

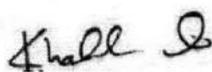
Aftab Automobiles Limited and its Subsidiary

2nd quarter (half yearly) report

2020-2021

Dear Shareholders,

We are pleased to forward herewith the un-audited Consolidated Statement of Profit or Loss and other Comprehensive Income for the 2nd Quarter ended December 31, 2020, Consolidated Statement of Financial Position as at December 31, 2020, Consolidated statement of cash flows, Consolidated statement of Changes in Equity and consolidated notes to the financial statements of the company for the period ended on that date.


Managing Director

Dated, Dhaka.
January 28, 2021

Aftab Automobiles Limited and its Subsidiary

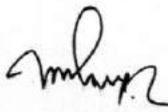
Un-Audited consolidated Statement of Profit or Loss and other Comprehensive Income
For the 2nd quarter ended December 31, 2020

Particulars	Notes	July ' 2020 to December' 2020	July ' 2019 to December' 2019	October ' 2020 to December' 2020	October ' 2019 to December' 2019
Revenues		578,233,303	1,251,353,134	246,902,876	537,776,292
Less : Cost of sales	3	423,406,609	920,638,809	166,483,351	392,345,659
Gross profit		154,826,694	330,714,325	80,419,525	145,430,633
Less: Operating expenses		180,274,212	288,768,907	81,715,588	132,591,552
Administrative expenses		27,584,857	32,638,984	13,397,811	14,885,039
Selling and distribution expenses		25,221,426	46,033,217	10,210,123	20,741,499
Financial charges		127,467,929	210,096,706	58,107,654	96,965,015
Operating profit		(25,447,518)	41,945,418	(1,296,063)	12,839,081
Add : Other income		5,928,346	7,243,821	377,775	2,921,035
Add : Share of profit from associate company		9,870,716	18,974,479	6,457,967	9,487,240
Profit before contribution to WPPF		(9,648,457)	68,163,719	5,539,679	25,247,356
Less : Contribution to WPPF		-	3,245,891	-	1,202,255
Net profit before tax		(9,648,457)	64,917,827	5,539,679	24,045,101
Add : Realised Gain on Sale of Share		-	-	-	-
Profit before tax		(9,648,457)	64,917,827	5,539,679	24,045,101
Less : Provision for Income tax		6,126,512	19,393,889	1,986,792	7,565,215
Current tax	11	4,448,792	11,974,482	707,100	4,520,641
Deferred tax		1,677,721	7,419,408	1,279,692	3,044,574
Total comprehensive income for the Period		(15,774,969)	45,523,938	3,552,887	16,479,887
Total comprehensive income for the Period					
Attributable to:					
Equity holders		(15,775,699)	45,522,073	3,552,887	16,478,482
Non-controlling interests		730	1,864	-	1,405
Total comprehensive income for the period		(15,774,969)	45,523,938	3,552,887	16,479,887
Consolidated earnings per share	16	(0.16)	0.48	0.04	0.17


Managing Director


Director


Director


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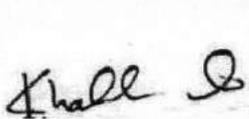

