

Aftab Automobiles Limited and its Subsidiary

3rd Quarter report

2022-2023

Dear Shareholders,

We are pleased to forward herewith the un-audited Consolidated Statement of Profit or Loss and other Comprehensive Income for the 3rd Quarter ended March 31, 2023, Consolidated Statement of Financial Position as at March 31, 2023, Consolidated statement of Changes in Equity, Consolidated statement of cash flows and consolidated notes to the financial statements of the company for the period ended on that date.



Managing Director

Dated, Dhaka.

30 April 2023

Aftab Automobiles Limited and its Subsidiary

Un-Audited consolidated Statement of Profit or Loss and other Comprehensive Income

For the 3rd Quarter ended March 31, 2023


Particulars	Notes	July ' 2022 to March' 2023	July ' 2021 to March' 2022	January ' 2023 to March' 2023	January ' 2022 to March' 2022
Revenues		942,997,966	446,417,491	368,643,251	147,487,462
Less : Cost of sales	3	742,893,336	351,164,843	283,926,389	133,102,125
Gross profit		200,104,630	95,252,648	84,716,862	14,385,337
Less: Operating expenses		95,373,338	88,773,643	41,917,812	52,168,956
Administrative expenses		55,522,184	43,305,779	20,011,327	20,235,955
Selling and distribution expenses		39,851,155	45,467,864	21,906,486	31,933,001
Add : Other income		11,107,805	11,342,648	1,204,439	2,439,529
Operating profit/Loss		115,839,097	17,821,653	44,003,489	(35,344,090)
Financial charges		219,770,280	122,555,838	48,719,984	6,478,233
Add : Share of profit from associate company		12,078,629	6,344,604	3,044,746	2,592,536
Profit before contribution to WPPF		(91,852,553)	(98,389,581)	(1,671,748)	(39,229,787)
Less : Contribution to WPPF		-	-	-	-
Profit before tax		(91,852,553)	(98,389,581)	(1,671,748)	(39,229,787)
Less : Provision for Income tax		(96,576,340)	(29,842,623)	(4,162,302)	1,488,250
Current tax	11	6,174,820	8,053,419	2,115,835	709,788
Deferred tax		(102,751,160)	(37,896,042)	(6,278,137)	778,462
Net income for the Period		4,723,787	(68,546,957)	2,490,554	(40,718,036)
Total comprehensive income for the Period		4,723,787	(68,546,957)	2,490,554	(40,718,036)
Total comprehensive income for the Period					
Attributable to:					
Equity holders		4,724,248	(68,543,892)	2,503,031	(40,717,047)
Non-controlling interests		(462)	(3,065)	(12,478)	(989)
Total comprehensive income for the period		4,723,787	(68,546,957)	2,490,554	(40,718,036)
No. of Share		105,544,995	105,544,995	105,544,995	105,544,995
Consolidated earnings per share	17	0.04	(0.65)	0.02	(0.39)



