

# RIGHTS SHARE OFFER DOCUMENT

**Date: September 26, 2017**

Rights Offer of **62,192,000** Ordinary Shares of **Tk.10.00** each at an issue price of **Tk.20.00** each including a **premium of Tk.10.00** per share, totaling **Tk.1,243,840,000.00** offered on the basis of **02[R]:05**, i.e. 02 (two) Rights Shares for every 05 (five) existing shares held on the record date.

## RECORD DATE FOR ENTITLEMENT OF RIGHTS OFFER

Record Date	October 18, 2017	
Date of Subscription	<b>Opens on</b>	<b>Closes on</b>
	November 19, 2017	December 14, 2017
Within banking hours both days inclusive		

## MANAGERS TO THE ISSUE



### BANCO FINANCE AND INVESTMENT LIMITED

Shefali Complex (4th Floor), 218/3/A West Kafrul  
Begum Rokeya Sharani, Taltola Sher-e-Bangla Nagar, Dhaka-1207.  
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### ALPHA CAPITAL MANAGEMENT LIMITED

Eastern Arzoo Complex (7th floor)  
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**Website:** [www.acmlbd.com](http://www.acmlbd.com)

## FULLY UNDERWRITTEN BY

<b>Alpha Capital Management Limited</b> Eastern Arzoo Complex (7 <sup>th</sup> Floor), 61, Bijoy Nagar, Dhaka-1000	<b>CAPM Advisory Limited</b> Tower Hamlet (9th Floor), 16 Kemal Ataturk Avenue, Banani C/A, Dhaka-1213
<b>Banco Finance And Investment Limited</b> Shefali Complex (4th Floor), 218/3/A West Kafrul Begum Rokeya Sharani, Taltola Sher-e-Bangla Nagar, Dhaka-1207	

## CREDIT RATING STATUS

	Rating Year	Long Term	Short Term
Entity Rating	2016	AA <sub>3</sub>	ST-3
Date of Rating	16 March 2017		
Rating Assigned By: Credit Rating Agency of Bangladesh Ltd (CRAB)			

## BANKERS TO THE ISSUE

<b>BRAC Bank Limited</b> 1, Gulshan Avenue, Gulshan-1, Dhaka-1212	<b>Prime Bank Limited</b> Adamjee Court Annex Building-2, 119-120, Motijheel C/A, Dhaka-1000
<b>Investment Corporation of Bangladesh (ICB)</b> 8, DIT Avenue (Level 14-17), Dhaka-1000	



### IFAD AUTOS LIMITED

Sonar Tori Tower (13th-18th Floor)  
12, Bipanan C/A, Sonargaon Road, Dhaka-1000  
**Phone:** 9632753-62 **Fax:** 9632765, 9632759-60  
**Website:** [www.ifadgroup.com](http://www.ifadgroup.com); **E-mail:** [contact@ifadgroup.com](mailto:contact@ifadgroup.com)

As per provision of the Depository Act, 1999 and regulation made there under, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) Account number in the application form.

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**DEFINITION AND ELABORATION OF THE ABBREVIATED  
WORDS AND TECHNICAL TERMS USED IN THE RIGHTS OFFER DOCUMENT**

<b>Acronym</b>	<b>Elaboration</b>
<b>Allotment</b>	: Letter of Allotment for Shares
<b>BB</b>	: Bangladesh Bank
<b>BSEC</b>	: Bangladesh Securities and Exchange Commission
<b>BO A/C</b>	: Beneficial Owner Account or Depository Account
<b>CDBL</b>	: Central Depository Bangladesh Ltd.
<b>Commission</b>	: Bangladesh Securities and Exchange Commission
<b>Companies Act</b>	: Companies Act, 1994 (Act. No. XVIII of 1994)
<b>CSE</b>	: Chittagong Stock Exchange Limited
<b>DSE</b>	: Dhaka Stock Exchange Limited
<b>EPS</b>	: Earnings Per Share
<b>Issue</b>	: Rights Issue
<b>Issuer Company</b>	: IFAD Autos Limited
<b>Issue Managers</b>	: Banco Finance And Investment Limited & Alpha Capital Management Limited
<b>IAL</b>	: IFAD Autos Limited
<b>NAV</b>	: Net Asset Value of the Company
<b>Offering Price</b>	: Price of the Securities of IFAD Autos Limited being Offered
<b>Registered Office</b>	: Head Office of the Company
<b>RI</b>	: Rights Issue
<b>Rights Issue Rules</b>	: Securities and Exchange Commission (Rights Issue) Rules, 2006
<b>RJSC</b>	: Registrar of Joint Stock Companies & Firms
<b>ROD</b>	: Rights Share Offer Document
<b>Securities</b>	: Shares of IFAD Autos Limited
<b>Share Market</b>	: Market of the Securities in Bangladesh
<b>Sponsors</b>	: The Sponsor Shareholders of IFAD Autos Limited
<b>Stockholders</b>	: Shareholders of IFAD Autos Limited
<b>Subscription</b>	: Application Money
<b>The Company</b>	: IFAD Autos Limited



## RIGHTS ISSUE OF SHARES

September 27, 2017

Dear Shareholder(s)

We are pleased to inform you that the shareholders of the Company in the 5<sup>th</sup> Extra Ordinary General Meeting (EGM) held on dated 25.07.2017 approved Rights Shares issue proposal of 62,192,000 Ordinary Shares of Tk.10.00 each issuing at a price of Tk.20.00 including a premium of Tk.10.00 each totaling Tk.1,243,840,000.00 offered on the basis of 2(R):5 (i.e. two rights shares for every five existing shares held). The purpose of issuance of Rights Share is to raise further paid up capital for expansion of the business, to meet the requirement of working capital and to pay off debts of the company.

Having satisfactory operation, the Company has earned Net Profit (after Tax) of Tk785,023,488 for the period ended on 31.03.2017. The success could not have been possible without the support of our customers and efficient direction of the Board of Directors as well as patronization and active participation of our valued shareholders.

To maintain the growth and to increase the capital base of your Company, we hope you would come forward with full support and assistance to make the offer a success.

A self-explanatory Rights Share Offer Document prepared according to the Securities and Exchange Commission (Rights Issue) Rules, 2006 of the Bangladesh Securities and Exchange Commission is enclosed for your kind information and evaluation.

On behalf of the Board of Directors,

Sd/-

**Taskeen Ahmed**  
Managing Director

## CORPORATE INFORMATION



## IFAD AUTOS LIMITED

## Company Milestones

## Stock Summary &amp; Financial Information

Authorized Capital	Tk.	*3,000.00 Million	As per Audited Financial Statements for the period ended 31 March 2017
Paid up Capital	Tk.	1,554.80 Million	
Total Shareholders' Equity	Tk.	5,744.79 Million	
Total Assets	Tk.	22,105.13 Million	
Total Operating Profit	Tk.	1,094.05 Million	
No. of Employees		847 Persons	

## Corporate History

Particulars	Registration No.	Issue Date
Incorporation of the Company	C-17301(101)/88	February 17, 1988
Commencement of Business	N/A	N/A
Conversion to Public Ltd. Company	N/A	September 30, 2011
TIN Certificate	20010-200-1898/Circle-133 (Companies)	
VAT Registration	19151043545	
Trade License	277	
Import Registration Certificate	B 125731	
Indent	B 6288	September 04, 2002

Registered/Head Office	Sonar Tori Tower (13th-18th Floor), 12, Bipanan C/A, Sonargaon Road, Dhaka-1000
Assembly & body building Unit	Balitha, Shaha Belishor, Dhamrai, Dhaka

## Board of Directors

Chairman	Mr. Iftekhar Ahmed Tipu
Managing Director	Mr. Taskeen Ahmed
Director	Mrs. Nilufar Ahmed
	Mr. Tanveer Ahmed
	Mr. Tashfeen Ahmed
	Mr. Md. Raqibul Islam FCA
Independent Director	Mr. Rezwan Ali

## Corporate Officials

Company Secretary	Mr. Md. Sirajul Islam
Chief Financial Officer	Mrs. Mir Fatema Akter

## Others Information

Statutory Auditors	<b>Ahmed Zaker &amp; Co</b> Chartered Accountants (A Member Firm of Morison KSi) Green City Edge (Level-10), 89, Kakrail Dhaka-1000, Bangladesh Phone: +88 02 8300504-8; Fax: +88 02 8300509 E-mail: azcbangladesh@gmail.com; Website: www.ahmed-zaker.com
Legal Advisor	<b>Ashim Kumar Roy</b>

\* Increased of Authorized Capital approved in 5th Extra Ordinary General Meeting (EGM) held on dated 25.07.2017

### **Corporate Status and Background**

IFAD Autos Limited was incorporated in Bangladesh as a private limited company on February 17, 1988 and subsequently converted into public limited company on 2011.

IFAD became listed with Stock Exchanges during January 2015. The registered office and principal place of business of the company is located at Sonar Tori Tower (13th-18th Floor), 12, Bipanan C/A, Sonargaon Road, Dhaka-1000.

IFAD Autos Limited started its commercial operation on April 20, 1988.

### **Nature of Business**

The principal activity and operation of IFAD Autos Limited is importing, marketing and body-building of different Models of Ashok Leyland's vehicles in Bangladesh through its own marketing staffs, dealers and selling agents in different districts of the country. Types of vehicles include AC Buses, Deluxe Buses, Goods Trucks, Dump Trucks, and Prime Movers etc. Its customers group comprises both private and public sectors. IFAD has an integrated network for marketing its trade products. It appoints dealers for different districts for promoting the market of its imported vehicles. Presently, the company has sales outlet at Khulna, Rajshahi, Chittagong divisions which covers the districts viz. Jessore, Faridpur, Mymensingh, Rangpur, Comilla, Sylhet, etc. Dhaka and its adjoining areas are covered by its head office. IFAD Autos Limited is also sole and authorized distributor of ESCORTS Limited (India).

### **History of the Company**

Since 1985 – IFAD AUTOS has played a crucial role in building the transport industry of Bangladesh and now define the standards of this industry. Starting out as private enterprise, IFAD AUTOS has built a mammoth network throughout Bangladesh with offices, dealers and showrooms having nationwide reach. The company underwent an IPO in late 2014 to mark its significant expansion in operations.

### **Vision**

To ensure a favorable atmosphere in the transport sector in Bangladesh

### **Mission**

Our mission is to provide Bangladesh with reliable modes of transportation; both passenger and cargo, to facilitate businesses maintain sustainability in their logistical and operational need.

## The Rights Issue

IFAD Autos Limited plans to increase paid-up capital through issuance of Rights Shares. The Board of Directors of IFAD Autos Limited in its 220<sup>th</sup> meeting held on June 04, 2017 recommended for issuance of Rights Shares on the basis of 02[R]:05, i.e. 02 (two) right shares for every 05 (five) existing shares held on the record date for entitlement. The rights share offer has been approved in the 5<sup>th</sup> EGM by its shareholders on July 25, 2017. The Rights offer is issuance of **62,192,000** Ordinary Shares of **Tk.10.00** each at an issue price of **Tk.20.00** each including a premium of **Tk.10.00** per share, totaling **Tk.1,243,840,000.00** offered on the basis of 02[R]:05, i.e. 02 (two) right shares for every 05 (five) existing shares held on the record date.

### Issue Price

The Rights offer is issuance of **62,192,000** Ordinary Shares of **Tk.10.00** each at an issue price of **Tk.20.00** each including a premium of **Tk.10.00** per share, totaling **Tk.1,243,840,000.00** offered on the basis of **02[R]:05**, i.e. 02 (two) rights shares for every 05 (five) existing shares held on the record date.

## RISK FACTORS AND MANAGEMENT PERCEPTION ABOUT THE RISKS [see rule-8(c)]

The disclosures of Risk factors shall include, where applicable, the following:

- (i) Internal risk factors;
- (ii) External risk factors.

### (i) INTERNAL RISK FACTORS MAY INCLUDE, AMONG OTHERS:

#### a) Credit Risk;

This is the risk of default on a debt that may arise because of default by the borrower to pay the loan. In operating any business there is always credit risk lies in the business. As there is always lending and borrowing between parties in the form of money and goods.

#### Management Perception

*IAL sells its products on credit. If the buyer of the products does not pay for the goods, the shareholders of IAL may face credit risk. IAL has established relationship with many of its clients. Management has credit policy in place and exposure to credit risk is well-monitored. In order to control the credit risk, the management ensure strong credit control and collection policies. We have highly dedicated team to maintain credit policy.*

#### b) Liquidity Risk;

The risk that a company may be unable to meet short term financial demands. This usually occurs due to the inability to convert its current assets to cash without a loss of capital or income. Liquidity is a common phenomenon of the business.

#### Management Perception

*Effective liquidity risk management requires both a top-down and a bottom-up approach. Strategy, principles and objectives are set at board and management levels. IAL conducts liquidity management in a manner that maintains stability and flexibility in day-to-day funding activities. Our liquidity risk management starts by managing daily payment of cheques, daily cash inflow and outflow, maturity of deposits and our access to other funding sources as and when required.*

#### c) Risk associated with the issuer's interest in subsidiaries, joint ventures and associates;

If the subsidiaries make loss, it affects parent company's statement of financial position. In case of associate, there is chance of decline value of investment in associate company. As for joint venture, a joint venture (JV) is a business arrangement in which two or more parties agree to pool their resources for the purpose of accomplishing a specific task. This task can be a new project or any other business activity. In a joint venture (JV), each of the participants is responsible for profits, losses and costs associated with it.

#### Management Perception

*IAL has no subsidiaries, joint ventures and associate. IFAD Multi Products, IFAD Enterprises Limited, IFAD Agro Complex & IFAD Salt and Chemical Limited, IFAD Auto Services Limited, IFAD Motors Limited, IFAD information and Technology Limited and IFAD Beverage Limited are in common directorship. So, there is no risk related as such.*



- d) Significant revenue generated from limited number of customers, losing any one or more of which would have a material adverse effect on the issuer;**

**Management Perception**

*If the company's revenue base is concentrated among few customers, losing any business from any customer of that limited base may affect the company adversely. The revenue base of the company is much diversified. During July 2016-March 2017, none of IAL's customer accounted for 10% or more of the total sales of the company. So, the management of the company does not consider losing any single customer as a significant risk for the company.*

- e) Dependency on a single or few suppliers of raw materials, failure of which may affect production adversely;**

**Management Perception**

*If the company depends on a single supplier for products or raw materials, failure of the supplier to deliver products may affect the production of the company adversely. Ashok Leyland Limited, No. 1 Sardar Patel Road, Guindy, Chennai 600 032, India is a major supplier of raw material of the company.*

- f) Negative earnings, negative cash flows from operating activities, declining turnover or profitability, during last five years, if any;**

**Management Perception**

*We have been operating our business efficiently. However, there was negative operating cash flow in the previous years. It is happened due to growth. Our accounts receivable and inventory had been increased in the previous years that affected our operating cash flow. But it was not threat for going concern.*

- g) Loss making associate/subsidiary/group companies of the issuer;**

**Management Perception:**

*We do not have any associate/subsidiary/group companies except IFAD Multi Products, IFAD Enterprises Limited, IFAD Agro Complex, IFAD Salt and Chemical Limited, IFAD Auto Services Limited, IFAD Motors Limited, IFAD information and Technology Limited, IFAD Auto Mobiles Limited and IFAD Beverage Limited under common Management. So, there is no such risk involve with it.*

- h) Financial weakness and poor performance of the issuer or any of its subsidiary or associates;**

**Management Perception**

*Sales is one of the key indicators of success of a business if there is good margin of profit. IAL has been experiencing with increasing sales growth which is boosting up the profitability for last five years. Current and quick ratios are also in favor of the company and we do not have any subsidiary.*

- i) Decline in value of any investment;**

**Management Perception:**

*Any decline in value of any investment may affect the profitability of the company. The company has investment in capital market. Due to capital market slowdown the value of investments has declined for the period ended March 31, 2017.*

- j) Risk associated with useful economic life of plant and machinery, if purchased in second hand or reconditioned;**

*There is obsolescence risk relating to plant and machinery. If the machinery is purchased in second hand or reconditioned, there high risk of repair and maintenance which has impact on profitability of the company.*

**Management Perception**

*IAL does not purchase or use any second hand or recondition plant and machinery. Therefore, it is not applicable for IAL.*

- k) Adverse effect on future cash flow if interest free loan given to related party or such loans taken from directors may recalled;**

It is loan given and taken from related party and directors as well. If company gives such loan without interest to related party, there is interest burden for the company if the money was taken as loan. On the other hand, if such loan is taken from directors, it will have an impact on the cash flow to pay off the loan to the Directors.

**Management Perception**

*There is no interest free loan given to related party or loan taken from directors. As such, this risk is not applicable.*

- l) Potential conflict of interest, if the sponsors or directors of the issuer are involved with one or more ventures which are in the same line of activity or business as that of the issuer and if any supplier of raw materials or major customer is related to the same sponsors or directors;**

In these cases, there is high chance of compromise among the related companies because of conflict of Interest.

**Management Perception**

*There is no potential conflict of Interest as the sponsors or directors of the issuer do not have any venture which is in the same line of activity. There are nine companies under common management. They are IFAD Enterprises Limited, IFAD Multi Products, IFAD Agro Complex, IFAD Salt and Chemical Limited, IFAD Auto Services Limited, IFAD Motors Limited, IFAD information and Technology Limited and IFAD Beverage Limited and IFAD Auto Mobiles Limited. No supplier of raw materials or major customer is related to the same sponsors or directors of the issuer. No supplier of raw materials or major customer is related to the same sponsors or directors. So, such risk is not relevant to IAL.*

- m) Related party transactions entered into by the company those may adversely affect competitive edge;**

Related party transaction of the issuer creates conflict of interest which reduces the competitive advantage of the issuer.

**Management Perception**

*There is no such related party transaction and hence the management thinks that the related party transaction will not affect the competitive edge of the company.*

- n) Any restrictive covenants in any shareholders' agreement, sponsors' agreement or any agreement for debt or preference shares or any restrictive covenants of banks in respect of the loan/ credit limit and other banking facilities;**

All information must be known to the potential investor so that investor's interest may not be hampered in future. So, any restrictive covenants, if it goes against potential investors, will make investors in jeopardy.

**Management Perception:**

*There are no restrictive covenants in any shareholders' agreement, sponsors' agreement or any agreement relating to debt or preference shares or except some restrictive covenants of Banks in respect of loan or credit limit and other banking facilities except some restrictive covenants of the banks like changes in ownership structure, changes in sponsor directors and some mortgage agreements.*

- o) Business operations may be adversely affected by strikes, work stoppages or increase in wage demands by employees;**

In such case, company's business operation will be hampered.

**Management Perception:**

*Employee unrest is part of business and it is important to deal with labor unrest efficiently. IAL has different incentive packages for their employees so that they can be beneficial to such package. Because they believe that employees are very important part of the business.*

**p) Seasonality of the business of the issuer;**

It is the risk involving that company is not doing business round the year.

**Management Perception:**

*There is no direct seasonal implication in the products of the company. However, during the crops season in north and south Bengal the business of the company generally improves.*

**q) Expiry of any revenue generating contract that may adversely affect the business;**

This is the risk of losing customers affecting future sales.

**Management Perception**

*IAL has no long-term revenue-generating contract with any customer. So, there is no chance to affect the business adversely on this ground.*

**r) Excessive dependence on debt financing which may adversely affect the cash flow;**

**Management Perception:**

*Excessive dependence on debt causes huge interest burden of the company and high risk of insolvency that may result in bankruptcy.*

**s) Excessive dependence on any key management personnel absence of whom may have adverse effect on the issuer's business performance;**

Excessive dependence on key management affects the business if the management is changed in future, which will create vacuum. Besides, if the key management personnel are of bad intention, excessive dependence will also affect the business.

**Management Perception:**

*For last five years we have been reducing our dependence on debt financing. We believe in future we will be able to reduce the dependence.*

**t) Enforcement of contingent liabilities which may adversely affect financial condition;**

It is the future burden of liabilities that the investors will take on their shoulders. Contingent liabilities reduced the assets or create obligation to pay the liabilities.

**Management Perception:**

*The Company does not have any contingent liabilities which may adversely affect financial condition.*

**u) Insurance coverage not adequately protect against certain risks of damages;**

Insurance ensures and protects to deal with uncertainty of future material loss/damage. So, insurance coverage is important for the business.

**Management Perception:**

*If any insurable risk event materializes, the business of the company may be affected if the insurance coverage is not adequate. The company has taken industrial all risk insurance policy from Metlife ALICO.*

**v) Absence of assurance that directors will continue its engagement with Company after expiry of lock in period;**

Directors run the company with the accumulated finance from public and other financing source. If directors discontinue to run the business, there will be negative impact on business and share price as well.

**Management Perception**

*All running director of the Company gave their kind consent that they shall serve the Company. Further, since the Company follows corporate governance principles and other relevant laws of the land, absence of assurance that director will continue its engagement will not affect the business.*

- w) Ability to pay any dividends in future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditure;**

Dividend payment is highly dependent on company's ability to generate positive cash flow from operating profit of the business. If company cannot earn good amount of profit from operation, it is unlikely to pay dividend.

**Management Perception:**

*We have been a profitable entity over a long time and the profit is on the uptrend. So we are in belief that we will be able to pay dividend from our earning profit.*

- x) History of non-operation, if any and short operational history of the issuer and lack of adequate background and experience of the sponsors;**

History of non-operation indicates weak operational management of the Company. Non-operation leads to negative cash flow, incurring of losses and bankruptcy in worst case scenario.

**Management Perception:**

*As a manufacturer, IAL take their operation very seriously. They know, if operation is stopped for one day that can hamper supply to their customers. In any situation, they do not compromise with their operation. The company started commercial operation from April 20, 1988 and they are proud to state that the company has never been non-operative till date.*

- y) Risks related to engagement in new type of business, if any;**

If it is new business, there is risk of viability of the new business.

**Management Perception**

*Right now, IAL has no plan to engage in new type of business.*

- z) Risk in investing the securities being offered with comparison to other available investment options;**

If the issue price goes down after floating, there is investment risk for the potential investors.

**Management Perception**

*We are profitable entity over long time and we have been operating our business efficiently. Therefore, it is not risky in investing securities in comparison with other available investment option.*

- aa) Litigations against the issuer for Tax and VAT related matters and other government claims, along with the disclosures of amount, period for which such demands or claims are outstanding, financial implications and the status of the case;**

If any kind of Litigations against the issuer for Tax and VAT related matters and other government claims, along with the disclosures of amount, period for which such demands or claims are outstanding, financial implications and the status of the case.

**Management Perception**

*No, we did not have any litigation relating to Tax, VAT or other government claims against of our company.*

**bb) Registered office or factory building or place of operation is not owned by the issuer;**

Factory building should be owned by the company. Otherwise, there is risk of hike in factory rent in the years to come and threat of shifting the factory as well.

**Management Perception**

*The factory building at Balitha, Shaha Belishor, Dhamrai, Dhaka and Registered/Corporate office at Sonar Tori Tower (13th-18th Floor), 12, Bipanan C/A, Sonargaon Road, Dhaka-1000, Bangladesh are owned by the Company. So it is not a risk.*

**cc) Lack of renewal of existing regulatory permissions/licenses;**

In this case company is not following the law to renew its all licenses.

**Management Perception**

*A dedicated team supervises renewal processes of all the regularity permission/licenses. So, risk with regard to lack of renewal of existing regulatory permissions/licenses is very remote.*

**dd) Failure in holding AGM or declaring dividend or payment of interest by any listed securities of the issuer or any of its subsidiaries or associates;**

Failure in holding AGM or declaring dividend indicates the lack of compliance to the regulatory rules. Failure of payment of interest indicate the poor cash generation to the company to pay interest and debt service. The overall impression will be negative for the company.

**Management Perception**

*IAL has no listed securities or any of its subsidiaries or associates. Hence, this risk is not applicable for IAL.*

**ee) Issuances of securities at lower than the IPO offer price within one year;**

The management ultimate goal is to maximize the wealth of the company. If share price goes up, it maximizes wealth of the company. On the other hand, if share price goes down, it minimizes the wealth of the company.

**Management Perception**

*IAL has no plan to issue any sort of securities within one year of IPO. As such, this issue is not applicable for IAL.*

**ff) Refusal of application for public issue of any securities of the issuer or any of its subsidiaries or associates at any time by the Commission.**

If any refusal happened in the above cases, it will create negative impression to the issuer.

**Management Perception**

*IAL has no subsidiary or associates. No refusal of application for public issue of any securities of the IAL's at any time by the Commission.*

**(ii) EXTERNAL RISK FACTORS MAY INCLUDE AMONG OTHERS:**

**a) Interest rate risks;**

Interest rate risk is the risk that Company faces due to unfavorable movement in the interest rates. Changes in the Government's monetary policy, along with increased demand for loans/investments trend 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**

*Our management is aware of the financial risks exposure. When the products (mostly vehicle) are sold to the customers, the loans associated with the vehicles are paid from the price received from the customers. In the business cycle life, IAL has expanded its business capacity from its inside source of finance to boost up its capabilities. Additionally, the management of the Company emphasizes on equity base financing to reduce the dependency on borrowing, suggesting the management perception for interest rate risk to have a minimum impact on the company's profitability and viability.*

**b) Exchange rate risks;**

Exchange rate risk occurs due to changes in exchange rates. As the Company import equipment's/raw materials from abroad and earns revenue in local currency, unfavorable volatility or currency fluctuation may affect the profitability of the Company.

**Management perception**

*Throughout last few years Bangladesh Taka has gained significantly in the exchange market, especially against Indian Rupee. Our products are imported from India. Local currency's appreciation makes our import less costly, which allows reducing the sales price. Reduction in sales price increases the demand for company's products. Thus the appreciation of Bangladeshi Taka against international currency makes our business more profitable. However, our management also perceives the impact of the depreciation of Bangladeshi currency. In such situation, in the future, if needed, our management is contemplating to hedge our overseas payables to minimize the exchange rate risks.*

**c) Industry risks;**

**I) Market Demand**

Company's sales and revenues are dependent on the aggregate demand of its products and also on the country's GDP. Any economic recession, changes in requirements, national income and other related factors may cause to decline the market demand of the company products.

**Management Perception**

*Over the last decade the macro economy of Bangladesh has developed consistently; country's GDP has increased remarkably and living standard of the people has been higher. Most importantly, Government spending, public and private consumption have increased drastically. All these macroeconomic features indicate larger economic activities in the country. Consequently, demand for the company's products has increased in multiple times. Our management perceives that this economic trend will continue in the foreseeable future which will see good business profitability in the days to come.*

**II) Competition and globalization effects**

IAL is operating in an economy structure where barrier to entry is significantly low giving the economy a nature of competitive. Hence, the company might have to face stiff competition from its competitors, which may threat the profitability of the business.

**Management Perception**

*IFAD Autos Limited operates its business, among other means, under a license agreement with its strategic foreign alliance. It is a sole distributor of Ashok Leyland and ESCOTS Limited vehicles assembler. Features of this Aforesaid agreement with company provide protection from competition. Our company continuously searches for new opportunities in the market and formulate its strategy to cope up with any unexpected shifts in the business environment.*

*Apart from this, the company has a body building unit that is engaged in constructing bodies of different types of vehicles. This unit has provided the company with self-dependency to some extent. IFAD Autos Limited has also established its brand name in commercial vehicles market with its range of quality products and enviable customer services.*

**d) Economic and political risks;**

Bangladesh is prone to serious unrest in the political condition which produces Hartal, Road-Block and many other barriers to the business. This could also propel the cost of the product upwards.

**Management Perception**

*Although the country has passed a political turmoil of last few years, a sound political atmosphere is prevailing from early this year which is expected to continue in future. Both the ruling and opposition parties are committed to the betterment of the country. Last democratic national assembly election and local council polls are instances of peaceful political situation in Bangladesh.*

**e) Market and technology-related risks;**

**Market Risks**

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**

*Our management is well aware about those sorts of risks. It already employed a research work to identify the nature and extent of these types of risks and take the presumptive measures to confront those risks. We have a supplies procurement department to handle procurement, a research department to continuously develop and diversify product specifications and have a system of employee training and skills adjustments.*

**Technology Related Risks**

Technology always plays a vital role for each and every type of business. Better technology can increase productivity and reduce costs of production. Firms are exposed to technology risks when there are better technologies available in the market than the one used by the company which may cause technological obsolescence and negative operational efficiency.

**Management Perception**

*The key to secure market share in trading of commercial vehicles is by satisfying the needs of the customers. IFAD Autos Limited utilizes its Market Research Team that is continuously working for in-depth understanding of the customer needs and preferences and accordingly arranging its product range.*

**f) Potential or existing government regulations;**

The Company operates under local laws like the Companies Act, 1994, Taxation Policies adopted by NBR, Bangladesh Securities and Exchange Commission Ordinance and Rules and Rules adopted by other Regulatory Authorities. Any abrupt changes of the policies form by those bodies will impact the business of the Company adversely. Unless adverse policies are taken, which may materially affect the industry as a whole; the business of the Company will not be affected.

**Management Perception**

*Economy of Bangladesh has been developing over the decades because of business friendly rules and regulations adopted by the various regulatory bodies of the country. Our fiscal policies also give various incentives to the business enterprises so that it can grow and mature. All this features are proved to be conducive to growing of business houses.*

**g) Potential or existing changes in global or national policies;**

Changes in the existing global or national policies can have either positive or negative impacts for the company. Any scarcity or price hike of raw materials due to change in policy in the international market might adversely affect the production and profitability.

**Management Perception**

*Changes in the existing global or national policies can have either positive or negative impact on the company. Any scarcity or price hike of raw materials due to changes in policy in the international market might hamper the production and profitability. Any changes in the global and national policy will affect the industry as a whole. Financial and operational strength of the company has reached a steady level by now and the company is capable of handling reasonable threats. Moreover, the company has adequate system and procedures in place to take care of such events.*

**h) Statutory clearances and approvals those are yet to be received by the issuer;**

If any kind of statutory clearances and approvals those are yet to be received by the issuer.

**Management Perception:**

*The company has collected all the statutory clearance and approval to operate the business. The necessary update and renewal is a continuous process. Hence, there is a limited degree of such risk associated with the company.*

**i) Competitive condition of the business;**

**Management Perception:**

*IFAD Autos Limited is well renowned in the local market as one of the leading importers in vehicles in different sector in Bangladesh. The company has established brands in the market namely Ashok Leyland Indian vehicles. There are several importers and sellers namely Nitol Motors Limited, Runner Automobiles Limited, Uttara Motors Limited etc. IAL's competitive edge lies in its ability to manufacture and assemble quality products and market those at a lower cost compared to other importers and sellers.*

**j) Complementary and supplementary products/services which may have an impact on business of the issuer.**

Bangladesh is the prime source of cheapest labor in the world, earning comparative advantages for its industries over their local and global competitors. In addition, the management of IAL employs their efficiencies; expertise and discretions to minimize the cost of its products.

**Management perception**

*The company has not faced any challenges relating to supplementary and complementary products and Management are concerned with the issue. In future, if necessary, management may diversify the product to be competitive over the competitors.*



**DATE & TIME OF OPENING AND CLOSING OF SUBSCRIPTION [see rule-8(d)]**

Subscription opens for the rights shares offer on **November 19, 2017** and subscription closes for the rights shares offer on **December 14, 2017**.

**PURPOSE OF RAISING FUND THROUGH RIGHTS ISSUE [see rule-8(e)]**

The purpose of issuance of Rights Share is to raise further paid up capital for expansion of the business, to meet the requirement of working capital and to pay off debts of the company.

Sd/-  
**Taskeen Ahmed**  
Managing Director

Sd/-  
**Mrs. Mir Fatema Akter**  
Chief Financial Officer

**5 (FIVE) YEARS INFORMATION REGARDING  
AGM HELD AND DIVIDEND DECLARED BY THE COMPANY**

Financial Year	AGM Title	Date of AGM Held and Dividend Declared	Rate of Dividend	
			Stock	Cash
2011-2012	24 <sup>th</sup> AGM	25.12.2012	25%	Nil
2012-2013	25 <sup>th</sup> AGM	31.08.2013	50%	Nil
2013-2014	26 <sup>th</sup> AGM	05.11.2014	Nil	Nil
2014-2015	27 <sup>th</sup> AGM	07.12.2015	30%	7%
2015-2016	28 <sup>th</sup> AGM	20.12.2016	4%	13% (Excluding Directors & Sponsors)

**EXISTING SERVICES RENDERED BY THE COMPANY [see rule-8(f)]****CREDIT FACILITIES**

We provide comprehensive credit facility up to 5 years for all ranges of Ashok Leyland Trucks and Buses. We also provide support of Bank/NDA.

**NATIONWIDE SERVICES**

We provide nationwide services. Upland they may be located offering quality service to execute the best of our products, day after day.

**AVAILABILITY OF SPARE PARTS**

We guarantee 100% genuine Ashok Leyland spare parts. All spare parts are available throughout Bangladesh.

**BODY BUILDING FACILITIES**

We provide comprehensive service for body builders of all Commercial Vehicles, Bus, and Trucks on our premises.

**READY STOCK VEHICLES**

We have several stock yards in Bangladesh. Where ready vehicle is available. All vehicles are obtainable on order.

**DEALER LOCATOR**

Our dealers are located nationwide. They provide best service according to the customer need.

**ASSEMBLE OF VEHICLES**

We have started assembling of commercial vehicles namely Dhamrai Project where imported Chassis of Trucks, Buses and Minibuses in completely knocked Down Condition (CKD) are assembled in this project. Assembly of Vehicles became necessary in order to sustain plenty and timely stock of vehicles and also provide an opportunity for the automobile industry in Bangladesh to amplify for endemic manufacturing.