Company Secretary

Aftab Automobiles Limited and its Subsidiary

Un-Audited consolidated Statement of Financial Position

As at December 31, 2020

Particulars	Notes	31-12-20	30-06-20
Assets :			
Non-current assets :			
Property, plant and equipment	4	1,962,883,004	1,986,691,601
Capital work-in-progress	5	980,505,915	979,271,904
Investments		29,545,758	28,395,758
Investments in associate		398,990,819	389,120,103
Receivables -Non-Current Maturity	6	2,273,878,337	2,280,851,484
Right of use assets		7,557,800	11,326,984
Total non-current assets		5,653,361,633	5,675,657,834
Current assets:			
Receivables -Current Maturity	6	3,282,885,183	3,305,839,273
Stock and stores	7	2,176,281,945	2,058,799,168
Current account with Navana Group Companies		3,760,689,567	3,656,207,754
Advances, deposits and prepayments	8	6,185,741,247	5,181,882,189
Cash and bank balances	9	357,378,534	299,822,733
Total current assets :		15,762,976,477	14,502,551,117
Total Assets		21,416,338,110	20,178,208,951
Equity and Liabilities :			
Capital & reserve			
Share capital		957,324,220	957,324,220
Share premium		1,925,858,339	1,925,858,339
Reserve		67,338,231	67,338,231
Retained earnings		2,727,899,716	2,812,199,739
Equity attributable to equity holders		5,678,420,506	5,762,720,529
Non-controlling interest		412,818	412,088
Total equity		5,678,833,323	5,763,132,617
Non-current liabilities			
Loan and deferred liabilities (unsecured)		25,310,440	25,310,440
Long Term loan-Net of current maturity	10	4,167,236,745	3,927,803,421
Deferred tax liability	12	129,600,541	127,922,821
Lease liability		6,563,467	9,826,360
Total non-current liabilities		4,328,711,194	4,090,863,043
Current liabilities :			
Long Term loan-Current maturity	10	1,389,078,915	1,309,267,807
Short-term loan	13	8,789,629,503	7,674,755,610
Accrued and other current liabilities	14	1,230,085,177	1,340,189,875
Total current liabilities :		11,408,793,595	10,324,213,292
Total liabilities		15,737,504,788	14,415,076,334
Total Equity and Liabilities		21,416,338,110	20,178,208,951
Consolidated net assets value per share (NAVPS)	15	59.32	60.20



Managing Director



Director



Director



CFO



Company Secretary

Aftab Automobiles Limited and its Subsidiary

Un-audited consolidated Statement of Changes in Equity
For the 2nd quarter ended December 31, 2020

Particulars	Share capital	Share premium	Reserves	Retained earnings	Attributable to equity holders of the company	Non-controlling interest	Total
Balance as on July 01, 2019	957,324,220	1,925,858,339	67,338,231	2,884,205,752	5,834,726,542	414,214	5,835,140,756
Dividend	-	-	-	(58,608,000)	(58,608,000)	-	(58,608,000)
Comprehensive income for the period	-	-	-	45,522,073	45,522,073	1,864	45,523,937
Balance at December 31, 2019	957,324,220	1,925,858,339	67,338,231	2,871,119,825	5,821,640,615	416,078	5,822,056,693
Balance as on July 01, 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
Dividend	-	-	-	(68,524,324)	(68,524,324)	-	(68,524,324)
Comprehensive income for the period	-	-	-	(15,775,699)	(15,775,699)	730	(15,774,969)
Balance at December 31, 2020	957,324,220	1,925,858,339	67,338,231	2,727,899,716	5,678,420,506	412,818	5,678,833,323



Managing Director



Director



CFO



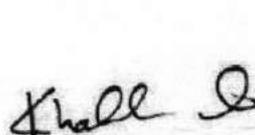
Company Secretary

Aftab Automobiles Limited and its Subsidiary

Un-audited consolidated Statement of Cash Flows

For the 2nd quarter ended December 31, 2020

Particulars	Notes	July ' 2020 to December' 2020	July ' 2019 to December' 2019
A. Cash flows from operating activities			
Receipts from customers		608,160,540	1,253,267,466
Receipts as other income		5,928,346	7,243,821
Payments to suppliers and employees		(627,246,286)	(1,264,414,681)
Cash generated from operations		(13,157,400)	(3,903,394)
Income tax paid		(9,526,188)	(41,295,629)
Net cash generated by operating activities		(22,683,588)	(45,199,023)
B. Cash flows from investing activities			
Acquisition of property, plant & equipment		(13,601,039)	(17,432,220)
Advance for capital assets		(1,033,737,814)	-
Investment in Share money deposit		(1,150,000)	-
Capital work in progress		(1,234,011)	(407,140,500)
Net cash used investing activities		(1,049,722,864)	(424,572,720)
C. Cash flows from financing activities			
Received from bank loan		1,434,118,324	819,817,281
Financial charges paid		(127,467,929)	(210,096,706)
Inter company transaction		(104,481,813)	(73,874,469)
Dividend paid		(72,206,327)	(61,240,962)
Net cash used in financing activities		1,129,962,255	474,605,145
D. Net changes in cash & cash equivalents for the period (A+B+C)		57,555,803	4,833,402
E. Cash & cash equivalents at beginning of the period		299,822,731	285,560,347
F. Cash & cash equivalents at end of the period (D+E)		357,378,534	290,393,749
Consolidated net operating cash flows per share (NOCFPS)	17	(0.24)	(0.47)


