"If you have any query about this document, you may consult Issuer, Issue Manager and Underwriters"

PROSPECTUS
OF
IFAD AUTOS LIMITED

Public offer of 21,250,000 Ordinary shares of Tk. 10.00 each at an issue price of Tk. 30.00 each including a premium of Tk. 20.00 per share totalling Tk. 63,75,00,000.00

General Subscription Period:
Opening date of Subscription: 23/11/2014
Closing date of Subscription: 27/11/2014

For Non-Resident Bangladeshi subscription period
Opening date of Subscription: 23/11/2014
Closing date of Subscription: 06/12/2014

UNDERWRITERS

PRIME FINANCE CAPITAL MANAGEMENT LIMITED
63, Dilkusha C/A,
Dhaka-1000

BANCO FINANCE AND INVESTMENT LIMITED
Baitul View Tower (11th Floor),
56/1, Purana Paltan, Dhaka-1000

MERCANTILE BANK LIMITED
Eunoos Center (Level-14),
52-53 Dilkusha C/A, Dhaka-1000

UNICAP INVESTMENTS LIMITED
A-A Bhaban, 9th Floor,
23 Motijheel C/A, Dhaka-1000

ALPHA CAPITAL MANAGEMENT LIMITED
National Scout Bhaban (5th Floor),
70/1 Inner Circular Road, Dhaka – 1000.

MANAGERS TO THE ISSUE

BANCO FINANCE

BANCO FINANCE AND INVESTMENT LIMITED
Baitul View Tower (11th Floor),
56/1, Purana Paltan, Dhaka-1000
Phone: 7125703, 7124438, 7125910
Fax: 880-2-7125634
Web: www.bfil.org; email: banco.bd@gmail.com

ALPHA CAPITAL MANAGEMENT LIMITED
National Scout Bhaban (5th Floor),
70/1 Inner Circular Road, Dhaka – 1000.
Phone: 8316540, 8313973
Fax: 8315373
Web: www.alphacml.com; email: alpha.acml@gmail.com

CREDIT RATING STATUS

	Long Term	Short Term
Entity Rating	A1	ST-3
Date of rating	December 12, 2013	December 12, 2013
Validity of rating	December 30, 2014	Up to limit expiry date of respective credit facilities or 30 December 2014 whichever is earlier.
RATING ASSIGNED BY : (CREDIT RATING AGENCY OF BANGLADESH) CRAB		

The issue shall be placed in "N" category
Issue date of the Prospectus: 02/10/2014

ISSUER COMPANY

IFAD AUTOS LIMITED
Sonar Tori Tower (13th-18th Floor)
12, Bipanan C/A, Sonargaon Road
Dhaka-1000
Phone: 9632753-62 Fax: 9632765,9632759-60
Web: www.ifadgroup.com; email: contact@ifadautos.com

"CONSENT OF THE BANGLADESAH SECURITIES AND EXCHANGE COMMISSION HAS BEEN OBTAINED TO THE ISSUE/OFFER OF THESE SECURITIES UNDER THE SECURITIES AND EXCHANGE ORDINANCE, 1969, AND THE SECURITIES AND EXCHANGE COMMISSION (PUBLIC ISSUE) RULES, 2006. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE COMMISSION DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE ISSUER COMPANY, ANY OF ITS PROJECTS OR THE ISSUE PRICE OF ITS SECURITIES OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ISSUER, ITS DIRECTORS, CHIEF EXECUTIVE OFFICER/CHIEF FINANCIAL OFFICER, ISSUE MANAGER, UNDERWRITER AND/OR AUDITOR".

AVAILABILITY OF PROSPECTUS

Prospectus of the Company may be available at the following addresses:

Name & Address	Contact Person	Contact Number
Issuer Company:		
IFAD Autos Limited Sonar Tori Tower (15th& 16th Floor) 12, Bipanan C/A, Sonargaon Road Dhaka-1000	**Abu Sayeed Ahmed FCA** Chief Financial Officer	**Tel:+880-2-9632753-62** **Fax: +880-2-9632765, 9632759-60**
Issue Managers:		
BANCO FINANCE AND INVESTMENT LIMITED Baitul View Tower (11th Floor) 56/1, Purana Paltan, Dhaka-1000	**Mohammad Hamdul Islam** Managing Director & CEO	**Tel:+880-2-7125703, 7124438, 7125910** **Fax: +880-2-7125634**
ALPHA CAPITAL MANAGEMENT LIMITED National Scout Bhaban (5th Floor), 70/1 Inner Circular Road, Dhaka – 1000.	**Noor Ahamed FCA** CEO& Managing Director	**Tel: +880-2-8316540, +880-2-8313973** **Fax: 8315373**
Underwriters:		
Mercantile Bank Limited Eunoos Center (Level-14), 52-53 Dilkusha C/A, Dhaka-1000	**Md. Shawkat Jahan Khan** Senior Vice President	**Tel:+880-2-9571213, 9569902, 9559333** **Ext. 226,118** **Fax: +880-2-9561213**
Unicap Investments Limited A-A Bhaban, 9th Floor, 23 Motijheel C/A, Dhaka-1000	**Md. Akter H. Sannamat-FCA,FCS** Managing Director & CEO	**Tel:+880-2-9662888** **Fax: +880-2-8616878**
Banco Finance and Investment Limited Baitul View Tower (11th Floor) 56/1, Purana Paltan, Dhaka-1000	**Mohammad Hamdul Islam** Managing Director & CEO	**Tel:+880-2-7125703, 7124438, 7125910** **Fax: +880-2-7125634**
Prime Finance Capital Management Limited 63, Dilkusha C/A, Dhaka-1000	**M. Mosharraf Hossain PhD, FCA** Managing Director & CEO	**Tel:+880-2-9563883** **Fax: +880-2-9563692**
ALPHA CAPITAL MANAGEMENT LIMITED National Scout Bhaban (5th Floor), 70/1 Inner Circular Road, Dhaka – 1000.	**Noor Ahamed FCA** CEO& Managing Director	**Tel: +880-2-8316540, +880-2-8313973** **Fax: 8315373**
Stock Exchanges:		
Dhaka Stock Exchange Ltd. (DSE) 9/F Motijheel C/A, Dhaka–1000	**DSE Library**	**Tel:+880-2-9564601-7, 9666944-8**
Chittagong Stock Exchange Ltd. (CSE) 1080 Sheikh Mujib Road, Agrabad, Chittagong–4100	**CSE Library**	**Tel:+880-31-714632-3, 720871-3**

Prospectus is also available on web sites of BSEC (www.sec.gov.bd), IFAD Autos Limited (www.ifadautos.com), Dhaka Stock Exchange Limited (www.dsebd.org), Chittagong Stock Exchange limited (www.csebd.com), Banco Finance & Investment Limited (www.bfil.org), Alpha Capital Management Limited (www.alphacml.com) and at the public reference room of the Bangladesh Securities and Exchange Commission (BSEC) for reading and study.

Name and Address of the Auditor

ATA KHAN & CO.
Chartered Accountants
67, Motijheel C/A, Dhaka-1000
Telephone: 880-2-9560933, 9552833, 9560716

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ACRONYMS

Allotment	:	Letter of allotment for shares
BO A/C	:	Beneficiary Owner's Account or Depository Account
CDBL	:	Central Depository Bangladesh Limited
CIB	:	Credit Information Bureau
Certificate	:	Share Certificate
CRAB	:	Credit Rating Agency of Bangladesh
Commission	:	Bangladesh Securities and Exchange Commission
Companies Act	:	The Companies Act, 1994 (Act. No. XVIII of 1994)
CSE	:	Chittagong Stock Exchange Limited
DSE	:	Dhaka Stock Exchange Limited
FC Account	:	Foreign Currency Account
IAL	:	IFAD Autos Limited
IPO	:	Initial Public Offering
Issue	:	Public Issue
Issue Managers	:	Banco Finance and Investment Limited, Lead Issue Manager
	:	Alpha Capital Management Limited, Co-Issue Manager
Market of the Securities	:	Share market
MP	:	Market Price
NAV	:	Net Asset Value of the Company
NBR	:	National Board of Revenue
NRB	:	Non-Resident Bangladeshi
Offering Price	:	Price of the securities of IFAD Autos Limited being offered
QA	:	Quality Assurance
QC	:	Quality Control
Registered Office	:	Sonar Tori Tower (13th - 18th Floor), 12, Bipanan C/A, Sonargaon Road, Dhaka-1000
RJSC	:	Registrar of Joint Stock Companies & Firms
SC	:	Share Certificate
BSEC	:	Bangladesh Securities and Exchange Commission
Securities	:	Shares of IFAD Autos Limited
Sponsors	:	The Sponsor Shareholders of IFAD Autos Limited
STD Account	:	Short Term Deposit Account
Stockholder	:	Shareholder
Subscription	:	Application money
The Company/Issuer	:	IFAD Autos Limited
CKD	:	Complete Knock Down
SKD	:	Semi Knock Down
CBU	:	Complete Built Up

SECTION-I STATUTORY CONDITIONS

DISCLOSURE IN RESPECT OF ISSUANCE OF SECURITY IN DEMAT FORM

"As per provisions of the Depository Act, 1999 and regulations made there under, shares will only be issued in dematerialized condition. All transfers/transmissions/splitting will take place in the Central Depository Bangladesh Limited (CDBL) and further issuance of shares (rights/bonus) will be issued in dematerialized form only."

CONDITIONS UNDER 2CC OF THE SECURITIES AND EXCHANGE ORDINANCE, 1969

PART—A

1. The company shall go for Initial Public Offer (IPO) for 2,12,50,000 Ordinary Shares of Tk. 10.00 each at an issue price of Tk. 30.00 per share including a premium of Tk. 20.00each worth Tk. 63,75,00,000.00 (Tk. Sixty Three Crore Seventy Five Lac) following the Securities and Exchange Commission (Public Issue) Rules, 2006, the Depository Act, 1999 and regulations made there under.
2. The abridged version of the prospectus, as approved by the Commission, shall be published by the issuer in 4 (Four) national daily newspapers (two in Bangla and two in English), within 5 (Five) working days of issuance of the consent letter. The issuer shall post the full prospectus, vetted by the Bangladesh Securities and Exchange Commission, in the issuer's website and shall also put on the websites of the Commission, stock exchanges, and the issue manager, within 5 (Five) working days from the date of issuance of this letter and shall remain posted till the closure of the subscription list. The issuer shall submit to BSEC, the stock exchanges and the issue managers a diskette containing the text of the vetted prospectus in "MS -Word" format.
3. Sufficient copies of prospectus shall be made available by the issuer so that any person requesting a copy may receive one. A notice shall be placed on the front of the application form distributed in connection with the offering, informing that interested persons are entitled to a prospectus, if they so desire, and that copies of prospectus may be obtained from the issuer and the issue managers. The subscription application shall indicate in bold type that no sale of securities shall be made, nor shall any money be taken from any person, in connection with such sale until twenty five days after the prospectus has been published.
4. The company shall submit 40 (Forty) copies of the printed prospectus to the Bangladesh Securities and Exchange Commission for official record within **5 (Five) working days** from the date of publication of the abridged version of the prospectus in the newspaper.
5. The issuer company and the issue managers shall ensure transmission of the prospectus, abridged version of the prospectus and relevant application forms for NRBs through email, simultaneously with publication of the abridged version of the prospectus, to the Bangladesh Embassies and Missions abroad and shall also ensure sending of the printed copies of abridged version of the prospectus and application forms to the said Embassies and Missions within **5 (Five) working days** of the publication date by Express Mail Service (EMS) of the postal department. A compliance report shall be submitted in this respect to the BSEC jointly by the issuer and the issue managers within 2 (Two) working days from the date of said dispatch of the prospectus and the forms.
6. The paper clipping of the published abridged version of the prospectus, as mentioned at condition **no. 2 above**, shall be submitted to the Commission within 24 hours of the publication thereof.
7. The company shall maintain separate bank account(s) for collecting proceeds of the Initial Public Offering and shall also open Foreign Currency (FC) account(s) to deposit the application money of the Non Resident Bangladeshis (NRBs) for !PO purpose, and shall incorporate full particulars of said FC account(s) in the prospectus. The company shall open the above-mentioned accounts for IPO purpose; and close these accounts after refund of over-subscription money. Non-Resident Bangladeshi (NRB) means Bangladeshi citizens staying abroad including all those who have dual citizenship (provided they have a valid Bangladeshi passport) or those, whose foreign passport bear a stamp from the concerned Bangladesh Embassy to the effect that no visa is required for traveling to Bangladesh.