## EQUITY STRUCTURE OF THE COMPANY

Sl. No.	Particulars	As on March 31, 2017 (Amount in BDT)
<b>A</b>	Ordinary Share Capital	1,554,800,000
	Share Premium	388,330,508
	Revaluation Surplus	1,002,844,138
	Retained Earnings	2,798,815,379
	<b>Total Shareholders' Equity</b>	<b>5,744,790,025</b>
<b>B</b>	<b>Total Number of Shares</b>	<b>155,480,000</b>
<b>C</b>	<b>Equity Based Value per share with revaluation surplus</b>	<b>36.95</b>
<b>D</b>	<b>Equity Based Value per share without revaluation surplus</b>	<b>30.49</b>

## FINANCIAL HIGHLIGHTS OF THE PREVIOUS YEARS

(Amount in BDT)

Particulars	March 31, 2017	June 30, 2016	June 30, 2015 (Re-stated)	June 30, 2014 (Re-stated)	June 30, 2013	June 30, 2012 (Re-stated)
Ordinary Share Capital	1,554,800,000	1,495,000,000	1,150,000,000	937,500,000	625,000,000	500,000,000
Revaluation Surplus	1,002,844,138	1,004,201,992	1,320,273,769	1,554,346,017	1,577,722,823	1,577,722,823
Retained Earnings	2,798,815,379	2,133,252,673	1,964,421,031	1,644,197,836	1,457,014,775	1,261,893,318
Total Equity	5,744,790,025	5,020,785,173	4,823,025,308	4,136,043,853	3,659,737,598	3,339,616,141
Net Profit after Tax	785,023,488	595,136,835	367,279,904	483,764,420	279,527,667	278,293,398
Number of Shares	155,480,000	149,500,000	115,000,000	93,750,000	62,500,000	50,000,000
Face Value	10.00	10.00	10.00	10.00	10.00	10.00
NAV Per Share	36.95	33.58	41.94	44.12	58.56	66.79
EPS	Basic	5.05	3.98	3.51	5.16	4.47
	Adjusted	5.05	3.83	2.36	3.11	1.80
Dividend	Cash: Nil	Cash: 13%	Cash: 7%	Cash: Nil	Cash: Nil	Cash: Nil
	Stock: Nil	Stock: 4%	Stock: 30%	Stock: Nil	Stock: 50%	Stock: 25%

**IF THE ISSUE PRICE OF RIGHTS SHARE IS HIGHER THAN THE PAR VALUE THEREOF, JUSTIFICATION OF THE PREMIUM SHOULD BE STATED WITH REFERENCE TO- [see rule-8(g)]**

The rights issue price at Tk.20.00 each per share is justified as per the guidelines of the Bangladesh Securities and Exchange Commission (BSEC) as given in the table below:

Valuation Methods		Offer Price (Amount in BDT)
<b>Method (i)</b>	Net Asset Value per Share with Revaluation Surplus	<b>36.95</b>
	Net Asset Value (NAV) Per Share without Revaluation Surplus	<b>30.49</b>
<b>Method (ii)</b>	Historical Earnings Based Value per Share	<b>51.69</b>
<b>Method (iii)</b>	Average Market Price per Share	<b>138.13</b>

**Method (i): Net Assets Value per share**

Particulars		As on March 31, 2017 (Amount in BDT)
A	<b>Non-Current Assets:</b>	
	Property, Plant and Equipment	2,626,270,239
	Construction WIP	-
	<b>Total Non-Current Assets</b>	<b>2,626,270,239</b>
	<b>Current Assets</b>	
	Inventories	1,242,647,909
	Accounts Receivable	15,162,172,293
	Investment in Shares	465,332,472
	Advances, Deposits and Prepayments	923,046,707
	Cash and Cash Equivalents	1,632,438,664
	<b>Total Current Assets</b>	<b>19,425,638,045</b>
	<b>Non-Current Assets Held for Sale</b>	<b>53,223,916</b>
	<b>Total Assets</b>	<b>22,105,132,200</b>
B	<b>Non-Current Liabilities</b>	
	Deferred Tax Liability	201,929,420
	Security Deposits (Dealer)	14,895,000
	Long Term Loans	503,554,634
	Leasehold Obligations	5,726,117,890
	<b>Total Non-Current Liabilities</b>	<b>6,446,496,944</b>
	<b>Current Liabilities</b>	
	Current Portion of Long Term Loans	159,428,168
	Current Portion of Leasehold Obligations	4,764,002,109
	Accounts & Others Payable	82,148,625
	Inter Company Current Account	2,656,506
	Unclaimed Dividend	1,919,400
	Uncollected IPO Subscription	67,787,515
	Advance Against Sales	4,076,667,402
	Short Term Bank Loan and Credits	681,306,142
	Provision for Income Tax	77,929,364
	Accrued Expenses	159,428,168
	<b>Total Current Liabilities</b>	<b>9,913,845,231</b>
	<b>Total Liabilities</b>	<b>16,360,342,175</b>
C=(A-B)	<b>Net Asset with Revaluation Surplus</b>	<b>5,744,790,025</b>
D	<b>Revaluation Surplus</b>	<b>1,002,844,138</b>
E=(C-D)	<b>Net Asset without Revaluation Surplus</b>	<b>4,741,945,887</b>
F	<b>Total Number of Share</b>	<b>155,480,000</b>
G=(C/F)	<b>Net Asset Value (NAV) Per Share with Revaluation Surplus</b>	<b>36.95</b>
G=(E/F)	<b>Net Asset Value (NAV) Per Share without Revaluation Surplus</b>	<b>30.49</b>

NAV is also equivalent to the Equity Based Value per share which is depicted below:

Sl. No.	Particulars	As on March 31, 2017 (Amount in BDT)
A	Ordinary Share Capital	1,554,800,000
	Share Premium	388,330,508
	Revaluation Surplus	1,002,844,138
	Retained Earnings	2,798,815,379
	<b>Total Shareholders' Equity</b>	<b>5,744,790,025</b>
B	<b>Total Number of Shares</b>	<b>155,480,000</b>
C	<b>Equity Based Value per share with revaluation surplus</b>	<b>36.95</b>
D	<b>Equity Based Value per share without revaluation surplus</b>	<b>30.49</b>

**Method (ii): Historical Earnings Based Value per Share**

Year	No. of Share	Net Profit after tax	Weight of No. of Shares	Weighted Average of Net Profit after tax
31 March 2017	155,480,000	785,023,488	0.2483	194,905,149.73
30 Jun 2016	149,500,000	595,136,835	0.2387	142,077,123.15
30 Jun 2015	115,000,000	367,279,904	0.1836	67,446,767.10
30 Jun 2014	93,750,000	483,764,420	0.1497	72,422,136.24
30 Jun 2013	62,500,000	279,527,667	0.0998	27,897,863.70
30 Jun 2012	50,000,000	278,293,398	0.0798	22,219,743.39
	<b>626,230,000</b>	<b>2,789,025,712</b>	<b>1.0000</b>	<b>526,968,783.31</b>
<b>Total Number of Share</b>				<b>155,480,000</b>
<b>Weighted Average Earnings per Share (EPS)</b>				<b>3.3893</b>
<b>Market PE (As per DSE Monthly Review May 2017)</b>				<b>15.25</b>
<b>Earnings Based Value per Share</b>				<b>51.69</b>

**Method (iii): Average Market Price per Share**

(Amount in BDT)

Date	Market Performance	
	Face Value	Price
Market price per shares as on August 31, 2017	10.00	157.50
Market price per shares as on July 31, 2017	10.00	148.40
Market price per shares as on June 29, 2017	10.00	134.90
Market price per shares as on May 31, 2017	10.00	135.70
Market price per shares as on April 30, 2017	10.00	124.00
Market price per shares as on March 30, 2017	10.00	128.30
<b>Average Market Price per Share</b>	<b>10.00</b>	<b>138.13</b>

(Source: DSE Monthly Review)

**Independent Auditors' Report**  
**To the Shareholders of IFAD Autos Limited**

We have audited the accompanying financial statements of **IFAD Autos Limited** which comprises the Statement of Financial Position as at March 31, 2017 along with Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the period then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), Companies Act 1994, The Securities & Exchange Rules 1987 and other applicable rules and regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing, those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of **IFAD Autos Limited** as of March 31, 2017 and of its financial performance for the period then ended in accordance with Bangladesh Financial Reporting Standards and comply with the Companies Act 1994, The Securities & Exchange Rules 1987 and other applicable laws and regulations.

**We also report on other legal and regulatory requirements**

We also report that;

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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;
- c) the company's Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income and Statement of Cash Flows dealt with by the report are in agreement with the books of accounts;
- d) the expenditures incurred were for the purpose of the company's business.

Place: Dhaka;  
Dated: July 11, 2017

Sd/-  
**Ahmed Zaker & Co.**  
Chartered Accountants

**IFAD Autos Limited**  
**Statement of Financial Position**  
As at March 31, 2017

Particulars	Notes	Amount in Taka	
		March 31, 2017	June 30, 2016
<b>Assets:</b>			
<b>Non-Current Assets:</b>		<b>2,626,270,239</b>	<b>2,491,899,293</b>
Property, Plant and Equipment	4.00	2,626,270,239	2,461,762,232
Construction WIP	5.00	-	30,137,061
<b>Current Assets:</b>		<b>19,425,638,045</b>	<b>16,677,706,757</b>
Inventories	6.00	1,242,647,909	954,286,529
Accounts Receivable	7.00	15,162,172,293	12,913,400,516
Investment in Shares	8.00	465,332,472	422,560,958
Advances, Deposits and Prepayments	9.00	923,046,707	816,670,626
Cash & Cash Equivalents	10.00	1,632,438,664	1,570,788,128
<b>Non-Current Assets Held for Sale</b>	11.00	<b>53,223,916</b>	<b>53,223,916</b>
<b>Total Assets:</b>		<b>22,105,132,200</b>	<b>19,222,829,965</b>
<b>Shareholders Equity &amp; Liabilities:</b>			
<b>Equity attributable to the Shareholders</b>		<b>5,744,790,025</b>	<b>5,020,785,173</b>
Ordinary Share Capital	12.00	1,554,800,000	1,495,000,000
Share Premium	13.00	388,330,508	388,330,508
Revaluation Surplus	14.00	1,002,844,137	1,004,201,992
Retained Earnings	15.00	2,798,815,379	2,133,252,673
<b>Liabilities:</b>			
<b>Non Current Liabilities</b>		<b>6,446,496,944</b>	<b>6,252,027,631</b>
Deferred Tax Liability	16.00	201,929,420	194,862,822
Security Deposits	17.00	14,895,000	14,925,000
Long Term Loans	18.00	503,554,634	303,908,351
Leasehold Obligations	19.00	5,726,117,890	5,738,331,458
<b>Current Liabilities</b>		<b>9,913,845,231</b>	<b>7,950,017,161</b>
Current Portion of Long Term Loans	20.00	159,428,168	183,865,403
Current Portion of Leasehold Obligation	21.00	4,764,002,109	3,582,767,780
Accounts & Others Payable	22.00	82,148,625	22,118,437
Unclaimed Dividend	23.00	2,656,506	345,871
Uncollected IPO Subscription	24.00	1,919,400	1,919,400
Advance Against Sales	25.00	67,787,515	70,720,655
Short Term Bank Loan and Credits	26.00	4,076,667,402	3,612,926,099
Provision for Income Tax	27.00	681,306,142	422,109,351
Accrued Expenses	28.00	77,929,364	53,244,165
<b>Total Liabilities:</b>		<b>16,360,342,175</b>	<b>14,202,044,792</b>
<b>Total Equity and Liabilities:</b>		<b>22,105,132,200</b>	<b>19,222,829,965</b>
<b>Net Assets Value Per Share (NAVPS)</b>		<b>36.95</b>	<b>33.58</b>

The annexed notes (1-47) form an integral part of these financial statements.

Sd/- <b>Chairman</b>	Sd/- <b>Managing Director</b>	Sd/- <b>Director</b>	Sd/- <b>CFO</b>	Sd/- <b>Company Secretary</b>
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Signed as per our separate report on same date.

Place : Dhaka  
Dated: July 11, 2017

Sd/-  
**Ahmed Zaker & Co.**  
Chartered Accountants

# IFAD AUTOS LIMITED

## STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME For the period ended March 31, 2017

Particulars	Notes	Amount in Taka			
		July 01, 2016 to March 31, 2017	July 01, 2015 to March 31, 2016	January 01, 2017 to March 31, 2017	January 01, 2016 to March 31, 2016
			Re-stated		Re-stated
Sales Revenue	29.00	7,706,949,188	5,609,089,408	2,786,347,243	1,518,572,921
Less: Cost of Sales	30.00	6,326,652,864	4,607,558,000	2,285,298,350	1,246,228,586
<b>Gross Profit</b>		<b>1,380,296,324</b>	<b>1,001,531,408</b>	<b>501,048,893</b>	<b>272,344,335</b>
Less: Administrative Expenses	31.00	186,567,994	149,722,022	60,348,632	50,232,531
Less: Distribution Expenses	32.00	99,670,523	80,511,184	35,237,563	27,148,444
<b>Operating Profit</b>		<b>1,094,057,807</b>	<b>771,298,202</b>	<b>405,462,698</b>	<b>194,963,360</b>
Add: Other Income	33.00	80,538,783	87,663,456	49,416,017	40,240,211
Less: Financial Expenses	34.00	70,270,120	71,468,948	25,059,379	21,818,597
Add: Share of profit of Associate Company		-	451,001	-	(401,797)
<b>Profit Before WPPF and Income Tax</b>		<b>1,104,326,470</b>	<b>787,943,711</b>	<b>429,819,336</b>	<b>212,983,177</b>
Less: Workers Profit Participation Fund		52,586,974	37,499,653	20,467,587	10,161,189
<b>Profit Before Income Tax</b>		<b>1,051,739,496</b>	<b>750,444,058</b>	<b>409,351,749</b>	<b>202,821,988</b>
Less: Income Tax Expenses	35.00	266,716,008	189,068,252	96,633,629	53,015,064
Current tax		259,196,791	186,260,839	93,570,580	51,925,092
Deferred tax		7,519,217	2,807,413	3,063,049	1,089,972
<b>Profit after tax for the period</b>		<b>785,023,488</b>	<b>561,375,806</b>	<b>312,718,120</b>	<b>149,806,924</b>
Other Comprehensive Income/(Loss)	36.00	10,881,870	(11,489,170)	(3,484,242)	(9,931,521)
<b>Total Comprehensive income for the period</b>		<b>795,905,358</b>	<b>549,886,636</b>	<b>309,233,878</b>	<b>139,875,403</b>
<b>Basic Earning Per Share</b>	37.00	<b>5.05</b>	<b>3.61</b>	<b>2.01</b>	<b>0.96</b>

The annexed notes (1-47) form an integral part of these financial statements.

Sd/-  
Chairman

Sd/-  
Managing Director

Sd/-  
Director

Sd/-  
CFO

Sd/-  
Company Secretary

Signed as per our separate report on same date.

Place : Dhaka  
Dated: July 11, 2017

Sd/-  
**Ahmed Zaker & Co.**  
Chartered Accountants

**IFAD Autos Limited**  
**Statement of Changes in Equity**  
for the period ended March 31, 2017

Particulars	Amount in Taka				
	Share Capital	Share Premium	Revaluation Surplus	Retained Earnings	Total
Balance as on July 01, 2016	1,495,000,000	388,330,508	1,004,201,992	2,133,252,673	5,020,785,173
Stock dividend	59,800,000	-	-	(59,800,000)	-
Cash dividend	-	-	-	(72,353,125)	(72,353,125)
Depreciation on revaluated property, plant & equipment	-	-	(1,810,473)	1,810,473	-
Deferred tax on revaluation	-	-	452,617	-	452,617
Total comprehensive income during the period	-	-	-	795,905,358	795,905,358
<b>Balance as on March 31, 2017</b>	<b>1,554,800,000</b>	<b>388,330,508</b>	<b>1,002,844,137</b>	<b>2,798,815,379</b>	<b>5,744,790,023</b>

**IFAD Autos Limited**  
**Statement of Changes in Equity**  
For the period ended March 31, 2016

Particulars	Amount in Taka					Re-Styled
	Share Capital	Share Premium	Revaluation Surplus	Retained Earnings	Total	
Balance as on July 01, 2015	1,150,000,000	388,330,508	1,551,640,198	1,970,941,688	5,060,912,394	
Excess depreciation on revaluation surplus transfer from revaluation surplus upto 2015	-	-	6,520,657	(6,520,657)	-	
According to BAS 8: change of accounting policy due to change of finance act 2016-2017	-	-	(238,563,541)	-	(238,563,541)	
Deferred tax revaluation	-	-	676,455	-	676,455	
<b>Opening Balance-restated</b>	<b>1,150,000,000</b>	<b>388,330,508</b>	<b>1,320,273,769</b>	<b>1,964,421,031</b>	<b>4,823,025,308</b>	
Stock dividend	345,000,000	-	-	(345,000,000)	-	
Cash dividend	-	-	-	(80,500,000)	(80,500,000)	
Depreciation on revaluated property, plant & equipment transferred to retained earnings	-	-	(1,927,896)	1,927,896	-	
Deferred tax on revaluation	-	-	481,974	-	481,974	
Total comprehensive income during the period	-	-	-	549,886,636	549,886,636	
<b>Balance as on March 31, 2016</b>	<b>1,495,000,000</b>	<b>388,330,508</b>	<b>1,318,827,847</b>	<b>2,090,735,563</b>	<b>5,292,893,918</b>	

Sd/-  
Chairman

Sd/-  
Managing Director

Sd/-  
Director

Sd/-  
CFO

Sd/-  
Company Secretary

Signed as per our separate report on same date.

Place: Dhaka  
Dated: July 11, 2017

Sd/-  
**Ahmed Zaker & Co.**  
Chartered Accountants



# IFAD AUTOS LIMITED

## STATEMENT OF CASH FLOWS for the period ended March 31, 2017

Particulars	Note	Amount in Taka	
		July 01, 2016 to March 31, 2017	July 01, 2015 to March 31, 2016
<b>Cash Flow from Operating Activities:</b>			
Cash receipts from customers and others	39.00	5,543,749,418	4,002,843,363
Cash payment to suppliers and employees	40.00	(6,754,917,305)	(5,121,962,676)
Cash generated from operations		<b>(1,211,167,887)</b>	<b>(1,119,119,313)</b>
Financial expenses	41.00	(70,270,120)	(71,468,948)
Income tax paid during the period	42.00	(265,983,622)	(167,382,439)
<b>Net cash used by operating activities: (A)</b>		<b>(1,547,421,629)</b>	<b>(1,357,970,700)</b>
<b>Cash Flow from Investing Activities:</b>			
Purchase of property, plant and equipment	43.00	(97,189,206)	(83,238,972)
Construction WIP		-	(277,240,836)
Investment in shares		(31,889,644)	6,721,541
Investment in flat purchases		-	(2,197,920)
Dividend income		6,684,622	2,292,811
Realized gain/(loss) on investment ir		(14,650,986)	(4,359,615)
<b>Net cash used by investing activities: (B)</b>		<b>(137,045,214)</b>	<b>(358,022,991)</b>
<b>Cash Flow from Financing Activities:</b>			
Long term bank Loan (paid)/received-Net		175,209,047	295,786,674
Leasehold obligation (paid)/received -Net		1,177,239,519	141,701,784
Security deposit (paid)/received		(30,000)	(160,000)
Uncollected IPO subscription		-	(2,853,700)
Dividend paid		(70,042,490)	(79,934,840)
Short term bank loan (paid)/received-Net		463,741,303	1,044,385,666
<b>Net cash provided to financing activities: (C)</b>		<b>1,746,117,379</b>	<b>1,398,925,584</b>
<b>Net Cash inflow/ outflow( A+B+C)</b>		<b>61,650,536</b>	<b>(317,068,107)</b>
Cash & cash equivalents at the beginning of the period		1,570,788,128	1,527,551,344
<b>Closing cash &amp; cash equivalents at the end of the period</b>		<b>1,632,438,664</b>	<b>1,210,483,237</b>
<b>Net Operating Cash Flow per Share</b>		<b>(9.95)</b>	<b>(9.08)</b>

Sd/-  
Chairman

Sd/-  
Managing Director

Sd/-  
Director

Sd/-  
CFO

Sd/-  
Company Secretary

Signed as per our separate report on same date.

Place : Dhaka  
Dated: July 11, 2017

Sd/-  
**Ahmed Zaker & Co.**  
Chartered Accountants

## Notes to the Financial Statements for the period ended March 31, 2017

### 1.00 Reporting Entity

#### 1.01 Formation and Legal Status

Ifad Autos Limited (hereinafter referred to as "The Company") was incorporated on February 17, 1988, vide Registration No. C-17301 (101) of 1988 as a Private Limited Company in Bangladesh under the Companies Act, 1913. The Company was converted into a Public Limited Company on September 30, 2011. The Company floated its share to the public through IPO in December 2014 and the Company listed in Dhaka Stock Exchange on January 18, 2015 & Chittagong Stock Exchange on January 17, 2015. The registered office and principal place of business of the company is located at Sonartori Tower (13th-18th Floor), 12 Biponon C/A.Sonargaon Road, Dhaka-1000, Bangladesh.

#### 1.02 Nature of Business

The Company carries out the business of dealings in vehicles with different sectors of Bangladesh. The company imports different models of Ashok Leyland's Indian Vehicles to promote in Bangladesh. The company also deals in Farmtrac brand agri machineries and the related spares imported from Escorts Limited and market the same in Bangladesh.

#### 1.03 Number of Employee

The Company had 847 permanent employee as at March 31, 2017 and a varying number of seasonal and temporary workers as required which was 07 as at March 31, 2017. All the permanent employees received salary & allowances in excess of Tk, 36,000 per annum.

### 2.00 Significant Accounting Policies and Disclosures

#### 2.01 Basis of Accounting

This comprises Statement of Financial Position, Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flow and explanatory notes covering accounting policies. This is prepared under the historical cost convention and in accordance with the requirements of the Companies Act, 1994 and the Bangladesh Accounting Standards (BASs), Bangladesh Financial Reporting Standards (BFRSs) as applicable to this Company. The Board of Directors is responsible for preparing and presenting the financial statements including adequate disclosures, which approved and authorized for issue of this financial statements.

#### 2.02 Statement on Compliance with local Laws and Regulations

The financial statements have been prepared in compliance with the requirements of the Companies Act 1994; The Securities and Exchange Rules 1987; The Securities and Exchange Ordinance 1969; The Income Tax ordinance 1984; The Income Tax Rules 1984; The Value Added Tax Act 1991 and The Value Added Tax Rules 1991.

#### 2.03 Statement on Compliance of Bangladesh Accounting Standards

The financial statements have been prepared in accordance with the requirements applicable in Bangladesh. The Bangladesh Accounting Standard (BASs) and Bangladesh Financial Reporting Standard (BFRSs) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) based on International Accounting Standards (IASs) and International Financial Reporting Standards (IFRSs).

The following BAS is applicable to the financial statements for the year under review:

Name of the accounting standards	Ref. No.	Status of Application
Presentation of Financial Statements	BAS 1	Applied
Inventories	BAS 2	Applied
Statement of Cash Flows	BAS 7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	BAS 8	Applied
Events after the Reporting Period	BAS 10	Applied
Income Taxes	BAS 12	Applied
Property, Plant and Equipment	BAS 16	Applied
Leases	BAS 17	Applied
Revenue	BAS 18	Applied
Employee Benefits	BAS 19	Applied
The Effects of Changes in Foreign Exchange Rates	BAS 21	Applied
Borrowing Costs	BAS 23	Applied
Related Party Disclosures	BAS 24	Applied
Investment in Associates and Joint Ventures	BAS 28	Applied

Financial Instruments: Presentation	BAS 32	Applied
Earnings per Share	BAS 33	Applied
Interim Financial Reporting	BAS 34	Applied
Impairment of Assets	BAS 36	Applied
Provisions, Contingent Liabilities and Contingent Assets	BAS 37	Applied
Financial Instrument: Recognition & Measurement	BAS 39	Applied
First Time Adoption of International Financial Reporting Standards	BFRS 1	Applied
Non-current Assets Held for sale and Discontinued Operatins	BFRS 5	Applied
Financial Instruments: Disclosure	BFRS 7	Applied

## 2.04 Structure Contents and Presentation of Financial Statements

Being the general purpose of financial statements the presentation of these financial statements is in accordance with the guidelines provided by BAS-1: “**Presentation of Financial Statements**” A complete set of financial statements comprise:

- i) Statement of Financial Position as at March 31, 2017.
- ii) Statement of Profit or Loss and other Comprehensive Income for the period ended March 31, 2017.
- iii) Statement of Changes in Equity for the period ended March 31, 2017.
- iv) Statement of Cash Flows for the period ended March 31, 2017.
- v) Notes comprising a summary of significant accounting policies and other explanatory information.

## 2.05 Reporting Period

The Financial period of the company covers 09 months from July 01, 2016 to March 31, 2017.

## 2.06 Reporting Currency

The Financial Statements has been prepared and presented in Bangladesh Currency (Taka), which is the company's functional currency.

## 2.07 Comparative Information

Financial Statement are presented as per BAS-1 “Presentation of Financial Statements” and Comparative figures are presented for the statement of Financial Position as at March 31, 2017 and for the statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and statements of Cash Flows for the period ended March 31, 2017 as per BAS-34.

Previous periods figure has been re-arranged whenever considered necessary to ensure comparability with the current year presentation as per BAS-8: “Accounting Policies, Changes in Accounting Estimates and Errors” referred to Note: 44 (C)

## 2.08 Risk and uncertainty for use of estimates (Provisions)

The Preparation of Financial Statements in conformity with Bangladesh Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of revenue and expenses, assets and liabilities and disclosure requirements for contingent assets and liabilities during and the date of the Financial Statements. Due to inherent uncertainty involved in making estimates, actual result reported could differ from those estimates.

In accordance with the guidelines in **BAS-37 “Provisions, Contingent Liabilities and Contingent Assets”**, provisions are recognized in the following situations:

- When the company has an obligation as a result of past events
- When it is probable that an outflow of resources embodying economic benefits with be required to settle the obligation
- Reliable estimate can be made of the amount of the operation.

## 2.09 Accruals & Deferrals

Deferrals and accruals have been made as per the guidance in **BAS-I “Presentation of Financial Statements”**. In order to meet their objectives, Financial Statements, except for the Statement of Cash Flows and related information, are prepared on accrual basis of accounting. Under the basis the effects of transactions and other events are recognized when they occur (and not when cash or its equivalent is received or paid) and they are recorded in the accounting records and reported in the Financial Statements of the years to which they relate.

Other payable are not interest bearing and are stated at their nominal value.

## 2.10 Going Concern

As per **BAS-1** a company is required to make assessment at the end of each year to assess its capability to continue as going concern. Management of the Company makes such assessment each year. The company has adequate resources to continue in operation for the foreseeable future and has wide coverage of its liabilities. For this reason the Directors continue to adopt the going concern assumption while the financial statements are prepared.

## **2.11 Financial Instruments**

Non-derivative financial instruments comprise accounts and other receivables, cash and cash equivalents, borrowing and other payables and are shown at transaction cost.

## **2.12 Impairment**

### **I) Financial Assets**

Accounts receivable and others receivables are assessed at each reporting date to determine whether there is any objective evidence of impairment. Financial assets are impaired if objective indicates that a loss event has occurred after the initial recognition of the asset and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Objective evidence that financial assets are impaired can include default of delinquency by a debtor, indicates that a debtor of issuer will enter bankruptcy etc.

### **II) Non-Financial assets**

An asset is impaired when its carrying amount exceeds its recoverable amount. The company assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. The recoverable amount of an asset is the higher of its fair value less cost to sell and its value in use. Carrying amount of the assets is reduced to its recoverable amount by recognizing an impaired loss is recognized immediately in statement of comprehensive income unless the asset is carried at revalued amount. Any impaired loss of a revalued asset treated as a revaluation decrease. During the period no impaired loss occurred to recognize in the Financial Statements.

## **2.13 Cash and Cash Equivalents and Statement of Cash Flows**

Cash and cash equivalents comprise cash in hand and in current account that readily convertible to known amount of cash and that are not subject to significant risk of change in value.

The Statement of cash flows is prepared using the Direct Method as stipulated in Bangladesh Accounting Standards **BAS-7 "Statement of cash flows"**.

## **2.14 Related Party Disclosures**

The Company in normal course of business carried out a number of transactions with directors/entities that fall within the definition of related party contained in Bangladesh Accounting Standard 24: Related Party Disclosures. The disclosure relating to related parties have been shown in note: 46.

## **2.15 Events after the Reporting Period**

In compliance with the requirements of **BAS 10**; Adjusting Events after the reporting period, "Post Balance Events" that provide additional information about the company's position at the balance date are reflected in the financial statements and events after the balance sheet date that are not adjusting events are disclosed in the notes when material.

### **Date of Authorization**

The Board of Director has authorized these Financial Statements as on July 11, 2017.

## **2.16 Revenue Recognition**

In compliance with the requirements of **BAS-18 "Revenue"**, 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 consideration received or receivable excluding, Vat, discounts, commissions, rebates and other sales taxes where applicable.

Revenue from the sale of goods is recognized when the following conditions are satisfied:

- a) the entity has transferred to the buyer the significant risks and rewards of ownership of the goods
- b) the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold
- c) the amount of revenue can be measured reliably
- d) it is probable that the economic benefits associated with the transaction will flow to the entity
- e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

## 2.17 Property, Plant and Equipment

### 2.17.01 Recognition and Measurement

Property, Plant and Equipment (including assets acquired under finance lease) are capitalized at cost of acquisition and subsequently stated at cost /revalued amount less depreciation in compliance with the requirements of **BAS-16 "Property, Plant and Equipment"**. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties non-refundable taxes and un-allocated expenditures etc. The land and land developments and building have been revalued by an independent valuer to reflect fair value (prevailing market price) thereof following "Current Cost Method". The Company has adopted "Revaluation Model" for stating property, plant & equipment.

### 2.17.02 Subsequent Expenditure

The Company recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred, it is probable that the future economic benefits embodied with the item will flow to company and the cost of the item can be measured reliably. Expenditure incurred after the assets have been put into operation, such as repairs and maintenance is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the 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. All other cost are recognized to the profit and loss account as expenses if incurred. all up-gradation/enhancement are generally charged off as revenue expenditure unless they bring similar significant additional benefits.

### 2.17.03 Disposal of Property, Plant and Equipment

On disposal of Property, Plant and Equipment, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the statement of profit or loss and other comprehensive income statement, which is determined with reference to the net book value of the assets and net sale proceeds.

### 2.17.04 Depreciation of Property, Plant and Equipment

Depreciation is provided to amortize the cost or valuation of the assets after commissioning, over the year of their expected useful lives, in accordance with the provisions of **BAS-16 "Property, Plant and Equipment"**. Depreciation is provided on all fixed assets except Land & Land development from the date when the related assets are available for use over the periods appropriate to the estimated useful lives of the different types of assets at the following rates on reducing balance basis:

Particular of Assets	Rate of Depreciation
Land & Land Developments	0%
Buildings & Civil Construction	5%
Flat	2%
Tools & Equipment	10%
Furniture & Fixtures	10%
Office Equipment	10%
Electric Equipment	10%
Motor Vehicles	10%

The fair value of the property, plant and equipment on 31.03.2017 is not materially differing with the carrying amount except the revaluation made as follows:

#### Revaluation of Property, Plant and Equipment

The Company made revaluation of its land and land developments and buildings on June 30,2016 to reflect fair value of the property in terms of the prevailing market price of the properties.

Particulars of the assets	Name of the Valuer	Qualification of the Valuer	Date of revaluation	Carrying amount of assets	Value of assets after revaluation	Revaluation Surplus
Land and land developments	Mahfel Hoq & Co.	Chartered Accountants	June 30,2016	711,701,943	1,841,566,386	1,129,864,443
Buildings & civil construction	Mahfel Hoq & Co.	Chartered Accountants	June 30,2016	393,225,600	442,113,434	48,887,834
Flat	Mahfel Hoq & Co.	Chartered Accountants	June 30,2016	22,733,680	22,733,680	-
<b>Total</b>				<b>1,127,661,223</b>	<b>2,306,413,500</b>	<b>1,178,752,277</b>

## **2.18 Inventories**

Inventories are valued at the lower of cost and net realizable value as per **BAS-2** Initial costs of inventories consist of purchase price cost of conversion import duties and other non-refundable taxes and other costs incurred in bringing the inventories to their present location and condition Subsequent cost of inventory is assigned by using FIFO (First In First Out) cost formula. Net realizable value is based on estimated selling price less estimated cost for completion and selling expenses.

## **2.19 Receivables**

Trade Receivables are stated their real value and consider good. No provision has been made for doubtful debts and no amount was written off as bad.

## **2.20 Advances, Deposits and Prepayments**

Advances are initially measured at cost. After initial recognition advances are carried at cost less deductions or adjustments. Deposits are measured at payment value. Prepayments are initially measured at cost. After initial recognition prepayments are carried at cost less charges to the statement of Profit or Loss and other Comprehensive Income.

## **2.21 Provision for Taxation**

### **Current Tax**

Provision is made for current tax on business income @ 25% or advance income tax deducted at source under section 53 of the income tax ordinance 1984 at 5% of the import value whichever is higher, except for dividend at 20%, capital gain on shares at 10 %, capital gain on sale of land at 15% and interest income at 25% thereof as per the income tax ordinance, 1984.

### **Deferred Tax**

Deferred tax liabilities are the amount of income taxes payable in future years in respect of taxable temporary differences. Deferred tax assets are the amount of income taxes recoverable in future years in respect of deductible temporary differences. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or subsequently enacted at the financial statement date.

Prior to the current year as the tax deducted at source under section 53 was the final settlement as per section 82C of ITO 1984, no deferred tax asset or liabilities recognized in the financial statements. During the year section 82C has been changed by the Finance Act 2016 from final settlement to minimum tax for which tax deducted at source shall not be considered as final settlement of tax liability rather shall be treated as minimum tax payable. Thus deferred tax has been recognized in the financial statements and no retrospective effect has been given except on the revaluation surplus in the financial statements as the company's assessment was under section 82C upto June 30, 2015

## **2.22 Earnings Per Share**

The Company calculates its earnings per share in accordance with Bangladesh Accounting Standard **BAS-33 "Earnings Per Share"** which has been reported on the face of statement of Comprehensive Income.

### **Basic Earnings per Share**

The Company present its basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company outstanding during the period.

### **Diluted Earnings Per Share**

No diluted earnings per share is required to be calculated for the period as there was no scope for dilution during the period.

## **2.23 Cash Flows from Operating Activities**

In view of the company's sales of vehicles upto 60 installments the cash received from customers falls short of cash paid to suppliers and employees, the shortfall being funded by finance from bank and financial institutions.

## **2.24 Borrowing Costs**

The borrowing cost were capitalized unless active development of related assets were interrupted or cease when the active development were cease the borrowing cost directly transferred to the expenses as per **BAS-23 "Borrowing Costs"**.

## **2.25 Non-current Assets Held for Sale and Discontinued Operations**

An entity shall classify a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. An entity shall measure a non-current asset (or disposal group) classified as held for sale at the lower of its carrying amount and fair value less costs to sell.

## **2.26 Risk Exposure**

An investment in equity shares involves a high degree of risk. The Company is operating in an industry involving both external and internal risk factors having direct as well as indirect effects on the investment by the investors. All the investors should carefully consider all of the information in these financial statements, including the risk factors, both external and internal, and management perception thereabout enumerated hereunder before making an investment decision. If any of following risks actually occurs, their business, result of operations and financial condition could suffer, the trading price of their equity shares decline, and investors may lose all or part of their investment.

### **2.26.01 Interest rate risks**

Interest rate is concerned with borrowed funds of short term & long-term maturity. Interest rate risk is the risk that the Company faces due to unfavorable movements in the interest rates. Volatility in money market & increased demand for loans /investment funds raise the rate of interest. A change in the government's policy also tends to increase the interest rate. High rate of interest enhances the cost of fund of a company. Such rise in interest rates however mostly affect companies having floating rate loans.

#### **Management perception**

IFAD Autos Limited maintains a reasonable debt/ equity ratio; and accordingly, adverse impact of interest rate fluctuation will not adversely affect the Company's performance as such interest is recoverable from the customer. The project was started with the Company's own funds and the capacity was also expanded with own funds. Additionally, the management of the Company emphasizes on equity base financing to reduce the dependency on borrowing. Therefore, management perceives that the fluctuation of interest rate on borrowing would have little impact upon the performance of the Company.

### **2.26.02 Exchange rate risks**

If exchange rate increases against local currency opportunity is created for getting more revenue against sale in local currency. On the other hand, if exchange rate goes down, margin is squeezed in local currency.

#### **Management perception**

The products of the company are sold against local currency and payments for raw materials are made mostly in foreign currency. The exchange rate of the country traditionally witnessed upward trends. If foreign exchange rate rises, it will affect the whole market of the commercial vehicles. The sales price of the commodities is adjusted for exchange fluctuation accordingly. Since, IAL has a good brand image in the market; exchange fluctuation will not affect its sales. Therefore, volatility of exchange rate will have little impact on profitability of the Company.

### **2.26.03 Industry risks**

Industry risk refers to the risk of increased competition 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. Auto industry in Bangladesh is a flourishing sector with vast local demand for its different product lines.

#### **Management perception**

IFAD Autos Limited has established its brand name in commercial vehicles market with its quality products, range of products and customer services. However, to develop an infrastructure, both public and private sector participation is required. This is the focal point of IAL's future expansion plans that would reduce industry risk.

### **2.26.04 Market and technology-related risks**

#### **Market risks**

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 to increase their customer base.

#### **Management perception**

Market for imported commercial vehicles in Bangladesh is growing at an exponential rate with growth of urbanization and incremental income level of consumers along with their preference to convenience. In spite of high growth of this market, there is scarcity of investment in this sector which creates a demand-supply enabling the Company to penetrate and capture the leading position with its unique branding and positioning strategy taking opportunity of this fast growing market.

#### **Technology-related Risks**

Technology always plays a vital role for the existence of any industrial concern, ensuring better services to the customers and minimizing the cost in various aspects. The assembling facilities of the Company are based on currently available technology. Any invention of new and more cost involving technology may cause technological obsolescence and negative operational efficiency. Any serious defects in the plant and machinery may affect production and profitability calling for additional investment for replacement.

### **Management perception**

The key to securing market share in trading of commercial vehicles is by satisfying the needs of the customers. IFAD Autos Limited utilizes its Market Research Team that is continuously working for in-depth understanding of the customer needs and preferences and accordingly, arranging its product range.

#### **2.26.05 Potential or existing government regulations risks**

The Company operates under Companies Act, 1994; Income-tax Ordinance, 1984; Income Tax Rules, 1984; Value Added Tax (VAT) Act, 1991 and Value Added Tax (VAT) Rules, 1991. Any abrupt changes of the policies made by the regulatory authorities may affect its activities.

### **Management perception**

Unless any policy change that may negatively and materially affect the industry as a whole, the business of the Company is expected not to be affected significantly. Auto industry in Bangladesh is a flourishing sector with considerable local demand for different product lines. Therefore, it is highly unlikely that the Government will initiate any fiscal measure that may have adverse effect on the growth of the industry.

#### **2.26.06 Potential changes in global or national policies**

The performance of the company may be affected by the political and economical instability, both in Bangladesh and worldwide. Any instance of political turmoil and disturbance in the country may adversely affect the economy in general.

### **Management perception**

The Company can prosper in a situation of political stability and a congenial business environment. Political turmoil and disturbance are bad for the economy and so also for this sector. The Company is always aware of all types of turmoils and if the smooth supply of material is hampered or faces any kind of disruptions, it will supply it in future and try to keep its operations smooth.

#### **2.26.07 History of non-operation, if any**

History of non operation indicates weak operational management of the Company. Non operation leads to negative cash flow, incurring of losses and bankruptcy in worst case scenario.

