

PRIVATE AND CONFIDENTIAL

**AUDITORS' REPORT
AND
CONSOLIDATED FINANCIAL STATEMENTS**

OF

**AFTAB AUTOMOBILES LIMITED
AND ITS SUBSIDIARY**

FOR THE YEAR ENDED 30 JUNE 2019

SUBMITTED BY

ATA KHAN & CO.

Chartered Accountants

67, Motijheel C/A., (1ST FLOOR)

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Independent Auditors' Report

TO

THE SHAREHOLDERS OF AFTAB AUTOMOBILES LIMITED AND ITS SUBSIDIARY

Report on the Audit of the Financial Statements:

Opinion

We have audited the consolidated financial statements of **Aftab Automobiles Limited and Its Subsidiary** which comprise the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, of the consolidated financial position of the **Aftab Automobiles Limited and Its Subsidiary** as at 30 June 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and other applicable rules and regulation.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing(IASs). Our responsibilities under those standards are further described in the auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements for the year ended 30 June 2019. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the basis for opinion section, each matter mentioned below our description of how our audit addressed the matter is provided in the context.

Key Audit Matter	How our audit addressed the key audit matters
<p>Revenue</p> <p>The company has reported a revenue of Taka 2,818,043,017 for the year ended 30 June 2019.</p> <p>Refer to note no. 16 of the financial statements.</p> <p>Revenue recognition has significant and wide influence on financial statements. Revenue is recognised when the amounts and the related costs are reliably measured, and the performance obligation is complete through passing of control to the customers. Revenue from the sale of</p>	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> We understood, evaluated and validated the key controls related to the Company's sales process from end to end, from contracts approval and signoff, recording of sales, all the way through to cash receipts and customers' outstanding balances. We tested the completeness of journal entries compared to financial statements; as well as if there any exception existed that the debit accounts of sales recognition were not related to cash and bank, trade receivable or advances from customers. c We conducted substantive testing of revenue recorded over the year using sampling techniques, by examining the relevant supporting documents including sales invoices and truck challans. In addition, we confirmed





Key Audit Matter	How our audit addressed the audit matters
<p>Revenue continued:</p> <p>goods is recognised at the time when the goods are dispatched for delivery to the distributor. The sales of the Company are derived from a large number of distributors located over the country with relatively small amount of transactions. As a result, to obtain sufficient audit evidence, high magnitude of audit work and resource are required.</p> <p>We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the Company and therefore there is an inherent risk of manipulation of the timing of recognition of revenue by management to meet specific targets or expectations.</p> <p>We focused on the proper cut-off of sales to the Company's customers due to the fact that the documents of confirmation of dispatch of goods were provided by numerous transporting agencies based on different locations. There is a risk of differences between the timing of invoicing of products and the dispatch of the products to the company distributors. Accordingly, there could be potential misstatements that these revenue transactions are not recognised in the proper reporting periods.</p>	<p>customer balances at the statement of financial position date</p> <ul style="list-style-type: none">• We conducted substantive testing of revenue recorded over the year using sampling techniques, by examining the relevant supporting documents including sales invoices and truck challans. In addition, we confirmed customer balances at the statement of financial position date.• Furthermore, we tested the sales transactions recognised shortly before and after the statement of financial position date, including the sales returns recorded after that date, to test whether sales transactions were recorded in the correct reporting periods.
<p>Inventories</p> <p>As of the reporting date the company reports Stock and Stores amounting to Taka 1,966,033,525</p> <p>Refer to note no. 07 to the Financial Statements</p> <p>Inventory is carried in the statement of financial position at the lower of cost and net realisable value. Sales in the manufacturing industry can be extremely volatile based on significant changes in consumer demand. As a result, there is a risk that the carrying value of inventory exceeds its net realisable value.</p> <p>Moreover, the process of estimating provision for inventories is judgmental and complex. Due to high level of judgment involved and use of some manual process in estimating the provision and net realisable value of inventories, we considered this to be a key audit matter.</p>	<p>Our audit procedures were designed to challenge the adequacy of the Company's provisions against inventory included:</p> <ul style="list-style-type: none">• Corroborating on a sample basis that items on the stock ageing by items were classified in the appropriate ageing bracket;• Assessing the appropriateness of the provision percentages applied to each item and challenged the assumptions made by the management on the extent to which old inventory can be sold through various channels;• Considering the historical accuracy of provisioning and using the information obtained as evidence for evaluating the appropriateness of the assumptions made in the current period; and• We have also considered the adequacy of the Company's disclosures in respect of the levels of provisions against inventory.





Key Audit Matter	How our audit addressed the audit matters
<p>Current Tax provisioning</p> <p>Current Tax provision amounting Taka 19,915,721</p> <p>Refer to note no. 22.1 to the Financial Statements</p> <p>At year end the company reported total income tax expense (Current tax) of BDT 19,915,721 The calculation of the tax expense is a complex process that involves subjective judgments and uncertainties and require specific knowledge and competencies.</p> <p>We have determined this to be a key audit matter , due to the complexity in income tax provisioning.</p>	<p>Our audit procedure in this area included ,among others :</p> <p>Use of our own tax specialist to assess the company's tax computation. Our tax specialist were also taking into account the company's tax position and our knowledge and experience of the application of relevant tax legislation.</p> <p>To analysis and challenge the assumption used to determine tax provision based on our knowledge and experience of the application of the local legislation.</p> <p>Evaluating the adequacy of the financial statement disclosure ,including disclosure of key assumption judgments and sensitive related to tax.</p>
<p>Measurement of deferred tax Liability</p> <p>Company reported net deferred tax liability totaling Taka 128,711,930 as at 30 June 2019 . significant judgments is required in relation to deferred tax liability as their liability is dependent on forecast of future probability over a number of years .</p> <p>see note no. 23 to the financial statements</p>	<p>we obtained and understanding ,evaluated the design and tested the operational effectiveness of the company's key controls over the recognition and measurement of Deferred Tax Asset/liability and taxable income/expense of the company.</p> <p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable expenses/income. we evaluated the reasonableness of key assumption, timing of reversal of temporary difference and expiration of tax loss carry forwards ,recognition and measurement of deferred tax liability/asset .</p> <p>We assessed the adequacy of the company's disclosures setting out the basis of deferred tax liability/asset balances and the level of estimation involved.</p> <p>we also assessed in evaluating the tax implications , the reasonableness of estimate and calculations determined by the management .</p> <p>finally assessed the appropriateness and presentation of disclosure against IAS -12 income Tax</p>

Other Matter

The financial statements of **Aftab Automobiles Limited and Its Subsidiary** for the year ended 30 June 2018 was audited by another auditor and give fair opinion.

