,216,703	19.03%
5001 to 10000	875	6,213,957	6.49%
10001 to 20000	359	5,071,385	5.30%
20001 to 30000	88	2,127,980	2.22%
30001 to 40000	39	1,390,990	1.45%
40001 to 50000	30	1,358,123	1.42%
50001 to 100000	54	3,813,257	3.98%
100001 to 1000000	36	12,559,486	13.12%
Above 1000000	11	40,974,726	42.80%
Total	39159	95,732,422	100%

12 Share premium

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

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
	<u>67,338,231</u>	<u>67,338,231</u>





Amount in taka		
	August 31,2015	August 31,2014
14 Long Term loan-Net of current portion		
Agrani Bank Ltd.	312,045,936	341,081,262
Meghna bank Ltd AC 631-4	162,458,396	96,692,468
South-bangla Agricultural & commerce	127,209,347	101,019,520
Standard bank Ltd.	31,839,687	21,178,444
Mutual trust bank Ltd.	74,997,061	52,205,752
Uttara Finance	198,397,331	-
Midland Bank Ltd. O/D AC	63,157,902	-
Peoples Leasing	245,538,080	-
One Bank Lease Loan	10,080,000	-
	1,225,723,740	612,177,446
less: Long Term loan-Current portion	306,430,935	153,044,362
Long Term loan-Net of current portion	919,292,805	459,133,085
14(a) Long Term loan-Net of current portion		
Agrani Bank Ltd.	312,045,936	341,081,262
Meghna bank Ltd AC 631-4	162,458,396	96,692,468
South-bangla Agricultural & commerce	127,209,347	101,019,520
Standard bank Ltd.	31,839,687	21,178,444
Mutual trust bank Ltd.	74,997,061	52,205,752
Uttara Finance	198,397,331	-
Midland Bank Ltd. O/D AC	63,157,902	-
Peoples Leasing	245,538,080	-
One Bank Lease Loan	10,080,000	-
Al-Arafah Islami Bank Ltd.	35,059,444	34,950,000
Trust Bank Ltd.	236,925,000	-
Dutch-bangla Bank Ltd.	392,610,890	-
Social Islami Bank Ltd.	45,825,329	-
IDLC Finance	3,223,065	-
National finance Ltd	1,704,000	-
	1,941,071,468	647,127,446
less: Long Term loan-Current portion	485,267,867	161,781,862
Long Term loan-Net of current portion	1,455,803,601	485,345,585
15 Short-term loan		
Bank Asia Ltd.	466,463,146	348,448,959
Standard Bank Ltd CC AC	41,736,785	41,918,287
NRB Commercial	90,000,000	49,888,885
NCC Bank Ltd CC AC	33,305,996	40,004,803
Dhaka Bank Ltd.	102,443,324	54,744,504
Mercantile Bank	9,274,802	22,449,631
The City Bank Ltd O/D Ac	29,975,419	-
Prime bank Ltd. SOD A/C	49,944,622	-
One bank Ltd. SOD A/C	30,907,799	-
SBAC	31,500,484	-
	885,552,377	557,455,069





15(a) Short-term loan

Amount in taka		
	August 31, 2015	August 31, 2014
Bank Asia Ltd.	466,463,146	348,448,959
Standard Bank Ltd CC AC	41,736,785	41,918,287
NRB Commercial	90,000,000	49,888,885
NCC Bank Ltd CC AC	69,643,558	76,171,342
Dhaka Bank Ltd.	102,443,324	54,744,504
Mercantile Bank	19,270,192	45,712,381
Southeast Bank Ltd.	195,963,321	55,047,443
National Bank Ltd. CC loan	199,869,921	497,079,967
Shahjalal Islami bank Ltd	3,656,820	42,065,278
The City Bank Ltd O/D Ac	29,975,419	-
Prime bank Ltd. SOD A/C	49,944,622	-
One bank Ltd. SOD A/C	30,907,799	-
SBAC	31,500,484	-
	1,331,375,391	1,211,077,046

16 Accrued and other current liabilities

For goods supplied	32,045,454	36,544,569
For expenses	79,172,478	44,975,838
For Income tax	397,395,535	331,072,057
For gratuity	35,326,140	31,326,140
For Workers' P.P.F. and W.F.	39,476,406	32,214,518
For other finance	97,608,445	74,728,470
Unclaimed dividend	32,214,294	21,721,916
	713,238,752	572,583,508

16(a) Consolidated accrued and other current liabilities

For goods supplied	75,793,436	53,451,515
For expenses	132,839,958	72,950,370
For Income tax	513,544,702	439,942,759
For gratuity	35,326,140	31,326,140
For Workers' P.P.F. and W.F.	47,004,558	32,214,518
Unclaimed dividend	117,993,654	74,728,470
For other finance	32,214,294	21,721,916
	954,716,743	726,335,688





15(a) Short-term loan

Amount in taka		
	August 31,2015	August 31,2014
Bank Asia Ltd.	466,463,146	348,448,959
Standard Bank Ltd CC AC	41,736,785	41,918,287
NRB Commercial	90,000,000	49,888,885
NCC Bank Ltd CC AC	69,643,558	76,171,342
Dhaka Bank Ltd.	102,443,324	54,744,504
Mercantile Bank	19,270,192	45,712,381
Southeast Bank Ltd.	195,963,321	55,047,443
National Bank Ltd. CC loan	199,869,921	497,079,967
Shahjalal Islami bank ltd	3,656,820	42,065,278
The City Bank Ltd O/D Ac	29,975,419	-
Prime bank Ltd. SOD A/C	49,944,622	-
One bank Ltd. SOD A/C	30,907,799	-
SBAC	31,500,484	-
	<u>1,331,375,391</u>	<u>1,211,077,046</u>