Managing Director

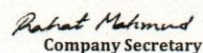


Director



Director

Chief Financial Officer



Company Secretary

Aftab Automobiles Limited and its Subsidiary

Un-Audited consolidated Statement of Financial Position

As at March 31, 2023

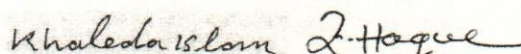
Particulars	Notes	31-03-23	30-06-22
Assets :			
Non-current assets :			
Property, plant and equipment	4	1,862,188,234	1,924,542,138
Capital work-in-progress	5	794,615,160	733,964,130
Investments		28,395,758	28,395,758
Investments in associate		438,161,567	426,082,938
Deferred tax assets	12	176,912,132	18,755,622
Receivables -Non-Current Maturity	6	2,299,280,126	2,311,780,126
Right of use assets		72,266,654	99,240,849
Total non-current assets		5,671,819,632	5,542,761,560
Current assets:			
Receivables -Current Maturity	6	3,189,980,869	3,252,511,734
Stock and stores	7	1,489,602,561	1,580,037,143
Current account with Navana Group Companies		6,460,995,014	5,714,323,982
Advances, deposits and prepayments	8	7,418,911,831	7,067,468,768
Cash and bank balances	9	281,151,745	347,538,890
Non current assets held for sale & discontinued operations		277,786,431	277,786,431
Total current assets :		19,118,428,452	18,239,666,948
Total Assets		24,790,248,088	23,782,428,508
Equity and Liabilities :			
Capital & reserve			
Share capital		1,055,449,950	1,005,190,430
Share premium		1,925,858,339	1,925,858,339
Reserve		67,338,231	67,338,231
Retained earnings		2,441,065,959	2,518,359,196
Equity attributable to equity holders		5,489,712,479	5,516,746,196
Non-controlling interest		405,894	406,356
Total equity		5,490,118,373	5,517,152,551
Non-current liabilities			
Loan and deferred liabilities (unsecured)		25,310,440	25,310,440
Long Term loan-Net of current maturity	10	8,802,151,034	4,892,433,196
Lease liability		64,682,794	76,165,502
Total non-current liabilities		8,892,144,268	4,993,909,138
Current liabilities :			
Long Term loan-Current maturity	10	2,934,050,345	1,630,811,065
Short-term loan	13	5,931,403,368	10,048,079,903
Accrued and other current liabilities	14	1,434,368,280	1,496,559,308
Unclaimed Dividend Account	15	108,163,455	95,916,541
Total current liabilities :		10,407,985,447	13,271,366,817
Total liabilities		19,300,129,714	18,265,275,955
Total Equity and Liabilities		24,790,248,088	23,782,428,508
Consolidated net assets value per share (NAVPS)	16	52.01	54.88



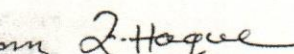
Managing Director



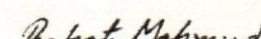
Director



Director



Chief Financial Officer



Company Secretary

Aftab Automobiles Limited and its Subsidiary

Un-audited consolidated Statement of Changes in Equity

For the 3rd Quarter ended March 31, 2023

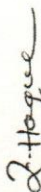
Perticulars	Share capital	Share premium	Reserves	Retained earnings	Attributable to equity holders of the company	Non-controlling interest	Total
Balance as on July 01, 2021	957,324,220	1,925,858,339	67,338,231	2,591,845,470	5,542,366,260	409,158	5,542,775,418
Adjustment for the Application of IFRS-16 (Lease)				(155,331)	(155,331)	-	(155,331)
Issue of Bonus Shares	47,866,210			(47,866,210)	-	-	-
Cash Dividend	-	-	-	(33,505,875)	(33,505,875)	-	(33,505,875)
Comprehensive income for the period	-	-	-	(68,543,893)	(68,543,893)	(3,065)	(68,546,958)
Balance at March 31, 2022	1,005,190,430	1,925,858,339	67,338,231	2,441,774,161	5,440,161,161	406,093	5,440,567,254
Balance as on July 01, 2022	1,005,190,430	1,925,858,339	67,338,231	2,518,359,196	5,516,746,196	406,356	5,517,152,551
Adjustment for the Application of IFRS-16 (Lease)				3,423,205	3,423,205	-	3,423,205
Cash Dividend	-	-	-	(35,181,170)	(35,181,170)	-	(35,181,170)
Stock Dividend	50,259,520			(50,259,520)	-	-	-
Comprehensive income for the period	-	-	-	4,724,248	4,724,248	(462)	4,723,787
Balance at March 31, 2023	1,055,449,950	1,925,858,339	67,338,231	2,441,065,959	5,489,712,479	405,894	5,490,118,373