The financial statements of Navana Batteries Limited subsidiary companies of **Aftab Automobiles Limited** for the year ended 30 June 2019 was audited by another auditor and give fair opinion.

Going Concern

We are required to report if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of the financial statements. We have nothing to report in these respects.

Other Information

Management is responsible for other information. The other information comprises all of the information in the Annual report other than the financial statements and our auditors' report thereon. The directors





are responsible for those other information. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover these other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read these other information and, in doing so, consider whether these other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls:

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and other applicable rules and regulations 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements:

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.





- Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements:

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, we also report the following:

- (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 law have been kept by the Company so far as it appeared from our examination of those books; and
- (c) the company's financial statements dealt with by the report are in agreement with the books of account.
- (d) the expenditure incurred was for the purpose of company's business for the year.

Dated: Dhaka,
26 October 2019


ATA KHAN & CO.
Chartered Accountants



Aftab Automobiles Limited & its subsidiary
Consolidated Statement of Financial Position
As at June 30, 2019

Particulars	Notes	Amount in Taka	
		June 30, 2019	June 30, 2018
Assets:			
Non-current assets			
Property, plant and equipment	03	2,048,455,880	2,012,034,921
Capital work-in-progress	04	597,122,227	104,848,039
Investment in securities & Share Money	5.1	28,395,758	57,895,758
Investments in associate	5.2	376,087,205	321,562,941
Receivables -Non-Current Maturity	0.6	2,052,645,882	2,460,241,751
Total non-current assets		5,102,706,952	4,956,583,410
Current assets			
Receivables -Current Maturity	06	2,828,916,659	2,217,118,700
Stock and stores	07	1,966,033,525	1,930,448,231
Current account with Navana Group Companies		3,530,849,255	1,590,392,444
Advances, deposits and prepayments	08	2,869,503,790	2,546,181,187
Cash and bank balances	09	285,560,347	460,146,251
Total current assets		11,480,863,576	8,744,286,812
Total assets		16,583,570,528	13,700,870,223
Equity and Liabilities:			
Capital & reserves			
Share capital	10	957,324,220	957,324,220
Share premium	11	1,925,858,339	1,925,858,339
Reserves	12	67,338,231	67,338,231
Retained earnings		2,884,205,752	2,878,999,350
Equity attributable to owners of the Company		5,834,726,542	5,829,520,140
Non-controlling interests		414,214	412,223
Total equity		5,835,140,756	5,829,932,364
Non-current liabilities			
Loan and deferred liabilities (unsecured)	27	25,310,440	25,310,440
Long Term loan-Non current Maturity	13	3,284,569,678	3,383,107,848
Deferred tax liability	23	128,711,930	137,062,262
Total Non-current liabilities		3,438,592,047	3,545,480,550
Current liabilities			
Long Term loan-Current Maturity	13	1,094,856,559	1,127,702,615
Short-term loan	14	4,687,578,819	1,993,503,690
Accrued and other current liabilities	15	1,527,402,347	1,204,251,006
Total Current liabilities		7,309,837,725	4,325,457,310
Total liabilities		10,748,429,772	7,870,937,860
Total equity and liabilities		16,583,570,528	13,700,870,223
Net assets value per share (NAVPS)		60.95	60.89

The annexed notes 1 to 40 and schedule-A form an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 26 October 2019 and were signed on its behalf by:

Chief Financial Officer

Company Secretary

Director

Managing Director

Chairman

Signed in terms of our separate report of even date.

Place: Dhaka

Dated: 26 October 2019

ATA KHAN & CO.
Chartered Accountants



Aftab Automobiles Limited
Consolidated Statement of Profit or Loss and other Comprehensive Income
For the year ended June 30, 2019

Particulars	Notes	Amount in Taka	
		2018-2019	2017-2018
Sales revenue	16	2,818,043,017	4,813,708,397
Less : Cost of goods sold	17	2,115,825,918	3,868,847,153
Gross profit (a)		702,217,098	944,861,244
Less: Operating expenses			
Administrative expenses	18	75,490,766	115,142,320
Selling and distribution expenses	19	115,030,324	157,940,999
Financial charges	20	443,833,006	340,399,318
Total Operating Expense (b)		634,354,096	613,482,637
Operating profit (c) = (a-b)		67,863,002	331,378,606
Non-operating income			
Other Income	21	15,848,057	17,958,672
Share of profit from associate company	5.2	54,524,264	19,556,789
Total non-operating income (d)		70,372,321	37,515,461
Profit before contribution to WPPF (e) = (c+d)		138,235,323	368,894,066
Less: Contribution to WPPF		6,582,634	17,566,384
Net profit before tax (f)		131,652,688	351,327,682
Less: Income tax expense			
Current tax	22.1	19,915,721	83,725,612
Deferred tax	22.2	(8,350,332)	11,128,499
Total Income Tax Expense (g)	22	11,565,389	94,854,111
Net profit After Tax (h) = (f-g)		120,087,299	256,473,571
Other comprehensive Income for the year :			
Investment Valuation surplus in share			
Revaluation Gain/(Loss) on invest. in share		-	(6,609,021)
Deferred tax		-	(550,249)
Total Investment Valuation surplus in share (i)		-	(7,159,270)
Total comprehensive Income for the year (j) =(h+i)		120,087,299	249,314,301
<i>Attributable to:</i>			
Equity holders of the company		120,085,308	249,296,755
<i>Non-controlling interests</i>		1,991	17,545
Profit for the period/year		120,087,299	249,314,302
Consolidated earnings per share	24	1.25	2.68

The annexed notes 1 to 40 and schedule-A form an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 26 October 2019 and were signed on its behalf by:


Chief Financial Officer


Company Secretary


Director



Managing Director


Chairman

Signed in terms of our separate report of even date.