f **Managing Director**


Director


Director


CFO


Company Secretary

Aftab Automobiles Limited and its Subsidiary

Consolidated notes to the Financial Statements

As at and for the 2nd quarter ended December 31, 2020

1. Corporate Information and Mode of Business

Aftab Automobiles Limited (the company), was incorporated in erstwhile East Pakistan in the Year 1967 as East Pakistan Automobiles Limited under the Companies Act, 1913. Subsequently, after liberation, the company changed its name as Aftab automobiles Limited and was certified by the registrar of Joint Stock Companies & Firms, Bangladesh on the 11th day of March, 1972. It was incorporated as a Private Limited Company since inception. However, in 1981 it was transformed into Public Limited Company under the Companies Act, 1913. The Registered Office of the Company is located at 125/A, Motijheel Commercial Area, Dhaka-1000. The Company was listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited in the year 1987 and 1996 respectively.

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

2 . Significant Accounting Policies and basis of preparation of the financial statements

2.1 . Statement of Compliance

The financial statements have been prepared in accordance with International Accounting Standards (IAS)- 34 Interim Financial Reporting Standards.

2.2 . Basis of Reporting

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

2.3. Business Environment Update Amid Coronavirus Pandemic

On 30 January 2020, the World Health Organization declared the outbreak of a novel corona virus (COVID-19) as a pandemic, which continues to spread worldwide. In response to the outbreak, the Government of Bangladesh declared general holiday from 26 March 2020. Since then the Company temporarily closed its office and branches stopping all of its operations due to health concerns associated with COVID-19. While the disruption is currently expected to be temporary, there is uncertainty around the duration as well as the recovery timeline. Therefore, while the Company expects this matter to negatively impact its business. The Company has considered key accounting considerations related to conditions that may result from the COVID 19. Now govt. of Bangladesh has declared the second wave of novel corona virus (COVID-19) pandemic is coming and impact of the same can not be ascertain till to date.

2.4. The reason for Significant deviation between the quarterly periods of the company :

Revenue:

The overall revenue of the company has decreased from July 2020 to December 2020 and October to December 2020 than those of the same period of the previous year due to the adverse impact of the Novel Corona Virus (COVID-19) pandemic situation.

Net operating Cash Flows:

The significant difference in NOCFPS in between the period from July to December 2020, compared to the corresponding period of last year is due to the decrease of sales revenue and collection from the customer.

Earnings per share (EPS):

The total sales revenue of the company has decreased significantly due to the adverse impact of the Novel Corona Virus (COVID-19) pandemic. Therefore, the consolidated EPS resulted in a decrease compared to the corresponding period of last year.

2.5. Subsequent events

No material events occurred after the reporting date, non-disclosure of which could affect the ability of the users of this financial statement to make proper evaluation and decision.

2.6. Reporting Period

These financial statements cover 2nd quarter of accounting year of the company for the period from July 01, 2020 to December 31, 2020.

2.7. General

2.7.1 Figures appearing in these financial statements have been rounded off to the nearest taka.

2.7.2 Previous period's figures whenever considered necessary have been re-arranged in order to conform to this period's presentation.

2.8. Foreign Currency Exchange Gain/Loss

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

Particulars	July ' 2020 to December' 2020	July ' 2019 to December' 2019
3. Cost of sales		
Materials	346,468,239	820,208,639
Factory Overhead	47,010,662	67,437,856
Depreciation	29,927,709	32,992,314
	423,406,609	920,638,809