16 Accrued and other current liabilities

For goods supplied	32,045,454	36,544,569
For expenses	79,172,478	44,975,838
For Income tax	397,395,535	331,072,057
For gratuity	35,326,140	31,326,140
For Workers' P.P.F. and W.F.	39,476,406	32,214,518
For other finance	97,608,445	74,728,470
Unclaimed dividend	32,214,294	21,721,916
	<u>713,238,752</u>	<u>572,583,508</u>

16(a) Consolidated accrued and other current liabilities

For goods supplied	75,793,436	53,451,515
For expenses	132,839,958	72,950,370
For Income tax	513,544,702	439,942,759
For gratuity	35,326,140	31,326,140
For Workers' P.P.F. and W.F.	47,004,558	32,214,518
Unclaimed dividend	117,993,654	74,728,470
For other finance	32,214,294	21,721,916
	<u>954,716,742</u>	<u>726,335,688</u>





Amount in taka	
August 31, 2015	August 31, 2014
1,846,319,790	1,424,440,000
283,881,796	167,460,245
326,841,116	138,085,844
2,457,042,702	1,729,986,089

17 Revenues (Net Sales)

Automobiles assembling unit	1,846,319,790	1,424,440,000
Body building unit	283,881,796	167,460,245
Motor Cycle unit	326,841,116	138,085,844
	2,457,042,702	1,729,986,089

The quantity of sales during the year are Hino Bus chassis -342. units, Hino Mini Bus chassis-3 - units , RM2 AC Bus-3 units , Hino 3Ton Truck-5 units and 2875 units of Motor cycle.

17 (a) Consolidated revenues

Aftab automobiles Ltd.	2,457,042,702	1,729,986,089
Navana Batteries Limited	1,002,022,503	979,887,224
	3,459,065,205	2,709,873,313

18 Cost of goods sold

Opening stock of direct raw materials	97,329,871	223,909,920
Purchases of direct raw material	1,747,629,450	1,261,903,076
Direct raw materials available for consumption	1,844,959,321	1,485,812,996
Closing stock of direct raw materials (Note 7.a)	232,365,491	97,329,871
Raw materials consumed	1,612,593,830	1,388,483,125
Add : Opening WIP	17,960,127	4,922,027
	1,630,553,957	1,393,405,152
Less : Closing WIP	24,040,833	17,960,127
	1,606,513,124	1,375,445,025
Indirect materials	86,832,074	87,724,974
Total consumption	1,693,345,198	1,463,169,999
Factory overhead (Note-18.1)	89,242,784	69,029,878
Cost of production	1,782,587,982	1,532,199,877
Finished products (opening)	693,890,012	451,394,764
	2,476,477,994	1,983,594,641
Finished products (closing)	580,428,847	693,890,012
	1,896,049,147	1,289,704,629

18.1 Factory overhead

Salary and allowances	19,960,915	14,121,206
Wages	11,699,087	12,123,226
Contribution to P.F.	1,479,933	494,827
Overtime	4,222,289	3,209,924
Bonus	2,754,011	2,589,957
Leave pay	558,452	380,257
Gratuity	1,222,420	-
Liveries and Uniform	177,774	101,220
Telephone, Fax, Mobile	435,705	431,723
Fuel and Lubricants	4,086,869	1,940,073
Travelling and Conveyance	330,641	388,574
Entertainment	1,394,088	1,307,759
Office Expenses	35,987	516,221
Maintenance expenses	1,419,388	1,087,434
Electric Expenses	6,474,581	4,802,023
Duty and Allowance	14,115	27,722
Canteen Subsidies	208,770	161,664
Eid greeting	218,125	275,021





Amount in taka		
	August 31,2015	August 31,2014
Rent Rates & Taxes	3,609,360	277,449
Insurance	1,798,803	2,648,298
Gas	-	31,547
Welfare expenses	543,595	977,473
Carrying & handling	134,386	675,519
Papers & periodical	9,085	60,801
General charges	362,680	94,879
Repairs and maintenance (vehicle)	203,095	504,513
Security Exps	-	157,567
Chemicals	762	693
Annual picnic	246,800	-
Printing & Stationary	238,117	187,873
Depreciation	25,402,952	19,454,434
	89,242,785	69,029,879

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	245,824,629	348,171,505
Purchases of direct raw material	2,488,960,734	2,018,596,239
Direct raw materials available for consumption	2,734,785,363	2,366,767,744
Closing stock of direct raw materials (Note 7.a.1)	471,546,167	245,824,629
Raw materials consumed	2,263,239,196	2,120,943,115
Add : Opening wipe	79,947,253	135,319,740
	2,343,186,449	2,256,262,855
Less : Closing wip	95,364,595	79,947,253
	2,247,821,854	2,176,315,602
Indirect materials	95,999,454	98,046,346
Total consumption	2,343,821,308	2,274,361,948
Factory overhead (Note-18.a.1)	181,569,365	147,631,393
Cost of production	2,525,390,673	2,421,993,341
Finished products (opening)	767,975,872	551,039,443
	3,293,366,545	2,973,032,784
Finished products (closing)	675,113,345	767,975,872
	2,618,253,200	2,205,056,912
Less : Adjustment op. stocks for divestment of Subsidiaries	0	201,037,429
	2,618,253,201	2,004,019,483

18 (a .1) Factory overhead

Salary and allowances	24,465,853	17,536,874
Wages	17,954,497	17,072,474
Contribution to P.F.	2,434,377	1,177,960
Overtime	4,541,791	5,130,776
Bonus	2,796,770	3,454,868
Leave pay	906,092	632,609
Gratuity	1,692,744	858,583
Liveries and Uniform	703,644	427,009
Telephone,Fax, Mobile	863,593	686,223
Fuel and Lubricants	5,681,129	2,647,570
Travelling and Conveyance	788,007	731,818
Entertainment	1,521,790	1,331,558
Office Expenses	156,487	552,187
Maintenance expenses	2,786,698	1,785,649
Electric Expenses	39,080,211	34,869,787
Duty and Allowance	292,335	164,479
Canteen Subsidies	3,970,081	1,714,384