### **Management perception**

The Company is in business since 1988. There is no history of non operation in business of the Company till now. The Company has an independent body which is operated by its Memorandum & Articles of Association and other applicable laws and regulations of the country. The financial strength of the Company is very satisfactory. The Directors of the Board are well reputed and experienced and the operation of the company is guided by a good team of professionals. The chance of non-operation of the business of the Company is negligible.

#### **2.26.08 Operational Risks**

Operational risks refer to the possibility of plant shut down due to disruption in supply of gas, technological failure, natural calamities, human errors and other unforeseen events. Such incidences may lead to non operation, large overhauling costs and financial losses.

The core business operation of IFAD Autos Limited is directly related to assembling and maintaining the products. Country wide severe power shortage is compelling IFAD Autos Limited to utilize captive power which builds up cost. Also port congestion and inland immobility due to political instability poses a great operational risk to IFAD Autos Limited.

### **Management perception**

Bangladesh Government is meeting this challenge by opening the energy generation to private sector; and also making massive investment, which is expected to ensure availability of energy for uninterrupted operation. IFAD Autos Limited perceives that allocation of its resources properly with contingency approaches can reduce this risk factor to great extent.

#### **2.26.09 Input Cost Risks**

Input cost risk is the risk of a business when procuring materials or commodities in high global demand. Increasing demand and supply shortages create volatility in these commodity values; and therefore, the timing, quantity and price of purchase must be closely planned.

### **Management Perception**

Management of IFAD Autos Limited would hedge their exposure to input price volatility by adjusting its selling price.



#### **2.26.10 Distribution Risk**

For any company, the most crucial wing is the distribution channel. Wide distribution network and monitoring over the network is essential to make its product available to the consumer at right time and price.

##### **Management perception**

IFAD Autos Limited offers a wide range of commercial vehicles in local market. Its distribution strategy comprises of distributors for local markets and distribution network of dealers and outlets for domestic market. IFAD Autos Limited plans to eliminate distribution risk implications by smartly planning its distribution network with great flexibility.

#### **2.27 Statements of Changes in Equity**

Statement of changes in equity is prepared in accordance with **BAS-1 "Presentation of Financial Statements"**. This statement reflects information about the increase or decrease in net assets or wealth.

#### **2.28 Capital Work-in-progress**

Property, plant and equipment under construction/acquisition is accounted for as capital work-in-progress until construction/acquisition is complete and measured at cost.

#### **2.29 Workers Profit Participation Fund (WPPF)**

During 2014-2015, the Company has introduced Worker Profit Participation Fund for its employees in accordance with provisions of **Bangladesh Labour Act 2006 Sec-232(1)**.

#### **2.30 Net Asset Value per share (NAVs)**

Net Asset Value (NAVs) per share has been calculated by dividing net asset value reported in the statement of financial position by the number of ordinary shares in issue.

#### **3.00 General**

Figures appearing in the financial statements have been rounded off to the nearest Taka.

Amount in Taka	
March 31, 2017	June 30, 2016

#### 4.00 Property, Plant and Equipment : Tk. 2,626,270,239

This is made up as follows:

##### Particulars

Opening balance (Written down value)

Add: Addition during the year

Add: Revaluation surplus during the year

Less: Disposal of land

Less: Revaluation adjustment for disposal of land

**Closing Balance**

Less: Depreciation charged during the year

**Written Down Value as at March 31, 2017**

2,461,762,232	2,412,285,156
196,843,644	503,843,430
-	-
<b>2,658,605,876</b>	<b>2,916,128,586</b>
-	60,775,247
-	370,365,190
<b>2,658,605,876</b>	<b>2,484,988,149</b>
32,335,637	23,225,917
<b>2,626,270,239</b>	<b>2,461,762,232</b>

The details schedule of property, plant & equipment are shown in attached (Annexure- A).

#### 5.00 Construction WIP : Tk. 0

This is made up as follows:

##### Particulars

Opening balance

Add: Addition during the year

Less: Transferred to property, plant & equipment

**Total:**

30,137,061	46,980,785
-	293,656,276
<b>30,137,061</b>	<b>340,637,061</b>
30,137,061	310,500,000
<b>-</b>	<b>30,137,061</b>

#### 6.00 Inventories: Tk. 1,242,647,909

This is made up as follows:

##### Particulars

Vehicles March 31, 2017: 866 Nos (June 30, 2016: 656 Nos)

Raw materials

Work-in-process

Other items

**Total:**

1,205,551,517	896,015,567
15,658,826	-
17,715,434	-
3,722,132	58,270,962
<b>1,242,647,909</b>	<b>954,286,529</b>

#### 7.00 Accounts Receivable: Tk. 15,162,172,293

This is made up as follows:

##### Particulars

Dues within three months

Dues over three months but within six months

Dues over six months

**Total:**

1,811,125,708	860,267,656
1,903,640,061	931,549,577
11,447,406,524	11,121,583,283
<b>15,162,172,293</b>	<b>12,913,400,516</b>

**Classification schedule as required by schedule XI of Companies Act 1994 is as follows:**

i) Accounts receivable considered good in respect of which the company is fully secured

ii) Accounts receivable considered good in respect of which the company holds no security other than the debtor's personal security

iii) Accounts receivable considered doubtful or bad

iv) Accounts receivable due by any director or other officer of the company

v) Accounts receivable due by common management

vi) The maximum amount of receivable due by any director or other officer of the company

**Total:**

-	-
15,162,172,293	12,913,400,516
-	-
-	-
-	-
-	-
<b>15,162,172,293</b>	<b>12,913,400,516</b>

#### 8.00 Investment in Shares: Tk. 465,332,472

This is made up as follows:

##### Particulars

Bangla Industries Ltd.

Envoy Textile Ltd.

UNICAP Investment Ltd.

Prime Bank Investment Ltd.

UNICAP Securities Ltd.

Sheltech Brokerage Ltd.

Abaci Investments

Prime Islami Securities Ltd.

Ifad Salt & Chemical Ltd.

**Total:**

26,000,000	26,000,000
8,060,000	7,000,000
78,275,219	80,180,096
33,345,000	26,791,096
43,627,300	33,790,400
13,227,300	9,562,950
-	209,236,416
232,797,653	-
30,000,000	30,000,000
<b>465,332,472</b>	<b>422,560,958</b>

		Amount in Taka	
		March 31, 2017	June 30, 2016
<b>9.00 Advances, Deposits &amp; Prepayments: Tk. 923,046,707</b>			
This is made up as follows:			
<b>Particulars</b>			
Advance income tax	Note: 9.01	680,536,152	414,552,530
Advance against land & land development		21,168,059	90,685,436
Advance against house rent		30,060,737	26,193,864
Advance against salary		8,476,529	8,933,614
Advance against L/C for import		126,183,147	220,165,338
Other advances		25,613,024	15,867,027
Security deposit	Note: 9.02	31,009,059	40,272,817
<b>Total:</b>		<b>923,046,707</b>	<b>816,670,626</b>
<b>9.01 Advance Income Tax: Tk. 680,536,152</b>			
This is made up as follows:			
<b>Particulars</b>			
Advance income tax-2011-12		325,872	325,872
Advance income tax-2013-14		622,869	622,869
Advance Income tax-2014-15		170,692,804	163,948,083
Advance income tax-2015-16		255,467,806	249,655,706
Advance income tax-2016-17		253,426,801	-
<b>Total:</b>		<b>680,536,152</b>	<b>414,552,530</b>
<b>9.02 Security Deposits: Tk. 31,009,059</b>			
This is made up as follows:			
<b>Particulars</b>			
Lease deposit		28,306,799	36,525,557
Earnest money		706,500	706,500
Others security deposit		1,995,760	3,040,760
<b>Total:</b>		<b>31,009,059</b>	<b>40,272,817</b>
<b>10.00 Cash &amp; Cash Equivalents: Tk. 1,632,438,664</b>			
This is made up as follows:			
<b>Particulars</b>			
Cash in hand		33,828,981	7,844,604
Cash at bank	Note: 10.01	1,598,609,683	1,562,943,524
<b>Total:</b>		<b>1,632,438,664</b>	<b>1,570,788,128</b>
<b>10.01 Cash at Bank: Tk. 1,598,609,683</b>			
This is made up as follows:			
<b>Particulars</b>			
CD accounts	Annexure-B	214,755,341	422,361,992
STD accounts	Annexure-C	348,890,835	182,721,316
FDR accounts	Annexure-D	1,034,677,829	957,679,501
Balance with brokerage house		285,679	180,715
<b>Total:</b>		<b>1,598,609,683</b>	<b>1,562,943,524</b>
<b>11.00 Non-Current Assets Held for Sale: Tk. 53,223,916</b>			
This is made up as follows:			
<b>Particulars</b>			
<b>Carrying Amount of Land and land development:</b>		<b>113,959,743</b>	<b>113,959,743</b>
Cost		26,145,220	26,145,220
Revaluation		87,814,523	87,814,523
Fair Value of land and land development		53,223,916	53,223,916
<b>Less: Cost to sale</b>		<b>-</b>	<b>-</b>
<b>Net Fair Value</b>		<b>53,223,916</b>	<b>53,223,916</b>
<b>Non-Current assets held for sale shall be lower of carrying value and fair value less costs to sell</b>		<b>53,223,916</b>	<b>53,223,916</b>
<b>Gain/(loss) for classification of non-current assets held for sale:</b>		<b>(60,735,827)</b>	<b>(60,735,827)</b>
Gain/(Loss) recognized in statement of profit or loss		27,078,696	27,078,696
Derecognition of revaluation surplus		(87,814,523)	(87,814,523)
<b>Capital Gain Tax @ 15%</b>		<b>4,061,804</b>	<b>4,061,804</b>
<b>Post Tax Profit</b>		<b>23,016,892</b>	<b>23,016,892</b>

Amount in Taka	
March 31, 2017	June 30, 2016

## 12.00 Ordinary Share Capital: Tk. 1,554,800,000

This is made up as follows:

### Authorized Share Capital:

200,000,000 ordinary shares of Tk. 10 each

**Total:**

2,000,000,000	2,000,000,000
<b>2,000,000,000</b>	<b>2,000,000,000</b>

### Issued, Subscribed & Paid- up Capital:

Opening balance

Stock dividend

**Total:**

1,495,000,000	1,150,000,000
59,800,000	345,000,000
<b>1,554,800,000</b>	<b>1,495,000,000</b>

The aforesaid share capital is subscribed as under:

Name	No. of Shares	Holding (%)	Amount (Tk.)	Amount (Tk.)
Sponsors/Director	97,597,700	62.77%	975,977,000	938,437,500
Institution	32,521,077	20.92%	325,210,770	230,018,510
General public	25,361,223	16.31%	253,612,230	326,543,990
<b>Total:</b>	<b>155,480,000</b>	<b>100%</b>	<b>1,554,800,000</b>	<b>1,495,000,000</b>

### Classification of shares by holding:

Class by number of shares	31.03.2017			30.06.2016		
	No of Shareholder	No. of Share	Holding (%)	No of Shareholder	No. of Share	Holding (%)
0-500	4,433	739,183	0.48%	6,010	1,212,659	0.81%
501-5000	2,179	4,173,286	2.68%	3,314	6,061,833	4.05%
5001-10000	380	2,846,166	1.83%	485	3,616,167	2.42%
10001-20000	223	3,231,531	2.08%	232	3,366,318	2.25%
20001-30000	66	1,660,571	1.07%	74	1,895,203	1.27%
30001-40000	52	1,833,087	1.18%	44	1,553,740	1.04%
40001-50000	38	1,777,629	1.14%	40	1,846,412	1.24%
50001-100000	53	3,994,589	2.57%	47	3,393,296	2.27%
100001-1000000	61	17,293,030	11.12%	69	42,460,622	28.40%
Above 1000000	15	117,930,928	75.85%	4	84,093,750	56.25%
<b>Total:</b>	<b>7,500</b>	<b>155,480,000</b>	<b>100%</b>	<b>10,319</b>	<b>149,500,000</b>	<b>100%</b>

## 13.00 Share Premium: Tk. 388,330,508

This is made up as follows:

### Particulars

Opening balance

**Closing balance**

388,330,508	388,330,508
<b>388,330,508</b>	<b>388,330,508</b>

## 14.00 Revaluation Surplus: Tk. 1,002,844,137

This is made up as follows:

### Particulars

Opening Balance

**Less:** Depreciation on revaluation transfer to retained earnings

**Add/(Less):** Deferred Tax Income/(Expenses) on revaluation surplus during the period

**Less:** Derecognition/reversal of revaluation surplus for decrease in value, sale of land and non-current assets held for sale

**Closing balance:**

1,004,201,992	1,320,273,769
(1,810,473)	(1,892,048)
452,618	56,185,461
-	(370,365,190)
<b>1,002,844,137</b>	<b>1,004,201,992</b>

## 15.00 Retained Earnings: Tk. 2,798,815,379

This is made up as follows:

### Particulars

Opening Balance

**Add/(Less):** Prior year adjustment (Income Tax)

**Add:** Net Profit during the period

**Add:** Depreciation on revaluation surplus

**Less:** Stock dividend

**Less:** Cash dividend

**Closing balance:**

2133252673	1,964,421,031
-	6,534,972
795,905,358	585,904,622
1,810,473	1,892,048
(59,800,000)	(345,000,000)
(72,353,125)	(80,500,000)
<b>2,798,815,379</b>	<b>2,133,252,673</b>

Amount in Taka	
March 31, 2017	June 30, 2016

#### 16.00 Deferred Tax Liability: Tk. 201,929,420

This is made up as follows:

##### Particulars

Particulars	Carrying Amount	Tax Base	Temporary Difference	Rate of Tax	Deferred Tax (Assets) / Liabilities	Deferred Tax (Assets) / Liabilities
Property, plant & equipment cost	1,449,328,435	1,366,606,780	82,721,655	25%	20,680,414	13,161,198
<b>Sub Total (a)</b>	<b>1,449,328,435</b>	<b>1,366,606,780</b>	<b>82,721,655</b>		<b>20,680,414</b>	<b>13,161,198</b>
<b>Property, Plant &amp; Equipment Revaluation:</b>						
Land & land development	1,129,864,443	-	1,129,864,443	15%	169,479,666	169,479,666
Building & civil construction	47,077,361	-	47,077,361	25%	11,769,340	12,221,958
<b>Sub Total (b)</b>	<b>1,176,941,804</b>	<b>-</b>	<b>1,176,941,804</b>		<b>181,249,006</b>	<b>181,701,624</b>
<b>Total Deferred Tax (Assets)/Liabilities</b>	<b>2,626,270,239</b>	<b>1,366,606,780</b>	<b>1,259,663,459</b>		<b>201,929,420</b>	<b>194,862,822</b>

##### **Deferred Tax (Income)/Expenses recognized in Statement of Profit or Loss:**

Closing deferred tax liability	20,680,414	13,161,198
Opening deferred tax liability	13,161,198	-
<b>Deferred Tax (Income)/Expenses</b>	<b>7,519,217</b>	<b>13,161,198</b>

##### **Deferred Tax (Income)/Expenses recognized in Revaluation Surplus:**

Closing deferred tax liability	181,249,006	181,701,624
Opening deferred tax liability	181,701,624	237,887,086
<b>Deferred Tax (Income)/Expenses</b>	<b>(452,618)</b>	<b>(56,185,462)</b>

#### 17.00 Security Deposits: Tk. 14,925,000

This is made up as follows:

##### Particulars

Arpa Traders	50,000	50,000
Khan Motors	50,000	50,000
Land Mark Auto Mobile	100,000	100,000
M.R Enterprise	200,000	200,000
R.M Motors	50,000	50,000
Tutul Motors	20,000	20,000
Alam Transport	80,000	80,000
Eastern Paribahan	930,000	930,000
Islam Enterprise	70,000	70,000
Khan Enterprise	885,000	885,000
Khan Motors	250,000	250,000
KSK Traders	2,200,000	2,230,000
M Roshni Motors	5,000	5,000
M.R Enterprise	6,170,000	6,170,000
M.S Traders	420,000	420,000
Makshud Enterprise	110,000	110,000
Mohastan Motors	1,465,000	1,465,000
N.H Enterprise	340,000	340,000
Narail Trading Agency	10,000	10,000
Orion Motors	535,000	535,000
Others	15,000	15,000
S.S Motors	495,000	495,000
Sangram Motors	180,000	180,000
Tutul Motors	265,000	265,000
<b>Total:</b>	<b>14,895,000</b>	<b>14,925,000</b>

**18.00 Long Term Loans: Tk. 503,554,634**

This is made up as follows:

**Particulars**

Mercantile Bank Ltd, Term Loan, Satmasjid Road, Ld 1417060600  
 Shahjalal Islami Bank Ltd, Term Loan, Kawran Bazar, 400735300111 & 40073530000128  
 BRAC Bank Ltd, Term Loan, 1506600374314355 & 56  
 Prime Finance & Investment  
 Union Capital Ltd. Term Loan, CFTF2016010023  
 Premier Leasing Ltd, Term Loan, Motijheel ,2267

Amount in Taka	
March 31, 2017	June 30, 2016

154,362,389	184,171,168
-	113,804,451
150,458,333	-
190,527,961	-
41,773,218	46,974,020
125,860,901	142,824,115
<b>662,982,802</b>	<b>487,773,754</b>
Less: Current portion of long term loans transferred to current liability	159,428,168
<b>Total:</b>	<b>303,908,351</b>

Less: Current portion of long term loans transferred to current liability

Note: 20

**19.00 Leasehold Obligations: Tk. 5,738,331,458**

This is made up as follows:

**Particulars**

Bank Name	Types of A/C	Branch	Account	31.03.2017	30.06.2016
Al Arafah Islami Bank Ltd.	Lease	Mouchak	Various	747,286,679	796,219,471
Bank Asia Ltd.	Lease	Corporate Br.	Various	562,018,512	540,157,983
BFIC Ltd.	Lease	Dilkusha	Various	-	41,663,028
BIFC Ltd.	Lease	Dilkusha	Various	-	54,096,289
Brac Bank Ltd.	Lease	Head Office	Various	813,279,446	199,040,428
City Bank Ltd.	Lease	Kawranbazar	Various	198,446,446	83,411,151
Commercial Bank of Ceylon Ltd.	Lease	Motijheel Br.	Various	171,668,941	92,016,622
Dhaka Bank Ltd.	Lease	Moghobazar	Various	242,408,617	243,657,946
Dutch Bangla Bank Ltd.	Lease	Kawran Bazar	Various	229,378,947	241,976,029
Eastern Bank Ltd.	Lease	Sonargaon Road	Various	1,142,040,194	-
EXIM Bank Ltd.	Lease	Panthapath	Various	32,968,930	42,817,786
Fareast Finance & Investment Ltd.	Lease	Dilkusha	Various	-	185,809,100
First Finance Ltd.	Lease	Kawran Bazar	Various	-	207,043,430
IDLC Finance Ltd.	Lease	Dilkusha	Various	56,731,968	61,752,757
IFIC Bank Ltd.	Lease	Dhanmondi	Various	185,421,007	263,313,260
ILF Service Ltd.	Lease	Rajuk Avenue	Various	30,383,227	75,508,546
IIDFC Ltd.	Lease	Motijheel	Various	-	125,208,749
Islami Finance & Investment Ltd.	Lease	Dilkusha	Various	-	14,368,800
Jamuna Bank Ltd.	Lease	Sonargaon Road	Various	315,397,404	230,417,501
Lanka Bangla Finance Ltd.	Lease	Banani	Various	44,382,474	59,389,642
Mercantile Bank Ltd.	Lease	Satmasjid Road	Various	629,654,225	624,572,707
Modhumoti Bank Ltd.	Lease	Motijheel	Various	38,546,415	381,801,851
National Finance Ltd.	Lease	Progoti Soroni	Various	483,421,932	227,071,546
NHFI Ltd.	Lease	Corporate	Various	15,202,859	22,800,324
NCC Bank Ltd.	Lease	Dilkusha	Various	343,896,630	301,629,385
NRB Commercial Bank Ltd.	Lease	Principal	Various	272,451,063	308,299,069
One Bank Ltd.	Lease	Moghobazar	Various	677,958,894	653,796,348
Phoenix Finance & Investments Ltd.	Lease	Dilkusha	Various	-	120,566,525
PLF Service Ltd.	Lease	Purana Polton	Various	-	70,165,994
Premier Bank Ltd.	Lease	Elephant Road.	Various	429,456,614	409,014,154
Premier Leasing & Finance Ltd.	Lease	Motijheel	Various	11,569,536	34,513,445
Prime Finance & Investment Ltd.	Lease	Dilkusha	Various	-	171,480,565
Prime Bank Ltd.	Lease	Kawran Bazar	Various	409,276,606	212,837,939
Pubali Bank Ltd.	Lease	Lab. Road	Various	131,408,313	-
Shahjalal Islami Bank Ltd.	Lease	Kawran Bazar	Various	357,713,160	338,826,018
Social Islamic Bank Ltd.	Lease	Panthapath	Various	596,276,873	505,445,709
SBAC Bank Ltd.	Lease	Principal	Various	219,038,237	180,688,621
Standard Bank Ltd.	Lease	Panthapath	Various	344,477,483	301,127,233
Trust Bank Ltd.	Lease	Kawranbazar	Various	542,920,208	568,686,040
United Commercial Bank Ltd.	Lease	Foreign Exchange	Various	55,941,352	207,898,485
Uttara Bank Ltd.	Lease	Corporate Br.	Various	159,096,807	122,008,762
				<b>10,490,119,999</b>	<b>9,321,099,238</b>

Less: Current portion of Leasehold obligation transferred to current liability

Note: 21

**Total:**

4,764,002,109	3,582,767,780
<b>5,726,117,890</b>	<b>5,738,331,458</b>

**20.00 Current Portion of Long Term Loans: Tk. 159,428,168**

This is made up as follows:

**Particulars**

Mercantile Bank Ltd  
Union Capital Ltd.  
Premier Leasing Ltd  
Shahjalal Islami Bank Ltd  
Prime Finance & Investment Ltd.  
BRAC Bank Ltd.

**Total:**

Amount in Taka	
March 31, 2017	June 30, 2016

39,369,870	38,553,702
8,606,209	7,486,708
27,014,905	24,020,542
-	113,804,451
60,022,593	-
24,414,591	-
<b>159,428,168</b>	<b>183,865,403</b>

Current Portion of Long term loans is shown as current liabilities as per requirement of **BAS-1**

**Summary of Term Loan are provided below:**

Nature	Term Loan
Tenure	4-5 Years
Repayment Clause	48-60 Monthly equal installment
Interest Rate	15% - 17% P.a.
Security	First charge on all land & building

**21.00 Current Portion of Leasehold Obligation : Tk. 4,764,002,109**

This is made up as follows:

**Particulars**

Bank Name	Types of A/C	Branch	Account No.	31.03.2017	30.06.2016
Al Arafah Islami Bank Ltd.	Lease	Mouchak	Various	442,023,054	357,072,094
Bank Asia Ltd.	Lease	Corporate Br.	Various	252,978,054	221,730,028
BFIC Ltd.	Lease	Dilkusha	Various	-	9,073,408
BIFC Ltd.	Lease	Dilkusha	Various	-	12,840,879
Brac Bank Ltd.	Lease	Head Office	Various	355,089,691	71,740,694
City Bank Ltd.	Lease	Kawranbazar	Various	93,642,067	44,770,215
Commercial Bank of Ceylon Ltd.	Lease	Motijheel Br.	Various	86,425,536	36,599,402
Dhaka Bank Ltd.	Lease	Moghbar	Various	127,739,548	106,264,019
Dutch Bangla Bank Ltd.	Lease	Kawran Bazar	Various	116,294,786	111,766,078
Eastern Bank Ltd.	Lease	Sonargaon Road	Various	368,032,319	-
Export Import Bank of Bangladesh Ltd.	Lease	Panthapath	Various	12,081,955	12,059,605
Fareast Finance & Investment Ltd.	Lease	Dilkusha	Various	-	38,297,792
First Finance Ltd.	Lease	Kawran Bazar	Various	-	75,396,968
IDLC Finance Ltd.	Lease	Dilkusha	Various	25,183,741	19,379,275
IFIC Bank Ltd.	Lease	Dhanmondi	Various	95,499,859	96,035,193
ILF Service Ltd.	Lease	Rajuk Avenue	Various	9,659,377	25,902,530
IIDFC Ltd.	Lease	Motijheel	Various	-	23,307,152
Islami Finance & Investment Ltd.	Lease	Dilkusha	Various	-	14,368,800
Jamuna Bank Ltd.	Lease	Sonargaon Road	Various	134,652,401	82,956,330
Lanka Bangla Finance Ltd.	Lease	Banani	Various	14,179,019	17,014,869
Mercantile Bank Ltd.	Lease	Satmasjid Road	Various	315,126,594	233,661,715
Modhumoti Bank Ltd.	Lease	Motijheel	Various	37,278,443	152,287,290
National Finance Ltd.	Lease	Progoti Soroni	Various	98,233,271	50,105,235
NHFI Ltd.	Lease	Corporate	Various	13,932,178	10,440,226
National Credit & Commerce Bank Ltd.	Lease	Dilkusha	Various	149,319,057	103,480,452
NRB Commercial Bank Ltd.	Lease	Principal	Various	142,465,793	134,445,725
One Bank Ltd.	Lease	Moghbar	Various	305,977,358	258,093,859
Phoenix Finance & Investments Ltd.	Lease	Dilkusha	Various	-	54,087,438
PLFS Ltd.	Lease	Purana Polton	Various	-	14,833,301
Premier Bank Ltd.	Lease	Elephant Road.	Various	246,072,373	203,368,775
Premier Leasing & Finance Ltd.	Lease	Motijheel	Various	11,569,536	31,281,286
Prime Finance & Investment Ltd.	Lease	Dilkusha	Various	-	62,752,295
Prime Bank Ltd.	Lease	Kawran Bazar	Various	193,229,657	76,838,459
Pubali Bank Ltd.	Lease	Lab. Road	Various	52,496,527	-
Shahjalal Islami Bank Ltd.	Lease	Kawran Bazar	Various	197,998,476	169,508,360
Social Islamic Bank Ltd.	Lease	Panthapath	Various	284,082,096	167,672,974
SBAC Bank Ltd.	Lease	Principal	Various	100,754,663	77,485,338
Standard Bank Ltd.	Lease	Panthapath	Various	137,526,709	106,980,060
Trust Bank Ltd.	Lease	Kawranbazar	Various	227,592,867	170,028,497
United Commercial Bank Ltd.	Lease	Foreign Exchange	Various	24,513,326	67,026,118
Uttara Bank Ltd.	Lease	Corporate Br.	Various	92,351,778	61,815,046
<b>Total:</b>				<b>4,764,002,109</b>	<b>3,582,767,780</b>

Amount in Taka	
March 31, 2017	June 30, 2016

Current portion of Leasehold Obligation is shown as current liabilities as per requirement of BAS-1

#### Payment Schedule of Leasehold Obligations

##### Particulars

Within one year

More than one year & less than five year

More than five year

**Total:**

4,764,002,109	3,582,767,780
5,726,117,890	5,738,331,458
-	-
<b>10,490,119,999</b>	<b>9,321,099,238</b>

##### Summary of Leasehold Obligation are provided below:

Nature	Leasehold Obligation
Tenure	1-5 Years
Repayment Clause	12-60 monthly equal installments
Interest Rate	14%-18% p.a.

#### 22.00 Accounts & Others Payable: Tk. 82,148,625

This is made up as follows:

##### Particulars

Greenland Traders

Complant Enterprise Ltd

Other Payable

**Total:**

17,473,333	13,060,333
54,734,030	-
9,941,262	9,058,104
<b>82,148,625</b>	<b>22,118,437</b>

#### 23.00 Unclaimed Dividend: Tk. 2,656,506

This is made up as follows:

##### Particulars

Dividend payable

**Total:**

2,656,506	345,871
<b>2,656,506</b>	<b>345,871</b>

The above represents the cash dividend payable to the shareholders' against which dividend warrant already issued but not presented to bank by them for collection.

#### 24.00 Uncollected IPO Subscription: Tk. 1,919,400

This is made up as follows:

##### Particulars

Refundable fund of IPO subscribers

**Total:**

1,919,400	1,919,400
<b>1,919,400</b>	<b>1,919,400</b>

This represent the amount payable against uncollected IPO subscription for initial public offering liability as follows:

Bank Name	Account Types	Currency	Account No.	31.03.2017	30.06.2016
BRAC Bank	SND	BDT	1501202256548001	1,385,400	1,385,400
BRAC Bank	FC	USD	1501202256548002	414,000	414,000
BRAC Bank	FC	GBP	1501202256548003	96,000	96,000
BRAC Bank	FC	EURO	1501202256548004	24,000	24,000
<b>Total:</b>				<b>1,919,400</b>	<b>1,919,400</b>

#### 25.00 Advance Against Sales: Tk. 67,787,515

This is made up as follows:

##### Particulars

Advance against sale of vehicles

Advance against sale of land

**Total:**

14,563,599	17,496,739
53,223,916	53,223,916
<b>67,787,515</b>	<b>70,720,655</b>

#### 26.00 Short Term Bank Loans and Credits: Tk. 4,076,667,402

This is made up as follows:

##### Particulars

Short term bank loans and credits

**Total:**

Annexure-E	4,076,667,402	3,612,926,099
	<b>4,076,667,402</b>	<b>3,612,926,099</b>

##### Summary of short term bank loans and credits are provided below:

Purpose	Working Capital
Tenure	01 Year
Interest Rate	10% -14% p.a. subject to change by the bank from time to time as applicable for the limit.
Security	Personal guarantee of the directors of the company.



**27.00 Provision for Income Tax: Tk. 681,306,142**

This is made up as follows:

**Particulars**

Opening balance  
Add: During the year  
Less: Adjustment during the year  
**Total:**

Amount in Taka	
March 31, 2017	June 30, 2016

422,109,351	434,129,771
259,196,791	255,467,806
-	267,488,226
<b>681,306,142</b>	<b>422,109,351</b>

**28.00 Accrued Expenses: Tk. 77,929,364**

This is made up as follows:

**Particulars**

Salary & allowances  
Remuneration  
Audit fees  
Wages  
Security service charge  
Telephone, mobile & internet bill  
Electricity bill  
Office rent & others  
Provision for value added tax  
Provision for PF  
Provision for WPPF  
**Total:**

Note: 28.01

10,827,800	180,000
2,793,000	-
258,750	345,000
1,796,874	-
74,280	-
604,890	596,907
735,380	477,932
219,218	780,323
6,751,779	6,751,779
1,280,419	923,932
52,586,974	43,188,292
<b>77,929,364</b>	<b>53,244,165</b>

**28.01 Provision for WPPF: Tk. 52,586,974**

This is made up as follows:

**Particulars**

Opening balance  
Addition during the year  
  
Payment made during the year  
**Closing balance:**

43,188,292	26,696,072
52,586,974	43,188,292
<b>95,775,266</b>	<b>69,884,364</b>
43,188,292	26,696,072
<b>52,586,974</b>	<b>43,188,292</b>

Amount in Taka			
July 01, 2016 to March 31, 2017	July 01, 2015 to March 31, 2016	January 01, 2017 to March 31, 2017	January 01, 2016 to March 31, 2016

**29.00 Sales Revenue: Tk. 7,706,949,188**

This is made up as follows:

**Particulars**

Sales of Vehicles March 31, 2017: 4,273 Nos  
(March 31, 2016: 3,184 Nos)

**Total:**

7,706,949,188	5,609,089,408	2,786,347,243	1,518,572,921
<b>7,706,949,188</b>	<b>5,609,089,408</b>	<b>2,786,347,243</b>	<b>1,518,572,921</b>

**30.00 Cost of Sales: Tk. 6,326,652,864**

This is made up as follows:

**Particulars**

Cost of imported vehicles  
Raw materials  
Wages  
Indirect labour charges  
Salaries & allowances  
Repair & maintenance  
Photocopy & stationary  
Gas charge  
Servicing charge  
Warranty expenses  
Quality control expenses  
Electricity expenses  
Canteen subsidies  
Uniform expenses  
Carring & handling  
Fectory maintenance  
Entertainment  
Travelling & conveyance  
Car maintenance  
Delivery expenses  
Documantation & service charges  
Bank charges for PAD  
Security service charge  
Vehicle mobile set  
Service center Rent  
Depreciation  
Spare Parts & Tools

6,519,998,143	4,745,064,647	2,437,259,760	1,308,658,534
45,514,292	-	45,514,292	-
15,722,864	14,969,907	5,118,239	5,069,919
25,543	-	25,543	-
1,250,199	-	1,250,199	-
179,934	-	179,934	-
133,812	-	133,812	-
16,900	-	16,900	-
2,557,249	2,436,332	882,099	893,956
606,820	678,078	270,530	203,000
983,993	987,125	304,700	301,375
2,469,717	971,566	1,333,471	424,880
47,668	-	47,668	-
145,285	-	145,285	-
399,970	-	399,970	-
15,352	-	15,352	-
280,951	-	280,951	-
138,744	-	138,744	-
100,735	-	100,735	-
395,951	261,742	146,721	102,552
5,442,821	4,656,183	1,882,025	1,400,785
-	130,227	-	19,440
236,483	13,050	235,683	5,400
5,982,000	4,503,250	2,290,000	1,110,000
5,108,272	3,310,900	1,348,083	1,564,485
6,043,718	-	6,043,718	-
1,216,828	551,857	785,007	159,162
<b>6,615,014,244</b>	<b>4,778,534,864</b>	<b>2,506,149,421</b>	<b>1,319,913,488</b>
<b>Add: Opening Raw Materials</b>	-	-	-
<b>Less: Closing Raw Materials</b>	15,658,826	-	15,658,826
<b>6,599,355,418</b>	<b>4,778,534,864</b>	<b>2,490,490,595</b>	<b>1,319,913,488</b>
<b>Add: Opening Work-in-Prosess</b>	-	-	-
<b>Less: Closing Work-in-Prosess</b>	17,715,434	-	17,715,434
<b>6,581,639,984</b>	<b>4,778,534,864</b>	<b>2,472,775,161</b>	<b>1,319,913,488</b>
<b>Add: Opening Finished Goods</b>	954,286,529	835,414,619	1,021,796,838
<b>Less: Closing Finished Goods</b>	1,209,273,649	1,006,391,483	1,209,273,649
<b>Total:</b>	<b>6,326,652,864</b>	<b>4,607,558,000</b>	<b>2,285,298,350</b>

**31.00 Administrative Expenses: Tk. 186,567,994**

This is made up as follows:

**Particulars**

AGM expenses  
Conveyance  
Electricity expenses  
Entertainment  
Office stationary  
Audit fees  
Registration & fees  
Office maintenance  
Travelling expenses  
Postage expenses  
Rent, rates & taxes

811,750	546,737	139,000	84,421
2,351,276	2,336,407	760,118	785,304
2,342,846	1,977,058	840,048	656,211
3,972,400	3,936,718	1,288,480	1,271,411
1,880,362	1,804,965	655,137	619,185
258,750	258,750	86,250	86,250
827,270	381,619	360,658	178,911
12,017,555	11,911,391	4,039,617	3,965,217
6,392,930	6,581,558	2,151,488	2,205,006
1,395,474	1,292,849	429,361	410,456
22,186,494	14,086,806	9,264,608	4,364,358

Amount in Taka				
	July 01, 2016 to March 31, 2017	July 01, 2015 to March 31, 2016	January 01, 2017 to March 31, 2017	January 01, 2016 to March 31, 2016
Telephone, mobile & internet expenses	4,957,163	4,589,468	1,795,406	1,534,325
Salaries & allowances	60,216,707	47,952,618	19,562,874	16,146,936
Directors' remuneration	32,400,000	32,400,000	10,800,000	10,800,000
Vehicle insurance	2,175,897	2,178,483	759,521	811,799
Gas charge	242,442	213,028	96,971	75,730
Stamp expenses	1,410,458	1,317,665	547,447	466,735
CSR expenses	1,840,070	420,656	120,000	420,656
Provident fund expense	2,596,231	1,710,279	963,121	563,814
Depreciation	26,291,919	13,824,967	5,688,527	4,785,806
<b>Total:</b>	<b>186,567,994</b>	<b>149,722,022</b>	<b>60,348,632</b>	<b>50,232,531</b>

### 32.00 Distribution Expenses: Tk. 99,670,523

This is made up as follows:

#### Particulars

Advertisement & publicity	3,889,439	2,859,184	1,603,779	1,434,450
Inspecting charges	161,640	108,571	61,550	37,994
Marketing expenses	25,050,575	17,759,432	9,491,000	6,054,919
Entertainment	5,176,293	3,783,045	1,933,396	1,242,676
Travelling expenses	9,528,991	6,956,200	3,647,663	2,039,131
Dealers' commission	8,452,500	10,335,000	2,980,000	3,340,000
Salaries & allowances	40,146,472	31,968,412	13,041,916	10,764,624
Recovery expenses	7,264,613	6,741,340	2,478,259	2,234,650
<b>Total:</b>	<b>99,670,523</b>	<b>80,511,184</b>	<b>35,237,563</b>	<b>27,148,444</b>

### 33.00 Other Income: Tk. 80,538,783

This is made up as follows:

#### Particulars

Interest on fixed deposit	85,970,981	79,307,384	25,734,258	40,407,292
Interest on STD	1,380,950	2,029,023	206,926	172,056
Interest on CD	403,216	8,393,853	-	-
Realised gain/(loss) on investment in shares	(14,650,986)	(4,359,615)	17,914,896	(1,672,445)
Income from office rent	750,000	-	750,000	-
Dividend income	6,684,622	2,292,811	4,809,937	1,333,308
<b>Total:</b>	<b>80,538,783</b>	<b>87,663,456</b>	<b>49,416,017</b>	<b>40,240,211</b>

Note:33.01

### 33.01 Realised Gain/(Loss) on Investment in Share: Tk. (14,650,986)

This is made up as follows:

#### Particulars

Realised gain/(loss) on investment in share	(14,650,986)	(4,359,615)	17,914,896	(1,672,445)
<b>Total:</b>	<b>(14,650,986)</b>	<b>(4,359,615)</b>	<b>17,914,896</b>	<b>(1,672,445)</b>

### 34.00 Financial Expense: Tk. 70,270,120

This is made up as follows:

#### Particulars

Bank charge & commission	8,743,054	4,244,546	2,460,259	1,843,603
Interest on loans and credits	61,527,066	67,224,402	22,599,120	19,974,994
<b>Total:</b>	<b>70,270,120</b>	<b>71,468,948</b>	<b>25,059,379</b>	<b>21,818,597</b>

### 35.00 Income Tax Expenses: Tk. 266,716,008

This is made up as follows:

#### Particulars

Current tax	259,196,791	186,260,839	93,570,580	51,925,092
Deferred tax	7,519,217	2,807,413	3,063,049	1,089,972
<b>Total:</b>	<b>266,716,008</b>	<b>189,068,252</b>	<b>96,633,629</b>	<b>53,015,064</b>

Note:35.01

Note:16

### 35.01 Current tax: Tk. 259,196,791

This is made up as follows:

#### Particulars

Income tax on business income	235,733,580	163,369,712	85,935,799	41,513,593
Income tax on other income	23,463,211	22,891,127	7,634,782	10,411,499
<b>Total:</b>	<b>259,196,791</b>	<b>186,260,839</b>	<b>93,570,581</b>	<b>51,925,092</b>

Amount in Taka			
July 01, 2016 to March 31, 2017	July 01, 2015 to March 31, 2016	January 01, 2017 to March 31, 2017	January 01, 2016 to March 31, 2016

**36.00 Other Comprehensive Income/(Loss): Tk. 10,881,870**

This is made up as follows:

**Particulars**

Share of profit of associate company	-	-	-	-
Unrealised gain/(loss) on marketable securities	10,881,870	(11,489,170)	(3,484,242)	(9,931,521)
<b>Total:</b>	<b>10,881,870</b>	<b>(11,489,170)</b>	<b>(3,484,242)</b>	<b>(9,931,521)</b>

**36.01 Unrealised Gain/(Loss) on Marketable Securities: Tk. 10,881,870**

This is made up as follows:

**Particulars**

Market Value of securities as on March 31, 2017	409,332,473	122,053,229	409,332,473	122,053,229
<b>Less:</b> Cost of the securities as on March 31, 2017	<b>418,484,596</b>	<b>147,450,635</b>	<b>418,484,596</b>	<b>147,450,635</b>
<b>Fair Value Gain/(Loss) on Investment in Share As on March 31, 2017</b>	<b>(9,152,123)</b>	<b>(25,397,406)</b>	<b>(9,152,123)</b>	<b>(25,397,406)</b>
<b>Less:</b> Fair Value gain/(loss) recognised Previous period	(20,033,993)	(13,908,236)	(5,667,881)	(15,465,885)
<b>Fair value gain/(loss) on investment in share for the period</b>	<b>10,881,870</b>	<b>(11,489,170)</b>	<b>(3,484,242)</b>	<b>(9,931,521)</b>

**37.00 Basic Earning Per Share: Tk. 5.05**

This is made up as follows:

**Particulars**

Earnings attributable to the ordinary share holder	785,023,488	561,375,806	312,718,120	149,806,924
Weighted average number of ordinary shares	155,480,000	155,480,000	155,480,000	155,480,000
<b>Basic Earning Per share</b>	<b>5.05</b>	<b>3.61</b>	<b>2.01</b>	<b>0.96</b>

**37.01 Weighted Number of Ordinary Shares : Tk. 155,480,000**

This is made up as follows:

**Particulars**

149,500,000 shares for 274 days	149,500,000	149,500,000	149,500,000	149,500,000
5,980,000 bonus shares for 274 days	5,980,000	5,980,000	5,980,000	5,980,000
<b>Total:</b>	<b>155,480,000</b>	<b>155,480,000</b>	<b>155,480,000</b>	<b>155,480,000</b>

**38.00 Contingent Laibilities:**

The company is contingently liable for instalment sales receivable against lease finance to customers by banks and financial institution aggregating Tk. 1,463,704 as at March 31, 2017.