Notes No.	Particulars	31-12-20	30-06-20
4	Property, plant and equipment, net		
	Opening Balance	1,986,691,601	2,048,455,880
	Add : Addition for the Period	13,601,039	21,394,693
	Add : Transferred from Capital W-I-P	-	-
		2,000,292,640	2,069,850,573
	Less : Depreciation	37,409,636	83,158,972
	Closing Balance	1,962,883,004	1,986,691,601
5	Capital work-in-progress		
	Opening balance	979,271,904	597,122,227
	Add : Addition during the Period	1,234,011	382,149,677
		980,505,915	979,271,904
		980,505,915	979,271,904
	Less: Transfer to property, plant & equipment	-	-
	Closing balance	980,505,915	979,271,904
6	Total Receivables	5,684,552,557	5,713,279,794
	Less : Bad debts	127,789,037	126,589,037
		5,556,763,519	5,586,690,757
	Receivable current (Maturity less than 12 months)	3,282,885,183	3,305,839,273
	Receivable Non-Current (Maturity over 12 months)	2,273,878,337	2,280,851,484
7	Stock and stores		
	Finished products	728,800,897	761,439,047
	Raw materials	718,345,558	510,514,721
	Work-in-process	299,143,276	279,243,833
	Stores and spares	2,484,967	2,627,415
	Goods in transit	427,507,247	504,974,152
		2,176,281,945	2,058,799,168
8	Advances, deposits and prepayments		
	Advance to suppliers	734,616,052	727,987,256
	Advance to employees	47,428,936	45,219,388
	Advance to others	491,602,020	479,516,205
	Current Account with VAT	96,076,346	102,564,939
	Deposits	346,635,065	400,475,573
	Advance for Capital Assets	3,283,737,814	2,250,000,000
	Advance Income tax (note-8.1)	1,185,645,015	1,176,118,827
		6,185,741,247	5,181,882,189
		8.1 Advance Income tax	
	Opening balance	1,176,118,827	1,112,697,165
	Add : Addition during the Period	9,526,188	63,421,662
		1,185,645,015	1,176,118,827
	Less : Adjustment made during the period	-	-
	Closing Balance	1,185,645,015	1,176,118,827
9	Cash and bank balances		
	Cash in hand	6,539,909	6,063,368
	Cash at bank : Current AC, STD AC & FDR Accounts	350,838,625	293,759,365
		357,378,534	299,822,733

Notes No.	Particulars	31-12-20	30-06-20
10	Long Term loan-Net of current portion		
	Agrani Bank Ltd.	1,583,203,334	1,684,759,884
	Meghna bank Ltd.	23,192,972	22,314,977
	SBAC bank Ltd.	124,594,022	120,793,318
	Mutual trust bank ltd.	147,544,731	140,932,292
	Prime bank Ltd.	6,116,003	11,653,515
	Midland Bank Ltd.	30,789,524	29,400,536
	Peoples Leasing	143,325,391	143,325,391
	One Bank Ltd.	68,230,866	64,656,771
	NCC Bank Ltd.	179,296,256	123,860,226
	Bay Leasing	102,517,921	102,517,921
	GSP Finance	249,204,434	249,204,434
	Midas financing	40,980,611	40,980,611
	Union Capital	119,022,682	119,022,682
	BD Finance Ltd.	47,200,218	47,200,218
	Phoenix Finance	681,677,780	626,046,793
	Prime Finance & Investment Ltd.	653,153,691	-
	Trust Bank Ltd.	413,100,228	411,323,083
	Dutch-Bangla Bank Ltd.	708,579,810	686,040,284
	Social Islami Bank Ltd.	65,731,750	61,285,348
	Modhumoti bank Ltd.	132,595,718	507,687,250
	Hajj Finance Company Ltd.	36,257,718	44,065,694
		5,556,315,660	5,237,071,228
	less: Long Term loan-Current portion	1,389,078,915	1,309,267,807
	Long Term loan-Net of current portion	4,167,236,745	3,927,803,421
11	Current tax		
	Aftab Automobiles Ltd. (Note: 11.1)	2,065,939	9,861,381
	Navana Batteries Ltd (Note: 11.2)	2,382,853	2,113,101
		4,448,792	11,974,482
11.1	Aftab Automobiles Ltd.		
	Operating profit	(36,523,502)	-
	Other Income	5,928,346	-
	Contribution to WPPF	-	-
	Bad debts	1,200,000	-
	Add: Accounting depreciation	18,083,796	-
	Less: Tax depreciation	(21,080,388)	-
		(32,391,748)	-
	Normal Tax liability @ 25% on profit before tax	(8,097,937)	-
	Minimum Tax liabilities @ 0.6% on Gross Receipt	2,065,939	-
	Current Tax Liabilities (whichever is higher)	2,065,939	9,861,381
11.2	Navana Batteries Ltd.		
	Profit before Tax	11,075,984	-
	Add: Accounting Depreciation	19,325,839	-
	Less: Tax Depreciation	(23,069,967)	-
	Adjusted Profit for tax calculation	7,331,856	-
	Normal Tax liability @ 32.5% on profit before tax	2,382,853	-
	Minimum Tax liabilities @ 0.6% on Gross Receipt	1,583,025	-
	Current Tax Liabilities (whichever is higher)	2,382,853	2,113,101