8. The issuer company shall apply to all the stock exchanges in Bangladesh for listing within 7 (Seven) working days from the date of issuance of this letter and shall simultaneously submit the vetted prospectus with all exhibits, as submitted to BSEC, to the stock exchanges.

9. The following declaration shall be made by the company in the prospectus, namely: **-"Declaration about Listing of Shares with the stock exchange (s):**

   None of the stock exchange(s), if for any reason, grants listing within 75 (Seventy Five) days from the closure of subscription, any allotment in terms of this prospectus shall be void and the company shall refund the subscription money within 15 (Fifteen) days from the date of refusal for listing by the stock exchanges, or from the date of expiry of the said 75 (Seventy Five) days, as the case may be. In case of non-refund of the subscription money within the aforesaid 15 (Fifteen) days, the Directors of the company, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (Two Percent) per month above the bank rate, to the subscribers concerned. The issue managers, in addition to the issuer company, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Commission within 7 (Seven) days of expiry of the aforesaid fifteen days time period allowed for refund of the subscription money."

10. The subscription list shall be opened and the sale of securities commenced after **25 (Twenty Five) days** of the publication of the abridged version of the prospectus and shall remain open for **5 (Five) consecutive banking days.**

11. A non-resident Bangladeshi shall apply either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking "Account Payee only". The NRB applicants shall send applications to the issuer company within the closing date of the subscription so as to reach the same to the company by the closing date plus 9 (Nine) days. Applications received by the company after the above time period will not be considered for allotment purpose.

12. The company shall apply the spot buying rate (TT clean) in US Dollar, UK Pound Sterling and Euro of Sonali Bank Ltd, which shall be mentioned in the Prospectus, as prevailed on the date of opening of the subscription for the purpose of application of the NRBs and other non-Bangladeshi persons, wherever applicable.

13. The Company and the issue manager shall ensure prompt collection/clearance of the foreign remittances of NRBs and other non-Bangladeshi(s), if applicable, for allotment of shares.

14. Upon completion of the period of subscription for securities, the issuer and the issue manager shall jointly provide the Commission and the stock exchanges with the preliminary status of the subscription within 5 (Five) working days, in respect of the following matters, namely: -

    a. Total number of securities for which subscription has been received;
    b. Amount received from the subscription; and
    c. Amount of commission paid to the bankers to the issue.

15. The issuer and the issue manager shall jointly provide the Commission and the stock exchanges with the list of valid and invalid applicants (i.e. final status of subscription) in electronic form in 2 (Two) CDs and final status of subscription to the Commission within **3 (Three) weeks** after the closure of the subscription along with bank statement (original), branch-wise subscription statement. The list of valid and invalid applicants shall be finalized after examination with the CDBL in respect of BO accounts and particulars thereof.

16. The IPO shall stand cancelled and the application money shall be refunded immediately (but not later than 5 (Five) weeks from the date of the subscription closure), if any of the following events occur:
(a) Upon closing of the subscription list it is found that the total number of valid applications (in case of under subscription including the number of the underwriter) is less than the minimum requirement as specified in the listing regulations of the stock exchange(s) concerned; or
(b) At least 50% of the IPO is not subscribed.

17. 20% of the total public offering shall be reserved for Affected Small Investors, 10% of total public offering shall be reserved for non-resident Bangladeshi (NRB) and 10% for mutual funds and collective investment schemes registered with the Commission, and the remaining 60% shall be open for subscription by the general public. In case of under-subscription under any of the 10% and 20% categories mentioned above, the unsubscribed portion shall be added to the general public category and, if after such addition, there is over subscription in the general public category, the issuer and the managers to the issue shall jointly conduct an open lottery of all the applicants added together.

18. All the applicants shall first be treated as applied for one minimum market lot of **200 shares worth Taka 6,000/-** (Six Thousand only). If, on this basis, there is over subscription, then lottery shall be held amongst the applicants allocating one identification number for each application, irrespective of the application money. In case of over-subscription under any of the categories mentioned hereinabove, the issuer and the issue managers shall jointly conduct an open lottery of all the applications received under each category separately in presence of representatives from the issuer, the stock exchanges and the applicants, if there be any.

19. **An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money shall be forfeited by the Commission and the balance amount will be refunded to the applicant.**

20. **The applicant shall provide with the same bank account number in the application form as it is in the BO account of the application.**
21. **The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% of their subscription money too.**
22. Lottery (if applicable) shall be held within **4 (Four) weeks** from closure of the subscription date.
23. The company shall issue share allotment letters to all successful applicants within **5 (Five) weeks** from the date of the subscription closing. Within the same time, refund to the unsuccessful applicants shall be made in the currency in which the value of securities was paid for by the applicants without any interest, through direct deposit to the applicant's bank account as far as possible/ Account Payee Cheque/ refund warrants with bank account number, bank's name and branch as indicated in the securities application forms payable at Dhaka/ Chittagong/ Khulna/ Rajshahi/ Barisal/ Sylhet/ Bogra, as the case may be subject to condition No. 19 & 21 above.

    Refund money of the unsuccessful applicants shall be credited directly to their respective bank accounts, who have chosen the option in the IPO application forms, as maintained with the bankers to the issue or any other banks mentioned in the application.

    A compliance report in this regard shall be submitted to the Commission within 7 (Seven) weeks from the date of closure of subscription.

24. The company shall furnish the List of Allotees to the Commission and the stock exchange(s) simultaneously in which the shares will be listed, within **24 (Twenty Four) hours** of allotment.

25. In the event of under-subscription of the public offering, the unsubscribed portion of securities shall be taken up by the underwriter(s) (subject to Para -16 above). The issuer must notify the underwriters to take up the underwritten shares within 10 (Ten) days of the closing of subscription on full payment of the share money within 15 (Fifteen) days of the issuer's notice. The underwriter shall not share any underwriting fee with the issue managers, other underwriters, issuer or the sponsor group.

26. All issued shares of the issuer at the time of according this consent shall be subject to **a lock-in period of 3 (Three) years** from the date of issuance of prospectus or commercial operation, whichever comes later. Provided that the persons (other than Directors and those who hold 5% or more shares in the company), who have subscribed to the shares of the company within immediately preceding two years of according consent shall be subject to a **lock-in period of 1 (One) year** from the date of issuance of prospectus or commercial operation, whichever comes later.

27. In respect of shares of Sponsors/Directors/Promoters (if in paper format) shall be handed over to security custodian bank registered with BSEC and shall remain till completion of lock in and the name and branch of the bank shall be furnished to the Commission jointly by the issuer and issue managers, along with a confirmation thereof from the custodian bank, within one week of listing of the shares with the stock exchange(s). Or they (shares of Sponsors/ Directors/ Promoters) can be demated and will remain in lock-in under CDBL system and issuer will submit a dematerialization confirmation report generated by CDBL and attested by Managing Director of the company along with lock-in confirmation with BSEC within one week of listing of the shares with the stock exchange (s). In respect of shares other than Sponsors/Directors/Promoters the issuer will ensure their lock-in of those shares and submit a statement to this effect to BSEC.

28. The company shall apply to the stock exchanges for listing within 7 (Seven) working days of issuance of this letter and shall simultaneously submit to the Commission attested copies of the application filed with the stock exchanges.

29. The company shall not declare any benefit/dividend other than cash based on the financial statements for the year ended 30 June, 2014 before listing of its capital with Stock Exchange(s).

30. Making of any false statement in the application or supplying of incorrect information there in or suppressing any relevant information in the application shall make the application liable to rejection and subject to forfeiture of 25% of the application money and/or forfeiture of share (unit) before and after issuance of the same by the issuer. The said forfeited application money or share (unit) will be deposited in the account of Bangladesh Securities and Exchange Commission (BSEC). This is in addition to any other penalties as may be provided for by the law.

31. Updated Corporate Governance Guide line has to be complied with and a compliance report there with shall be submitted to the Commission before 7 (seven) days of opening of subscription.

PART—B

1. In addition to the existing IPO application process, applicants can also apply through their Stockbroker/Merchant Bankers in the following process:

Step-1 (Applicant)

a. Applicants other than Non-resident Bangladeshi (NRB) and Foreign applicants for public issue of securities shall submit application/instruction, within the subscription period, to the Stockbroker/ Merchant Banker where the applicant maintains BO account.

b. The application/instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO" Account Number, Number of Securities applied for, Total Amount and Category of the Applicant. At the same time the applicant shall make the application money available in respective customer account maintained with the Stockbroker/Merchant Banker. No margin facility, advance or deferred payment is permissible for this purpose. Application/instructions shall be preserved by the same Stockbroker/Merchant Banker up to 6 months from listing of the securities with exchange.

Step-2 (Intermediary)

a. The Stockbroker/Merchant Banker shall maintain separate bank account only for this purpose namely "Public Issue Application Account". The Stockbroker/Merchant Banker shall verify the availability of fund and if find in order, block the customer account for an amount equivalent to the application money, accumulate all the application/instructions received up to the subscription closing date, deposit the amount in the "Public Issue Application Account" maintained with its bank, instruct the banker to block the account for an amount equivalent to the aggregate application money and to issue a certificate in this regard. In case of application submitted by the Stock-dealer or the Merchant Banker's own portfolio, the application amount should also be transferred to the "Public Issue Application Account".

b. Banker of the Stockbroker/Merchant Banker shall block the account(s) as requested for, issue a certificate confirming the same and provide it to the respective Stockbroker/Merchant Banker. The Stockbroker/Merchant Banker shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and Number of Securities applied for, and within 03 (three) working days from the subscription closing date, send it to the issuer both in electronic (text format with tilde separator) and printed format along with the certificate issued by its banker.

Step-3 (Issuer)

a. The issuer shall prepare consolidated list of the applications and send the applicants' BOIDs in electronic (text format with tilde `~' separator) format in a CDROM to CDBL for verification. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not. Along with the verification report, CDBL shall provide the issuer with an updated database of the applicants containing BO Account Number, Name, Addresses, Parents' Name, Joint Account Information and Bank Account Information. After receiving verification report and information from CDBL, the issuer shall scrutinize the applications, prepare category wise consolidated lists of the valid and invalid applications, submit status reports of subscription to the Commission and the stock exchanges and conduct lottery in line with the conditions of the consent letter.

b. Within 02 (two) working days of conducting lottery, the issuer shall:

I. send the lists of the successful and unsuccessful applicants (other than NRB and foreign) in electronic (text format with tilde `~' separator) and printed format to the Stockbroker/Merchant Banker, request them to unblock the amount blocked earlier and remit the amount of successful applicants to the issuers respective Escrow Account opened for subscription purpose.