**39.00 Cash Receipts From Customers and Others : Tk. 5,543,749,418**

This is made up as follows:

**Particulars**

Sales revenue	7,706,949,188	5,609,089,408
Opening accounts receivable	12,913,400,516	10,718,842,427
Closing accounts receivable	(15,162,172,293)	(12,417,938,732)
Opening advance against sales of vehicle	(17,496,739)	(19,030,000)
Closing advance against sales of vehicle	14,563,599	22,150,000
Other income except dividend & capital gain	88,505,147	89,730,260
<b>Total:</b>	<b>5,543,749,418</b>	<b>4,002,843,363</b>

**40.00 Cash Payment to Suppliers and Employees : Tk. (6,754,917,305)**

This is made up as follows:

**Particulars**

Cost of sales	(6,326,652,864)	(4,607,558,000)
Administrative expenses	(186,567,994)	(149,722,022)
Distribution expenses	(99,670,523)	(80,511,184)
Adjustment for depreciation	32,335,637	13,824,967
(Increase)/ decrease in inventories	(288,361,380)	(170,976,864)
(Increase)/ decrease in advances, deposits and pr	81,871,406	(95,036,417)
Increase/ (decrease) in trade and other payables	60,030,188	(6,633,951)
Increase/ (decrease) in accrued expenses	15,286,517	12,171,924
Payment of WPPF	(43,188,292)	(37,521,129)
<b>Total:</b>	<b>(6,754,917,305)</b>	<b>(5,121,962,676)</b>

Amount in Taka			
July 01, 2016 to March 31, 2017	July 01, 2015 to March 31, 2016	January 01, 2017 to March 31, 2017	January 01, 2016 to March 31, 2016

**41.00 Financial Expenses paid : Tk. (70,270,120)**

This is made up as follows:

**Particulars**

Financial expenses	70,270,120	71,468,948
<b>Total:</b>	<b><u>(70,270,120)</u></b>	<b><u>(71,468,948)</u></b>

**42.00 Income Tax Paid: Tk. (265,983,622)**

This is made up as follows:

**Particulars**

Opening advance tax	(414,552,530)	(410,850,078)
Adjustment during the year	-	-
Prior year adjustment	-	-
Closing advance tax	680,536,152	578,232,517
<b>Total:</b>	<b><u>(265,983,622)</u></b>	<b><u>(167,382,439)</u></b>

**43.00 Outflow for Acquisition for Property, Plant & Equipment: Tk. (97,189,2070)**

This is made up as follows:

**Particulars**

Acquisition of property, plant & equipments	196,843,644	96,376,229
Opening advance on land & land development	(90,685,436)	(105,655,312)
Closing advance on land & land development	21,168,059	92,518,055
Transferred from capital WIP	(30,137,061)	-
<b>Total:</b>	<b><u>(97,189,206)</u></b>	<b><u>(83,238,972)</u></b>

#### 44.00 Additional disclosure

(a) The major reason for significant deviation in EPS is for increased sales which is 37.40% higher with compared to corresponding previous period.

(b) The company invested Tk. 3,00,00,000 on October 20, 2014 in the 30,00,000 ordinary shares of Tk. 10/- each which is 30.61% of the total paid up capital all. 98,000,000 of Ifad Salt & Chemical Ltd. During the year ended June 30, 2015, Share of profit of Ifad Salt & Chemical Limited from the date of acquisition accounted for under equity method as the share holding constitute Ifad Salt & Chemical Limited as the associate company as per **BAS-28**. During the year ended June 30, 2016 the paid up capital of Ifad Salt & Chemical Limited has been increased to Tk. 250,000,000 thus the share holding position of the company has been changed from 30.61% to 12.00 %. This investment is reclassified as Financial Instrument as per **BAS-39**. As there is no active market for the securities of Ifad Salt and Chemical Limited the fair value of such securities could not be determined and thus the investment has been shown at cost and the share of profit of Tk. 3,106,535 recognized earlier in the statement of profit or loss has been recognized as loss in the Statement of Profit or Loss during the year ended June 30, 2016. As the company is no more associate company as on March 31, 2017 no share of profit is recognized in the financial statements.

(c) Disclosure as per requirement of BAS-8: "Accounting Policies, Changes in Accounting Estimates and Errors"

During the year ended 30 June 2016, Deferred Taxation applied for change in taxation policy for which comparative figures has been re-stated and corrected as under:

Particulars	July 01, 2015 to March 31, 2016
Net profit before tax	750,444,058
Less: Corrected income tax provision	189,068,252
Current Tax	186,260,839
Deferred tax	2,807,413
Corrected net profit after tax	561,375,806
Outstanding number of share	155,480,000
Earning per share	3.61
Effect in the profit this period for the additional Income tax provision:	
Net Profit after tax reduced by	10,776,585
Earning per share has been reduced by	0.07

(d) The nature of IFAD Autos Limited's business of selling on installment credit sales basis out of lease/loan finance from banks/financial institutions, there is, in fact, positive net cash flow if aforesaid lease/loan finance from banks/financial institutions is considered to be part of operating activities in terms of paragraph 15 of BAS-7 "Statement of Cash Flows".

(e) IFAD Autos Limited met its obligations on time; and had no classified lease/loan finance from banks/financial institutions. Hence, such negative operating cash outflow is not a going concern threat for IFAD Autos Limited.

#### 45.00 Disclosure as per requirement of schedule XI, Part-II of Companies Act 1994

##### 45.01 Commission, Brokerage or

(a) There was no brokerage or discount against sales during

(b) No commission was paid to sales

#### 46.00 Related party disclosures

The company has entered into transaction with other entities that fall within the definition of related party as contained in BAS-24 "Related Party Disclosures" The company opinion that terms of related transaction do not significantly differ from those that could have been obtained from third parties. Total transactions of the significant related parties as at 31 March, 2017 are as follows:

##### Transaction with related company

Name of the Party	Opening Balance	Debit	Credit	Closing Balance
IFAD Salt & Chemicals Ltd.	30,000,000	-	-	30,000,000

##### (a) Key Management Personnel:

As per Company Act, 1994 part-II, Schedule-XI (4) The profit and loss account will give by way of a note detailed information, showing separately the following payments provided or made during the financial period to the directors, including managing director, the managing agents or manager, if any, by the company, subsidiaries of the company and any other person:

Particulars	July 01, 2016 to March 31, 2017	July 01, 2015 to March 31, 2016
(a) managerial remuneration paid or payable during the period to the directors, including managing directors, a managing agent or manager	39,898,150	39,090,381
(b) expenses reimbursed to Managing Agent	Nil	Nil
(c) commission or Remuneration payable separately to a managing agent or his	Nil	Nil
(d) commission received or receivable by the managing agent or his associate as selling or buying agent of other concerns in respect of contracts entered into by such concerns with the company	Nil	Nil

Particulars	July 01, 2016 to March 31, 2017	July 01, 2015 to March 31, 2016
(e) the money value of the contracts for the sale or purchase of goods and materials or supply of services, entered into by the company with the managing agent or his associate during the financial period.	Nil	Nil
(f) any other perquisite or benefits in cash or in kind stating, approximate money value where practicable.	Nil	Nil
(g) other allowances and commission including guarantee commission	Nil	Nil
(h) pensions etc.	Nil	Nil
(i) pensions	Nil	Nil
(ii) gratuities	Nil	Nil
(iii) Payments from a provident funds, in excess of own subscription and interest thereon	106,023	100,317
(iv) compensation for loss or office	Nil	Nil
(iv) consideration in connection with retirement from office	Nil	Nil

(b) An entity shall disclose key management personnel compensation in total and for each of the following categories:

**Particulars:**

(a) Short - term employee benefits;	39,898,150	39,090,381
(b) Post - employment benefits;	106,023	100,317
(c ) Other long-term benefits	Nil	Nil
(d) Termination benefits; and	Nil	Nil
(e ) Share -based payment.	Nil	Nil

**47.00 Number of Employees**

All the employee receive salary /wages in excess of tk. 3000 per month	Number of Employees
Number of permanent employee	847
Number of temporary employee	7
<b>Total:</b>	854

**IFAD Autos Limited**  
**Schedule of Property, Plant & Equipment**  
As at March 31, 2017

**Annexure-A**

Particulars	Written Down Value				Rate	Depreciation charged during the year	Written down value
	As at 01.07.2016	Addition during the year	Disposal during the year	As at 31.03.2017			
<b>Property,Plant and Equipment (written Down Value/Revaluation less Depreciation):</b>							
Land and Land Developments	711,701,943	50,803,115	-	762,505,058	-	-	762,505,058
Buildings & Civil Construction	393,225,600	66,031,966	-	459,257,566	5%	15,985,088	443,272,478
Flat	22,733,680	-	-	22,733,680	2%	339,303	22,394,377
Tools & Equipment	6,406,477	-	-	6,406,477	10%	468,574	5,937,903
Plant & Machinery	-	52,245,354	-	52,245,354	10%	2,115,312	50,130,042
Furniture & Fixtures	8,877,458	2,746,234	-	11,623,692	10%	751,194	10,872,498
Office Equipment	14,826,674	7,561,467	-	22,388,141	10%	1,315,805	21,072,336
Electric Equipment & Installation	4,465,384	13,665,508	-	18,130,892	10%	563,983	17,566,909
Motor Vehicles	120,772,739	3,790,000	-	124,562,739	10%	8,985,905	115,576,834
<b>Sub Total:</b>	<b>1,283,009,955</b>	<b>196,843,644</b>	<b>-</b>	<b>1,479,853,599</b>		<b>30,525,164</b>	<b>1,449,328,435</b>
<b>Revalued Property,Plant and Equipment</b>							
Particulars	Revaluation				Rate	Depreciation charged during the year	Written down value
	As at 01.07.2016	Addition during the year	Disposal during the year	As at 31.03.2017			
Land and Land Developments	1,129,864,443	-	-	1,129,864,443	0%	-	1,129,864,443
Buildings	48,887,834	-	-	48,887,834	5%	1,810,473	47,077,361
<b>Sub Total:</b>	<b>1,178,752,277</b>	<b>-</b>	<b>-</b>	<b>1,178,752,277</b>		<b>1,810,473</b>	<b>1,176,941,804</b>
<b>Grand Total (As at March 31, 2017)</b>	<b>2,461,762,232</b>	<b>196,843,644</b>	<b>-</b>	<b>2,658,605,876</b>		<b>32,335,637</b>	<b>2,626,270,239</b>
<b>Grand Total (As at June 30, 2016)</b>	<b>2,412,285,156</b>	<b>503,843,430</b>	<b>370,365,190</b>	<b>2,484,988,149</b>		<b>23,225,917</b>	<b>2,461,762,232</b>

Particulars	Amount
Cost of Sales	6,043,718
Administrative Expenses	26,291,919



**IFAD Autos Ltd.**  
Schedule of CD Accounts  
As at March 31, 2017

				<b>Annexure-B</b>	
<b>SL No.</b>	<b>Name of The Bank</b>	<b>Branch</b>	<b>Account No.</b>	<b>31.03.2017</b>	<b>30.06.2016</b>
1	AB Bank Ltd.	Motijheel Branch	4004-145831-000	94,931	88,633
2	AB Bank Ltd.	Kawran Bazar Branch	4002-758648-000	644,297	1,471,105
3	Al Arafah Islami Bank Ltd.	Mouchak Branch	0241020011664	280,926	1,835,825
4	Bangladesh Krishi Bank Ltd.	LPO Branch	4001-0210033445	4,690	5,265
5	Bank Al Falah Ltd	Main Branch	12026376	-	22,345
6	Bank Al Falah Ltd	Gulshan Branch	01701065	-	687,624
7	Bank Asia Ltd.	Corporate Branch	00233004553	16,097,456	7,088,025
8	BRAC Bank Ltd.	Head Office Branch	1506200374314001	249,192	39,121,532
9	BRAC Bank Ltd.	Head Office Branch	1520201854420001	2,025,837	269,217
10	BRAC Bank Ltd.	Head Office Branch	1520201854420002	-	29,217
11	BRAC Bank Ltd.( IPO)	Head Office Branch	1501202256548001	3,390,896	24,427,152
12	The City Bank Ltd	Kawran Bazar Branch	1101065556001	5,175,488	1,544,428
13	Commercial Bank of Ceylon	Motijheel Branch	18020088978897	89,713	461,125
14	Dhaka Bank Ltd	Moghobazar Branch	0217100000007402	3,041,986	43,852
15	Dutch-Bangla Bank Ltd.	Kawran Bazar Branch	1071100008237	8,682,113	5,717,250
16	Eastern Bank Ltd.	Sonargaon Road Branch	1051070006284	-	2,757,363
17	Farmers Bank Ltd.	Motijheel Branch	0111100009181	95,481	96,235
18	IFIC Bank Ltd.	Dhanmondi Branch	1006-128859-001	459,690	10,245
19	Islami Bank Bangladesh Ltd.	Head Office Branch	20502130100114302	15,643,629	4,742,637
20	Islami Bank Bangladesh Ltd.	Elephant Road Branch	20502150100132708	13,222,394	3,274,505
21	Jamuna Bank Ltd.	Sonargaon Road Branch	0012-0211001080	43,308	43,883
22	Jamuna Bank Ltd.	Sonargaon Road Branch	0002-0210003957	7,771,551	255,941,964
23	Mercantile Bank Ltd	Satmasjid Road Branch	012311100001220	17,557,943	2,924,902
24	Mutual Trust Bank Ltd.	Bashundhara City Branch	0016-0210010069	118,969	120,504
25	Mutual Trust Bank Ltd.	Mymensingh Branch	0054-0210001000	918,749	2,069,163
26	Modhumoti Bank Ltd.	Motijheel Branch	110111100000046	6,439	110,100
27	Midland Bank Ltd.	Dhanmondi Branch	0008-1050000239	269,455	270,530
28	Midland Bank Ltd.	Gulshan Branch	0011-1050000501	46,232	46,957
29	National Bank Ltd.	Kawran Bazar Branch	1048000657381	2,327,717	171,562
30	NCC Bank Ltd.	Dilkusha Branch	0028-0210006285	1,417,812	803,462
31	NCC Bank Ltd.	Tongi Branch	0080-0210006209	1,849	2,539
32	NRB Commercial Bank Ltd.	Principal Branch	010133300000118	5,115,889	2,439,077
33	One Bank Ltd.	Moghobazar Branch	0500460960002	143,594	918,444
34	One Bank Ltd.	Moghobazar Branch	0501020000884	6,296,482	4,702,830
35	The Premier Bank Ltd.	Elephant Road Branch	011411100004949	10,153,069	197,200
36	Prime Bank Ltd.	Mohakali Branch	11011080009999	19,059,042	1,821,031
37	Prime Bank Ltd.	New Eskaton Branch	12811010013915	6,625,810	5,649,776
38	Prime Bank Ltd.	Kawran Bazar Branch	11311050026266	7,951,924	2,039,904
39	Pubali Bank Ltd.	Dhaka Stadium Branch	0939901029186	1,648,259	7,855,191
40	Pubali Bank Ltd.	Principal Branch	3555901034352	71	876
41	Pubali Bank Ltd.	Laboratory Road Branch	1345901024619	71,108	593,795
42	Pubali Bank Ltd.	Nayapaltan Branch	2438901040151	2,604,095	4,344,548
43	Rupali Bank Ltd.	Local office Branch	200070166	9,553	10,151
44	State Bank of India	Gulshan Branch	05420404420201	2,909,028	10,686
45	State Bank of India	Motijheel Branch	05160292720001	1,404,909	1,316,805
46	Shahjalal Islami Bank Ltd.	Dhaka Main Branch	4001-11100000429	25,224	25,949
47	Shajalal Islami Bank Ltd.	Kawran Bazar Branch	400711100000022	24,512	966,865
48	Shajalal Islami Bank Ltd.	Uttara Branch	400811100007371	8,722	10,217
49	Social Islami Bank Ltd	Panthapath Branch	0151330012142	498,733	212,530
50	Social Islami Bank Ltd	Dhamrai SME/Krishi Branch	0611330005483	510,930	512,005
51	Sonali Bank Ltd.	Sonargaon Road Branch	4434001005417	23,880,901	24,413,544
52	Sonali Bank Ltd.	Local office Branch	000233034856	6,454	6,454
53	South Bangla Agriculture & Commerce Bank Ltd.	Principal Branch	0002111002690	-	2,958,999
54	Standard Bank Ltd.	Panthapath Branch	01733100033	1,382,962	347,588
55	Standard Bank Ltd.	Panthapath Branch	01733001709	3,576,207	37,383
56	Trust Bank Ltd.	Kawran Bazar Branch	0030-0210004578	5,661,798	3,382,592
57	United Commercial Bank Ltd.	Foreign Exchange Branch	0721101000000628	3,132,852	4,425
58	Uttara Bank Ltd.	Corporate Office Branch	154512200211414	12,374,470	1,383,981
<b>Total:</b>				<b>214,755,341</b>	<b>422,361,992</b>

**IFAD AUTOS LIMITED**

Schedule of STD Accounts

As at March 31, 2017

				<b>Annexure-C</b>	
<b>SL No.</b>	<b>Name of The Bank</b>	<b>Branch</b>	<b>Account No.</b>	<b>31.03.2017</b>	<b>30.06.2016</b>
1	AB Bank Ltd.	Motijheel Branch	4004-676756-430	61,529	61,811
2	Bank Alfalah Ltd.	Gulshan Branch	03700123	-	5,028
3	Al Arafah Islami Bank Ltd.	Mouchak Branch	0241220000412	580,372	45,772
4	Bank Asia Ltd.	Corporate Branch	00236000590	100,387,469	101,877,654
5	The City Bank Ltd.	Kawran Bazar Branch	3101065556001	14,037,986	5,587,702
6	Commercial Bank of Ceylon	Motijheel Branch	1802012062	3,290,953	-
7	Dutch-Bangla Bank Ltd.	Kawran Bazar Branch	1071200002966	1,509,468	294,737
8	Dhaka Bank Ltd	Moghbazar Branch	0217150000000527	160,146	7,685,166
9	Eastern Bank Ltd.	Sonargaon Road Branch	1051280071348	12,128,245	5,337,910
10	Exim Bank Ltd.	Panthapath Branch	00213100153351	1,432,743	2,402,909
11	IFIC Bank Ltd.	Dhanmondi Branch	1006-128859-041	7,142,515	5,043,945
12	Jamuna Bank Ltd.	Sonargaon Road Branch	0002-0320000340	6,143	4,226,015
13	Mercantile Bank Ltd.	Satmasjid Road Branch	012313100000172	250	4,966
14	Mutual Trust Bank Ltd.	Mymensingh Branch	0054-0320000106	140,062,511	14,607,064
15	Modhumoti Bank Ltd.	Motijheel Branch	1101-13500000012	6,889,809	81,151
16	NCC Bank Ltd.	Dilkusha Branch	0028-0325000797	181,259	6,945,187
17	NRB Commercial Bank Ltd.	Principal Branch	010136000000027	5,707,181	514,979
18	One Bank Ltd.	Moghbazar Branch	0505460960004	20,441,148	3,341,676
19	The Premier Bank Ltd	Elephant Road Branch	011413100000262	7,793,815	77,621
20	Pubali Bank Ltd.	Laboratory Road Branch	1345102001557	17,281,359	-
21	Prime Bank Ltd.	Kawran Bazar Branch	11331080026768	-	2,886,218
22	Shahjalal Islami Bank Ltd.	Kawran Bazar Branch	400713100000596	514,479	120,704
23	Sonali Bank Ltd.	Sonargaon Road Branch	4434004000065	1,203,026	15,231,813
24	Social Islami Bank Ltd.	Panthapath Branch	0151360001176	7,687,921	118,984
25	Standard Bank Ltd.	Panthapath Branch	01736000204	367,784	2,799,809
26	SBAC Bank Ltd.	Principal Branch	0002130000450	-	2,631,433
27	Trust Bank Ltd.	Kawran Bazar Branch	0030-0320000319	22,724	256,490
28	United Commercial Bank Ltd.	Foreign Exchange Branch	0721301000000223	-	534,572
	<b>Total</b>			<b>348,890,835</b>	<b>182,721,316</b>

**IFAD AUTOS LIMITED**

Schedule of FDR Accounts

As at March 31, 2017

				<b>Annexure-D</b>	
<b>SL No.</b>	<b>Name of The Bank</b>	<b>Branch</b>	<b>Account No.</b>	<b>31.03.2017</b>	<b>30.06.2016</b>
1	Alarafa Bank Ltd.	Mouchak Branch	Various	85,750,802	83,502,972
2	Bank Asia Ltd.	Corporate Branch	Various	66,986,645	55,865,966
3	BFIC	Dilkusha Branch	Various	8,000,000	24,000,000
4	BIFC	Dilkusha Branch	Various	3,859,600	3,859,600
5	BRAC Bank Ltd.	Head Office Branch	Various	-	91,593,140
6	City Bank Ltd.	Kawranbazar Branch	Various	17,166,812	8,783,446
7	Eastern Bank Ltd.	Kakrail Branch	Various	100,000,000	-
8	EXIM Bank Ltd.	Panthapath Branch	Various	8,661,674	8,090,577
9	Fareast Finance Ltd.	Dilkusha Branch	Various	10,000,000	9,204,000
11	First Finance Ltd.	Kawran Bazar Branch	Various	-	9,990,000
12	IDLC	Dilkusha Branch	Various	5,229,789	4,551,110
13	IIDFC	Motijheel Branch	Various	-	12,336,400
14	ILFSL	Rajuk Avenue Branch	Various	2,597,363	7,302,200
15	Islami Finance Ltd.	Dilkusha Branch	Various	-	7,141,600
16	Jamuna Bank Ltd.	Sonargaon Road Branch	Various	25,157,173	17,112,321
17	Lanka Bangla Finance Ltd.	Banani Branch	Various	33,661,122	3,553,000
18	Mercantile Bank Ltd.	Satmasjid Road Branch	Various	91,169,930	84,364,224
19	National Finance Ltd.	Progoti Soroni Branch	Various	44,624,580	43,275,238
20	National Housing Ltd.	Corporate Head Office	Various	3,418,188	3,418,188
21	NCC Bank Ltd.	Dilkusha Branch	Various	30,437,674	27,077,625
22	NRB Commercial Bank Ltd. BANK	Principal Branch	Various	37,949,879	32,219,703
23	ONE Bank Ltd.	Moghbazar Branch	Various	109,389,153	84,473,865
24	Phonix Finance Ltd	Dilkusha Branch	Various	-	14,162,000
25	PLFSL	Purana Polton Branch	Various	-	5,899,430
26	Premier Bank Ltd.	Elephant Road Branch	Various	132,982,366	113,605,154
27	Premier Leasing Ltd.	Motijheel Branch	Various	5,603,541	5,603,541
28	Prime Finance Ltd.	Dilkusha Branch	Various	-	14,927,800
29	SIBL	Panthapath Branch	Various	49,408,292	36,953,359
30	SBAC Bank Ltd.	Principal Branch	Various	19,197,008	18,022,288
31	Standard Bank Ltd.	Panthapath Branch	Various	75,277,823	63,626,490
32	Trust Bank Ltd.	Kawranbazar Branch	Various	50,511,119	40,551,786
34	Uttara Bank Ltd.	Corporate Branch	Various	17,637,295	22,612,478
<b>Total:</b>				<b>1,034,677,829</b>	<b>957,679,501</b>

**IFAD AUTOS LIMITED**  
Schedule of Short Term Loan  
As at March 31, 2017

SL.No.	Bank Name	Types of A/C	Branch	Account No.	Annexure-E	
					31.03.2017	30.06.2016
1	Al Arafah Islami Bank Ltd.	LTR	Mouchak	Various	135,395,433	50,491,619
2	Bank Asia Ltd.	LTR	Corporate	Various	65,387,593	54,965,834
3	Brac Bank Ltd.	LTR	Head Office	Various	50,262,552	88,376,939
4	City Bank Ltd.	LTR	Kawranbazar	Various	14,125,022	72,195,826
5	Commercial Bank Ceylon	LTR	Motijheel	Various	-	-
6	Dhaka Bank Ltd.	LTR	Moghbazar	Various	51,885,014	62,181,497
7	Dutch Bangla Bank Ltd.	LTR	Kawran Bazar	Various	15,595,517	35,110,953
8	Eastern Bank Ltd.	LTR	Head Office	Various	135,248,270	-
9	Exim Bank Ltd.	LTR	Panthapath	Various	-	16,190,590
10	IFIC Bank Ltd.	LTR	Dhanmondi	Various	-	18,224,033
11	Jamuna Bank Ltd.	LTR	Sonargaon Road	Various	18,248,607	23,140,994
12	Mercantile Bank Ltd.	LTR	Satmasjid Road	Various	95,130,150	58,228,500
13	Modhumoti Bank Ltd.	LTR	Motijheel	Various	62,353,508	75,082,523
14	NCC Bank Ltd.	LTR	Dilkusha	Various	71,154,160	58,976,036
15	NRB Commercial Bank Ltd.	LTR	Principal	Various	-	24,221,500
16	One Bank Ltd.	LTR	Moghbazar	Various	113,607,273	128,009,087
17	Premier Bank Ltd.	LTR	Elephant Road.	Various	108,794,310	26,696,268
18	Prime Bank Ltd.	LTR	Kawran Bazar	Various	146,005,985	120,039,615
19	Pubali Bank Ltd.	LTR	Laboratory	Various	10,697,103	-
20	Shahjalal Islami Bank Ltd.	LTR	Kawran Bazar	Various	129,778,440	112,819,810
21	Social Islamic Bank Ltd.	LTR	Panthapath	Various	52,814,210	62,120,431
22	SBAC Bank Ltd.	LTR	Principal	Various	27,658,209	54,112,529
23	Standard Bank Ltd.	LTR	Panthapath	Various	43,124,214	38,364,099
24	Trust Bank Ltd.	LTR	Kawran Bazar	Various	52,590,773	50,930,110
25	Uttara Bank Ltd.	LTR	Motijheel	Various	58,029,126	-
26	Bank Asia Ltd.	SOD	Corporate	Various	43,097,426	58,453,278
27	Brac Bank Ltd.	SOD	Head Office	Various	53,837,442	71,338,067
28	City Bank Ltd.	SOD	Kawranbazar	Various	9,829,125	41,667,653
29	Commercial Bank Ceylon	SOD	Motijheel	Various	-	-
30	Dhaka Bank Ltd.	SOD	Moghbazar	Various	24,264,635	15,547,384
31	Dutch Bangla Bank Ltd.	SOD	Kawran Bazar	Various	34,869,456	32,250,127
32	Eastern Bank Ltd.	SOD	Head Office	Various	379,477,934	-
33	IFIC Bank Ltd.	SOD	Dhanmondi	Various	(669)	24,777,417
34	IPDC	SOD	Head Office	Various	100,000,000	100,000,000
35	Jamuna Bank Ltd.	SOD	Sonargaon Road	Various	38,519,867	279,561,370
36	Mercantile Bank Ltd.	SOD	Satmasjid Road	Various	479,569,397	545,349,219
37	Midland Bank Ltd.	SOD	Head Office	Various	-	250,000,000
38	Modhumoti Bank Ltd.	SOD	Motijheel	Various	43,659,156	2,510,984
39	NRB Commercial Bank Ltd.	SOD	Principal	Various	-	19,667,984
40	Premier Bank Ltd.	SOD	Elephant Road.	Various	560,923,220	529,679,834
41	Prime Bank Ltd.	SOD	Kawran Bazar	Various	67,467,033	60,105,602
42	Pubali Bank Ltd.	SOD	Head Office	Various	5,604,337	150,000,000
43	SBAC Bank Ltd.	SOD	Principal	Various	10,485,693	20,597,711
44	Social Islami Bank Ltd.	SOD	Panthapath	Various	5,301,250	29,634,353
45	Standard Bank Ltd.	SOD	Panthapath	Various	9,324,128	15,305,647
46	Trust Bank Ltd.	SOD	Kawran Bazar	Various	32,134,558	19,352,748
47	Uttara Bank Ltd.	SOD	Motijheel	Various	552,307,391	-
48	Sheltech Brokerage Ltd.	Margin Loan	Head Office	C065	-	5,711
49	UNICAP Investment Ltd.	Margin Loan	Head Office	1494	94,300,690	86,378,619
50	Unicap Securities Ltd.	Margin Loan	Head Office	I506	-	-
51	Prime Islami Securities Ltd.	Margin Loan	Head Office	00984	43,081,297	-
52	Prime Bank Investment Ltd.	Margin Loan	Head Office	3366	30,728,567	30,263,598
<b>Total</b>					<b>4,076,667,402</b>	<b>3,612,926,099</b>

**SUMMARIZED CASH-FLOWS STATEMENT, PROFIT AND LOSS ACCOUNT AND BALANCE SHEET, AND DIVIDEND DECLARED AND PAID FOR EACH OF THE 5 (FIVE) YEARS IMMEDIATELY PRECEDING THE ISSUE OF RIGHTS SHARE OFFER DOCUMENT OR FOR SUCH SHORTER PERIOD DURING WHICH THE ISSUER WAS IN COMMERCIAL OPERATION**  
[see rule-8(i)]

**IFAD AUTOS LIMITED**

**Auditors' report under Section – 135 (1), Para 24 (1), of Part II of Schedule – III of the Companies Act, 1994**

We, as the audited the financial statements of IFAD Autos Limited for the period ended 31st March, 2017 & year ended June 30, 2016 which were audited by Ahmed Zaker & Co., Chartered Accountants and figures extrtacted from the Financial Statements for the years ended 30 June 2015, 2014, 2013, 2012 which were audited by Ata Khan & Co., Chartered Accountants and in pursuance of Section 135 (1) under Para 24(1) of part - II of schedule-III of Companies Act 1994, report that:

1. The IFAD Autos Limited was incorporated on February 17, 1988

**A. The Financial Statements of the company over the last 5 years is as follows:**

Particulars	31.03.2017	30.06.2016	30.06.2015 Re-stated	30.06.2014 Re-stated	30.06.2013	30.06.2012 Re-stated
<b>Assets:</b>						
<b>Non-current assets</b>	<b>2,626,270,239</b>	<b>2,491,899,293</b>	<b>2,459,265,941</b>	<b>2,137,852,557</b>	<b>2,012,420,444</b>	<b>1,863,729,922</b>
Property, Plant & Equipment	2,626,270,239	2,461,762,232	2,412,285,156	2,137,852,557	2,012,420,444	1,863,729,922
Construction WIP	-	30,137,061	46,980,785	-	-	-
<b>Current Assets</b>	<b>19,425,638,045</b>	<b>16,677,706,756</b>	<b>14,167,171,367</b>	<b>13,177,336,843</b>	<b>9,336,628,033</b>	<b>8,507,986,075</b>
Inventories	1,242,647,909	954,286,529	835,414,619	508,319,790	341,567,943	230,934,464
Account receivables	15,162,172,293	12,913,400,515	10,718,842,427	9,976,863,956	7,177,340,422	6,520,813,303
Investment In Shares	465,332,472	422,560,958	249,370,475	218,907,361	205,534,234	211,333,371
Advances, deposits & pre-payments	923,046,707	816,670,626	835,992,502	1,033,058,744	786,953,245	801,820,813
Cash & cash equivalents	1,632,438,664	1,570,788,128	1,527,551,344	1,440,186,992	825,232,189	743,084,124
<b>Non Current Assets Held For Sale</b>	<b>53,223,916</b>	<b>53,223,916</b>	-	-	-	-
<b>Total assets</b>	<b>22,105,132,200</b>	<b>19,222,829,965</b>	<b>16,626,437,308</b>	<b>15,315,189,400</b>	<b>11,349,048,478</b>	<b>10,371,715,997</b>
<b>Shareholders Equity &amp; Liabilities:</b>						
<b>Equity attributable to the shareholders</b>	<b>5,744,790,025</b>	<b>5,020,785,173</b>	<b>4,823,025,308</b>	<b>4,136,043,853</b>	<b>3,659,737,598</b>	<b>3,339,616,141</b>
Ordinary Share capital	1,554,800,000	1,495,000,000	1,150,000,000	937,500,000	625,000,000	500,000,000
Share Premium	388,330,508	388,330,508	388,330,508	-	-	-
Revaluation Surplus	1,002,844,138	1,004,201,992	1,320,273,769	1,554,346,017	1,577,722,823	1,577,722,823
Retained earnings	2,798,815,379	2,133,252,673	1,964,421,031	1,644,197,836	1,457,014,775	1,261,893,318
<b>Liabilities</b>						
<b>Non-current liabilities:</b>	<b>6,446,496,944</b>	<b>6,252,027,631</b>	<b>6,246,587,481</b>	<b>6,407,135,826</b>	<b>6,099,199,729</b>	<b>5,372,349,531</b>
Deferred Tax Liability	201,929,420	194,862,822	237,887,086	-	-	-
Security Deposit (Dealer)	14,895,000	14,925,000	15,085,000	15,180,000	14,775,000	14,035,000
Long-term loans	503,554,634	303,908,351	94,348,783	233,038,190	755,406,869	740,170,451
Lease hold obligations	5,726,117,890	5,738,331,458	5,899,266,612	6,158,917,636	5,329,017,861	4,618,144,080
<b>Current Liabilities:</b>	<b>9,913,845,231</b>	<b>7,950,017,161</b>	<b>5,556,824,519</b>	<b>4,772,009,721</b>	<b>1,590,111,150</b>	<b>1,659,750,325</b>
Current portion of long term loan	159,428,168	183,865,403	150,698,834	235,939,897	-	-

Current portion of leasehold obligation	4,764,002,109	3,582,767,780	3,246,641,595	2,594,344,045	-	-
Accounts and other payables	82,148,625	22,118,437	37,240,433	106,704,000	75,269,825	89,390,608
Inter company Current Account		-	30,000,000	-	-	-
Unclaimed Dividend	2,656,506	345,871	-	-	-	-
Uncollected IPO Subscription	1,919,400	1,919,400	4,779,100	-	-	-
Advances against sales	67,787,515	70,720,655	19,030,000	101,250,450	231,119,425	144,573,369
Short term bank loan & credits	4,076,667,402	3,612,926,099	1,585,997,680	1,185,448,270	1,006,507,416	1,021,568,909
Provision of income tax	681,306,142	422,109,351	434,129,771	526,847,067	-	-
Accrued expenses	77,929,364	53,244,165	48,307,106	21,475,992	277,214,484	404,217,439
<b>Total liabilities</b>	<b>16,360,342,175</b>	<b>14,202,044,792</b>	<b>11,803,412,000</b>	<b>11,179,145,547</b>	<b>7,689,310,880</b>	<b>7,032,099,856</b>
<b>Total equity &amp; liabilities</b>	<b>22,105,132,200</b>	<b>19,222,829,965</b>	<b>16,626,437,308</b>	<b>15,315,189,400</b>	<b>11,349,048,478</b>	<b>10,371,715,997</b>
<b>NAV per share</b>	<b>36.95</b>	<b>33.58</b>	<b>41.94</b>	<b>44.12</b>	<b>58.56</b>	<b>66.79</b>

Auditors report under section 135 (1) of the companies Act 1994 has been prepared on the basis of latest audited financial statements.