	Amount in taka	
	August 31,2015	August 31,2014
Eid greeting	243,625	289,601
Rent Rates & Taxes	3,609,360	277,449
Insurance	4,795,949	5,016,427
Gas	1,141,378	1,585,884
Welfare expenses	694,315	1,080,263
Carrying & handling	495,936	959,053
Papers & periodical	9,085	60,801
General charges	362,680	94,879
Repairs and maintenance (vehicle)	865,883	1,083,958
Security Exps	916,450	1,047,797
Chemicals	458,209	981,330
store & Spare	24,260	255,790
Foreign Technician Remuneration	2,400,000	1,800,000
Annual picnic	1,100,140	-
Printing & Stationary	938,402	187,873
Screen Printing	596,582	64,842
Labour Charges	317,355	430,045
Laboratory Exps	-	139,412
Generator Maintenance	1,425,384	465,316
Fire Extinguisher	164,153	62,940
Depreciation	50,374,121	40,972,923
	181,569,365	147,631,393

19 Administrative expenses

Salary and allowances	29,986,680	26,000,214
Wages	8,392,483	3,692,020
Cont. to C.P.F.	634,652	791,300
Bonus	3,644,791	3,389,635
Overtime	895,046	645,322
Welfare expenses	27,101	28,546
Medical Expenses	55,720	127,360
Gratuity	4,000,000	4,390,320
Leave pay	1,133,843	893,593
Entertainment	1,214,393	720,791
AGM expenses.	428,684	1,530,774
TA and Conveyance	1,300,323	1,245,729
Travelling Exp - Foreign	1,099,220	788,784
Car maintenance	2,065,821	1,957,112
Stationery	1,041,932	640,708
Fees and Registration	3,167,656	3,407,542
Telephone	720,873	679,846
Electric expenses	188,016	431,090
Rent, rates and taxes	3,055,622	355,934
Insurance premium	234,457	354,012
Liveries and Uniform	26,760	57,939
Bank charges	636,920	756,245
Bank Guarantee & Charge documents	2,038,622	773,513
Audit fees	130,000	100,000
Duty allowance	112,754	214,829
Paper and periodicals	70,795	19,669
Postage and telegram	555,946	166,490
Night allowances	61,081	58,611
Advertisement and Publicity	569,537	5,707
Directors fee	175,000	175,000





	Amount in taka	
	August 31, 2015	August 31, 2014
Office maintenance	427,376	564,969
Maintenance expenses	474,724	205,195
General Expenses	340,465	229,870
WASA Bill	54,604	12,273
Carrying & Handling	320,769	660,347
Gas	115,775	47,930
CDBL Fee	-	930,320
Canteen Subsidy	325,000	395,970
Security Exps	520,708	45,001
Donation	111,000	49,769
Promotion Exp.	772,396	480,089
DGDP Exps	-	1,225,567
Guest House Maintenance	330,600	-
Depreciation	3,175,369	4,863,607
	<u>74,633,514</u>	<u>64,109,542</u>

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

19 (a) Consolidated administrative expenses

Salary and allowances	33,776,246	28,515,812
Wages	8,837,909	4,018,840
Cont. to C.P.F.	634,652	791,300
Bonus	4,102,574	3,669,963
Overtime	895,046	645,322
Welfare expenses	257,101	128,546
Medical Expenses	55,720	127,360
Gratuity	4,224,568	4,620,032
Leave pay	1,133,843	893,593
Entertainment	1,813,239	1,205,571
AGM expenses.	428,684	1,530,774
TA and Conveyance	1,455,953	1,467,237
Travelling Exp - Foreign	2,108,866	1,148,904
Car maintenance	3,898,721	2,921,822
Stationery	1,467,752	926,428
Fees and Registration	4,295,008	3,857,822
Telephone	841,210	737,496
Electric expenses	188,016	431,090
Rent, rates and taxes	3,055,622	355,934
Insurance premium	234,457	354,012
Liveries and Uniform	26,760	57,939
Bank charges	636,920	756,245
Bank Guarantee & Charge documents	2,153,883	786,836
Audit fees	180,000	150,000
Duty allowance	112,754	214,829
Paper and periodicals	79,351	19,669
Postage and telegram	642,133	168,543
Publicity	65,000	72,798
Night allowances	61,081	58,611
Advertisement and Publicity	569,537	5,707
Directors fee	190,000	190,000
Office maintenance	486,372	990,489
Maintenance expenses	1,484,370	850,716
General Expenses	340,465	229,870





WASA Bill
Carrying & Handling
Gas
CDBL Fee
Canteen Subsidy
Security Exps
Donation
Promotion Exp.
DGDP Exps
ISO
Fuel & Lubricants
Guest House Maintenance
Membership fee & others
Depreciation

Amount in taka	
August 31,2015	August 31,2014
54,604	12,273
1,370,999	1,634,773
115,775	47,930
-	930,320
325,000	395,970
520,708	45,001
111,000	49,769
772,396	480,089
-	1,225,567
504,477	313,599
328,382	-
330,600	203,804
530,820	485,337
6,296,765	7,553,418
91,995,339	76,277,962

