


Aftab Automobiles Limited and its Subsidiary

3rd 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 3rd Quarter ended March 31, 2020, Consolidated Statement of Financial Position as at March 31, 2020, Consolidated statement of Changes in Equity, Consolidated statement of cash flows and consolidated notes to the financial statements of the company for the period ended on that date.



Managing Director

Dated, Dhaka.
June 18, 2020

Aftab Automobiles Limited and its Subsidiary

Un-Audited consolidated Statement of Profit or Loss and other Comprehensive Income
For the 3rd Quarter ended March 31, 2020


Particulars	Notes	July ' 2019 to March' 2020	July ' 2018 to March' 2019	January ' 2020 to March' 2020	January ' 2019 to March' 2019
Revenues		1,807,694,060	2,092,240,000	556,340,926	438,080,000
Less : Cost of sales	3	1,317,144,470	1,485,523,000	396,505,661	240,016,000
Gross profit		490,549,590	606,717,000	159,835,265	198,064,000
Less: Operating expenses		437,124,980	436,358,000	148,356,073	145,763,000
Administrative expenses		43,861,898	65,534,000	11,222,914	18,104,000
Selling and distribution expenses		63,228,339	59,637,000	17,195,122	9,445,000
Financial charges		330,034,743	311,187,000	119,938,037	118,214,000
Operating profit		53,424,610	170,359,000	11,479,192	52,301,000
Add : Other income		10,417,572	10,155,000	3,173,751	3,146,000
Add : Share of profit from associate company		18,826,612	13,632,000	(147,867)	673,000
Profit before contribution to WPPF		82,668,795	194,146,000	14,505,077	56,120,000
Less : Contribution to WPPF		3,936,609	8,596,000	690,718	2,640,000
Net profit before tax		78,732,185	185,550,000	13,814,359	53,480,000
Add : Realized Gain on Sale of Share		-	-	-	-
Profit before tax		78,732,185	185,550,000	13,814,359	53,480,000
Less : Provision for Income tax		22,961,404	50,104,000	3,567,514	14,267,000
Current tax	11	14,181,421	47,700,000	2,206,939	18,026,000
Deferred tax	12	8,779,983	2,404,000	1,360,575	(3,759,000)
Total comprehensive income for the Period		55,770,781	135,445,000	10,246,845	39,213,000
Total comprehensive income for the Period					
Attributable to:					
Equity holders		55,768,579	135,440,045	10,246,506	39,191,654
Non-controlling interests		2,202	4,955	338	21,346
Total comprehensive income for the period		55,770,781	135,445,000	10,246,844	39,213,000
Consolidated earnings per share	16	0.58	1.41	0.11	0.41


Managing Director


Director


Director


Chief Financial Officer


Company Secretary

Aftab Automobiles Limited and its Subsidiary

Un-Audited consolidated Statement of Financial Position

As at March 31, 2020

Particulars	Notes	March 31, 2020	June 30, 2019
Assets :			
Non-current assets :			
Property, plant and equipment	4	2,004,027,511	2,048,455,880
Capital work-in-progress	5	1,004,612,727	597,122,227
Investments		28,395,758	28,395,758
Investments in associate		394,913,817	376,087,205
Receivables -Non-Current Maturity	6	2,169,269,052	2,052,645,882
Total non-current assets		5,601,218,865	5,102,706,952
Current assets:			
Receivables -Current Maturity	6	2,726,109,289	2,828,916,659
Stock and stores	7	2,229,216,980	1,966,033,525
Current account with Navana Group Companies		3,566,999,302	3,530,849,255
Advances, deposits and prepayments	8	2,953,781,200	2,869,503,790
Cash and bank balances	9	308,802,584	285,560,347
Total current assets :		11,784,909,355	11,480,863,576
Total Assets		17,386,128,220	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		2,871,450,007	2,884,205,752
Equity attributable to equity holders		5,821,970,797	5,834,726,542
Non-controlling interest		416,416	414,214
Total equity		5,822,387,213	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	3,974,650,398	3,284,569,678
Deferred tax liability	12	137,491,913	128,711,930
Total non-current liabilities		4,137,452,752	3,438,592,047
Current liabilities :			
Long Term loan-Current maturity	10	1,324,883,466	1,094,856,559
Short-term loan	13	4,623,174,114	4,687,578,819
Accrued and other current liabilities	14	1,478,230,675	1,527,402,347
Total current liabilities :		7,426,288,255	7,309,837,725
Total liabilities		11,563,741,006	10,748,429,772
Total Equity and Liabilities		17,386,128,220	16,583,570,528
Consolidated net assets value per share (NAVPS)	15	60.82	60.95