Place: Dhaka

Dated: 26 October 2019


ATA KHAN & CO.
Chartered Accountants

ATA KHAN & CO.
Chartered Accountants

Aftab Automobiles Limited and its Subsidiary


Consolidated Statement of Changes in Equity

For the year ended June 30, 2019

Particulars	Amount in Taka						Total
	Share capital	Share premium	Reserves	Retained earnings	Attributable to equity holders of the company	Non-controlling interest	
Balance as on July 01, 2017	957,324,220	1,925,858,339	67,338,231	2,722,945,676	5,673,466,466	394,678	5,673,861,144
Cash dividend	-	-	-	(93,243,081)	(93,243,081)	-	(93,243,081)
Total comprehensive Income for the year	-	-	-	249,296,755	249,296,755	17,545	249,314,300
Balance as at June 30, 2018	957,324,220	1,925,858,339	67,338,231	2,878,999,350	5,829,520,140	412,223	5,829,932,364
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	5,829,932,364
Cash dividend	-	-	-	(114,878,906)	(114,878,906)	-	(114,878,906)
Total comprehensive Income for the year	-	-	-	120,085,308	120,085,308	1,991	120,087,299
Balance as at June 30, 2019	957,324,220	1,925,858,339	67,338,231	2,884,205,752	5,834,726,542	414,214	5,835,140,755

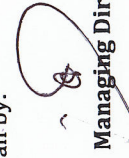
The annexed notes 1 to 40 and schedule-A form an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 26 October 2019 and were signed on it's behalf by:


Chief Financial Officer


Company Secretary


Director


Managing Director


Chairman








Place: Dhaka
Dated: 26 October 2019

Aftab Automobiles Limited
Consolidated Statement of Cash Flows
For the year ended June 30, 2019

Particulars	Note	Amount in Taka	
		2018-2019	2017-2018
A. Cash flows from operating activities			
Receipts from customers		2,613,840,927	3,738,704,862
Receipts from others		15,848,057	17,958,672
Payments to suppliers and employees		(2,190,033,653)	(4,013,661,719)
Cash generated from operations		439,655,331	(256,998,185)
Income tax paid		(81,719,733)	(149,215,052)
Net cash generated by operating activities		357,935,598	(406,213,237)
B. Cash flows from investing activities			
Acquisition of property, plant & equipment		(122,037,197)	(117,045,625)
Investment in Share money deposit		29,500,000	(26,924,137)
Payments for capital work in progress		(497,402,668)	(64,843,010)
Disposal Proceeds		-	700,000
Disposal of shares		-	6,528,786
Net cash used investing activities		(589,939,865)	(201,583,986)
C. Cash flows from financing activities			
Receipts/(Repayments) of bank loan		2,562,690,902	1,544,397,435
Inter company receipts/(payments)		(1,940,456,811)	(523,955,048)
Bank interest paid		(443,833,006)	(340,399,318)
Dividend paid		(120,982,721)	(93,243,081)
Net cash provided by financing activities		57,418,363	586,799,988
D. Net changes in cash & cash equ. for the year (A+B+C)		(174,585,904)	(20,997,235)
E. Cash & cash equivalents at beginning of the period/year		460,146,251	481,143,486
F. Cash & cash equivalents at end of the period/ year (D+E)		285,560,347	460,146,251
Net operating cash flows per share (NOCFPS)	26	3.74	(4.24)

The annexed notes 1 to 40 and schedule-A form an integral part of these financial statements.

These financial statements were approved by the Board of Directors on 26 October 2019 and were signed on its behalf by:

 Chief Financial Officer
  Company Secretary
  Director
  Managing Director
  Chairman

Place: Dhaka

Dated: 26 October 2019



AFTABAUTOMOBILES LIMITED & ITS SUBSIDIARY

Notes to the Financial Statements

As at and for the year ended 30 June 2019

1.0 Corporate Information and Mode of Business

1.1 Corporate Information

Aftab Automobiles Limited (the company), was incorporated in erstwhile East Pakistan in year 1967 as East Pakistan Automobiles Limited under the Company Act, 1913. Subsequently, after liberation, the Company changed the name as Aftab Automobiles Limited and was certified by the Register of Joint Stock 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. And its subsidiary named Navana Batteries Limited also was incorporated on 21st April, 2009 under vide registration no. C76441/09.

1.2 Mode of Business

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

2.0 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 (IASs) and International Financial Reporting Standards (IFRSs) 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 except financial charges following under the historical cost convention.

2.3 Basis of Reporting

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

2.4 Reporting Period

These financial statements cover one accounting year from July 01, 2018 to June 30, 2019.



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 audits sole subsidiary named Navana Batteries Ltd. The Consolidated financial statements has been prepared in accordance with **IFRS-10**. The company accrued 99.95 % of paid –up Capital of Navana batteries Ltd.

2.8 Recognition of Property, Plant and Equipment

These are capitalized at cost of acquisition and subsequently stated at original cost minus accumulated depreciation and accumulated impairment losses, if any, in compliance with the relevant accounting standard **IAS-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 of, 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 of during the period have been depreciated for the period of its use. The rate at which the assets are depreciated per annum depended on the nature and estimated useful life of each assets are consistently applied since the inception of the company which are given below :

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

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

2.9 Financial Instruments and Derivatives

a) Investment in associates

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

b) 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 IAS-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. No Foreign Currency transaction is involved in Cash and Cash Equivalents.

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 of Aftab Automobiles Limited is 25.00 % & Navana Batteries Limited is 35.00 % as the company qualifies as a "publicly traded company & private limited company". Provision for taxation has been made as per law.



Deferred Tax

Deferred tax is recognized liabilities in accordance with IAS-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 **IAS-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 **IFRS-15** "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 **IAS-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 **IAS-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 International Accounting Standards **IAS-37** "Provision, Contingent Liabilities and Contingent Assets" requires management to make estimates and assumptions that effect 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 IAS-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 **IAS-33**. Basic earnings per share have been calculated taking a capital base of 95,732,422 Ordinary shares of Tk. 10 each as on June 30, 2019 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 share 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 **IAS-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 26 October 2019. No material event had occurred after the balance sheet date of issue of these financial statements, which could affect the values stated in the financial statement.

2.21 Workers Profit Participation Fund

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

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

2.22 Recognition of Investment in Subsidiary in separate financial statements

The investment in subsidiaries are being accounted for using equity method in the company's separate financial statements as directed by Para 10 (C) of **IAS-27** Separate Financial Statements, "under the equity method, on initial recognition the investment in an associate or a joint venture is recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The investor's share of the investee's profit or loss is recognized in the investor's profit or loss. Distributions received from an investee reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the investor's proportionate interest in the investee arising from changes in the investee's other comprehensive income."

2.23 Financial Assets and Liabilities

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

i) Receivables

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

ii) Payable

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

iii) Related party disclosure

As per **IAS-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.

2.24 Comparative Figure:

Comparative information has been disclosed in respect of the period 2018 for all numerical data in the financial statements and also the narrative descriptive information when it is relevant for understanding of the current year's financial statements presentation. The financial information for the period July 01, 2018 to June 30, 2019 comparative for the period of July 01, 2017 to June 30, 2018 which is the last audited financial statements.