II. issue allotment letters in the names of successful applicants in electronic format with digital signatures and send those to respective Stockbroker/Merchant Bankers. To credit the allotted shares to the respective BO accounts, the issuer shall send consolidated allotment data (BOID and number of securities) in text format in a CDROM to CDBL.

Step-4 (Intermediary)

a. On the next working day of receiving the documents from the issuer and issue manager, the stockbroker/Merchant Banker shall request its banker to release the amount blocked earlier and remit the aggregate amount of successful applicants deducting service charge to the -Escrow' account of the issuer opened for the subscription purpose.

b. On the next working day of receiving request from the Stockbrokers/Merchant Bankers, their bankers shall unblock the amount blocked in the account(s) and remit the amount as requested for to the issuer's 'Escrow' account. Simultaneously, the stockbrokers/Merchant Bankers shall unblock the customer accounts; inform the successful applicants about allotment of securities and the unsuccessful applicants about releasing their blocked amounts. The unblocked amounts of unsuccessful applicants shall be placed as per their instructions.

Miscellaneous:

a. The issuer and Issue Manager(s) shall jointly ensure compliance of the above.

b. The Stockbroker/Merchant Banker shall be entitled to service charge at a rate of 0.05% on the total amount of application money received by them. The service charge shall be paid by the issuer and deducted by the Stockbroker/Merchant Banker from the amount of successful applicants while remitting to the issuer. In case of shortage of the service charge, the Stockbroker/Merchant Banker shall send a bill to the issuer and the issuer shall pay it within 02 (two) working days. The Stockbroker/Merchant Banker shall provide the issuer with a statement of the remittance amount and the processing fee.

2. The above application process is a pilot project and optional for investors, i.e. investors can apply either following new process through stockbroker/merchant banker or in existing process through banker to the issue.

3. List of the Stockbroker/Merchant Bankers participating in the pilot project shall be disclosed in the prospectus and abridged version thereof. Only the applicants maintaining accounts with the Stockbroker/Merchant Bankers name contained in the list can apply through the new process.

PART—C

1. The issuer and the Issue Manager shall ensure that the abridged version of the prospectus and the full prospectus is published correctly and in strict conformity with the conditions of this letter without any error/omission, as vetted by the Bangladesh Securities and Exchange Commission. .

2. The issue manager shall carefully examine and compare the published abridged version of the prospectus on the date of publication with the copy vetted by BSEC. If any discrepancy/ inconsistency is found, both the issuer and the issue manager shall jointly publish a corrigendum immediately in the same newspapers concerned, simultaneously endorsing copies thereof to BSEC and the stock exchange(s) concerned, correcting the discrepancy/inconsistency as required under `Due Diligence Certificates' provided with BSEC.

3. Both the issuer company and the issue manager shall, immediately after publication of the prospectus and its abridged version, jointly inform the Commission in writing that the published prospectus and its abridged version are verbatim copies of the same as vetted by the Commission.

4. The fund collected through Public Offering shall not be utilized prior to listing with stock exchanges and that utilization of the said fund shall be effected through banking channel, i.e. through account payee cheque, pay order or bank drafts etc.

5. **The company shall furnish status report on utilization of Public Offering proceeds, audited by foreign affiliated auditors and authenticated by the board of directors to the Commission and the stock**

exchanges within 15 (Fifteen) days of the closing of each month until such fund is fully utilized, as mentioned in the schedule contained in the prospectus, and in the event of any irregularity or inconsistency, the Commission may employ or engage any person, at issuer's cost, to examine whether the issuer has utilized the proceeds for the purpose disclosed in the prospectus. At the time of auditing the auditors will perform the audit under the following terms of reference (TOR):

a) Whether IPO proceeds have been utilized for the purposes/heads as specified in the prospectus;

b) Whether IPO proceeds have been utilized in line with the condition (if any) of the Commission's consent letter;

c) Whether utilization of IPO proceeds have been completed within the time schedule/implementation schedule as specified in the published prospectus;

d) Whether utilization of IPO proceeds is accurate and for the purpose of the company as mentioned/specified in the published prospectus; and

e) The auditors should also confirm that:(i)assets have been procured/imported/constructed maintaining proper/required procedure as well as at reasonable price; and (ii) auditors report has been made on verification of all necessary documents/papers/vouchers in support of IPO proceeds making reconciliation with Bank Statement.

6. All transactions, excluding petty cash expenses, shall be effected through the company's bank account(s).
7. Proceeds of the Public Offering shall not be used for any purpose other than those specified in the prospectus. Any deviation in this respect must have prior approval of the shareholders in the shareholders Meeting under intimation to BSEC and stock exchanges.
8. Directors on the Company's Board will be in accordance with applicable laws, rules and regulations.
9. The financial statements should be prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) as required by the Securities and Exchange Rules, 1987.
10. **If any quarter or half-year of the financial year ends after publication of the abridged version of prospectus and before listing of its securities with any exchange, the company shall disseminate/transmit/submit the said quarterly/half yearly financial statements in accordance with the Commission's Notification SEC/CMRRCD/2008-183/admin/03-34 dated September 27, 2009 and the section 13 of the Securities and Exchange Rules, 1987.**
11. In the event of arising issues concerning Price Sensitive Information as defined under the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সুবিধাভোগী ব্যবসা নিষিদ্ধকরণ) বিধিমালা 1995 after publication of the abridged version of prospectus and before listing of its securities with any exchange, the company shall disseminate/transmit/submit the information as price sensitive in accordance with the Commission's Notification No. SEC/SRMI/200-953/1950 dated October 24, 2000.

PART-D

1. All the above conditions imposed under section 2CC of the Securities and Exchange Ordinance, 1969 shall be incorporated in the prospectus immediately after the page of the table of contents, with a reference in the table of contents, prior to its publication.
2. The Commission may impose further conditions/restrictions etc. from time to time as and when considered necessary which shall also be binding upon the issuer company.

PART-E

1. As per provision of the Depository Act, 1999 & regulations made there under, shares will only be issued in dematerialized condition. All transfer/transmission/splitting will take place in the Central Depository Bangladesh Ltd. (CDBL) system and any further issuance of shares (Including rights/bonus) will be made in dematerialized form only. An applicant (including NRB) shall not be able to apply for allotment of shares without Beneficial Owners (BO) account.
2. The company and the issue manager shall ensure due compliance of all the above conditions and the Securities and Exchange Commission (Public Issue) Rules, 2006.

General Information

Banco Finance and Investment Limited (Lead Issue Manager) and Alpha Capital Management Limited (Co-Issue Manager) have prepared this prospectus from information supplied by IFAD Autos Limited (the Company) and also several discussions with Chairman, Managing Director, Directors and related executives of the Company. The Directors of IFAD Autos Limited, Banco Finance And Investment Limited and Alpha Capital Management Limited collectively and individually, having made all reasonable inquires, confirm, to the best of their knowledge and belief, that the information contained herein is true and correct in all material aspects and that there are no other material facts, the omission of which, would make any statement herein misleading.

No person is authorized to give any information or to make any representation not contained in this Prospectus and if given or made, any such information or representation must not be relied upon as having been authorized by the Company or Issue Manager(s).

The Issue as contemplated in this document is made in Bangladesh and is subject to the exclusive jurisdiction of the courts of Bangladesh. Forwarding this Prospectus to any person resident outside Bangladesh in no way implies that the Issue is made in accordance with the laws of that country or is subject to the jurisdiction of the laws of that country.

A copy of this Prospectus may be obtained from the Head Offices of IFAD Autos Limited, Banco Finance and Investment Limited, Alpha Capital Management Limited, the underwriters and the Stock Exchanges where the securities will be listed.

SECTION-II DECLARATIONS & DUE DELIGENCE CERTIFICATES

DECLARATION ABOUT THE RESPONSIBILITY OF THE DIRECTOR(S), INCLUDING THE CEO OF THE ISSUER COMPANY "IFAD AUTOS LIMITED" IN RESPECT OF THE PROSPECTUS

This prospectus has been prepared, seen and approved by us, and we, individually and collectively, accept full responsibility for the authenticity and accuracy of the statements made, information given in the prospectus, documents, financial statements, exhibits, annexes, papers submitted to the commission in support thereof, and confirm, after making all reasonable inquiries that all conditions concerning this public issue and prospectus have been met and that there are no other information or documents the omission of which make any information or statements therein misleading for which the commission may take any civil, criminal or administrative action against any or all of us as it may deem fit.

We also confirm that full and fair disclosure has been made in this prospectus to enable the investors to make a well informed decision for investment.

Sd/-
Iftekhar Ahmed Tipu
Chairman & Director

Sd/-
Tanveer Ahmed
Director

Sd/-
Taskeen Ahmed
Managing Director & Director

Sd/-
Nilufar Ahmed
Director

Sd/-
Tashfeen Ahmed
Director

CONSENT OF DIRECTOR (S) TO SERVE AS DIRECTOR (S)

We hereby agree that we have been serving as Director (s) of IFAD Autos Limited and continue to act as a Director (s) of the Company:

Sd/- **Iftekhar Ahmed Tipu** Chairman & Director	Sd/- **Tanveer Ahmed** Director
Sd/- **Taskeen Ahmed** Managing Director & Director	Sd/- **Nilufar Ahmed** Director

Sd/-
Tashfeen Ahmed
Director

DECLARATION ABOUT FILING OF PROSPECTUS WITH THE REGISTRAR OF JOINT STOCK COMPANIES AND FIRMS

A dated and signed copy of this Prospectus has been filed for registration with the Registrar of Joint Stock Companies and Firms, Bangladesh, as required under Section 138(1) of the Companies Act, 1994 on or before the date of publication of this prospectus.

For Issuer

Sd/-

Taskeen Ahmed
Managing Director

DECLARATION BY THE ISSUER ABOUT THE APPROVAL FROM BANGLADESH SECURITIES AND EXCHANGE COMMISSION FOR ANY MATERIAL CHANGES

In case of any material changes in any agreement, contract, instrument, facts and figures, operational circumstances and statements made in the Prospectus subsequent to the preparation of the Prospectus and prior to its publication shall be incorporated in the Prospectus and the said Prospectus shall be published with the approval of the Commission.

For Issuer

Sd/-

Taskeen Ahmed
Managing Director
IFAD Autos Limited

DECLARATION BY THE ISSUE MANAGERS ABOUT THE APPROVAL FROM BANGLADESH SECURITIES AND EXCHANGE COMMISSION FOR ANY MATERIAL CHANGES

In case of any material changes in any agreement, contract, instrument, facts and figures, operational circumstances and statements made in the Prospectus subsequent to the preparation of the Prospectus and prior to its publication shall be incorporated in the Prospectus and the said Prospectus should be published with the approval of the Commission.

For Issue Managers

Sd/-	Sd/-
Mohammad Hamdul Islam	Noor Ahamed FCA
Managing Director& CEO	CEO & Managing Director
Banco Finance and Investment Limited	Alpha Capital Management Limited

DUE DILIGENCE CERTIFICATE OF ISSUE MANAGER

Sub: Public offer of 21,250,000 Ordinary shares of Tk. 10.00 each at an issue price of Tk. 30.00 each including a premium of Tk. 20.00 per share totalling Tk. 63,75,00,000.00 of Ifad Autos Limited

We, the under-noted Issue Manager to the above-mentioned forthcoming Issue, state as follows:

1. We, while finalizing the draft Prospectus pertaining to the said Issue, have examined various documents and other materials as relevant for adequate disclosures to the investors; and

2. On the basis of such examination and the discussion with the issuer Company, its directors and officers, and other agencies, independent verification of the statements concerning objects of the Issue and the contents of the documents and other materials furnished by the Issuer Company;

WE CONFIRM THAT:

a. The draft Prospectus forwarded to the Commission is in conformity with the documents, materials and papers relevant to the issue;

b. All the legal requirements connected with the said Issue have been duly complied with; and

c. The disclosures made in the draft Prospectus are true, fair and adequate to enable the investors to make a well informed decision for investment in the proposed Issue.