Aftab Automobiles Limited and its Subsidiary

Un-audited consolidated Statement of Changes in Equity

For the 3rd Quarter ended March 31, 2020

Puriculars	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				135,440,045	135,440,045	4,955	135,445,000
Balance at March 31, 2019	957,324,220	1,925,858,339	67,338,231	2,899,561,395	5,850,082,185	417,178	5,850,499,363
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	-	-	-	(68,524,324)	(68,524,324)	-	(68,524,324)
Comprehensive income for the period				55,768,579	55,768,579	2,202	55,770,781
Balance at March 31, 2020	957,324,220	1,925,858,339	67,338,231	2,871,450,007	5,821,970,797	416,416	5,822,387,213



Managing Director



Director



Director



Chief Financial Officer



Company Secretary

Aftab Automobiles Limited and its Subsidiary
Un-audited consolidated Statement of Cash Flows
For the 3rd Quarter ended March 31, 2020

Particulars	Notes	July ' 2019 to March' 2020	July ' 2018 to March' 2019
A. Cash flows from operating activities			
Receipts from customers		1,793,878,259	2,160,905,000
Receipts as other income		10,417,572	10,155,000
Payments to suppliers and employees		(1,738,214,126)	(1,835,285,000)
Cash generated from operations		66,081,706	335,775,000
Income tax paid		(55,763,149)	(65,227,000)
Net cash generated by operating activities		10,318,557	270,548,000
B. Cash flows from investing activities			
Acquisition of property, plant & equipment		(17,432,220)	(42,072,000)
Capital work in progress		(407,490,500)	(3,906,000)
Net cash used investing activities		(424,922,720)	(45,978,000)
C. Cash flows from financing activities			
Received from bank loan		855,702,923	1,124,450,000
Financial charges paid		(330,034,743)	(311,188,000)
Inter company transaction		(36,150,047)	(1,195,163,000)
Dividend paid		(51,671,733)	(51,835,000)
Net cash used in financing activities		437,846,400	(433,736,000)
D. Net changes in cash & cash equivalents for the period (A+B+C)		23,242,237	(209,166,000)
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)		308,802,584	250,980,000
Consolidated net operating cash flows per share (NOCFP)	17	0.11	2.83


Managing Director


Director


Director


Chief Financial Officer


Company Secretary

Aftab Automobiles Limited and its Subsidiary

Consolidated notes to the Financial Statements
As at and for the 3rd Quarter ended March 31, 2020

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

This quarterly financial statements have been prepared in accordance with Securities and Exchange rules as well as International Accounting Standards (IAS's) and International Financial reporting Standards (IFRS's) as directed by notification no. BSEC/CMRRCD/2006-158/208/admin/81, Dated June 20, 2018.

2.2. Accounting policies and method of computations

Accounting policies and methods of computations followed in preparing this financial statements are consistent with those used in annual financial statements.

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. Business Environment Update Amid Coronavirus Pandemic

In March, as the coronavirus pandemic spread in the bagladesh, the country meaningfully increased social distancing and shelter-in-place mandates. In markets , the company subsequently saw the transport sector are the most effectd sector of the county for this situation. The company expects the net effect of these pandemic to have a significant impact on last quarter results as well as year 2019-2020. For context, since the beginning of April, the company has experienced a volume decline or no revenue at all. The ultimate impact on the last quarter and full year 2019-2020 is unknown at this time, as it will depend heavily on the duration of social distancing and lockdown situation of the country, as well as the substance and pace of macroeconomic recovery. However, the impact to the last quarter will be material. The company believes the pressure on the business is temporary and remains optimistic on seeing sequential improvement in the year of 2020-2021. The company, along with its subsidiary, is continuing to adapt quickly to the current environment, with a focus on mitigating the near-term impact while positioning for success coming out of the crisis.

2.5. Reporting

These financial statements cover 3rd Quarter of accounting year of the company for the period from July 01, 2019 to March 31, 2020.