2.25 General

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

2.26 Compliances with the requirement of Notifications of the Securities and Exchange Commission dated 01.06.2008 under ref # SEC/CMMMPC/2008-181/53/adm/03/28

1. Notes to the financial statements set out the accounting policies on all material accounting areas. These accounting policies are based on IFRS and IAS.
2. The following applicable IAS and IFRS (International Accounting Standards and International Financial Reporting Standards) has been adopted and applied by the company from the IFRS and IAS issued by International Accounting Standard Board (IASB) as adopted by ICAB.

Particulars	IAS NO.	Status of Application
Presentation of Financial Statements	IAS-1	Applied
Statement of Cash Flows	IAS-7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors.	IAS-8	Applied
Events After The Reporting Period	IAS-10	Applied
Income Taxes	IAS-12	Applied
Property, Plant and equipment	IAS-16	Applied
Employee Benefits	IAS-19	Applied
Borrowing Costs	IAS-23	Applied
Related Party Disclosure	IAS-24	Applied
Consolidated and Separate Financial Statement	IAS-27	Applied
Financial Instrument Presentation	IAS-32	Applied
Earnings Per Share (EPS)	IAS-33	Applied
Impairment	IAS-36	Applied
Provision, Contingent Liabilities and Contingent Assets	IAS-37	Applied
Intangible Assets	IAS-38	Applied
Financial Instrument : Recognition and Measurement	IAS-39	Applied
First-time Adoption of International Financial Reporting Standards	IFRS-1	Applied
Financial Instrument	IFRS-9	Under Review
Revenue from Contracts with Customers	IFRS-15	Applied



Notes No.	Particulars	Amount in Taka	
		2018-2019	2017-2018
03	Consolidated property, plant and equipment, net		
	Land & Land Development	1,148,608,502	1,063,604,227
	Building	251,823,441	253,007,485
	Shades	14,582,160	18,227,700
	Plant & Machinery	396,725,584	418,760,243
	Tools & Equipments	44,769,591	53,784,097
	Office Equipment	41,451,814	43,634,486
	Furniture & Fixture	28,012,890	31,106,217
	Transport Vehicles	43,607,824	52,352,188
	Electrical line installation	11,466,407	12,238,925
	Office Decoration	53,474,633	50,331,673
	Gas line installation	13,933,034	14,987,679
		2,048,455,880	2,012,034,921
04	Consolidated capital work in progress		
	Opening balance	104,848,039	289,001,994
	Addition during the year	497,402,668	64,843,010
		602,250,707	353,845,004
	Less: Transfer to property, plant & equipment	5,128,480	248,996,965
	Closing balance	597,122,227	104,848,039
	Capital work in progress represents Land and Land Development , civil constructions Plant and Machinery for BMRE of Aftab Automobiles Ltd and Navana Batteries Ltd .		
05	Investments in Securities and associate Company		
	Investment in securities & Share Money (Note: 5.1)	28,395,758	57,895,758
	Investment in associate (Note : 5.2)	376,087,205	321,562,941
		404,482,963	379,458,699
5.1	Investment in securities & Share Money		
	Quantities details of investments in share (Note: 5.1a)	-	-
	Investment in Share Money deposit (Note: 5.1b)	28,395,758	57,895,758
		28,395,758	57,895,758
5.1 (a)	Quantities details of investments in share		
	Investment in shares of Navana CNG Ltd		
	Opening Balance	-	7,620,709
	Less: revaluation gain booked to OCI	-	6,609,021
	Less: Related deferred Tax	-	550,249
	Less: sale of Share	-	461,439
	Closing Balance	-	-
5.1 (b)	Investment in Share Money deposit		
	Navana Construction Ltd.		
	Opening Balance	57,895,758	30,971,621
	Add : During the year	(29,500,000)	26,924,137
		28,395,758	57,895,758

Investment in Share Money deposit are consist as advance for share holding of Navana Construction Ltd. which will be consider by the approval the board and also by the shareholders .

Notes No.	Particulars	Amount in Taka	
		2018-2019	2017-2018
5.2	Investment in associate		
	The details are stated below :		
	Share Invest of NREL at cost (5.3)	20,000,000	20,000,000
	Share of equity from associate:		
	Opening Balance	301,562,941	277,116,955
	Net Income after deferred tax	43,619,411	19,556,789
	Provision for deferred tax (note - 23.1 A)	10,904,853	4,889,197
	Share of profit from associate company	54,524,264	24,445,986
	Closing Balance	356,087,205	301,562,941
	Total Investment in Associates	376,087,205	321,562,941
5.3	Acquisition quantity of shares of Navana Real Estate Ltd.	20,000,000	20,000,000*
	Less: shares sale during the year	-	-
		20,000,000	20,000,000
	Opening Balance	6,000,000	6,000,000
	Number of shares purchased	-	-
	Number of bonus shares received during the year	-	-
	Total number of shares	6,000,000	6,000,000
06	Consolidated trade debtors		
	Receivable Non-Current (Maturity over 12 months)	2,175,145,882	2,565,001,751
	Less: Provision for Bad debts	122,500,000	104,760,000
		2,052,645,882	2,460,241,751
	Receivable current (Maturity less than 12 months)	2,828,916,659	2,217,118,700
		4,881,562,541	4,677,360,451
	Ageing schedule of receivables :		
	Duration		
	1- 30 days	661,117,823	494,334,186
	31- 60 days	581,908,157	462,951,775
	61- 90 days	565,500,440	348,231,482
	91- 180 days	506,941,865	381,941,065
	181- 365 days	513,448,374	385,888,542
	Over 365 days	2,052,645,882	2,604,013,401
		4,881,562,541	4,677,360,451
	Net receivables are considered good . The Company holds no security other than debtors' personal security in the form of work orders etc.		
07	Consolidated stock and stores		
	Finished products	616,407,527	804,837,655
	Raw materials	655,156,845	597,801,527
	Work-in-process	150,417,975	117,223,316
	Stores and spares (Note: 07.1)	2,963,915	3,080,234
	Goods in transit	541,087,263	407,505,499
		1,966,033,525	1,930,448,231
07.1	Stores and spares		
	Opening Balance	3,080,234	3,080,234
	Less: Consumption During the year	(116,319)	-
	Closing Balance	2,963,915	3,080,234
08	Consolidated advances, deposits and prepayments		
	Advance to suppliers	766,579,893	778,216,271
	Advance to employees	33,406,244	49,882,754
	Advance to others	452,351,534	186,144,888
	Current Account with VAT	37,483,127	99,522,387
	Deposits	466,985,828	401,437,455
	Advance Income tax (note-8.1)	1,112,697,165	1,030,977,432
		2,869,503,790	2,546,181,187