For Issue Manager

Sd/-	Sd/-
Mohammad Hamdul Islam	Noor Ahamed FCA
Managing Director & CEO	Managing Director & CEO
Banco Finance and Investment Limited	Alpha Capital Management Limited

DUE DILIGENCE CERTIFICATE OF THE UNDERWRITER(S)

Sub: Public offer of 21,250,000 Ordinary shares of Tk. 10.00 each at an issue price of Tk. 30.00 each including a premium of Tk. 20.00 per share totalling Tk. 63,75,00,000.00 of Ifad Autos Limited

We, the under-noted Underwriter(s) to the above mentioned forthcoming Issue, state individually and collectively as follows:

1. We, while underwriting the above mentioned Issue on a firm commitment basis, have examined the draft Prospectus, other documents and materials as relevant to our underwriting decision; and
2. On the basis of such examination, and the discussion with the Issuer Company; its directors and officers, and other agencies; independent verification of the statements concerning objects of the Issue and the contents of the documents and other materials furnished by the Issuer Company;

WE CONFIRM THAT:

a. All information as are relevant to our underwriting decision have been received by us and the draft Prospectus forwarded to the Commission has been approved by us;

b. We shall subscribe and take up the un-subscribed Securities against the above mentioned Public Issue within **15 (fifteen) days** of calling up thereof by the Issuer; and

c. This underwriting commitment is unequivocal and irrevocable.

For Underwriter(s)

Sd/-

Managing Director/Chief Executive Officer

Unicap Investments Limited
Mercantile Bank Limited
Banco Finance and Investment Limited
Prime Finance and Capital Management Limited
Alpha Capital Management Limited

SECTION-III RISK FACTORS AND MANAGEMENT'S PERCEPTIONS ABOUT THE RISKS

Any investment is associated with several risks. To some extent, these risks may be, individually or in the aggregate, significantly high enough to impair the investment wholly or in part. The risks may stem from the nature and complexity of the business operation, the nature of industry the business is in, the externalities of the entity, the present financing sources (capital structure) of the entity and overall macroeconomic conditions of the country. Our management has diligently tried to identify some of those risks accompanied with the perception thereabout. In all instances, reasonable care and prudent judgment are strongly suggested before making any investment especially in equity of a company, and in ours as well.

(a) Interest rate risks:

A business entity tends to get exposed to the unpredictability in the interest rates in the money markets. Higher rate and/or rising in the rate of interests adversely affect the profitability of the company having outsiders' loan in its financing, sometimes casting significant doubt on the sustainability of the company.

Management perception

Our management is aware of the financial risks exposure. A considerably high leverage ratio shown in our latest financial statements does not necessarily imply the authenticity of interest rate risks. Because, all the bank finances are not consumed to create fixed business facilities or to meet current expending; rather most of those loans were availed to import the trade products. 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:

A business involved in overseas transactions may face a potential loss arising from fluctuation of foreign currency rates. In a case where the business depends mostly on imports for its trade products/raw materials, those losses may be aggravated due to consistently downward trends of Bangladesh Taka against other foreign currencies.

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 allowsreducing the sales price. Reduction in sales price increases the demand for company's products. Thus the appreciation of Bangladesh Taka against international currency makes our business more profitable. However, our management also perceives the impact of the depreciation of Bangladesh 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:**

1) 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 and 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.

2) 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 a transport vehicle manufacturer. Features of this agreement provide the company with a protection from competition. Apart from this, 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) Market and technology-related risks:

1) Market risks refer to the risk of adverse market conditions affecting the sales and profitability of the company. Such as, shortage in raw material supplies, inefficient labor supplies, fall in product demand, etc. which signifies the adverse external and internal business environment. Those types of risks may impede the success of the business.

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.

2) **Technology risk** stems from the contemporary changes in the technology which make the existing technology obsolete or reduces its cost efficiency compared to that of the competitors. New entrant may come forward with a more sophisticated technology which can give a threat to the cost efficiency of the company.

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.

(e) Potential or existing government regulations

The Company operates under the Companies Act, 1994; Securities Related Ordinance, Act, Rules and Regulations; Income Tax Ordinance 1984; Value Added Tax (VAT) Act, 1991; and contemporary notifications made under those laws. Any unexpected changes of the policies made by the regulatory authorities may adversely affect the business of the Company.

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 alsogive 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.

(f) Potential changes in global or national policies:

The performance of the company may be affected by global or national policies that concern its operation**.**

Management perception

The Company reviews global or national policies that concern its operation on a regular basis; and adjusts its activities based on such policies.

(g) Risk Related to high debt financing company:

As per audited financial Statements for the year ended June 30, 2013, IFAD Autos Limited has Tk. 709,09,32,146/- outstanding loan consisting of a term loan of 75,54,06,869/- leasehold obligation of Tk. 532,90,17,861/- and short term loan of Tk. 100,65,07,416. High debt financing can have an adverse effect on the cash flow and profitability of the company.

Management perception

The Company's debts are backed by counter-guarantees from the customers; and its unpaid vehicles also remain in its name, thereby making the debts relatively risk-free.

(h) History of non-operation, if any:

If a company becomes non-operative for some period in its operational life than there is a risk of non-operative in future for the same reason and other probable reasons which may hamper the production as well as increase the costing and profitability of the company.

Management perception

After the inception its commercial operation, our company has grown consistently. It has achieved successes in every instance. Expertise and discretion of our management have made it possible. The company has, thus, never been in non-operative.

(i) Operational Risks:

Possible failure of human resources, failure of the production systems, inefficient internal control procedures, interruption in supplies and the like ones cause for the company to make it a total unsuccessful venture.

Management perception

IAL has some key experts in this field of trading business who have academic and practical knowledge. A research team has worked for a long time to make the dream come true. They visited a few number of like projects in the international arena to gather realistic knowledge in this field. The company employed a group of people who are highly trained. We have also a system of on-job training facilities so that the employee can have the opportunity to reshape their skills. Most importantly, IAL has procured latest technology and world famous brand machinery for its plant to ensure smooth operation of our business. Government is also working hard to ensure uninterrupted power supplies to the business firms.

(j) Other risk factors:

1) **Political Unrest:** 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:

During the last forty years of post-independence period, Bangladesh has gone through a variety of political situations. But presently, a sound political atmosphere is prevailing in the country. Both the ruling and opposition parties are committed to the betterment of the country.

2) **Possible slowdown in economic growth in Bangladesh:** Our performance and growth are dependent on the health of the Bangladesh economy. The economy could be adversely affected by various factors such as political or regulatory action, including adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities, commodity and energy price hikes and various other factors. Any significant changes may adversely affect our business and financials.

Management Perception:
Bangladesh economy is booming for last few years. Consistent industrial growth along with increased agricultural production has made the Per Capita Income higher than that of recent years. In addition, favorable government policies and industry friendly regulations by other regulatory bodies have proved to be congenial to the economy of the country.

3) 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 products 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.

4) Natural calamities:
Bangladesh is a country where recurrent natural calamities take place every year. It is a serious threat to the business.

Management perception:
This type of situation is totally beyond the control of human being. Though the management of IAL has a very little to do with, we can and should have some precaution measures to minimize the damage of the business in such situations. For example, all the assets of our company are insured.

5) Risk related to Five years renewable sole distributorship agreement with Ashok Leyland.
IFAD Autos Limited is under renewable distributor agreement with Ashok Leyland that the company is running its business as a sole distributor of Ashok Leyland, under three to five years renewable agreement. Hence, there is a threat if Ashok Leyland does not renew its agreement in future. Failure to renew the agreement will have an adverse effect on company's business.

Management perception:

Ifad Autos Limited is operating its business under a distributor agreement with Ashok Leyland which is renewable. IFAD has a decent history of renewing the contract in past and is known as one of the best distributor in sub-continent and awarded as best distributor in few occasions. IFAD and Ashok Leyland both have strong business relationship and good track record of business. Moreover, distribution channel and recovery network is one of the key to success of IAL. Hence, it is highly unlikely that Ashok Leyland will take any risk of shifting the distributorship agreement to some other distributor. Thus, the possibility of not renewing the contract offsets for the above mentioned reasons.

In addition, we would also like to inform you that IAL is setting up a body building unit where Ashok Leyland will provide technical support to IAL and IAL has no restriction in assembling and body building of other renowned brands. Therefore, incase if by any chance IFAD fails to renew the contract they still have the opportunity to switch to some other renowned brands.

SECTION-IV ISSUE SIZE AND PURPOSE OF PUBLIC OFFERING

Capital Structure

Particulars	No of Shares	Face Value (BDT)	Amount (BDT)
Authorized Capital **200,000,000 shares @ Tk. 10.00 each**	**200,000,000**	**10**	**2,000,000,000**
Issued and Fully paid up as per audited accounts as on 30 June, 2013	62,500,000	10	625,000,000
Stock dividend for the financial year 12-13*	31,250,000	10	312,500,000
Paid up Capital before IPO as on October 28, 2013 (As per Audited Accounts and Return of Allotment)**	**93,750,000**	**10**	**937,500,000**
Capital to be issued through IPO	21,250,000	10	212,500,000
Paid-up Capital (Post IPO)	**115,000,000**	**10**	**1,150,000,000**

*IFAD Autos Limited raised its paid up capital from Tk.625,000,000 to 937,500,000 with the consent of Bangladesh securities and Exchange Commission vide letter no. SEC/CI/CPLC(Pvt)-309/2011/2738 dated October 22, 2013.