Notes No.	Particulars	31-12-20	30-06-20
12	Deferred tax liability		
	Aftab Automobiles Ltd. (12.1)	67,862,429	73,537,076
	Navana Batteries Ltd. (12.2)	61,738,111	54,385,745
	Closing Balance	129,600,541	127,922,821
	Calculation of Deferred tax		
12.1	Aftab Automobiles Ltd.		
	Associate company (12.1A)	75,798,164	73,824,020
	PPE & Bad Debt (12.1B)	(7,935,734)	(286,945)
		67,862,429	73,537,076
12.1A	Associate company		
	Opening Balance	73,824,020	71,217,441
	Add: Provision during the period	1,974,143	2,606,580
	Deferred Tax on Associate Company as on 31.12.2020	75,798,164	73,824,020
	Investment Valuation surplus in share		
12.1B	PPE & Bad Debt		
	PPE:		
	WDV on PPE as per Accounting Calculation	1,134,930,954	1,142,638,625
	WDV on PPE as per Taxable Calculation	1,006,493,107	1,017,197,369
	Temporary Defference	128,437,847	125,441,256
	Deferred Tax 25% on difference	32,109,462	31,360,314
	Less: Unabsorbed Dep.	(8,097,937)	-
	Deferred Tax During The Year (i)	24,011,525	31,360,314
	BAD DEBTS:		
	Bad debts as per accounting base	127,789,037	126,589,037
	Bad debts as per tax base	-	-
	Temporary difference	127,789,037	126,589,037
	Deferred Tax 25% on difference (ii)	(31,947,259)	(31,647,259)
	Total deferred tax on PPE & Bad Debt (i+ii)	(7,935,734)	(286,945)
12.2	Navana Batteries Ltd		
	WDV on PPE as per Accounting Calculation	827,952,050	844,052,976
	WDV on PPE as per Taxable Calculation	637,988,630	657,833,684
	Temporary Defference	189,963,420	186,219,292
	Deferred Tax 32.5% on different	61,738,111	60,521,270
	Less: Unabsorbed Depreciation	-	(6,135,525)
	Actual deferred tax after unabsorbed depreciation	61,738,111	54,385,745

