AUDITORS' REPORT
ON THE ACCOUNTS
OF
AFTAB AUTOMOBILES LTD.
AND ITS SUBSIDIARY
FOR THE YEAR ENDED 30TH JUNE, 2020

এ, হক এন্ড কোং
A HOQUE & CO.
Chartered Accountants

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REPORT AND ACCOUNTS

FOR THE YEAR/PERIOD ENDED ————

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INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF AFTAB AUTOMOBILES LIMITED AND IT'S SUBSIDIARY

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Aftab Automobiles Limited and it's Subsidiary which comprise the Consolidated Statement of Financial Position as at 30th June, 2020, 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 Financial Statements including a Summary of Significant Accounting Policies and other explanatory information described in note no. 1 to 55 and Annexure A & B.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 30th June, 2020 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's 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 the ethical requirements that are relevant to our audit of the financial statements in jurisdiction and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

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

Other Matter

The consolidated financial statements of Aftab Automobiles Limited and it's Subsidiary for the year ended 30th June, 2019 were audited by another auditor and give fair opinion.

The financial statements of Navana Batteries Limited, Subsidiary Company of Aftab Automobiles Limited for the year ended 30th June, 2020 were audited by another auditor and give fair opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our 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 we have determined the matters described below to be the key audit matters to be communicated in our report.

A. HOQUE & CO. DHAKA CHARTERED ACCOUNTANTS

Key Audit Matters	How our audit addressed the key audit matters
Revenue The company has reported a revenue of Taka 1,947,024,768 for the year ended 30th June, 2020. Following the application of the revenue recognition standard (IFRS 15, Revenue from contracts with customers), the company adopted its accounting policies. Under IFRS 15 revenue is recognized when a performance obligation is satisfied by transferring control over a promised goods or services. Goods are considered as transferred when (or as) the customer obtains control of that goods. Revenue from sale of goods is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts, rebates and Vale Added Tax (VAT). 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. 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. 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 recognized in the proper reporting periods. See note no. 3.07 and 17 to the financial statements	Our procedures included obtaining an understanding of management's revenue recognition process. We tested a sample of transactions to verify whether the revenue was accounted for in accordance with the revenue accounting policy as disclosed in note 3.07 and 17 of the financial statements. In addition, we assessed whether the disclosed revenue accounting policy was in accordance with relevant accounting standards. For the revenue recognized throughout the year, we tested selected key controls, including results reviews by management, for their operating effectiveness and performed procedures to gain sufficient audit evidence on the accuracy of the accounting for customer contracts and related financial statement captions. With regard to the implementation of IFRS 15 we verified management's conclusion on assessing different types of contracts and the accuracy of the revised accounting policies in light of the industry specific circumstances and our understanding of the business. We tested the appropriateness of the accounting treatment on a sample basis. In addition, we verified the accuracy of IFRS 15 related disclosures. These procedures included reading significant new contracts to understand the terms and conditions and their impact on revenue recognition. We performed enquiries with management to understand their risk assessments and inspected meeting minutes to identify relevant changes in their assessments and estimates. Our audit approach was a combination of test of internal controls and substantive procedures which included the following: Evaluated the design of internal controls relating to recording of efforts incurred and estimation of efforts required to complete the performance obligations. We conducted substantive testing of revenue recorded over the year using sampling techniques by examining the relevant supporting documents including sales invoices and depot wise sales bank reconciliation report, bank statement and also, we confirmed selected customers' receivable balances at the balance sheet date, selected on a sample basis by considering the amount outstanding with those customers. We specifically put emphasis on those transactions occurring close before or after the balance sheet date to obtain sufficient evidence over the accuracy of cut-off.

<table>
<tr><th>Key Audit Matters</th><th>How our audit addressed the key audit matters</th></tr>
<tr><td></td><td>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.

Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.</td></tr>
<tr><th>Valuation of Inventory</th><th>How our audit addressed the key audit matters</th></tr>
<tr><td>The Company had inventory of Taka 2,058,799,168 at 30th June, 2020 held in different depot and warehouses.

Inventories consisting of raw materials, working process, finished goods, spare parts, fuel and stock in transit are valued at lower of cost and net realizable value. Cost of inventories include expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Cost of inventories is determined by using the weighted average cost formula. Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying amount of inventories to the lower of cost and net realizable value.

Net realizable value is based on estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

See note no. 3.08 and 8 to the financial statements.

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.</td><td>We tested the appropriateness of management's assumptions applied in calculating the value of the inventory provisions by:

◆ evaluating the design and implementation of key inventory controls operating across the company, including those at a sample of, factory production house, warehouse, and sales depots;

◆ evaluating internal controls to monitor or keep track of Inventory Movement;

◆ attending inventory count on 30th June, 2020 and reconciling the count results to the inventory listing to test the completeness of data;

◆ comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories;

◆ reviewing the historical accuracy of inventory provisioning, and the level of inventory write-offs during the year;

◆ challenging the completeness of inventory provisions through assessing actual and forecast sales of inventory lines to assess whether provisions for slow moving/obsolete stock are valid and complete;

◆ evaluating the correctness of the batch wise costing of final products;

◆ evaluating the correctness of the valuation of raw materials and packing material as per weighted average method;

◆ reviewing the calculation of standard labour hours and their regular comparison with actual labour hours of production; and reviewing the process of valuing work-in-process;

◆ We have also considered the adequacy of the Company's disclosure in respect of the levels of provisions against inventory.</td></tr>
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Current Tax Provisioning	How our audit addressed the key audit matters
Current Tax provision amounting Tk. 7,554,545. At the year end the company reported total income tax expense (Current Tax) of BDT. 7,554,545 the calculation of the tax expense is a complex process that involves subjective judgments and uncertainties and require specific knowledge and competencies. We have determined this to be a key audit matter, due to the complexity in income tax provisioning. See note no. 3.14(a) and 23.01 to the Financial Statements.	Our audit procedure in this area included, among others: Use of own tax specialist to assess the company's tax computation. Our tax specialists were also taking into account the company's tax position and our knowledge and experience of the application of relevant tax legislation. To analysis and challenge the assumption used to determine tax provision based on our knowledge and experience of the application of the local legislation. Evaluating the adequacy of the financial statement disclosure, including disclosure of key assumption judgments and sensitive related to tax.
Measurement of Deferred Tax Liability	**How our audit addressed the key audit matters**
The Company reported net deferred tax liability totalling Tk. 127,922,821 as at 30th June, 2020. Significant judgement is required in relation to deferred tax liability as their liability is dependent on forecasts of future profitability over a number of years. See note no. 3.14 (b) and 24	We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of Deferred Tax Assets and Liabilities and the assumptions used in estimating the future taxable expense of the company. We also assessed the completeness and accuracy of the data used for the estimations of future taxable expense/income. We evaluated the reasonableness of key assumptions, timing of reversal of temporary differences and expiration of tax loss carry forwards, recognition and measurement of Deferred Tax Liability. We assessed the adequacy of the company's disclosures setting out the basis of deferred tax liability balances and the level of estimation involved. We also assisted in evaluating the tax implications, the reasonableness of estimates and calculations determined by management. Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax.

Other Information

Management is responsible for the other information. The other information comprises all the information included in the Annual Report but does not include the financial statements and our auditors' report thereon. 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 the other information and we do not express any form of assurance conclusion thereon.

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In March, as the Coronavirus Pandemic spread over the Bangladesh, the country meaningfully has increased social distancing and shelter-in-place mandates. In markets, the company subsequently saw the transport sector and all other business sector are effected of the country. 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 of revenue. 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, alongwith 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.

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

After going through the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.

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 Financial Statements in accordance with IFRS's, The Companies Act, 1994, The Securities and Exchange Rules, 1987 and applicable laws 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.

The Companies Act, 1994 require the management to ensure effective internal audit, internal control and risk management functions of the Company.

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 not 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 International Standards on Auditing (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 International Standards on Auditing (ISAs), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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- 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 uncertainty exists, we are required to draw attention in our auditors' 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 auditors' 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.

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 auditors' 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.

We have not come across any key audit issues for the year under audit and as such nothing is reportable.

Report on Other Legal and Regulatory Requirements:

In accordance with the Companies Act, 1994, International Standards on Auditing (ISAs) and the Securities and Exchange Rules, 1987, we also report that:

A. HOQUE & CO. ★ DHAKA ★ CHARTERED ACCOUNTANTS

(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 adequate for the purposes of our audit;

(c) the company's Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income dealt with by the report are in agreement with the books of account.

(d) the expenditure incurred for the purposes of the company's business.

(A.K.M. Aminul Hoque, FCA)
Enrolment No. 407
A. Hoque & Co.
Chartered Accountants

Dated : 24.10.2020
Place : Dhaka, Bangladesh

AFTAB AUTOMOBILES LIMITED AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2020

Particulars	Notes	Amount in Taka	
		30.06.2020	30.06.2019
Assets:			
Non-Current Assets:			
Property, Plant & Equipment	4.00	1,986,691,601	2,048,455,880
Capital Work-in-Progess	5.00	979,271,904	597,122,227
Investment in Securities & Share Money	6.01	28,395,758	28,395,758
Investment in Associate	6.02	389,120,103	376,087,205
Receivables - Non-Current Maturity	7.00	2,280,851,484	2,052,645,882
Right of Use Assets		11,326,984	-
		5,675,657,834	**5,102,706,952**
Current Assets:			
Receivbles-Current Maturity	7.00	3,305,839,273	2,828,916,659
Stock and Stores	8.00	2,058,799,168	1,966,033,525
Current Account with Navana Group of Companies		3,656,207,754	3,530,849,255
Advances, Deposits & Pre-Payments	9.00	5,181,882,189	2,869,503,790
Cash and Bank Balances	10.00	299,822,733	285,560,347
		14,502,551,117	**11,480,863,576**
Total Assets		**20,178,208,951**	**16,583,570,528**
Shareholders' Equity and Liabilities			
Shareholders' Equity:			
Share Capital	11.00	957,324,220	957,324,220
Share Premium	12.00	1,925,858,339	1,925,858,339
Reserve	13.00	67,338,231	67,338,231
Retained Earnings		2,812,199,739	2,884,205,752
Equity Attributable to Owners of Company		**5,762,720,529**	**5,834,726,542**
Non-Controlling Interest		412,088	414,214
Non-Current Liabilities:			
Loan and Deferred Liabilities (Unsecured)	28.00	25,310,440	25,310,440
Long Term Loan-Non Current Maturity	14.00	3,927,803,421	3,284,569,678
Deferred Tax Liability	24.00	127,922,821	128,711,930
Lease Liability		9,826,360	-
		4,090,863,042	**3,438,592,048**
Current Liabilities:			
Long Term Loan-Current Maturity	14.00	1,309,267,807	1,094,856,559
Short Term Loan	15.00	7,674,755,610	4,687,578,819
Accrued and Other Current Liabilities	16.00	1,340,189,875	1,527,402,347
		10,324,213,292	**7,309,837,725**
Total Liabilities		**14,415,076,334**	**10,748,429,773**
Total Equity & Liabilities		**20,178,208,951**	**16,583,570,528**
Net Assets Value (NAV) per Share	26.00	**60.20**	**60.95**

The annexed notes from 1 to 55 and Annexure-A & B form an integral part of these Financial Statements. The financial statements were approved by the Board of Directors on the 24th October, 2020 and were signed on its behalf by:

Chief Financial Officer | Company Secretary | Director | Director | Managing Director

Signed in term of our separate report of even date annexed.

(A.K.M Aminul Hoque, FCA)
Enrolment No. 407
A. Hoque & Co.
Chartered Accountants

Dated: 24.10.2020
Place: Dhaka, Bangladesh

AFTAB AUTOMOBILES LIMITED AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE, 2020

Particulars	Note	Amount in Taka 01.07.2019 to 30.06.2020	Amount in Taka 01.07.2018 to 30.06.2019
Revenue (Net)	17.00	1,947,024,768	2,818,043,017
Less: Cost of Goods Sold	18.00	1,431,542,977	2,115,825,918
Gross Profit (a)		**515,481,791**	**702,217,098**
Less: Operating Expenss:			
Administrative Expenses	19.00	47,389,331	75,490,766
Selling and Distribution Expenses	20.00	58,557,807	115,030,324
Financial Charges	21.00	423,004,138	443,833,006
Total Operating Expenses (b)		**528,951,275**	**634,354,096**
Operating Profit(c) = (a-b)		**(13,469,485)**	**67,863,002**
Non-Oparating Income			
Other Income-Non-Operating Income	22.00	17,194,330	15,848,057
Less: Foreign Exchange Loss		(514,305)	
Share of Profit from Associate Company	6.02	13,032,898	54,524,264
Profit before Contribution to WPPF		**16,243,438**	**138,235,323**
Less: Contribution to WPPF		1,068,553	6,582,634
Net Profit before Tax (f)		**15,174,885**	**131,652,688**
Less: Income Tax Expenses			
Current Tax	23.01	7,554,545	19,915,721
Deferred Tax	23.02	(789,109)	(8,350,332)
Total Income Tax Expenses (g)	23.00	**6,765,436**	**11,565,389**
Net Profit after Tax attributable to equity holders (h)=(f-g)		**8,409,450**	**120,087,299**
Other Comprehensive Income for the year:			
Investment Valuation Surplus in Share			
Revaluation Gain/Loss on Investment in Share		-	-
Deferred Tax		-	-
			-
Total Comprehensive Income for the year (j)=(h+j)		**8,409,450**	**120,087,299**
Attributable to:			
Equity Holders of the Company		8,411,576	120,085,308
Non-Controlling Interests		(2,126)	1,991
Profit for the period/year		**8,409,450**	**120,087,299**
Consolidaetd Earnings per Share	25.00	**0.09**	**1.25**

The annexed notes from 1 to 55and Annexure-A & B form an integral part of these Financial Statements.
The financial statements were approved by the Board of Directors on the 24th October, 2020 and were signed on its behalf by:

Chief Financial Officer　Company Secretary　Director　Director　Managing Director

Signed in term of our separate report of even date annexed.