** The company has raised its paid up capital in the following phases:

Allotment	Date of Allotment	Number of Shares Issued			Amount of cumulative paid up capital (Tk.)
		Consideration in Cash	Bonus Share	Total	
Subscription	17/02/1988	10,000	-	10,000	100,000
Bonus Issue	20/04/2003	-	990,000	990,000	9,900,000
Fresh Issue	31/10/2010	9,000,000	-	9,000,000	90,000,000
Bonus Issue	16/02/2011	-	20,000,000	20,000,000	200,000,000
Fresh Issue	16/02/2011	20,000,000	-	20,000,000	200,000,000
Bonus Issue	11/3/2013	-	12,500,000	12,500,000	125,000,000
Bonus Issue	28/10/2013	-	31,250,000	31,250,000	312,500,000
Total		29,010,000	64,740,000	93,750,000	937,500,000

USE OF PROCEEDS AND IMPLEMENTATION SCHEDULE:

The Proceeds from initial public offering (IPO) will be used in the following manner:

Particulars	Amount	Implementation schedule
Capital Expenditure for Assembling & Body Building Units	506,780,031	Within 1 year of receiving IPO proceeds
Bank Loan Repayment	93,283,969	Within 1 month of receiving IPO proceeds
IPO Expenses	37,436,000	Within 1 month of receiving the IPO proceeds
Total	**637,500,000**	

*There is no contract covering any of the activities of the Company for aforesaid utilization of IPO proceed

Sd/-
Abu Sayeed Ahmed, FCA
Chief Financial Officer

Sd/-
Taskeen Ahmed
Managing Director

Details of Capital expenditure and Bank Loan repayment are as follows:
Impact of expansion/future plan-additional output, sales & profits:

IAL has a plan to establish an Assembling Unit for HCV, LCV and MDV vehicles. The company has estimated to assemble 960 units of Tusker Super-1613H Truck (most popular brand) for the first year after setting up the assembling unit. The company also planned to shift its BMRE of existing body fabrication unit to build 840 Unit/Year.
IAL planned to set up the assembling unit at Dhamrai, Dhaka for which its need to procure 50 Bigha land. IAL already purchased 50 bigha lands. The land area is situated at low land area. To make usable the whole land (50 Bigha) for the assembling unit, IAL needs to develop land and sand filling for which it needs to procure 61,900 trucks of sand from outside. The details of the use of fund (costs) are given below:

Sl.	Item of Cost	Unit	Qty.	Rate (Taka)	Amount
1	Land Development: Earth/Sand Filling	Truck	61,900	1,700	105,230,000
2	Boundary Wall: 20’ Long Pile Foundation	Sft.	56,000	500	28,000,000
3	**Building & Structure:** **Body Fabrication Unit -**				
	Steel Structure, Plinth area	Sft.	30,000	1,750	52,500,000
	Administrative Office Building, 2 Storied	Sft.	4,000	2,500	10,000,000
	Staff Quarter &Dormitory: 5 Storied	Sft.	15,000	2,500	37,500,000
	Assembling Unit -				
	70,000 sft assembling line for MDV,HCV Trucks	Sft.	70,000	1,750	122,500,000
	40,000 sft assembling line for LCV Trucks	Sft.	40,000	1,750	70,000,000
	Machinery & Equipment’s:				
	Body Fabrication Unit				48,850,000
	Assembling Unit				32,200,031
Total					**506,780,031**

Estimated earnings from Expansion Project:	
Body Building Unit:	
Estimated Capacity	840 Unit/Year
Net Earnings Per Unit	Tk. 35,000
Total Net Earnings	**Tk. 29,400,000**
Assembling Unit:	
Estimated Capacity HCV	960 Unit/Year
Net Earnings Per Unit	Tk. 150,000
Estimated Capacity HCV	1000 Unit/Year
Net Earnings Per Unit	Tk. 60,000
Total Net Earnings	**Tk. 204,000,000**
Total Additional Net Earnings	**Tk. 233,400,000**

Estimation of Bank Loan Repayment			
Sl.	**Bank Loan**	**Bank Name**	**Repayment**
2	Term Loan	Mercantile Bank Limited (Partial Repayment)	93,283,969
Total			**93,283,969**

Sd/-
Abu Sayeed Ahmed, FCA
Chie Financial Officer

Sd/-
Taskeen Ahmed
Managing Director

SECTION-V INFORMATION ABOUT THE COMPANY

Incorporation

IFAD Autos Limited was incorporated in Bangladesh on February 17, 1988 as a Private Limited Company and was subsequentlyconverted 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. Its Certificate of Incorporation Number is C-17301(101)/88

Commencement of commercial operation

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'svehicles in Bangladeshthrough its own marketing staffs, dealers and selling agents in different districts of the country.Typesof vehicles include AC Buses, Deluxe Buses, Goods Trucks, Dump Trucks, and Prime Movers etc. Itscustomers 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.

Principal products and services

The principal products and services of the IFAD Autos Limited are presented as follows:

Product Name:

Vehicles& Body Building

Spare Parts

Fuel/Lubricants

Market for the products

IFAD Autos Limited engaged in importing, marketing and body-building of different Models of Ashok Leyland vehicles in Bangladesh for Private and Public Sectors.

Relative Contribution of the products contributing more than 10% of the total revenue

Products	As on June 30, 2013		As on June 30, 2012		As on June 30, 2011	
	Revenue (Tk.)	%	Revenue (Tk.)	%	Revenue (Tk.)	%
A/L Vehicles	4,267,560,000	99.0984	4,119,107,643	99.1964	4,962,234,497	99.6130

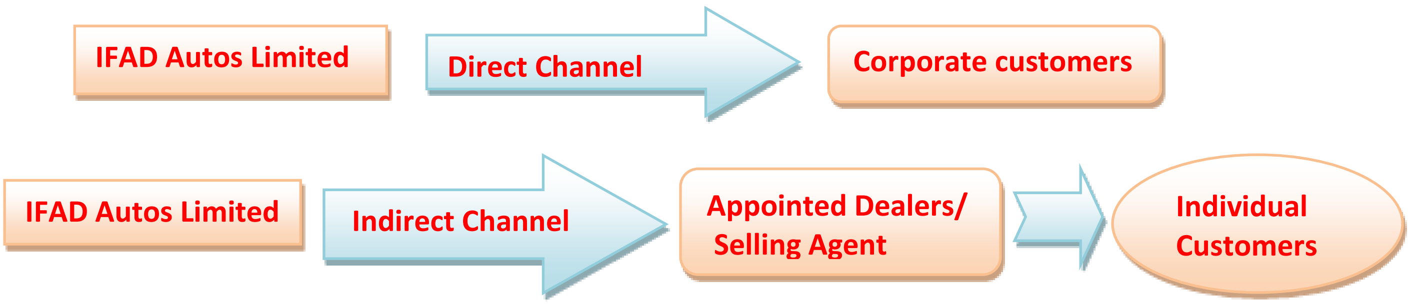
Associates, subsidiary/ related or holding company

IFAD Autos Limited has no subsidiary and/or associate company. However, there are certain companies who are under common Management, as below:

Name of the Company	Relation	% of Holding by IAL
IFAD MultiProducts Ltd.		Nil
IFAD Salt & Chemical ltd.		Nil
IFAD Enterprises Ltd.		Nil
IFAD AgroComplex Ltd.	Common Management	Nil
IFAD Automobiles Ltd.		Nil
IFAD Beverage Ltd.		Nil
NEELA Automobiles Ltd.		Nil

Distribution of Products/Services

With a view to supplying the right products in the right place at the right time, IAL has been maintaining both the direct & indirect distribution channel. Generally, the Company introduces its products to the corporate group directly & maintain indirect channel for the individual consumers. Such as follows:



Following are the name of Distributors, Location & Contact Address of IFAD Autos Limited:

Sl. No.	Name of the Distributors	Location	Address
1.	M.R. Enterprise	Dhaka	C/O Mostak Ahmed 87 New Eskaton Road Home Town AC Market (7th Floor) Bangla Motor Dhaka
2.	M.R. Enterprise	Pabna	C/O Mostak Ahmed Abdul Hamid Road Traffic Morh, Pabna
3.	M.R. Enterprise	Mymenshing	C/O Mostak Ahmed 192, Kalibari Road Mymenshing
4.	M.R. Enterprise	Sirajgonj	C/O Mostak Ahmed Hotel Al-Hamra Dhaka Road, Sirajgonj
5.	S. S. Trader	Gazipur	C/O Osman Ali Chandana Chowrasta Gazipur Sadar, Gazipur
6.	Alam Transport & Cargo Service	Dhaka	C/O Mohammad Alam New Ali Bahar, Postagola Shampur, Dhaka
7.	Khan Enterprise	Rajshahi	C/O Ahsan Azim Khan Sahib Bazar, Rajshahi
8.	M/S Tutul Motors	Chapainawabgonj	C/O Md. Bulbul Ahmed Dhaka Bu Stand,Chapainawabgonj

9.	K.S.K. Traders	Rangpur	C/O Sabu Ansari Press Club Market Rangpur
10.	K.S.K. Traders,	Dinajpur	C/O Khorshed Bakshi Dinajpur
11.	Mohasthan Motors	Bogra	C/O Mahbub Alam Adorsho College Gate Tinmatha, Bogra
12.	K.S.K. Traders	Kurigram	C/O Kamrul Uddin Lalmonirhat, Kurigram
13.	Maksud Enterprise	Noakhali	C/O Md. Enayet Ullah Chowdhury College Road, Chaumuhany, Noakhali
14.	Islam Enterprise	Laxmipur	C/O Md. Nazmul Hossain London Plaza, Kolabagan Ramgonj, Laxmipur
15.	Eastern Paribahan	Feni	C/O Tajul Islam Bhuiyan Academy Road Stadium Market, Feni
16.	Western Motors	Khulna	C/O Afzal Hossain 354/355, Sonadanga R/A Khulna
17.	Songram Motors	Chuadanga	C/O Nasir Joarder Sahid Abul Kashem Sarak Chuadanga
18.	S.S. Motors	Jhenaidha	C/O Mr. Santi Shahid Moshiur Rahman Sarak Kanchonpur, Jhenaidha
19.	M. S. Traders	Kushtia	C/O Mr. Khaibar Dadapur Sarak Mazompur, Kushtia
20.	Narail Trading Agency	Narail	C/O Al-haj Shorab Hossain 6, Puro Super Market Rupgonj Bazar, Narail
21.	Liyakat Auto Engineering Works	Moulovibazar	C/O Mr. Liyakat Srimongol Road, Moulovibazar
22.	N.H. Enterprise	Barisal	C/O Hafizur Rahman Amtoli More, Barisal
23.	M/s Khan Motors	Mymenshing	C/O Sujat Hossain Khan (Dara) 63, Sarder Ghosh Road Mymenshing
24.	G. N. Enterprise	Meherpur	C/O Golam Morshed Chandan Boro Bazar, Meherpur
25.	New Line Motors	Dhaka	C/O Ln. Akram Khan 28/B, Ahmed Mansion Road-1, Dhanmondi Dhaka

Competitive conditions of Business

IFAD Autos Limited is one of the leading automobile companies in Bangladesh. Though the market competitive, yet IAL is doing business successfully, gradually increasing its market share to 38%. Following are the name of competitors of IAL.

Sl.	Name of the Companies	Market Share
1.	Nitol Motors Limited	40%
2.	Runner Motors Limited	10%
3.	Others	12%

Sources and availability of raw materials and the names of the principal suppliers

IFAD Autos Limited imports vehicles, fuel and lubricant from Ashok Leyland Ltd., Chennai, India. Other materials such as MS sheet, Woods, Paints are purchased locally.

Sources and requirement for power, gas and water or any other utilities

Sl. No.	Item	Sources	Requirements/Remarks
1	Power (Electricity)	DESCO, DPDCL, PDB and REB	Limited use
2	Water	WASA and natural sources	Not applicable
3	Gas	Not required	Not applicable

* The Company has own Power Generator to provide backup at the time of power interruption. The company has also battery backup for power generation.

Customer providing 10% or more revenues

There is no such type of customer who is purchasing 10% or more products of the Company.

Description of contract with principal suppliers/customers

(i) Description of principal suppliers:

Sl. No.	Name & Address of Suppliers	Period of Contract
1.	Ashok Leyland Limited No.1 Sardar Patel Road, Guindy Chennai 600 032,India	January 01, 2010 to December 31, 2019

This contract is however renewable as happened in the past.