20 Selling and distribution expenses

Salary & Allowance	9,375,006	10,174,296
Wages	1,094,824	409,112
Bonus	1,617,304	620,323
Leave pay	240,034	847,858
Welfare	111,526	95,720
P/F company's Contribution	288,040	508,715
Overtime	110,785	789,720
Fuel & Lubricant	710,754	150,890
Transit Insurance	220,520	320,641
Promotional Exps	444,254	1,109,916
Training Exp.	230,730	150,236
Driving Charge	180,254	225,160
Toll Charge	35,980	52,500
Delivery Exps	208,190	325,790
Rent Rates & Taxes	6,709,584	7,820,413
Conveyance	273,367	117,740
Entertainment	394,620	95,758
Stationery	3,000	55,720
Telephone	117,944	405,848
Publicity Exp.	937,821	-
Fees & Registration	185,332	-
Maintenance	45,418	-
Car Maintenance	123,920	65,721
Postage & Telegram	115,847	80,301
Papers & Periodicals	4,930	5,274
Bank Charges	20,360	15,724
Security Guard salary	175,500	179,528
Office Maintenance	185,237	109,537
Showroom Exps	382,361	-
Transportation Charges	495,802	116,910
Gift & Donation	5,620	5,200
Bad debts	12,144,945	-
Chemical & Packing exps	10,520	15,478
Dealer conference Exp.	-	220,150
Transit Insurance	104,318	-
Others	-	69,291
Depreciation	3,175,369	-





Amount in taka	
August 31,2015	August 31,2014

20 (a) Consolidated selling and distribution expenses

Salary & Allowance	38,149,878	33,825,788
Wages	1,621,727	980,150
Bonus	3,732,364	2,448,043
Leave pay	240,034	847,858
Welfare	463,540	186,094
P/F company's Contribution	2,036,943	1,970,241
Gratuity	2,266,833	1,422,664
Overtime	889,544	1,877,510
Fuel & Lubricant	1,953,644	2,066,857
Transit Insurance	1,001,490	320,641
Promotional Exps	675,144	2,196,781
Training Exp.	230,730	150,236
Driving Charge	180,254	225,160
Toll Charge	35,980	52,500
Delivery Exps	956,467	688,696
Rent Rates & Taxes	11,112,826	10,916,763
Conveyance	845,277	832,335
Entertainment	851,492	781,688
Stationery	736,774	920,759
Telephone	1,708,538	1,649,319
Publicity Exp.	1,283,031	192,603
Fees & Registration	1,802,851	249,304
Maintenance	533,059	603,888
Car Maintenance	321,695	706,887
Electrical Expenses	1,291,345	1,181,826
Postage & Telegram	296,234	205,320
Papers & Periodicals	27,327	25,605
Bank Charges	23,680	216,141
Security Guard salary	1,653,025	1,234,618
Office Maintenance	236,407	492,996
Showroom Exps	1,370,491	702,866
Transportation Charges	1,002,062	1,138,063
Utility Bill (WASA)	78,246	94,800
Gift & Donation	587,743	610,374
Bad debts	12,144,945	-
Chemical & Packing exps	441,100	867,676
Dealer conference Exp.	529,773	1,585,247
Transit Insurance	104,318	-
Others	520,969	69,292
Depreciation	6,296,765	2,689,811

100,234,546

77,227,400

21 Financial charges

Aftab Automobiles Ltd.

172,596,114

118,664,327

Assembling Unit

142,973,283

96,486,365

Body building Unit

4,469,088

6,507,290

Motor cycle Unit

25,153,743

15,670,672

172,596,114

118,664,327

21 (a) Consolidated financial charges

Aftab Automobiles Ltd.

172,596,114

118,664,327

Navana Batteries Ltd.

61,063,705

36,807,988

233,659,819

155,472,315





		Amount in taka	
		August 31,2015	August 31,2014
22 Non-operating income			
FDR Interest		10,397,721	24,165,511
Profit made for divestment of Subsidiary companies.		-	92,371,370
		<u>10,397,721</u>	<u>116,536,881</u>
23 Income tax expense			
Current tax		67,099,196	67,406,244
Deferred tax		(92,618)	(9,609,551)
		<u>67,006,578</u>	<u>57,796,693</u>
23 (a) Consolidated Income tax expense			
Current tax			
Aftab Automobiles Ltd.		67,099,196	67,406,244
Navana Batteries Ltd		42,185,352	49,120,854
		<u>109,284,548</u>	<u>116,527,098</u>
23 (b) Deferred tax Liability			
Assembling ,Body unit & M.Cycle Unit		14,167,645	18,683,649
Associate Company		54,827,664	48,944,175
Aftab Automobiles Ltd.		<u>68,995,309</u>	<u>67,627,824</u>
Navana Batteries Ltd		33,538,363	29,146,725
		<u>102,533,672</u>	<u>96,774,549</u>
24 Earnings per share (EPS)			
Total comprehensive income		201,390,207	280,024,113
Ordinary share(Paid Up capital)		95,732,422	95,732,422
Earnings per share (EPS)		<u>2.10</u>	<u>2.93</u>
Earnings per share (EPS) Operating		<u>2.10</u>	<u>1.96</u>
24 (a) Consolidated earnings per share (EPS)			
The calculation of consolidated basic earnings per share at 31 August 2015 was based on the consolidated profit attributable to ordinary shareholders as follows:			
Profit attributable to the equity holders		291,928,937	383,491,659
No. shares		<u>95,732,422</u>	<u>95,732,422</u>
Earnings per Share (EPS)		3.05	4.01
Earnings per share (EPS) Operating		<u>3.05</u>	<u>3.04</u>
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. 31.00 crores against sale of Aftab Assembled vehicles under lease finance of different parties.			





Amount in taka	
August 31,2015	August 31,2014

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 332 units bus assembled in Assembling unit -176-units body fabrication in Body Building Unit.

The production capacity of the company is 10,000 units Motor Cycle in Motor Cycle unit under three shifts . Actual production for the year 2803 units bike assembled in Motor Cycle unit.

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 sold vehicles worth Tk. 120.00 core 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 15 November 2015, 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 21 December 2015.

