

Aftab Automobiles Limited

3rd Quarter Report 2018-2019

Dear Shareholders,

We are pleased to forward herewith the un-audited Consolidated Statement of Profit or Loss and other Comprehensive Income for the 3rd Quarter ended March 31, 2019, Consolidated Statement of Financial Position as at March 31, 2019, Consolidated statement of cash flows, Consolidated statement of Changes in Equity and consolidated notes to the financial statements of the company for the period ended on that date.

Sd/-

Chairman

Dated, Dhaka.

April 29, 2019

Aftab Automobiles Limited and its Subsidiary

Un-Audited consolidated Statement of Profit or Loss and other Comprehensive Income

For the 3rd Quarter ended March 31, 2019

(Amount in "000" Tk.)

Particulars	Notes	July ' 2018 to March' 2019	July ' 2017 to March' 2018	3-Months ended 01-01-19 to 31-03-19	3-Months ended 01-01-18 to 31-03- 18
Revenues		2,092,240	3,150,865	438,080	699,259
Less : Cost of sales	3	1,485,523	2,458,341	240,016	510,160
Gross profit		606,717	692,524	198,064	189,099
Less: Operating expenses		436,358	397,033	145,762	114,836
Administrative expenses		65,534	82,061	18,104	32,053
Selling and distribution expenses		59,637	98,950	9,445	36,813
Financial charges		311,188	216,022	118,214	45,970
Operating profit		170,359	295,491	52,302	74,263
Add : Other income		10,155	6,286	3,146	5,221
Profit before contribution to WPPF		180,513	301,777	55,447	79,484
Less : Contribution to WPPF		8,596	14,370	2,640	3,785
Net profit before tax		171,917	287,407	52,807	75,699
Add : Realised Gain on Sale of Share		-	-		
Add : Share of profit from associate company		13,632	19,557	673	-
Profit before tax		185,549	306,964	53,480	75,699
Less : Provision for Income tax		50,104	(92,199)	14,267	(22,217)
Current tax		47,700	(82,104)	18,026	(19,231)
Deferred tax		2,404	(10,095)	(3,759)	(2,986)
Net income for the Period		135,445	214,765	39,213	53,482
Other comprehensive Income for the year :					
Investment Valuation surplus in share		-	6,858	-	7,351
Revaluation Gain/(Loss) on investment in share		-	7,620	-	8,168
Deferred tax		-	(762)	-	(817)
Total comprehensive income for the Period		135,445	221,623	39,213	60,833
Consolidated earnings per share	15	1.41	2.24	0.41	0.56

Sd/-
Chairman

Sd/-
Managing Director

Sd/-
Director

Sd/-
C F O

Sd/-
Company Secretary

Aftab Automobiles Limited and its Subsidiary

Un-Audited consolidated Statement of Financial Position

As at March 31, 2019

		Amount in '000' Tk	
	Notes	31-03-19	30-06-18
Assets :			
Non-current assets :			
Property, plant and equipment	4	2,044,738	2,012,034
Capital work-in-progress	5	48,754	104,848
Investments		57,896	57,896
Investments in associate		338,603	321,563
Receivables -Non-Current Maturity	6	2,836,530	2,460,242
Total non-current assets		5,326,521	4,956,584
Current assets:			
Receivables -Current Maturity	6	1,785,998	2,217,119
Stock and stores	7	2,021,154	1,930,448
Current account with Navana Group Companies		2,785,555	1,590,392
Advances, deposits and prepayments	8	2,833,023	2,546,181
Cash and bank balances	9	250,980	460,146
Total current assets :		9,676,710	8,744,286
Total Assets		15,003,230	13,700,870
Equity and Liabilities :			
Capital & reserve			
Share capital		957,324	957,324
Share premium		1,925,858	1,925,858
Reserve		67,338	67,338
Retained earnings		2,899,562	2,878,999
Equity attributable to equity holders		5,850,082	5,829,519
Non-controlling interest		416	412
Total equity		5,850,498	5,829,931
Non-current liabilities			
Loan and deferred liabilities (unsecured)		25,310	25,310
Long Term loan-Net of current maturity	10	2,299,870	2,612,735
Deferred tax liability	11	142,874	137,062
Total non-current liabilities		2,468,054	2,775,107
Current liabilities :			
Long Term loan-Current maturity	10	766,623	870,912
Short-term loan	12	4,562,272	3,020,668
Accrued and other current liabilities	13	1,355,783	1,204,252
Total current liabilities :		6,684,678	5,095,831
Total liabilities		9,152,732	7,870,939
Total Equity and Liabilities		15,003,230	13,700,870
Consolidated net assets value per share (NAVPS)	14	61.11	60.89

Sd/-
Chairman

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'Managing Director

Sd/-
Director

Sd/-
C F O

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Company Secretary

Aftab Automobiles Limited and its Subsidiary
Un-audited consolidated Statement of Cash Flows
For the 3rd Quarter ended March 31, 2019

(Amount in "000" Tk.)

Particulars	Note	July ' 2018 to March' 2019	July ' 2017 to March' 2018
A. Cash flows from operating activities			
Receipts from customers		2,160,905	3,208,289
Receipts as other income		10,155	6,286
Payments to suppliers and employees		(1,835,285)	(3,128,419)
Cash generated from operations		335,774	86,156
Income tax paid		(65,227)	(107,703)
Net cash generated by operating activities		270,547	(21,547)
B. Cash flows from investing activities			
Acquisition of property, plant & equipment		(42,072)	(64,387)
Capital work in progress		(3,906)	(39,563)
Net cash used investing activities		(45,978)	(103,950)
C. Cash flows from financing activities			
Received from bank loan		1,124,450	311,595
Financial charges paid		(311,188)	(216,022)
Inter company transaction		(1,195,163)	144,253
Dividend paid		(51,835)	(90,586)
Net cash used in financing activities		(433,736)	149,240
D. Net changes in cash & cash equivalents for the period (A+B+C)		(209,166)	23,743
E. Cash & cash equivalents at beginning of the period		460,146	481,144
F. Cash & cash equivalents at end of the period (D+E)		250,980	504,887
Consolidated net operating cash flows per share (NOCFPS)	16	2.83	(0.23)

Sd/-
Chairman

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Managing Director

Sd/-
Director

Sd/-
C F O

Sd/-
Company Secretary

Aftab Automobiles Limited and its Subsidiary

Un-audited consolidated Statement of Changes in Equity

For the 3rd Quarter ended March 31, 2019

(Amount in "000" Tk.)

Particulars	Share capital	Share premium	Reserves	Retained earnings	Attributable to equity holders of the company	Non-controlling interest	Total
Balance as on July 01, 2017	957,324	1,925,858	67,338	2,722,946	5,673,466	395	5,673,861
Dividend	-	-	-	(90,586)	(90,586)	-	(90,586)
Comprehensive income for the period		-	-	214,739	214,739	26	214,765
Balance at March 31, 2018	957,324	1,925,858	67,338	2,847,099	5,797,619	421	5,798,040
Balance as on July 01, 2018	957,324	1,925,858	67,338	2,878,999	5,829,519	412	5,829,931
Dividend	-	-	-	(114,878)	(114,878)	-	(114,878)
Comprehensive income for the period		-	-	135,441	135,441	4	135,445
Balance at March 31, 2019	957,324	1,925,858	67,338	2,899,562	5,850,082	416	5,850,498

Sd/-
Chairman

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Managing Director

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Director

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Company Secretary

Aftab Automobiles Limited and its Subsidiary

Consolidated notes to the Financial Statements

As at and for the 3rd Quarter ended March 31, 2019

1. Corporate Information and Mode of Business

Aftab Automobiles Limited (the company), was incorporated in erstwhile east pakistan in Year 1967 as East Pakistan Automobiles Limited under the Companies Act, 1913. Subsequently after liberation the company changed the name as Aftab automobiles Limited and was certified by the register of Joint Stocks Companies, Bangladesh on the 11th day of March, 1972. It was incorporated as a Private Limited Company since inception. However, in 1981 it was transformed into Public Limited Company under Company Act, 1913. 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.

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 have been started in the year 2013-2014. The Company has one subsidiary company namely Navana Batteries Ltd, that produces and markets 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 International Accounting Standards (IAS)- 34 Interim Financial Reporting Standards

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 IAS 1- "Presentation of Financial Statements".

2.4. Reporting Period

These financial statements cover 3rd Quarter of accounting year of the company for the period from July 01, 2018 to March 31, 2019.

