

# Aftab Automobiles Limited and its Subsidiary

2nd Quarter (Half-yearly) 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 2nd Quarter ended December 31, 2019, Consolidated Statement of Financial Position as at December 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.

Chairman

Dated, Dhaka.  
January 29, 2019

## Aftab Automobiles Limited and its Subsidiary

Un-Audited consolidated Statement of Profit or Loss and other Comprehensive Income  
For the 2nd Quarter ended December 31, 2019

Particulars	Notes	July ' 2019 to December' 2019	July ' 2018 to December' 2018	October ' 2019 to December' 2019	October ' 2018 to December' 2018
Revenues		1,251,353,134	1,654,160,000	537,776,292	708,140,000
Less : Cost of sales	3	920,638,809	1,245,507,000	392,345,659	530,692,000
<b>Gross profit</b>		<b>330,714,325</b>	<b>408,653,000</b>	<b>145,430,633</b>	<b>177,448,000</b>
<b>Less: Operating expenses</b>		<b>288,768,907</b>	<b>290,596,000</b>	<b>132,591,552</b>	<b>131,992,000</b>
Administrative expenses		32,638,984	47,430,000	14,885,039	17,069,000
Selling and distribution expenses		46,033,217	50,192,000	20,741,499	22,494,000
Financial charges		210,096,706	192,974,000	96,965,015	92,429,000
<b>Operating profit</b>		<b>41,945,418</b>	<b>118,057,000</b>	<b>12,839,081</b>	<b>45,456,000</b>
Add : Other income		7,243,821	7,009,000	2,921,035	4,592,000
Add : Share of profit from associate company		18,974,479	12,959,000	9,487,240	12,959,000
<b>Profit before contribution to WPPF</b>		<b>68,163,719</b>	<b>138,025,000</b>	<b>25,247,356</b>	<b>63,007,000</b>
Less : Contribution to WPPF		3,245,891	5,956,000	1,202,255	2,383,000
<b>Net profit before tax</b>		<b>64,917,827</b>	<b>132,069,000</b>	<b>24,045,101</b>	<b>60,624,000</b>
Add : Realized Gain on Sale of Share		-	-	-	-
<b>Profit before tax</b>		<b>64,917,827</b>	<b>132,069,000</b>	<b>24,045,101</b>	<b>60,624,000</b>
<b>Less : Provision for Income tax</b>		<b>19,393,889</b>	<b>35,837,000</b>	<b>7,565,215</b>	<b>15,877,000</b>
Current tax		11,974,482	29,674,000	4,520,641	10,926,000
Deferred tax		7,419,408	6,163,000	3,044,574	4,951,000
<b>Total comprehensive income for the Period</b>		<b>45,523,938</b>	<b>96,232,000</b>	<b>16,479,886</b>	<b>44,747,000</b>
<b>Total comprehensive income for the Period</b>					
<b>Attributable to:</b>					
Equity holders		45,522,073	96,227,351	16,478,481	51,484,228
Non-controlling interests		1,864	4,649	1,405	1,439
<b>Total comprehensive income for the period</b>		<b>45,523,938</b>	<b>96,232,000</b>	<b>16,479,886</b>	<b>44,747,000</b>
<b>Consolidated earnings per share</b>	15	<b>0.48</b>	<b>1.01</b>	<b>0.17</b>	<b>0.47</b>