2.6. Foreign Currency Exchange Gain/Loss

The company did not have any Foreign Currency in Cash and Cash equivalents at the begining and the end of the period March 31, 2020.

Particulars	July ' 2019 to March' 2020	July ' 2018 to March' 2019
3. Cost of sales		
Materials	1,170,221,111	1,321,785,000
Factory Overhead	97,434,888	94,370,000
Depreciation	49,488,471	69,368,000
	1,317,144,470	1,485,523,000

	Particulars	March 31, 2020	June 30, 2019
4	Property, plant and equipment, net		
	Opening Balance	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
		2,795,063,262	2,777,631,042
	Less : Depreciation	791,035,751	729,175,162
	Closing Balance	2,004,027,511	2,048,455,880
5	Capital work-in-progress		
	Opening balance	597,122,227	104,848,039
	Add : Addition during the Period	407,490,500	497,402,668
		1,004,612,727	602,250,707
	Less: Transfer to property, plant & equipment	-	5,128,480
	Closing balance	1,004,612,727	597,122,227

Capital work-in-progress represents construction of motorcycle assessablng factory at Chittagong and capacity enhancement of hino bus & truck body fabrication unit.

	Particulars	March 31, 2020	June 30, 2019
9	Cash and bank balances		
	Cash in hand	5,932,842	3,562,564
	Cash at bank : Current AC, STD AC & FDR Accounts	302,869,742	281,997,783
		308,802,584	285,560,347
10	Long Term loan-Net of current portion		
	Agrani Bank Ltd.	1,629,120,283	1,615,505,083
	Meghna bank Ltd.	22,112,414	19,626,112
	SBAC bank Ltd.	119,645,265	123,310,925
	Standard bank ltd.	-	-
	Mutual trust bank ltd.	139,574,172	117,923,003
	Bank Asia Ltd.	-	-
	The City Bank Ltd.	-	-
	Phoenix Finance	656,773,172	-
	Prime bank Ltd.	11,340,000	34,589,483
	Midland Bank Ltd.	28,746,552	66,367,700
	Peoples Leasing	130,337,269	157,546,943
	Mercantile bank Ltd.	151,347,399	171,555,869
	One Bank Ltd.	63,063,351	64,717,841
	NCC Bank Ltd.	119,742,357	131,557,537
	NRB Commercial Ltd.	-	-
	Bay Leasing	83,550,375	97,000,000
	GSP Finance	189,281,758	226,520,509
	Midas financing	37,288,402	42,194,387
	Union Capital	98,752,123	139,463,643
	BD Finance Ltd.	47,515,677	58,851,427
	Southeast Bank Ltd.	119,645,265	-
	Prime Finance & Investment Ltd.	772,500	750,000
	Shahjalal Islami Bank Ltd.	-	2,851,000
	Trust Bank Ltd.	406,360,750	394,011,750
	Dutch-Bangla Bank Ltd.	908,268,775	666,661,025
	Social Islami Bank Ltd.	49,688,205	-
	Modhumoti bank Ltd.	286,607,800	248,422,000
		5,299,533,864	4,379,426,237
	less: Long Term loan-Current portion	1,324,883,466	1,094,856,559
	Long Term loan-Net of current portion	3,974,650,398	3,284,569,678
11	Current tax		
	Aftab Automobiles Ltd. (Note: 11.1)	11,093,629	15,917,077
	Navana Batteries Ltd (Note: 11.2)	3,087,792	31,782,923
		14,181,421	47,700,000
11.1	Aftab Automobiles Ltd.		
	Operating profit	41,642,979	51,000,023
	Other Income	10,417,572	15,848,057
	Contribution to WPPF	(3,375,579)	(5,779,635)
	Bad debts	2,550,000	17,740,000
	Add: Accounting depreciation	30,024,069	43,989,919
	Less: Tax depreciation	(36,884,527)	(59,130,055)
		44,374,515	63,668,309
	Normal Tax liability @ 25% on profit before tax	11,093,629	15,917,077
	Minimum Tax liabilities @ 0.6% on Gross Receipt	7,737,983	15,778,134
	Current Tax Liabilities (whichever is higher)	11,093,629	15,917,077