Place: Dhaka  
Dated: July 26, 2017

Sd/-  
**Ahmed Zaker & Co.**  
Chartered Accountants

**B. Statement of Operating Results of the company as follows:**

Particulars	31.03.2017	30.06.2016	30.06.2015 Re-stated	30.06.2014 Re-stated	30.06.2013	30.06.2012 Re-stated
Sales	7,706,949,188	6,932,578,110	5,057,046,311	8,152,791,865	4,306,384,984	4,152,476,029
Less: Cost of sales	6,326,652,864	5,707,340,829	4,213,488,324	6,985,029,943	3,544,125,046	3,441,510,631
<b>Gross profit</b>	<b>1,380,296,324</b>	<b>1,225,237,281</b>	<b>843,557,987</b>	<b>1,167,761,922</b>	<b>762,259,938</b>	<b>710,965,398</b>
Less: Administrative expenses	186,567,994	277,933,942	188,905,863	194,492,936	156,581,511	149,151,456
Less: Distribution expenses	99,670,523	108,008,266	114,908,620	170,320,598	110,007,705	93,116,202
<b>Operating Profit</b>	<b>1,094,057,807</b>	<b>839,295,073</b>	<b>539,743,504</b>	<b>802,948,388</b>	<b>495,670,722</b>	<b>468,697,740</b>
Add: Other income	80,538,783	163,792,347	109,381,650	96,874,498	51,123,316	26,278,174
Less: Financial expenses	70,270,120	96,133,289	88,507,633	148,570,240	137,378,306	87,211,739
<b>Profit before WPPF and Income tax</b>	<b>1,104,326,470</b>	<b>906,954,131</b>	<b>560,617,521</b>	<b>751,252,646</b>	<b>409,415,732</b>	<b>407,764,175</b>
Less: Workers profit Participation fund	52,586,974	43,188,292	26,696,072	-	-	-
<b>Profit before tax</b>	<b>1,051,739,496</b>	<b>863,765,839</b>	<b>533,921,449</b>	<b>751,252,646</b>	<b>409,415,732</b>	<b>407,764,175</b>
Less: Income Tax Expenses	266,716,008	268,629,004	166,641,545	267,488,226	129,888,065	129,470,777
<b>Profit after tax for the year</b>	<b>785,023,488</b>	<b>595,136,835</b>	<b>367,279,904</b>	<b>483,764,420</b>	<b>279,527,667</b>	<b>278,293,398</b>
Other Comprehensive Income/(loss)	10,881,870	(9,232,213)	11,304,431	(7,458,165)	40,593,790	(26,988,613)
<b>Total Comprehensive Income for the period</b>	<b>795,905,358</b>	<b>585,904,622</b>	<b>378,584,335</b>	<b>476,306,255</b>	<b>320,121,458</b>	<b>251,304,785</b>
<b>Basic earning per share (EPS)</b>	5.05	3.98	3.51	5.16	4.47	5.57
<b>Adjusted Earnings per share (EPS)</b>	5.05	3.83	2.36	3.11	1.80	1.79

**C. Dividend Declared:**

Particulars	31.03.2017	30.06.2016	30.06.2015	30.06.2014	30.06.2013	30.06.2012
Cash Dividend	Nil	13%	7%	Nil	Nil	Nil
Stock Dividend	Nil	4%	30%	Nil	50%	25%

D. IFAD Autos Limited started its commercial operation on April 20, 1988.

E. The company had no subsidiary company as on balance sheet date.

F. No Audited accounts were made for the company for any period subsequent to March 31, 2017.

G. Figures relating to previous year have been rearranged/re-stated wherever considered necessary.

H. No proceeds or part of the proceeds of the issue of shares would be applied directly by the company in the purchase of any business.

Place: Dhaka  
Dated: July 26, 2017

Sd/-  
**Ahmed Zaker & Co**  
Chartered Accountants

# IFAD AUTOS LIMITED

## Auditor's certificate regarding calculation of EPS and Ratios

This is to certify that IFAD Autos Limited has maintained the following ratios as computed on the basis of the audited financial statements for the period ended March 31, 2017 and for the year ended June 30, 2016, 2015, 2014, 2013 and 2012.

Particulars	Formula	31.03.2017	30.06.2016	30.06.2015 Re-stated	30.06.2014 Re-stated	30.06.2013	30.06.2012 Re-stated
<b>Liquidity Ratios: (Times)</b>							
Current Ratio	Current assets/Current liabilities	1.96	2.10	2.55	2.76	5.87	5.13
Quick Ratio	(Current assets- Inventories)/Current liabilities	1.83	1.98	2.40	2.65	5.66	4.99
<b>Operating Ratios: (Times)</b>							
Accounts Receivable Turnover Ratio	Net Sales/Average Accounts Receivables	0.55	0.59	0.49	0.95	0.63	0.64
Inventory Turnover Ratio	Cost of Goods Sold /Average inventory	5.76	6.38	6.27	16.44	12.38	17.40
Asset Turnover Ratio	Net Sales/Average Total Assets	0.37	0.39	0.32	0.61	0.40	0.40
<b>Profitability Ratios:</b>							
Gross Margin Ratio	Gross profit/Net Sales	17.91%	17.67%	16.68%	14.32%	17.70%	17.12%
Operating profit Ratio	Operating profit/Net Sales	14.20%	12.11%	10.67%	9.85%	11.51%	11.29%
Net Profit Ratio	Net profit after tax/Net Sales	10.19%	8.58%	7.26%	5.93%	6.49%	6.70%
Return on Assets Ratio	Net profit after tax/Average Total assets	3.80%	3.32%	2.30%	3.63%	2.57%	2.69%
Return on Equity Ratio	Net profit after tax/Average Total Shareholders equity	14.58%	12.09%	8.20%	12.41%	7.99%	8.42%
Earnings Per Share (EPS)	Net profit after tax/Ordinary shares outstanding	5.05	3.98	3.51	5.16	4.47	5.57
EBITDA Margin	EBITDA=(EBIT+Depreciation+ Amortization)/Total Revenue	13.27%	11.55%	9.30%	7.76%	6.89%	8.42%
<b>Solvency Ratio:</b>							
Debt to Assets Ratio	Total debt/Total Assets	0.74	0.74	0.71	0.73	0.68	0.68
Debt to Equity Ratio	Total debt/Total equity	2.85	2.83	2.45	2.70	2.10	2.11
Times Interest Earned Ratio	Operating Profit/Financial Expenses	15.57	8.73	6.10	5.40	3.61	5.37
Debt Service Coverage Ratio	Debt Service Coverage Ratio= (Operating Profit/Long Term & Short Term Loan)	0.07	0.06	0.05	0.08	0.07	0.07
<b>Cash Flow:</b>							
Net Operating Cash Flow per Share (NOCFPS)	Net Operating Cash Flow/Total number of Share	(9.95)	(11.73)	(8.37)	(27.08)	(7.83)	(15.83)
Net Operating Cash Flow to EPS Ratio	Net Operating Cash Flow per Share/EPS	(1.97)	(2.95)	(2.38)	(5.25)	(1.75)	(2.84)

Place: Dhaka  
Dated: July 26, 2017

Sd/-  
**Ahmed Zaker & Co.**  
Chartered Accountants



**AUDITORS' CERTIFICATE OF COMPLIANCES OF CONDITIONS OF THE CORPORATE GOVERNANCE GUIDELINES TO  
THE SHAREHOLDERS** [SEC Notification No. SEC/CMRRCD/2006-158/134/admin/44 dated 7 August 2012]

**CERTIFICATE ON CORPORATE GOVERNANCE COMPLIANCE  
OF  
IFAD AUTOS LIMITED**

**Certificate on compliance of conditions of Corporate Governance Guidelines of Bangladesh Securities & Exchange Commission to the shareholders of IFAD Autos Limited**

We have examined the compliance to the BSEC guidelines on Corporate Governance by **IFAD AUTOS LIMITED** for the period ended 30 June 2016. These guidelines relate to the Notification # SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012 and subsequently amended through the notification # SEC/CMRRCD/2006-158/147/Admin/48 dated 21 July 2013 of Bangladesh Securities and Exchange Commission (BSEC) on Corporate Governance under section 2CC of the Securities and Exchange Ordinance, 1969.

Such compliance to the codes of Corporate Governance is the responsibility of the company's management. Our examination was limited to the procedures and implementation thereof as adopted by the Company in ensuring the compliance to the conditions of Corporate Governance Guidelines. This is a scrutiny and verification only and not an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations provided to us, we certify that, subject to the remarks and observation as reported in the attached Compliance Statements, the company has complied with the conditions of Corporate Governance Guidelines as stipulated in the above-mentioned guidelines issued by the BSEC.

We also state that such compliance is neither an assurance as to the future viability of the company, nor a certification on the efficiency or effectiveness with which the management has conducted the affairs of the company. This is also no endorsement about quality of contents in the Annual Report of the company.

Dhaka, 26 November, 2016

Sd/-  
**MABS & J Parthers**  
Chartered Accountants

### LENGTH OF TIME DURING WHICH THE ISSUER HAS CARRIED ON BUSINESS [see rule-8(j)]

IFAD Autos Limited was incorporated in Bangladesh on February 17, 1988 as a Private Limited Company and was subsequently converted into a Public Limited Company on 30 September, 2011 with the Registrar of Joint Stock Companies and Firms in Bangladesh under the Companies Act, 1994. The principal activity and operation of IFAD Autos Limited is importing, marketing and body-building of different Models of Ashok Leyland' svehicles in Bangladesh through its own marketing staffs, dealers and selling agents in different districts of the country. The commercial operation of the Company commenced on April 20, 1988.

### IMPLEMENTATION SCHEDULE FOR COMPLETION OF EACH SEGMENT OF THE PROJECT ALONGWITH THE PROPOSED DATES OF TRIAL AND COMMERCIAL OPERATION OF THE PROPOSED PROJECT [see rule-8(k)]

Implementation of Right Issue Fund:				
Sl. No.	Description	Annexure	BDT	Implementation Period
<b>1</b>	<b>Civil and Steel Works</b>	<b>1</b>	<b>364,250,000</b>	Within 2(two) years of receiving the Rights Share Proceed
i	Expansion of Assembling Unit	1A	144,161,831	
ii	Expansion of Body Building Unit	1B	86,839,086	
iii	Cabin Manufacturing Unit	1C	133,249,084	
<b>2</b>	<b>Machinery &amp; Equipment's</b>	<b>2</b>	<b>151,627,883</b>	Within 2(two) years of receiving the Rights Share Proceed
i	Expansion of Assembling Unit (Annexure-02A)	2A	29,286,003	
ii	Expansion of Body Building Unit (Annexure-02B)	2B	63,200,000	
iii	Cabin Manufacturing Unit (Annexure-02C)	2C	59,141,880	
<b>3</b>	<b>Land and land Development</b>	<b>3</b>	<b>310,000,000</b>	Within 2(two) years of receiving the Rights Share Proceed
<b>4</b>	<b>Repayment of Loan</b>	<b>4</b>	<b>350,000,000</b>	Within 3(three) months of receiving the Rights Share Proceed
<b>5</b>	<b>Working Capital</b>	<b>5</b>	<b>50,000,000</b>	Within 2(two) years of receiving the Rights Share Proceed
<b>6</b>	<b>Rights Issue Expenses</b>		<b>17,962,117</b>	Immediately after receiving the proceeds from rights offer
<b>Total</b>			<b>1,243,840,000</b>	

Sd/-  
Taskeen Ahmed  
Managing Director

Sd/-  
Mrs. Mir Fatema Akter  
Chief Financial Officer

### Breakdown of Utilization of right issue fund:

Annexure: 01			
Civil and Steel Works			
Description	Qty. (Sft.)	Amount in Tk.	Annexure
Expansion of Assembling Unit	48000	144,161,831	<b>1A</b>
Expansion of Body Building Unit	29000	86,839,086	<b>1B</b>
Cabin Manufacturing Unit	45000	133,249,084	<b>1C</b>
<b>Total Civil and Steel Works</b>		<b>364,250,000</b>	

### Annexure-01(1A): Expansion of Assembling Unit (48,000 SFT)

A. Building Work					
SL No.	Description of items	Unit	Quantity	Rate in Taka	Amount in Taka
<b>1</b>	<b>Mobilization of Equipment, Manpower &amp; making temporary labour shade with toilets, giving layout for fixing &amp; levelling of Benchmark from any reference point nearby as per drawing with total station machine/Theodolite &amp;</b>	Job	1	100000	100,000

	with the help of experienced surveyor all complete as per direction and satisfaction of Engineer in charge.				
<b>2</b>	<b>500mm dia pile work</b>				
a)	Concreting work with proportion 1:1.5:3 using stone chips/shingles and 100% Sylhet sand	cft	24000	367.25	8,814,000
b)	Pile driving work including all complete	cft	11212.5	180.8	2,027,220
<b>3</b>	<b>Earth works in excavation of foundation in all kinds of soil for foundation trenches &amp; deposited to a place of any distance directed by client etc. all complete as per direction and satisfaction of Engineer in charge.</b>	cft	45000	11.3	508,500
<b>4</b>	<b>Earth filling works by excavated earth with compaction in 150mm layer by layer mechanically etc. all complete as per direction and satisfaction of Engineer in charge.</b>	cft	33000	9.04	298,320
<b>5</b>	<b>Sand filling in foundation, plinth and outside of building with mechanically compacted of sand (F.M 0.8) including leveling, watering and compaction 150mm layer by layer mechanically etc. all complete as per direction and satisfaction of Engineer in charge.</b>	cft	191520	20.34	3,895,517
<b>6</b>	<b>Khao sand (2:1) macadam work with compaction</b>	sft	63000	90.4	5,695,200
<b>7</b>	<b>Brick flat soling works with 1st class bricks in foundation and floor all complete as per direction and satisfaction of Engineer in charge.</b>	sft	69000	50.85	3,508,650
a)	Supplying and laying of polythene (covering 1kg=6.5sqm)	sft	60000	3.39	203,400
<b>8</b>	<b>250 mm thick Brick work with 1<sup>st</sup> class Machine made bricks (1:6) including cleaning &amp; soaking the bricks at least for 24 hours before uses, curing at least 7 days etc. all complete as per direction and satisfaction of Engineer in charge.</b>				
(a)	Foundation up to plinth	cft	6000	214.7	1,288,200
(b)	In Ground floor	cft	3000	214.7	644,100
(c)	In 1st floor	cft	1500	214.7	322,050
<b>9</b>	<b>125 mm thick Brick works with 1<sup>st</sup> class Machine made bricks (1:4) including cleaning &amp; soaking the bricks at least for 24 hours before uses, curing at least 7 days etc. all complete as per direction and satisfaction of Engineer in charge.</b>				
(a)	In Ground floor	sft	1500	113	169,500
<b>10</b>	<b>75 mm thick C.C works (1:3:6) in foundation including shuttering, curing etc. all complete as per direction and satisfaction of Engineer in charge.</b>	cft	750	254.25	190,688
<b>11</b>	<b>R.C.C works (1:1.5:3) Reinforce cement concrete as per design having straight by cylinder test 3500 psi. at 28 days, with cement conforming to BDS EN-197-1-CEM1, 52.5N (52.5 Mpa) ASTM-C 150 Type - 1. with 100% coarse sand of 2.2 F.M &amp; 20mm down well graded stone chips &amp; use 38 mm thick wooden shutter &amp; also the shutter making leak proof, curing for 28 days etc. all complete as per drawing &amp; direction of engineer incharge.( Rate is excluding the cost of reinforcement &amp; its fabrication placing &amp; binding and Rate including cost of shuttering etc.)</b>				
(a)	In footing/foundation casting	cft	4200	395.5	1,661,100
(b)	In pedestal column up to plinth/wall	cft	3750	395.5	1,483,125
(c)	Grade beam	cft	5250	389.85	2,046,713
(d)	Floor at plinth level.	cft	33000	339	11,187,000
(e)	Slab casting on boondock				
(i)	Ground floor roof slab	cft	1500	339	508,500

(f)	False slab, Tie beam etc.	cft	900	384.2	345,780
<b>12</b>	<b>Supply fabrication and fixing to details as per design: Deformed bar reinforcement for R.C.C works including straightening &amp; cleaning, bending binding in position with supply of G.I wire etc. &amp; others accessories if necessary. All complete as per, direction and satisfaction of Engineer in charge.</b>				
	60 grade	ton	300	79100	23,730,000
<b>13</b>	<b>Plaster works (1:4) with NCF using sand with F.M-1.2 including sand screening, curing at least 7 days inside plinth wall with a coat of hot bituminous paint apply when dry as per direction and satisfaction of Engineer in charge. (Including cost of bitumen)</b>	sft	7500	39.55	296,625
<b>14</b>	<b>Plaster works (1:4) with NCF at inner side skirting with 150mm ht. &amp; where necessary using sand with F.M-1.2 including sand screening, curing at least 7 days as per direction and satisfaction of Engineer in charge.</b>	sft	3000	33.9	101,700
<b>15</b>	<b>12 mm Thick plaster to all Brick surface (1:4) using sand with F.M 1.2, including screening of sand, curing at least 7 days etc. all complete as per direction and satisfaction of Engineer in charge.</b>	sft	3000	28.25	84,750
<b>16</b>	<b>Aluminum work</b>				
(a)	Supplying, fitting & fixing of aluminium Fixed windows with outer frame 100 mm aluminium section of 6mm clear glass, Lock, including all accessories & etc. as per direction and satisfaction of Engineer in charge.	sft	300	395.5	118,650
(b)	Supplying, fitting & fixing of aluminium Sliding windows with outer frame 100 mm aluminium section of 6mm clear glass, Lock, including all accessories & etc. as per direction and satisfaction of Engineer in charge.	sft	450	395.5	177,975
(c)	Supplying, fitting & fixing of aluminium Top Hang windows with outer frame 100 mm aluminium section of 6mm clear glass, Lock, including all accessories & etc. as per direction and satisfaction of Engineer in charge.	sft	75	621.5	46,613
(d)	Supplying, fitting & fixing of aluminium sliding/swing door at entry stair with outer frame 100 mm aluminium section of 6mm clear glass, Lock, including all accessories & etc. as per direction and satisfaction of Engineer in charge.	sft	187.5	734.5	137,719
(e)	Supplying, fitting & fixing of aluminium partition glass frame in office area with sliding door with 100 mm aluminium section of 6mm clear glass, Lock, including all accessories & etc. as per direction and satisfaction of Engineer in charge.	sft	750	678	508,500
<b>17</b>	<b>DOOR WORK</b>				
(a)	Supplying and fitting fixing of WOODEN DOOR with Pertex water proof shutter & Teak Chambal door frame (size: 150 mmx 50 mm) including Clamp, Handle, Mortgage lock & all accessories etc. . All complete as per drawing, direction and satisfaction of Engineer in charge. ( Sample should be approved by Architect/ client )	nos	7.5	16950	127,125
(b)	Supplying and fitting fixing of PVC DOOR of RFL/United/Pertex including Clamp, Handle, lock & all	nos	7.5	4520	33,900

	accessories etc. All complete as per drawing , direction and satisfaction of Engineer in charge.( Sample should be approved by Architect/ client )				
18	<b>Mechanically operated rolling shutter all complete as per direction and accepted by the Engineer in charge. ( Sample should be approved by Architect/ client )</b>	sft	3000	678	2,034,000
19	<b>Plastic Emulsion paint of Berger brand approved color delivered from authorized in a sealed container, applying to wall and ceiling in three coats including cleaning, drying making free from dirt, grease, wax, removing all chalked &amp; scaled materials, fungus, mending good the surface defects, sand papering the surface &amp; necessary scaffolding, spreading by brush/roller/spray etc. all complete as per direction and satisfaction of Engineer in charge.</b>	sft	7500	22.6	169,500
20	<b>Supplying, fittings &amp; fixing of mirror polished Floor Tiles with size (600mmx600mm)/(300 mmx300 mm ) irrespective of color &amp; design with China/RAK/equivalent with cement mortar (1:4) base &amp; raking out joints with white cement including cutting &amp; laying the tiles in proper way &amp; finishing with care ,curing etc. all complete as per direction &amp; satisfaction of Engineer in charge. ( Sample should be approved by Architect/ client )</b>				
	(i) Ground floor				
	a. 600x 600mm size	sft	6000	203.4	1,220,400
	b. 300x 300mm size	sft	1500	169.5	254,250
21	<b>Supplying, fittings &amp; fixing of Wall Tiles (300 mmx200 mm) irrespective of color &amp; design with China/RAK/equivalent with cement mortar (1:3) base &amp; raking out joints with respective joint filler &amp; binder including cutting &amp; laying the tiles in proper way &amp; finishing with care ,curing etc. all complete as per direction &amp; satisfaction of Engineer in charge.( Sample should be approved by Architect/ client)</b>				
	(i) Ground floor	sft	2250	135.6	305,100
22	<b>Apron/Drain:</b>				
	Providing apron/drain making proper slope with 50mm thick cement concrete (1:2:4) with cement, coarse sand & picked jhama chips including one layer brick flat soling at bottom with 1st class bricks including finishing, dressing, curing at least 7 days etc. all complete as per direction& satisfaction of Engineer in charge.	sft	1500	1356	2,034,000
23	<b>Supplying &amp; applying floor top surface hardener, finish mechanically, use 5 kg. per sqm. of BASF/CONEMIX / Equivalent brand, etc. all complete as per direction &amp; satisfaction of Engineer in charge.</b>				
	(i) Ground floor	sft	60000	39.55	2,373,000
<b>TOTAL FOR A</b>					<b>78,651,368</b>

<b>B. Steel work</b>					
a)	Steel super structure work	sft	60000	529	31,740,000
b)	Sheeting and accessories	sft	60000	109.25	6,555,000
c)	Transportation	sft	60000	11.5	690,000
d)	Erection and fitting	sft	60000	40.25	2,415,000
e)	Decking work	sft	60000	54.05	3,243,000
f)	Additional work				-
i)	Exhaust fan	nos.	8	17825	142,600

ii)	Insulation work	sft	63000	32.2	2,028,600
iii)	Steel stair	nos.	3.75	172500	646,875
iv)	Aluminium louver	sft	1125	661.25	743,906
v)	Painting work	sft	60000	19.55	1,173,000
<b>TOTAL FOR B</b>					<b>49,377,981</b>
<b>C. Sanitary Plumbing</b>					<b>6,292,109</b>
<b>D. Electrical Work</b>					<b>9,840,372</b>
<b>Grand Total (A+B+C+D)</b>					<b>144,161,831</b>

**Annexure-01(1B): Expansion of Body Building Unit(29000Sft)**

<b>A. Building Work</b>					
<b>SL No.</b>	<b>Description of items</b>	<b>Unit</b>	<b>Quantity</b>	<b>Rate in Taka</b>	<b>Amount in Taka</b>
<b>1</b>	<b>Mobilization of Equipment, Manpower &amp; making temporary labour shade with toilets, giving layout for fixing &amp; levelling of Benchmark from any reference point nearby as per drawing with total station machine/Theodolite &amp; with the help of experienced surveyor all complete as per direction and satisfaction of Engineer in charge.</b>	Job	1	100000	100,000
<b>2</b>	<b>500mm dia pile work</b>				
a)	Concreting work with proportion 1:1.5:3 using stone chips/ shingls and 100% Sylhet sand	cft	14500	380.25	5,513,625
b)	Pile driving work including all complete	cft	6775	187.2	1,268,280
<b>3</b>	<b>Earth works in excavation of foundation in all kinds of soil for foundation trenches &amp; deposited to a place of any distance directed by client etc. all complete as per direction and satisfaction of Engineer in charge.</b>	cft	27187.5	11.7	318,094
<b>4</b>	<b>Earth filling works by excavated earth with compaction in 150mm layer by layer mechanically etc. all complete as per direction and satisfaction of Engineer in charge.</b>	cft	19937.5	9.36	186,615
<b>5</b>	<b>Sand filling in foundation, plinth and outside of building with mechanically compacted of sand (F.M 0.8) including leveling, watering and compaction 150mm layer by layer mechanically etc. all complete as per direction and satisfaction of Engineer in charge.</b>	cft	115710	21.06	2,436,853
<b>6</b>	<b>Khao sand (2:1) macadam work with compaction</b>	sft	38062.5	93.6	3,562,650
<b>7</b>	<b>Brick flat soling works with 1st class bricks in foundation and floor all complete as per direction and satisfaction of Engineer in charge.</b>	sft	41687.5	52.65	2,194,847
a)	Supplying and laying of polythene (covering 1kg=6.5sqm)	sft	36250	3.51	127,238
<b>8</b>	<b>250 mm thick Brick work with 1<sup>st</sup> class Machine made bricks (1:6) including cleaning &amp;soaking the bricks at least for 24 hours before uses, curing at least 7 days etc. all complete as per direction and satisfaction of Engineer in charge.</b>				
(a)	Foundation upto plinth	cft	3625	222.3	805,838
(b)	In Ground floor	cft	1812.5	222.3	402,919
(c)	In 1st floor	cft	906.25	222.3	201,459
<b>9</b>	<b>125 mm thick Brick works with 1<sup>st</sup> class Machine made bricks (1:4) including cleaning &amp;soaking the bricks at least for 24 hours before uses, curing at least 7 days etc. all complete as per direction and</b>				

	<b>satisfaction of Engineer in charge.</b>				
(a)	In Ground floor	sft	906.25	117	106,031
<b>10</b>	<b>75 mm thick C.C works (1:3:6) in foundation including shuttering, curing etc. all complete as per direction and satisfaction of Engineer in charge.</b>	<b>cft</b>	<b>452.5</b>	<b>263.25</b>	<b>119,121</b>
<b>11</b>	<b>R.C.C works (1:1.5:3) Reinforce cement concrete as per design having straight by cylinder test 3500 psi. at 28 days, with cement conforming to BDS EN-197-1-CEM1, 52.5N (52.5 Mpa) ASTM-C 150 Type -1. with 100% coarse sand of 2.2 F.M &amp; 20mm down well graded stone chips &amp; use 38 mm thick wooden shutter &amp; also the shutter making leak proof, curing for 28 days etc. all complete as per drawing &amp; direction of engineer in charge. (Rate is excluding the cost of reinforcement &amp; its fabrication placing &amp; binding and Rate including cost of shuttering etc.)</b>				
(a)	In footing/foundation casting	cft	2537.5	409.5	1,039,106
(b)	In pedestal column up to plinth/wall	cft	2266.25	409.5	928,029
(c)	Grade beam	cft	3172.5	403.65	1,280,580
(d)	Floor at plinth level.	cft	19937.5	351	6,998,063
(e)	Slab casting on bondeck				
(i)	Ground floor roof slab	cft	906.25	351	318,094
(f)	False slab, Tie beam etc.	cft	543.75	397.8	216,304
<b>12</b>	<b>Supply fabrication and fixing to details as per design: Deformed bar reinforcement for R.C.C works including straightening &amp; cleaning, bending binding in position with supply of G.I wire etc. &amp; others accessories if necessary. All complete as per, direction and satisfaction of Engineer in charge.</b>				
	60 grade	ton	181.25	81900	14,844,375
<b>13</b>	<b>Plaster works (1:4) with NCF using sand with F.M-1.2 including sand screening, curing at least 7 days inside plinth wall with a coat of hot bituminous paint apply when dry as per direction and satisfaction of Engineer in charge. (Including cost of bitumen)</b>	<b>sft</b>	<b>4531.25</b>	<b>40.95</b>	<b>185,555</b>
<b>14</b>	<b>Plaster works (1:4) with NCF at inner side skirting with 150mm ht. &amp; where necessary using sand with F.M-1.2 including sand screening, curing at least 7 days as per direction and satisfaction of Engineer in charge.</b>	<b>sft</b>	<b>1812.5</b>	<b>35.1</b>	<b>63,619</b>
<b>15</b>	<b>12 mm Thick plaster to all Brick surface (1:4) using sand with F.M 1.2, including screening of sand, curing at least 7 days etc. all complete as per direction and satisfaction of Engineer in charge.</b>	<b>sft</b>	<b>3000</b>	<b>29.25</b>	<b>87,750</b>
<b>16</b>	<b>Aluminum work</b>				
(a)	Supplying, fitting & fixing of aluminium Fixed windows with outer frame 100 mm aluminium section of 6mm clear glass, Lock, including all accessories & etc as per direction and satisfaction of Engineer in charge.	sft	181.25	409.5	74,222
(b)	Supplying, fitting & fixing of aluminium Sliding windows with outer frame 100 mm aluminium section of 6mm clear glass, Lock, including all accessories & etc. as per direction and satisfaction of Engineer in charge.	sft	272.5	409.5	111,589
(c)	Supplying, fitting & fixing of aluminium Top Hang windows	sft	45	643.5	28,958

	with outer frame 100 mm aluminium section of 6mm clear glass, Lock, including all accessories & etc. as per direction and satisfaction of Engineer in charge.				
(d)	Supplying, fitting & fixing of aluminium sliding/swing door at entry stair with outer frame 100 mm aluminium section of 6mm clear glass, Lock, including all accessories & etc. as per direction and satisfaction of Engineer in charge.	sft	115	760.5	87,458
(e)	Supplying, fitting & fixing of aluminium partition glass frame in office area with sliding door with 100 mm aluminium section of 6mm clear glass, Lock, including all accessories & etc. as per direction and satisfaction of Engineer in charge.	sft	453.75	702	318,533
<b>17</b>	<b>DOOR WORK</b>				
(a)	Supplying and fitting fixing of WOODEN DOOR with Pertex water proof shutter & Teak chambol door frame (size: 150 mmx 50 mm) including Clamp, Handle, Mortgage lock & all accessories etc. All complete as per drawing, direction and satisfaction of Engineer in charge. ( Sample should be approved by Architect/ client )	nos	5	17550	87,750
(b)	Supplying and fitting fixing of PVC DOOR of RFL/United/Pertex including Clamp, Handle, lock & all accessories etc. All complete as per drawing , direction and satisfaction of Engineer in charge.( Sample should be approved by Architect/ client )	nos	5	4680	23,400
<b>18</b>	<b>Mechanically operated rolling shutter all complete as per direction and accepted by the Engineer in charge. ( Sample should be approved by Architect/ client )</b>	<b>sft</b>	<b>1812.5</b>	<b>702</b>	<b>1,272,375</b>
<b>19</b>	<b>Plastic Emulsion paint of Berger brand approved colour delivered from authorized in a sealed container,applying to wall and ceiling in three coats including cleaning, drying making free from dirt,grease,wax, removing all chalked &amp;scaled materials, fungus,mending good the surface defects,sand papering the surface &amp; necessary scaffolding,sprading by brush/roller/spray etc.all complete as per direction and satisfaction of Engineer in charge.</b>	<b>sft</b>	<b>4531.25</b>	<b>23.4</b>	<b>106,031</b>
<b>20</b>	<b>Supplying, fittings &amp; fixing of mirror polished Floor Tiles with size (600mmx600mm)/(300 mmx300 mm ) irrespective of color &amp; design with China/RAK/equivalent with cement mortar (1:4) base &amp; raking out joints with white cement including cutting &amp; laying the tiles in proper way &amp; finishing with care ,curing etc. all complete as per direction&amp;satisfaction of Engineer in charge. ( Sample should be approved by Architect/ client )</b>				
	(i) Ground floor				
	a. 600x 600mm size	sft	3625	210.6	763,425
	b. 300x 300mm size	sft	906.25	175.5	159,047
<b>21</b>	<b>Supplying,fittings&amp;fixing of Wall Tiles (300 mmx200 mm) irrespective of color &amp; design with China/RAK/equivalent with cement mortar (1:3) base &amp; raking out joints with respective joint filler &amp; binder including cutting &amp; laying the tiles in proper way &amp; finishing with care ,curing etc. all complete as per direction&amp;satisfaction of Engineer in charge.( Sample should be approved by Architect/ client )</b>				
	(i) Ground floor	sft	1360	140.4	190,944
<b>22</b>	<b>Apron/Drain:</b>				



	Providing apron/drain making proper slope with 50mm thick cement concrete (1:2:4) with cement, coarse sand & picked jhama chips including one layer brick flat soling at bottom with 1st class bricks including finishing, dressing, curing at least 7 days etc. all complete as per direction & satisfaction of Engineer in charge.	sft	906.25	1404	1,272,375
23	Supplying & applying floor top surface hardener, finish mechanically, use 5 kg. per sqm. of BASF/CONEMIX / Equivalent brand, etc. all complete as per direction & satisfaction of Engineer in charge.				
	(i) Ground floor	sft	36250	40.95	1,484,438
<b>TOTAL FOR A</b>					<b>49,285,585</b>

<b>B. Steel work</b>					
a)	Steel super structure work	sft	36250	529	19,176,250
b)	Sheeting and accessories	sft	36250	109.25	3,960,313
c)	Transportation	sft	36250	11.5	416,875
d)	Erection and fitting	sft	36250	40.25	1,459,063
e)	Decking work	sft	36250	54.05	1,959,313
f)	Additional work				-
i)	Exhaust fan	nos.	5	17825	89,125
ii)	Insulation work	sft	38062.5	32.2	1,225,613
iii)	Steel stair	nos.	2.5	172500	431,250
iv)	Aluminium louver	sft	680	661.25	449,650
v)	Painting work	sft	36250	19.55	708,688
<b>TOTAL FOR B</b>					<b>29,876,138</b>

<b>C. Sanitary Plumbing</b>	<b>3,942,847</b>
<b>D. Electrical Work</b>	<b>3,734,517</b>
<b>Grand Total (A+B+C+D)</b>	<b>86,839,086</b>