Notes No.	Particulars	31-12-20	30-06-20
	Movement of deferred tax		
A	Aftab Automobiles Ltd.		
	Opening Balance [Associate Company, PPE & Bad Debt]	73,537,075	68,818,220
	Add : During the period	(5,674,646)	4,718,855
	Closing Balance	67,862,429	73,537,075
	Opening Balance	73,537,075	68,818,220
	Add : During the period (PPE & Bad Debt)	(7,648,789)	2,112,276
	Add : During the period (Associate co.)	1,974,143	2,606,580
	Add : During the period (OCI)	-	-
	Closing Balance	67,862,429	73,537,075
B	Navana Batteries Ltd		
	Opening Balance	54,385,745	59,893,710
	Add : During the period (PL AC)	7,352,366	(5,507,965)
	Closing Balance	61,738,111	54,385,744
	Total Deferred Tax Expenses (PL AC)	1,677,721	(789,110)
	Total Deferred Tax Liabilities (FS AC)	129,600,541	127,922,821
C	Deferred tax liability		
	Opening Balance	127,922,821	128,711,930
	Add : Addition for the Period	(296,423)	(3,395,690)
	Add : For Associate Company	1,974,143	2,606,580
	Closing Balance	129,600,541	127,922,821
13	Short-term loan		
	Agrani Bank Ltd.	1,452,151,742	630,585,708
	Bank Asia Ltd.	926,541,615	884,744,037
	Standard Bank Ltd.	101,326,883	96,996,631
	NRB Commercial Ltd.	460,168,075	447,643,218
	BRAC Bank Ltd.	42,847,825	40,991,042
	NCC bank Ltd.	51,154,059	50,387,922
	Dhaka Bank Ltd.	357,857,735	343,896,638
	Mercantile Bank Ltd.	490,636,832	466,753,873
	The City Bank Ltd.	79,688,983	75,206,530
	Midland Bank Ltd.	33,192,074	31,702,004
	Prime bank Ltd.	55,263,234	52,806,214
	One Bank Ltd.	298,143,440	282,913,641
	SBAC bank Ltd.	177,173,469	168,652,806
	Mutual trust bank Ltd.	59,108,033	55,618,726
	Southeast Bank Ltd.	1,004,584,651	958,559,517
	Dutch-Bangla Bank Ltd.	502,614,284	487,340,721
	Al-Arafah Islami Bank Ltd.	71,881,850	71,234,641
	IFIC Bank Ltd.	2,211,301,282	2,217,261,858
	Jamuna Bank Ltd.	195,753	186,906
	Shahjalal Islami bank ltd.	165,988,655	166,036,111
	Modhumoti bank Ltd.	247,809,029	145,236,866
		8,789,629,503	7,674,755,610

Notes No.	Particulars	31-12-20	30-06-20
14	Accrued and other current liabilities		
	For goods supplied	27,703,425	138,836,366
	For expenses	153,217,851	150,120,276
	For Income tax	849,163,226	844,714,435
	For Workers' P.P.F. and W.F.	26,807,785	28,628,898
	Provision for bad debts	5,392,177	5,176,851
	For Other Finance	86,734,321	90,094,323
	For Bond Liabilities	4,824,208	2,694,543
	Unclaimed dividend	76,242,180	79,924,183
		1,230,085,177	1,340,189,875
15	Net assets value per share (NAVPS)		
	Net assets value	5,678,420,506	5,762,720,529
	Number of ordinary shares used to compute NAVPS	95,732,422	95,732,422
	Net assets value per share	59.32	60.20
16	Earnings per share (EPS)		
	Profit attributable to ordinary shareholders	(15,775,699)	45,523,938
	Number of ordinary shares used to compute earnings per share	95,732,422	95,732,422
	Earnings per share	(0.16)	0.48
	Though the gross profit increased in the corresponding quarter, the financial expenses adversely affected the bottom line profitability & consequently resulted reduced EPS.		
17	Net operating cash flows per share (NOCFPS)		
	Net operating cash flows (Note: 17.1)	(22,683,588)	(45,199,023)
	Number of ordinary shares used to compute NOCFPS	95,732,422	95,732,422
	Net operating cash flows per share	(0.24)	(0.47)
	NOCFPS has substantially increased in current year's 2nd quarter compared to the previous year's 2nd quarter due to increase in cash sales along with reduced payments to suppliers.		
17.1	Reconciliation of cash flows from operating activities under indirect method:		
	Net profit/Loss before interest, income tax & WPPF during the period	107,948,756	259,285,945
	Adjustment to recocile net income to net cash provided by operating activities:		
	Depreciation	37,409,636	41,240,393
	Payment of lease liability	151,881	-
	Interest on lease liability	354,410	-
	Payment of WPPF	(1,821,113)	-
	Income tax paid	(9,526,188)	(41,295,629)
	Changes in current assets and liabilities:		
	Decrease/ (increase) in inventories	(117,482,776)	(233,053,193)
	Decrease/ (increase) in advance and prepayments	39,404,942	(32,879,260)
	(Decrease)/ increase in payables & accruals	(109,050,375)	(40,411,612)
	(Decrease)/ increase in Advance against sales	-	-
	Decrease/ (increase) in trade receivable	29,927,237	1,914,332
	Net cash flow from operating activities	(22,683,588)	(45,199,023)