Amount in '000' Tk

3. Cost of sales

	July ' 2018 to March' 2019	July ' 2017 to March' 2018
Materials	1,321,785	2,295,531
Factory Overhead	94,370	89,791
Depreciation	69,368	73,019
	1,485,523	2,458,341

	Amount in '000' Tk	
	31-03-19	30-06-18
4 Property, plant and equipment, net		
Opening Balance	2,650,464	2,284,422
Add : Addition for the Period	42,072	117,046
Add : Transferred from Capital W-I-P	60,000	248,996
	2,752,536	2,650,464
Less : Depreciation	707,798	638,430
Closing Balance	2,044,738	2,012,034
5 Capital work-in-progress		
Opening balance	104,848	289,002
Add : Addition during the Period	3,906	64,843
	108,754	353,845
Less: Transfer to property, plant & equipment	60,000	248,997
Closing balance	48,754	104,848
Receivables		
6 Total Receivables	4,638,346	4,782,120
Less : Bad debts	15,818	104,760
	4,622,528	4,677,360
Receivable current (Maturity less than 12 months)	1,785,998	2,217,119
Receivable Non-Current (Maturity over 12 months)	2,836,530	2,460,242
7 Stock and stores		
Finished products	1,166,191	804,838
Raw materials	453,862	597,801
Work-in-process	58,329	117,224
Stores and spares	17,829	3,080
Sundry Stock	4,050	-
Goods in transit	320,893	407,505
	2,021,154	1,930,448
8 Advances, deposits and prepayments		
Advance to suppliers	62,854	778,216
Advance to employees	25,333	49,883
Advance to others	1,484,726	186,145
Current Account with VAT	118,228	99,522
Deposits	45,677	401,438
Advance Income tax (note-8.1)	1,096,204	1,030,977
	2,833,023	2,546,181
8.1 Advance Income tax		
Opening balance	1,030,977	881,762
Add : Addition during the Period	65,227	149,215
	1,096,204	1,030,977
Less : Adjustment made during the period	-	-
Closing Balance	1,096,204	1,030,977
9 Cash and bank balances		
Cash in hand	5,701	60,996
Cash at bank :		
Current & STD Accounts	33,818	257,621
FDR AC	211,462	141,529
	250,980	460,146

		Amount in '000' Tk	
		31-03-19	30-06-18
10 Long Term loan-Net of current portion			
Agrani Bank Transport Loan	818,445	-	
Bank Asia Ltd.	-	200,119	
City Bank Ltd.	-	64,991	
Dutch Bangla bank Ltd.	-	621,385	
Meghna Bank Ltd. TL	25,049	56,570	
Mercantile Bank Ltd.TL	240,430	76,496	
Midland Bank Ltd.TL	109,503	99,146	
Modhumoti Bank Ltd.	-	62,595	
Mutual Trust Bank.TL	282,191	264,304	
NCC Bank Ltd. TL AC	126,642	152,931	
NRB Comm. Bank Ltd.	200,269	25,229	
One Bank Ltd. Lease finance	67,310	400,341	
Prime Bank Ltd. HP AC	37,256	63,903	
SBAC Bank Ltd. LF AC	126,912	71,049	
Social Islami Bank Ltd	-	51,958	
Southeast Bank Ltd.TL	163,374	127,806	
Standed bank Ltd.TL	120,013	141,903	
Trust Bank Ltd.	-	387,296	
Bay Leasing	108,272	89,239	
BD FINANCE & INVESTMENT CO.LTD	51,067	-	
GSP Finance	235,435	187,429	
Midas financing	36,216	31,226	
PEOPLE LEASING & FINANCE	135,151	162,637	
Union Capital	128,104	145,094	
National Finance Ltd.	1,278	-	
IDLC Finance Ltd.	486	-	
Shahjalal Islami Bank Ltd.	-	-	
NCC Bank Ltd. LF AC	10,048	-	
Hajj Finance Ltd.	43,042	-	
	3,066,493	3,483,647	
less: Long Term loan-Current portion	766,623	870,912	
Long Term loan-Net of current portion	2,299,870	2,612,735	
11 Deferred tax liability			
Opening Balance	137,062	77,816	
Add : Addition for the Period	2,404	54,357	
Add : For Associate Company	3,408	4,889	
Closing Balance	142,874	137,062	
12 Short-term loan			
AGRANI BANK Ltd. CC-AC	523,590	1,027,162	
Al-Arafah Islami bank	55,249	31,863	
Bank Asia Ltd. OD AC	544,479	465,038	
Bank Asia Ltd. DL AC	178,616	-	
Bank Asia Ltd. LTR AC	166,997	-	
Bond Liability	10,360	-	
Brac Bank Ltd. LATR AC	148,266	-	
City Bank Ltd. OD AC	30,925	31,897	
City Bank Ltd. STL AC	95,758	-	
IFIC Bank Ltd. SOD & LTR AC	408,266	-	
Deferred Liabilities in Modhumoti	-	-	
Dhaka Bank Ltd. CC AC	51,224	20,833	
Dhaka Bank Ltd. STLN AC	45,888	51,388	
Dutch Bangla bank Ltd. SOD A/C	238,551	199,999	
IFIC Bank, Principal Br. SOD A/C	-	39,895	
Jamuna Bank Ltd. - CC	3,132	2,339	
Mercantile Bank Ltd. SOD AC	114,337	72,054	
Midland Bank Ltd. OD AC	-	21,352	