Summary of Agency/Distributor agreement with principal supplier (Ashok Leyland):

Particulars	**Date**	**Tenure**	**Further renewed up to**	
Agency Agreement	**April 11, 2002**	**11/04/2007**		
Amended on	**May 05, 2005**	**31/12/2007**	**01/01/2010**	**31/12/2014**
			01/01/2015	**31/12/2019**
Payment	Payment to AL will be by means of a confirmed irrevocable letter of credit or by such other manner as may be acceptable to AL. For tender business terms of payment will be discussed and agreed on case-to-case basis.			
Termination	As per clause 29 either party may terminate by giving six months advance notice to the other party or in the event of any violation of the contract			

Description of material patent, trademarks, licenses or royalty agreements

The Company has not entered into any such agreement except following regulatory licenses:

Sl.	Particulars	Issuing Authority	Certificate No	Issue Date	Status
1.	Trade License	Dhaka City Corporation	277	23-11-1988	Valid Until FY 2013-2014
2.	DCCI	Dhaka Chamber of Commerce and Industry	02869	06-12-1989	Valid Until December, 2014
3.	Import Registration Certificate	Controller of Imports and Exports, Government Of Bangladesh	B 125731	04-09-2002	Valid Until FY 2013-2014
4.	Indent	Controller of Imports and Exports, Government Of Bangladesh	B 6288	05-04-1988	Valid Until FY 2013-2014
5.	Tin Certificate	National Board of Revenue, Government Of Bangladesh	20010-200-1898/Circle-133(Companies	20-02-1988	N/A
6.	VAT certificate	Commissioner of Customs, Excise and VAT	19151043545	1510-1998	N/A
7.	Agency Agreement With Ashok Leyland	Ashok Leyland India	N/A	11-04-2002	December, 2019

Number of employees

As of June 30, 2013 the total numbers of employees of the company (Head Office & Service Center) were 531, the details of employees are as follows:

Department	Head Office			Service Center				Total
	Managerial	Executive	Office	Managerial	Engineer	Executive	Worker	
Administration	4	25	-	-	-	-	-	29
Marketing	23	38	-	-	-	-	-	61
Finance	8	28	-	-	-	-	-	36
Accounts	8	23	-	-	-	-	-	31
Credit Recovery	14	115	-	-	-	-	-	129
Service Station	10	-	-	9	22	12	75	128
Spare Parts	-	-	-	5	-	6	16	27
Others	-	-	90	-	-	-	-	90
Total	**67**	**229**	**90**	**14**	**22**	**18**	**91**	**531**

All the employees are permanent and receive remuneration in excess of Tk. 36000 per annum

Capacity and current capacity utilization

Capacity utilization of the company :	**2012-13**	**2011-12**
Capacity utilization out of its capacity at 1900 Nos (2012: 2000 Nos)	**91%**	**89%**

Note: The capacity utilization is based on the sales target of the financial year according to supplier's allocation. Ifad Autos Limited (IAL) sets the target based on the previous financial year's sales and considering the economic, political and business situations obtaining in the country. The targeted quantity for the year June 30, 2012 was 2050 and out of which IAL sold 2000 unit which was 89% of the total capacity and the targeted quantity for the year ended June 30, 2013 was 2081 and IAL sold 1900 units which is 91% of the total capacity.

SECTION-VI DESCRIPTION OF PROPERTY

IFAD Autos Limited has acquired its Corporate Office space aggregating around 10,250 square feet at Sonartori Tower (15^{th}, 16^{th}, 17^{th} Floor), 12 Biponon C/A, Sonargaon Road, Dhaka-1000. The company has own lands as well. The lands, and other fixed assets of the Company have been revalued on 30 June 2011 and the fair market value of the land as on 30 June 2013 are as follows:

Fixed Asset

The Company owns the following operating fixed assets and they are situated at Company's office and factory premises; and written down value are given below:

(Written Down Value in Taka as per Audited Accounts)

Particulars	As at June 30, 2013	As at June 30, 2012	As at June 30, 2011
Lands and land Development	1,846,004,225	1,698,729,340	1,639,017,000
Buildings	85,795,196	88,931,988	90,599,613
Tools & Equipment	5,176,626	5,385,486	5,766,957
Electric Equipment	1,470,502	1,281,984	936,011
Office Equipment	6,415,946	5,976,173	4,461,798
Furniture & Fixtures	3,540,282	3,115,480	2,461,809
Motor Vehicles	64,017,666	60,309,470	54,185,997
Total	**2,012,420,443**	**1,863,729,921**	**1,797,429,185**

A. The entire above mentioned asset are located at the Company's factory premises except of land and land development which are located in different locations of the country.
B. All the assets of the Company are in its own name
C. All the assets are in good condition and there is no re-conditioned or second hand machinery in the company's possession.
D. No Property is taken by the company under lease agreement
E. Details of Land:

SL	Location	Mouza	Area in Decimal
1	Ashulia-Savar	Boro Rangamatia	230.80
2	Tongi-Gazipur	Himardhighi	89.72
3	Ashulia-Savar	SreeKhandia	338.80
4	Ashulia-Savar	Toyabpur	175.10
5	Tejgaon I/A, Dhaka	Tejgaon	16.50
6	Bogra	Nishindhara	16.25
7	Trisal-Mymensingh	Amirabari	185.50
8	Trisal-Mymensingh	Guziam	501.00
9	Valuka-Mymenshingh	Bahuli	837.50
10	Dhamrai-Dhaka	Khalia	402.34
11	Dhamrai-Dhaka	Khulla	767.25
12	Dhamrai-Dhaka	Solivanga	299.64
13	Dhamrai-Dhaka	Belishor	500.75
Total			**4361.15**

Condition of Property: The above fixed assets are in new condition.

Ownership of Property: The Company is the legal and absolute owner of all the fixed assets and properties.

Lien status: Some lands, aggregating 49.5 decimals at Himardighi, Tongi Industrial Area, 16.5 decimals in Tejgaon Industrial Area were mortgaged to ShahjalalIslami Bank Ltd and 81.5 decimals land at Sreekhandia were mortgage to Mercantile Bank Ltd. In addition, charges were created over assets of the Company against loans and lease finance provided by the following banks:

Sl. No.	Name of Banks	Name of Branches	Against
1.	Social Islami Bank Limited	Panthapath Branch, Dhaka	Imported vehicles
2.	ONE Bank Limited	Moghbazar Branch, Dhaka	
3.	Bank Alfalah Limited	Gulshan Branch, Dhaka	
4.	Jamuna Bank Limited	Sonargaon Road Branch, Dhaka	
5.	Standard Bank Limited	Panthapath Branch, Dhaka	
6.	Export Import Bank of Bangladesh Limited	Panthapath Branch, Dhaka	
7.	United Commercial Bank Limited	Foreign Exchange Branch	
8.	IFIC Bank Limited	Dhanmondi Branch, Dhaka	
9.	The Premier Bank Limited	Elephant Road Branch, Dhaka	
10.	BRAC Bank Limited	Head Office	
11.	Mercantile Bank Limited	Satmasjid Road Branch, Dhaka	
12.	National Credit and Commerce Bank Limited	Dilkusha Branch, Dhaka	
13.	Bank Asia Limited	Corporate Branch, Dhaka	
14.	Al-ArafahIslami Bank Limited	Mouchak Branch, Dhaka	
15.	ShahjalalIslami Bank Limited	Kawran Bazar Branch, Dhaka	
16.	Trust Bank Limted	Kawran Bazar Branch, Dhaka	
17.	NRB Commercial Bank	Principal Branch	
18.	Commercial Bank of Ceylon	Corporate Branch	

SECTION-VII PLAN OF OPERATION AND DISCUSSION OF FINANCIAL CONDITION

Internal and external sources of cash

(As per Audited Accounts)

Particulars	30-Jun-13	30-Jun-12	30-Jun-11
Internal Sources of Cash			
Share Capital	625,000,000	500,000,000	500,000,000
Retained earnings	1,457,014,775	1,261,893,318	1,189,777,442
Sub Total [A]	**2,082,014,775**	**1,761,893,318**	**1,689,777,442**
External Sources of cash			
Long Term Borrowings	755,406,869	740,170,451	407,033,139
Leasehold Obligation	5,329,017,861	4,618,144,080	5,231,243,647
Security Deposits (Dealer)	14,775,000	14,035,000	11,260,000
Bank Loans and Credits	1,006,507,416	1,021,568,909	820,078,821
Advance against Sales	231,119,425	144,573,369	138,074,905
Sub Total [B]	**7,336,826,571**	**6,538,491,809**	**6,607,690,512**
Grand Total [A+B]	**9,418,841,346**	**8,300,385,127**	**8,297,467,954**

The internal sources of the cash of the Company are the share capital and retained earnings and the external sources of cash are the bank loans & various payables against which cash has been in flowed.

Material commitment for capital expenditure

The Company does not have any such commitment for capital expenditure excepting the expansion shown under the head “Use of IPO Proceed” of the prospectus.

Causes for any material changes from period to period

(As per Audited Accounts-Amount in Taka)

Particulars	30-Jun-13	30-Jun-12	30-Jun-11
Sales Revenue	4,306,384,984	4,152,476,029	4,981,510,692
Less: Cost of Goods Sold	3,544,125,046	3,441,510,631	4,049,142,739
Gross Profit	**762,259,938**	**710,965,398**	**932,367,953**
Administrative Expenses	156,581,511	149,151,456	88,869,585
Selling Expenses	110,007,705	93,116,202	114,100,921
Financial Expenses	137,378,306	87,211,739	77,167,940
Operating Profit	**358,292,416**	**381,486,001**	**652,229,507**
Add: Non-Operating Income	51,123,316	26,278,174	18,397,096
Net Profit before Tax	**409,415,732**	**407,764,175**	**670,626,603**
Less: Income Tax Expenses	129888065	129,470,777	129,847,651
Net Profit	**279,527,667**	**278,293,398**	**540,778,952**

There were no material changes during the above mentioned periods.

Seasonal aspects of the company's business

The nature of business is not directly associated with season.

Known trends, events or uncertainties

Political unrest, hartal, natural calamities and power crisis are the known events that may affect the Company's future business.

Change in the assets of the Company used to pay off any liabilities

No asset of the Company has been used to pay off the liabilities.

Loan taken from or given to Holding / Parent company or Subsidiary company

During the Period, no transaction was made as loan with any holding, subsidiary or associated companies (as the Company has no holding/parent or subsidiary company).

Future contractual liabilities

The Company does not have any plan within next one year to contract any new liabilities.

Future capital expenditure

The Company always adopts latest technology for providing better quality product and new product line. With the continuing growth of business, the Company has the plan for making capital expenditures aggregating around Tk. 506.78 million mentioned in Page #25 under the head "Use of IPO Proceeds" of the prospectus.

VAT, Income Tax, Custom Duty or Other Tax Liability

(a) VAT:

The Company has no outstanding VAT as on June 30, 2013. However, there are instatements against VAT outstanding of Tk. 6,466,463.00 as stated in Financial Statement, (Note No.-10) under Accrual and Provisions headline.

(b) Income Tax:

The company regularly submits its income tax return and pays income tax where applicable as per the Income Tax Ordinance 1984. The following table shows the picture of income tax file of the company:

Financial Year	Assessment Year	Status	Remarks
2007-08	2008-09	Assessment Completed	Settlement Completed
2008-09	2009-10	Assessment Completed	Settlement Completed
2009-10	2010-11	Assessment Completed	Settlement Completed
2010-11	2011-12	Assessment Completed	Settlement Completed
2011-12	2012-13	Assessment Completed	Settlement Under process
2012-13	2013-14	Return Submitted	Assessment Under process

(c) **Custom duty:** The Company has no outstanding customs duty as on 30 June 2013.

Operating lease Agreement during last five years

The company has established its Offices on rental basis. The Company paid an amount of Tk. 5,561,553 as Rent, Rates & Taxes as disclosed in the operating expense of the note 23 of the audited financial statements as on June 30, 2013. The details of operating lease as shown below table:

Name of Office and Address	Area	Rent per Sft. (Tk.)	Period of Lease/Rent	Monthly Amount (Tk.)
Dhaka Office Sonartori Tower (18th Floor) 12, Biponon C/A, Sonargaon Road, Dhaka-1000	2050 Sft.	-	9 Years Lease & Effect from 1st October, 2009	50,600.00 & will be increased by 10% after every 3 years
Dhaka Office Sonartori Tower (13th Floor) 12, Biponon C/A, Sonargaon Road, Dhaka-1000	1071 Sft	-	3 Years Rent & Effect from 1st October, 2011	53,000.00 & will be increased by 10% after every 2 years
Mymenshing Office Mymenshing Town	1580 Sft.	-	5 Years Rent & Effect from 1st June, 2011	16,000.00
Bogra Office PuranBogra Road, Bogra	-	-	5 Years Lease & Effect from 1st February, 2012	16,000.00
Bogra Office PuranBogra Road, Bogra	-		5 Years Lease & Effect from 1st March, 2013	45,000.00
Sylhet Office M/s Neowa Corner Humayan Rashid Chattar MuminKhola, Sylhet	2700 Sft.	-	5 Years Rent & Effect from 1st August, 2011	20,000.00
Chittagong Office North Salinpur Sitakundo, Chittagong	-	-	2 Years Rent & Effect from 1stApril, 2013	25,000.00
Ashulia Office East NoroshinghopurAshulia, Dhaka	1 acre & 59.5 decimal	-	5 Years Rent & Effect from 1st September, 2009	100,000.00
Faridpur Office Belanur, Holding No.-4, West Khabashpur Kotoali, Faridpur	-	-	4 Years Rent & Effect from 1st March, 2010	7,500.00& will be increased by 25% after every 2 years
Rangpur Office Radha Bollov Rangpur	-	-	2 Years Rent & Effect from 1st January, 2013	14,000.00
Jessore Office Murli, Kotoali Jessore	-	-	5 Years Rent & Effect from 1st March, 2010	12,500.00
Demra Office Matuail, Demra Dhaka	10 Decimal	-	5 Years Rent & Effect from 01st July, 2012	28,000.00

Comilla Office AlekharChor Kotoali, Comilla	-	-	3 Years Rent & Effect from 1st November, 2011	12,000.00
Jessore Office 79, R.N. Road Jessore (Khulna Stand) Jessore	-	-	3 Years Rent & Effect from 1st February, 2012	10,000.00
Comilla Office South SreeBallbpur , Comilla	-	-	3 Years Rent & Effect from 1st October , 2011	14,400.00
Gazipur Office Bahadurpur, Joydevpur, Gazipur	333 decimal	-	5 Years Rent & Effect from 1st July, 2011	58,000.00 for 1st thirty months & after that 10% rent will be added to the rent
Agrabad Office Plot No.- 88/89, 3rd Floor (E side) Agrabad C/A Chittagong	1597 Sft.	33.00	5 Years Lease & Effect from 1st December, 2008	66,108.00 & will be increased by 12% after every 2 years
Dhaka Office Sonartori Tower (12th Floor) 12, Biponon C/A, Sonargaon Road, Dhaka-1000	1200 Sft		2 Years Lease & Effect from 1stFebruary, 2013	35,000.00
Planners Tower 13/A BirUttam C.R Datta Road, Dhaka.	1450 Sft		5 Years Lease & Effect from 1stMarch, 2013	63,158.00
Sylhet Office Plot no. 192, DakkhinSurma, Mougla Bazar, Sylhet.	7000 Sft		5 Years Lease & Effect from 1stJanuary, 2013	18,000.00

Financial Lease Commitment during last five years

The Company is under the following lease commitment during last five years.

Name of Bank & A/C No.	Type of loan	Amount of loan	Rate of interest	Sanction Date	Amount of installment (Monthly)	Outstanding Balance June 30, 2013
National Finance Limited:						
LE05209	Lease	700,000	17.6	15.02.2009	20,417	0
LE04208	Lease	700,000	17.6	08.10.2008	20,417	0
LE04408	Lease	825,000	17.6	04.11.2008	24,063	0
LE08809	Lease	24,000,000	19	17.09.2009	708,085	2,766,807
LE08909	Lease	1,050,000	19	01.10.2009	30,995	150,218
LE09609	Lease	1,600,000	19	23.12.2009	48,997	247,778
LE10110	Lease	50,000,000	19	08.02.2010	1,478,940	9,634,637
LE10310	Lease	800,000	19	10.02.2010	23,663	154,152
LE11310	Lease	50,000,000	19	24.08.2010	1,476,560	19,887,724
LE12010	Lease	4,200,000	19	02.01.2011	122,500	2,160,487
LE05509	Lease	695,000	19	21.04.2009	20,270	0
LE13311	Lease	50,000,000	19	27.03.2011	1,290,326	34,257,309
LE13611	Lease	3,000,000	19	02.01.2011	77,661	2,196,306
LE19412	Lease	100,000,000	19	23.07.2012	2,761,892	91,558,031
LE20812	Lease	4,800,000	19	03.09.2012	132,571	4,552,267
LE24513	Lease	4,000,000	19	31.03.2013	126,030	3,965,050
LE24613	Lease	50,000,000	19	31.03.2013	1,380,950	49,962,427
Total						**221,493,193**
Fareast Finance and Investment Limited:						
2007-01-032-271-15	Lease	1,130,000	19	26.08.2007	28,700	0
2008-01-024-308-15	Lease	721,000	19	12.10.2008	18,430	56,205
2010-01-014-347-10-0	Lease	18,800,000	19	01.10.2010	488,570	14,168,530
2010-01-014-347-10-1	Lease	21,280,000	19	01.10.2010	553,020	16,037,580
2010-01-014-347-10-2	Lease	9,920,000	19	01.05.2011	261,670	9,681,790
2009-01-001-312-15	Lease	1,390,804	19	01.09.2008	36,805	294,440
2009-01-012-325-10-0	Lease	17,060,000	19	01.10.2009	517,980	3,107,880
2009-01-012-325-10-1	Lease	4,940,000	19	01.03.2010	150,935	1,660,285
Total						**45,006,710**
Standard bank Limited:						
1781500258	Lease	6,000,000	18	13.07.2008	117,273	336,496
1781500274	Lease	6,240,000	18	13.01.2009	155,698	1,395,339
1781500282	Lease	5,040,000	18	13.01.2009	125,757	1,129,134
1781500299	Lease	7,700,000	18	14.01.2009	192,128	1,712,690
1781500308	Lease	5,920,000	18	14.01.2009	147,714	1,319,411
1781500309	Lease	5,040,000	18	24.05.2009	125,757	1,573,599
1781500310	Lease	6,180,000	18	25.05.2009	154,201	1,822,692
1781500311	Lease	9,940,000	18	21.06.2009	248,019	3,343,416
1781500312	Lease	11,840,000	18	08.09.2009	295,427	4,559,266
1781500313	Lease	9,360,000	18	11.02.2010	233,547	4,844,329
1781500314	Lease	8,960,000	18	04.05.2010	218,446	5,412,935
1781500315	Lease	4,520,000	18	26.05.2010	110,198	2,601,911
1781500316	Lease	4,680,000	18	27.05.2010	114,099	2,857,391
1781500325	Lease	4,680,000	18	11.07.2010	114,099	2,998,462
1781500326	Lease	11,040,000	18	11.07.2010	269,157	7,350,232

1781500334	Lease	8,800,000	18	16.08.2010	214,546	5,775,733
1781500338	Lease	7,360,000	18	29.08.2010	179,438	4,773,087
1781500339	Lease	12,880,000	18	26.09.2010	314,017	8,556,193
1781500340	Lease	10,780,000	18	04.11.2010	262,818	7,769,503
1781500341	Lease	9,780,000	18	30.12.2010	238,438	6,996,110
1781500342	Lease	7,340,000	18	30.12.2010	178,950	5,252,692
1781500343	Lease	12,800,000	18	18.01.2011	304,510	9,235,151
1781500344	Lease	9,720,000	18	06.02.2011	231,238	6,987,819
1781500345	Lease	8,000,000	18	03.03.2011	188,266	6,003,038
1781500346	Lease	19,200,000	18	15.03.2011	451,743	14,330,760
1781500348	Lease	7,400,000	18	03.04.2011	174,109	5,458,601
1781500349	Lease	9,740,000	18	19.07.2011	236,858	7,576,961
1781500350	Lease	12,460,000	18	17.08.2011	303,003	9,830,374
1781500351	Lease	8,460,000	18	13.09.2011	205,731	6,721,621
1781500352	Lease	4,720,000	18	12.10.2011	114,781	4,012,772
1781500353	Lease	19,147,930	18	29.12.2011	585,000	13,408,161
1781500354	Lease	5,772,000	18	08.03.2012	146,571	5,191,452
1781500355	Lease	7,840,000	18	14.08.2012	194,844	7,490,373
1781500357	Lease	10,720,000	18	20.11.2012	272,218	10,547,894
1781500359	Lease	17,320,000	18	30.12.2012	348,398	14,298,833
1781500372	Lease	21,200,000	18	20.052013	526,875	21,621,042
1784000031	Lease	2,500,000	18	24.11.2010	68,316	1,357,251
Total						226,452,721
Trust bank Limited:						
0016-0650001059	Lease	2,000,000	17	6/10/2007	57,000	0

Personnel related scheme

The Company considers its human resources as the most valuable assets and the profitability of company largely depends on the efficient & effective productivity of human resources. The company offers following remuneration package to its employees:

Salary/Allowances	Traveling	Bonus	EWF (Employee Welfare Fund)
Agreed salaries and allowance are paid	Actual expenses are paid.	Two festival bonus at 30% of gross Salaries	There is no EWF as this is not applicable to the Company.

In addition to company's monthly remuneration benefits of salary, wages and allowances, the company also provides following benefits to the employees.

1. **Group Insurance:** All Permanent employees of the company are entitled to group insurance benefit with ALICO.
2. **Provident Fund and Gratuity:** IAL is in a process of setting up provident fund which will be implemented from next financial year. IAL has no gratuity provision for its employee.
3. **WPPF:** The Company is still not an "industrial undertaking" in that sense of the term. Therefore, WPPF is not applicable to IAL until its Assembling Plant and Automatic Body Building Plant commence operation.IAL will establish WPPF after setting up the body Building unit as when the company will be eligible for providing WPPF as per the provision of Bangladesh Labour Law 2006.

Breakdown of IPO Expenses

The following table shows the amounts paid to the Issue Manager, Underwriters and other costs are estimated as follows:

Particulars	Basis of Fees	Amount in BDT(approx.)
Issue Manager 's fees:		2,000,000.00
Banco Finance and Investment Limited	1,500,000	
Alpha Capital Management Limited	500,000	
Listing Related Expenses:		
Service Charge for DSE	Fixed	5,000.00
Annual Fee for DSE & CSE	Fixed	200,000.00
Listing Fees for Stock Exchanges (DSE & CSE)	@ 0.25% on up to Taka 10 crore of paid-up capital & 0.15% on the balance amount (Max Tk. 20.00 lac) each	3,650,000.00
SEC Fees:		
Application Fee	Fixed	10,000.00
Consent Fee	@ 0.15% on the public offering amount	1,434,375.00
IPO Related Fees:		
Underwriting Commission	@ 0.50% on the underwritten amount	2,390,625.00
Bankers to the issue Commission	@ 0.10% on collected amount (Assuming 5 times oversubscribed)	9,562,500.00
Credit rating Fee	As actual	500,000.00
CDBL Fees and Expenses:		
Security Deposit of Eligible Securities	Fixed	500,000.00
Documentation Fee	As actual	2,500.00
Annual Fee	As actual	100,000.00
Issue Fee	0.0175% on total paid up capital	201,250.00
Connection Fee	As actual	6,000.00
Printing, Publication and Others:		
Publication of Abridge Version of Prospectus	Estimated	473,750.00
Printing of Prospectus	Estimated	1,000,000.00
Printing of Application Forms	Estimated	100,000.00
Fee for Conduction of Lottery		300,000.00
Post Issue Expenses:		
Data Collection, Data Entry, Data Processing and other related job	Estimated; considering subscription at 10 times	15,000,000.00
Printing of Allotment Letters and Refund Warrant		
Distribution of Allotment Letter and Refund Warrant (including courier)		
Total		**37,436,000.00**

The cost of the above mentioned IPO expenses may vary and will be adjusted accordingly.

