

Aftab Automobiles Limited and its Subsidiary

1st Quarter Report
2019-2020

Dear Shareholders,

We are pleased to forward herewith the un-audited Consolidated Statement of Profit or Loss and other Comprehensive Income for the 1st Quarter ended September 30, 2019, Consolidated Statement of Financial Position as at September 30, 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.


Chairman


Dated, Dhaka.
November 13, 2019

Aftab Automobiles Limited and its Subsidiary

Un-Audited consolidated Statement of Profit or Loss and other Comprehensive Income
For the 1st Quarter ended September 30, 2019

| Particulars | Notes | July ' 2019 to September' 2019 | July ' 2018 to September' 2018 |
|--|-------|-----------------------------------|-----------------------------------|
| Revenues | | 713,576,842 | 946,020,000 |
| Less : Cost of sales | 3 | 528,293,151 | 714,815,000 |
| Gross profit | | 185,283,691 | 231,205,000 |
| Less: Operating expenses | | 156,177,354 | 158,604,000 |
| Administrative expenses | | 17,753,945 | 30,361,000 |
| Selling and distribution expenses | | 25,291,719 | 27,698,000 |
| Financial charges | | 113,131,691 | 100,545,000 |
| Operating profit | | 29,106,337 | 72,601,000 |
| Add : Other income | | 4,322,786 | 2,418,000 |
| Add : Share of profit from associate company | | 9,487,240 | - |
| Profit before contribution to WPPF | | 42,916,363 | 75,019,000 |
| Less : Contribution to WPPF | | 2,043,636 | 3,572,333 |
| Net profit before tax | | 40,872,726 | 71,446,667 |
| Add : Realised Gain on Sale of Share | | - | - |
| Profit before tax | | 40,872,726 | 71,446,667 |
| Less : Provision for Income tax | | 11,828,674 | 19,961,000 |
| Current tax | | 7,453,841 | 18,749,000 |
| Deferred tax | | 4,374,833 | 1,212,000 |
| Total comprehensive income for the Period | | 29,044,052 | 51,485,667 |
| Total comprehensive income for the Period | | | |
| Attributable to: | | | |
| Equity holders | | 29,043,593 | 51,484,228 |
| Non-controlling interests | | 459 | 1,439 |
| Total comprehensive income for the period | | 29,044,052 | 51,485,667 |
| Consolidated earnings per share | 15 | 0.30 | 0.54 |


Chairman


Managing Director


Director


CFO


Company Secretary

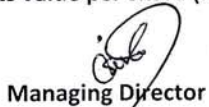
Aftab Automobiles Limited and its Subsidiary