Dated: 24.10.2020
Place: Dhaka, Bangladesh

(A.K.M Aminul Hoque, FCA)
Enrolment No. 407
A. Hoque & Co.
Chartered Accountants

AFTAB AUTOMOBILES LIMITED AND ITS SUBSIDIARY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30TH JUNE, 2020

Particulars	Share capital	Share Premium	Reserve	Retained Earnings	Attributable to Equity holders of the Company	Non-Controlling Interest	Total
Balance at 1st July, 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)
Transfer Comprehensive Income for the year	-	-	-	120,085,308	120,085,308	1,991	120,087,299
Balance at 30th June, 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**
Balance at 1st July, 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
Adjustment for the Application of IFRS-16 (Lease)	-	-	-	(11,893,264)	(11,893,264)	-	(11,893,264)
Cash Dividend	-	-	-	(68,524,324)	(68,524,324)	-	(68,524,324)
Transfer Comprehensive Income for the year	-	-	-	8,411,576	8,411,576	(2,126)	8,409,450
Balance at 30th June, 2020	**957,324,220**	**1,925,858,339**	**67,338,231**	**2,812,199,739**	**5,762,720,529**	**412,088**	**5,763,132,617**

The annexed notes from 1 to 55 and Annexure-A & B form an integral part of these Financial Statements.
The financial statements were approved by the Board of Directors on the 24th October, 2020 and were signed on its behalf by:

Chief Financial Officer | Company Secretary | Director | Director | Managing Director

Signed in term of our separate report of even date annexed.

(A.K.M Aminul Hoque, FCA)
Enrolment No. 407
A. Hoque & Co.
Chartered Accountants

Dated: 24.10.2020
Place: Dhaka, Bangladesh

AFTAB AUTOMOBILES LIMITED AND ITS SUBSIDIARY
CONSOLIDAED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE, 2020

PARTICULARS	Note	AMOUNT (TK.) 30.06.2020	AMOUNT (TK.) 30.06.2019
Cash Flows from Operating Activities:			
Cash Receipts from Customers		1,241,896,552	2,613,840,927
Cash Reciepts of Other Income		17,194,330	15,848,057
Foreign Exchange Loss		(514,305)	-
Payments to Suppliers and Employees		(1,771,040,259)	(2,190,033,653)
Cash Generated from Operations		**(512,463,682)**	**439,655,331**
Income Tax Paid		(63,421,663)	(81,719,733)
Net Cash Generated from Operating Activities		**(575,885,345)**	**357,935,598**
Cash Flows from Investing Activities:			
Acquisition of Property, Plant and Equipment		(21,394,693)	(122,037,197)
Advance for capital assets		(2,250,000,000)	-
Investment in Share Money Deposit		-	29,500,000
Payments for Capital Work in Progress		(382,149,677)	(497,402,668)
Net Cash used in Investing Activities		**(2,653,544,370)**	**(589,939,865)**
Cash Flows from Financing Activities:			
Receipts /(Repayments) of Bank Loan		3,844,821,783	2,562,690,902
Inter Company Receipts / (Payments)		(125,358,499)	(1,940,456,811)
Bank Interest Paid		(423,004,138)	(443,833,006)
Dividend Paid		(52,767,047)	(120,982,721)
Net Cash Provided in Financing Activities		**3,243,692,099**	**57,418,363**
Net Changes in Cash and Cash Equivalents		14,262,384	(174,585,904)
Cash and Cash Equivalents at the Beginning of Year		285,560,347	460,146,251
Cash and Cash Equivalents at the End of Year		**299,822,731**	**285,560,347**
Net Operating Cash Flows Per Share	27.00	**(6.02)**	**3.74**

The annexed notes from 1 to 55 and Annexure-A & B form an integral part of these Financial Statements. The financial statements were approved by the Board of Directors on the 24th October, 2020 and were signed on its behalf by:

Chief Financial Officer | Company Secretary | Director | Director | Managing Director

Signed in term of our separate report of even date annexed.

Dated: 24.10.2020
Place: Dhaka, Bangladesh

(A.K.M Aminul Hoque, FCA)
Enrolment No. 407
A. Hoque & Co.
Chartered Accountants

AFTAB AUTOMOBILES LIMITED AND IT'S SUBSIDIARY
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2020
FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

1.00 Reporting Entity

1.01 Corporate Information–Domicile, Legal Form and Country of Incorporation

Aftab Automobiles Limited (the Company) was incorporated in erstwhile East Pakistan in year 1967 as East Pakistan Automobiles Limited under the Companies Act, 1913 vide Registration No. C-2860/57 E.P. of 1967-1968. Subsequently, after liberation, the Company changed the 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 Companies Act, 1913. The Company is listed with Dhaka Stock Exchange Ltd. and the Chittagong Stock Exchange Ltd. in the year 1987 and 1996 respectively.

Registered Office
The Registered Office and Principal Place of Business of Aftab Automobiles Limited is located at 125/A, Motijheel Commercial Area, Islam Chamber, 4th Floor, Dhaka-1000.

1.02 Nature 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 have been started in the year 2013-2014.

1.03 Subsidiary

Navana Batteries Limited
Navana Batteries Limited is a private limited company which was incorporated on the 21st April, 2009, Vide Registration No. C-76441/2009 of Joint Stock Companies & Firms, Dhaka, Bangladesh under the Companies Act, 1994 as a subsidiary with 99.95% shares owned by Aftab Automobiles Ltd. The principal activities of the Company are manufacturing of automotive, industrial and solar batteries in the plant located at Fouzdarhat Industrial Area, Chattagram, Bangladesh.

1.04 Associate Company

Navana Real Estate Limited
Navana Real Estate Limited (hereinafter referred to as "NREL" / "the Company") is a Public Limited Company incorporated in Bangladesh in 1996 under the Companies Act, 1994. Vide Registration No. C-31450(571)/96. NREL was initially registered as a Private Limited Company and subsequently converted into a Public Limited Company as on 8th September, 2010.

The Company is engaged in real estate development business of building development projects both commercial and residential and sale of lands.

1.05 Presentation of Financial Statements

The presentation of these financial statements is in accordance with the guidelines provided by IAS 1: Presentation of financial statements. The financial statements comprise of:

- Consolidated Statement of Financial Position as at 30th June, 2020;
- Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June, 2020;
- Consolidated Statement of Changes in Equity for the year ended 30th June, 2020;
- Consolidated Statement of Cash Flows for the year ended 30th June, 2020;
- Notes comprising summary of significant accounting policies and other explanatory information.

2.00 Basis of Preparation of Financial Statements

2.01 Statement on Compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), International Accounting Standard (IAS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), the Companies Act, 1994, Securities and Exchange Rules, 1987 and other relevant laws as applicable.

2.02 Other Regulatory Compliances

The Company is also required to comply with the following major legal provisions in addition to Companies Act, 1994 and other applicable laws and regulations:

The Income Tax Ordinance, 1984;
The Income Tax Rules, 1984;
The Value Added Tax and Supplementary Duty Act, 2012;
The Value Added Tax Rules, 1991;
The Stamp Act, 1899;
DSE/CSE Rules;
Listing Regulations, 2015;
The Bangladesh Securities and Exchange Commission Act, 1993;
The Bangladesh Securities and Exchange Rules, 1987;
The Securities and Exchange Ordinance, 1969;
Bangladesh Labour Act, 2006 (as amended to 2013)

2.03 Compliance with the Financial Reporting Standards as applicable in Bangladesh

The Company as per para-12 of Securities & Exchange Rule, 1987, has followed the International Accounting Standards (IAS's) and International Financial Reporting Standards (IFRS's) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) in preparing the financial statements.

Sl. No.	IAS No.	IAS Title	Compliance Status
1	1	Presentation of Financial Statements	Complied
2	2	Inventories	Complied
3	7	Statement of Cash Flows	Complied
4	8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
5	10	Events after the Reporting Period	Complied
6	11	Construction Contracts	N/A
7	12	Income Taxes	Complied
8	16	Property, Plant and Equipment	Complied
9	19	Employee Benefits	Complied
10	20	Accounting for Govt. Grants and Disclosure of Govt. Assistance	N/A
11	21	The Effects of Changes in Foreign Exchange Rates	Complied
12	23	Borrowing Costs	Complied
13	24	Related Party Disclosures	Complied
14	26	Accounting and Reporting by Retirement Benefit Plan	Complied
15	27	Separate Financial Statements	Complied
16	28	Investment in Associated and Joint Venture	Complied
17	29	Financial Reporting in Hyperinflationary Economics	N/A
18	31	Interest in Joint Ventures	N/A
19	32	Financial Instruments : Presentation	Complied
20	33	Earnings per Share	Complied
21	34	Interim Financial Reporting	Complied
22	36	Impairment of Assets	Complied

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Sl. No.	IAS No.	IAS Title	Compliance Status
23	37	Provisions, Contingent Liabilities and Contingent Assets	Complied
24	38	Intangible Assets	N/A
25	40	Investment Property	N/A
26	41	Agriculture	N/A

Sl. No.	IFRS No.	IFRS Title	Compliance Status
1	1	First-time adoption of International Financial Reporting Standards	Complied
2	2	Share based Payment	N/A
3	3	Business Combinations	N/A
4	4	Insurance Contracts	N/A
5	5	Non-current Assets held for Sale and Discontinued Operations	N/A
6	6	Exploration for and Evaluation of Mineral Resources	N/A
7	7	Financial Instruments : Disclosures	Complied
8	8	Operating Segments	Complied
9	9	Financial Instrument	Complied
10	10	Consolidated Financial Statements	Complied
11	11	Joint Arrangements	N/A
12	12	Disclosure of Interests in Other Entities	Complied
13	13	Fair Value Measurement	Complied
14	14	Regulatory Deferral Accounts	N/A
15	15	Revenue from Contracts with Customers	Complied
16	16	Leases	Complied

2.04 Basis of Measurement

The consolidated financial statements have been prepared based on the accrual basis of accounting and prepare under the historical cost convention except for the revaluation of certain non current assets which are stated either at revaluated amount or fair market value as explained in the accompanying notes.

2.05 Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the group.

Non-Controlling Interests are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do no result in a loss of control are accounted for as equity transactions.

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

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Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

The consolidated financial statements comprises consolidated statement of financial position, consolidated statement of comprehensive income, consolidated statement of cash flows, consolidated statement of changes in equity and consolidated notes and explanatory materials covering accounting policies.

The consolidated financial statements have been prepared in accordance with IFRS 10: consolidated financial statements.

2.06 Accrual basis of Accounting

The Company prepares its consolidated financial statements, except for cash flow information, using the accrual basis of accounting. Since the accrual basis of accounting is used, the company recognizes items as assets, liabilities, equity, income and expenses (the elements of financial statements) when they satisfy the definitions and recognition criteria for those elements in the IFRS conceptual framework.

2.07 Functional and Presentation Currency

Functional and presentation currency items included in these financial statements are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). These financial statements are presented in Bangladesh Taka ("BDT") which is also the functional currency of the company. The amounts in these financial statements have been rounded off to the nearest BDT except otherwise indicated.

2.08 Key Accounting Estimates and Judgments in Applying Accounting Policies

The preparation of consolidated financial statements in conformity with International Financial Reporting Standards including IAS's requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and for contingent assets and liabilities that require disclosure during and at the date of the financial statements. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected as required by IAS 8: "Accounting Policies, Changes in Accounting Estimates and Errors".

In particular, the key areas of estimation, uncertainly and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include accrued expenses, inventory valuation and other payables.

2.09 Materiality, Aggregation and Off Setting

Each material item as considered by management significant has been displayed separately in the financial statements. No amount has been set off unless the Company has legal right to set off the amounts and intends to settle on net basis. Income and expenses are presented on a net basis only when permitted by the relevant accounting standards. The values of assets or liabilities as shown in the statement of financial position are not off-set by way of deduction from another liability or asset unless there exist a legal right, therefore no such incident existed during the year.

2.10 Going Concern Assumption

The consolidated financial statements are prepared on the basis of going concern assumption. As per management assessment there is no material uncertainties related to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern.

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2.11 Comparative Information

Comparative information has been disclosed in respect of 2018-2019 in accordance with IAS-1 "Presentation of Financial Statements" for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current periods of financial statements. Prior year figure has been re-arranged wherever considered necessary to ensure comparability with the current period.

2.12 Responsibility for Preparation and Presentation of Financial Statements

The Board of Directors is responsible for the preparation and presentation of the financial statements as per requirements of Companies Act, 1994.

2.13 Reporting Period

The reporting period of the Company covers one year from 1st day of July, 2019 to 30th June, 2020.