#### **Annexure-01(1C): Cabin Manufacturing Unit (45000Sft)**

<b>A. Building Work</b>					
SL No.	Description of items	Unit	Quantity	Rate in Taka	Amount in Taka
1	Mobilization of Equipment, Manpower & making temporary labour shade with toilets, giving layout for fixing & levelling of Benchmark from any reference point nearby as per drawing with total station machine/Theodolite & with the help of experienced surveyor all complete as per direction and satisfaction of Engineer in charge.	Job	1	100000	100,000
2	500mm dia pile work				
a)	Concreting work with proportion 1:1.5:3 using stone chips/ shingls and 100% Sylhet sand	cft	22500	377	8,482,500
b)	Pile driving work including all complete	cft	10512.5	185.6	1,951,120
3	Earth works in excavation of foundation in all kinds of soil for foundation trenches & deposited to a place of any distance directed by client etc. all complete as per direction and satisfaction of Engineer in charge.	cft	42187.5	11.6	489,375
4	Earth filling works by excavated earth with compaction in 150mm layer by layer mechanically etc. all complete as per direction and satisfaction of Engineer in charge.	cft	30937.5	9.28	287,100
5	Sand filling in foundation, plinth and outside of building with mechanically compacted of sand (F.M 0.8) including leveling, watering	cft	179550	20.88	3,749,004

	and compaction 150mm layer by layer mechanically etc. all complete as per direction and satisfaction of Engineer in charge.				
6	Khao sand (2:1) macadam work with compaction	sft	59062.5	92.8	5,481,000
7	Brick flat soling works with 1st class bricks in foundation and floor all complete as per direction and satisfaction of Engineer in charge.	sft	91650	52.2	4,784,130
a)	Supplying and laying of polythene (covering 1kg=6.5sqm)	sft	56250	3.48	195,750
8	250 mm thick Brick work with 1 <sup>st</sup> class Machine made bricks (1:6) including cleaning & soaking the bricks at least for 24 hours before uses, curing at least 7 days etc. all complete as per direction and satisfaction of Engineer in charge.				
(a)	Foundation upto plinth	cft	5625	220.4	1,239,750
(b)	In Ground floor	cft	2812.5	220.4	619,875
(c)	In 1st floor	cft	1406.25	220.4	309,938
9	125 mm thick Brick works with 1 <sup>st</sup> class Machine made bricks (1:4) including cleaning & soaking the bricks at least for 24 hours before uses, curing at least 7 days etc. all complete as per direction and satisfaction of Engineer in charge.				
(a)	In Ground floor	sft	1406.25	116	163,125
10	75 mm thick C.C works (1:3:6) in foundation including shuttering, curing etc. all complete as per direction and satisfaction of Engineer in charge.	cft	702.5	261	183,353
11	R.C.C works (1:1.5:3) Reinforce cement concrete as per design having straight by cylinder test 3500 psi. at 28 days ,with cement conforming to BDS EN-197-1-CEM1, 52.5N (52.5 Mpa ) ASTM-C 150 Type -1. with 100% coarse sand of 2.2 F.M & 20mm down well graded stone chips & use 38 mm thick wooden shutter & also the shutter making leak proof, curing for 28 days etc. all complete as per drawing & direction of engineer incharge. ( Rate is excluding the cost of reinforcement & its fabrication placing & binding and Rate including cost of shuttering etc.)				
(a)	In footing/foundation casting	cft	3937.5	406	1,598,625
(b)	In pedestal column up to plinth/wall	cft	3517.5	406	1,428,105
(c)	Grade beam	cft	4922.5	400.2	1,969,985
(d)	Floor at plinth level.	cft	30937.5	348	10,766,250
(e)	Slab casting on bondeck				
(i)	Ground floor roof slab	cft	1406.25	348	489,375
(f)	False slab, Tie beam etc.	cft	843.75	394.4	332,775
12	Supply fabrication and fixing to details as per design: Deformed bar reinforcement for R.C.C works including straightening & cleaning, bending binding in position with supply of G.I wire etc. & others accessories if necessary. all complete as per , direction and satisfaction of Engineer in charge.				
	60 grade	ton	281.25	81200	22,837,500
13	Plaster works (1:4) with NCF using sand with F.M-1.2 including sand screening, curing at least 7 days inside plinth wall with a coat of hot bituminous paint apply when dry as per direction and satisfaction of Engineer in charge. (Including cost of bitumen)	sft	7031.25	40.6	285,469
14	Plaster works (1:4) with NCF at inner side skirting with 150mm ht. & where necessary using sand with F.M-1.2 including sand screening, curing at least 7 days as per direction and satisfaction of Engineer in charge.	sft	2812.5	34.8	97,875
15	12 mm Thick plaster to all Brick surface (1:4) using sand with F.M 1.2, including screening of sand, curing at least 7 days etc. all complete as per direction and satisfaction of Engineer in charge.	sft	4655	29	134,995
16	Aluminum work				
(a)	Supplying, fitting & fixing of aluminium Fixed windows with outer frame 100 mm aluminium section of 6mm clear glass, Lock, including all accessories & etc. as per direction and satisfaction of Engineer in charge.	sft	281.25	406	114,188
(b)	Supplying, fitting & fixing of aluminium Sliding windows with outer frame 100 mm aluminium section of 6mm clear glass, Lock, including all accessories & etc. as per direction and satisfaction of Engineer in charge.	sft	422.5	406	171,535
(c)	Supplying, fitting & fixing of aluminium Top Hang windows with outer frame 100 mm aluminium section of 6mm clear glass, Lock, including all accessories & etc. as per direction and satisfaction of Engineer in charge.	sft	70	638	44,660
(d)	Supplying, fitting & fixing of aluminium sliding/swing door at entry stair with outer frame 100 mm aluminium section of 6mm clear glass, Lock, including all accessories & etc. as per direction and satisfaction of Engineer in charge.	sft	178.75	754	134,778
(e)	Supplying, fitting & fixing of aluminium partition glass frame in office area	sft	705	696	490,680

	with sliding door with 100 mm aluminium section of 6mm clear glass, Lock, including all accessories & etc. as per direction and satisfaction of Engineer in charge.				
<b>17</b>	<b>DOOR WORK</b>				
(a)	Supplying and fitting fixing of WOODEN DOOR with Pertex water proof shutter & Teak chambol door frame (size: 150 mmx 50 mm) including Clamp, Handle, Mortgage lock & all accessories etc. All complete as per drawing, direction and satisfaction of Engineer in charge. (Sample should be approved by Architect/ client)	nos	7.5	17400	130,500
(b)	Supplying and fitting fixing of PVC DOOR of RFL/United/Pertex including Clamp, Handle, lock & all accessories etc. All complete as per drawing , direction and satisfaction of Engineer in charge.(Sample should be approved by Architect/ client)	nos	7.5	4640	34,800
<b>18</b>	<b>Mechanically operated rolling shutter all complete as per direction and accepted by the Engineer in charge. (Sample should be approved by Architect/ client)</b>	sft	2812.5	696	1,957,500
<b>19</b>	<b>Plastic Emulsion paint of Berger brand approved colour delivered from authorized in a sealed container, applying to wall and ceiling in three coats including cleaning, drying making free from dirt, grease, wax, removing all chalked &amp; scaled materials, fungus, mending good the surface defects, sand papering the surface &amp; necessary scaffolding, sprading by brush/roller/spray etc. all complete as per direction and satisfaction of Engineer in charge.</b>	sft	7031.25	23.2	163,125
<b>20</b>	<b>Supplying, fittings &amp; fixing of mirror polished Floor Tiles with size (600mmx600mm)/(300 mmx300 mm ) irrespective of color &amp; design with China/RAK/equivalent with cement mortar (1:4) base &amp; raking out joints with white cement including cutting &amp; laying the tiles in proper way &amp; finishing with care ,curing etc. all complete as per direction &amp; satisfaction of Engineer in charge. (Sample should be approved by Architect/ client)</b>				
	(i) Ground floor				
	a. 600x 600mm size	sft	5625	208.8	1,174,500
	b. 300x 300mm size	sft	1406.25	174	244,688
<b>21</b>	<b>Supplying, fittings &amp; fixing of Wall Tiles (300 mmx200 mm) irrespective of color &amp; design with China/RAK/equivalent with cement mortar (1:3) base &amp; raking out joints with respective joint filler &amp; binder including cutting &amp; laying the tiles in proper way &amp; finishing with care ,curing etc. all complete as per direction &amp; satisfaction of Engineer in charge.(Sample should be approved by Architect/ client)</b>				
	(i) Ground floor	sft	2110	139.2	293,712
<b>22</b>	<b>Apron/Drain:</b>				
	Providing apron/drain making proper slope with 50mm thick cement concrete (1:2:4) with cement, course sand & picked jhama chips including one layer brick flat soling at bottom with 1st class bricks including finishing, dressing, cuiring at least 7 days etc. all complete as per direction& satisfaction of Engineer in charge.	sft	1406.25	1392	1,957,500
<b>23</b>	<b>Supplying &amp; applying floor top surface hardener, finish mechanically, use 5 kg. per sqm. of BASF/CONEMIX / Equivalent brand, etc. all complete as per direction &amp; satisfaction of Engineer in charge.</b>				
	(i) Ground floor	sft	56250	40.6	2,283,750
<b>TOTAL FOR A</b>					<b>77,172,887</b>
<b>B. Steel work</b>					
a)	Steel super structure work	sft	56250	460	25,875,000
b)	Sheeting and accessories	sft	56250	95	5,343,750
c)	Transportation	sft	56250	10	562,500
d)	Erection and fitting	sft	56250	35	1,968,750
e)	Decking work	sft	56250	47	2,643,750
f)	Additional work				-
i)	Exhaust fan	nos.	7.5	15500	116,250
ii)	Insulation work	sft	59062.5	28	1,653,750
iii)	Steel stair	nos.	3.75	150000	562,500
iv)	Aluminium louver	sft	1055	575	606,625
v)	Painting work	sft	56250	17	956,250
<b>TOTAL FOR B</b>					<b>40,289,125</b>

C. Sanitary Plumbing	6,173,831
D. Electrical Work	9,613,241
<b>Grand Total (A+B+C+D)</b>	<b>133,249,084</b>

<b>Annexure-02</b>		
<b>Machinery &amp; Equipment's</b>		
Description	Amount in Tk.	Annexure
Expansion of Assembling Unit	29,286,003	2A
Expansion of Body Building Unit	63,200,000	2B
Cabin Manufacturing Unit	59,141,880	2C
<b>Total Machinery &amp; Equipment's</b>	<b>151,627,883</b>	

#### **Annexure: 02(A) - Expansion of Assembling Unit**

SL. No.	Description of Items	Unit	Qty.	Rates	Amount(Tk.)	Remarks
1	Overhead Crane 2.5 ton	set	1	1,300,000	1,300,000	
2	Frame Trolley LHS & RHS	set	4	30,000	120,000	
3	Assembly Trolley	set	4	75,000	300,000	
4	Reaming Unit Heavy Duty	set	4	300,000	1,200,000	
5	Peumatic Gun	set	8	100,000	800,000	
6	Torque Wreanch	set	4	625,000	2,500,000	
7	Degreasing Unit	set	1	1,800,000	1,800,000	
8	Paint Booth	set	1	4,400,000	4,400,000	
9	Peumatic Line FRL System	set	1	1,500,000	1,500,000	
10	Air Compressor	set	1	850,000	850,000	
11	Lighting and Fan with wiring	set	1	1,000,000	1,000,000	
12	700KVA Standby, 650KVA GUCBIR Generator	set	1	1,836,003	1,836,003	
13	Industrial Vacuum Cleaner	set	2	5,500,000	11,000,000	
14	Air Pump With Filter	set	2	250,000	500,000	
15	Hand-Grinder Machine	set	3	40,000	120,000	
16	Bench Drill Machine	set	2	30,000	60,000	
<b>Total</b>					<b>29,286,003</b>	

#### **Annexure: 02(B) - Expansion of Body Building Unit**

SL. No.	Description of Items	Unit	Qty.	Rates	Amount(Tk.)	Remarks
1	Desanding & Preparation Booth	set	2	7,500,000	15,000,000	
2	Automatic Bending Machine	set	2	6,000,000	12,000,000	
3	Automatic Painting Cum Baking Booth	set	1	15,000,000	15,000,000	
4	Automatic Shearing Machine	set	2	5,000,000	10,000,000	
5	Automatic Welding Machine	set	12	750,000	9,000,000	
6	15mm Plasma Cutting	set	1	2,200,000	2,200,000	
<b>Total</b>					<b>63,200,000</b>	

#### **Annexure: 02(C) -Cabin Manufacturing Unit**

SL. No.	Description of Items	Unit	Qty.	Rates	Amount(Tk.)	Remarks
1	Jig for Floor	set	2	137,700	275,400	
2	Jig for side panel	set	2	162,000	324,000	
3	Jig for door LH	set	2	283,500	567,000	
4	Jig for door RH	set	2	283,500	567,000	
5	Jig for roof panel	set	2	226,800	453,600	
6	Jig for hood	set	2	162,000	324,000	
7	Jig for A pilar LH	set	2	145,800	291,600	
8	Jig for A pilar RH	set	2	145,800	291,600	
9	Jig for sub assy	set	3	364,500	1,093,500	
10	Jig for final cubing	set	5	891,000	4,455,000	

11	Pneumatic nut runner	set	10	32,400	324,000	
12	Pneumatic gun	set	5	48,600	243,000	
13	High capacity TIG welding	set	10	687,418	6,874,180	
14	Spot Gun (single tip)	set	30	170,100	5,103,000	
15	De greasing booth	set	1	1,215,000	1,215,000	
16	S/A trolleys	set	15	810,000	12,150,000	
17	Paint booth	set	1	4,050,000	4,050,000	
18	Hand sheet cutter (Electrical) 2 mm 2-4" = 5 mm	set	20	350,000	7,000,000	
19	Stand Drill Machine 3Hp. X 05 mm	set	10	450,000	4,500,000	
20	Overhead Crane = Complete Set = 2 Cranes (3 TON) with Rail.	set	2	3,800,000	7,600,000	
21	Compressor tools 12 sets	set	12	120,000	1,440,000	
<b>Total</b>					<b>59,141,880</b>	

### Annexure: 03

#### Land & land Development

Sl. No.	Items	Area in Decimal	BDT
(a)	<b>Land Purchase</b>		
i	198 Decimal at Gazipur	198	118,800,000
ii	495 Decimal at Gazipur Maona	495	99,000,000
(b)	<b>Land Development (Earth/Sand Filling etc.)</b>	<b>693</b>	<b>92,200,000</b>
<b>Total</b>			<b>310,000,000</b>

**Price of land and cost of development is estimated, price may vary**

### Annexure: 04

#### Repayment of Loan

Sl. No.	Particulars	BDT
1	Mercantile Bank Limited	120,000,000
2	Prime Finance & Investment Ltd.	130,000,000
3	Premier Leasing & Finance Ltd.	100,000,000
<b>Total</b>		<b>350,000,000</b>

### Annexure: 05

#### WORKING CAPITAL REQUIREMENT

Assuming the project will operate for 300 days in a year, at 100% installed capacity, the expansion of the project requires the following Raw Materials and working capital for raw materials:

Sl. No.	Item	Tied up period (Days)	Working Capital Requirement	Source of Fund	
				Right Offer	Own Source
1	<b>Assembling Unit:</b>			50,000,000	521,875,000
	CKD with Spare Parts	45	364,500,000		
2	<b>Body Fabrication:</b>				
	MS Sheet	45	126,750,000		
	GP sheet	45	22,500,000		
	Painting	45	15,000,000		
3	<b>Cabin Fabrication:</b>				
	Mat sheet	45	31,875,000		
	Painting	45	11,250,000		
<b>Total</b>			<b>571,875,000</b>	<b>50,000,000</b>	<b>521,875,000</b>

**QUANTITY OF SHARES HELD BY EACH DIRECTOR AND PERSONS WHO HOLD 5% OR MORE OF THE PAID-UP SHARE CAPITAL OF THE ISSUER ON THE DATE OF THE RIGHTS SHARE OFFER DOCUMENT [see rule-8(l)]**

**Quantity of shares held by each director  
on the date of the rights share offer document**

**As on 03.07.2017**

Name of the Directors	Position	Number of Shares	Percentage (%)
Mr. Iftekhar Ahmed Tipu	Chairman	51,967,500	33.42%
Mr. Taskeen Ahmed	Managing Director	11,407,500	7.34%
Mrs. Nilufar Ahmed	Director	12,675,000	8.15%
Mr. Tanveer Ahmed	Director	11,407,500	7.34%
Mr. Tashfeen Ahmed	Director	10,140,200	6.52%
Mr. Md. Raqibul Islam FCA	Independent Director	-	-
Mr. Rezwan Ali	Independent Director	-	-
<b>Total</b>		<b>97,597,700</b>	<b>62.77%</b>

**Composition of Shareholding  
Position of the Company**

**As on 03.07.2017**

Particulars	No. of Shares Held	Total Amount of Shares	% of Total Shares
Sponsors & Directors	97,597,700	975,977,000	62.77%
General Public	29,755,393	297,553,930	19.14%
Institutions	28,043,387	280,433,870	18.04%
Foreign	83,520	835,200	0.054%
Government	-	-	-
<b>Total</b>	<b>155,480,000</b>	<b>1,554,800,000</b>	<b>100%</b>

**Beneficial Owners Holding  
Shares 5% or Above**

Name	Position	No. of Shares Held	Percentage (%)
Mr. Iftekhar Ahmed Tipu	Chairman	51,967,500	33.42%
Mr. Taskeen Ahmed	Managing Director	11,407,500	7.34%
Mrs. Nilufar Ahmed	Director	12,675,000	8.15%
Mr. Tanveer Ahmed	Director	11,407,500	7.34%
Mr. Tashfeen Ahmed	Director	10,140,200	6.52%
<b>Total</b>		<b>97,597,700</b>	<b>62.77%</b>

Sd/-  
**Taskeen Ahmed**  
Managing Director

Sd/-  
**Md. Sirajul Islam**  
Company Secretary

**NAME, ADDRESS, DESCRIPTION AND OCCUPATION OF DIRECTORS; MANAGING DIRECTOR, MANAGERS AND COMPANY SECRETARY OF THE COMPANY [see rule-8(m)]**

**Board of Directors**

Name	Position	Qualification	Date of Becoming Director for the first time	Address
Mr. Iftexhar Ahmed Tipu	Chairman	B.A	17-02-1988	House# 7. Road# 116, Gulshan-1, Dhaka-1212.
Mr. Taskeen Ahmed	Managing Director	MBA (NSU)	08-05-2000	
Mrs. Nilufar Ahmed	Director	MA (DU)	17-02-1988	
Mr. Tanveer Ahmed	Director	Bachelor of Architecture, USA	29-12-2004	
Mr. Tashfeen Ahmed	Director	MBA, USA	07-10-2010	
Mr. Md. Raqibul Islam FCA	Independent Director	Master Degree in Accounting (DU), FCA	November 2014	House# B/2, 301, Shinepukur Manoshi Lake View, Shahali, Mirpur, Dhaka-1216.
Mr. Rezwan Ali	Independent Director	Bachelor of Science in Computer Science	November 2014	289, Elephant Road, New Market, Dhaka-1215

**Management & Executives**

Sl. No.	Name of Officers	Position	Educational Qualification	Address
1	Uttiya Bakshi Abir	Director, Administration & Corporate Sales	M. Sc	6/1, Lake Circus Flat# 5-A (5th Floor), Kalabagan, Dhaka.
2	Arif Masud Chowdhury	Director, Sales	M. Com	House#15, Flat#01-03, 15 Dhanmondi R/A, Jhigatola, Dhaka-1209
3	Mir Mizanur Rahman	General Manager, Production	B. Sc.	Flat# A-5, House# 11, Lake Circus Road, Kalabagan, Dhaka.
4	Mrs. Mir Fatema Akter	Chief Financial Officer	M.Com, CA (CC)	403/C, Flat # A-1, Circle gulmohor, Khilgoan. Dhaka-1219
5	Mr. Md. Sirajul Islam	Company Secretary	B.Com	Sheen darus Salam Flat # C-2, Plot# 11/B, Road # 8/A, West Dhamondi, Dhaka-1209
6	Mr Md. Hemayet Hossain, ACA	Head of Internal Audit	ACA	Building # B-6, Flat 501, Shinepukur Housing Ltd. Mirpur-1, Dhaka-1216

**NAME OF THE PUBLIC LISTED COMPANIES UNDER COMMON MANAGEMENT [see rule-8(n)]**

As per the Securities and Exchange Commission (Rights Issue) Rules, 2006; there is no Public Listed Company under the common Management of IFAD Autos Limited.

**NAME AND ADDRESS OF THE UNDERWRITER(S) ALONG WITH THE NUMBER OF SHARES UNDERWRITTEN BY EACH UNDERWRITER, AND ALSO THE NAME AND ADDRESS OF ISSUE MANAGER, AUDITORS, LEGAL ADVISER AND BANKER TO THE RIGHTS ISSUE [see rule-8(o)]**

**Classified Information & Underwriters**

ISSUE MANAGER(S)	 <b>Banco Finance And Investment Limited</b> Shefali Complex (4th Floor), 218/3/A West Kafrul Begum Rokeya Sharani, Taltola Sher-e-Bangla Nagar, Dhaka-1207.		
	 <b>Alpha Capital Management Limited</b> Eastern Arzoo Complex (7th floor), 61 Bijoy Nagar, Dhaka-1000.		
AUDITOR	<b>Ahmed Zaker &amp; Co.</b> Chartered Accountants		
BANKERS’ TO THE ISSUE	<b>BRAC Bank Limited</b>		
	<b>Prime Bank Limited</b>		
	<b>Investment Corporation of Bangladesh (ICB)</b>		
COMPLIANCE OFFICER OF MANAGER(S) TO THE ISSUE	<b>Mohammad Nuruzzaman</b> Deputy Manager	<b>Tanvir UI Alam</b> Assistant Manager	<b>Md. Rakib Sadi</b> Head of Issue Management
COMPANY’S COMPLIANCE OFFICER	<b>Nafizul Islam Chowdhury</b> Assistant Company Secretary		
LEGAL/TAX ADVISOR	<b>Ashim Kumar Roy</b>		

**IFAD Autos Limited** is going to offer rights share of **62,192,000** Ordinary Shares of **Tk.10.00** each at an issue price of **Tk.20.00** each including a premium of **Tk.10.00** per share, totaling **Tk.1,243,840,000.00** offered on the basis of 02[R]:05, i.e. 02 (two) Rights Shares for every 05 (five) existing shares held. As per Securities and Exchange Commission's guideline, the issuer of a listed security making rights issue shall appoint one or more underwriters licensed under সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (মার্কেট ব্যাংকার ও পোর্টফোলিও ম্যানেজার) বিধিমালা, ১৯৯৬ to fully underwrite the rights issue on a firm commitment basis. Underwriting commission will be @ **0.50%** on the underwritten amount and there will be no additional commission for take-up unsubscribe portion of shares if any.

Name of Underwriters	No. of Shares to be Underwritten	Offer price (BDT)	Total Amount of Underwritten (BDT)	% of Total Underwritten
<b>Banco Finance And Investment Limited</b> Shefali Complex (4th Floor), 218/3/A West Kafrul Begum Rokeya Sharani, Taltola Sher-e-Bangla Nagar, Dhaka-1207.	15,000,000	20	300,000,000	24%
<b>Alpha Capital Management Limited</b> Eastern Arzoo Complex (7th Floor), 61, Bijoy Nagar, Dhaka-1000.	45,692,000	20	913,840,000	74%
<b>CAPM Advisory Limited</b> Tower Hamlet (9th Floor), 16, Kemal Ataturk Avenue, Banani C/A, Dhaka-1213.	1,500,000	20	30,000,000	2%
<b>Total</b>	<b>62,192,000</b>	<b>20</b>	<b>1,243,840,000</b>	<b>100%</b>



### Underwriters' Obligation

If and to the extent that the shares offered to the existing shareholders by the Rights Share Offer Document authorized hereunder shall not have been subscribed and paid for in cash in full by the closing date, the Company shall within **10 (ten)** days of the closure of subscription call upon the underwriters (**for full unsubscribed amount**) in writing with a copy of said writing to the Securities and Exchange Commission, to subscribe for shares not subscribed by the closing date and to pay for in cash in full, inclusive of any premium if applicable, for such unsubscribed shares within **15 (fifteen)** days after being called upon to do so. If payment is made by Cheque/Company Draft by the underwriter it will be deemed that the underwriter has not fulfilled his obligation towards his commitment under this Agreement, until such time as the Cheque/Company Draft has been encashed and the Company's account has been credited. In any case, within **7 (seven)** days after the expiry of the aforesaid **15 (fifteen)** days, the Company shall send proof of subscription and payment by the underwriters, to the Commission.

**PARTICULARS ALONG WITH THE TERMS AND CONDITIONS OF THE MATERIAL CONTRACTS INCLUDING VENDORS' AGREEMENT, UNDERWRITING AGREEMENT, ISSUE MANAGEMENT AGREEMENT, AGREEMENT WITH THE BANKER TO THE ISSUE AND CONTRACT FOR ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT**  
[see rule-8(p)]

### Terms and Conditions of the Rights Issue

#### Basis of the Offer

The Company records its share register of members on **October 18, 2017** for determining the shareholders who are eligible to receive this offer of shares on rights basis. The ordinary shares are now being offered on a rights basis to the shareholders holding shares on the record date at Tk.10.00 each at an issue price of Tk.20.00 each including a premium of Tk.10.00 per share, in the ratio of 02[R]:05, i.e. 02 (two) rights shares for every 05 (five) existing shares held on the record date.

#### Entitlement

As a shareholder of the Company on the record date on **October 18, 2017** the shareholders are entitled to this Rights Offer. Only the holder(s) of a minimum of one fully paid ordinary share is entitled to receive the Rights Offer.

#### Acceptance of the Offer

A shareholder may accept and apply for the shares hereby offered, wholly or in part by filling in Application - Form A and submitting the same along with the application money to the Bankers to the Issue on or before the Closing Date of subscription of **December 14, 2017**.

#### Renunciation

A shareholder may renounce all or part of the shares he/she is entitled to in favour of any other person(s) other than an infant or person of unsound mind. He/she can renounce his/her rights/entitlement of shares by signing Renunciation Form-B. Renouncee(s) shall fill in Form-C appropriately.

#### General

All applications should be made on the printed form provided by the Company in this Rights Share Offer Documents only and should be completed in all respects. Applications which are not completed in all respects or are made otherwise than as herein provided or are not accompanied by the proper application amount of deposit are liable to be rejected and the application money received in respect thereof shall be refunded.

All communications in connection with the application for the Rights Share should be addressed to the Company quoting the registered folio number/BO ID number in the form.

#### Condition of Subscription

Rights Offer of **62,192,000** Ordinary Shares of Tk.10.00 each at an issue price of Tk.20.00 each including a premium of Tk.10.00 per share, totaling **Tk. 1,243,840,000.00** offered on the basis of **02[R]:05**, i.e. 02 (two) rights shares for every 05 (five) existing shares held by the Shareholder(s) whose name(s) appeared in the Company's Share Register at the record date as on **October 18, 2017**.

### Payment of Share Price

Payments for the full value of Shares applied for shall be made with designated Branches of Bankers to the Issue by Cash/Pay Order/Demand Draft payable to "IFAD AUTOS LIMITED" and crossed. The Pay Order/Demand Draft for payment of share price must be drawn on a Company in the same town to which the application form has been submitted. It is to be noted that all transactions above Tk.1.00 lac must be effected through Demand Draft/Crossed Cheque/Pay Orders.

SUBSCRIPTION STATUS	
Opens on	Closes on
November 19, 2017	December 14, 2017
Within banking hours both days inclusive	

Any changes or extension regarding subscription period will be notified through national dailies.

### Lock-in on Rights Share

The Rights Shares of Directors and other shareholders holding 5% or more shares shall be subject to lock-in for a period of three years from the date of closure of the rights share subscription. In the event of renunciation of rights shares by aforesaid persons, the renounced shares shall also be subject to lock-in for the same period shall be operative.

### Others

The application not properly filled in shall be treated as cancelled and deposited money will be refunded. For any reason, no profit/compensation will be paid on the refunded amount.

The offer will be deemed to have been declined if completed Application Form-A with necessary payments have not been received by **December 14, 2017** or by such later date as may be notified through national dailies to that effect.

## Material Contracts

### Bankers to the Issue

BRAC Bank Limited, Prime Bank Limited and Investment Corporation of Bangladesh (ICB) has accorded their consent to act as the Banker to the Issue and will collect the subscriptions money of the Rights Offer in cash/cheque/pay order/draft etc. through their designated branches as mentioned.

### Significant clauses of Bankers to the Issue agreement are as follows:

- ✓ The Company shall issue 62,192,000 Rights shares of Tk.10.00 each at an issue price of Tk.20.00 each including a premium of Tk.10.00 per share, totaling Tk.1,243,840,000.00 in accordance with the consent of the Bangladesh Securities & Exchange Commission (BSEC) and relevant Securities and Exchange Commission (Rights Issue) Rules, 2006.
- ✓ The company shall pay commission to the Bank at the rate of 0.10% of the amount of subscription money to be collected.
- ✓ The company shall comply with any other formalities required under law of regulatory bodies for raising fund publicly.

The rights issue subscriptions money collected from the shareholders by the Bankers to the issue will be remitted to the Company's **A/C No. 1501202256548005** with **BRAC Bank Limited, Gulshan Branch**.

### Underwriters

<b>Banco Finance And Investment Limited</b> Shefali Complex (4th Floor), 218/3/A West Kafrul Begum Rokeya Sharani, Taltola Sher-e-Bangla Nagar, Dhaka-1207.	<b>Alpha Capital Management Limited</b> Eastern Arzoo Complex (7th Floor), 61, Bijoynagar, Dhaka-1000.
<b>CAPM Advisory Limited</b> Tower Hamlet (9th Floor), 16, Kemal Ataturk Avenue, Banani C/A, Dhaka-1213.	

### Significant clauses of underwriting agreement are as follows:

- ✓ The Company shall issue 62,192,000 Rights shares of Tk.10.00 each at an issue price of Tk.20.00 each including a premium of Tk.10.00 per share in accordance with the approval of the Bangladesh Securities and Exchange Commission and the provisions of this Agreement.

- ✓ Company shall within 10 (ten) days of the closure of subscription call upon the underwriter to take-up the unsubscribed shares.
- ✓ Underwriter should pay for in cash in full for such unsubscribed shares within 15 (fifteen) days after being valued upon to do so.
- ✓ The Company shall pay to the Underwriter an underwriting commission at the rate of **0.50% (zero point five zero percent)** of the value at issue price of the shares hereby agreed to be underwritten by the Underwriter.
- ✓ The Company shall comply with any other formalities required under the laws/rules of the land.

#### Manager to the Issue

**Banco Finance And Investment Limited & Alpha Capital Management Limited** are appointed as Managers to the Issue of the rights issue of the Company. Accordingly, an agreement was made between the Issue Manager and the Company. The Company will pay lump-sum issue management fee BDT 40.00 (20.00 + 20.00) lac (after deducting all necessary tax and VAT) only on total amount to be raised to the Managers to the Issue.

#### Vendor's Agreement

IFAD Autos Limited has not entered into any vendor's agreement except normal course of business.

#### Contract for Acquisition of Property

The Company did not acquire any property or enter into agreement for acquisition of property after the Balance Sheet Date of 1st July 2015 to 31 March 2017.

### NUMBER OF RIGHTS SHARES THAT THE DIRECTORS ARE GOING TO SUBSCRIBE, AND IN CASE THEY PROPOSE TO MAKE RENUNCIATION, THE REASONS AND EXTENT OF SUCH RENUNCIATION [see rule-8(q)]

#### Directors' Take-Up In The Rights Offer

Directors are expected to exercise in full their portion of Rights Offer [Rule-8(q)] is as under:

Name of Director	Status	No. of Share Held	Take-Up in the Rights Offer [2(R):5]
Mr. Iftekhar Ahmed Tipu	Chairman	51,967,500	20,787,000
Mr. Taskeen Ahmed	Managing Director	11,407,500	4,563,000
Mrs. Nilufar Ahmed	Director	12,675,000	5,070,000
Mr. Tanveer Ahmed	Director	11,407,500	4,563,000
Mr. Tashfeen Ahmed	Director	10,140,200	4,056,080
Mr. Md. Raqibul Islam FCA	Independent Director	-	-
Mr. Rezwan Ali	Independent Director	-	-
<b>Total</b>		<b>97,597,700</b>	<b>39,039,080</b>

**STATEMENT OF ACTUAL UTILIZATION OF FUND RAISED BY PUBLIC OFFERING OF SHARES OR RIGHTS SHARES, IF ANY, PRIOR TO THE PROPOSED RIGHTS ISSUE VIS-A-VIS PLAN THEREOF [see rule-8(r)]**

**Declaration Regarding Utilization of Previous Fund (IPO)**

IFAD Autos Limited went for Public Issue in the year 2014 by issuing 21,250,000 Ordinary Shares of Tk.30 each (including Tk.20 premium) totaling Tk.63,75,00,000/- with the objective of partial repayment of loan and Capital Expenditure for Assembling & Body Building Units of the company. The entire fund had fully utilized for meeting the said purpose. The statement of fund utilization is given below:

Sl. No.	Description	Amount in Taka
<b>Receipt of Fund:</b>		
1	From IPO	212,500,000
2	Premium	425,000,000
<b>Total</b>		<b>637,500,000</b>
<b>Utilization of fund</b>		
1	Capital Exenditure for Assembling & Body Building Units	506,780,031
2	Bank Loan Repayment	93,283,969
3	IPO Expenses	37,436,000
<b>Total</b>		<b>637,500,000</b>

Sd/-  
**Taskeen Ahmed**  
 Managing Director

Sd/-  
**Md. Sirajul Islam**  
 Company Secretary

**FORM – A [see rule 5 and rule 8(t)]**

**DECLARATION (DUE DILIGENCE CERTIFICATE) ABOUT RESPONSIBILITY OF THE ISSUE MANAGER(S)  
IN RESPECT OF THE RIGHTS SHARE OFFER DOCUMENT OF IFAD AUTOS LIMITED**

This rights share offer document has been reviewed by us and we confirm after due examination that the rights share offer document constitutes full and fair disclosures about the rights issue and the issuer and complies with the requirements of the Securities and Exchange Commission (Rights Issue) Rules, 2006; and that the issue price is justified under the provisions of the Securities and Exchange Commission (Rights Issue) Rules, 2006.

Place: Dhaka  
Dated: July 26, 2017

For  
(Name of Manager(s) to the Issue)  
Banco Finance And Investment Limited  
Alpha Capital Management Limited

Sd/-  
(Managing Director/CEO)

**FORM – B [see rule 6 and rule 8(t)]**

**DECLARATION (DUE DILIGENCE CERTIFICATE) ABOUT RESPONSIBILITY OF THE UNDERWRITER(S)  
IN RESPECT OF THE RIGHTS SHARE OFFER DOCUMENT OF IFAD AUTOS LIMITED**

This rights share offer document has been reviewed by us and we confirm after due examination that the issue price is justified under the provisions of the Securities and Exchange Commission (Rights Issue) Rules, 2006, and also that we shall subscribe for the under-subscribed rights shares within fifteen days of calling thereof by the issuer. The issuer shall call upon us for such subscription within ten days of closure of the subscription lists for the rights issue.

Place: Dhaka  
Dated: July 26, 2017

For  
(Name of Underwriters)  
  
CAPM Advisory Limited  
Alpha Capital Management Limited  
Banco Finance And Investment Limited

Sd/-  
(Managing Director/CEO)

**FORM- C**  
**SECURITIES AND EXCHANGE COMMISSION (RIGHT ISSUE) RULES, 2006**  
[see rule 8(h) and 8 (t)]

**AUDITOR'S REPORT**  
**TO THE SHAREHOLDERS OF IFAD AUTOS LIMITED**

We have audited the accompanying financial statements for the period ended March 31, 2017 of IFAD Autos Limited in accordance with the Bangladesh Standards of Auditing as adopted by The Institute of Chartered Accountants of Bangladesh and we state that we have obtained all the information and explanations which we have required and after due verification thereof, we report that, in our opinion:

- (a) these financial statements have been drawn up in accordance with the requirements of The Securities and Exchange Rules, 1987, as amended, the Companies Act, 1994 and other relevant laws where applicable and The Bangladesh Accounting Standards, as adopted by The Institute of Chartered Accountants of Bangladesh;
- (b) these financial statements which are in agreement with the books of account of the Company give a true and fair view of the state of its affairs as at March 31, 2017 and of the result of its operations and cash flows for the period then ended;
- (c) proper Books of Account have been kept by the Company as required by the relevant laws; and
- (d) the expenditure incurred was for the purposes of the Company's business.