Chairman

Managing Director

Director

Chief Financial Officer

Company Secretary



# Aftab Automobiles Limited and its Subsidiary

Un-Audited consolidated Statement of Financial Position

As at December 31, 2019

Particulars	Notes	31-12-19	30-06-19
<b>Assets :</b>			
<b>Non-current assets :</b>			
Property, plant and equipment	4	2,024,647,707	2,048,455,880
Capital work-in-progress	5	1,004,262,727	597,122,227
Investments		28,395,758	28,395,758
Investments in associate		395,061,684	376,087,205
Receivables -Non-Current Maturity	6	2,154,412,292	2,052,645,882
<b>Total non-current assets</b>		<b>5,606,780,169</b>	<b>5,102,706,952</b>
<b>Current assets:</b>			
Receivables -Current Maturity	6	2,725,235,916	2,828,916,659
Stock and stores	7	2,199,086,718	1,966,033,525
Current account with Navana Group Companies		3,604,723,724	3,530,849,255
Advances, deposits and prepayments	8	2,943,678,680	2,869,503,790
Cash and bank balances	9	290,393,749	285,560,347
<b>Total current assets :</b>		<b>11,763,118,787</b>	<b>11,480,863,576</b>
<b>Total Assets</b>		<b>17,369,898,955</b>	<b>16,583,570,528</b>
<b>Equity and Liabilities :</b>			
<b>Capital &amp; reserve</b>			
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		2,871,119,825	2,884,205,752
<b>Equity attributable to equity holders</b>		<b>5,821,640,615</b>	<b>5,834,726,542</b>
<b>Non-controlling interest</b>		<b>416,078</b>	<b>414,214</b>
<b>Total equity</b>		<b>5,822,056,693</b>	<b>5,835,140,756</b>
<b>Non-current liabilities</b>			
Loan and deferred liabilities (unsecured)		25,310,440	25,310,440
Long Term loan-Net of current maturity	10	3,761,971,381	3,284,569,678
Deferred tax liability	11	136,131,338	128,711,930
<b>Total non-current liabilities</b>		<b>3,923,413,158</b>	<b>3,438,592,048</b>
<b>Current liabilities :</b>			
Long Term loan-Current maturity	10	1,253,990,460	1,094,856,559
Short-term loan	12	4,870,860,496	4,687,578,819
Accrued and other current liabilities	13	1,499,578,147	1,527,402,347
<b>Total current liabilities :</b>		<b>7,624,429,103</b>	<b>7,309,837,725</b>
<b>Total liabilities</b>		<b>11,547,842,261</b>	<b>10,748,429,772</b>
<b>Total Equity and Liabilities</b>		<b>17,369,898,955</b>	<b>16,583,570,528</b>
<b>Consolidated net assets value per share (NAVPS )</b>	14	<b>60.81</b>	<b>60.95</b>

  
Chairman

  
Managing Director

  
Director

  
Chief Financial Officer

  
Company Secretary



**Aftab Automobiles Limited and its Subsidiary**  
*Un-audited consolidated Statement of Cash Flows*  
For the 2nd Quarter ended December 31, 2019

Particulars	Notes	July ' 2019 to December' 2019	July ' 2018 to December' 2018
<b>A. Cash flows from operating activities</b>			
Receipts from customers		1,253,267,466	1,665,979,000
Receipts as other income		7,243,821	7,009,000
Payments to suppliers and employees		(1,264,414,681)	(1,617,019,000)
<b>Cash generated from operations</b>		<b>(3,903,394)</b>	<b>55,969,000</b>
Income tax paid		(41,295,629)	(41,322,000)
<b>Net cash generated by operating activities</b>		<b>(45,199,023)</b>	<b>14,647,000</b>
<b>B. Cash flows from investing activities</b>			
Acquisition of property, plant & equipment		(17,432,220)	(21,935,000)
Capital work in progress		(407,140,500)	(1,672,000)
<b>Net cash used investing activities</b>		<b>(424,572,720)</b>	<b>(23,607,000)</b>
<b>C. Cash flows from financing activities</b>			
Received from bank loan		819,817,281	1,435,232,000
Financial charges paid		(210,096,706)	(192,974,000)
Inter company transaction		(73,874,469)	(1,361,130,000)
Dividend paid		(61,240,962)	(6,523,000)
<b>Net cash used in financing activities</b>		<b>474,605,145</b>	<b>(125,395,000)</b>
<b>D. Net changes in cash &amp; cash equivalents for the period (A+B+C)</b>		<b>4,833,402</b>	<b>(134,356,000)</b>
<b>E. Cash &amp; cash equivalents at beginning of the period</b>		<b>285,560,347</b>	<b>460,146,000</b>
<b>F. Cash &amp; cash equivalents at end of the period (D+E)</b>		<b>290,393,749</b>	<b>325,790,000</b>
<b>Consolidated net operating cash flows per share (NOCFPS)</b>	<b>16</b>	<b>(0.47)</b>	<b>0.15</b>



Chairman



Managing Director



Director



Chief Financial Officer



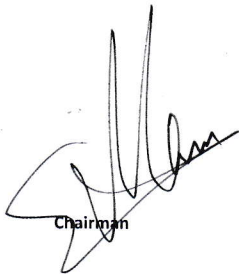
Company Secretary

# Aftab Automobiles Limited and its Subsidiary

Un-audited consolidated Statement of Changes in Equity

For the 2nd Quarter ended December 31, 2019

Purticulars	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	-	-	-	(114,878,000)	(114,878,000)	-	(114,878,000)
Comprehensive income for the period		-	-	96,227,351	96,227,351	4,649	96,232,000
Balance at December 31, 2018	957,324,220	1,925,858,339	67,338,231	2,860,348,701	5,810,869,491	416,872	5,811,286,363
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	-	-	-	(58,608,000)	(58,608,000)	-	(58,608,000)
Comprehensive income for the period		-	-	45,522,073	45,522,073	1,864	45,523,938
Balance at December 31, 2019	957,324,220	1,925,858,339	67,338,231	2,871,119,825	5,821,640,615	416,078	5,822,056,693



Chairman



Managing Director



Director



Chief Financial Officer



Company Secretary



# Aftab Automobiles Limited and its Subsidiary

Consolidated notes to the Financial Statements

As at and for the 2nd Quarter ended December 31, 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 Standard (IAS)- 34 Interim Financial Reporting Standard.