2.14 Approval of Financial Statements

The financial statements have been approved by the Board of Directors on the 24th day of October, 2020.

3.00 Significant Accounting Principles and Policies selected and applied for significant transactions and events

For significant transactions and events that have material effect, the Company's Directors selected and applied significant accounting principles and policies within the framework of IAS-1 Presentation of Financial Statements in preparation and presentation of financial statements that have been consistently applied throughout the year and were also consistent with those use in earlier years.

For proper understanding of the financial statements, accounting policies set out below in one place as prescribed by the IAS Presentation of Financial Statements:

Assets and Basis of their Valuation

3.01 Property, Plant and Equipments

3.01.1 Recognition and Measurements

These are capitalized at cost of acquisition and subsequently stated at cost less accumulated depreciation in compliance with the benchmark treatment of *IAS 16 "Property, Plant and Equipment"*. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

In a situation where it can clearly be demonstrated that expenditure has resulted in an increase in future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an additional cost of the assets.

Cost also includes initial estimate of the costs of dismantling, removing the item and restoring this site (generally called asset retirement obligation) are recognized and measured in accordance with IAS 37: Provision, Contingent Liabilities and Contingent Assets.

On retirement or otherwise disposal of fixed assets, the cost and accumulated depreciation are eliminated and any gain or loss on such disposal is reflected in the statement of comprehensive income which is determined with reference to the net book value of assets and the net sales 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.

3.01.2 **Maintenance Activities**

Expenditure incurred after the assets have been put into operation, such as repairs & maintenance is normally charged off as revenue expenditure in the year in which it is incurred.

3.01.3 **Subsequent Cost**

The Cost of replacing part of an item of property, plant & equipment is recognized in the carrying amount of the item if it is possible that the future economic benefits embodied within the part will flow to the company and its cost measured reliably. The cost of the day to day servicing of properly and equipment are recognized in the Statement of Profit or Loss and Other Comprehensive Income as repairs and maintenance where it is incurred.

3.01.4 **Depreciation on Tangible Fixed Assets**

As required in Paragraph 43 of IAS-16 Property and Equipments, depreciation in respect of all fixed assets is provided to amortize the cost of the assets after commissioning, over their expected useful economic lives in accordance with the provision of IAS 16 "Property, Plant and Equipment".

Depreciation on all other fixed assets is computed using diminishing balance method in amount sufficient to write-off depreciable assets over their estimated useful life. Depreciation has been charged on additions and when it is used. Expenditure for maintenance and repairs are expenses; major replacements, renewals and betterment are capitalized.

The cost and accumulated depreciation of depreciable assets retired or otherwise disposed off are eliminated from the assets and accumulated depreciation and any gain or loss on such disposal is reflected in the Statement of Profit or Loss Account for the year ended. The annual depreciation rates applicable to the principal categories are:

Category of Fixed Assets	**Rate of Depreciation**
Land & Land Development	--
Building	2.5%
Sheds	20%
Plant & Machinery	10%
Tools & Equipment	20%
Office Equipments	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.

3.01.5 **Impairment**

The carrying amounts of property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated to determine the extent of the impairment loss, if any, impairment loss is recorded on judgmental basis, for which provision may differ in the future years based on the actual experience.

3.01.6 **Disposal of Property, Plant and Equipment**

An item of Property, Plant and Equipment is removed from the statement of financial position when it is dispose off or when no future economic benefits are expected from its use or disposal. The gain or loss on the disposal of an item of Property, Plant and Equipment is included in the statement of income of the period in which the de-recognition occurs.

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3.02 Investment in FDR and Shares

Investment is stated at its cost of acquisition and interest earned on deposits lying with the different banks and the profit earned on investments in shares have been duly accounted for on accrual basis. The statement of profit or loss and other comprehensive income reflects the income on account of interest on investment in FDRs and shares. It may be mentioned here that a fluctuation reserve/fair value reserve has been created in order to equalize the price go down below the cost price of the shares and during the year under audit unrealised gain /(loss) on investment in shares for price go down below the cost price of the shares has been charged directly to statement of profit or loss and other comprehensive income.

3.03 Investment in Associates

An entity in which an investor has significant influence, but which is neither a subsidiary nor an interest in a joint venture is classified as Investment in Associates. Equity Method accounting has been followed to recognize and measure the investment in associates in accordance with International Accounting Standard (IAS) 28 "Investments in Associates". The Aftab Automobiles Limited holds 20% of its associate's (Navana Real Estate Limited) equity shares as at year end.

3.04 Recognition of Investment in Subsidiary in a separate Financial Statement

The investments in subsidiary is 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."

3.05 Sundry Debtors (Including Advance, Deposits and Pre-Payments)

These are carried at original invoice amounts, which represent net realizable value.

3.06 Other Current Assets

Other current assets have a value on realization in the ordinary course of the company's business which is at least equal to the amount at which they are stated in the Statement of Financial Position.

3.07 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 consolidation received or receivable excluding VAT, discounts, commission, rebates and other sales taxes where applicable. Revenue recognized when the policies are made.

The Company recognizes as revenue the amount that reflects the consideration to which the Company expects to be entitled in exchange for goods or services when (or as) it transfers control to the customer. To achieve that core principle, this standard establishes a five-step model as follows:

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognize revenue when (or as) the entity satisfies a performance obligation.

Considering the five steps model, the company recognizes revenue when (or as) the Company satisfies a performance obligation by transferring a promised goods to a customer. Goods is considered as transferred when (or as) the customer obtains control of that goods. Revenue from sale of goods is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts, rebates and Value Added Tax (VAT).

(a) **Sale of Goods**

Revenue from the sale of goods is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

(b) **Profit on Bank Deposits**

Profit on bank deposits have been accounted on accrual basis.

(c) **Other Revenues**

Other revenues are recognized when services are rendered and bank interests are earned.

3.08 **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.

3.09 **Foreign Currency Transactions**

Transactions in Foreign Currencies are measured in the functional currency of the company and are recorded on initial recognition in the functional currency at the spot exchange rate ruling at the transaction date.

At the end of each reporting period in compliance with the provision of IAS 21: The Effect of Changes in Foreign Exchange Rates-

(a) Foreign currency monetary items are translated using the closing rate;

(b) Non-monetary items that are measured in terms of historical costs in a foreign currency are translated using the exchange rate at the date of the transaction;

(c) Non-monetary items that are measured at fair value in a foreign currency is translated using the exchange rate at the date when the fair value is determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rate different from those at which they were translated on initial recognition during the period or in previous financial statements is recognized in profit or loss in the period in which they arise.

Amount in FCAD ERQ Account and any other foreign currency balance have been translated into taka at the reporting date at the exchange rate prevailing on that date and gain/(loss) have been accounted for as other income / (loss) in statement of profit or loss and comprehensive income.

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3.10 Financial Instruments

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below.

Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets held to maturity, loans and receivables and available for sale.

The adoption of IFRS 9 has not had a significant effect on the company's accounting policies related to financial liabilities. The impact of IFRS 9 on the classification and measurement of financial assets is set out below.

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost: Fair value through Other Comprehensive Income (FVOCI)-debt investment; Fair Value through Other Comprehensive Income (FVOCI) - equity investment; or Fair Value Through Profit or Loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

(a) it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

(b) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

(a) it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

(b) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment by investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets.

Financial Assts at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognition in profit or loss.

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Financial Assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest Income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss. Trade receivables are classified as financial assets measured at amortized cost.

Debt Investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On de-recognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity Investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Impairment of Financial Assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.

The financial assets at amortised cost consist of trade receivables, cash and cash equivalents, and corporate debt securities. The company measures loss allowances at an amount equal to ECL from trade receivables.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

The company considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the company in full, without recourse by The company to actions such as realizing security (if any is held).

Measurement of Expected Credit Losses (ECL)

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Presentation of Impairment

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is recognised in OCI, instead of reducing the carrying amount of the asset.

Impairment losses related to trade receivables and others, including contract assets, are presented separately in the notes to the financial statement.

3.11 Impairment

i) **Financial Assets**

The company recognizes loss allowances for Expected Credit Losses ECLs on:

◈ financial assets measured at amortised cost;

◈ debt investments measured at FVOCI; and

◈ contract assets.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. Loss allowances measured at an amount equal to lifetime ECLs, except for the following, which are measured at 12 months ECLs:

◈ debt securities that are determined to have low credit risk at the reporting date; and

◈ other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the company considers reasonable and supportable information that is relevant and available without undue cost or effort.

This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and including forward-looking information.

ii) **Non-Financial Assets**

The carrying amounts of the company's non-financial assets (other than inventories) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of impairment loss (if any). Where it is not possible to determine the recoverable amount of an individual asset, the company estimates the recoverable amount of the Cash Generating Unit (CGU) to which the asset belongs. An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset of CGU.

Impairment losses are recognised in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

3.12 Derivatives

The company is not a party to any derivative contract at the statement of financial position 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.

3.13 Leases

IFRS 16 introduces a single, on balance sheet lease accounting model for leases. A leassee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemption for short-term leases and leases of low value items.

Leasseor accounting remains similar to the current standard-i.e. leassors continue to classify leases as finance or operating leases.

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Finance leases, which transfer to the company substantially all the risks and rewards incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments.

IFRS 16 replaces existing leases guidelines, including **IAS 17** Leases, **IFRIC 4** Determining whether an Arrangement contents a lease, **SIC 15** Operating Leases - incentive and **SIC -27** Evaluating the Substance of Transactions Involving the Legal Form of a lease.

Any initial direct costs are also added to the amount capitalized. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the income statement. Contingent rents, if any, are charged as expenses in the periods in which they are incurred. Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term.

The most significant impact identified is that, the company will recognized new assets and liabilities for its finance leases of corporate office and sales depot. In addition, the nature of expenses related to those leases will now charge as **IFRS 16** replaces the straight line finance lease expense with a depreciation charge for right-of-use asset and interest expense on the lease liability.

Previously the company recognized finance lease expense on a straight line basis over the term of lease, and recognized liabilities only to the extend that there was a timing difference between the actual lease payments and the expense recognized.

The company has no operating leases.

As a leasee the company plans to apply **IFRS 16** initially on 1st July, 2019 using the modified retrospective approach. Therefore, the cumulative effect of adopting **IFRS 16** will be recognized as an adjustment to the opening balance of retained earnings at 1st July, 2019 with no restatement of comparative information.

The company is currently assessing the impact of initially applying the standard on the elements of financial statements.

3.14 Taxation

Income Tax expense comprises current and deferred taxes. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity in accordance with IAS 12: Income Tax.

(a) Current Tax:

Current Tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

The applicable tax rate of the company of Aftab Automobiles Ltd. is 25% and Navana Batteries Ltd. is 35% as the companies are qualified as a publicly traded company and private limited company respectively.

(b) Deferred Tax:

Deferred income tax is provided using the deferred method on temporary differences. Deferred tax assets and liabilities are recognized for all temporary differences, except:

Where the deferred tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction affects neither the accounting profit nor taxable profit or loss;

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In respect of temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled by the company and it is probable that the temporary differences will not reverse in the foreseeable future; and

In respect of deductible temporary differences and carry-forward of unused tax credits and unused tax losses, if it is not probable that taxable profit will be available against which the deductible temporary differences and carry forward of unused tax credits and unused tax losses can be utilized.

(c) **Value Added Tax:**

Revenues, expenses and assets are recognized net of the amount of Value Added Tax except:

Where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

Receivable and payables that are stated with the amount of value added tax included.

The net amount of value added tax recoverable from, or payable to, taxation authority is included as part of receivables or payables in the statement of financial position.

3.15 Dividend

10% Cash Dividend has been paid for the year 2019.

3.16 Employment Benefits

The company maintains both defined contribution plan and defined benefit plan for its eligible permanent employees. The eligibility is determined accordingly to the terms and conditions set forth in the respective trust deeds and rules. Both of the plans are funded and the contribution plan (provident fund) has been recognized / approved under Income Tax Ordinance, 1984 from National Board of Revenue (NBR). The company maintains the following benefits plans:

(a) **Defined Contribution Plan (Provident Fund)**

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.

(b) **Defined Benefit Plan (Gratuity)**

A defined benefit plan is a post-employment benefit plan other than defined contribution plan. The employee gratuity plan is considered and defined benefit plan as meets the recognition criteria.

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".

(c) **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.

(d) **Workers Profit Participation Fund (WPPF)**

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 (amended 2013) and payable to workers as defined in the said law.

Provision for workers profit participation fund (WPPF) and workers welfare fund (WWF) has been restated in previous year due to consideration of share of profit from associate company's income.

3.17 Capitalization of Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds as per IAS 23: Borrowing Costs.

3.18 Accruals, Provisions and Contingencies

(a) **Accruals**

Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amounts due to employees. Accruals are reported as part of trade and other payables.

(b) **Provisions**

A provision is recognised in the statement of financial position when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the reporting date.

Where the company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. During the reporting year the company has made sufficient provisions where applicable.

(c) **Contingencies**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company; or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. At the reporting date the company does not have any contingent asset.

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Contingent liabilities and assets are not recognized in the statement of financial position of the company.