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

34 Payment / Perquisites to Directors and officers :

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

	<u>Directors</u>	<u>Officers</u>
Board meeting attendance fee	175,000	-
Managerial remuneration	1,069,601	790,255
Gratuity	374,360	276,589
Company's contribution to P / F	106,960	79,026
Bonus	178,267	131,709
Perquisites :		
Housing	909,161	671,717
Transport	213,920	158,051
Medical	64,176	47,415
Entertainment	224,616	165,954
Telephone	300,000	76,130
Others	20,500	50,500
	<u>3,636,562</u>	<u>2,447,346</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.5000/- per Director per meeting. The total Board meeting attendance fee incurred during the year under review was Tk.1,75,000/- and
- no amount of money was spent by the company for compensating any member of the board for special services rendered.





Auditors' Report
To
The shareholders of Navana Batteries Limited

We have audited the accompanying financial statements of **Navana Batteries Limited** (the Company), which comprise the statement of Financial Position as at August 31, 2015 and the statement of Comprehensive Income, Statement of Cash Flows and statement of changes in equity for the year ended August 31, 2015 and a summary of significant accounting policies and other explanatory information disclosed in Notes 1 to 18 and **schedule-A**.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

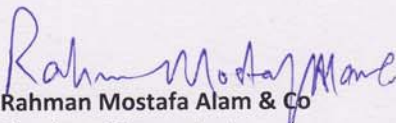
Opinion:

In our opinion, the financial statements present fairly, in all material respects, the financial position of **Navana Batteries Limited** as at August 31, 2015 and its financial performance and its cash flows for the year then ended in accordance with BFRS and comply with the applicable sections of the Companies Act, 1994, the Securities & Exchange Rule, 1987 and other applicable laws and regulations.

We also report that:

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

Dated: Dhaka
November 08, 2015


Rahman Mostafa Alam & Co
Chartered Accountants



Navana Batteries Limited
Statement of Financial Position
As at August 31, 2015

Particulars	Notes	Amount in taka	
		August 31, 2015	August 31, 2014
Assets :			
Non-current assets :			
Property, plant and equipment, net	3	458,100,591	381,340,596
Capital work in progress	4	164,017,549	68,927,849
Total non-current assets		622,118,140	450,268,445
Current assets :			
Receivables	5	588,534,434	221,692,560
Stock and stores	6	474,242,936	370,384,545
Income tax deducted at source	7	171,455,944	126,809,592
Advance, deposits and prepayments	8	384,741,686	462,687,065
Cash and bank balances	9	110,344,897	42,183,425
Total current assets		1,729,319,897	1,223,757,187
Total Assets		2,351,438,037	1,674,025,632
Equity and Liabilities :			
Equity attributable to equity holders			
Share capital	10	183,702,690	183,702,690
Retained earnings	11	407,821,148	317,233,106
Total Equity		591,523,838	500,935,796
Non current liabilities :			
Deferred Tax Liability		33,538,363	29,146,726
Long Term loan- Net of Current portion	12	536,510,796	26,212,500
Total non current liabilities		570,049,159	55,359,226
Current liabilities :			
Long Term loan-Current portion	12	178,836,932	8,737,500
Short term loan	12	445,823,014	653,621,977
Inter company liabilities		323,727,105	301,618,953
Accrued and other current liabilities		241,477,989	153,752,180
Total current liabilities		1,189,865,040	1,117,730,610
Total Equity and Liabilities		2,351,438,037	1,674,025,632
Net assets value per share (NAVPS)		32.20	27.27

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

Chairman

Director

Signed in terms of our separate report of even date.

Dated : Dhaka
November 08, 2015



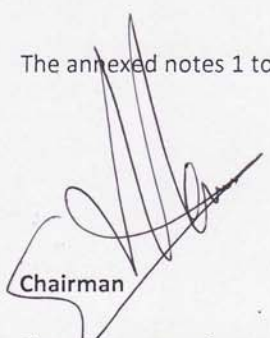
Rahman Mostafa Alam
Rahman Mostafa Alam & Co.
Chartered Accountants




Navana Batteries Limited
Statement of Comprehensive Income
For the year ended August 31, 2015

Particulars	Notes	Amount in taka	
		August 31, 2015	August 31, 2014
Revenues (Net)	13	1,002,022,503	979,887,224
Cost of goods sold	14	722,204,055	714,314,854
Gross profit		279,818,448	265,572,370
Operating expenses:		138,180,061	101,044,338
Administrative expenses	15	17,361,826	12,168,420
Selling and distribution expenses	16	59,754,530	52,067,930
Financial charges		61,063,705	36,807,988
Operating Profit		141,638,387	164,528,032
Non-operating income		2,271,328	-
Profit before contribution to WPPF		143,909,715	164,528,032
Contribution to WPPF		6,744,685	7,834,668
Net profit before tax		137,165,030	156,693,364
Provision for income tax :		46,576,988	53,169,464
Current tax	17	42,185,351	49,120,854
Deferred tax		4,391,637	4,048,610
Net profit after tax		90,588,042	103,523,900
Earning per share (EPS)	18	4.93	5.64

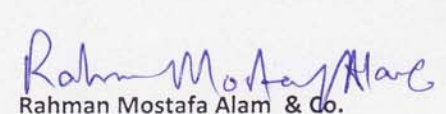
The annexed notes 1 to 18 & schedule-A form an integral part of these financial statements.


Chairman


Director

Signed in terms of our separate report of even date.