Notes No.	Particulars	Amount in Taka	
		2018-2019	2017-2018
	Advance paid to suppliers against work orders are considered good. Advance to employees against expenses, salary etc. which are realisable 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.		
8.1	Consolidated Income tax deducted at source		
	Opening balance	1,030,977,432	881,762,380
	Addition during the year	81,719,733	149,215,052
		1,112,697,165	1,030,977,432
	Adjustment made during the year	-	-
	Closing Balance	1,112,697,165	1,030,977,432
09	Consolidated cash & bank balances		
	Cash in hand	4,567,780	60,996,075
	Cash at bank	280,992,567	399,150,176
		285,560,347	460,146,251
10	Share capital		
	Authorized capital:		
	120,000,000 Ordinary shares of Tk. 10 each	1,200,000,000	1,200,000,000
	180,000,000 Cum. redeemable preference shares of Tk. 10 each	1,800,000,000	1,800,000,000
		3,000,000,000	3,000,000,000
	Ordinary Share capital:		
	Issued, subscribed and paid up		
	95,732,422 Ordinary shares of Tk. 10 each		
	Sponsors	291,939,445	291,939,445
	General Public	665,384,775	665,384,775
		957,324,220	957,324,220

The Position of Ordinary shareholders as on June 30, 2019 was as follows :

Particulars	Num. of Investors	Num. of Shares	Share Holding '2019	Share Holding '2018
Sponsors	6	27,208,098	28.42%	28.42%
Financial Institutions including ICB	248	37,009,733	38.66%	37.33%
General Public	21,648	31,514,591	32.92%	34.25%
Total	21,902	95,732,422	100%	100.00%

The classification of shareholders by holding as on June 30, 2019 was as follows :

No. of share holdings	Num. of Investors	No. of share holders	Share Holding '2019	No. of shares 2018
1 to 500	14,392	2,184,666	2.28%	2,282,821
501 to 5000	6,414	10,202,991	10.66%	9,796,897
5001 to 10000	580	4,151,466	4.34%	3,943,851
10001 to 20000	251	3,485,825	3.64%	3,337,909
20001 to 30000	95	2,354,021	2.46%	1,960,017
30001 to 40000	29	1,050,779	1.10%	1,066,082
40001 to 50000	30	1,393,343	1.46%	1,032,257
50001 to 100000	48	3,341,706	3.49%	3,649,088
100001 to 1000000	49	14,860,012	15.52%	17,165,029
Above 1000000	14	52,707,613	55.06%	51,498,471
Total	21,902	95,732,422	100%	95,732,422

Notes No.	Particulars	Amount in Taka	
		2018-2019	2017-2018
11	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>
12	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>
	The Company obtained tax holiday facility for body building unit for the period of five years with effect from may 05, 1997.		
13	Consolidated Long Term loan-Net of current portion		
	Agrani Bank Ltd.	1,615,505,083	1,027,162,123
	Meghna bank Ltd.	19,626,112	56,570,080
	SBAC bank Ltd.	123,310,925	71,049,368
	Standard bank ltd.	-	141,902,741
	Mutual trust bank ltd.	117,923,003	264,304,560
	Bank Asia Ltd.	-	200,119,253
	The City Bank Ltd.	-	64,991,141
	Prime bank Ltd.	34,589,483	63,903,407
	Midland Bank Ltd.	66,367,700	99,145,612
	Peoples Leasing	157,546,943	162,637,460
	Mercantile bank Ltd.	171,555,869	76,496,136
	One Bank Ltd.	64,717,841	400,341,511
	NCC Bank Ltd.	131,557,537	152,930,641
	NRB Commercial Ltd.	-	25,229,197
	Bay Leasing	97,000,000	89,239,082
	GSP Finance	226,520,509	187,429,117
	Midas financing	42,194,387	31,225,924
	Union Capital	139,463,643	145,093,674
	BD Finance Ltd.	58,851,427	-
	Southeast Bank Ltd.	-	127,805,806
	Prime Finance & Investment Ltd.	750,000	-
	Shahjalal Islami Bank Ltd.	2,851,000	-
	Trust Bank Ltd.	394,011,750	387,295,430
	Dutch-Bangla Bank Ltd.	666,661,025	621,385,483
	Social Islami Bank Ltd.	-	51,958,035
	Modhumoti bank Ltd.	248,422,000	62,594,683
		<u>4,379,426,237</u>	<u>4,510,810,463</u>
	less: Long Term loan-Current maturity	<u>1,094,856,559</u>	<u>1,127,702,615</u>
	Long Term loan-Net of Non-current maturity	<u>3,284,569,678</u>	<u>3,383,107,849</u>
14	Consolidated Short-term loan		
	Agrani Bank Ltd.	535,501,998	-
	Bank Asia Ltd.	889,250,209	465,037,971
	Standard Bank Ltd.	-	42,794,066
	NRB Commercial Ltd.	410,885,931	228,022,713
	NCC bank Ltd.	61,161,620	134,656,777
	Dhaka Bank Ltd.	-	51,388,456
	Mercantile Bank Ltd.	136,567,494	72,054,431
	The City Bank Ltd.	-	31,896,563
	Midland Bank Ltd.	30,871,288	21,350,740
	Prime bank Ltd.	51,607,048	51,554,429

Notes No.	Particulars	Amount in Taka	
		2018-2019	2017-2018
	One Bank Ltd.	294,163,191	-
	SBAC bank Ltd.	49,458,146	34,206,739
	Mutual trust bank Ltd.	204,477,546	52,705,121
	Southeast Bank Ltd.	684,528,623	346,462,295
	Dutch-Bangla Bank Ltd.	626,082,737	199,999,768
	Al-Arafah Islami Bank Ltd.	-	20,832,910
	IFIC Bank Ltd.	543,086,250	206,340,033
	Jamuna Bank Ltd.	165,904	2,339,465
	Shahjalal Islami bank ltd.	169,770,834	-
	Modhumoti bank Ltd.	-	31,861,213
		4,687,578,819	1,993,503,690

Non Financial Information of Short Term and Long Term loan are given below :