3.19 Segment Reporting

A business segments is a distinguishable component of an entity that is engaged in providing an individual product or service or group of related products or services and that is subject to risk and returns that are different from those of other business segment. The company has three distinguishable operating segments like assembling unit, motor cycle unit and body unit in case of Aftab Automobiles Ltd. which are disclosed in **note no. 30**.

A geographical segment is a distinguishable component of an entity that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that different from those of components operating other economic environments. Since the company has operating all its activities in the same economic environment geographical segment reporting is not required.

3.20 Cash and Cash Equivalents

For the purposes of the Statement of Financial Position and Cash Flows, cash in hand and bank balances represents cash and cash equivalents considering the *IAS 1 "Presentation of Financial Statements*" and *IAS 7 "Cash Flow Statement*" which provide, that cash and cash equivalents are readily convertible to known amounts of cash and are subject to an in significant risks of changes in value and are not restricted as to use.

3.21 Statement of Cash Flows

The Statement of Cash Flow has been prepared in accordance with the requirements *IAS 7*: Statement of Cash Flows. The cash generated from operating activities has been reported using the Direct Method as prescribed by the Securities and Exchange Rules, 1987 and considering the provisions of *Paragraph 19* of *IAS* 7 which provided that "*Enterprises are Encouraged to Report Cash Flow From Operating Activities Using the Direct Method*".

3.22 Earnings per Share (EPS)

Earnings Per Share (EPS) are calculated in accordance with the International Accounting Standard IAS-33 "Earnings Per Share".

Basic Earnings Per Share

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary equity holders of the entity by the weighted average number of ordinary shares outstanding during the year. The Basic EPS of previous year has been restated to adjust the effect of bonus issue of shares during the year.

Diluted Earnings Per Share

For the purpose of calculating diluted earnings per shares, an entity adjusts profit or loss attributable to each ordinary equity holders of the entity, and weighted average number of shares outstanding, for the effects of all dilutive potential ordinary shares.

Diluted EPS is only calculated where the company has commitment to issue ordinary shares in future at reporting date. No such commitment is hold by company at reporting date.

3.23 Historical Cost Income and Expenditure

As there was no extra ordinary item, there was no difference in profit from ordinary activities before taxation and the net profit before tax. Furthermore, as there was no revaluation of fixed assets in previous years and during the year under review, there was no factor like the differences between historical cost depreciation and depreciation on re-valued amount, realization of revenue surplus on retirement or disposal of assets etc. Therefore, no separate note of historical cost profit and loss has been presented.

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3.24 Risk Exposure

Interest Rate Risk

Interest rate risk is the risk that company faces due to unfavourable movements in the interest rates. Changes in the government's monetary policy, alongwith increased demand for loans/investments tend to increase the interest rates. Such rises in interest rates mostly affect companies having floating rate loans or companies investing in debt securities.

Management Perception

The management of the company prefers procuring the long term fund with minimum fixed interest rate and the short term fund with reasonable competitive rate. The company maintains low debt/equity ratio; and accordingly, adverse impact of interest rate fluctuation is insignificant.

Exchange Rate Risk

Exchange rate risk occurs due to changes in exchange rates. As the company imports materials and equipment from abroad and also earns revenue in foreign currency, unfavourable volatility or currency fluctuation may affect the profitability of the company. If exchange rate increases against local currency, opportunity arises for generating more profit.

Management Perception

The products of the company are sold mostly in local currency. Therefore, volatility of exchange rate will have no impact on profitability of the company.

Industry Risks

Industry risk refers to the risk of increased competition by an entries of new competitors from foreign and domestic sources leading to lower prices, revenues, profit margin, and market share which could have an adverse impact on the business, financial condition and results of operation.

Management Perception

Management is optimistic about growth opportunity in CNG sector in Bangladesh.

Market Risk

Market risk refers to the risk of adverse market conditions affecting the sales and profitability of the company. Mostly, the risk arises from falling demand for the product or service which would harm the performance of the company. On the other hand, strong marketing and brand management would help the company increase their customer base.

Management Perception

Management is fully aware of the market risk, and act accordingly. Market for CNG sector in Bangladesh is growing at an exponential rate. Moreover, the company has a strong marketing and brand management to increase the customer base and customer loyalty.

Operational Risks

Non-availabilities of materials/equipment/services may affect the smooth operational activities of the company. On the other hand, the equipment may face operational and mechanical failures due to natural disasters, terrorist attacks, unforeseen events, lack of supervision and negligence, leading to severe accidents and losses.

Management Perception

The company perceives that allocation of its resources properly can reduce this risk factor to a great extent. The company hedges such risks in costs and prices and also takes preventive measures therefore.

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Liquidity Risk

Liquidity risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at a reasonable price.

Management Perception

The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

Typically, management ensures that it has sufficient cash and cash equivalent to meet expected operational expenses, including the servicing of financial obligation through preparation of the cash forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

Labour Unrest Risk

Smooth production is dependant on good relationship with factory workers and their ability to provide high quality services. In the event of disagreement with workers the company may face adverse impact.

Management Perception

The management personnel both in head office and production premises maintains a good atmosphere at the working place and provides with all necessary facilities to the workers like healthy remuneration, employee leave entitlement, termination benefits and workers profit participation fund for its employees which reduces the risk of labour unrest.

3.25 Events after the Reporting Period

Events after the reporting period that provide additional information about the Company's position at the date of statement of financial position or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

3.26 Related Party Disclosure

As per International Accounting Standard, IAS-24: 'Related Party Disclosures', 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 carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties. Related party disclosures have been given in **Note 31**.

3.27 General

These notes form an integral part of the financial statements and accordingly are to be read in conjunction therewith.

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			Amount in Taka	
			30.06.2020	30.06.2019
4.00	**Consolidated Property, Plant & Equipment's**		**1,986,691,601**	**2,048,455,880**
	This is made up as follows:			
	Land and Land Development		1,148,608,502	1,148,608,502
	Building		246,383,331	251,823,441
	Shades		11,665,728	14,582,160
	Plant & Machinery		367,477,445	396,725,584
	Tools & Equipment		37,030,336	44,769,591
	Office Equipment		39,312,796	41,451,814
	Furniture & Fixture		25,269,651	28,012,890
	Transport Vehicles		38,026,375	43,607,824
	Electric Line Installation		10,333,642	11,466,407
	Office Decoration		49,126,011	53,474,633
	Gas Line Installation		13,457,784	13,933,034
			1,986,691,601	2,048,455,880
	The details of shown in **Annexure - A.**			
5.00	**Consolidated Capital Work-In-Progress**		**979,271,904**	**597,122,227**
	This is made up as follows:			
	Opening Balance		**597,122,227**	**104,848,039**
	Add: Addition during the year		382,149,677	497,402,668
			979,271,904	602,250,707
	Less: Transfer to Property, Plant and Equipment		-	5,128,480
	Closing Balance		**979,271,904**	**597,122,227**

Capital Work-In-Progress represents land and land development, civil construction, plant and machinery for BMRE of Aftab Automobiles Ltd and Navana Batteries Ltd.

6.00	**Investment in Securities and Associate Company**		**417,515,861**	**404,482,963**
	This is made up as follows:			
	Investment in Marketable Securities	6.01	28,395,758	28,395,758
	Investment in Associate	6.02	389,120,103	376,087,205
			417,515,861	404,482,963
6.01	**Investment in Marketable Securities**		**28,395,758**	**28,395,758**
	This is made up as follows:			
	Quantities details of Investments in Share	6.1a	-	-
	Invest in Share Money Deposits	6.1b	28,395,758	28,395,758
			28,395,758	28,395,758
6.1a	**Quantities details of Investments in Share**		-	-
	This is made up as follows:			
	Investment in Shares of Navana CNG Ltd.		-	-
	Opening Balance		-	-
	Less: Revaluation Gain Booked to OCI		-	-
	Less: Related Deferred Tax		-	-
	Less: Sale of Share		-	-
	Closing Balance		-	-

			Amount in Taka	
			30.06.2020	30.06.2019
6.1b	**Invest in Share Money Deposits**		**28,395,758**	**28,395,758**
	This is made up as follows:			
	Navana Construction Ltd.			
	Opening Balance		**28,395,758**	**57,895,758**
	Add: During the year		-	(29,500,000)
			28,395,758	28,395,758

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.

6.02	**Investment in Associate**		**389,120,103**	**376,087,205**
	The details are stated below:			
	Share Investment in NREL at cost	6.3	20,000,000	20,000,000
	Share of Equity from Associate			
	Opening Balance		**356,087,205**	**301,562,941**
	Share of Equity from Associate			
	Net Income after Deferred Tax (PLAC)		10,426,318	43,619,411
	Provision for Deferred Tax	24.1 a	2,606,580	10,904,853
			13,032,898	**54,524,264**
	Closing Balance		**369,120,103**	**356,087,205**
	Total Investment in Associate		**389,120,103**	**376,087,205**

NB: Share of Profit from Associate Company (NREL) has been taken for one year for Financial Year 2019-2020.

6.3	**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 Shares	**6,000,000**	**6,000,000**

7.00	**Consolidated Trade Debtors**	**5,586,690,757**	**4,881,562,541**
	Receivable Non-Current (Maturity Over 12 Months)	2,407,440,521	2,175,145,882
	Less: Provision for Bad Debts	126,589,037	122,500,000
		2,280,851,484	2,052,645,882
	Receivables Current (Maturity less than 12 Months)	3,305,839,273	2,828,916,659
		5,586,690,757	4,881,562,541
	Ageing Schedule of Receivables:	**5,586,690,757**	**4,881,562,541**
	Duration		
	1-30 days	342,893,857	661,117,823
	31-60 days	349,465,958	581,908,157
	61-90 days	528,497,492	565,500,440
	91-180 days	1,022,216,835	506,941,865
	181-365 days	1,062,765,132	513,448,374
	Over 365 days	2,280,851,484	2,052,645,882
		5,586,690,757	4,881,562,541

			Amount in Taka	
			30.06.2020	**30.06.2019**

Net receivables are considered good. The company holds no security other than debtors' personal security in the form of work orders etc.

8.00	**Consolidated Stock and Stores**		**2,058,799,168**	**1,966,033,525**
	This is made up as follows:			
	Finished Products		761,439,047	616,407,527
	Raw Materials		510,514,721	655,156,845
	Work-in-Process		279,243,833	150,417,975
	Stores and Spares	8.1	2,627,415	2,963,915
	Goods in Transit		504,974,152	541,087,263
			2,058,799,168	1,966,033,525
8.01	**Stores and Spares**		**2,627,415**	**2,963,915**
	This is made up as follows:			
	Opening Balances		**2,963,915**	**3,080,234**
	Less: Consumption during the year		(336,500)	(116,319)
	Closing Balance		**2,627,415**	**2,963,915**
9.00	**Consolidated Advances, Deposits & Pre-payments**		**5,181,882,189**	**2,869,503,790**
	This is made up as follows:			
	Advance to Suppliers		727,987,257	766,579,893
	Advance to Employees		45,219,388	33,406,244
	Advance to Others		479,516,205	452,351,534
	Current Account with VAT		102,564,939	37,483,127
	Deposits		400,475,573	466,985,828
	Advance for Capital Assets		2,250,000,000	-
	Advance Income Tax	9.1	1,176,118,827	1,112,697,165
			5,181,882,189	2,869,503,790

Advance paid to suppliers against work orders are considered good. Advance to employees against expenses, salary etc. which are realizable 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.

9.01	**Consolidated Income Tax Deducted at Source**		**1,176,118,827**	**1,112,697,165**
	This is made up as follows:			
	Opening Balance		**1,112,697,165**	**1,030,977,432**
	Add: Addition during the year		63,421,662	81,719,733
			1,176,118,827	1,112,697,165
	Adjustment made during the year		-	-
	Closing Balance		**1,176,118,827**	**1,112,697,165**

Ageing Schedule of Advance to Suppliers, Advance to Others and Deposits:

10.00	**Consolidated Cash and Bank Balances**		**299,822,733**	**285,560,347**
	This is made up as follows:			
	Cash in Hand		6,063,368	4,567,780
	Cash at Banks	10.01	293,759,365	280,992,567
			299,822,733	285,560,347

		Amount in Taka	
		30.06.2020	30.06.2019
10.01	**Cash at Bank**	**293,759,365**	**280,992,567**
	The details break up of Cash at Banks:		
	IFIC Bank Ltd.	30,728,233	15,397,465
	Agrani Bank Ltd.	6,517	6,517
	Pubali Bank Ltd.	44,481	44,481
	IFIC Bank Ltd. (Federation)	16,487	507,790
	Eastern Bank Ltd.	58,214	58,214
	United Comm Bank Ltd.	16,507	16,507
	Commercial Bank of Ceylon Ltd.	24,750	24,750
	AB Bank Ltd (Motijheel)	2,619	2,619
	Sonali Bank Ltd. (Local)	15,101	15,101
	Janata Bank Ltd.	1,500	1,500
	American Express	21,540	21,540
	Arab Bangladesh	7,213	7,213
	IFIC Bank Ltd.	5,885	505,700
	Janata Bank Ltd.	812	812
	The Oriental Bank Ltd.	39,670	39,670
	Bank Alfalah Ltd.	360,114	360,114
	IFIC Bank Ltd.	15,323	15,323
	City Bank Ltd.	60,771	518,817
	The Oriental Bank Ltd.	32,040	32,040
	NCC Bank Ltd.	1,499	1,499
	Mutual Trust Bank Ltd.	498,824	2,163,372
	Islami Bank BD Ltd. (F.Ex.Br)	381,517	99,565
	Jamuna Bank Ltd.	19,503	18,753
	One Bank Ltd.	75,868	75,768
	Agrani Bank Ltd. (F.EX)	404,991	937,203
	Mercantile Bank Ltd.	123,168	123,168
	BRAC Bank Ltd.1	3,353	3,353
	Standard Bank Ltd. (Pri.Br)	869,282	869,282
	Sahajalal Bank Ltd.	169,806	169,606
	IFIC Bank Ltd. (Fed. Branch)	725	725
	Bangladesh Krishi Bank Ltd.	-	28,812
	IFIC Bank Ltd.	97,000	97,000
	Al-Arafah Islami Bank Ltd.	65,344	1,154,172
	United Commercial Bank Ltd.	199,305	199,305
	Pubali Bank Ltd.	14,441	14,441
	Dhaka Bank Ltd.	103,897	9,184,602
	Standard Bank Ltd.	1	1,002
	Exim Bank Ltd.	14,428	14,428
	One Bank Ltd.	31,020	30,920
	IFIC Bank Ltd.	27,498	628,892
	AB Bank Ltd.	100,000	100,000
	Standard Bank Ltd.	645,676	397,854
	IFIC Bank Ltd. (Federation)	95,006	95,006
	NCC Bank Ltd. (Sayamoli)	1,356,314	201
	IFIC Bank Ltd. (Gulshan)	98,040	672,792
	Meghna Bank Ltd. (Gulshan)	3,338,295	42,063
	Prime Bank Ltd. (Baridhara)	235	3,915,190
	Bank Asia Ltd.	194,518	1,825,617

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	Amount in Taka	
	30.06.2020	30.06.2019
NRB Commercial Bank Ltd.	6,123	178,158
The City Bank Ltd. (Banani)	89,448	89,448
Midland bank Ltd.	88,656	367,347
BD Commerce Bank Ltd.	100,000	100,000
NRB Bank Ltd.	97,435	97,435
Premier Bank Ltd.	98,390	98,390
Al-Arafah Islamic Bank Ltd.	996,610	996,110
Mercantile Bank Ltd.	820	68,052
Southeast Bank Ltd.	238,158	3,887,070
Sahajalal Islamic Bank Ltd.	16,933	99,310
BRAC Bank Ltd.	50,490	-
First Security Islamic Bank Ltd.	154,005	154,005
Pubali Bank Ltd.	400,000	400,000
Rupali Bank Ltd. (Local)	10,000	10,000
AB Bank Ltd.	10,000	10,000
One Bank Ltd. (Gulshan)	10,000	-
Islami Bank Bangladesh Ltd. (Gulshan)	617,716	2,100,716
Dutch Bangla Bank Ltd.	390,854	1,123,754
United Commercial Bank Ltd. (Tejgaon)	94,180	94,870
Modhumoti Bank Ltd. (Gulshan)	5,204,770	117,031,943
National Bank Ltd., CD-15927, NBL, Dhaka	610,761	-
Uttara Bank Ltd.(Bhola)	876,509	-
Agrani Bank Ltd. (FDR-ID # 10583162)	11,568,975	10,989,155
Agrani Bank Ltd. (FDR-ID # 10583151)	11,686,132	11,100,441
Agrani Bank Ltd. (FDR-ID # 10583159)	17,548,689	16,669,175
Agrani Bank Ltd. (FDR-ID # 10583160)	11,556,127	10,976,950
Bank Asia Ltd. (FDR # 00855012111)	49,558,713	46,396,431
City Bank Ltd. (FDR # 4192-5651001)	13,421,825	12,734,180
One Bank Ltd. (FDR # 4120005867)	810,582	758,016
One Bank Ltd. (FDR # 4120006495)	518,351	484,877
Midas Finance Ltd. (FDR)	-	2,326,521
One Bank Ltd. (FDR # 4120006600)	126,643	118,430
One Bank Ltd. (FDR # 4120008537)	471,578	440,996
One Bank Ltd. (FDR # 4120008592)	465,658	435,602
One Bank Ltd. (FDR # 4120008606)	229,128	214,419
Phoenix Finance Ltd. (FDR)	125,247,777	-
	293,759,365	280,992,567

The above cash at bank balances represents the balance as per cash book which are in agreement with that of bank statement as on 30th June, 2020 except the following non-operating dorment accounts which are being carried forward for a long time but no steps have been taken to realize the under noted amounts:

Name of Bank	Account No.	Amount (Tk.)
Agrani Bank Ltd.	7465-9	6,517
Pubali Bank Ltd.	128	44,481
Eastern Bank Ltd.	3371	58,214
United Commercial Bank Ltd.	326	16,507
Commercial Bank of Ceylon Ltd.		24,750
AB Bank Ltd. (Motijheel)	071420	2,619
Sonali Bank Ltd. (Local)	12116	15,101
Janata Bank Ltd.	9321	1,500
Amirecan Express Bank Ltd.	293	21,540

Name of Bank	Account No.	Amount (Tk.)
Arab Bangladesh Bank Ltd.	1361	7,213
IFIC Bank Ltd.	1258	5,885
Janata Bank Ltd.	78	812
The Oriental Bank Ltd.	2758	39,670
Bank Al-Falah Ltd.	8-001	360,114
IFIC Bank Ltd.	81734	15,323
The Oriental Bank Ltd.	04290	32,040
NCC Bank Ltd.	17704	1,499
Islami Bank BD Ltd. (Foreign Exchange Branch)	5016	99,565
Jamuna Bank Ltd.	1820	15,232
One Bank Ltd.	7008	75,868
Mercantile Bank Ltd.	20178	123,168
BRAC Bank Ltd.	23001	3,353
Standard Bank Ltd. (Principal Branch)	7992	869,282
Sahjahal Islami Bank Ltd.	8504	169,806
IFIC Bank Ltd. (Federation Branch)	0041	725
IFIC Bank Ltd.	87525	97,000
United Commrecial Bank Ltd.	3144	199,305
Pubali Bank Ltd.	9826	14,441
EXIM Bank Ltd.	5651	14,428
One Bank Ltd.	6006	31,020
IFIC Bank Ltd.	9088	27,498
AB Bank Ltd.	43-000	100,000
Standard Bank Ltd.	1815	394,782
IFIC Bank Ltd. (Federation Branch)	Share A/C	95,006
Bank Asia Ltd.	667	80,058
The City Bank Ltd. (Banani)	90001	89,448
Midland Bank Ltd.	328	726
BD Commerce Bank Ltd.	832	100,000
NRB Bank Ltd.		97,435
Premier Bank Ltd.	0268	98,390
Al-Arafah Islami Bank Ltd.	16815	996,610
Shahjalal Islami Bank Ltd.	12906	9,310
First Security Islami Bank Ltd.	19713	154,005
Pubali Bank Ltd.	5678	400,000
Rupali Bank Ltd. (Local)	0216	10,000
AB Bank Ltd.	36000	10,000
Total		**5,030,244**

	Amount in Taka	
	30.06.2020	**30.06.2019**
Shareholders' Equity and Liabilities		
11.00 **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 Shares Capital:	**957,324,220**	**957,324,220**
Issued, Subscribed and Paid up		
95,732,422 Ordinary Shares @ Tk. 10/- each.		
Sponsors	291,939,445	272,080,980
General Public	665,384,775	685,243,240
	957,324,220	957,324,220

The position of Ordinary Shareholders as on 30th June, 2020 was as follows:

Particulars	No. of Investors	No. of Shares-2020	Shareholding % 2020	Shareholding % 2019
Sponsors	6	27,208,098	28.42%	28.42%
Financial Intuitions including ICB	179	37,047,723	38.70%	38.66%
General Public	20,997	31,476,601	32.88%	32.92%
Total	**21,182**	**95,732,422**	**100%**	**100%**

The Classification of Shareholders by holding as on 30th June, 2020 was as follows:

Particulars	No. of Investors	No. of Shares-2020	% of Shares Holding 2020	Number of Shares 2019
1 to 500	13,795	2,129,842	2.22%	2,184,666
501 to 5000	6,236	10,010,940	10.46%	10,202,991
5001 to 10000	611	4,413,592	4.61%	4,151,466
10001 to 20000	258	3,642,349	3.80%	3,485,825
200001 to 30000	99	2,453,877	2.56%	2,354,021
300001 to 40000	34	1,196,945	1.25%	1,050,779
400001 to 50000	34	1,585,212	1.66%	1,393,343
500001 to 100000	54	3,753,495	3.92%	3,341,706
1000001 to 1000000	47	14,325,741	14.96%	14,860,012
Above 10000000	14	52,220,429	54.55%	52,707,613
Total	**21,182**	**95,732,422**	**100%**	**95,732,422**

		Amount in Taka	
		30.06.2020	**30.06.2019**
12.00	**Share Premium**	**1,925,858,339**	**1,925,858,339**
	This is made up as follows:		
	Net Premium up to 2006	250,191,730	250,191,730
	Net Premium up to 2010	1,675,666,609	1,675,666,609
		1,925,858,339	1,925,858,339
13.00	**Reserves**	**67,338,231**	**67,338,231**
	This is made up as follows:		
	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
		67,338,231	67,338,231

The company obtained tax holiday facility for body building unit for the period of five years with effect from 5th May, 1997.

14.00	**Consolidated Long Term Loan-Net of Current Portion**	**3,927,803,421**	**3,284,569,678**
	This is made up as follows:		
	Agrani Bank Ltd.	1,684,759,884	1,615,505,083
	Meghna Bank Ltd.	22,314,977	19,626,112
	SBAC Bank Ltd.	120,793,318	123,310,925
	Mutual Trust Bank Ltd.	140,932,292	117,923,003
	Prime Bank Ltd.	11,653,515	34,589,483

	Amount in Taka	
	30.06.2020	30.06.2019
Midland Bank Ltd.	29,400,536	66,367,700
Peoples Leasing & Financial Services Ltd.	143,325,391	157,546,943
Mercantile Bank Ltd.	-	171,555,869
One Bank Ltd.	64,656,771	64,717,841
NCC Bank Ltd.	123,860,226	131,557,537
Bay Leasing	102,517,921	97,000,000
GSP Finance	249,204,434	226,520,509
Midas Financing	40,980,611	42,194,387
Union Capital	119,022,682	139,463,643
BD Finance Ltd.	47,200,218	58,851,427
Phoenix Finance	626,046,793	-
Prime Finance & Investment Ltd.	-	750,000
Shahjalal Islami Bank Ltd.	-	2,851,000
Trust Bank Ltd.	411,323,083	394,011,750
Dutch-Bangla Bank Ltd.	686,040,284	666,661,025
Social Islami Bank Ltd.	61,285,348	-
Modhumoti Bank Ltd.	507,687,250	248,422,000
Hajj Finance Company Ltd.	44,065,694	-
	5,237,071,228	4,379,426,237
Less: Long Term Loan-Current Maturity	1,309,267,807	1,094,856,559
Long Term Loan-Net of Current Maturity	3,927,803,421	3,284,569,678

15.00	**Consolidated Short Term Loan**	**7,674,755,610**	**4,687,578,819**

This is made up as follows:

Agrani Bank Ltd.	630,585,708	535,501,998
Bank Asia Ltd.	884,744,037	889,250,209
Standard Bank Ltd.	96,996,631	-
NRB Commercial Bank Ltd.	447,643,218	410,885,931
BRAC Bank Ltd.	40,991,042	
NCC Bank Ltd.	50,387,922	61,161,620
Dhaka Bank Ltd.	343,896,638	-
Mercantile Bank Ltd.	466,753,873	136,567,494
The City Bank Ltd.	75,206,530	-
Midland Bank Ltd.	31,702,004	30,871,288
Prime Bank Ltd.	52,806,214	51,607,048
One Bank Ltd.	282,913,641	294,163,191
SBAC Bank Ltd.	168,652,806	49,458,146
Mutual Trust Bank Ltd.	55,618,726	204,477,546
Southeast Bank Ltd.	958,559,517	684,528,623
Dutch-Bangla Bank Ltd.	487,340,721	626,082,737
Al-Arafah Islami Bank Ltd.	71,234,641	-
IFIC Bank Ltd.	2,217,261,858	543,086,250
Jamuna Bank Ltd.	186,906	165,904
Shahjalal Islami Bank Ltd.	166,036,111	169,770,834
Modhumoti Bank Ltd.	145,236,866	-
	7,674,755,610	4,687,578,819