Un-Audited consolidated Statement of Financial Position

As at September 30, 2019

| Particulars | Notes | 30-09-19 | 30-06-19 |
|---|-------|-----------------------|-----------------------|
| Assets : | | | |
| Non-current assets : | | | |
| Property, plant and equipment | 4 | 2,039,254,353 | 2,048,455,880 |
| Capital work-in-progress | 5 | 598,172,727 | 597,122,227 |
| Investments | | 28,395,758 | 28,395,758 |
| Investments in associate | | 385,574,444 | 376,087,205 |
| Receivables -Non-Current Maturity | 6 | 1,903,990,487 | 2,052,645,882 |
| Total non-current assets | | 4,955,387,769 | 5,102,706,952 |
| Current assets: | | | |
| Receivables -Current Maturity | 6 | 3,021,580,165 | 2,828,916,659 |
| Stock and stores | 7 | 2,141,958,435 | 1,966,033,525 |
| Current account with Navana Group Companies | | 3,394,971,979 | 3,530,849,255 |
| Advances, deposits and prepayments | 8 | 2,812,744,747 | 2,869,503,790 |
| Cash and bank balances | 9 | 295,874,816 | 285,560,347 |
| Total current assets : | | 11,667,130,143 | 11,480,863,576 |
| Total Assets | | 16,622,517,912 | 16,583,570,528 |
| Equity and Liabilities : | | | |
| Capital & reserve | | | |
| Share capital | | 957,324,220 | 957,324,220 |
| Share premium | | 1,925,858,339 | 1,925,858,339 |
| Reserve | | 67,338,231 | 67,338,231 |
| Retained earnings | | 2,913,249,344 | 2,884,205,752 |
| Equity attributable to equity holders | | 5,863,770,134 | 5,834,726,542 |
| Non-controlling interest | | 414,673 | 414,214 |
| Total equity | | 5,864,184,808 | 5,835,140,756 |
| Non-current liabilities | | | |
| Loan and deferred liabilities (unsecured) | | 25,310,440 | 25,310,440 |
| Long Term loan-Net of current maturity | 10 | 3,342,494,372 | 3,284,569,678 |
| Deferred tax liability | 11 | 133,086,763 | 128,711,930 |
| Total non-current liabilities | | 3,500,891,575 | 3,438,592,048 |
| Current liabilities : | | | |
| Long Term loan-Current maturity | 10 | 1,114,164,791 | 1,094,856,559 |
| Short-term loan | 12 | 4,522,858,242 | 4,687,578,819 |
| Accrued and other current liabilities | 13 | 1,620,418,497 | 1,527,402,348 |
| Total current liabilities : | | 7,257,441,529 | 7,309,837,726 |
| Total liabilities | | 10,758,333,104 | 10,748,429,773 |
| Total Equity and Liabilities | | 16,622,517,912 | 16,583,570,529 |
| Consolidated net assets value per share (NAVPS) | 14 | 61.25 | 60.95 |


Chairman


Managing Director


Director


Company Secretary


Company Secretary

Aftab Automobiles Limited and its Subsidiary

Un-audited consolidated Statement of Changes in Equity

For the 1st Quarter ended September 30, 2019

| Particulars | Share capital | Share premium | Reserves | Retained earnings | Attributable to equity holders of the company | Non-controlling interest | Total |
|--------------------------------------|--------------------|----------------------|-------------------|----------------------|---|--------------------------|----------------------|
| Balance as on July 01, 2018 | 957,324,220 | 1,925,858,339 | 67,338,231 | 2,878,999,350 | 5,829,520,140 | 412,223 | 5,829,932,363 |
| Dividend | - | - | - | - | - | - | - |
| Comprehensive income for the period | - | - | - | 51,484,228 | 51,484,228 | 1,439 | 51,485,667 |
| Balance at September 30, 2018 | 957,324,220 | 1,925,858,339 | 67,338,231 | 2,930,483,578 | 5,881,004,368 | 413,662 | 5,881,418,030 |
| Balance as on July 01, 2019 | 957,324,220 | 1,925,858,339 | 67,338,231 | 2,884,205,752 | 5,834,726,542 | 414,214 | 5,835,140,756 |
| Dividend | - | - | - | - | - | - | - |
| Comprehensive income for the period | - | - | - | 29,043,593 | 29,043,593 | 459 | 29,044,052 |
| Balance at September 30, 2019 | 957,324,220 | 1,925,858,339 | 67,338,231 | 2,913,249,344 | 5,863,770,134 | 414,673 | 5,864,184,808 |



Chairman



Managing Director



Director



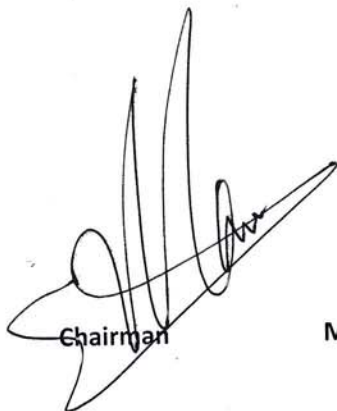
CFO



Company Secretary

Aftab Automobiles Limited and its Subsidiary
Un-audited consolidated Statement of Cash Flows
For the 1st Quarter ended September 30, 2019