We also certify that the above Company has declared the following dividend for each of the following five years immediately preceding the issue of rights share offer document under The Securities and Exchange Commission (Rights Issue) Rules-2006, and that the Company has duly paid off and issued bonus share the following amounts of the declared dividend mentioned against respective years:

Financial Year	Date of AGM	Rate		Total Amount (Tk.)	Total Paid/Allotted (Tk.)
		Stock	Cash		
2012	25.12.2012	25%	-	125,000,000 (Stock)	Full
2013	31.08.2013	50%	-	312,500,000 (Stock)	Full
2014	05.11.2014	-	-	Nil	Nil
2015	07.12.2015	30%	7%	345,000,000 (Stock) 80,500,000 (Cash)	Full
2016	20.12.2016	4%	13% (Excluding Directors & Sponsors)	59,800,000 (Stock) 72,353,125 (Cash)	Full

Place: Dhaka  
Dated: July 25, 2017

Sd/-  
**Ahmed Zaker & Co.**  
Chartered Accountants

**DUE DILIGENCE CERTIFICATE BY THE DIRECTORS ABOUT THEIR PERSONAL RESPONSIBILITY IN RESPECT OF  
THE RIGHTS SHARE OFFER DOCUMENT OF IFAD AUTOS LIMITED**

This rights share offer document has been prepared, seen, reviewed and approved by us and we collectively and individually accept full responsibility for the accuracy of the information given in the rights share offer document, relevant documents and financial statements submitted to the Commission and others concerned under the Securities and Exchange Commission (Rights Issue) Rules, 2006. We confirm, after making all reasonable enquiries, that all conditions concerning this rights issue and rights share offer document have been met. We further confirm that we have not concealed any information or statement which might have any bearing on the information already made. In case of any default or failure on our part, civil, criminal or administrative action may be taken against us.

Sd/- <b>Iftekhar Ahmed Tipu</b> Chairman	Sd/- <b>Taskeen Ahmed</b> Managing Director
Sd/- <b>Mrs. Nilufar Ahmed</b> Director	Sd/- <b>Tanveer Ahmed</b> Director
Sd/- <b>Tashfeen Ahmed</b> Director	Sd/- <b>Md. Raqibul Islam FCA</b> Independent Director
Sd/- <b>Rezwan Ali</b> Independent Director	

**A STATEMENT THAT A LOCK-IN ON THE RIGHTS SHARES OF THE DIRECTORS (INCLUDING THEIR RENOUNCED SHARES) FOR A PERIOD OF THREE YEARS FROM THE DATE OF CLOSURE OF THE RIGHTS SHARE SUBSCRIPTION SHALL BE OPERATIVE [see rule 8(u)]**

**Statement of Lock-In on the Rights Shares**

The Rights Shares of **Directors and other shareholders holding 5% or more shares shall be subject to lock-in for a period of three years from the date of closure of the rights share subscription.** In the event of renunciation of rights shares by aforesaid persons, the renounced shares shall also be subject to lock-in for the same period shall be operative.

<b>Name of Director &amp; other Shareholders</b>	<b>Status</b>	<b>No. of Share Held</b>	<b>Lock in portion of Rights Share [2(R):5]</b>	<b>Date of Subscription Close</b>	<b>Expiry Date of Lock-in</b>
Mr. Iftekhar Ahmed Tipu	Chairman	51,967,500	20,787,000	December 14, 2017	3 Years from the date of subscription close
Mr. Taskeen Ahmed	Managing Director	11,407,500	4,563,000	December 14, 2017	3 Years from the date of subscription close
Mrs. Nilufar Ahmed	Director	12,675,000	5,070,000	December 14, 2017	3 Years from the date of subscription close
Mr. Tanveer Ahmed	Director	11,407,500	4,563,000	December 14, 2017	3 Years from the date of subscription close
Mr. Tashfeen Ahmed	Director	10,140,200	4,056,080	December 14, 2017	3 Years from the date of subscription close



## Credit Rating Report (Surveillance)

### IFAD Autos Limited

Particulars	Ratings	Remarks
IFAD Autos Limited	AA <sub>3</sub>	Entity
BDT 10,479.4 million aggregate long term outstanding	AA <sub>3</sub> (Lr)	Please see Appendix-1 for details
BDT 15,746.0 million aggregate short term fund based limits	ST-3	
BDT 3,875.0 million aggregate short term non fund based limits	ST-3	
Outlook	Stable	

*Lr - Loan Rating, ST - Short Term*

(Refer to Appendix-3 for rating history)

**Date of Rating:** 16 March 2017

**Validity:** The entity rating is valid up to 15 March 2018 and the loan ratings are valid up to limit expiry date of respective credit facilities or 15 March 2018 whichever is earlier.

**Rating based on:** Audited financial statements up to 30 June 2016, bank liability position as on 31 December 2016, and other relevant quantitative & qualitative information up to the date of rating declaration.

**Auditor:** Ahmed Zaker & Co., Chartered Accountants

**Methodology:** CRAB's Corporate Rating Methodology (www.crab.com.bd)

#### Analysts:

**Mohammed Nazrul Islam Bhuiyan**

nazrul@crab.com.bd

**Mavin Ahmed**

mavin@crab.com.bd

#### Financial Highlights

	--Year ended June 30--		
(Mil. BDT)	2016	2015	2014
Sales	6932.6	5057.0	8152.8
EBITDA	973.9	651.6	907.9
EBITDA Margin (%)	14.0	12.9	11.1
Net Profit Margin (%)	8.5	7.5	5.8
Return on Avg. Asset (%)	3.3	2.4	3.6
Quick Ratio (x)	2.0	2.4	2.7
Cash Conversion Cycle (Days)	679	799	402
Borrowed Fund to Equity (x)	2.7	2.3	2.7
Borrowed Fund to EBITDA (x)	13.8	16.8	11.5
Cash Flow from Operation	(1861.2)	(688.8)	(2431.4)
Free Cash Flow	(2445.5)	(981.1)	(2884.8)
EBIT/Financial Expenses (x)	9.9	7.2	6.0

*Source: The Company and CRAB Analysis*

#### ■ PROFILE

IFAD Autos Limited (hereinafter also referred to 'IAL' or 'IFAD Autos' or 'the Company') was established in 1988 as a Private Limited Company and converted into a Public Limited Company in 2011. The prime activity and operation of the Company is importing, marketing and body-building of different models *Ashok Leyland's* vehicles in Bangladesh. IAL is a sole and authorized distributor of ESCORT Limited, India for selling of FARMTRAC brand agri machinery and spare parts. Presently, the Company has 19 branches, 59 dealers and 16 service centers through the country. IFAD Autos became listed in Dhaka Stock Exchange (DSE) & Chittagong Stock Exchange (CSE) in January 2015. Total equity of the Company reached BDT 5,020.8 million at the end of June 2016.

#### ■ RATIONALE

Credit Rating Agency of Bangladesh Limited (CRAB) has upgraded the entity rating of IFAD Autos Limited to **AA<sub>3</sub>** (Pronounced as Double A Three) and assigned **AA<sub>3</sub> (Lr)** rating to BDT 10,479.4 million long term outstanding. CRAB has also affirmed **ST-3** rating to BDT 15,746.0 million aggregate fund based limit and BDT 3,875 million aggregate non fund based limit of the Company in the short term.

The upgradation of long term ratings favorably considers IAL's decades of operational track record, strategic relationship with Ashok Leyland Limited, good profitability position, and comfortable coverage position at present. The ratings however are constrained by the high leverage position, working capital intensity and cash flow position of the Company.

IFAD Autos Limited reported BDT 6,932.6 million as revenue in FY2016 with 37.1% growth which was BDT 5,057.0 million in FY2015. The Company experienced increase in EBITDA and gross profit margin due to controlled CoGS in FY2016. Moreover, controlled operating expenses and financial expenses helped the Company to boost up the net profit margin in in FY2016 compared to previous year.

The Company had been maintaining adequate liquidity position over the years as reflected by quick ratio of 2.0x in FY2016 and 2.4x in FY2015. Moreover, the Company managed to realize the receivables in shorter time as indicated by average receivable collection period of 623 days in FY2016.

2017

IFAD Autos Limited

However, the payable payment period got squeezed to 2 days in FY2016 which was 7 days in FY2015. The combined effect of the parameters improved the working capital management as reflected in shorter cash conversion cycle of 679 days in FY2016 which was 799 days in FY2015.

Total shareholders' equity of the Company reached BDT 4,016.6 million (excluding revaluation surplus of BDT 1,004.2 million) at the end of 30 June 2016. Total equity of BDT 4,016.6 million comprises BDT 1,495.0 share capital, BDT 388.3 share premium and BDT 2,133.3 million retained earnings revealing sound quality of equity base. Borrowed fund to adjusted equity increased to 3.3x in FY2016 from 3.1x in FY2015. However, borrowed fund was reported 13.8 times to EBITDA revealing improved leverage position of the Company in FY2016 (FY2015: 16.8x) due to increased EBITDA. EBIT to Financial expenses ratios were increased to 9.9x in FY2016 from 7.2x in FY2015 indicating adequate coverage position to repay the financial obligation of the Company.

The assigned ratings also consider the growth potential relation to operating strategies, market position, degree of competition, sales diversification and business model. The assigned ratings also incorporate the management structure & practices, IT infrastructure & MIS system, experienced manpower, sales & marketing strategy and business monitoring system.

## ■ KEY RATING DRIVERS

### MAJOR CHANGES IN THE SURVEILLANCE CREDIT RATING

- The Company reported BDT 6,932.6 million as revenue in FY2016 with 37.1% growth which was BDT 5,057.0 million in FY2015.
- EBITDA and gross profit margin due to controlled CoGS in FY2016. The Company reported BDT 585.9 million net profit after tax in FY2016 which was BDT 378.6 million in FY2015.
- Recently, IAL has signed a distributor agreement with ESCORT Limited, India for selling of FARMTRAC brand agriculture tractors, implements, other special construction equipments and spare parts. With this collaboration, the management of the Company expected that sales revenue of IAL will increase about BDT 250.0 million in the first year and BDT 600.0 million in the second year of operation with 10.0% profit margin
- IAL is setting up an Assembling Unit for HCV, MCV and LCV and increasing its capacity of Body Building unit by 840 units annually by using its IPO proceeds. It estimates to assemble 960 units of Tusker Super-1613H Truck for the first year after setting up the assembling unit.
- IFAD Autos has earned revenue of BDT 4,920.6 million with net profit of BDT 486.7 million during the first six months of operation in FY2017, which if annualized, the company's revenue may have around 40.0% growth with possibility to generate higher profitability compared to previous year.

### RATING POSITIVES

- + **Experience of Promoter and Management:** Experience of the key promoters and top-level management in related business supports the Company to capture substantial market share.
- + **Broad Dealer Base:** IFAD Autos has broad dealer base all over the country having around 59 dealers' network and 16 sales services centers for catering retail customers, government agencies and corporate clients, which also minimizes its concentration risk.
- + **Established Brand:** The Company has a long business relation with Ashok Leyland of India with presence in the country with its "Ashok Leyland" brand.
- + **Entry Barrier:** Although there is no legal entry barrier in the medium and heavy commercial vehicle business, the operation model of the business is difficult to replicate and time consuming. Moreover, due to the nature of business it requires huge amount of fund for fixed cost involvement.

### RATING CHALLENGES

- **Working Capital Intensity:** Due to the nature of business, IAL needs more working capital. Moreover due to receivable pile up there is stress on cash flow position. Therefore the Company reported prolonged operating cycle and stress in liquidity position.
- **High Leverage:** Leverage position of IFAD Autos Limited is high as the Company depends on credit sales mostly. Any deterioration in credit collection may hamper its credit worthiness. Mentionable here, as a safety cushion the title of the vehicles are occupied by the Company's own name until the installment are fully recovered.
- **Competitive industry:** Overall competition in the market increased since 2013 which may continue during the ongoing year.

## ■ BACKGROUND

IFAD Autos Limited was incorporated in February 1988 as a private limited company and commenced its operation in April 1988. The Company was converted into public limited company in September 2011 and enlisted in DSE and CSE in January 2015. IFAD Autos mainly imports and sells light, medium and heavy truck chassis, different types of bus chassis such as AC buses, Deluxe buses, special vehicles like dump truck, water tankers, prime movers etc. Since 2002, IFAD Autos Limited is the sole distributor of Ashok Leyland Limited, India and engaged in the business of selling *Ashok Leyland's* vehicles in Bangladesh. IAL imports vehicles both in CKD (Complete Knock Down) and SKD (Semi Knock Down) form. Recently, the Company has established its assembling and body building unit to assemble and build the body of those imported vehicles coming in complete knock down form, i.e. only the parts will come from India and IAL will assemble and build the body of those vehicles. In March 2016, IAL has signed a sole/authorize distributor agreement with ESCORT Limited, India for selling of FARMTRAC brand agriculture tractors, implements, other special construction equipments and spare parts.

The principal place of business and the registered office of the Company is situated at Sonartori Tower (13<sup>th</sup>-18<sup>th</sup> Floor), 12 Bipanan C/A, Sonargaon Road, Dhaka-1000, Bangladesh and assembling unit is located at Dhamrai, Dhaka. As of 30 June 2016, around 62.77% of shares of the Company are held by its sponsors/directors, 15.39% are held by institutional investors and 21.84% of shares are held by general public.

Table-1

Company at a Glance	
Particulars	Details
Name of the Company	: IFAD Autos Limited
Date of Incorporation	: 17 February 1988 as a Public Limited Company
Commercial Operation	: 20 April 1988
Industrial Group	: Automotive Industry
Nature of Business	: Importing, marketing and body-building of different types of vehicles
Distributorship	: Sole distributor of Ashok Leyland Limited and ESCORT Limited of India
Products	: Vehicles & Body Building, Spares Parts and Fuel/Lubricants
Types of Vehicles	: AC Buses, Deluxe Buses, Trucks, Prime Movers, Agriculture Tractors etc.
Converted to Public Limited	: 30 September 2011
Registered/Corporate Office	: Sonartori Tower (13 <sup>th</sup> -18 <sup>th</sup> Floor), 12 Bipanan C/A, Sonargaon Road, Dhaka-1000
Branch Office	: 18 (Eighteen) branches at present
Listed in DSE & CSE	: January 2015
Authorised Capital	: BDT 2,000.0 million
Paid-up Capital	: BDT 1,495.0 million (As on 30 June 2016)
Chairman	: Mr. Iftekhar Ahmed Tipu
Managing Director	: Mr. Taskeen Ahmed
Sales in FY2016	: BDT 6,932.6 million (FY2015: BDT 5,057.0 million)
Profit after Tax in FY2016	: BDT 585.9 million (FY2015: BDT 378.6 million)
Statutory Auditor	: Ahmed Zaker & Co., Chartered Accountants
Website	: www.ifadgroup.com/autos/

## ■ GROUP PROFILE

IFAD Group started its journey with IFAD Enterprise in 1985. Mr. Iftekhar Ahmed Tipu is the founder of the Group. The group diversified its business in the field of automobile industry, fish farming and food & beverage industry. At present, the Group has been managing 06 active large and medium companies which have mostly common directors who are family members.

**IFAD Enterprise Limited** was established in 1985 with a view to carrying out the business of import and export of merchandise in different sectors of Bangladesh. For the past three decades IFAD Enterprises Limited has historically undertaken various operations both in private and public sectors. Most recent and noteworthy has been the supply of Double Deckers, A/C buses and Vestibule (Articulated) Buses to BRTC. Since 2002, IFAD Enterprises Limited had also taken up the sole dealership of ELGI Equipments of India, for the Industrial Air Compressor. IFAD Enterprises Limited offers air compressors ranging from 7.5kW to 250kW – covered by Reciprocating (Piston-type), Screw Type, Oil injected & Oil Free and Diesel Driven mobile compressor systems.

Table-2

### Synopsis of the IFAD Group

Name of the Company	Operation Year	Nature of Business	Relationship with IAL
IFAD Autos Ltd.	1988	Importing and marketing of commercial vehicles	-
IFAD Enterprise Ltd.	1986	Supplying, installing Industrial Air Compressors	Common Management
IFAD Agro Complex Ltd.	2004	Fish Farming & Hatchery	Common Management
IFAD Multi Products Ltd.	2007	Manufacturing Consumer Foods	Common Management
IFAD Salt & Chemical Ltd.	2013	Manufacturing and Marketing of Salt	Common Management
IFAD Motors Ltd.	2015	Importing and marketing of CNG driven vehicles	Common Management

Source: Management of the Company

**IFAD Multi Products Limited**, one of the concerns of IFAD Group, incorporated as a private limited company in 2002 and started its commercial operation in April 2007. The company has been producing atta, maida, suji, noodles, biscuits, chips, custard cake, bakery items as well as bottled drinking water. The factory of the Company is located at Boro Rangamtia, Ashulia, Savar, Dhaka on around 40 acres of land. IMPL achieved ISO certificate for ensuring quality management of food. IFAD Multi Products Limited reported revenue of BDT 1,647.6 million in FY2016 which was BDT 1,739.4 million in FY2015.

**IFAD Salt & Chemical Limited** was incorporated as a private limited company in June 2000 Initially the company was named as 'Daina International (Pvt.) Limited'. The company was renamed as 'IFAD Salt & Chemical Limited' with effect from June 15, 2013. IFAD Salt & Chemical Limited engaged in manufacturing and marketing of branded Salt under the brand name of IFAD Salt. The registered office of the company is located at Sonartori Tower (14th Floor), 12 Baponon C/A, Sonargaon Road, Dhaka-1000 and its factory located at Lakirchar, Ruhitpur, Keranigonj of Dhaka. IFAD Autos Limited is holdings 12.0% share of IFAD Salt & Chemical Limited. As per management provided information, the Company generated revenue of BDT 363.0 million with profit before tax of BDT 0.1 million in FY2015.

**IFAD Agro Complex Limited** was incorporated as a private limited company in 2003 and started its operation in 2004. IFAD Agro Complex Limited is engaged in fish hatcheries and situated at Bhaluka of Mymensingh on around 400 acres of land. The project has the capacity to produce 5,000 KGs of Renu (fish eggs) per season. It has also capacity of producing 10.0 million fingerlings as well as 1,500 tons of fish culture per year.

#### ■ OPERATION, BUSINESS & FINANCIAL RISK PROFILE

Operation	Industry/Market	IFAD Autos Limited is operating its business under a distributor agreement with Ashok Leyland Limited, India. IAL is importing, marketing and body-building of different models of Ashok Leyland's vehicles in Bangladesh. The company's product portfolio includes AC Buses, Deluxe Buses, Goods Trucks, Dump Trucks and Prime Movers etc. Apart from this, the company has a body fabrication unit for Ashok Leyland vehicles at Joydebpur of Gazipur. The unit is established on 1.6 acre of land leased from BRTC. Presently the unit is fully engaged in fabrication of different types of vehicles. The raw materials for the body building (MS sheet, wood, and paint) are sourced locally. IFAD Autos has a well-equipped central service station at Tongi to provide after sale service for Ashok Leyland vehicles in Bangladesh. The Company also has service centers at Bogra, Barabari (Gazipur), Chittagong, Comilla, Jatrabari, Jessore, Khulna, Mymensingh, Sirajgonj, Sylhet, and six (05) authorized service centers at Barisal, Faridpur, Feni, Rangpur, and Satkhira for covering wider area to provide after sales service. IAL also earns revenue by selling spare parts of Ashok Leyland's vehicles.
Management	Financial	
Credit Facility	Collateral	

IFAD Autos has an integrated network for marketing its trade products. The customer group comprises both public and private sectors. It appoints dealers for different districts for promoting the market of its imported vehicles. Presently, the company has sales outlet at all divisions of the country which covers the districts viz. Barisal, Bogra, Chittagong, Comilla, Dinajpur, Faridpur, Feni, Gazipur, Jessore, Jhenaidha, Khulna, Kushtia, Mymensingh, Narayanganj, Rajshahi, Rangpur, Satkhira, Sylhet etc. Dhaka and its adjoining areas are covered by its head office.

IFAD Autos is one of the major market players in the domestic automotive market. IAL has both direct and indirect distribution channels. It sells to corporate customers through direct channels and to retail and other customers through its 59 dealers' network. The Company has marketing policy with government agencies and corporate clients, major portion of the buyers are individual clients, which minimizes its concentration risk. The Company already sold Ashok Leyland special vehicles such as Dump Trucks to city corporations, Double Decker's to BRTC, Riot Vans to Bangladesh Police and Water Tankers for WASA. Among the private sectors, IFAD Autos Limited sold Ashok Leyland covered van to some leading cement industries.

Recently, IAL has signed a distributor agreement with ESCORT Limited, India for selling of FARMTRAC brand agriculture tractors, implements, other special construction equipments and spare parts. With this collaboration, the management of the Company expected that sales revenue of IAL will increase about BDT 250.0 million in the first year and BDT 600.0 million in the second year of operation with 10.0% profit margin.

**Table- 3**

#### Segment-Wise Contribution in Sales (Quantity in Pcs)

Product Category	--Year ended June 30--		
	Jul'16-Dec'16	2016	2015
Truck	1,919	2,287	1,655
Bus	519	888	482
Mid-Size Carrier	315	646	374
FARMTRAC Brand	118	-	-
<b>Total</b>	<b>2,871</b>	<b>3,821</b>	<b>2,521</b>

Source: IAL

IAL capitalizes the market base of Ashok Leyland Limited to boost its revenue through emphasizing on Truck sales during last couple of years. The Company prepares its business plan at the beginning of every year having details performance evaluation of previous year, area & product wise monthly details target plan, details commission & incentive plan, marketing plan and service policy to ensure continuous improvement of business performance.

**Table- 4**

#### Composition of Revenue

(Mil. BDT)	--Year ended June 30--		
	Jul'16-Dec'16	2016	2015
Revenue from Truck sales	3,618.7	4,789.1	3,788.9
%of total revenue	73.5%	69.1%	74.9%
Revenue from Bus sales	905.3	1,548.0	765.8
%of total revenue	18.4%	22.3%	15.1%
Revenue from Mid-Size Carrier sales	290.3	595.4	502.3
%of total revenue	5.9%	8.6%	9.9%
Revenue from FARMTRAC Brand	106.2	-	-
%of total revenue	2.2%	-	-

Total Revenue	4,920.6	6,932.6	5,057.0
Revenue Growth (%)	n.a.	37.1%	-38.0%

Source: The Company

During the year 2015-16, sales of Trucks, Buses and Mid-size Carriers contributed 69.1%, 22.3% and 8.6% of the revenue respectively. IAL sold 3,821 commercial vehicles in FY2016 with 37.1% growth in revenue which was 2,521 vehicles in FY2015 (51.6% growth in volume). The Company has included the new product "FARMTRAC Brand" to its current portfolio which has already helped the company to achieve healthy sales. The Management expects the full reflection of the increased sales in the next financials.

Distribution channel and recovery network is one of the key to success of IAL. Apart from cash sales, the Company also sells the vehicles through the long term credit facilities to the clients. The Company borrows the fund from financial institutions to meet its import payments, and also provides credit facilities to the clients. Before providing credit facility for vehicle to any client, the recovery team assesses the credit worthiness of the client. In case of credit sales, the client has to pay minimum 20% of chassis price as down payment. The client either can make the body from IFAD autos or from outside at own cost. The vehicles are then registered under the ownership of Financial Institutions and IFAD Autos as the client. After full repayment of the installments, IFAD Autos handover the ownership of the vehicles to the clients. Maximum term of the credit facility is 5 years which is repayable on monthly installments. Interests on credit facility are adjusted with sales price.

The sales & marketing team of the Company is segregated in three different wings giving more focus on credit recovery team having total manpower of 282. Each member of the team has a designated area to cover the recovery activities and prepare monthly report regarding installment collection & overdue collection for management evaluation and subsequent decision making. Managing Director of the Company directly supervises the recovery team.

Table -5

**Credit Sales and collection of IAL**

(Mil. BDT)	--Year ended June 30--				
	2016	2015	2014	2013	2012
Total Sales	6,932.6	5,057.0	8,152.8	4,306.4	4,152.5
Credit Sales	4,506.2	3,642.3	5,937.7	3,222.8	2,515.2
Credit Sales as % of Total Sales	65.0%	72.0%	72.8%	74.8%	60.6%
Total Collection	4,851.9	4,351.2	5,223.4	3,736.4	3,231.2
Collection as % of Total Sales	70.0%	86.0%	64.1%	86.8%	77.8%
Total Overdue	691.3	628.5	233.6	420.6	348.5
Overdue as % of Credit Sales	10.0%	17.3%	3.9%	13.1%	13.9%

Source: IAL

IAL is setting up an Assembling Unit for HCV, MCV and LCV and increasing its capacity of Body Building unit by 840 units annually by using its IPO proceeds. It estimates to assemble 960 units of Tusker Super-1613H Truck for the first year after setting up the assembling unit. Besides, the company will also have capacity of 1,000 Light and Medium Commercial Vehicles. According to the management of the Company, after setting up the assembling unit IAL is expected yearly net earnings will be added by BDT 204.0 million from the assembling and envisaged enhancement in net earnings from the body building unit is BDT 29.4 million per year.

Automotive industry in Bangladesh is largely dominated by importing reconditioned and new vehicles mostly from Asian countries like Japan, China, India and few from Europe and USA. Due to lack of domestic source of raw materials and backward linkage, vehicle manufacturing and assembling industries did not grow after independence of Bangladesh. However, different private endeavor grabs distributorship of different vehicle brands in Bangladesh in last 2-3 decades. Recently few entrepreneurs emerged with the collaboration foreign companies like Hino, Mitsubishi, Tata Motors, Ashok Leyland etc. to start assembling cars, trucks, pickups and buses. Sales of truck in the country increased significantly because of boom in garments and cement sector as well as easy financing. Most of the trucks are consumed by these two sectors in the form of covered van. Besides, CNG driven buses are also increasing. However, government tariff and tax structure also play important role to motivate the supply of vehicles in Bangladesh.

There are 14-16 large automobile marketers in Bangladesh, among them 5-6 have own assembling facilities. Among the major vehicle importers in Bangladesh- Nitol Motors Limited is the sole distributor of TATA, IFAD Autos Limited is the sole distributor of Ashok Leyland, Runner Motors Ltd. is the sole distributor of Eicher Mini Truck, Energypac Power Generation Ltd. is the sole distributor of JAC, Uttara Motors Limited is the sole distributor of Isuzu, Swaraj, Mazda, Suzuki, FAW. Rangs Motors Limited is the sole distributor of Eicher Heavy Truck, Mitsubishi Fuso Truck, Mahindra Ltd.

Progoti Industries Ltd. and Aftab Automobiles Ltd., a concern of Navana Group, assemble vehicles in Bangladesh and

Operation	Industry/ Market
Management	Financial
Credit Facility	Collateral

most vehicles in the country are imported. IFAD Autos Limited has started to assemble Ashok Leyland's vehicle in Bangladesh while Chittagong based PHP group is set to assemble Malaysian Proton Cars locally. The beginning of assembling may save a lot of foreign currencies and cut the sale prices of the vehicles in Bangladesh.

The management is headed by Mr. Iftekhar Ahmed Tipu, also the founder as well as Chairman of the Company. Mr. Tipu is a successful entrepreneur of several business organizations. The Chairman is supported by Mr. Taskeen Ahmed, Managing Director as well as others director of the Company. Besides, a group of senior professionals assist the top management. Most of the senior professionals have been working with IFAD Autos Limited for long. There was no major change in the management during the last one year.

The authorized capital of the Company is BDT 2,000.0 million divided into 200 million ordinary shares of BDT 10.0 each and paid up capital was BDT 1,495.0 million up to 30 June 2016.

**Table-6**  
**Shareholding Pattern of IFAD Autos Ltd.**

Particulars	30 June 2016			30 June 2015		
	No. of Shares (in '000')	Value (Mil. BDT)	%	No. of Shares (in '000')	Value (Mil. BDT)	%
Sponsors/Directors	93,843.7	938.4	62.77	72,187.5	721.9	62.8
Institutions	23,001.9	230.0	15.39	23,687.5	236.9	20.6
General Public	32,654.4	326.6	21.84	19,125.0	191.2	16.6
<b>Total</b>	<b>149,500.0</b>	<b>1,495.0</b>	<b>100.0</b>	<b>115,000.0</b>	<b>1,150.0</b>	<b>100.0</b>

IFAD Autos Limited has a structured organogram having separate divisions for Administration, Marketing, Finance, Accounts and Credit Recovery in the head office. Out of total 997 employees, credit recovery division possesses highest 282 employees followed by marketing division having 128 employees as of 31 December 2016. Moreover, the Company has different management for its service centers. There were 116 staff and 152 workers in 16 service centers.

IFAD Autos has an in-house management information system for smooth operation of the Company as well as for making strategic management decision. The MIS system of the Company is well developed and flow of information is good. Marketing, Finance & Accounts, and Recovery Team prepare structured report for the top management regarding sales, collection and overdue position.

IFAD Autos Limited reported BDT 6,932.6 million as revenue in FY2016 with 37.1% growth which was BDT 5,057.0 million in FY2015. The Company experienced increase in EBITDA and gross profit margin due to controlled CoGS in FY2016. Moreover, controlled operating expenses and financial expenses helped the Company to boost up the net profit margin in in FY2016 compared to previous year.

**Table- 7**  
**Cost Component and Profitability as % of Revenue (Mil. BDT)**

Particulars	FY2016		FY2015		FY2014	
	Amt.	%	Amt.	%	Amt.	%
Revenue	6,932.6	100.0	5,057.0	100.0	8,152.8	100.0
Cost of Sales	5,707.3	82.3	4,213.2	83.3	6,985.0	85.7
Administrative Expenses	277.9	4.0	189.2	3.7	194.5	2.4
Distributing Expenses	108.0	1.6	114.9	2.3	170.3	2.1
Financial Expenses	96.1	1.4	88.5	1.8	148.6	1.8
Net Profit after Tax	585.9	8.5	378.6	7.5	476.3	5.8

Source: The Company

Due the nature of selling, and competitive practice, its receivable position is very high and its aging schedule suggested that IAL has majority of its receivable for more than 6 months which resulted in very high collection period.

**Table-8**  
**Receivable Aging Schedule**

Year	0-90 Days	91-180 Days	Over 180 Days	Total
<b>FY2016</b>	860.3	931.5	11,121.6	12,913.4
<b>%</b>	6.7%	7.2%	86.1%	100.0%
<b>FY2015</b>	1,094.1	795.1	8,829.7	10,718.8
<b>%</b>	10.2%	7.4%	82.4%	100.0%

The Company had been maintaining adequate liquidity position over the years as reflected by quick ratio of 2.0x in FY2016 and 2.4x in FY2015. Moreover, the Company managed to realize the receivables in shorter time as indicated by average receivable collection period of 623 days in FY2016 compared to 747 days in FY2015 due to the strategy of

reconciling the accounts receivable account. However, the payable payment period got squeezed to 2 days in FY2016 which was 7 days in FY2015. The combined effect of the parameters improved the working capital management as reflected in shorter cash conversion cycle of 679 days in FY2016 which was 799 days in FY2015.

Total shareholders' equity of the Company reached BDT 4,016.6 million (excluding revaluation surplus of BDT 1,004.2 million) at the end of 30 June 2016. Total equity of BDT 4,016.6 million comprises BDT 1,495.0 share capital, BDT 388.3 share premium and BDT 2,133.3 million retained earnings revealing sound quality of equity base. Borrowed fund to adjusted equity increased to 3.3x in FY2016 from 3.1x in FY2015. However, borrowed fund was reported 13.8 times to EBITDA revealing improved leverage position of the Company in FY2016 (FY2015: 16.8x) due to increased EBITDA. EBIT to Financial expenses ratios were increased to 9.9x in FY2016 from 7.2x in FY2015 indicating adequate coverage position to repay the financial obligation of the Company.

IFAD Autos has earned revenue of BDT 4,920.6 million with net profit of BDT 486.7 million during the first six months of operation in FY2017, which if annualized, the company's revenue may have around 40.0% growth with possibility to generate higher profitability compared to previous year.

Operation	Industry/ Market
Management	Financial
<b>Credit Facility</b>	<b>Collateral</b>

IFAD Autos Limited has banking relation with 26 Banks and 7 Financial Institutions having total short-term limit facilities of BDT 11,014.5 million and BDT 10,479.4 million long term outstanding as of 31 December 2016. As per information, the dealing of the Company is at satisfactory level considering timely payment and no default history with these Banks and Financial Institutions. Details bank liability position of the Company is given in appendix -1.