### 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 2nd Quarter of accounting year of the company for the period from July 01, 2019 to December 31, 2019.

Particulars	July ' 2019 to December' 2019	July ' 2018 to December' 2018
<b>3. Cost of sales</b>		
Materials	820,208,639	1,120,256,000
Factory Overhead	67,437,856	70,514,000
Depreciation	32,992,314	54,737,000
	<b>920,638,809</b>	<b>1,245,507,000</b>

Particulars	31-12-19	30-06-19
<b>4 Property, plant and equipment, net</b>		
<b>Opening Balance</b>	2,777,631,042	2,650,465,365
Add : Addition for the Period	17,432,220	122,037,197
Add : Transferred from Capital W-I-P	-	5,128,480
	<b>2,795,063,262</b>	<b>2,777,631,042</b>
Less : Depreciation	770,415,555	729,175,162
<b>Closing Balance</b>	<b>2,024,647,707</b>	<b>2,048,455,880</b>
<b>5 Capital work-in-progress</b>		
<b>Opening balance</b>	597,122,227	104,848,039
Add : Addition during the Period	407,140,500	497,402,668
	1,004,262,727	602,250,707
Less: Transfer to property, plant & equipment	-	5,128,480
<b>Closing balance</b>	<b>1,004,262,727</b>	<b>597,122,227</b>
Capital work-in-progress represents construction of motorcycle assessabbling factory at Chittagong and capacity enhancement of hino bus & truck body fabrication unit.		
<b>6 Total Receivables</b>	5,004,248,209	5,004,062,541
Less : Bad debts	124,600,000	122,500,000
	4,879,648,209	4,881,562,541
<b>Receivable current (Maturity less than 12 months )</b>	2,725,235,916	2,828,916,659
<b>Receivable Non-Current (Maturity over 12 months )</b>	<b>2,154,412,292</b>	<b>2,052,645,882</b>
<b>7 Stock and stores</b>		
Finished products	756,884,282	616,407,527
Raw materials	723,164,086	655,156,845
Work-in-process	191,758,046	150,417,975
Stores and spares	2,963,915	2,963,915
Goods in transit	524,316,389	541,087,263
	<b>2,199,086,718</b>	<b>1,966,033,525</b>
<b>8 Advances, deposits and prepayments</b>		
Advance to suppliers	733,693,230	766,579,893
Advance to employees	31,698,611	33,406,244
Advance to others	505,019,441	452,351,534
Current Account with VAT	102,711,854	37,483,127
Deposits	416,562,750	466,985,828
Advance Income tax (note-8.1)	1,153,992,794	1,112,697,165
	<b>2,943,678,680</b>	<b>2,869,503,790</b>
<b>8.1 Advance Income tax</b>		
<b>Opening balance</b>	1,112,697,165	1,030,977,432
Add : Addition during the Period	41,295,629	81,719,733
	1,153,992,794	1,112,697,165
Less : Adjustment made during the period	-	-
<b>Closing Balance</b>	<b>1,153,992,794</b>	<b>1,112,697,165</b>