Dated : Dhaka
November 08, 2015


Rahman Mostafa Alam & Co.
Chartered Accountants





Navana Batteries Limited
Statement of Cash Flows
For the year ended August 31, 2015

Particulars	Amount in taka	
	August 31, 2015	August 31, 2014
Cash Flows from Operating Activities		
Cash Collection from Sales	635,180,629	936,147,266
Inter company transaction	22,108,152	(14,353,247)
Receipts from other Income	2,271,328	-
Cash Paid to Suppliers and Employees	(755,223,689)	(1,000,454,807)
Cash generated from operations	(95,663,580)	(78,660,788)
Income tax Paid	(44,646,352)	(47,539,400)
Net Cash generated from operations	(140,309,932)	(126,200,188)
Cash Flows from Investing Activities		
acquisition of property, plant & equipment	(101,473,956)	(27,382,421)
Deposit given	-	(96,567,748)
Payments for capital work in progress	(101,589,700)	(147,168,650)
Net Cash used in Investing Activities	(203,063,656)	(271,118,819)
Cash Flows from Financing Activities		
Proceeds from bank loan	472,598,765	453,141,548
Bank Interest Paid	(61,063,705)	(36,807,988)
Net Cash provided by Financing Activities	411,535,060	416,333,560
Net Changes in Cash & Cash Equivalents	68,161,472	19,014,553
Cash & Cash Equivalents at Beginning of the Year	42,183,425	23,168,872
Cash & Cash Equivalents at End of the Year	110,344,897	42,183,425
Net operating cash flows per share (NOCFPS)	(7.64)	(6.87)

Chairman

Director





Navana Batteries Limited
Statement of Changes in Equity
For the year ended August 31, 2015

Particulars	Share Capital	Retained Earnings	Total Equity
Balance as on September 01, 2013	183,702,690	213,709,206	397,411,896
Surplus for the year	-	103,523,900	103,523,900
Balance as on August 31, 2014	183,702,690	317,233,106	500,935,796
Balance as on September 01, 2014	183,702,690	317,233,106	500,935,796
Surplus for the year	-	90,588,042	90,588,042
Balance as on August 31, 2015	183,702,690	407,821,148	591,523,838


Chairman


Director





Navana Batteries Limited
Notes to the Financial Statements
For the year ended August 31, 2015

1. Corporate Information and Mode of Business

1.1 Corporate Information

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

1.2 Mode of Business

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

2. Significant Accounting Policies and Basis of Preparation of Financial Statement

2.1 Statement of Compliance

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

2.2 Basis of Preparation

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

2.3 Basis of Reporting

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

2.4 Reporting Period

These financial statements cover one accounting year from September 1, 2014 to August 31, 2015.

2.5 Functional and Presentation Currency

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

2.6 Recognition of Property, Plant and Equipment

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





Depreciation

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

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

2.7 Inventories

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

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

2.8 Cash and Cash Equivalent

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

2.9 Liabilities for Expenses

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

2.10. Workers Profit Participation Fund

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





2.11 Financial Assets and Liabilities

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

- I) **Receivables:** Trade receivables are stated their real value and consider good. No provision has been made doubtful debts and no amount was written off as bad.
- II) **Payables:** Liabilities are recorded at the amount payable for settlement in respect of goods and services received by the Unit.
- III) **Borrowings:** Interest bearing bank loans are recorded at the proceeds received net of direct issue costs.

2.12 .General

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





3. PROPERTY, PLANT AND EQUIPMENT, NET

Schedule- A

Particulars	Cost			Rate of Dep.	Depreciation			Carrying amount	
	As at 01.09.2014	Add./ (Adj.) During the year	As at 31.08.2015		As at 01.09.2014	Charged During the year	Adj. During the year	As at 31.08.2015	As at 31.08.2015
Land & Land Development	100,550,508	-	100,550,508	-	-	-	-	-	100,550,508
Building	89,238,303	7,212,124	96,450,427	2.50%	12,021,639	2,020,568	-	14,042,207	82,408,220
Plant & Machinery	214,889,009	74,497,580	289,386,589	10%	78,396,751	17,374,105	-	95,770,856	193,615,733
Tools & Equipments	41,961,700	5,939,767	47,901,467	20%	24,741,631	4,037,991	-	28,779,622	19,121,845
Office Equipment	23,795,725	4,838,964	28,634,689	10%	8,573,461	1,764,174	-	10,337,635	18,297,054
Furniture & Fixture	8,252,700	1,837,526	10,090,226	10%	2,773,853	639,761	-	3,413,614	6,676,612
Transport Vehicles	27,904,362	5,462,934	33,367,296	20%	12,846,180	3,557,930	-	16,404,109	16,963,187
Electric line Installation	4,298,388	5,248,982	9,547,370	10%	454,509	646,837	-	1,101,346	8,446,024
Gas line Installation	11,332,299		11,332,299	10%	1,286,267	1,004,603	-	2,290,870	9,041,429
Office Decoration	223,045	2,936,079	3,159,124	10%	11,152	167,993	-	179,145	2,979,979
Total	522,446,039	107,973,956	630,419,995		141,105,443	31,213,961	-	172,319,404	458,100,591

Depreciation charged to :	Taka
Cost of goods sold	24,971,169
Administrative	3,121,396
Selling & distribution	3,121,396
T O T A L	31,213,961





Amount in taka	
August 31, 2015	August 31, 2014

4 Capital work in progress Tk 164,017,549

Opening balance	68,927,849	108,142,681
Add : Addition made during the year	101,589,700	84,320,589
	170,517,549	192,463,270
Less: Transferred to Property ,plant & equipment	6,500,000	123,535,421
Closing balance	164,017,549	68,927,849

5 Receivables Tk 588,534,434

Below six Months	516,518,714	168,671,835
Over six Months	72,015,720	53,020,725
	588,534,434	221,692,560

Trade Debtors are considered good and as such no provision has been made in the accounts for doubtful debts. Company holds no security other than debtor's personal security in the form of work orders.