			Amount in Taka	
			30.06.2020	30.06.2019
16.00	**Consolidated Accrued and Other Current Liabilities**		**1,340,189,875**	**1,527,402,347**
	This is made up as follows:			
	For Goods Supplied		138,836,368	332,379,616
	For Examples		150,120,276	103,616,678
	For Income Tax		844,714,435	837,159,890
	For Workers PPF and WF		28,628,898	28,417,449
	Provision for Bad Debts		5,176,851	6,176,851
	For Other Finance		90,094,323	81,821,302
	For Bond Liabilities		2,694,543	73,663,658
	Unclaimed Dividend		79,924,183	64,166,906
	Long Term Loan-Net of Current Portion		1,340,189,875	1,527,402,347
17.00	**Consolidated Revenue**		**1,947,024,768**	**2,818,043,017**
	This is made up as follows:			
	Aftab Automobiles Ltd.		1,411,377,402	1,957,393,139
	Navana Batteries Ltd.		535,647,366	860,649,878
			1,947,024,768	2,818,043,017
18.00	**Consolidated Cost of Goods Sold**		**1,431,542,977**	**2,115,825,918**
	This is made up as follows:			
	Opening Stock of Direct Raw Materials		**655,156,845**	**597,801,527**
	Purchase of Direct Raw Materials		1,360,678,168	1,800,802,761
	Direct Raw Materials available for Consumption		2,015,835,013	2,398,604,288
	Closing Stock of Direct Raw Materials	8	**510,514,721**	**655,156,845**
	Raw Materials Consumed		1,505,320,292	1,743,447,443
	Add: Opening Work in Progress		**150,417,975**	**117,223,316**
			1,655,738,267	1,860,670,759
	Less: Closing WIP	8	**279,243,833**	**150,417,975**
			1,376,494,434	1,710,252,784
	Indirect Materials		554,638	6,025,024
	Total Consumption		**1,377,049,072**	**1,716,277,808**
	Factory Overhead	18.1	199,525,425	211,117,982
	Cost of Production		1,576,574,497	1,927,395,790
	Opening Finished Products		**616,407,527**	**804,837,655**
			2,192,982,024	2,732,233,445
	Closing Finished Products	8	**761,439,047**	**616,407,527**
			1,431,542,977	2,115,825,918
18.01	**Factory Overhead**		**199,525,425**	**211,117,982**
	This is made up as follows:			
	Salary and Allowances		77,814,714	57,521,086
	Liveries and Uniform		89,663	406,640
	Telephone, Fax and Mobile		179,175	408,730
	Fuel and Lubricants		1,583,700	3,889,106
	Travelling and Conveyance		363,787	550,059

A. HOQUE & CO. DHAKA CHARTERED ACCOUNTANTS

		Amount in Taka	
		30.06.2020	30.06.2019
	Entertainment	496,974	581,961
	Office Expenses	299,776	278,319
	Maintenance Expenses	3,289,831	786,094
	Electric Expenses	29,955,244	49,902,942
	Duty and Allowances	906,398	742,190
	Canteen Subsidies	1,121,226	1,847,596
	Eid Greetings	87,450	129,187
	Rent Rates & Taxes	2,624,092	5,159,184
	Insurance	4,599,172	6,526,372
	Gas	1,130,379	1,877,931
	Welfare Expenses	118,007	216,848
	Carrying & Handling	326,955	466,196
	Newspaper and Periodicals	47,830	-
	General Charges	-	56,390
	Repairs and Maintenance (Vehicle)	835,051	282,278
	Security Expenses	1,683,378	3,990,631
	Chemicals	88,080	39,809
	Stores & Spares	346,794	248,479
	Foreign Technician Remuneration	-	1,604,873
	Annual Picnic	224,850	378,825
	Printing & Stationery	163,831	108,492
	Screen Printing	11,780	70,965
	Labour Charges	87,398	193,729
	Laboratory Expenses	138,312	174,091
	Generator Maintenance	33,899	36,950
	Fire Extinguisher	53,405	46,255
	Depreciation	70,824,274	72,595,776
		199,525,425	211,117,982
19.00	**Consolidated Administrative Expenses**	**47,389,331**	**75,490,766**
	This is made up as follows:		
	Salary & Allowances	27,546,360	44,976,337
	Welfare Expenses	12,075	102,011
	Medical Expenses	25,975	5,897
	Entertainment	473,839	824,415
	AGM Expenses	606,074	482,613
	TA and Conveyance	765,981	995,997
	Travelling Expenses-Foreign	-	406,430
	Car Maintenance	625,222	1,839,494
	Stationery	305,177	644,900
	Fees and Registration	521,589	2,624,303
	Telephone	1,072,856	961,525
	Electrical Expenses	180,943	652,922
	Rent, Rates and Taxes	2,292,107	3,259,929
	Insurance Premium	156,418	123,657

		Amount in Taka	
		30.06.2020	30.06.2019
	Liveries and Uniform	23,737	125,029
	Bank Charges	2,530,435	2,469,566
	Bank Guarantee & Charge Documents	14,874	68,275
	Audit Fees	464,000	356,500
	Duty Allowance	100,000	50,000
	Newspapers & Periodicals	50,859	93,915
	Postage & Telegram	533,957	413,142
	Publicity	186,657	464,473
	Night Allowances	52,090	52,090
	Advertisement and Publicity	142,999	15,950
	Directors Fee	365,500	372,750
	Office Maintenance	472,889	331,978
	Maintenance Expenses	401,747	215,874
	General Expenses	52,408	44,045
	WASA Bill	40,227	30,333
	Carrying & Handling	-	24,000
	Gas	125,551	140,691
	CDBL Fee	830,120	335,190
	Canteen Subsidy	528,508	587,016
	Security Expenses	268,550	98,325
	Donation	-	656,366
	Promotion Expenses	126,954	926,765
	ISO	274,557	135,000
	Fuel and Lubricants	339,576	448,852
	Guest House Maintenance	300	1,020
	Membership Fee and Others	-	58,720
	Depreciation	4,878,221	9,074,472
		47,389,331	75,490,766
20.00	**Consolidated Selling and Distribution Expenses**	**58,557,807**	**115,030,324**
	This is made up as follows:		
	Salary & Allowances	28,196,273	44,458,410
	Fuel and Lubricants	197,078	651,105
	Transit Insurance	555,779	472,502
	Promotional Expenses	431,784	8,318,750
	Delivery Expenses	2,763,483	1,767,760
	Rent, Rates & Taxes	2,090,030	16,487,793
	Conveyance	1,142,492	602,195
	Entertainment	236,002	466,948
	Stationery	63,363	46,988
	Telephone	494,059	1,273,616
	Publicity Expenses	893,514	1,598,042
	Fees & Registration	112,708	472,578
	Maintenance	94,583	88,575
	Car Maintenance	488,546	854,794
	Electrical Expenses	987,591	2,002,541

A. HOQUE & CO. DHAKA CHARTERED ACCOUNTANTS

			Amount in Taka	
			30.06.2020	**30.06.2019**
	Postage & Telegram		178,203	491,366
	Newspaper & Periodicals		25,903	39,108
	Bank Charges		45,643	808,706
	Security Guard Salary		604,835	2,884,778
	Office Maintenance		82,321	84,005
	Showroom Expenses		221,803	1,048,451
	Transpiration Charges		-	1,165,565
	Utility Bill (WASA)		61,428	384,495
	Gift & Donation		76,859	86,606
	Bad Debts		4,089,037	18,278,501
	Chemical & Packing Expenses		10,750	1,920
	Dealer Conference Expenses		62,582	1,095,907
	Others		29,487	23,848
	Depreciation of Right of Use Assets		6,865,192	-
	Depreciation		7,456,478	9,074,472
			58,557,807	115,030,324
21.00	**Consolidated Financial Charges**		**423,004,138**	**443,833,006**
	This is made up as follows:			
	Aftab Automobiles Ltd.		305,920,124	322,076,419
	Navana Batteries Ltd.		117,084,014	121,756,587
			423,004,138	443,833,006
22.00	**Consolidated Non-Operating Income**		**17,194,330**	**15,848,057**
	This is made up as follows:			
	FDR Interest		17,194,330	15,848,057
	Profit on Sale of Shares		-	-
	Profit on Sales of Car		-	-
			17,194,330	15,848,057
23.00	**Consolidated Income Tax Expenses**		**6,765,436**	**11,565,389**
	This is made up as follows:			
	Current Tax	23.01	7,554,545	19,915,721
	Deferred Tax	23.02	(789,109)	(8,350,332)
			6,765,436	11,565,389
23.01	**Current Tax**		**7,554,545**	**19,915,721**
	Aftab Automobiles Ltd.	23.1a	4,334,781	15,917,077
	Navana Batteries Ltd.	23.1b	3,219,764	3,998,644
			7,554,545	19,915,721

			Amount in Taka	
			30.06.2020	30.06.2019
23.1a	**Current Tax - Aftab Automobiles Ltd.**		**(6,091,270)**	**15,917,077**
	This is made up as follows:			
	Operating Profit		(7,485,257)	51,000,023
	Other Income		17,194,330	15,848,057
	Contribution to WPPF		(1,082,951)	(5,779,635)
	Bad Debts		4,089,037	17,740,000
	Add: Accounting Depreciation		40,188,013	43,989,919
	Less: Tax Depreciation		(52,726,152)	(59,130,055)
	Last year Adjustment		-	-
	Taxable Profit		**177,021**	**63,668,309**
	Corporate Tax Rate 25% & 32.5%		25%	32.5%
	Current Tax		**(6,091,270)**	**15,917,077**
	Minimum Tax on Gross Receipts		4,334,781	-
	Current Tax Liabilities		4,334,781	-
23.1b	**Current Tax - Navana Batteries Ltd.**		**3,219,764**	**3,998,644**
	This is made up as follows:			
	Profit before Tax		(6,196,172)	16,059,980
	Add: Accounting Depreciation		42,970,959	46,754,801
	Less: Tax Depreciation		(55,653,326)	(65,226,821)
	Adjusted Profit for Tax Calculation		**(18,878,539)**	**(2,412,041)**
	Tax @ 32.5% (Transferred to Comprehensive Income)		**(6,135,525)**	**(844,214)**
	Normal Tax Liability @ 32.5% on Profit before Tax		(6,135,525)	(844,214)
	Minimum Tax Liability @ 0.6% on Gross Receipts		3,219,764	3,998,644
	Current Tax Liabilities (Whichever is Higher)		**3,219,764**	**3,998,644**
	Consolidated Income Tax Expenses			
23.2	**Deferred Tax Expenses**		**(789,109)**	**(8,350,332)**
	Aftab Automobiles Ltd.		4,718,856	(16,751,577)
	Navana Batteries Ltd.		(5,507,965)	8,401,245
			(789,109)	(8,350,332)
24.00	**Deferred Tax Liability**		**127,922,821**	**128,711,930**
	This is made up as follows:			
	Aftab Automobiles Ltd.		73,537,075	68,818,220
	Navana Batteries Ltd.		54,385,745	59,893,710
			127,922,821	128,711,930
	This is made up as follows:		**73,537,075**	**68,818,220**
	Associate Company	24.1a	73,824,020	71,217,441
	Assembling Body Unit & Motor Cycle Unit	24.1b	(286,945)	(2,399,221)
	Investment Valuation Surplus in Share		-	-
			73,537,075	68,818,220

	Amount in Taka	
	30.06.2020	30.06.2019
Calculation of Deferred Tax		
A **Associate Company**	**73,824,020**	**71,217,441**
This is made up as follows:		
Opening Balance	**71,217,441**	**60,312,588**
Add: Provision during the year	2,606,580	10,904,853
Investment in Associate Balance as on 30.06.2020	73,824,020	71,217,441
Investment Valuation Surplus in Share	-	-
B **Aftab Automobiles Ltd.**		
This is made up as follows:		
Depreciation:		
WDV on PPE as per Accounting Calculation	1,142,638,625	1,177,601,790
WDV on PPE as per Taxable Calculation	1,017,197,369	1,064,698,673
Temporary Difference	**125,441,256**	**112,903,117**
Deferred Tax 25% on Difference (B1)	**31,360,314**	**28,225,779**
Opening Deferred Tax	28,225,779	25,257,209
Deferred Tax Expense during the year (B2)	**3,134,535**	**2,968,571**
C **Bad Debts as per Accounting Base**	**126,589,037**	**122,500,000**
Bad Debts as per Tax Base	-	-
Deductible Temporary Difference	(126,589,037)	(122,500,000)
Deferred Tax Liabilities 25% on Difference (C1)	**(31,647,259)**	**(30,625,000)**
Opening Deferred Tax	(30,625,000)	-
Deferred Tax Expenses during the year (C2)	**(1,022,259)**	**(30,625,000)**
Deferred Tax Liabilities on Regular Income (B1+C1)	**(286,945)**	**(2,399,221)**
Deferred Tax Expenses during the year on Regular Income (B2+C2)	**2,112,276**	**(27,656,429)**
D **Navana Batteries Ltd.**		
This is made up as follows:		
WDV on PPE as per Accounting Calculation	844,052,976	870,854,090
WDV on PPE as per Taxable Calculation	657,833,684	697,317,165
Temporary Difference	**186,219,292**	**173,536,925**
Deferred Tax 32.5% of difference	60,521,270	60,737,923
Less: Unabsorbed Depreciation	(6,135,525)	(844,214)
Deferred Tax Liabilities 32.5% on Difference after Unabsorbed	**54,385,745**	**59,893,709**
Opening Deferred Tax	**60,737,923**	**51,492,465**
Deferred Tax Expenses during the year	**1,696,697**	**8,401,245**

Movement of Deferred Tax

A **Aftab Automobiles Ltd.**

Opening Balance	**(2,399,221)**	**25,257,209**
Add: During the year (PLAC)	2,112,276	(27,656,430)
Closing Balance	**(286,945)**	**(2,399,221)**
Opening Balance	**68,818,220**	**85,569,797**
Add: During the year (PLAC)	2,112,276	(27,656,430)
Add: During the year (Associate Co.)	2,606,580	10,904,853
Add: During the year (OCI)	-	-
Closing Balance	**73,537,076**	**68,818,220**

A. HOQUE & CO. DHAKA CHARTERED ACCOUNTANTS

	Amount in Taka	
	30.06.2020	30.06.2019
B **Navana Batteries Ltd.**		
Opening Balance	**59,893,710**	**51,492,465**
Add: During the year (PL AC)	(5,507,965)	8,401,245
Closing Balance	**54,385,745**	**59,893,710**
Total Deferred Tax Expenses (PL AC)	**4,718,856**	**(16,751,577)**
Total Deferred Tax Liabilities (FS AC)	**127,922,821**	**128,711,930**

25.00 **Consolidated Earning Per Share (EPS)**

	30.06.2020	30.06.2019
Consolidated Earning Per Share (EPS)	**0.09**	**1.25**
Profit Attributable to the Equity holders	8,411,576	120,087,299
No. of Shares	95,732,422	95,732,422
Consolidated Earnings per Share (EPS)	**0.09**	**1.25**

Note:

Earnings per Share (EPS) has been fallen down than previous year because of decreasing sale amount due to Covid Pandemic Situation.