Particulars	31-12-19	30-06-19
<b>9 Cash and bank balances</b>		
Cash in hand	6,024,950	3,562,564
Cash at bank : Current AC, STD AC & FDR Accounts	284,368,799	281,997,783
	<b>290,393,749</b>	<b>285,560,347</b>
<b>10 Long Term loan-Net of current portion</b>		
Agrani Bank Ltd.	1,610,648,824	1,615,505,083
Meghna bank Ltd.	21,234,387	19,626,112
SBAC bank Ltd.	118,027,694	123,310,925
Mutual trust bank Ltd.	158,239,322	117,923,003
Phoenix Finance	630,950,000	-
Prime bank Ltd.	17,403,848	34,589,483
Midland Bank Ltd.	39,334,144	66,367,700
Peoples Leasing	155,973,289	157,546,943
Mercantile bank Ltd.	148,315,279	171,555,869
One Bank Ltd.	60,929,059	64,717,841
NCC Bank Ltd.	124,483,489	131,557,537
Bay Leasing	91,159,446	97,000,000
GSP Finance	189,281,758	226,520,509
Midas financing	37,288,402	42,194,387
Union Capital	130,910,000	139,463,643
BD Finance Ltd.	34,329,650	58,851,427
Prime Finance & Investment Ltd.	750,000	750,000
Shahjalal Islami Bank Ltd.	-	2,851,000
Trust Bank Ltd.	394,525,000	394,011,750
Dutch-Bangla Bank Ltd.	650,799,596	666,661,025
Modhumoti bank Ltd.	353,137,678	248,422,000
	<b>5,015,961,841</b>	<b>4,379,426,237</b>
<b>less: Long Term loan-Current portion</b>	<b>1,253,990,460</b>	<b>1,094,856,559</b>
<b>Long Term loan-Net of current portion</b>	<b>3,761,971,381</b>	<b>3,284,569,678</b>
<b>11 Deferred tax liability</b>		
<b>Opening Balance</b>	<b>128,711,930</b>	<b>137,062,262</b>
Add : Addition for the Period	3,624,512	(2,554,521)
Add : For Associate Company	3,794,896	10,904,853
<b>Closing Balance</b>	<b>136,131,338</b>	<b>128,711,930</b>
<b>12 Short-term loan</b>		
Agrani Bank Ltd.	511,538,555	535,501,998
Bank Asia Ltd.	836,283,413	889,250,209
NRB Commercial Ltd.	456,726,621	410,885,931
NCC bank Ltd.	54,693,778	61,161,620
Mercantile Bank Ltd.	21,417,125	136,567,494
Midland Bank Ltd.	30,145,090	30,871,288
Prime bank Ltd.	54,729,747	51,607,048
One Bank Ltd.	272,223,954	294,163,191
SBAC bank Ltd.	164,907,218	49,458,146
Mutual trust bank Ltd.	53,276,734	204,477,546
Southeast Bank Ltd.	689,534,165	684,528,623
Dutch-Bangla Bank Ltd.	230,017,784	626,082,737
IFIC Bank Ltd.	1,225,808,828	543,086,250
Jamuna Bank Ltd.	179,613	165,904
Shahjalal Islami bank Ltd.	151,886,111	169,770,834
	<b>4,870,860,496</b>	<b>4,687,578,819</b>



Particulars	31-12-19	30-06-19
<b>13 Accrued and other current liabilities</b>		
For goods supplied	279,224,333	332,379,616
For expenses	135,353,876	103,616,678
For Income tax	849,134,371	837,159,890
For Workers' P.P.F. and W.F.	31,663,340	28,417,449
Provision for bad debts	4,632,639	6,176,851
For Other Finance	95,309,539	81,821,302
For Bond Liabilities	42,726,104	73,663,658
Unclaimed dividend	61,533,944	64,166,906
	<b>1,499,578,147</b>	<b>1,527,402,347</b>
<b>14 Net assets value per share (NAVPS)</b>		
Net assets value	5,821,640,615	5,834,726,542
Number of ordinary shares used to compute NAVPS	95,732,422	95,732,422
<b>Net assets value per share</b>	<b>60.81</b>	<b>60.95</b>
<b>15 Earnings per share (EPS)</b>		
Profit attributable to ordinary shareholders	45,523,938	96,232,000
Number of ordinary shares used to compute earnings per share	95,732,422	95,732,422
<b>Earnings per share</b>	<b>0.48</b>	<b>1.01</b>

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

<b>16 Net operating cash flows per share (NOCFPS)</b>		
Net operating cash flows (Note: 16.1)	(45,199,023)	14,647,000
Number of ordinary shares used to compute NOCFPS	95,732,422	95,732,422
<b>Net operating cash flows per share</b>	<b>(0.47)</b>	<b>0.15</b>

NOCFPS has substantially been decreased in current year's 2nd quarter compared to the previous year's 2nd quarter due to increase in payments to suppliers.

<b>16.1 Reconciliation of cash flows from operating activities under indirect method:</b>		
Net profit/Loss before interest, income tax & WPPF during the period	259,285,945	
<b>Adjustment to reconcile net income to net cash provided by operating activities:</b>		
Depreciation	41,240,393	
Payment of WPPF	-	
Income tax paid	(41,295,629)	
<b>Changes in current assets and liabilities:</b>		
Decrease/ (increase) in inventories	(233,053,193)	
Decrease/ (increase) in advance and prepayments	(32,879,260)	
(Decrease)/ increase in payables & accruals	(40,411,612)	
(Decrease)/ increase in Advance against sales	-	
Decrease/ (increase) in trade receivable	1,914,332	
<b>Net cash flow from operating activities</b>	<b>(45,199,023)</b>	