15 Consolidated accrued and other current liabilities

For goods supplied	332,379,616	78,570,814
For expenses	103,616,678	124,016,415
For Income tax	837,159,890	817,244,168
For gratuity	-	-
For Workers' P.P.F. and W.F.	28,417,449	31,577,633
Provision for bad debts	6,176,851	6,149,979
For other finance	81,821,302	76,421,277
For Bond Liabilities	73,663,658	-
Unclaimed dividend	64,166,906	70,270,720
	1,527,402,347	1,204,251,006

16 Consolidated revenues

Aftab automobiles Ltd.	1,957,393,139	3,359,756,688
Navana Batteries Limited	860,649,878	1,453,951,709
	2,818,043,017	4,813,708,397

17 Consolidated cost of goods sold

Opening stock of direct raw materials	597,801,527	385,462,716
Purchases of direct raw material	1,800,802,761	3,232,224,650
Direct raw materials available for consumption	2,398,604,288	3,617,687,366
Closing stock of direct raw materials (Note 7)	655,156,845	597,801,527
Raw materials consumed	1,743,447,443	3,019,885,839
Add : Opening WIP	117,223,316	77,093,746
	1,860,670,759	3,096,979,585
Less : Closing WIP (Note-7)	150,417,975	117,223,316
	1,710,252,784	2,979,756,269
Indirect materials	6,025,024	79,998,358
Total consumption	1,716,277,809	3,059,754,627
Factory overhead (Note-17.1)	211,117,982	220,606,506
Cost of production	1,927,395,790	3,280,361,133
Opening Finished products	804,837,655	1,393,323,677
	2,732,233,445	4,673,684,810
Closing Finished products (Note-7)	616,407,527	804,837,655
	2,115,825,918	3,868,847,153

Notes No.	Particulars	Amount in Taka	
		2018-2019	2017-2018
17.1	Factory overhead		
	Salary and allowances	57,521,086	59,665,105
	Liveries and Uniform	406,640	175,970
	Telephone, Fax, Mobile	408,730	592,130
	Fuel and Lubricants	3,889,106	4,161,593
	Travelling and Conveyance	550,059	604,332
	Entertainment	581,961	1,238,908
	Office Expenses	278,319	316,809
	Maintenance expenses	786,094	910,495
	Electric Expenses	49,902,942	43,837,609
	Duty and Allowance	742,190	2,284,300
	Canteen Subsidies	1,847,596	2,479,399
	Eid greeting	129,187	159,768
	Rent Rates & Taxes	5,159,184	9,220,790
	Insurance	6,526,372	7,440,972
	Gas	1,877,931	2,066,177
	Welfare expenses	216,848	521,179
	Carrying & handling	466,196	698,778
	Papers & periodical	-	1,475,951
	General charges	56,390	80,463
	Repairs and maintenance (vehicle)	282,278	440,743
	Security Exps	3,990,631	-
	Chemicals	39,809	33,088
	store & Spare	248,479	141,040
	Foreign Technician Remuneration	1,604,873	1,587,838
	Annual picnic	378,825	1,202,436
	Printing & Stationary	108,492	159,782
	Screen Printing	70,965	64,411
	Labour Charges	193,729	335,488
	Laboratory Exps	174,091	285,452
	Generator Maintenance	36,950	803,098
	Fire Extinguisher	46,255	159,438
	Depreciation	72,595,776	77,462,966
		211,117,982	220,606,506
18	Consolidated administrative expenses		
	Salary and allowances	44,976,337	70,673,758
	Welfare expenses	102,011	144,680
	Medical Expenses	5,897	1,183,402
	Entertainment	824,415	1,737,343
	AGM expenses.	482,613	452,844
	TA and Conveyance	995,997	1,155,332
	Travelling Exp - Foreign	406,430	834,839
	Car maintenance	1,839,494	2,217,530
	Stationery	644,900	936,594
	Fees and Registration	2,624,303	2,685,123
	Telephone	961,525	806,217
	Electric expenses	652,922	707,396
	Rent, rates and taxes	3,259,929	4,598,696
	Insurance premium	123,657	2,477,272
	Liveries and Uniform	125,029	90,895
	Bank charges	2,469,566	2,119,714
	Bank Guarantee & Charge documents	68,275	112,527
	Audit fees	356,500	533,500
	Duty allowance	50,000	115,875
	Paper and periodicals	93,915	33,514

Notes No.	Particulars	Amount in Taka	
		2018-2019	2017-2018
	Postage and telegram	413,142	603,370
	Publicity	464,473	-
	Night allowances	52,090	62,772
	Advertisement and Publicity	15,950	50,000
	Directors fee	372,750	233,500
	Office maintenance	331,978	929,858
	Maintenance expenses	215,874	305,136
	General Expenses	44,045	389,865
	WASA Bill	30,333	7,694
	Carrying & Handling	24,000	1,612,038
	Gas	140,691	111,909
	CDBL Fee	335,190	37,000
	Canteen Subsidy	587,016	589,390
	Security Exps	98,325	982,111
	Donation	656,366	757,845
	Promotion Exp.	926,765	3,649,546
	ISO	135,000	341,213
	Fuel & Lubricants	448,852	627,479
	Guest House Maintenance	1,020	152,119
	Membership fee & others	58,720	399,556
	Depreciation	9,074,472	9,682,871
		75,490,766	115,142,320
19	Consolidated selling and distribution expenses		
	Salary & Allowance	44,458,410	72,267,160
	Wages	-	-
	Bonus	-	-
	Leave pay	-	-
	P/F company's Contribution	-	-
	Gratuity	-	-
	Overtime	-	-
	Welfare	-	109,057
	Fuel & Lubricant	651,105	1,196,044
	Transit Insurance	472,502	292,572
	Promotional Exps	8,318,750	9,264,064
	Trade fare Exp.	-	997,780
	Training Exp.	-	4,940,674
	Driving Charge	-	160,789
	Toll Charge	-	147,931
	Delivery Exps	1,767,760	1,006,821
	Rent Rates & Taxes	16,487,793	15,594,507
	Conveyance	602,195	1,043,881
	Entertainment	466,948	1,396,508
	Stationery	46,988	58,852
	Telephone	1,273,616	1,144,591
	Publicity Exp.	1,598,042	2,207,662
	Fees & Registration	472,578	625,230
	Maintenance	88,575	332,594
	Car Maintenance	854,794	1,174,968
	Electrical Expenses	2,002,541	2,431,404
	Postage & Telegram	491,366	325,126
	Papers & Periodicals	39,108	52,619
	Bank Charges	808,706	149,921
	Security Guard salary	2,884,778	2,424,930
	Office Maintenance	84,005	181,661
	Showroom Exps	1,048,451	863,875