**APPENDIX – 1: CREDIT FACILITIES OF IFAD AUTOS LTD. (CONTINUED TO NEXT PAGE)**

<b>Details of Credit Facilities of IFAD Autos Limited as of 31 December 2016 (Mil. BDT)</b>					
<b>Loan Type</b>	<b>Name of Bank/ Financial Institution</b>	<b>Nature of Facility</b>	<b>Limit</b>	<b>Outstanding</b>	<b>Limit Expiry</b>
Long Term Funded	Al-Arafah Islami Bank Ltd.	HPSM (Transport)	1,100.0	766.9	29-Sep-18
	Bank Asia Ltd.	Term Loan	750.0	613.6	18-Mar-17
	BRAC Bank Ltd.	Term Loan	1,250.0	751.6	15-Aug-17
	Commercial Bank Of Ceylon	Term Loan	200.0	191.5	30-Jun-17
	Dhaka Bank Ltd.	Term Loan	600.0	273.7	31-Jan-20
	Dutch-Bangla Bank Ltd.	Term Loan	300.0	238.8	15-Feb-20
	Eastern Bank Ltd.	Term Loan	1,600.0	1,086.0	31-May-17
	Exim Bank of Bangladesh Ltd.	IBB (HP)	200.0	36.1	31-May-17
	IDLC Finance Ltd.	Lease Finance	100.0	57.6	6-Jun-18
	IFIC Bank Ltd.	Term Loan	300.0	215.5	31-Oct-19
	International Leasing & Financial Services Ltd.	Lease Finance	153.0	63.8	30-Nov-20
	Jamuna Bank Ltd.	Lease Finance	500.0	278.8	30-Apr-17
	Lanka Bangla Finance Ltd.	Lease Finance	100.0	49.0	31-Dec-19
	Mercantile Bank Ltd.	Lease Finance	800.0	638.5	31-Dec-17
		Term Loan	250.0	168.8	30-May-19
	Modhumoti Bank Ltd.	Term Loan	480.0	56.3	31-Mar-20
	National Finance Ltd.	Lease Finance	400.0	301.9	9-May-20
	National Housing Finance and Investment Ltd.	Lease Finance	90.0	17.0	31-Dec-20
	NCC Bank Ltd.	Lease Finance	600.0	315.4	30-Nov-19
	NRB Commercial Bank Ltd.	Lease Finance	450.0	255.3	31-May-17
	One Bank Ltd.	Lease Finance	1,000.0	641.4	7-Jul-20
	Premier Leasing & Finance Ltd.	Lease Finance	70.0	19.6	5-Apr-19
		Term Finance	150.0	131.4	31-Dec-20
	Prime Bank Ltd.	Hire Purchase	500.0	368.9	18-Aug-17
	Pubali Bank Ltd.	Term Loan	500.0	102.3	28-Feb-18
	SBAC Bank Ltd.	Lease Finance	300.0	216.9	31-Jan-17
	Shahjalal Islami Bank Ltd.	HPSM	700.0	366.8	8-Sep-21
		Term Loan	200.0	50.9	31-Dec-18
	Social Islami Bank Ltd.	HPSM (Transport)	900.0	585.7	5-Mar-20
	Standard Bank Ltd.	Lease Finance	365.0	279.9	23-Sep-20
	The City Bank Ltd.	Term Loan	300.0	167.9	1-May-20
	The Premier Bank Ltd.	Lease Finance	800.0	434.3	30-Nov-17
	Trust Bank Ltd.	Hire Purchase	700.0	571.1	8-May017
	United Commercial Bank Ltd.	Transport Loan	400.0	74.7	30-Apr-18
	Uttara Bank Ltd.	Term Loan	320.0	91.9	31-Dec-21
<b>Total Long Term</b>			<b>17,428.0</b>	<b>10,479.4</b>	
Short Term Funded	Al-Arafah Islami Bank Ltd.	MPI-TR	160.0	108.2	30-Sep-17
	Bank Asia Ltd.	LTR	135.0	84.6	18-Nov-17
		SOD	120.0	10.4	18-Nov-17
		SOD	400.0	110.0	15-Aug-17
	BRAC Bank Ltd.	LTR	380.0	191.5	15-Aug-17
		LTR	(144.0)	10.5	30-Jun-17
		STL	106.0	5.8	30-Jun-17
	Dhaka Bank Ltd.	LTR	140.0	-	31-Jan-18
		STL	50.0	11.8	31-Jan-18
		Time Loan	50.0	2.4	31-Jan-18
	Dutch-Bangla Bank Ltd.	OD	(75.0)	45.4	28-Feb-17
		LTR	135.0	34.4	28-Feb-17
	Eastern Bank Ltd.	SOD	450.0	365.6	31-May-17
		LTR	(285.0)	147.5	31-May-17
	Exim Bank of Bangladesh Ltd.	MTR	100.0	-	31-May-17
	IFIC Bank Ltd.	OD	55.0	48.4	31-Oct-17
		LTR	103.5	26.2	31-Oct-17
	IPDC Bangladesh	SOD	100.0	100.0	17-Nov-17



	Jamuna Bank Ltd.	SOD	250.0	202.7	30-Apr-17
		LTR	120.0	14.5	30-Apr-17
	Mercantile Bank Ltd.	LTR/Time Loan	130.0	57.3	31-Dec-17
		SOD (General)	600.0	472.7	31-Dec-17
	Modhumoti Bank Ltd.	SOD (General)	60.0	0.01	31-Mar-17
	NCC Bank Ltd.	LTR	120.0	106.3	31-Mar-17
	NRB Commercial Bank Ltd.	LTR	90.0	57.9	31-May-17
	.	OD	45.0	36.5	31-May-17
	One Bank Ltd.	Time Loan	285.0	215.8	30-Jun-17
	Prime Bank Ltd.	LTR	180.0	61.0	18-Aug-17
		SOD	100.0	28.9	18-Aug-17
		Time Loan	100.0	60.0	30-Jul-17
	Pubali Bank Ltd.	Overdraft (OD)	100.0	2.8	28-Feb-18
		LATR	95.0	8.4	28-Feb-18
	SBAC Bank Ltd.	Time Loan	40.0	9.1	31-Jan-17
		SOD	40.0	20.9	31-Jan-17
		LTR	90.0	50.6	31-Jan-17
	Shahjalal Islami Bank Ltd.	MPI-TR	(200.0)	95.2	28-Feb-18
	Social Islami Bank Ltd.	Baim TR	135.0	76.1	31-Mar-17
		SOD	65.0	27.1	31-Mar-17
	Standard Bank Ltd.	SOD (General)	50.0	50.2	31-Aug-17
		LTR	65.0	47.2	31-Aug-17
	The City Bank Ltd.	LTR	(90.0)	24.7	30-May-17
		STL	(67.5)	12.5	30-May-17
	The Premier Bank Ltd.	LTR	140.0	26.1	30-Nov-17
		SOD	800.0	454.1	30-Nov-17
	Trust Bank Ltd.	SOD	45.0	2.8	8-May-17
		LTR	90.0	51.7	8-May-17
		Time Loan	45.0	9.4	8-May-17
	United Commercial Bank Ltd.	LTR	125.0	-	30-Apr-17
	Uttara Bank Ltd.	SOD	580.0	545.4	31-Jul-17
		<b>Total Short Term Funded</b>	<b>7,069.5</b>	<b>4,130.6</b>	
Short Term Non- Funded	Al-Arafah Islami Bank Ltd.	LC/Bills	200.0	9.4	30-Sep-17
	Bank Asia Ltd.	LC (Sight)	150.0	-	18-Nov-17
	BRAC Bank Ltd.	LC	300.0	-	15-Aug-17
	Commercial Bank Of Ceylon	LC	160.0	-	30-Jun-17
	Dhaka Bank Ltd.	LC (Sight)	150.0	-	31-Jan-18
	Dutch-Bangla Bank Ltd.	LC	150.0	-	28-Feb-17
	Eastern Bank Ltd.	LC	300.0	-	31-May-17
	IFIC Bank Ltd.	LC (Sight)	115.0	-	31-Oct-17
	Jamuna Bank Ltd.	LC	150.0	-	30-Apr-17
	Mercantile Bank Ltd.	LC	150.0	-	31-Dec-17
	Modhumoti Bank Ltd.	LC (Sight)	150.0	-	31-Mar-17
	NCC Bank Ltd.	LC/PAD	100.0	-	31-Mar-17
	NRB Commercial Bank Ltd.	LC (Sight)	100.0	-	31-May-17
	One Bank Ltd.	LC	300.0	-	30-Jun-17
	Prime Bank Ltd.	LC (Sight)	200.0	-	18-Aug-17
	The Premier Bank Ltd.	LC (Sight)	200.0	-	30-Nov-17
	SBAC Bank Ltd.	LC (Sight)	100.0	-	31-Jan-17
	Shahjalal Islami Bank Ltd.	Murabaha LC	200.0	-	28-Feb-18
	Social Islami Bank Ltd.	LC	150.0	-	31-Mar-17
	The City Bank Ltd.	LC (Sight)	100.0	-	30-May-17
	Standard Bank Ltd.	LC (Sight)	120.0	-	31-Aug-17
	Trust Bank Ltd.	LC	100.0	27.3	8-May-17
	United Commercial Bank Ltd.	SLC/PAD	100.0	-	30-Apr-17
	Uttara Bank Ltd.	LC	200.0	34.1	31-Jul-17
		<b>Total Short Term Non Funded</b>	<b>3,945.0</b>	<b>70.8</b>	

Source: The Company

**APPENDIX – 2: KEY FINANCIAL INDICATORS OF IFAD AUTOS LTD.**

<b>Financial Highlights</b>						
		<b>--Year ended June 30--</b>				
	<b>(Mil. BDT)</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>Earnings &amp; Stability</b>	Net Sales	6932.6	5057.0	8152.8	4306.4	4152.5
	Sales Growth (%)	37.1%	-38.0%	89.3%	3.7%	-16.64%
	CoGS as % of Sales	82.3%	83.3%	85.7%	82.3%	82.9%
	EBITDA	973.9	651.6	907.9	600.1	480.16
	EBITDA Growth (%)	49.5%	-28.2%	51.3%	25.0%	-35.79%
	EBITDA Margin (%)	14.0%	12.9%	11.1%	13.9%	11.56%
	Net Profit after tax	585.9	378.6	476.3	320.1	251.30
<b>Profitability</b>	Net profit after tax growth (%)	54.8%	-20.5%	48.8%	27.4%	-53.5%
	Gross Profit Margin	17.7%	16.7%	14.3%	17.7%	17.1%
	Operating Profit Margin	12.1%	10.7%	9.8%	11.5%	11.3%
	Net Profit Margin	8.5%	7.5%	5.8%	7.4%	6.1%
	Return on Average Asset	3.3%	2.4%	3.6%	2.9%	2.4%
<b>Liquidity</b>	Return on Average Equity	11.9%	8.7%	12.6%	9.1%	7.6%
	Current Ratio (x)	2.1	2.5	2.8	5.9	5.1
	Quick Ratio (x)	2.0	2.4	2.7	5.7	5.0
	Inventory +AR to TA	72.1%	69.5%	68.5%	66.3%	65.1%
	Net Working Capital to TA	75.6%	72.6%	71.7%	69.9%	68.7%
	Inventory Turnover Ratio (x)	6.4	6.3	16.4	12.4	17.4
	Average Inventory Processing Period (Days)	58	59	23	30	21
	Receivable Turnover Ratio (x)	0.6	0.5	1.0	0.6	0.6
	Average Receivable Collection Period (Days)	623	747	384	581	573
	Payable Turnover Ratio (x)	192.3	58.5	76.8	43.0	35.8
<b>Leverage &amp; Capital Structure</b>	Average Payable Payment Period (Days)	2	7	5	9	11
	Operating Cycle (Days)	681	806	407	611	594
	Cash Conversion Cycle (Days)	679	799	402	602	583
	Equity Capital	5020.8	4823.0	3897.5	3659.7	3339.6
	Adjusted Equity Capital	4016.6	3502.8	2575.9	2082.0	1761.9
	Total Borrowed Fund	13421.8	10977.0	10407.7	7090.9	6379.9
	Total Long Term Debt	6042.2	5993.6	6392.0	6084.4	5358.3
	EBITDA	973.9	651.6	907.9	600.1	480.2
	Fund Flow from Operation (FFO)	609.1	396.4	491.9	332.8	263.5
	Cash Flow from Operation (CFO)	-1861.2	-688.8	-2431.4	-468.2	445.9
	Retained Cash Flow (RCF)	-1941.7	-688.8	-2743.9	-593.2	445.9
	Free Cash Flow (FCF)	-2445.5	-981.1	-2884.8	-754.6	366.4
	Borrowed Fund to Equity (x)	2.7	2.3	2.7	1.9	1.9
	Borrowed Fund to Adj. Equity (x)	3.3	3.1	4.0	3.4	3.6
	Borrowed Fund/EBITDA (x)	13.8	16.8	11.5	11.8	13.3
	FFO/Debt	4.5%	3.6%	4.7%	4.7%	4.1%
	CFO/Debt	-13.9%	-6.3%	-23.4%	-6.6%	7.0%
<b>Coverage</b>	RCF/Debt	-14.5%	-6.3%	-26.4%	-8.4%	7.0%
	FCF/Debt	-18.2%	-8.9%	-27.7%	-10.6%	5.7%
	EBIT to Interest expense (x)	9.9	7.2	6.0	4.3	5.4
	FCF to Interest expense (x)	-25.4	-11.1	-19.4	-5.5	4.2
	(EBITDA-CAPEX) to Interest expense (x)	4.9	4.1	5.2	3.2	4.6

*Note: Figures are based on Audited Financial Statements; Audited by Ahmed Zaker & Co., Chartered Accountants*

### APPENDIX – 3: RATING HISTORY OF IFAD AUTOS LTD.

**Date of Rating:** 12 May 2016

Particulars	Ratings-2015
IFAD Autos Limited	A <sub>1</sub>
BDT 9,802.8 million aggregate long term outstanding (LTO)	A <sub>1</sub> (Lr)
BDT 4,143.5 million aggregate short term fund based limits	ST-3
BDT 3,725.0 million aggregate short term non fund based limits	ST-3
Outlook	Stable

*Lr - Loan Rating, ST – Short Term*

**Validity:** The entity rating is valid up to 30 December 2016 and the loan ratings are valid up to limit expiry date of respective credit facilities or 30 December 2016 whichever is earlier.

**Rating based on:** Audited financial statements up to 30 June 2015, bank liability position as on 30 April 2016, and other relevant quantitative & qualitative information up to the date of rating declaration.

**Date of Rating:** 03 December 2014

Particulars	Ratings-2014
IFAD Autos Ltd.	A <sub>1</sub>
BDT 9,159.8 million aggregate long term outstanding (LTO)	A <sub>1</sub> (Lr)
BDT 2,061.2 million aggregate short term fund based limits	ST-3
BDT 280.0 million aggregate short term non fund based limits	ST-3
Outlook	Stable

*Lr - Loan Rating, ST – Short Term;*

**Validity:** The entity rating is valid up to 30 December 2015 and the loan ratings are valid up to limit expiry date of respective credit facilities or 30 December 2015 whichever is earlier.

**Date of Rating:** 12 December 2013

Particulars	Ratings-2013
IFAD Autos Ltd.	A <sub>1</sub>
BDT 5,829.6 million aggregate long term outstanding (LTO)	A <sub>1</sub> (Lr)
BDT 1,478.5 million aggregate short term fund based limits	ST-3
BDT 1,510.0 million aggregate short term non fund based limits	ST-3
Outlook	Stable

**Date of Rating:** 23 January 2012

Particulars	Ratings-2012
IFAD Autos Ltd.	A <sub>1</sub>
BDT 5,829.6 million aggregate long term outstanding (LTO)	A <sub>1</sub> (Lr)
BDT 1,478.5 million aggregate short term fund based limits	ST-3
BDT 1,510.0 million aggregate short term non fund based limits	ST-3
Outlook	Stable

**Date of Rating:** 23 January 2011

Particulars	Ratings-2011
IFAD Autos Ltd.	A <sub>1</sub>
BDT 5,284.1million aggregate long term outstanding (LTO)	A <sub>1</sub> (Lr)
BDT 1,483.5 million aggregate short term fund based limits	ST-3
BDT 1,416.3 million aggregate short term non fund based limits	ST-3

### CRAB RATING SCALES AND DEFINITIONS –Long Term (Corporate)

Long Term Rating	Definition
<b>AAA</b> Triple A	Companies rated in this category have extremely strong capacity to meet financial commitments. These companies are judged to be of the highest quality, with minimal credit risk.
<b>AA<sub>1</sub>, AA<sub>2</sub>, AA<sub>3</sub>*</b> Double A	Companies rated in this category have very strong capacity to meet financial commitments. These companies are judged to be of very high quality, subject to very low credit risk.
<b>A<sub>1</sub>, A<sub>2</sub>, A<sub>3</sub></b> Single A	Companies rated in this category have strong capacity to meet financial commitments, but are susceptible to the adverse effects of changes in circumstances and economic conditions. These companies are judged to be of high quality, subject to low credit risk.
<b>BBB<sub>1</sub>, BBB<sub>2</sub>, BBB<sub>3</sub></b> Triple B	Companies rated in this category have adequate capacity to meet financial commitments but more susceptible to adverse economic conditions or changing circumstances. These companies are subject to moderate credit risk. Such companies possess certain speculative characteristics.
<b>BB<sub>1</sub>, BB<sub>2</sub>, BB<sub>3</sub></b> Double B	Companies rated in this category have inadequate capacity to meet financial commitments. Have major ongoing uncertainties and exposure to adverse business, financial, or economic conditions. These companies have speculative elements, subject to substantial credit risk.
<b>B<sub>1</sub>, B<sub>2</sub>, B<sub>3</sub></b> Single B	Companies rated in this category have weak capacity to meet financial commitments. These companies have speculative elements, subject to high credit risk.
<b>CCC<sub>1</sub>, CCC<sub>2</sub>, CCC<sub>3</sub></b> Triple C	Companies rated in this category have very weak capacity to meet financial obligations. These companies have very weak standing and are subject to very high credit risk.
<b>CC</b> Double C	Companies rated in this category have extremely weak capacity to meet financial obligations. These companies are highly speculative and are likely in, or very near, default, with some prospect of recovery of principal and interest.
<b>C</b> Single C	Companies rated in this category are highly vulnerable to non-payment, have payment arrearages allowed by the terms of the documents, or subject of bankruptcy petition, but have not experienced a payment default. Payments may have been suspended in accordance with the instrument's terms. These companies are typically in default, with little prospect for recovery of principal or interest.
<b>D</b> (Default)	D rating will also be used upon the filing of a bankruptcy petition or similar action if payments on an obligation are jeopardized.

**\*Note:** CRAB appends numerical modifiers 1, 2, and 3 to each generic rating classification from AA through CCC. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

**LONG-TERM RATING: LOANS/FACILITIES FROM BANKS/FIS**  
(All loans/facilities with original maturity exceeding one year)

RATINGS	DEFINITION
<b>AAA (Lr)</b> (Triple A) Highest Safety	Loans/facilities rated <b>AAA (Lr)</b> are judged to offer the highest degree of safety, with regard to timely payment of financial obligations. Any adverse changes in circumstances are unlikely to affect the payments on the loan facility.
<b>AA (Lr)*</b> (Double A) High Safety	Loans/facilities rated <b>AA (Lr)</b> are judged to offer a high degree of safety, with regard to timely payment of financial obligations. They differ only marginally in safety from AAA (Lr) rated facilities.
<b>A (Lr)</b> Adequate Safety	Loans/facilities rated <b>A (Lr)</b> are judged to offer an adequate degree of safety, with regard to timely payment of financial obligations. However, changes in circumstances can adversely affect such issues more than those in the higher rating categories.
<b>BBB (Lr)</b> (Triple B) Moderate Safety	Loans/facilities rated <b>BBB (Lr)</b> are judged to offer moderate safety, with regard to timely payment of financial obligations for the present; however, changing circumstances are more likely to lead to a weakened capacity to pay interest and repay principal than for issues in higher rating categories.
<b>BB (Lr)</b> (Double B) Inadequate Safety	Loans/facilities rated <b>BB (Lr)</b> are judged to carry inadequate safety, with regard to timely payment of financial obligations; they are less likely to default in the immediate future than instruments in lower rating categories, but an adverse change in circumstances could lead to inadequate capacity to make payment on financial obligations.
<b>B (Lr)</b> High Risk	Loans/facilities rated <b>B (Lr)</b> are judged to have high risk of default; while currently financial obligations are met, adverse business or economic conditions would lead to lack of ability or willingness to pay interest or principal.
<b>CCC (Lr)</b> Very High Risk	Loans/facilities rated <b>CCC (Lr)</b> are judged to have factors present that make them very highly vulnerable to default; timely payment of financial obligations is possible only if favorable circumstances continue.
<b>CC (Lr)</b> Extremely High Risk	Loans/facilities rated <b>CC (Lr)</b> are judged to be extremely vulnerable to default; timely payment of financial obligations is possible only through external support.
<b>C (Lr)</b> Near to Default	Loans/facilities rated <b>C (Lr)</b> are currently highly vulnerable to non-payment, having obligations with payment arrearages allowed by the terms of the documents, or obligations that are subject of a bankruptcy petition or similar action but have not experienced a payment default. C is typically in default, with little prospect for recovery of principal or interest. C (Lr) are typically in default, with little prospect for recovery of principal or interest.
<b>D (Lr)</b> Default	Loans/facilities rated <b>D (Lr)</b> are in default or are expected to default on scheduled payment dates.

*\*Note: CRAB appends numerical modifiers 1, 2, and 3 to each generic rating classification from AA through CCC. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.*

**SHORT-TERM CREDIT RATING: LOANS/FACILITIES OF BANKS/FIS**  
(All loans/facilities with original maturity within one year)

RATINGS	DEFINITION
<b>ST-1</b> Highest Grade	This rating indicates that the degree of safety regarding timely payment on the loans/facilities is very strong.
<b>ST-2</b> High Grade	This rating indicates that the degree of safety regarding timely payment on the loans/facilities is strong; however, the relative degree of safety is lower than that for issues rated higher.
<b>ST-3</b> Adequate Grade	This rating indicates that the degree of safety regarding timely payment on the loans/facilities is adequate; however, the issues are more vulnerable to the adverse effects of changing circumstances than issues rated in the two higher categories.
<b>ST-4</b> Marginal	This rating indicates that the degree of safety regarding timely payment on the loans/facilities is marginal; and the issues are quite vulnerable to the adverse effects of changing circumstances.
<b>ST-5</b> Inadequate Grade	This rating indicates that the degree of safety regarding timely payment on the loans/facilities is minimal, and it is likely to be adversely affected by short-term adversity or less favorable conditions.
<b>ST-6</b> Lowest Grade	This rating indicates that the loans/facilities are expected to be in default on maturity or is in default.

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## IFAD AUTOS LIMITED

Sonar Tori Tower (13th-18th Floor)  
12, Bipanan C/A, Sonargaon Road, Dhaka-1000  
**Phone:** 9632753-62 **Fax:** 9632765,9632759-60  
**Website:** www.ifadgroup.com; **E-mail:** contact@ifadgroup.com

Folio/BO Account No :  
Name :  
Address :

### LETTER OF OFFER FOR RIGHTS ISSUE

Dear Shareholder (s)

We are pleased to inform you that the Board of Directors in its meeting recommended to issue **62,192,000** Ordinary Shares as rights shares of **Tk.10.00** each at an issue price of **Tk.20.00** each including a premium of **Tk.10.00** per share on the basis of **02[R]:05** i.e. 02 (two) Rights Shares for every 05 (five) existing shares held, which was approved by the Shareholders in the Extra Ordinary General Meeting (EGM) held on July 25, 2017. As a registered Shareholder as on **October 18, 2017** (Record date for entitlement), you are entitled to subscribe your rights share.

If you wish to accept the above Rights Share in full or in part, you are required to submit completed Application Form-A annexed hereto with necessary payments. You may, however, renounce your rights in respect of all or part of your entitlement in favor of others in which case the Renunciation Form-B and Form-C annexed here to be submitted duly filled in by you and the renouncee(s) along with necessary payments.

The rights cannot be exercised for fraction of a share i.e. below full unit of share.

All the payments for accepted shares are to be made in cash or by P.O/DD/Cheque @ **Tk.20.00 each**, including a premium of **Tk. 10.00** per share and to be deposited with any of the Branches of Bankers to the Issue during Companying hours from **November 19, 2017** to **December 14, 2017** (both days inclusive). Any extension of time will be notified through national dailies. Payments through P.O/DD/Cheque, must be payable to "**IFAD AUTOS LIMITED**" and must be drawn on a Company in the same town where the Branch of Bankers to the Issue in which the application form has been submitted is situated. It is to be noted that all transactions above **Tk.1.00** lac must be effected through Demand Draft/Crossed Cheque/Pay Orders.

The offer will be deemed to have been declined if completed Application **Form-A** and /or Renunciation **Form-B** and **Form-C** with necessary payments have not been received by **December 14, 2017** or by such later date as may be notified through national dailies to that effect.

A self-explanatory Rights Share Offer Documents is attached for your kind information and evaluation.

By order of the Board

Sd/-

**Taskeen Ahmed**  
Managing Director

## Application Form-A



**IFAD AUTOS LIMITED**

**Sonar Tori Tower (13th-18th Floor)**  
12, Bipanar C/A, Sonargaon Road, Dhaka-1000  
**Phone:** 9632753-62 **Fax:** 9632765,9632759-60  
**Website:** [www.ifadgroup.com](http://www.ifadgroup.com); **E-mail:** [contact@ifadgroup.com](mailto:contact@ifadgroup.com)

Rights Offer of **62,192,000** Ordinary Shares of **Tk.10.00** each at an issue price of **Tk.20.00** each including a premium of Tk.10.00 per share, totaling **Tk.1,243,840,000.00** offered on the basis of **02[R]:05**, i.e. 02 (two) Rights Shares for every 05 (five) existing shares held on the record date **October 18, 2017**.

SUBSCRIPTION STATUS	
Opens on	Closes on
November 19, 2017	December 14, 2017
Within banking hours both days inclusive	

## FORM OF ACCEPTANCE AND APPLICATION FOR SHARES

**The Managing Director**  
IFAD Autos Limited  
Sonar Tori Tower (13th-18th Floor)  
12, Bipanan C/A, Sonargaon Road, Dhaka-1000

Dated: ...../...../2017

Application Sl. No. #

(Bank's Seal)

Dear Sir,

I/We apply for allotment of ordinary shares indicated below in response to your letter of Rights Offer and Subject to the Memorandum and Articles of Association of the Company. I/We hereby agree to accept the shares as may be allotted to me/us on the terms laid down in the letter of offer and enclose the necessary remittance @ **Tk.20.00** each (including a premium of Tk.10.00) per share in cash or by Draft/Pay order/Cheque on.....dated.....drawn on..... Bank..... Branch.

Holder's Folio/BO Account No.	No. of Shares held at the close of business on October 18, 2017	No. of Shares offered	No. of Shares Accepted	Total Amount Paid

Yours faithfully,

1. Name (in block letters) :  
Address :

**Signature**

2. Name (in block letters) :  
Address :

**Signature**

[illegible]

**As per provision of the Depository Act, 1999 and regulations made thereunder, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) Account number in the application form.**

**Note: Signature must be the same as furnished earlier. Incomplete or incorrectly filled application form may be rejected.**

### ACKNOWLEDGEMENT RECEIPT OF SHARE MONEY

Received with thanks Tk.....(Taka.....) only from  
Mr./Ms.....Folio/BO Account  
No.....for.....no.(s) of rights shares of **IFAD Autos Limited** in  
Cash/PayOrder/Draft/ChequeNo.....date.....of.....Bank.....Branch.

Application Sl. No.

(Bank's Seal)

**Signature of Receiving Officer**  
**Date:**

## BANKERS TO THE ISSUE OF RIGHTS ISSUE OF IFAD AUTOS LIMITED

### List of Bankers To The Issue of Rights Issue

BRAC BANK LIMITED			
Region	Sl. No.	Branch	Address
Dhaka	1	Asad Gate Branch	1 no. Asad Gate, Dhaka 1207
	2	Bashundhara Branch	Holding-193, Block-B, Safwan Road, Basundhara R/A, Dhaka
	3	Donia Branch	342 Donia, Biswa Road, Dhaka-1236
	4	Eskaton Branch	Shahnaz Tower, 9, New Eskaton Road, Dhaka
	5	Bashabo Branch	Doric Hakim Tower, House # 213, Road # 19, Atish Dipankar Road, Middle Bashabo, Shabujbag, Dhaka
	6	Mirpur Branch	Plot No 3, Road No 3, Block-A, Sector-11, Mirpur, Dhaka
	7	Narayanganj Branch	147 B B Road, Narayanganj 1400
	8	Nawabpur Branch	172 Nawabpur Road (1st Floor), Dhaka
	9	Rampura Branch	455/1 West Rampura, Dhaka-1219
	10	Shyamoli Branch	19-20, Ring Road, Shyamoli, Dhaka
	11	Uttara Branch	Holse No 1, Road No 15, Sector No 3, Uttara, Dhaka
Chittagong	12	Agrabad Branch	Progoti House, 1070 Seheikh Mujib Road, Agrabad, Chittagong
	13	CDA Avenue Branch	Hosna Kalam complex, CDA Avenue, East Nasirabad, Chittagong
	14	Halisohor Branch	House-12, Road-1, Halisharar Housing Estate, Chittagong
	15	Kazirdeuri Branch	18 S S Khalid Road, Kazir Deori, Khulshi, Chittagong
	16	Momin Road Branch	02, Momin Road, Jamal Khan, Chittagong
Rajshahi	17	Bogra Branch	Sheikh Mansion, 368/405, Rangpur Road, Barogola, Bogra
	18	Rajshahi Branch	House # F-695, Kumarpur, P.O-Ghoramara, Rajshahi
Khulna	19	Jessore Branch	1 Hatkhola (M.K) Road, Jessore-7400
	20	Khulna Branch	"The Daily Probaho Bhaban", KDA Avenue, Khulna
Barisal	21	Barisal Branch	F. Rahman Market, 79, Sadar Road, Barisal- 8200
Sylhet	22	Zindabazar Branch	New Golden City Complex, East Zindabazar, Sylhet.

INVESTMENT CORPORATION OF BANGLADESH			
Region	Sl. No.	Branch	Address
Dhaka	1	Head Office	NSc Tower (12 <sup>th</sup> – 13 <sup>th</sup> Floors), 62/3 Purana Paltan, Dhaka-1000
	2	Local Office	Kashfia Plaza, 35/C, Nayapaltan, VIP Road, Dhaka-1000
Chittagong	3	Chittagong Branch	Delwar Bhaban (3 <sup>rd</sup> Floor), 104, Agrabad Commercial Area, Chittagong
Rajshahi	4	Rajshahi Branch	Dr. Gaffar Plaza (2 <sup>nd</sup> Floor), Main Road, Shaheb Bazar, Rajshahi-6100
	5	Bogra Branch	Afsar Ali Complex, Rajabazar, Barogola, Bogra
Khulna	6	Khulna Branch	Shilpa Bank Bhaban, 25-26, K.D.A. Commercial Area, Khulna
Barisal	7	Barisal Branch	87/88, Hemahyet Uddin Road, Barisal
Sylhet	8	Sylhet Branch	Anondo Tower, Jail road, Sylhet

PRIME BANK LIMITED			
Region	Sl. No.	Branch	Address
Dhaka	1	Foreign Exchange Branch	Al-Haj Mansion, 82, Motijheel C/A, Dhaka -1000
	2	SBC Tower Branch	Sadharan Bima Tower (Ground Floor) 37/A, Dilkusha C/A, Dhaka
	3	Moulvi Bazar Branch	77/4, Moulvi Bazar, Dhaka-1100
	4	Baridhara Branch	Concord I-K Tower, Plot# 02, Block# CEN(A) North Avenue, Gulshan-2 Dhaka-1212
	5	Elephant Road Branch	Ananta Plaza, 136, Elephant Road, Dhaka-1205
	6	Mouchak Branch	Manhattan Tower (1st Floor), 83, Siddheswari Circular Road, Malibagh, Dhaka-1217
	7	Banasree Branch	Arcadia, Plot No.-14, Block No.-C, Main Road, Banasree, Dhaka
	8	Ring Road Branch	Baitul Aman Tower (1st Floor), Holding No: 840-841, Uttara Adabor, Dhaka
	9	Dhanmondi Branch	Momtaz Plaza (1st floor), House No # 7, Road No # 4, Dhanmondi R/A, Dhaka
	10	Uttara Branch	Siaam Tower, Plot # 15, Sector # 03, Uttara Model Town, Dhaka
	11	Bijoy Nagar Branch	Akram Tower (1st floor), 15/5, Bijoy Nagar (Sayed Nazrul Islam Saroni), Dhaka-1000
	12	Ibrahimpur Branch	Sumona Sahadat Center, 80, Ibrahimpur, Kafrul, Dhaka-1206
	13	Panthapath Branch	Firoz Tower, 152/3-B, Green Road, Panthapath, Dhaka-1205



	14	Tejgaon Branch	Shanta Western Tower, Level-02, 186, Bir Uttam Mir Shawkat Sarak, Dhaka-1208
	15	Pragati Sarani Branch	Facilities Tower, Kha-199/2, Maddhya Badda, Dhaka
	16	Mohakhali Branch	69, Mohakhali C/A, Dhaka-1212
	17	Pallabi Branch	Setaras Dream(1st Floor), Holding No: 1/11 & 1/12, Pallabi, Mirpur, Dhaka
	18	Tongi Branch	Sena Kalyan Commercial Complex (1st Floor), Plot # 9, Block #F, Tongi, Gazipur
	19	Ganakbari Branch	Somsher Plaza, Balibhadra Bazar Bus Stand, Dhamsona, Ganakbari, Savar, Dhaka-1340
	20	Wari Branch	Tanin Roseate (1st floor), 43 Ranking Street, Wari, Dhaka
	21	Savar Branch	KK Plaza (1st floor), Holding # A-91, Word # 5, Savar Bazar Road, Savar, Dhaka
	22	Joydevpur Chowrasta Branch	Shapla Mansion, Joydevpur Chowrasta, Chandana Dhaka-Tangail Road, Gazipur
	23	Narayanganj Branch	Modern Model Complex, 56, S.M. Maleh Road, Narayanganj-1400
	24	Tangail Branch	Holding No: 414-417, Main Road, Tangail
	25	Madhabdi Branch	Plot # 17, Madhabdi Bazar, Narsingdi-1604
Chittagong	26	Shimrail Branch	Hazi A Rahman Super Market & Shopping Tower (1st Floor), Holding # 96, Shimrail Morr, Chittagong Road Chowrastha, Shanarpar, Siddirgonj, Narayanganj
	27	Comilla Branch	Holding No: 10/8, Ward#12, Chatpatty (Gangagonj), Kotowali, Comilla
	28	Jubilee Road Branch	Pedrollo Plaza, 5, Jubilee Road, Chittagong -4000
	29	IBB O.R. Nizam Road	O.R. Nizam Road, 739/804 CDA Avenue, Bagmoniram, Chittagong
	30	Laldighi East Branch	8, Laldighi East, Chittagong
	31	Cox's Bazar Branch	Hajera Shopping Center, Holding # 256, Main Road, Cox's Bazar
Rajshahi	32	Halishahor branch	Nandita House (1st & 2nd Floor), Plot No. # 5/A, Lane # 2, Road # 2, Block # G, Halishahar Housing Estate, Double Mooring, Chittagong
	33	Rajshahi Branch	138/144, Shaheb Bazar, Rajshahi-6100
	34	Bogra Branch	331/364, Rangpur Road, Borogola, Bogra-5800
Khulna	35	Pabna Branch	423/1, Sonapatti Road, Pabna
	36	Jessore Branch	47, Netaji Subhas Chandra Road, Jessore town, Jessore-7400
	37	Khulna Branch	7, Old Jessore Road, Khulna -9100
Sylhet	38	Satkhira Branch	Islam Plaza, Abul Kashem Road, Satkhira
	39	IBB Amberkhana	Nabiba Complex, Amberkhana Airport Road, Sylhet-3100
	40	Court Road Branch	Court Road, Moulvi Bazar -3200
Rangpur	41	Subidbazar Branch	Corner View (1st floor, west side), Plot No: 488(SA),2155(RS), Sylhet
	42	Rangpur Branch	Shah-Amanat Super Market (1st Floor), 268 Station Road, Jahaj Companier More, Rangpur

“শেয়ার বাজারে বিনিয়োগ ঝুঁকিপূর্ণ।  
জেনে ও বুঝে বিনিয়োগ করুন”

## Renunciation Form-B



### IFAD AUTOS LIMITED

Sonar Tori Tower (13th-18th Floor)  
12, Bipanan C/A, Sonargaon Road, Dhaka-1000  
**Phone:** 9632753-62 **Fax:** 9632765, 9632759-60  
**Website:** www.ifadgroup.com; **E-mail:** contact@ifadgroup.com

Rights Offer of **62,192,000** Ordinary Shares of **Tk.10.00** each at an issue price of **Tk.20.00** each including a premium of Tk.10.00 per share, totaling **Tk.1,243,840,000.00** offered on the basis of **02[R]:05**, i.e. 02 (two) Rights Shares for every 05 (five) existing shares held on the record date **October 18, 2017**.

SUBSCRIPTION STATUS	
Opens on	Closes on
November 19, 2017	December 14, 2017
Within banking hours both days inclusive	

### FORM OF RENUNCIATION

(যার বিপক্ষে শেয়ার আছে তার জন্য প্রযোজ্য)

#### The Managing Director

IFAD Autos Limited  
Sonar Tori Tower (13th-18th Floor)  
12, Bipanan C/A, Sonargaon Road, Dhaka-1000

Dated: ...../...../2017

Application Sl. No. #

(Bank's Seal)

Dear Sir,

I/We hereby renounce my/our rights to the shares offered to me/us as noted below in favor of person(s) accepting the same and signing in application by renouncee(s) and apply for allotment in his/her/their name(s).

Holder's Folio/BO Account No. (যার বিপক্ষে শেয়ার আছে তার জন্য প্রযোজ্য)	No. of Shares held at the close of business on October 18, 2017	No. of Shares offered	No. of Shares Renounced	Value of Shares Renounced

Yours faithfully,

1. Name (in block letters) :  
Address :

Signature

2. Name (in block letters) :  
Address :

Signature

Name(s) of Renouncee(s) (যার বিপক্ষে শেয়ার যাবে তার জন্য প্রযোজ্য)	BO A/C No.
1 Name:	
2 Name:	

N.B. Use photocopy in case of renouncement favoring more than 2 (two) persons

As per provision of the Depository Act, 1999 and regulations made there under, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) account number in the application form.

Note: Signature must be the same as furnished earlier. Incomplete or incorrectly filled application form may be rejected.

“শেয়ার বাজারে বিনিয়োগ ঝুঁকিপূর্ণ।  
জেনে ও বুঝে বিনিয়োগ করুন”

## Renunciation Form-C



### IFAD AUTOS LIMITED

Sonar Tori Tower (13th-18th Floor)  
12, Bipanan C/A, Sonargaon Road, Dhaka-1000  
**Phone:** 9632753-62 **Fax:** 9632765,9632759-60  
**Website:** www.ifadgroup.com; **E-mail:** contact@ifadgroup.com

#### APPLICATION BY RENOUNCEE(S)

(যার বিওতে শেয়ার যাবে তার জন্য প্রযোজ্য)

#### The Managing Director

IFAD Autos Limited  
Sonar Tori Tower (13th-18th Floor)  
12, Bipanan C/A, Sonargaon Road, Dhaka-1000

Dear Sir,

Dated: ...../...../2017

Application Sl. No. #

(Bank's Seal)

As the shareholder(s) at pre-page has/have renounced his/her/their rights to the shares offered, in my/our favor, I/We do hereby apply for the number of share noted above as renounced, by making payment of Tk. .... being the value of .....Share @ **Tk.20.00** each (including a premium of Tk.10.00) per share.

Yours faithfully,

1	Signature:	2	Signature:
Name (in block letters):		Name (in block letters):	
S/O. D/O. W/O.:		S/O. D/O. W/O.:	
Address:		Address:	
BO No.		BO No.	

(যার বিওতে শেয়ার যাবে তার জন্য প্রযোজ্য)

**N.B. use photocopy in case of renouncement favoring more than 2 (two) persons**

Signature of the Renouncer(s): (যার বিওতে শেয়ার আছে তার জন্য প্রযোজ্য)	1	2
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As per provision of the Depository Act, 1999 and regulations made there under, rights share shall only be issued in dematerialized condition. An applicant must apply for allotment of rights shares mentioning his/her Beneficiary Owner (BO) account number in the application form.

Note: Folio No. is to be mentioned only in case of existing shareholder(s). Incomplete or incorrectly filled application form may be rejected.

#### ACKNOWLEDGEMENT RECEIPT OF SHARE MONEY

(যার বিওতে শেয়ার যাবে তার জন্য প্রযোজ্য)

Received with thanks Tk.....(Taka.....) only  
from Mr./Ms.....Folio/BO Account  
No.....for.....no.(s) of rights shares of **IFAD Autos Limited** in  
Cash/PayOrder/Draft/ChequeNo.....date.....of.....Bank.....Branch.

Application Sl. No.

(Bank's Seal)

Signature of Receiving Officer  
Date: