

Aftab Automobiles Limited and its Subsidiary

1st Quarter report

2024-2025

Dear Shareholders,

We are pleased to forward herewith the un-audited Consolidated Statement of Profit or Loss and Other Comprehensive Income for the 1st Quarter ended September 30, 2024, Consolidated Statement of Financial Position as at September 30, 2024, 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.

14 November 2024

Aftab Automobiles Limited and its Subsidiary

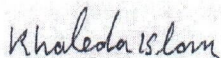
Un-Audited consolidated Statement of Profit or Loss and other Comprehensive Income

For the 1st Quarter ended September 30, 2024

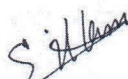
Particulars	Notes	July ' 2024 to September' 2024	July ' 2023 to September' 2023
Revenues		170,740,910	104,432,052
Less : Cost of sales	3	132,684,268	88,316,682
Gross profit		38,056,642	16,115,369
Less: Operating expenses		31,866,810	13,314,134
Administrative expenses		17,927,293	8,365,616
Selling and distribution expenses		13,939,516	4,948,518
Add : Other income		3,411,488	4,648,058
Operating profit/Loss		9,601,321	7,449,293
Financial charges		81,373,842	79,616,961
Add : Share of profit from associate company		7,472,391	1,959,789
Profit before contribution to WPPF		(64,300,129)	(70,207,879)
Less : Contribution to WPPF		-	-
Profit before tax		(64,300,129)	(70,207,879)
Less : Provision for Income tax		(17,341,800)	(1,517,073)
Current tax	12	1,231,683	657,513
Deferred tax		(18,573,483)	(2,174,586)
Net income for the Period		(46,958,330)	(68,690,806)
Total comprehensive income for the Period		(46,958,330)	(68,690,806)
Total comprehensive income for the Period			
Attributable to:			
Equity holders		(46,963,674)	(68,685,622)
Non-controlling interests		5,344	(5,184)
Total comprehensive income for the period		(46,958,330)	(68,690,806)
No. of Share		105,544,995	105,544,995
Consolidated earnings per share	18	(0.44)	(0.65)



Managing Director



Director



Director



Chief Financial Officer



Company Secretary

Aftab Automobiles Limited and its Subsidiary

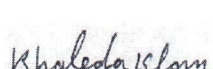
Un-Audited consolidated Statement of Financial Position

As at September 30, 2024

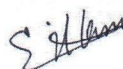
Particulars	Notes	30-09-24	30-06-24
Assets :			
Non-current assets :			
Property, plant and equipment	4	2,070,992,080	2,089,601,983
Non current assets held for sale & discontinued operations		277,786,431	277,786,431
Intangible Assets	5	844,594	866,250
Capital work-in-progress	6	876,973,980	858,802,645
Investments in associate		510,035,394	482,563,003
Deferred tax assets	13	91,567,112	111,548,879
Receivables -Non-Current Maturity	7	2,440,689,130	2,119,229,095
Right of use assets		30,195,550	32,887,317
Total non-current assets		6,299,084,272	5,973,285,602
Current assets:			
Receivables -Current Maturity	7	2,857,187,761	3,184,164,825
Stock and stores	8	1,300,397,033	1,253,551,855
Current account with Navana Group Companies		7,616,788,763	7,373,957,925
Advances, deposits and prepayments	9	8,214,993,387	8,196,719,316
Cash and bank balances	10	262,065,871	302,607,533
Total current assets :		20,251,432,815	20,311,001,454
Total Assets		26,550,517,087	26,284,287,055
Equity and Liabilities :			
Capital & reserve			
Share capital		1,055,449,950	1,055,449,950
Share premium		1,925,858,339	1,925,858,339
Reserve		67,338,231	67,338,231
Retained earnings		2,069,475,564	2,191,034,702
Equity attributable to equity holders		5,118,122,084	5,239,681,222
Non-controlling interest		412,843	407,499
Total equity		5,118,534,927	5,240,088,721
Non-current liabilities			
Loan & deferred liabilities (unsecured)		25,310,440	25,310,440
Long Term loan-Net of current maturity	11	10,659,546,139	10,426,731,779
Lease liability		39,953,310	38,884,000
Total non-current liabilities		10,724,809,889	10,490,926,219
Current liabilities :			
Long Term loan-Current maturity	11	3,553,182,046	3,475,577,260
Short-term loan	14	5,130,145,184	5,051,986,504
Accrued and other current liabilities	15	1,913,769,816	1,874,288,920
Unclaimed Dividend Account	16	110,075,225	151,419,439
Total current liabilities :		10,707,172,271	10,553,272,123
Total liabilities		21,431,982,160	21,044,198,341
Total Equity and Liabilities		26,550,517,087	26,284,287,055
Consolidated net assets value per share (NAVPS)	17	48.49	49.64



Managing Director



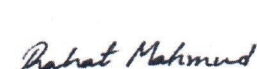
Director



Director



Chief Financial Officer



Company Secretary

Aftab Automobiles Limited and its Subsidiary

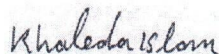
Un-audited consolidated Statement of Cash Flows

For the 1st Quarter ended September 30, 2024

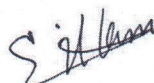
Particulars	Notes	July ' 2024 to September' 2024	July ' 2023 to September' 2023
A. Cash flows from operating activities			
Receipts from customers		299,869,075	104,937,432
Receipts from other income		3,411,488	4,648,058
Payments for materials, services and expenses		(146,350,947)	(46,136,078)
Cash generated from operations		156,929,616	63,449,411
Income tax paid		(260,627)	(3,079,579)
Net cash generated by operating activities		156,668,989	60,369,832
B. Cash flows from investing activities			
Acquisition of property, plant & equipment		-	
Advance for capital assets		-	(111,775,987)
Payments for capital work in progress		-	(22,938,136)
Net cash used investing activities		-	(134,714,123)
C. Cash flows from financing activities			
Proceeds from bank loan		-	347,409,329
Bank interest & Debt paid		(44,256,996)	(79,616,961)
Group company receipts/(payments)		(111,609,439)	(161,940,775)
Dividend paid		(41,344,215)	(499,614)
Net cash used in financing activities		(197,210,650)	105,351,979
D. Net changes in cash & cash equivalents for the period (A+B+C)		(40,541,661)	31,007,688
E. Cash & cash equivalents at beginning of the period		302,607,533	299,905,064
F. Cash & cash equivalents at end of the period (D+E)		262,065,871	330,912,752
Consolidated net operating cash flows per share (NOCFPS)	19	1.48	0.57



Managing Director



Director



Director



Chief Financial Officer



Company Secretary

Aftab Automobiles Limited and its Subsidiary

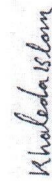
Un-audited consolidated Statement of Changes in Equity

For the 1st Quarter ended September 30, 2024

Particulars	Share capital	Share premium	Reserves	Retained earnings	Attributable to equity holders of the company	Non-controlling interest	Total
Balance as on July 01, 2023	1,055,449,950	1,925,858,339	67,338,231	2,413,926,492	5,462,573,012	405,347	5,462,981,161
Adjustment for the Application of IFRS-16 (Lease)				-	-	-	-
Cash Dividend	-	-	-	-	-	-	-
Comprehensive income for the period	-	-	-	(68,685,622)	(68,685,622)	(5,184)	(68,690,806)
Balance at September 30, 2023	1,055,449,950	1,925,858,339	67,338,231	2,345,240,870	5,393,887,390	400,163	5,394,290,355
Balance as on July 01, 2024	1,055,449,950	1,925,858,339	67,338,231	2,191,034,702	5,239,681,222	407,499	5,240,088,721
Adjustment for the Application of IFRS-16 (Lease)	-	-	-	-	-	-	-
Cash Dividend	-	-	-	(74,595,464)	(74,595,464)	-	(74,595,464)
Comprehensive income for the period	-	-	-	(46,963,674)	(46,963,674)	5,344	(46,958,330)
Balance at September 30, 2024	1,055,449,950	1,925,858,339	67,338,231	2,069,475,564	5,118,122,084	412,843	5,118,534,927



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 1st Quarter ended September 30, 2024

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 of 1913. Subsequently, after liberation, the company changed its name to 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 its inception. However, in 1981, it was transformed into a Public Limited Company under the Companies Act, 1913. The Company's Registered Office 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 years 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, and Hino Mini Bus / Truck Chassis with a production Capacity of 2400 units of vehicles in three shifts in the Assembling Unit. At present, the plant is running on a single shift. The company has one subsidiary company, Navana Batteries Ltd, which produces and markets batteries.

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

2.1 . Statement of Compliance

This quarterly financial report has been prepared in accordance with the provision of the securities and Exchange Rule, 1987 as well as the provisions of the International Accounting Standard (IAS-34) & International Financial Reporting Standard (IFRS-10).

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 quarterly of the company :

Revenue:

Despite last year's challenges, we are experiencing a positive turnaround in sales revenue. Two primary issues initially contributed to a temporary decline in revenue: the transition to new chassis models and the impact of the Dollar crisis on the processing of Letters of Credit (LC) for imports.

Chassis Model Transition: The introduction of new chassis models initially slowed sales as customers adjusted to the changes. However, our proactive approach to customer engagement, which included strategic communication highlighting the advantages of the latest models, has instilled confidence in our buyers. This has led to steady sales improvement as customers become more familiar and confident with our offerings.

Dollar Crisis and LC Challenges: Last year, fluctuations in the Dollar and complexities in LC processing affected our import capabilities. We have since implemented measures to manage currency risks better and streamline the LC process. These actions have reduced delays, stabilized our supply chains, and supported sales growth. The situation is improving slowly.

These improvements position us well for continued revenue growth as we remain steadfast in our commitment to addressing customer needs and enhancing operational resilience.

Net operating Cash Flows:

The significant increase in Net Operating Cash Flow Per Share (NOCFPS) during the July to September 2024 quarter, compared to the same period last year, can be mainly attributed to strong sales collections, advance sales collection from customers and the successful collection of receivables from the previous period. These factors are the primary contributors to this notable positive variance.

Earnings per share (EPS):

An increase in Earnings Per Share (EPS), driven by a positive shift in our sales revenue despite facing notable challenges last year. Two primary factors initially impacted our revenue: the transition to new chassis models and disruptions due to the dollar crisis, which affected Letters of Credit (LC) processing for imports.

Chassis Model Transition: Introducing new chassis models initially slowed sales as customers adapted to these changes. However, our focused customer engagement strategy highlighted the benefits of the new models, building trust and boosting sales as familiarity grew.

Dollar Crisis and LC Challenges: Last year's Dollar fluctuations and LC processing complexities affected our imports. To counter these, we've implemented currency risk management strategies and streamlined LC processes, stabilizing supply chains and supporting sales recovery. The situation is improving gradually.

These strategic actions have not only resolved past issues but also positioned us well for sustainable revenue growth, driving increased company value and enhancing our operational resilience.

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 1st quarter of accounting year of the company for the period from July 01, 2024 to September 30, 2024.

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

At both the beginning and end of the July to September 2024 quarter, the company had no foreign currency holdings in its cash and cash equivalents. This indicates that during the entire three-month period, the company did not engage in any transactions or maintain reserves in foreign currencies. Consequently, there were no foreign currency exchange gains or losses during this time.

Particulars	July ' 2024 to September' 2024	July ' 2023 to September' 2023
3. Cost of sales		
Materials	93,743,460	48,843,229
Factory Overhead	27,118,393	20,906,522
Depreciation	11,822,414	18,566,932
	<u>132,684,268</u>	<u>88,316,683</u>

Notes No.	Particulars	30-09-24	30-06-24
4	Property, plant and equipment, net		
	Opening Balance	2,089,601,985	2,090,008,161
	Add : Addition for the Period	-	54,498,225
	Add : Transferred from Capital W-I-P	-	30,285,624
		2,089,601,985	2,174,792,010
	Less : Depreciation	18,609,904	85,190,027
	Closing Balance	2,070,992,080	2,089,601,983
5	Intangible Assets, net		
	Opening Balance	866,250	-
	Add : Addition for the Period	-	945,000
		866,250	945,000
	Less : Amortization	21,656	78,750
	Closing Balance	844,594	866,250
6	Capital work-in-progress		
	Opening balance	858,802,645	799,066,138
	Add : Addition during the Period	18,171,335	90,967,130
		876,973,980	890,033,268
	Less: Transfer to property, plant & equipment	-	31,230,623
	Closing balance	876,973,980	858,802,645
7	Total Receivables		
	Receivable current (Maturity less than 12 months)	2,857,187,761	3,184,164,825
	Receivable Non-Current (Maturity over 12 months)	2,440,689,130	2,119,229,095
		5,297,876,891	5,303,393,920
8	Stock and stores		
	Finished products	503,467,565	500,017,194
	Raw materials	336,952,824	305,841,140
	Work-in-process	459,976,644	447,693,521
		1,300,397,033	1,253,551,855
9	Advances, deposits and prepayments		
	Advance to suppliers	951,159,551	1,006,239,942
	Advance to employees	42,078,747	42,078,747
	Advance to others	615,427,490	666,499,404
	Current Account with VAT	93,584,636	94,438,071
	Security & Deposits	318,184,446	318,184,446
	Demand Tax	1,100,320	1,100,320
	Advance for Capital Assets	4,931,796,772	4,806,777,589
	Advance Income tax (note-9.1)	1,261,661,424	1,261,400,797
		8,214,993,387	8,196,719,316
	9.1 Advance Income tax		
	Opening balance	1,261,400,797	1,256,438,107
	Add : Addition during the Period	260,627	4,962,690
		1,261,661,424	1,261,400,797
	Less : Adjustment made during the period	-	-
	Closing Balance	1,261,661,424	1,261,400,797
10	Cash and bank balances		
	Cash in hand	2,092,736	3,064,768
	Cash at bank : Current AC, STD AC & FDR Accounts	259,973,135	299,542,765
		262,065,871	302,607,533

Notes No.	Particulars	30-09-24	30-06-24
11	Long Term loan-Net of current portion		
	Agrani Bank Ltd.	2,027,753,656	2,004,025,269
	SBAC bank Ltd.	93,392,853	96,416,344
	Mutual trust bank ltd.	84,993,887	82,200,393
	Midland Bank Ltd.	50,261,706	53,833,155
	One Bank Ltd.	499,308,229	481,467,194
	NCC Bank Ltd.	222,311,266	221,564,452
	Bank Asia Ltd.	1,258,484,661	1,216,151,868
	Dhaka Bank Ltd.	532,925,393	515,955,643
	Mercantile Bank Ltd.	316,939,675	305,621,375
	Standard Bank Ltd.	108,853,475	111,004,162
	Southeast Bank Ltd.	308,855,582	307,023,107
	The City Bank Ltd.	70,935,040	68,744,768
	Peoples Leasing	230,400,000	230,400,000
	Bay Leasing	155,560,636	155,560,636
	GSP Finance	493,400,000	493,400,000
	Midas financing	57,065,347	57,065,347
	Union Capital	155,202,728	155,202,728
	BD Finance Ltd.	64,411,916	64,411,916
	First Security Islami Bank Ltd.	151,293,750	150,000,000
	IFIC Bank Ltd.	3,354,983,883	3,239,042,393
	Phoenix Finance	1,009,158,659	1,009,158,659
	Trust Bank Ltd.	484,437,592	469,952,087
	Dutch-Bangla Bank Ltd.	1,778,721,598	1,725,468,790
	Social Islami Bank Ltd.	82,025,071	79,280,432
	Modhumoti bank Ltd.	621,051,582	609,358,320
		14,212,728,186	13,902,309,039
	less: Long Term loan-Current portion	3,553,182,046	3,475,577,260
	Long Term loan-Net of current portion	10,659,546,139	10,426,731,779
12	Current tax		
	Aftab Automobiles Ltd. (Note: 12.1)	26,495	5,418,251
	Navana Batteries Ltd (Note: 12.2)	1,205,188	2,411,456
		1,231,683	7,829,707
12.1	Aftab Automobiles Ltd.		
	Operating profit	(80,689,161)	(218,620,634)
	Other Income	3,177,354	16,588,770
	Contribution to WPPF	-	-
	Bad debts	4,749,411	-
	Add: Accounting depreciation	11,873,527	55,693,459
	Less: Tax depreciation	(14,181,510)	(65,723,527)
		(75,070,378)	(212,061,931)
	Normal Tax liability @ 22.5% on profit before tax	(16,890,835)	(47,713,935)
	Minimum Tax liabilities @ 0.6% on Gross Receipt	26,495	5,418,251
	Current Tax Liabilities (whichever is higher)	26,495	5,418,251
12.2	Navana Batteries Ltd.		
	Profit before Tax	5,505,152	(9,525,158)
	Other Income	234,134	-
	Add: Accounting Depreciation	6,736,377	29,496,568
	Less: Tax Depreciation	(9,750,061)	(44,310,218)
	Adjusted Profit for tax calculation	2,725,602	(24,338,807)
	Normal Tax liability @ 27.5% on profit before tax	749,541	(6,693,172)
	Minimum Tax liabilities @ 0.6% on Gross Receipt	1,205,188	2,411,456
	Current Tax Liabilities (whichever is higher)	1,205,188	2,411,456

Notes No.	Particulars	30-09-24	30-06-24
13	Deferred tax liability		
	Aftab Automobiles Ltd. (13.1)	(97,745,067)	(123,010,145)
	Navana Batteries Ltd. (13.2)	6,177,955	11,461,267
	Closing Balance	(91,567,112)	(111,548,879)
	Calculation of Deferred tax		
13.1	Aftab Automobiles Ltd.		
	For PPE		
	WDV on PPE as per Accounting Calculation	1,398,349,571	1,410,223,098
	WDV on PPE as per Taxable Calculation	1,209,518,793	1,222,540,379
	Unabsorbed Depreciation	240,110,756	225,929,246
	Unused TAX Losses	380,510,263	332,156,440
	Temporary Defference	(431,790,240)	(370,402,966)
	Deferred Tax 22.5% on difference	97,152,804	83,340,667
	Opening Deffered TAX	(83,340,667)	(55,787,860)
	Deferred Tax During The Year (i)	13,812,137	27,552,808
	For Bad debts		
	Bad debts as per accounting base	-	156,308,860
	Bad debts as per tax base	-	-
	Temporary difference	-	(156,308,860)
	Deferred Tax 22.5% on difference	-	39,077,215
	Opening Deffered TAX	-	39,077,215
	Deferred Tax During The Year (ii)	-	-
	For Gratuity		
	Gratuity as per accounting base	2,369,052	2,369,052
	Gratuity as per tax base	-	-
	Temporary difference	(2,369,052)	(2,369,052)
	Deferred Tax 22.5% on difference	592,263	592,263
	Opening Deffered TAX	592,263	592,263
	Deferred Tax During The Year (iii)	-	-
13.2	Navana Batteries Ltd		
	For PPE		
	WDV on PPE as per Accounting Calculation	950,428,938	957,165,318
	WDV on PPE as per Taxable Calculation	773,450,679	783,200,740
	Less: Unabsorbed Depreciation	109,242,582	99,492,522
	Less: Unused TAX Losses	41,168,744	28,693,079
	Temporary Defference	26,566,933	45,778,977
	Deferred Tax 27.5% on different	7,305,906	12,589,219
	Opening Deffered TAX	(12,589,219)	(28,581,470)
	Deferred Tax During The Year (i)	(5,283,312)	(15,992,251)
	For Bad debts		
	Bad debts as per accounting base	4,101,643	4,101,643
	Bad debts as per tax base	-	-
	Temporary difference	(4,101,643)	(4,101,643)
	Deferred Tax 27.5% on difference	(1,127,952)	(1,127,952)
	Opening Deffered TAX	1,127,952	1,230,493
	Deferred Tax During The Year (ii)	-	102,541

Notes No.	Particulars	30-09-24	30-06-24
14	Short-term loan		
	Agrani Bank Ltd.	1,818,334,315	1,818,334,314
	NRB Commercial Ltd.	645,852,012	625,828,478
	Mercantile Bank Ltd.	353,100,000	340,500,000
	Prime bank Ltd.	45,501,789	45,539,216
	SBAC bank Ltd.	31,250,987	33,071,671
	Southeast Bank Ltd.	1,037,989,194	1,007,756,499
	Janata Bank Ltd.	596,314,297	592,610,481
	Al-Arafah Islami Bank Ltd.	51,485,547	50,321,111
	IFIC Bank Ltd.	49,655	49,655
	Shahjalal Islami bank ltd.	248,260,513	241,963,491
	Modhumoti bank Ltd.	174,618,695	172,032,824
	Islamic Finance & Investment Ltd.	32,058,774	31,200,754
	Phoenix Finance & Investments Ltd.	95,329,406	92,778,010
		5,130,145,184	5,051,986,504
15	Accrued and other current liabilities		
	Payable to suppliers	13,111,850	61,976,450
	Advance against sales	853,000,000	755,000,000
	Liability for expenses	130,038,384	140,924,572
	Provision for Income tax	874,683,523	873,451,840
	Payable for Workers profit Participation Fund	8,300,631	8,300,631
	Provision for other finance	34,635,427	34,635,427
		1,913,769,816	1,874,288,920
16	Unclaimed Dividend Account		
	The aging of Unclaimed Dividend are as follows:		
	Unclaimed for less than 3 year's	27,943,041	69,227,559
	Unclaimed for more than 3 year's	82,132,184	82,191,880
		110,075,225	151,419,439
17	Net assets value per share (NAVPS)		
	Net assets value	5,118,122,084	5,239,681,222
	Number of ordinary shares used to compute NAVPS	105,544,995	105,544,995
	Net assets value per share	48.49	49.64
18	Earnings per share (EPS)		
	Profit attributable to ordinary shareholders	(46,963,674)	(68,685,622)
	Number of ordinary shares used to compute earnings per share	105,544,995	105,544,995
	Earnings per share	(0.44)	(0.65)

Notes No.	Particulars	30-09-24	30-06-24
19	Net operating cash flows per share (NOCFPS)		
	Net operating cash flows (Note: 19.1)	156,668,989	60,369,832
	Number of ordinary shares used to compute NOCFPS	105,544,995	105,544,995
	Net operating cash flows per share	<u><u>1.48</u></u>	<u><u>0.57</u></u>
19.1	Reconciliation of cash flows from operating activities under indirect method:		
	Net profit/Loss before interest, income tax & WPPF during the period	35,212,457	7,449,293
	Adjustment to recocile net income to net cash provided by operating activities:		
	Depreciation	18,609,904	22,172,725
	Payment of lease liability	-	-
	Interest on lease liability	1,069,310	489,766
	Payment of WPPF	-	-
	Income tax paid	(260,627)	(3,079,579)
	Changes in current assets and liabilities:		
	Decrease/ (increase) in inventories	(46,845,178)	6,166,108
	Decrease/ (increase) in advance and prepayments	105,116,882	500,629,670
	(Decrease)/ increase in payables & accruals	38,249,212	(473,963,531)
	Decrease/ (increase) in trade receivable	5,517,029	505,380
	Net cash flow from operating activities	<u><u>156,668,989</u></u>	<u><u>60,369,832</u></u>