26.00 **Consolidated Net Assets Value Per Share (NAVPS)**

	30.06.2020	30.06.2019
Consolidated Net Assets Value Per Share (NAVPS)	**60.20**	**60.95**
Net Assets	5,762,720,529	5,834,726,542
Ordinary Shares (Paid up Capital)	95,732,422	95,732,422
Net Assets Value Per Share (NAVPS)	60.20	60.95

Net asset value has been decreased due to impact of declaration of dividend payment.

27.00 **Consolidated Net Operating Cash Flows Per Share (NOCFPS)**

	30.06.2020	30.06.2019
Consolidated Net Operating Cash Flows Per Share (NOCFPS)	**(6.02)**	**3.74**
Consolidated Net Cash Generated by Operating Activities	(575,885,345)	357,935,598
Ordinary Shares (Paid up Capital)	95,732,422	95,732,422
Consolidated Net Operating Cash Flows Per Share (NOCFPS)	**(6.02)**	**3.74**

Note:

During the year net operating cash flow per share has been decreased due to less collection for covid pandemic situation with that of previous year.

28.00 **Loan and Deferred Liabilities (Unsecured)**

	30.06.2020	30.06.2019
Loan and Deferred Liabilities (Unsecured)	**25,310,440**	**25,310,440**

Long Term interest free loan from sponsors is carried forward since 1982.

29.00 **Reconciliation of Consolidated Cash Flows from Operating Activities under Indirect Method:**

	30.06.2020	30.06.2019
Reconciliation of Consolidated Cash Flows from Operating Activities under Indirect Method:	**(575,885,345)**	**357,935,597**
Net Profit/(Loss) before Interest & Income Tax during the year	426,214,678	526,741,066
Adjustments to reconcile Net Income to Net Cash provided by Operating Activities:		
Depreciation	90,024,165	90,744,720
Payment of Lease Liability	(21,277,756)	-
Interest on Lease Liability	1,018,675	-
Payment of WPPF	2,751,541	(7,322,317)
Income Tax Paid	(63,421,662)	(81,719,733)
Changes in Current Assets and Liabilities:		
Decrease/(Increase) in Inventories	(92,765,644)	(35,585,294)
Decrease/(Increase) in Advance and Pre-payments	1,043,265	(241,602,872)
Decrease/(Increase) in Payables & Accruals	(214,344,391)	310,882,120
Decrease/(Increase) in Trade Receivables	(705,128,216)	(204,202,093)
Consolidated Net Cash Flow from Operating Activities	(575,885,345)	357,935,597

30.00 **Segment wise Financial Position as at 30th June, 2020**

Particulars	Assembling Unit	Motor Cycle Unit	Body Unit	Total
Assets				
Non-Current Assets				
Property, Plant & Equipment	440,876,273	282,837,618	418,924,734	1,142,638,625
Capital Work-in-Progress	160,880,536	648,719,452	85,466,935	895,066,923
Investment in Subsidiary and Associates	1,174,120,460	-	-	1,174,120,460
Receivable-Non-Current Maturity	2,027,191,073	169,063,143	84,597,268	2,280,851,484
Right of Use Assets	-	11,326,984	-	11,326,984
Total of Non-Current Assets	**3,803,068,342**	**1,111,947,197**	**588,988,937**	**5,504,004,476**
Current Assets:				
Receivable-Current Maturity	2,187,706,270	350,000,000	100,093,549	2,637,799,819
Stock and Stores	495,493,257	530,531,013	43,531,601	1,069,555,871
Current Account with Navana Batteries Ltd.	1,331,361,368	-	-	1,331,361,368
Current Account with Navana Group Companies	1,554,947,611	654,159,843	-	2,209,107,454
Current Account with Motor Cycle Unit	616,372,313	-	-	-
Current Account with Body Building Unit	423,993,709	-	-	-
Advances, Deposits and Pre-Payments	3,163,004,084	226,414,285	50,139,391	3,439,557,761
Cash and Bank Balances	130,267,561	143,688,212	17,584,837	291,540,610
Total Current Assets	**9,903,146,173**	**1,904,793,353**	**211,349,378**	**10,978,922,883**
Total Assets	**13,706,214,515**	**3,016,740,550**	**800,338,315**	**16,482,927,358**
Equity and Liabilities:				
Shareholders' Equity:				
Share Capital	957,324,220	-	-	957,324,220
Share Premium	1,925,858,339	-	-	1,925,858,339
Reserves	44,332,688	-	23,005,543	67,338,231
Retained Earnings	2,547,245,642	18,512,696	246,441,401	2,812,199,739
Total Shareholders' Equity	**5,474,760,889**	**18,512,696**	**269,446,944**	**5,762,720,529**
Non-Current Liabilities:				
Loan and Deferred Liabilities (Unsecured)	25,310,440	-	-	25,310,440
Long Term Loan - Non-Current Maturity	1,874,561,399	542,999,833	-	2,417,561,232
Deferred Tax Liability	62,486,905	9,062,483	1,987,689	73,537,076
Lease Liability	-	9,826,359	-	9,826,359
Total Non-Current Liabilities	**1,962,358,744**	**561,888,674**	**1,987,689**	**2,526,235,107**
Current Liabilities:				
Long Term Loan-Current Maturity	624,853,800	180,999,944	-	805,853,744
Short Term Loan	4,690,951,322	1,589,704,625	186,906	6,280,842,853
Accrued and Other Current Liabilities	953,289,759	49,262,298	104,723,068	1,107,275,125
Current Account with Assembling Unit	-	616,372,313	423,993,709	-
Total Current Liabilities	**6,269,094,881**	**2,436,339,180**	**528,903,683**	**8,193,971,722**
Total Liabilities	**8,231,453,625**	**2,998,227,853**	**530,891,372**	**10,720,206,829**
Total Equity and Liabilities	**13,706,214,514**	**3,016,740,549**	**800,338,316**	**16,482,927,358**

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Segment wise Profit or Loss and Other Comprehensive Income for the year ended 30th June, 2020

Particulars	Assembling Unit	Motor Cycle Unit	Body Unit	Total
Sales Revenue	910,117,914	373,693,488	127,566,000	1,411,377,402
Less: Cost of Goods Sold	629,104,105	306,234,846	100,879,742	1,036,218,693
Gross Profit (a)	**281,013,809**	**67,458,642**	**26,686,258**	**375,158,709**
Less: Operating Expenses:				
Administrative Expenses	24,889,828	9,570,110	5,928,648	40,388,586
Selling & Distribution Expenses	4,356,129	30,529,234	1,237,949	36,123,312
Financial Charges	250,210,973	55,690,649	18,502	305,920,124
Total Operating Expenses (b)	**279,456,930**	**95,789,992**	**7,185,099**	**382,432,022**
Operating Profit (c) = (a-b)	**1,556,879**	**(28,331,350)**	**19,501,159**	**(7,273,313)**
Non-Operating Income:				
Other Income	7,423,996	9,347,449	422,885	17,194,330
Less: Foreign Exchange Loss	(514,305)	-	-	(514,305)
Add: Share of Profit from Associate Company	13,032,898	-	-	13,032,898
Total Non-Operating Income (d)	**19,942,589**	**9,347,449**	**422,885**	**29,712,923**
Profit before Contribution to WPPF (e)=(c+d)	**21,499,468**	**(18,983,901)**	**19,924,044**	**22,439,610**
Less: Contribution to WPPF	1,023,784	(903,995)	948,764	1,068,553
Profit after Contribution to WPPF	**20,475,684**	**(18,079,906)**	**18,975,280**	**21,371,057**
Add: Share of Profit from Subsidiaries	(3,905,845)	-	-	(3,907,971)
Net Profit before Tax (f)	**16,569,839**	**(18,079,906)**	**18,975,280**	**17,463,086**
Less: Income Tax Expenses				
Current Tax	2,718,254	1,127,422	489,105	4,334,781
Deferred Tax	3,068,736	1,383,685	266,435	4,718,856
Total Income Tax Expenses (g)	**5,786,990**	**2,511,107**	**755,540**	**9,053,637**
Profit after Tax (h) = (f-g)	**10,782,847**	**(20,591,012)**	**18,219,741**	**8,411,575**
Other Comprehensive Income for the year:				
Investment Valuation Surplus in Share				
Revaluation Gain/(Loss) on Investment in Share	-	-	-	-
Deferred Tax	-	-	-	-
Total Investment Valuation Surplus in Share (i)	-	-	-	-
Total Comprehensive Income for the year (j)=(h+i)	**10,782,847**	**(20,591,012)**	**18,219,741**	**8,411,575**

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31.00 **Related Party Transactions**

As per note 3.24 of financial statements with related parties are as follows:
(i) There is no long term unsecured loan taken from directors (including managing director) or sponsors of the company;
(ii) No loan has been given to any director or sponsor shareholders of the company;
(iii) No office rent amount is received by any dir
(iv) There is no compensation for chairman, director & managing director except board meeting fee total and for each of the following categories:
(a) Short-term employee benefits;
(b) Post employment benefits;
(c) Other long term benefits;
(d) Termination benefits;
(e) Share based payment.

32.00 **Payment/Perquisites to Directors**

No amount of money was spent by the company for compensating any member of the Board for services rendered other than Board Meeting Fee.

33.00 **Foreign Earning**

During the year under audit the company incurred a foreign exchange loss of Tk. 514,305 against foreign exchange.

34.00 **Brokerage Commission**

No brokerage or discount other than usual trade discount against sales was paid during the year. As there was no sales agent, commission therefor was not paid.

35.00 **Acknowledgment of Claim and Refund**

There were aggregating claims of Tk. 46,134,665. In respect of assessment years 2009-2010,2010-2011,2011-2012,2012-2013,2013-2014,2014-2015,2015-2016,2016-2017,2017-2018,2018-2019 and 2019-2020 respectively against the company for income tax and there were aggregating refund in favor of the company for income tax in different years but no asset or liability was recognized for the claims are refundable. The company filed income tax reference case with high court division of the supreme court & appeals remained pending and have applied for adjustment for remaining cases.

36.00 **Amount due by Directors**

There is no advance in the name of the directors or associates undertaking of the company.

37.00 **Amount Paid to Directors**

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

38.00 **Number of Employees**

During the year total number of employees/workers for the company was 329 who drawing Tk. 8,000 or more per month.

39.00 **Significant Disclosure**

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

40.00 Remuneration

Salary & Allowances	Number of Person	Amount (Tk.)
Managing Director/Director	5	-
Managers	33	24,599,524
Officers	132	59,354,472

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

41.00 Capital Expenditure Commitment

There was no commitment for capital expenditure and also not incurred or provided for the year ended 30th June, 2020.

42.00 Contingent Assets

There was no contingent assets as on 30th June, 2020.

43.00 Remittance of Dividend

As there were no non-resident shareholders, no dividend was remitted to or received from abroad.

44.00 Credit Facility not Availed

There was no credit facility available to the Company under any contract and also not availed as on 30th June, 2020 other than trade credit available in the ordinary course of business.

45.00 Attendance Status of Board Meeting of Directors

During the year there was 15 Board Meetings were held. The attendance status of all the meetings is as follows:

Name of the Directors	Position	Meeting Held	Attended
Shafiul Islam	Chairman	15	12
Khaleda Islam	Director	11	5
Saiful Islam	Managing Director	15	13
Sajedul Islam	Director	15	11
Farhana Islam	Director	15	7
M. Obaidur Rahman	Independent Director	11	6
Syed Masud Hasan	Independent Director	11	3

46.00 Auditors fees for service rendered

As per schedule XI, part II, para 6 of Companies Act, 1994, auditors are only paid audit fees (including VAT) of Tk. 350,000. No other service has been taken from auditor hence other then this no other fees given to auditor.

47.00 Disclosures as per Requirement of Schedule XI, Part II of the Companies Act, 1994 (Employee Position as on 30th June, 2020)

(A) Disclosure as per requirement of Schedule XI, Part II, Notes 5 of Para 3

Monthly Salary Range	Head Office	Factory	No. of Employee
Above 3000	26,228,288	107,329,059	476
Below 3000	Nil	Nil	Nil

(B) Disclosure as per requirement of Schedule XI, Part II, Para 4
Payment/Perquisites to Directors and Officers

Name	Position	Per Meeting Attendance Fee	No. of Meeting	Amount (Tk.)
Shafiul Islam	Chairman	5,000	12	60,000
Khaleda Islam	Director	5,000	5	25,000
Saiful Islam	Managing	5,000	13	65,000
Sajedul Islam	Director	5,000	11	55,000
Farhana Islam	Director	5,000	7	35,000
M. Obaidur Rahman	Ind. Director	5,000	6	30,000
Syed Masud Hasan	Ind. Director	5,000	3	15,000

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. 5,000/- per Director per meeting. The total Board Meeting attendance fee incurred during the year under review was Tk. 327,750/- including VAT;

(iii) No amount of money was spent by the company for compensating any member of the board for special services rendered.

48.00 **Information regarding Accounts Receivables, Advance in line with Schedule XI**

i. Disclosure in line with 4(a) of part I of Schedule XI

The details of trade receivable are given below:

Sl. No.	Particulars	Amount (Tk.) 30.06.2020	Amount (Tk.) 30.06.2019
1	Within 3 Months	974,148,141	1,808,526,420
2	Within 6 Months	815,648,663	506,941,865
3	Within 12 Months	848,003,015	513,448,374
4	More than 12 Months	2,948,890,938	2,052,645,882

ii. Disclosure in line with 4(b) of part I of Schedule XI

There are no debts outstanding in this respect.

49.00 **Disclosure in line with Instruction of Part of Schedule XI**

In regard to sundry debtors the following particulars shall be given separately:

(I) **Debt considered good in respect of which the company is fully secured**

Within six months trade debtors occurred in the ordinary course of business are considered good but no security given by the debtors.

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(II) **Debt considered good for which the company holds no security other than the debtors' personal security**

Within six months trade debtors have arisen in the ordinary course of business in good faith as well as market reputation of the company for the above mentioned reasons no personal security taken from debtors.

(III) **Debt considered doubtful or bad**

The company considered more than one year debts are doubtful and provision is created for Tk. 126,589,037.

(IV) **Debt due by directors or other officers of the Company**

There is no debt due by directors or other officers of the company.

(V) **Debt due by common management**

There is no debt under common management.

(VI) **The maximum amount due by directors or other officers of the Company**

There is no such debt in this respect.

50.00 **Disclosure as per requirement of Schedule XI, Part II, Para 7**

Details of Production Capacity Utilization:

Particulars	**Assembling**	**Body**	**Mortar Cycle**	**Total**
Production Capacity (Vehicle/Battery)	2400	220	10,000	12,620
Production during the year	198	111	2,551	2,860
Capacity Utilization (%)	**8.25%**	**50.45%**	**25.51%**	**22.66%**

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 198 units bus assembled in assembling unit 111 units body fabrication in body building unit.

The production capacity of the company is 10,000 units motor cycle in motor cycle units under three shifts. Actual production for the period 2551 Units biks assembled in motor cycle unit.

51.00 **Schedule XI, Part II, Para 8(b) & Para 8(d) Foreign Currencies remitted during the year**

During the year under review the company did not remit any amount as dividend, technical know-how, royalty, professional consultation fees, interest and other matters either its shareholder or others.

52.00 **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)	¥ 723,051,400	564,920,059
Import of Raw Material (Mahindra Motor Cycle SKD)	US$ 1615439	252,415,640
Total		**817,335,699**

53.00 Financial Instrument-Fair Values and Risk Management

53.01 Accounting Classifications and Fair Values

The following table shows the carrying amounts of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value as the carrying amount is a reasonable appro

Reconciliation of Carrying Amount	Carrying Amount Tk. '000								
	Note	Held for Trading	Designated at Fair Value	Fair Value Hedging Instruments	Held to Maturity	Loans and Receivables	Available for Sale	Other Financial Liabilities	Total Amount
30.06.2020	-	-	-	-	-	-	-	-	-
Financial Assets not measured at Fair Value	-	-	-	-	-	-	-	-	-
Trade and Other Receivables	-	-	-	-	-	3,305,840	-	-	3,305,840
Investment	-	-	-	-	-	-	-	-	-
Cash and Cash Equivalents	-	-	-	-	-	299,823	-	-	299,823
Investment in Subsidiaries	-	-	-	-	-	-	389,120	-	389,120
	-	-	-	-	-	3,605,663	389,120	-	3,994,783
Financial Liabilities not measured at fair value	-	-	-	-	-	-	-	-	-
Trade and other payables	-	-	-	-	-	-	-	1,340,190	1,340,190
Other Non-Current Liabilities	-	-	-	-	-	-	-	4,090,864	4,090,864
	-	-	-	-	-	-	-	5,431,054	5,431,054
30.06.2019									
Financial Assets not measured at Fair Value	-	-	-	-	-	-	-	-	-
Trade and Other Receivables	-	-	-	-	-	2,828,916	-	-	2,828,916
Investment	-	-	-	-	-	-	-	-	-
Cash and Cash Equivalents	-	-	-	-	-	285,560	-	-	285,560
Investment in Subsidiaries	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	3,114,476	-	-	3,114,476
Financial Liabilities not measured at fair value	-	-	-	-	-	-	-	-	-
Trade and other payables		-	-	-	-	-	-	1,527,402	1,527,402
Other Non-Current Liabilities		-	-	-	-	-	-	3,438,592	3,438,592
		-	-	-	-	-	-	4,965,994	4,965,994

Advances, deposits and prepayments are not included in the financial assets.

The company has not disclosed the fair values for financial instruments such as trade and other receivables, cash and cash equivalents, investment in subsidiaries, trade and other payables, and other non-current liabilities because their carrying amounts

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53.02 Financial Risk Management

The Company management has overall responsibility for the establishment and oversight of the company's risk management framework. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The company has exposure to the following risks from its use of financial instruments.

53.02.1 Credit Risk, 53.02.2 Liquidity Risk 53.02.3 Market Risk.

53.02.1 Credit Risk

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivable.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of customer, including the default risk of the industry and financial strength of the customer, as these factors may have an influence on credit risk. Geographically there is no concentration of credit risk.

The debtors management review committee has established a credit policy under which each new customer is analyzed individually for creditworthiness before the company's payment and delivery terms and conditions are offered. Credit limits are established for each customer, which represents the maximum outstanding amount of credit sale without requiring approval from the committee; these limits are reviewed as per guideline of Nava CNG Limited in each quarter. Customers that fail to meet the company's benchmark creditworthiness may transact with the company only on a cash / deposit scheme basis.

Management has a credit policy in place and the exposure to credit risk is monitor on an ongoing basis. As at 30th June, 2020, substantial part of the receivables are as follows and subject to insignificant credit risk. Risk exposure from other financial assets, i.e. Cash at bank and other external receivables are also nominal.

(i) Exposure to Credit Risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting data was:

	Amount in Taka	
	30.06.2020	**30.06.2019**
Non-Derivative Financial Assets:		
Receivables-Current Assets	3,305,839,273	4,881,562,541
Inter Company Receivables	3,656,207,754	5,330,849,255
Advance to Suppliers	727,987,256	766,579,893
Advance to Employees	45,219,388	33,406,244
Advance to Others	479,516,205	37,483,127
Security Deposit	400,475,573	466,985,828
Cash at Bank	293,759,365	280,992,567
Cash in Hand	6,063,368	4,567,780
	8,915,068,182	11,802,427,235

Ageing Schedule of Receivables:	**5,586,690,758**	**4,881,562,541**
Duration		
1-30 days	342,893,857	661,117,823
31-60 days	349,465,958	581,908,157
61-90 days	528,497,492	565,500,440
91-180 days	1,022,216,835	506,941,865
181-365 days	1,062,765,132	513,448,374
Over 365 days	2,280,851,484	2,052,645,882
	5,586,690,758	4,881,562,541

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To mitigate the credit risk against trade receivables and others, the company has a system of specific credit line period to the customers. This outstanding period and amount are regularly monitored. The company endeavors to cover the credit risks on all other receivables, where possible, by restricting credit facility and stringent monitoring.

53.02.2 **Liquidity Risk**

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity (cash and cash equivalents) is to ensure, as far possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. Typically, the company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, prepaid based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity / fund to make the expected payment within due date.

The carrying amount of financial liabilities represent the maximum exposure to liquidity risk. The maximum exposure to liquidity risk as at 30th June, 2020 was:

	Amount in Taka	
	30.06.2020	30.06.2019
Non-Derivative Financial Liability:		
Accrued and Other Current Liabilities	1,340,189,875	1,527,402,347
Non-Current Liabilities	4,090,863,042	3,438,592,047
	5,431,052,917	4,965,994,394

53.02.3 **Market Risk**

Market risk is the risk that any change in market price, such as foreign exchange rates and interest rates will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

(i) **Interest Rate Risk**

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. Exposure to fair value movement relates to fixed rate instrument subject to fair value accounting and exposure to cash flow fluctuation relates to variable rate instruments. The company is primarily exposed to cash flow fluctuation arising from variable rate borrowings. The objective of interest rate management for the Navana CNG Ltd. and its subsidiaries is to reduce financial cost and ensure predictability.

(ii) **Currency Risk**

The company is exposed to currency risk on certain revenues and purchases such as revenue from foreign customers and import of raw material, machineries and equipment. Majority of the company's foreign currency transactions are denominated in USD and relate to procurement of raw materials, machineries and equipment from abroad.

54.00 **Capital Management**

Capital management refers to implementing policies and measures to maintain sufficient capital, assessing company's internal capital adequacy to ensure company's operation as a going concern. Capital consists of share capital, general reserve and revaluation reserve. All major investment and operational decisions with exposure to certain amount are evaluated and approved by the board. The board of directors monitors the level of dividends to ordinary shareholders.

55.00 **Subsequent Events-Disclosures under IAS 10 "Events after Reporting Period"**

The directors in the meeting held on 24th October, 2020 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 29th December, 2020.

"Except the fact stated above, no circumstances have arisen since the balance sheet date which would require adjustments or disclosure in the financial statements or notes thereto.

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Annexure-A

AFTAB AUTOMOBILES LIMITED AND ITS SUBSIDIARIES
Schedule of Property, Plant and Equipment as on 30th June, 2020

Particulars	Cost				Rate of Dep.	Depreciation				Written Down Value as on 30.06.2020	Written Down Value as on 30.06.2019
	Opening Balance 01.07.2019	Addition during the year	Adjustment/ Disposal during the year	Total as on 30.06.2020		Opening Balance 01.07.2019	Charged during the year	Adjustment/ Disposal during the year	Total as on 30.06.2020		
Land and Land Development	1,148,608,502	-	-	1,148,608,502	0%	-	-	-	0	1,148,608,502	1,148,608,502
Building	317,697,625	871,823	-	318,569,448	2.50%	65,874,185	6,311,933	-	72,186,117	246,383,332	251,823,441
Shades	38,078,882	-	-	38,078,882	20%	23,496,722	2,916,432	-	26,413,154	11,665,728	14,582,160
Plant & Machinery	777,225,186	11,215,588	-	788,440,774	10%	380,499,602	40,463,728	-	420,963,329	367,477,445	396,725,584
Tools & Equipment	128,875,792	1,398,728	-	130,274,520	20%	84,106,201	9,137,983	-	93,244,184	37,030,336	44,769,591
Office Equipment	76,423,389	2,146,307	-	78,569,696	10%	34,971,575	4,285,325	-	39,256,900	39,312,796	41,451,814
Furniture & Fixtures	47,037,352	62,368	-	47,099,720	10%	19,024,462	2,805,607	-	21,830,069	25,269,651	28,012,891
Transport Vehicles	133,907,410	3,636,240	-	137,543,650	20%	90,299,586	9,217,689	-	99,517,275	38,026,375	43,607,823
Electric Line Installation	17,139,757	15,000	-	17,154,757	10%	5,673,349	1,147,766	-	6,821,115	10,333,642	11,466,408
Office Decoration	71,959,267	1,056,149	-	73,015,416	10%	18,484,635	5,404,771	-	23,889,405	49,126,011	53,474,633
Gas Line Installation	20,677,880	992,490	-	21,670,370	10%	6,744,846	1,467,740	-	8,212,586	13,457,784	13,933,034
Total	**2,777,631,042**	**21,394,693**	**-**	**2,799,025,735**		**729,175,161**	**83,158,972**	**-**	**812,334,135**	**1,986,691,601**	**2,048,455,881**

Depreciation charged to:	Total Tk.
Cost of Goods Sold (Factory (O/H)	70,824,274
Profit & Loss Accounts (Admin)	4,878,221
Profit & Loss Accounts (Selling)	7,456,478
Total	**83,158,972**

Annexure-B

Schedule of Righ Use of Assets as on 30th June, 2020

Particulars	Cost				Rate of Dep.	Depreciation				Carrying amount	
	As at 01.07.19	Add./(Adj.) Dur. the year	Adj. D. the Year	As at 30.06.20		As at 01.07.19	Add./(Adj.) Dur. the year	Adj. D. the Year	As at 30.06.20	As at 30.06.20	As at 30.06.19
Motor Cycle		18,192,176		18,192,176			6,865,192		6,865,192	11,326,984	
Total	-	**18,192,176**		**18,192,176**		-	**6,865,192**	-	**6,865,192**	**11,326,984**	-

A. HOQUE & CO. DHAKA CHARTERED ACCOUNTANTS