Particulars		March 31, 2020	June 30, 2019
Movement of deferred tax			
A	Aftab Automobiles Ltd.		
	Opening Balance [Associate Company, PPE & Bad Debt]	68,818,220	85,569,797
	Add : During the period	4,692,937	(16,751,577)
	Closing Balance	73,511,157	68,818,220
	Opening Balance	68,818,220	85,569,797
	Add : During the period (PPE & Bad Debt)	927,614	(27,656,429)
	Add : During the period (Associate co.)	3,765,322	10,904,853
	Add : During the period (OCI)	-	-
	Closing Balance	73,511,157	68,818,220
B	Navana Batteries Ltd		
	Opening Balance	59,893,710	51,492,465
	Add : During the period (PL AC)	4,087,046	8,401,245
	Closing Balance	63,980,756	59,893,710
	Total Deferred Tax Expenses (PL AC)	8,779,983	(8,350,332)
	Total Deferred Tax Liabilities (FS AC)	137,491,913	128,711,930
13	Short-term loan		
	Agrani Bank Ltd.	511,642,433	535,501,998
	Bank Asia Ltd.	877,920,873	889,250,209
	NRB Commercial Ltd.	442,592,617	410,885,931
	NCC bank Ltd.	56,334,591	61,161,620
	Mercantile Bank Ltd.	87,559,820	136,567,494
	Midland Bank Ltd.	31,049,443	30,871,288
	Prime bank Ltd.	51,630,000	51,607,048
	One Bank Ltd.	276,212,934	294,163,191
	SBAC bank Ltd.	166,984,071	49,458,146
	Mutual trust bank Ltd.	55,178,705	204,477,546
	Southeast Bank Ltd.	885,811,057	684,528,623
	Dutch-Bangla Bank Ltd.	231,818,318	626,082,737
	IFIC Bank Ltd.	571,992,908	543,086,250
	Jamuna Bank Ltd.	185,001	165,904
	Shahjalal Islami bank ltd.	159,363,944	169,770,834
		4,623,174,114	4,687,578,819
14	Accrued and other current liabilities		
	For goods supplied	269,424,333	332,379,616
	For expenses	106,568,323	103,616,678
	For Income tax	851,341,311	837,159,890
	For Workers' P.P.F. and W.F.	32,354,058	28,417,449
	Provision for bad debts	4,687,510	6,176,851
	For Other Finance	90,109,539	81,821,302
	For Bond Liabilities	42,726,104	73,663,658
	Unclaimed dividend	81,019,497	64,166,906
		1,478,230,675	1,527,402,347
15	Net assets value per share (NAVPS)		
	Net assets value	5,821,970,797	5,834,726,542
	Number of ordinary shares used to compute NAVPS	95,732,422	95,732,422
	Net assets value per share	60.82	60.95

Particulars	July ' 2019 to March' 2020	July ' 2018 to March' 2019
16 Earnings per share (EPS)		
Profit attributable to ordinary shareholders	55,770,781	135,445,000
Number of ordinary shares used to compute earnings per share	95,732,422	95,732,422
Earnings per share	0.58	1.41

The gross profit ratio decreased in current year's 3rd quarter compared to the previous year's 3rd quarter along with the financial expenses adversely affected the bottom line profitability & consequently resulted reduced EPS.

17 Net operating cash flows per share (NOCFPS)		
Net operating cash flows (Note: 17.1)	10,318,557	270,547,000
Number of ordinary shares used to compute NOCFPS	95,732,422	95,732,422
Net operating cash flows per share	0.11	2.83

NOCFPS has substantially been decreased in current year's 3rd quarter compared to the previous year's 3rd quarter due to decreased in collection from suppliers.

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

Net profit/Loss before interest, income tax & WPPF during the period

393,876,925	491,701,000
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Adjustment to recocile net income to net cash provided by operating activities:

Depreciation

61,860,589	69,368,000
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Payment of WPPF

-	(2,050,000)
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Income tax paid

(55,763,149)	(65,227,000)
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Changes in current assets and liabilities:

Decrease/ (increase) in inventories

(263,183,455)	(90,706,000)
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Decrease/ (increase) in advance and prepayments

(28,514,260)	(221,615,000)
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(Decrease)/ increase in payables & accruals

(84,142,294)	20,411,000
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(Decrease)/ increase in Advance against sales

-	13,832,000
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Decrease/ (increase) in trade receivable

(13,815,801)	54,833,000
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Net cash flow from operating activities

10,318,557	270,548,000
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