6 Stock and stores Tk 474,242,936

Finished stock	94,684,498	74,085,860
Work-in-process	71,323,762	61,987,126
Raw materials	239,180,676	148,494,758
Goods in transit	69,054,000	85,816,801
	474,242,936	370,384,545

The quantity of closing stock are 12 Volts NS-2,083 pcs , N-339 pcs , PNE-497 pcs , NG- 10,110 pcs , NKP-1,478 pcs , IPS- 521 pcs , EV-1,907 pcs, 6NSP-2,570 pcs and MC-12,312. Automotive, Home Appliance & Solar Batteries.

7 Income tax deducted at source Tk 171,455,944

Opening balance	126,809,592	82,687,561
Add: during the year	44,646,352	47,539,400
	171,455,944	130,226,961
Less: adjustment	-	3,417,369
Closing balance	171,455,944	126,809,592

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

8 Advance, deposits and prepayments Tk 384,741,686

Advance to suppliers	131,960,225	223,358,663
Advance to others	80,763,900	122,080,290
Advance to employees	42,653,349	20,587,120
Deposits	38,024,587	37,807,544
Current Account with VAT	91,339,625	58,853,448
	384,741,686	462,687,065

Advance paid to suppliers against work order and considered good. Advance to employees against expenses, salary releasable on production of documents and monthly salary respectively are considered good. Deposits consist of utility deposits, security money against tender and bank guarantee are considered good.

9 Cash & bank balances Tk 110,344,897

Cash in Hand Factory	1,309,287	844,479
Cash Balance Dhaka Sales Center	2,026,893	1,183,676
Cash Balance CTG. Sales Center	221,623	184,086
Cash at Bank	106,787,094	39,971,184
	110,344,897	42,183,425





Amount in taka	
August 31,2015	August 31,2014

10 Share capital.

Authorised :

50,000,000 ordinary shares of Taka 10/- each

500,000,000	500,000,000
<u>500,000,000</u>	<u>500,000,000</u>

Issued, Subscribed and Paid up capital Tk 183,702,690

Ordinary shares 18,370,269 shares of Taka 10 each

Non-controlling Interest (sponsors)

Aftab Automobiles Ltd.

100,000	100,000
183,602,690	183,602,690
<u>183,702,690</u>	<u>183,702,690</u>

11 Retained earnings

Tk 407,821,148

Opening Balance

Add : Profit for the year

317,233,106	213,709,206
90,588,042	103,523,900
<u>407,821,148</u>	<u>317,233,106</u>

Less.adjustment with Deferred Tax

Closing balance

-	-
<u>407,821,148</u>	<u>317,233,106</u>

12 Long Term loan-Net of current portion

Tk 536,510,796

Al-Arafah Islami Bank Ltd.

Trust Bank Ltd.

Dutch-bangla Bank Ltd.

Social Islami Bank Ltd.

IDLC Finance

National finance Ltd

35,059,444	34,950,000
236,925,000	-
392,610,890	-
45,825,329	-
3,223,065	-
1,704,000	-
<u>715,347,728</u>	<u>34,950,000</u>

less: Long Term loan-Current portion

Long Term loan-Net of current portion

178,836,932	8,737,500
<u>536,510,796</u>	<u>26,212,500</u>

12 Short term loan

Tk 445,823,014

NCC Bank Ltd CC AC

Mercantile Bank

Southeast Bank Ltd.

National Bank Ltd. CC loan

Shahjalal Islami bank ltd

36,337,562	36,166,539
9,995,390	23,262,750
195,963,321	55,047,443
199,869,921	497,079,967
3,656,820	42,065,278
<u>445,823,014</u>	<u>653,621,977</u>

13 Revenue (Net)

Tk 1,002,022,503

1,002,022,503	979,887,224
<u>1,002,022,503</u>	<u>979,887,224</u>

The quantity of Sales during the year are 12 Volts NS-23,631 pcs ,N-2052 pcs ,PNE-14,749 pcs ,NG-93,248 pcs ,NKP-10,278 pcs ,IPS-3543 pcs ,EV-26,652 pcs, 6NSP-13,808 pcs and MC 47,123 pcs. Automotive, Home Appliance & Solar Batteries.





Amount in taka	
August 31,2015	August 31,2014

14 Cost of goods Sold. Tk 722,204,055

Raw materials consumed	14.1	650,645,367	688,255,605
Indirect materials		9,167,380	10,321,372
Total consumption		659,812,747	698,576,977
Add : Opening WIP		61,987,126	45,084,113
		721,799,873	743,661,090
Less : Closing WIP	6	71,323,762	61,987,126
		650,476,111	681,673,964
Factory overhead	14.2	92,326,582	78,601,515
Cost of production		742,802,693	760,275,479
Finished products (opening)		74,085,860	28,125,235
		816,888,553	788,400,714
Finished products (closing)	6	94,684,498	74,085,860
		722,204,055	714,314,854

14.1 Raw materials consumed. Tk 650,645,367

Opening stock		148,494,758	80,057,200
Purchases	14.1.1	741,331,285	756,693,163
		889,826,043	836,750,363
Closing stock	6	239,180,676	148,494,758
		650,645,367	688,255,605

14.1.1 Purchases. Tk 741,331,285

C & F price		651,368,916	578,937,128
Insurance premium		4,279,582	4,057,884
L/C opening charges		7,201,926	6,853,087
C & F charges		27,568,446	27,720,419
Custom duty		40,018,563	41,532,928
Local purchase		10,893,852	97,591,717
		741,331,285	756,693,163

14.2. Factory overhead. Tk 92,326,582

Salary and allowances		4,504,938	3,415,668
Wages		6,255,410	4,949,248
PF (Company Contribution)		954,444	683,134
Overtime		319,502	1,920,852
Bonus		42,759	864,911
Earned Leave		347,640	252,352
Gratuity		470,324	858,583
Liveries & Uniform		525,870	325,789
Telephone & Mobile		427,888	254,500
Fuel & Lubricants for Generator		1,594,260	707,497
Travelling & Conveyance		457,366	343,244
Entertainment		127,702	23,798
Office exp.		120,500	35,967
Repairs & Maintenance		1,367,310	698,214
Electricity Expenses		32,605,630	30,067,764
Night allowance		278,220	136,758
Canteen Subsidy		3,761,311	1,552,720
Eid Gratia		25,500	14,580
Insurance Exp		2,997,146	2,368,129
Gas bill		1,141,378	1,554,337
Welfare expenses		150,720	102,790
Carrying & Handling		361,550	283,534
Car Maintenance		662,788	579,445
Security Expenses		916,450	890,230
Chemicals		457,447	980,637





	Amount in taka	
	August 31,2015	August 31,2014
Store & spares	24,260	255,790
Foreign Technician Remu.	2,400,000	1,800,000
Annual picnic	853,340	-
Screen Printing	700,285	64,842
Labour Charges	596,582	430,045
Laboratory Exps	317,356	139,412
Generator Maintenance	1,425,384	465,316
Fire Extinguisher	164,153	62,941
Depreciation	24,971,169	21,518,489
	<u>92,326,582</u>	<u>78,601,515</u>

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

15 Administrative expenses.	Tk	17,361,826		
Salary and allowances			3,789,566	2,515,598
wages			445,426	326,820
Bonus			457,783	280,328
Welfare expenses			230,000	100,000
Gratuity			224,568	229,712
Entertainment			598,846	484,780
TA and Conveyance			155,630	221,508
Travelling Exp - Foreign			1,009,646	360,120
Car maintenance			1,832,900	964,710
Stationery			425,820	285,720
Fees and Registration			1,127,352	450,280
Telephone			120,337	57,650
Bank Guarantee & Charge documents			115,261	13,323
Audit fees			50,000	50,000
Paper & peoridicals			8,556	-
Postage and telegram			86,187	2,053
Publicity			65,000	72,798
Directors fee			15,000	15,000
Office maintenance			58,996	425,520
Maintenance			1,009,646	645,521
Carrying & Handling			1,050,230	974,427
ISO Exps			504,477	313,599
Guest House Maintenance			328,383	203,804
Membership fee & others			530,820	485,338
Depreciation			3,121,396	2,689,811
			<u>17,361,826</u>	<u>12,168,420</u>

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





Amount in taka	
August 31,2015	August 31,2014

16 Selling and distribution expenses. Tk 59,754,530

Salary & Allowance	28,774,872	23,651,492
Wages	526,903	571,038
Bonus	2,115,060	1,827,720
Welfare	352,014	90,374
P/F company's Contribution	1,748,903	1,461,526
Gratuity	2,266,833	1,422,664
Overtime	778,759	1,087,790
Fuel & Lubricant	1,242,890	1,915,967
Transit Insurance	780,970	-
Promotional Exps	230,890	1,086,865
Delivery Exps	748,277	362,906
Rent Rates & Taxes	4,403,242	3,096,350
Conveyance	571,910	714,595
Entertainment	456,872	685,930
Stationery	733,774	865,039
Telephone	1,590,594	1,243,471
Publicity Exp.	345,210	192,603
Fees & Registration	1,617,519	249,304
Maintenance	487,641	383,459
Car Maintenance	197,775	641,166
Electrical Expenses	1,291,345	1,181,826
Postage & Telegram	180,387	125,019
Papers & Periodicals	22,397	20,331
Bank Charges	3,320	200,417
Security Guard salary	1,477,525	1,055,090
Office Maintenance	51,170	603,888
Showroom Exps	988,130	702,866
Transportation Charges	506,260	1,021,153
Utility Bill (WASA)	78,246	94,800
Gift & Donation	582,123	605,174
Chemical & Packing exps	430,580	852,198
Dealer conference Exp.	529,773	1,365,097
Others	520,970	-
Depreciation	3,121,396	2,689,811
	<u>59,754,530</u>	<u>52,067,930</u>

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

17 Income tax expenses Tk 42,185,351

Profit before Tax	137,165,030	156,693,364
Add: Accounting Depreciation	31,213,961	26,898,112
Less: Tax Depreciation	(47,849,417)	(43,246,178)
Adjusted Profit for tax calculation	120,529,574	140,345,298
	<u>42,185,351</u>	<u>49,120,854</u>

Tax @ 35 % (transferred to Compreh. Income statement)

18 Earning per share (EPS)

Net profit after tax	90,588,042	103,523,900
	<u>18,370,269</u>	<u>18,370,269</u>
Number of ordinary share		
	<u>4.93</u>	<u>5.64</u>
Earning per share (EPS)		






Aftab Automobiles Limited and its Subsidiary
Consolidated Statement of Changes in Equity
For the year ended August 31, 2015

Particulars	Share capital	Share premium	Reserves	Retained earnings	Attributable to equity holders of the company	Non-controlling interest	Total
Balance as on September 01, 2013	854,753,770	1,925,858,339	67,338,231	1,991,278,615	4,839,228,955	494,341	4,839,723,296
Issue of bonus shares	102,570,450	-	-	(102,570,450)	-	-	-
Cash dividend paid	-	-	-	(68,380,301)	(68,380,301)	-	(68,380,301)
Total comprehensive Income for the year	-	-	-	268,240,905	268,240,906	(221,652)	268,019,254
Balance as at August 31, 2014	957,324,220	1,925,858,339	67,338,231	2,088,568,768	5,039,089,559	272,689	5,039,362,248
Balance as on September 01, 2014	957,324,220	1,925,858,339	67,338,231	2,088,568,768	5,039,089,559	272,689	5,039,362,248
Cash dividend paid	-	-	-	(152,032,082)	(152,032,082)	-	(152,032,082)
Total comprehensive Income for the year	-	-	-	311,051,334	311,051,334	49,312	311,100,647
Balance as at August 31, 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


Chairman


Director


Company Secretary