Notes No.	Particulars	Amount in Taka	
		2018-2019	2017-2018
	Transportation Charges	1,165,565	1,785,081
	Utility Bill (WASA)	384,495	321,101
	Gift & Donation	86,606	329,221
	Bad debts	18,278,501	23,784,222
	Chemical & Packing exps	1,920	162,433
	Dealer conference Exp.	1,095,907	1,055,808
	Transit Insurance	-	403,541
	Others	23,848	25,500
	Depreciation	9,074,472	9,682,871
		115,030,324	157,940,999
20	Consolidated financial charges		
	Aftab Automobiles Ltd.	322,076,419	220,765,998
	Navana Batteries Ltd.	121,756,587	119,633,320
		443,833,006	340,399,318
21	Consolidated non-operating income		
	FDR Interest	15,848,057	11,203,287
	Share dividend (navana Cng)	-	-
	Profit on sale of shares	-	6,067,347
	Profit on sale of car	-	688,038
		15,848,057	17,958,672
22	Consolidated Income tax expense		
	Current tax (22.1)	19,915,721	83,725,612
	Deferred tax (22.2)	(8,350,332)	11,128,499
		11,565,389	94,854,111
22.1	Current tax		
	Aftab Automobiles Ltd. (Note: 22.1a)	15,917,077	74,084,182
	Navana Batteries Ltd (Note: 22.1b)	3,998,644	9,641,430
		19,915,721	83,725,612
22.1 (a)	Current Tax		
	Operating profit	51,000,023	279,312,459
	Other Income	15,848,057	17,958,672
	Contribution to WPPF	(5,779,635)	(15,087,044)
	Bad debts	17,740,000	17,634,243
	Add: Accounting depreciation	43,989,919	47,778,782
	Less: Tax depreciation	(59,130,055)	(58,171,115)
	Last year adjustment	-	6,910,731
	Taxable Profit	63,668,309	296,336,728
	Corporate tax rate	25.00%	25.00%
	Current Tax	15,917,077	74,084,182
22.1(b)	Current Tax		
	Profit before Tax	16,059,980	49,586,804
	Add: Accounting Depreciation	46,754,801	49,049,926
	Less: Tax Depreciation	(65,226,821)	(71,089,790)
	Adjusted Profit for tax calculation	(2,412,041)	27,546,940
	Tax @ 35 % (transferred to Compreh. Income statement)	(844,214)	9,641,429
	Normal Tax liability @ 35% on profit before tax	(844,214)	9,641,429
	Minimum Tax liabilities @ 0.6% on Gross Receipt	3,998,644	7,816,179
	Current Tax Liabilities (whichever is higher)	3,998,644	9,641,429

Notes No.	Particulars	Amount in Taka	
		2018-2019	2017-2018
22.2	Deferred tax		
	Aftab Automobiles Ltd.	(16,751,577)	3,414,548
	Navana Batteries Ltd	8,401,245	7,713,952
		<u>(8,350,332)</u>	<u>11,128,499</u>
23	Deferred tax Liability:		
	Aftab Automobiles Ltd. (23.1)	68,818,220	85,569,797
	Navana Batteries Ltd. (23.2)	59,893,710	51,492,465
		<u>128,711,930</u>	<u>137,062,262</u>
23.1	Aftab Automobiles Ltd.		
	Associate Company (23.1.A)	71,217,441	60,312,588
	Assembling ,Body unit & M.Cycle Unit (23.1.B)	(2,399,221)	25,257,209
	Investment Valuation surplus in share	-	-
		<u>68,818,220</u>	<u>85,569,797</u>
	Calculation of Deferred tax		
23.1.A.	Associate company		
	Opening Balance	60,312,588	55,423,391
	Add: Provision during the year	10,904,853	4,889,197
	Investment in Associate Balance as on 30.06.19	<u>71,217,441</u>	<u>60,312,588</u>
	Investment Valuation surplus in share	-	-
23.1.B.	Aftab Automobiles Ltd.		
	DEPRECIATION:		
	WDV on PPE as per Accounting Calculation	1,177,601,790	1,186,639,545
	WDV on PPE as per Taxable Calculation	1,064,698,673	1,085,610,708
	Temporary Defference	<u>112,903,117</u>	<u>101,028,837</u>
	Deferred Tax 25% on difference (i)	<u>28,225,779</u>	<u>25,257,209</u>
	BAD DEBTS:		
	Bad debts as per accounting base	122,500,000	-
	Bad debts as per tax base	-	-
	Temporary difference	<u>122,500,000</u>	<u>-</u>
	Deferred Tax 25% on difference (ii)	<u>(30,625,000)</u>	<u>-</u>
	Total deferred tax (i+ii)	<u>(2,399,221)</u>	<u>25,257,209</u>
	NB: Deferred tax on bad debts has been considered only for this year.		
23.2	Navana Batteries Ltd		
	WDV on PPE as per Accounting Calculation	870,854,090	825,395,376
	WDV on PPE as per Taxable Calculation	697,317,165	678,274,047
	Temporary Defference	<u>173,536,925</u>	<u>147,121,329</u>
	Deferred Tax 35% on different	60,737,923.76	51,492,465
	Less: Unabsorbed Depreciation	(844,214)	-
	Actual Difference after unabsorbed Depreciation	<u>59,893,710</u>	<u>51,492,465</u>

Notes No.	Particulars	Amount in Taka	
		2018-2019	2017-2018
	Movement of deferred tax		
A	Aftab Automobiles Ltd.		
	Opening Balance [Deferred Tax 25% on difference (i)]	25,257,209	21,842,661
	Add : During the year	(27,656,430)	3,414,548
	Closing Balance	(2,399,221)	25,257,209
	Opening Balance	85,569,797	77,816,301
	Add : During the year	(27,656,430)	3,414,548
	Add : During the year (Associate co.)	10,904,853	4,889,197
	Add : During the year(OCI)	-	(550,249)
	Closing Balance	68,818,220	85,569,797
B	Navana Batteries Ltd		
	Opening Balance	51,492,465	-
	Add : During the year (PL AC)	8,401,245	-
	Closing Balance	59,893,710	-
	Total Deferred Tax Expenses (PL AC)	(16,751,577)	-
	Total Deferred Tax Liabilities (FS AC)	128,711,930	-
24	Consolidated earnings per share (EPS)		
	Profit attributable to the equity holders	120,087,299	256,456,026
	No. shares	95,732,422	95,732,422
	Earnings per Share (EPS)	1.25	2.68
	Note: Earnings Per Share (EPS) has been fallen down than previous year because of decreasing sale amount due to parliament election		
25	Net assets value per share (NAVPS)		
	Equity attributable to equity holders	5,834,726,542	5,829,520,140
	Ordinary share(Paid Up capital)	95,732,422	95,732,422
	Net assets value per share (NAVPS)	60.95	60.89
26	Net operating cash flows per share (NOCFPS)		
	Net cash generated by operating activities	357,935,598	(406,213,237)
	Ordinary share(Paid Up capital)	95,732,422	95,732,422
	Net operating cash flows per share (NOCFPS)	3.74	(4.24)
	Note: During the year net operating cash flow per share has been increased because of collection from sales risen along with decreased the payment of suppliers & employees		
27	Loan and deferred liabilities (Unsecured)	25,310,440	25,310,440
	Long- term interest free loan from sponsors is carried forward since 1982		
28	Claims against the Company :		
	There is no known claim against the Company.		