Amount in '000' Tk

	31-03-19	30-06-18
Modhumoti Bank Ltd. STL, LTR & CC	224,883	-
MTB Ltd. CC(hypo) AC	51,670	52,706
MTB Ltd. LG AC	-	-
NCC Bank Ltd. CC, LTR AC	47,979	134,657
NRB Comm. Bank Ltd. OD AC	208,023	228,024
NRB Comm. Bank Ltd. TL AC	-	-
One Bank Ltd. TL AC	297,435	-
Prime Bank Ltd. SOD AC	51,630	51,554
SBAC Bank Ltd. CC AC	31,048	34,207
SBAC Bank Ltd. TL AC	16,552	-
Shahjalal Islami Bank	169,771	166,444
Social Islami Bank Ltd	54,042	-
Southeast Bank Ltd. LTR AC	226,080	-
Southeast Bank Ltd. OD AC	129,336	346,462
Standard Bank Ltd. CC, LTR- AC	45,173	42,794
Trust Bank Ltd.	393,012	-
	4,562,272	3,020,668
13 Accrued and other current liabilities		
For goods supplied	88,120	78,571
For expenses	66,755	60,842
For Income tax	864,944	817,244
For gratuity	46,581	63,177
For Workers' P.P.F. and W.F.	38,123	31,577
Provision for bad debts	15,818	6,149
For other finance	88,297	76,421
Liabilities for dividend	133,313	70,270
Advance against Sales	13,832	-
TDS and VDS payable	-	-
	1,355,783	1,204,251

14 Net assets value per share (NAVPS)

Net assets value	5,850,082	5,829,519
Number of ordinary shares used to compute NAVPS	95,732	95,732
Net assets value per share	61.11	60.89

15 Earnings per share (EPS)

Profit attributable to ordinary shareholders	135,445	214,765
Number of ordinary shares used to compute earnings per share	95,732	95,732
Earnings per share	1.41	2.24

Though the gross profit increased in the corresponding quarter, the beefed up financial expenses adversely affected bottom line profitability & consequently resulted reduced EPS.

16 Net operating cash flows per share (NOCFPS)

Net operating cash flows (Note: 16.1)	270,547	(21,547)
Number of ordinary shares used to compute NOCFPS	95,732	95,732
Net operating cash flows per share	2.83	(0.23)

NOCFPS has substantially been increased in current year 3rd quarter compared to the previous year 3rd quarter due to decrease in credit sale along with drop off payments of suppliers.

Amount in '000' Tk	
31-03-19	30-06-18

16.1 Reconciliation of cash flows from operating activities under indirect method:

Net profit/Loss before interest, income tax & WPPF during the period	491,701
Adjustment to recocile net income to net cash provided by operating activities:	
Depreciation	69,368
Payment of WPPF	(2,050)
Income tax paid	(65,227)
Changes in current assets and liabilities:	
Decrease/ (increase) in inventories	(90,706)
Decrease/ (increase) in advance and prepayments	(221,615)
(Decrease)/ increase in payables & accruals	20,411
(Decrease)/ increase in Advance against sales	13,832
Decrease/ (increase) in trade receivable	54,833
Net cash flow from operating activities	270,547