Managing Director

Director


Director

Chief Financial Officer


Chief Financial Officer

Company Secretary


Company Secretary

Aftab Automobiles Limited and its Subsidiary

Un-audited consolidated Statement of Cash Flows

For the 3rd Quarter ended March 31, 2023

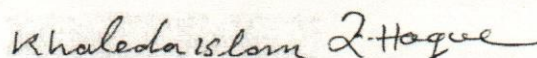
Particulars	Notes	July ' 2022 to March' 2023	July ' 2021 to March' 2022
A. Cash flows from operating activities			
Receipts from customers		1,018,028,831	805,524,396
Receipts from other income		11,107,805	11,342,648
Payments for materials, services and expenses		(763,371,622)	(206,776,352)
Cash generated from operations		265,765,015	610,090,692
Income tax paid		(30,467,740)	(4,233,018)
Net cash generated by operating activities		235,297,275	605,857,674
B. Cash flows from investing activities			
Acquisition of property, plant & equipment		(788,473)	(14,525,498)
Advance for capital assets		(356,161,977)	(648,229,066)
Investment in Share money deposit		-	-
Capital work in progress		(60,651,030)	-
Net cash used investing activities		(417,601,480)	(662,754,564)
C. Cash flows from financing activities			
Received from bank loan		1,096,280,582	129,813,131
Financial charges paid		(219,770,280)	(122,555,838)
Inter company transaction		(746,671,032)	(10,573,224)
Dividend paid		(13,922,210)	(20,144,767)
Net cash used in financing activities		115,917,061	(23,460,698)
D. Net changes in cash & cash equivalents for the period (A+B+C)		(66,387,144)	(64,271,155)
E. Cash & cash equivalents at beginning of the period		347,538,890	351,934,524
F. Cash & cash equivalents at end of the period (D+E)		281,151,745	287,663,369
Consolidated net operating cash flows per share (NOCFPS)	18	2.23	6.03



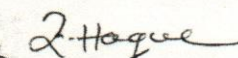
Managing Director



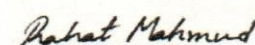
Director



Director



Chief Financial Officer



Company Secretary

Aftab Automobiles Limited and its Subsidiary

Consolidated notes to the Financial Statements
As at for the 3rd Quarter ended March 31, 2023

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 1 shift in Assembling Unit. At present the plant is running in single shift. 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 in accordance with identified financial reporting framework with the financial data from its factory operations & ERP(Enterprise Resource Planning) software.

2.3. The reason for Significant deviation between the half yearly of the company :

Revenue:

The overall revenue of the company has increased from July 2021 to March 2022 than those of the same period of the previous year due to increase of same as per market demand.

Net operating Cash Flows:

The significant difference in NOCFPS between July 2022 to March 2023, compared to the corresponding period of last year, is due to decrease in collection from the customer and increased payment to the suppliers.

Earnings per share (EPS):

The company's total sales revenue has increased significantly due to the market demand. Therefore, the consolidated EPS resulted in an increase quarterly and compared to the corresponding period of last year.

2.4. 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.

2.5. Reporting Period

These financial statements cover 3rd quarter of accounting year of the company for the period from July 01, 2022 to March 31, 2023.

2.6. General

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

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

2.7. Foreign Currency Exchange Gain/Loss

The company has no Foreign Currency in Cash and Cash equivalents at the beginning and the end of the period March 31, 2023.

Particulars	July ' 2022 to March' 2023	July ' 2021 to March' 2022
3. Cost of sales		
Materials	635,628,783	239,316,243
Factory Overhead	51,941,153	67,380,870
Depreciation	55,323,400	44,467,730
	742,893,336	351,164,843

Notes No.	Particulars	31-03-23	30-06-22
4	Property, plant and equipment, net		
	Opening Balance	1,924,542,138	1,924,542,138
	Add : Addition for the Period	788,473	
	Add : Transferred from Capital W-I-P	-	359,571,030
		1,925,330,611	1,924,542,138
	Less : Depreciation	63,142,376	
	Closing Balance	1,862,188,234	1,924,542,138
5	Capital work-in-progress		
	Opening balance	733,964,130	979,271,904
	Add : Addition during the Period	60,651,030	114,263,256
		794,615,160	1,093,535,160
	Less: Transfer to property, plant & equipment	-	359,571,030
	Closing balance	794,615,160	733,964,130
6	Total Receivables	5,623,370,476	5,698,401,341
	Less : Bad debts	134,109,481	134,109,481
		5,489,260,995	5,564,291,860
	Receivable current (Maturity less than 12 months)	3,189,980,869	3,252,511,734
	Receivable Non-Current (Maturity over 12 months)	2,299,280,126	2,311,780,126
7	Stock and stores		
	Finished products	607,202,502	611,016,232
	Raw materials	366,558,514	407,648,411
	Work-in-process	370,347,406	380,495,799
	Stores and spares	1,291,962	1,614,953
	Goods in transit	144,202,177	179,261,748
		1,489,602,561	1,580,037,143
8	Advances, deposits and prepayments		
	Advance to suppliers	671,359,326	709,592,254
	Advance to employees	40,015,692	45,597,153
	Advance to others	508,561,164	502,696,820
	Current Account with VAT	79,790,367	73,691,825
	Deposits	392,372,321	395,707,471
	Advance for Capital Assets	4,476,098,216	4,119,936,239
	Advance Income tax (note-8.1)	1,250,714,746	1,220,247,006
		7,418,911,831	7,067,468,768
	8.1 Advance Income tax		
	Opening balance	1,220,247,006	1,112,697,165
	Add : Addition during the Period	30,467,740	13,505,384
		1,250,714,746	1,220,247,006
	Less : Adjustment made during the period	-	-
	Closing Balance	1,250,714,746	1,220,247,006
9	Cash and bank balances		
	Cash in hand	1,223,601	1,892,696
	Cash at bank : Current AC, STD AC & FDR Accounts	279,928,144	345,646,194
		281,151,745	347,538,890

Notes No.	Particulars	31-03-23	30-06-22
10	Long Term loan-Net of current portion		
	Agrani Bank Ltd.	1,955,211,616	1,845,880,847
	SBAC bank Ltd.	97,425,016	107,889,953
	Mutual trust bank Ltd.	167,935,694	194,782,844
	Midland Bank Ltd.	59,663,390	61,738,603
	One Bank Ltd.	445,350,806	416,183,884
	NCC Bank Ltd.	174,967,645	177,011,197
	Bank Asia Ltd.	1,115,684,199	-
	Dhaka Bank Ltd.	467,630,134	-
	Mercantile Bank Ltd.	283,154,076	-
	Standard Bank Ltd.	116,715,740	-
	Southeast Bank Ltd.	304,054,471	-
	The City Bank Ltd.	82,853,497	-
	Peoples Leasing	160,458,752	146,203,874
	Bay Leasing	142,909,233	130,213,424
	GSP Finance	380,152,050	346,380,000
	Midas financing	55,918,945	50,951,203
	Union Capital	163,749,389	149,202,177
	BD Finance Ltd.	62,485,710	58,159,744
	First Security Islami Bank Ltd.	150,000,000	-
	IFIC Bank Ltd.	1,729,885,740	-
	Phoenix Finance	916,528,132	835,105,359
	Trust Bank Ltd.	447,894,878	428,400,000
	Dutch-Bangla Bank Ltd.	1,602,183,965	926,200,553
	Social Islami Bank Ltd.	76,126,119	72,743,041
	Modhumoti bank Ltd.	577,262,183	576,197,558
		11,736,201,378	6,523,244,261
	less: Long Term loan-Current portion	2,934,050,345	1,630,811,065
	Long Term loan-Net of current portion	8,802,151,034	4,892,433,196
	Long-term loan converted from Short-term loan by rescheduling.		
11	Current tax		
	Aftab Automobiles Ltd. (Note: 11.1)	5,039,358	2,385,223
	Navana Batteries Ltd (Note: 11.2)	1,135,462	2,044,518
		6,174,820	4,429,741
11.1	Aftab Automobiles Ltd.		
	Operating profit	(80,507,589)	(116,577,591)
	Other Income	11,107,805	13,357,514
	Contribution to WPPF	-	-
	Bad debts	-	4,217,264
	Add: Accounting depreciation	42,453,481	23,924,658
	Less: Tax depreciation	(72,638,947)	(48,230,067)
		(99,585,249)	(123,308,222)
	Normal Tax liability @ 22.5% on profit before tax	(22,406,681)	(27,744,350)
	Minimum Tax liabilities @ 0.6% on Gross Receipt	5,039,358	2,385,223
	Current Tax Liabilities (whichever is higher)	5,039,358	2,385,223
11.2	Navana Batteries Ltd.		
	Profit before Tax	(34,531,399)	(12,515,229)
	Add: Accounting Depreciation	20,688,895	35,245,143
	Less: Tax Depreciation	(24,300,126)	(39,134,300)
	Adjusted Profit for tax calculation	(38,142,631)	(16,404,386)
	Normal Tax liability @ 25% on profit before tax	(9,535,658)	(4,921,316)
	Minimum Tax liabilities @ 0.6% on Gross Receipt	1,135,462	2,044,518
	Current Tax Liabilities (whichever is higher)	1,135,462	2,044,518

Notes No.	Particulars	31-03-23	30-06-22
12	Deferred tax liability		
	Aftab Automobiles Ltd. (12.1)	(132,686,473)	(64,754,177)
	Navana Batteries Ltd. (12.2)	(44,225,659)	45,998,555
	Closing Balance	(176,912,132)	(18,755,622)
	Calculation of Deferred tax		
12.1	Deferred tax liability (AAL)		
	Opening Balance	(64,754,177)	22,599,404
	Add : Addition for the Period (12.1B)	(70,348,022)	(92,252,828)
	Add : For Associate Company (12.1A)	2,415,726	4,899,247
	Closing Balance	(132,686,473)	(64,754,177)
12.2	Deferred tax liability (NBL)		
	Opening Balance	(9,406,795)	-
	Add : Addition for the Period (12.2A)	(34,818,864)	(9,406,795)
	Closing Balance	(44,225,659)	(9,406,795)
12.1A	Associate company		
	Opening Balance	81,216,587	76,317,341
	Add: Provision during the period	2,415,726	4,899,247
	Deferred Tax on Associate Company as on 31.03.2023	83,632,313	81,216,587
12.1B	PPE & Bad Debt		
	PPE:		
	WDV on PPE as per Accounting Calculation	1,407,078,521	1,448,743,529
	WDV on PPE as per Taxable Calculation	1,208,431,468	1,280,281,941
	Less: Unabsorbed Depreciation	(117,314,262)	(53,401,393)
	Less: Unused TAX Losses	(106,047,691)	(75,078,155)
	Temporary Defference	(15,716,741)	296,941,135
	Deferred Tax 22.5% on difference	(3,536,267)	66,811,755
	Opening Deffered TAX	(66,811,755)	(24,492,188)
	Deferred Tax During The Year (i)	(70,348,022)	(91,303,943)
	BAD DEBTS:		
	Bad debts as per accounting base	134,109,481	134,109,481
	Bad debts as per tax base	-	-
	Temporary difference	(134,109,481)	134,109,481
	Deferred Tax 22.5% on difference (ii)	(30,174,633)	(30,174,633)
	Opening Deffered TAX	(30,174,633)	(29,225,749)
		-	(948,884)
	Total deferred tax on PPE & Bad Debt (i+ii)	(70,348,022)	(92,252,828)
12.2A	Navana Batteries Ltd		
	WDV on PPE as per Accounting Calculation	732,896,144	794,186,666
	WDV on PPE as per Taxable Calculation	1,780,643,719	596,512,379
	Less: Unabsorbed Depreciation	61,084,133	85,384,259
	Less: Unused TAX Losses	(54,880,993)	(41,038,489)
	Temporary Defference	44,718,766	153,328,518
	Deferred Tax 25% on different	11,179,692	45,998,555
	Opening Deffered TAX	(45,998,555)	55,405,350
	Actual deferred tax after unabsorbed depreciation	(34,818,864)	(9,406,795)
	Total Deferred Tax Expenses (PL AC)	(102,751,160)	(96,760,376)
	Total Deferred Tax Liabilities (FS AC)	(176,912,132)	(18,755,622)

Notes No.	Particulars	31-03-23	30-06-22
13	Short-term loan		
	Agrani Bank Ltd.	1,753,659,595	1,638,674,293
	Bank Asia Ltd.	-	1,050,999,986
	Standard Bank Ltd.	-	111,778,468
	NRB Commercial Ltd.	548,323,569	526,904,402
	NCC bank Ltd.	53,481,608	51,153,790
	Dhaka Bank Ltd.	-	447,404,408
	Mercantile Bank Ltd.	316,709,033	545,712,274
	The City Bank Ltd.	-	77,836,412
	Prime bank Ltd.	43,425,127	49,650,245
	SBAC bank Ltd.	30,688,117	30,834,564
	Southeast Bank Ltd.	913,418,053	1,106,522,740
	Janata Bank Ltd.	579,379,595	524,867,527
	Dutch-Bangla Bank Ltd.	-	596,240,935
	Al-Arafah Islami Bank Ltd.	36,590,848	68,155,622
	IFIC Bank Ltd.	1,145,612,658	2,710,253,030
	Jamuna Bank Ltd.	-	-
	Shahjalal Islami bank ltd.	226,453,259	217,561,268
	Modhumoti bank Ltd.	171,761,998	186,500,538
	Islamic Finance & Investment Ltd.	31,086,291	29,733,243
	Phoenix Finance & Investments Ltd.	80,813,617	77,296,158
		5,931,403,368	10,048,079,903
	Short-term loan converted into Long term loan by rescheduling.		
14	Accrued and other current liabilities		
	For goods supplied	322,972,644	381,405,322
	For expenses	139,678,401	151,751,333
	For Income tax	862,993,993	856,819,173
	For gratuity	18,634,193	-
	For Workers' P.P.F. and W.F.	-	-
	Provision for bad debts	4,101,643	4,101,643
	For Other Finance	83,292,863	83,090,862
	For Bond Liabilities	2,694,543	2,694,543
	For Dividend Payable	-	-
		1,434,368,280	1,496,559,308
15	Unclaimed Dividend Account		
	The aging of Unclaimed Dividend are as follows:		
	Unclaimed for less than 3 year's	40,679,536	35,690,520
	Unclaimed for more than 3 year's	67,483,919	60,226,021
		108,163,455	95,916,541
16	Net assets value per share (NAVPS)		
	Net assets value	5,489,712,479	5,516,746,196
	Number of ordinary shares used to compute NAVPS	105,544,995	100,519,043
	Net assets value per share	52.01	54.88
17	Earnings per share (EPS)		
	Profit attributable to ordinary shareholders	4,724,248	(68,543,892)
	Number of ordinary shares used to compute earnings per share	105,544,995	105,544,995
	Earnings per share	0.04	(0.65)

Though the gross profit increased in the corresponding quarterly, the financial expenses admirably affected the bottom-line profitability & consequently resulted in an increase in EPS.

Notes No.	Particulars	31-03-23	30-06-22
18	Net operating cash flows per share (NOCFPS)		
	Net operating cash flows (Note: 18.1)	235,297,276	605,856,674
	Number of ordinary shares used to compute NOCFPS	105,544,995	100,519,043
	Net operating cash flows per share	2.23	6.03

NOCFPS has substantially decreased compared to the previous quarterly due to decrease in cash sales along with increased in payments to suppliers was reduced credit limit facility.

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

Net profit/Loss before interest, income tax & WPPF during the period	115,839,097	17,821,653
Adjustment to recocile net income to net cash provided by operating activities:		
Depreciation	66,187,498	52,291,490
Payment of lease liability	(48,168,088)	(582,560)
Interest on lease liability	1,558,017	32,828
Payment of WPPF	-	-
Income tax paid	(30,467,740)	(4,233,018)
Changes in current assets and liabilities:		
Decrease/ (increase) in inventories	90,434,582	32,002,067
Decrease/ (increase) in advance and prepayments	35,186,653	12,353,885
(Decrease)/ increase in payables & accruals	(70,303,609)	137,063,425
Decrease/ (increase) in trade receivable	75,030,865	359,106,905
Net cash flow from operating activities	235,297,276	605,856,674