Notes No.	Particulars	Amount in Taka	
		2018-2019	2017-2018
29	Reconciliation of cash flows from operating activities under indirect method:		
	Net profit/Loss before interest, income tax & WPPF	526,741,066	-
	Depreciation	90,744,720	-
	Payment of WPPF	(7,322,317)	-
	Income tax paid	(81,719,733)	-
	Changes in current assets and liabilities:		
	Decrease/ (increase) in inventories	(35,585,294)	-
	Decrease/ (increase) in advance and prepayments	(241,602,872)	-
	(Decrease)/ increase in payables & accruals	310,882,120	-
	Decrease/ (increase) in trade receivable	(204,202,093)	-
	Net cash flow from operating activities	357,935,597	-

30 Amount Due by Directors:

There is no advance in the name of directors or Associate undertakings of the company.

31 Amount paid to Directors:

The Directors have been paid only the meeting attendance fee during the year.

32 General Nature of Credit Facilities:

There is no Credit facility available to the Company other than the credit facilities shown in these Financial Statements.

33 Disclosure for purchase in foreign currency during the year :

Disclosure as per Para 8 of Schedule XI (kh) of the Companies Act 1994 regarding purchase made in foreign currency during the year are as follows:

Type of expenditure	Amount in Foreign currency	Amount in BDT
Import of Raw material (Hino Bus Chassis CKD)	¥1,011,225,600	790,070,561
Import of Raw material (Mahindra motorcycle SKD)	\$ 2,846,656	239,119,104
Import of Raw material (Various Items)	\$ 5,662,863	475,680,492
Total		1,504,870,157

34 Production Capacity :

The production capacity of the company is 2400 units Toyota & Hino vehicles in Assembling unit under three shifts and 400 units Hino buses in Body Building unit. Actual production for the year- 231- units bus assembled in Assembling unit -159- units body fabrication in Body Building Unit.

The production capacity of the company is 10000 units Motor Cycle in Motor Cycle unit under three shifts . Actual production for the period 7875 units bike assembled in Motor Cycle unit.

35 Event after the Reporting Period

The Directors in the meeting held on 26 October 2019 recommended 10% cash dividend for the shareholders excluding sponsor 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 23 December 2019.

"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."

Notes No.	Particulars	Amount in Taka	
		2018-2019	2017-2018

36 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 :

Particulars	Amount
Board meeting attendance fee	341,250
Managerial remuneration	2,743,409

During the year under review :

- i) No compensation was allowed by the company to the Chief executive officer of the company who is also a Director.
- ii) the rate at which Directors have drawn Board meeting attendance fees @ Tk.5000/- per Director per meeting. The total Board meeting attendance fee incurred during the year under review was Tk. 3,35,000/- and
- iii) no amount of money was spent by the company for compensating any member of the board for special services rendered.

37 Significant Discloser:

Sales amount has been fallen down but gross profit (GP) ratio increased due to decreases the production cost by ceasing workers, management employees & monitoring strictly.

38 Number of Employees:

During the year total number of employees/workers for the companies was 356 who drawing Tk. 8,000 or more per month.

39 Remuneration:

Salary & Allowances	Number of person	Amount
Managing Director/ Director	05	-
Managers	38	47,799,668
Officers	92	31,814,597

No amount of money was spent by the company for the directors except board meeting attendance fee.

40 Production capacity Utilization:

Particulars	Assembling	Body	M. Cycle	Battery
Production Capacity (Vehicle/Battery)	2400	220	10000	30000
Production during the year	231	159	7875	12560
Capacity Utilization (%)	9.63%	72.27%	78.75%	41.87%

ATA KHAN & CO.
Chartered Accountants

Aftab Automobiles Limited and its Subsidiary
3 (a). PROPERTY, PLANT AND EQUIPMENT. NET

Schedule- A

Particulars	Cost			Rate of Dep.	Depreciation			Carrying amount	
	As at 01.07.18	Add./ (Adj.) Dur. the year	Adj. D. the Year		As at 01.07.18	Charged the period	D. the Year	As at 30.06.19	As at 30.06.18
Land & Land Development	1,063,604,227	85,004,275		-	-	-	-	1,148,608,502	1,063,604,227
Building	312,490,475	5,207,150		2.50%	59,482,990	6,391,195	-	251,823,441	253,007,485
Shades	38,078,882	-		20%	19,851,182	3,645,540	-	14,582,160	18,227,700
Plant & Machinery	756,130,684	21,094,502		10%	337,370,441	43,129,161	-	380,499,602	418,760,243
Tools & Equipments	126,883,597	1,992,195		20%	73,099,500	11,006,701	-	44,769,591	53,784,097
Office Equipment	74,090,806	2,332,583		10%	30,456,320	4,515,255	-	41,451,814	43,634,486
Furniture & Fixture	47,019,147	18,205		10%	15,912,930	3,111,532	-	19,024,462	31,106,217
Transport Vehicles	131,986,574	1,920,836		20%	79,634,386	10,665,200	-	90,299,586	52,352,188
Electrical line installation	16,652,257	487,500		10%	4,413,332	1,260,017	-	5,673,349	12,238,925
Office Decoration	63,330,969	8,628,298		10%	12,999,294	5,485,341	-	18,484,635	50,331,673
Gas line installation	20,197,747	480,133		10%	5,210,068	1,534,778	-	6,744,846	14,987,679
Total	2,650,465,365	127,165,677	-		638,430,442	90,744,719	-	2,048,455,880	2,012,034,921

Depreciation charged to :		Taka
Cost of goods sold (Factory O/H)		72,595,776
Profit & Loss Account (Admin)		9,074,472
Profit & Loss Account (Selling)		9,074,472
T O T A L		90,744,719