| Particulars | Notes | July ' 2019 to September' 2019 | July ' 2018 to September' 2018 |
|---|-------|--------------------------------------|--------------------------------------|
| A. Cash flows from operating activities | | | |
| Receipts from customers | | 669,568,730 | 769,933,000 |
| Receipts as other income | | 4,322,786 | 2,418,000 |
| Payments to suppliers and employees | | (563,885,709) | (1,543,432,000) |
| Cash generated from operations | | 110,005,807 | (771,081,000) |
| Income tax paid | | (20,761,913) | (18,105,000) |
| Net cash generated by operating activities | | 89,243,894 | (789,186,000) |
| B. Cash flows from investing activities | | | |
| Acquisition of property, plant & equipment | | (11,331,530) | (21,824,000) |
| Capital work in progress | | (1,050,500) | - |
| Net cash used investing activities | | (12,382,030) | (21,824,000) |
| C. Cash flows from financing activities | | | |
| Received from bank loan | | (87,487,651) | 779,848,000 |
| Financial charges paid | | (113,131,691) | (100,545,000) |
| Inter company transaction | | 135,877,276 | 189,725,000 |
| Dividend paid | | (1,805,329) | - |
| Net cash used in financing activities | | (66,547,395) | 869,028,000 |
| D. Net changes in cash & cash equivalents for the period (A+B+C) | | 10,314,469 | 58,018,000 |
| E. Cash & cash equivalents at beginning of the period | | 285,560,347 | 460,146,000 |
| F. Cash & cash equivalents at end of the period (D+E) | | 295,874,816 | 518,164,000 |
| Consolidated net operating cash flows per share (NOCFPS) | 16 | 0.93 | (8.24) |



Chairman



Managing Director



Director



CFO



Company Secretary

Aftab Automobiles Limited and its Subsidiary

Consolidated notes to the Financial Statements
As at and for the 1st Quarter ended September 30, 2019

1. Corporate Information and Mode of Business

Aftab Automobiles Limited (the company), was incorporated in erstwhile East Pakistan in the Year 1967 as East Pakistan Automobiles Limited under the Companies Act, 1913. Subsequently, after liberation, the company changed its name as Aftab automobiles Limited and was certified by the registrar of Joint Stock Companies & Firms, 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 the Companies 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 in 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 has 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

These financial statements cover 1st Quarter of accounting year of the company for the period from July 01, 2019 to September 30, 2019.

| Particulars | July ' 2019 to September' 2019 | July ' 2018 to September' 2018 |
|-------------------------|--------------------------------------|--------------------------------------|
| 3. Cost of sales | | |
| Materials | 473,278,732 | 653,570,000 |
| Factory Overhead | 38,587,972 | 30,576,000 |
| Depreciation | 16,426,446 | 30,669,000 |
| | 528,293,151 | 714,815,000 |

| Notes No. | Particulars | 30-09-19 | 30-06-19 |
|-----------|---|----------------------|----------------------|
| 4 | Property, plant and equipment, net | | |
| | Opening Balance | 2,777,631,042 | 2,650,465,365 |
| | Add : Addition for the Period | 11,331,530 | 122,037,197 |
| | Add : Transferred from Capital W-I-P | - | 5,128,480 |
| | | 2,788,962,572 | 2,777,631,042 |
| | Less : Depreciation | 749,708,219 | 729,175,162 |
| | Closing Balance | 2,039,254,353 | 2,048,455,880 |
| 5 | Capital work-in-progress | | |
| | Opening balance | 597,122,227 | 104,848,039 |
| | Add : Addition during the Period | 1,050,500 | 497,402,668 |
| | | 598,172,727 | 602,250,707 |
| | Less: Transfer to property, plant & equipment | - | 5,128,480 |
| | Closing balance | 598,172,727 | 597,122,227 |
| | Receivables | | |
| 6 | Total Receivables | 5,048,070,653 | 5,004,062,541 |
| | Less : Bad debts | 122,500,000 | 122,500,000 |
| | | 4,925,570,653 | 4,881,562,541 |
| | Receivable current (Maturity less than 12 months) | 3,021,580,165 | 2,828,916,659 |
| | Receivable Non-Current (Maturity over 12 months) | 1,903,990,487 | 2,052,645,882 |
| 7 | Stock and stores | | |
| | Finished products | 704,707,393 | 616,407,527 |
| | Raw materials | 748,205,197 | 655,156,845 |
| | Work-in-process | 161,987,418 | 150,417,975 |
| | Stores and spares | 2,963,915 | 2,963,915 |
| | Goods in transit | 524,094,512 | 541,087,263 |
| | | 2,141,958,435 | 1,966,033,525 |
| 8 | Advances, deposits and prepayments | | |
| | Advance to suppliers | 750,683,144 | 766,579,893 |
| | Advance to employees | 33,397,558 | 33,406,244 |
| | Advance to others | 451,448,844 | 452,351,534 |
| | Current Account with VAT | 106,066,300 | 37,483,127 |
| | Deposits | 337,689,823 | 466,985,828 |
| | Advance Income tax (note-8.1) | 1,133,459,078 | 1,112,697,165 |
| | | 2,812,744,747 | 2,869,503,790 |
| | 8.1 Advance Income tax | | |
| | Opening balance | 1,112,697,165 | 1,030,977,432 |
| | Add : Addition during the Period | 20,761,913 | 81,719,733 |
| | | 1,133,459,078 | 1,112,697,165 |
| | Less : Adjustment made during the period | - | - |
| | Closing Balance | 1,133,459,078 | 1,112,697,165 |

| Notes No. | Particulars | 30-09-19 | 30-06-19 |
|-----------|--|----------------------|----------------------|
| 9 | Cash and bank balances | | |
| | Cash in hand | 5,347,751 | 3,562,564 |
| | Cash at bank : Current AC, STD AC & FDR Accounts | 290,527,065 | 281,997,783 |
| | | 295,874,816 | 285,560,347 |
| 10 | Long Term loan-Net of current portion | | |
| | Agrani Bank Ltd. | 1,630,532,700 | 1,615,505,083 |
| | Meghna bank Ltd. | 20,392,536 | 19,626,112 |
| | SBAC bank Ltd. | 246,552,049 | 123,310,925 |
| | Mutual trust bank Ltd. | 193,324,935 | 117,923,003 |
| | Prime bank Ltd. | 31,787,275 | 34,589,483 |
| | Midland Bank Ltd. | 55,190,712 | 66,367,700 |
| | Peoples Leasing | 157,546,943 | 157,546,943 |
| | Mercantile bank Ltd. | 124,185,038 | 171,555,869 |
| | One Bank Ltd. | 64,098,977 | 64,717,841 |
| | NCC Bank Ltd. | 124,817,290 | 131,557,537 |
| | Bay Leasing | 97,000,000 | 97,000,000 |
| | GSP Finance | 220,240,288 | 226,520,509 |
| | Midas financing | 42,194,387 | 42,194,387 |
| | Union Capital | 139,463,643 | 139,463,643 |
| | BD Finance Ltd. | 58,851,427 | 58,851,427 |
| | Prime Finance & Investment Ltd. | 750,000 | 750,000 |
| | Shahjalal Islami Bank Ltd. | 2,851,000 | 2,851,000 |
| | Trust Bank Ltd. | 394,011,750 | 394,011,750 |
| | Dutch-Bangla Bank Ltd. | 604,446,213 | 666,661,025 |
| | Modhumoti bank Ltd. | 248,422,000 | 248,422,000 |
| | | 4,456,659,163 | 4,379,426,237 |
| | | 1,114,164,791 | 1,094,856,559 |
| | | 3,342,494,372 | 3,284,569,678 |
| | less: Long Term loan-Current portion | | |
| | Long Term loan-Net of current portion | | |
| 11 | Deferred tax liability | | |
| | Opening Balance | 128,711,930 | 137,062,262 |
| | Add : Addition for the Period | 2,477,385 | (2,554,521) |
| | Add : For Associate Company | 1,897,448 | 10,904,853 |
| | Closing Balance | 133,086,763 | 128,711,930 |
| 12 | Short-term loan | | |
| | Agrani Bank Ltd. | 513,574,356 | 535,501,998 |
| | Bank Asia Ltd. | 850,379,727 | 889,250,209 |
| | NRB Commercial Ltd. | 368,111,655 | 410,885,931 |
| | NCC bank Ltd. | 52,661,991 | 61,161,620 |
| | Mercantile Bank Ltd. | 87,878,963 | 136,567,494 |
| | Midland Bank Ltd. | 30,030,494 | 30,871,288 |
| | Prime bank Ltd. | 53,321,549 | 51,607,048 |
| | One Bank Ltd. | 284,632,156 | 294,163,191 |
| | SBAC bank Ltd. | 31,313,812 | 49,458,146 |
| | Mutual trust bank Ltd. | 146,430,000 | 204,477,546 |
| | Southeast Bank Ltd. | 702,291,687 | 684,528,623 |
| | Dutch-Bangla Bank Ltd. | 548,787,312 | 626,082,737 |
| | IFIC Bank Ltd. | 701,392,525 | 543,086,250 |
| | Jamuna Bank Ltd. | 165,904 | 165,904 |
| | Shahjalal Islami bank ltd. | 151,886,111 | 169,770,834 |
| | | 4,522,858,242 | 4,687,578,819 |

| Notes No. | Particulars | 30-09-19 | 30-06-19 |
|--------------|---|----------------------|----------------------|
| 13 | Accrued and other current liabilities | | |
| | For goods supplied | 477,414,481 | 332,379,616 |
| | For expenses | 92,954,100 | 103,616,678 |
| | For Income tax | 844,613,730 | 837,159,890 |
| | For Workers' P.P.F. and W.F. | 30,461,085 | 28,417,449 |
| | Provision for bad debts | 5,559,166 | 6,176,851 |
| | For Other Finance | 75,680,135 | 81,821,302 |
| | For Bond Liabilities | 31,374,222 | 73,663,658 |
| | Unclaimed dividend | 62,361,577 | 64,166,906 |
| | | 1,620,418,497 | 1,527,402,348 |
| 14 | Net assets value per share (NAVPS) | | |
| | Net assets value | 5,863,770,134 | 5,834,726,542 |
| | Number of ordinary shares used to compute NAVPS | 95,732,422 | 95,732,422 |
| | Net assets value per share | 61.25 | 60.95 |
| 15 | Earnings per share (EPS) | | |
| | Profit attributable to ordinary shareholders | 29,044,052 | 51,485,667 |
| | Number of ordinary shares used to compute earnings per share | 95,732,422 | 95,732,422 |
| | Earnings per share | 0.30 | 0.54 |
| | Though the gross profit increased in the corresponding quarter, the financial expenses adversely affected the bottom line profitability & consequently resulted reduced EPS. | | |
| 16 | Net operating cash flows per share (NOCFPS) | | |
| | Net operating cash flows (Note: 16.1) | 89,243,894 | (789,186,000) |
| | Number of ordinary shares used to compute NOCFPS | 95,732,422 | 95,732,422 |
| | Net operating cash flows per share | 0.93 | (8.24) |
| | NOCFPS has substantially been increased in current year's 1st quarter compared to the previous year's 1st quarter due to increase in cash sales along with reduced payments to suppliers. | | |
| 16.1 | Reconciliation of cash flows from operating activities under indirect method: | | |
| | Net profit/Loss before interest, income tax & WPPF during the period | 146,560,814 | |
| | Adjustment to recocile net income to net cash provided by operating activities: | | |
| | Depreciation | 20,533,058 | |
| | Payment of WPPF | - | |
| | Income tax paid | (20,761,913) | |
| | Changes in current assets and liabilities: | | |
| | Decrease/ (increase) in inventories | (175,924,910) | |
| | Decrease/ (increase) in advance and prepayments | 77,520,956 | |
| | (Decrease)/ increase in payables & accruals | 85,324,001 | |
| | (Decrease)/ increase in Advance against sales | - | |
| | Decrease/ (increase) in trade receivable | (44,008,112) | |
| | Net cash flow from operating activities | 89,243,894 | |