Revaluation of Company's Assets & Summary thereof

IFAD Autos Limited has revalued some of its land and land development twice to comply with BAS-16, property, plant and equipment to reflect the actual value of company's land and land development. The Summary of revaluation thereof is as under:

Summary of 2nd revaluation: The revaluation of IFAD Autos Limited was performed on August 25, 2011 by S.F. Ahmed & Co. Chartered Accountants to arrive at fair value of land and lend developments Of IFAD Autos Limited. The summary revaluation is as follows:

Particulars of Assets	Depreciated historical cost	Depreciated current cost	Revaluation Surplus
	Taka	Taka	Taka
Land & land development	221,282,486	1,639,017,000	1,417,734,514
Other fixed assets	158,412,185	158,412,185	-
Total	**379,694,671**	**1,797,429,185**	**1,417,734,514**

Particular of the survey company is as follows:

Name & Address	:	**S. F. Ahmed & Co. (SAFCO)** House-25, Road-13A, Block-D Banani, Dhaka-1213, Bangladesh
Qualification	:	Chartered Accountants
Other Major Works done by the valuer	:	Ananda Shipyard and Slipways Ltd. RAK Pharmaceuticals Ltd. Rakeen Development (Pvt.) Ltd. LSI Industries Ltd. International Leasing and Financial Services Ltd. Novartis Bangladesh Ltd. Bangladesh Services Ltd. JamunaBridge Authority Generation Next Fashions Limited
Reasons for Revaluation	:	The purpose of this work is to arrive at a fair value of the lands and land developments of IAL so as to incorporate such fair value in its financial statements for the year ended 30 June, 2011.

Summary of 1stRevaluation: Messrs G.K. Adjusters Ltd., Licensed certified surveyor government of Bangladesh made the revaluation of company's **land andBuilding** on June 30, 2007. The valuation has been made for reflection of actual value of Company's **land and building.** The revalued amount was incorporated in the accounts as on 30.06.2007. The Summary of revaluation is as follows:

Location	Description	Sft/Katha	Rate	Depreciated Current Cost	Depreciated Historical Cost	Revaluation Surplus
Tongi, Gazipur	Land	56.00 Katha	Tk: 1,000,000	56,000,000.00	10,000,000.00	46,000,000.00
	Office Building	4,300 Sft	Tk. 2,100	9,030,000.00	4,300,000.00	4,730,000.00
	Building	26,700 Sft	Tk.3,100	82,770,000.00	18,316,000.00	64,454,000.00
	Sub Total			**147,800,000.00**	32,616,000.00	115,184,000.00
Tejgaon, Dhaka	Land	10.00 Katha	Tk: 4,000,000	40,000,000.00	3,504,882.00	36,495,118.00
	Building	3,300Sft	Tk.3,100	10,230,000.00	1,920,810.00	8,309,190.00
	Sub Total			**50,230,000.00**	5,425,692.00	44,804,308.00
	Total			**198,030,000.00**	**38,041,692.00**	**159,988,308.00**

Transaction with Subsidiary / Holding Company or Associate Company

Ifad Autos Limited does not have any holding or subsidiary company. However, they have companies under common management.The nature and values of transaction between the companies are as under:

Name of Related Party	Relationship	Nature of Transaction	Value of transactions (BDT)				
			2012-13	2012-11	2010-11	2009-10	2008-09
IFAD Salt and Chemical Limited	Company under common Management	Working Capital	Nil	Nil	Nil	Nil	Nil
		Interest Receivable	Nil	Nil	Nil	Nil	Nil
		Share Money	30,000,000	Nil	Nil	Nil	Nil
		Share Capital	Nil	Nil	Nil	Nil	Nil
IFAD Multiproduct s Ltd.	Company under common Management	Working Capital	Nil	Nil	Nil	Nil	Nil
		Interest Receivable	Nil	Nil	Nil	Nil	Nil
		Share Money	Nil	Nil	Nil	Nil	Nil
		Share Capital	Nil	Nil	Nil	Nil	Nil
IFAD Enterprises Ltd.	Company under common Management	Working Capital	Nil	Nil	Nil	Nil	Nil
		Interest Receivable	Nil	Nil	Nil	Nil	Nil
		Share Money	Nil	Nil	Nil	Nil	Nil
		Share Capital	Nil	Nil	Nil	Nil	Nil
IFAD AgroComplex Ltd.	Company under common Management	Working Capital	Nil	Nil	Nil	Nil	Nil
		Interest Receivable	Nil	Nil	Nil	Nil	Nil
		Share Money	Nil	Nil	Nil	Nil	Nil
		Share Capital	Nil	Nil	Nil	Nil	Nil
IFAD Automobiles Ltd.	Company under common Management	Working Capital	Nil	Nil	Nil	Nil	Nil
		Interest Receivable	Nil	Nil	Nil	Nil	Nil
		Share Money	Nil	Nil	Nil	Nil	Nil
		Share Capital	Nil	Nil	Nil	Nil	Nil
IFAD Beverage Ltd.	Company under common Management	Working Capital	Nil	Nil	Nil	Nil	Nil
		Interest Receivable	Nil	Nil	Nil	Nil	Nil
		Share Money	Nil	Nil	Nil	Nil	Nil
		Share Capital	Nil	Nil	Nil	Nil	Nil
NEELA Automobiles Ltd.	Company under common Management	Working Capital	Nil	Nil	Nil	Nil	Nil
		Interest Receivable	Nil	Nil	Nil	Nil	Nil
		Share Money	Nil	Nil	Nil	Nil	Nil
		Share Capital	Nil	Nil	Nil	Nil	Nil

Auditors certificate regarding allotment of shares to promoters or Sponsor Shareholders for consideration in cash/other than in cash

We certify that, based on our examination of share Register and its underlying documents, the paid up capital of IFAD Autos Limited as at 21 November 2013 stands at Tk. 937,500,000 consisting of 93,750,000 Ordinary Shares of Tk. 10 each as follows:

Allotment	Date of Allotment	Number of Shares Issued			Amount of cumulative paid up capital (Tk.)
		Consideration in Cash	Bonus Share	Total	
Subscription	17/02/1988	10,000	-	10,000	100,000
Bonus Issue	20/04/2003	-	990,000	990,000	9,900,000
Fresh Issue	31/10/2010	9,000,000	-	9,000,000	90,000,000
Bonus Issue	16/02/2011	-	20,000,000	20,000,000	200,000,000
Fresh Issue	16/02/2011	20,000,000	-	20,000,000	200,000,000
Bonus Issue	11/3/2013	-	12,500,000	12,500,000	125,000,000
Bonus Issue	28/10/2013	-	31,250,000	31,250,000	312,500,000
Total		**29,010,000**	**64,740,000**	**93,750,000**	**937,500,000**

Sd/-
ATA Khan & Co.
Chartered Accountants

Dated: 21 November 2013
Dhaka

Declaration regarding Suppression of Material Information

This is to declare that to the best of our knowledge and belief no information facts, circumstances, that are disclose-able have been suppressed that can change the terms and conditions under which the offer has been made to the public.

Sd/-

Taskeen Ahmed
Managing Director
IFAD Autos Limited

SECTION-VIII INFORMATION ABOUT DIRECTORS AND OFFICERS

Directors of the Company

Name	Designation	Age	Qualification	Experience
Iftekhar Ahmed Tipu	Chairman	64 Years	B.A	42 Years
Taskeen Ahmed	Managing Director	34 Years	BBA(IUB)	13 Years
Tanveer Ahmed	Director	35 Years	Bachelor of Architecture, USA	14 Years
Nilufar Ahmed	Director	57 Years	MA (DU)	26 Years
Tashfeen Ahmed	Director	28 Years	MBA, USA	4 Years

Information regarding directors and directorship

Name	Designation	Date of becoming Director for the first time	Date of Expiry of Current term
Iftekhar Ahmed Tipu	Chairman	17-02-1988	AGM in 2016
Taskeen Ahmed	Managing Director	08-05-2000	AGM in 2017
Tanveer Ahmed	Director	29-12-2004	AGM in 2015
Nilufar Ahmed	Director	17-02-1988	AGM in 2016
Tashfeen Ahmed	Director	07-10-2010	AGM in 2017

NB: The directors of the company are subject to be retired by rotation according to Section 91 (2) of the Companies Act, 1994.

Directors' involvement in other organization

Name	Designation	Directorship/Sponsorship/ Ownership	Position
Iftekhar Ahmed Tipu	Chairman	IFAD Enterprises Ltd. IFAD Agro Complex Ltd. IFAD Multi Products Ltd. IFAD Automobiles Ltd. IFAD Beverage Ltd. IFAD Salt & Chemical ltd.	Chairman Chairman Managing Director Chairman Chairman Managing Director
Taskeen Ahmed	Managing Director	Complant Enterprise Ltd IFAD Enterprises Ltd. IFAD Agro Complex Ltd. IFAD Multi Products Ltd. IFAD Automobiles Ltd. IFAD Beverage Ltd IFAD Salt & Chemical ltd.	Director Director Director Director Director Director Director
Tanveer Ahmed	Director	IFAD Enterprises Ltd. IFAD Agro Complex Ltd. IFAD Multi Products Ltd. IFAD Automobiles Ltd. NEELA Automobiles Ltd. IFAD Beverage Ltd. IFAD Salt & Chemical ltd.	Managing Director Managing Director Director Director Managing Director Managing Director Director
Nilufar Ahmed	Director	IFAD Enterprises Ltd. IFAD Agro Complex Ltd. IFAD Multi Products Ltd. IFAD Automobiles Ltd. IFAD Beverage Ltd IFAD Salt & Chemical ltd.	Director Director Director Managing Director Director Director
Tashfeen Ahmed	Director	IFAD Multi Products Ltd. IFAD Automobiles Ltd. IFAD Beverage Ltd	Shareholder Shareholder Director

Family relationship among directors and top officials

All the directors are members of the Chairman's family. There are no family ties among the top officials of the Company except that two executive directors are wives of the directors

Name of the Director	Position in the Company	Relationship
Iftekhar Ahmed Tipu	Chairman	Self
Taskeen Ahmed	Managing Director	Son of Chairman
Nilufar Ahmed	Director	Wife of Chairman
Tanveer Ahmed	Director	Son of Chairman
Tashfeen Ahmed	Director	Son of Chairman

Short bio-data of the directors

Iftekhar Ahmed Tipu
Chairman

Mr. Iftekhar Ahmed Tipu was born in 23rd ofMarch in the year of 1949 in Noakhali District, Bangladesh. He is the son of late JalalAhmed and late Tayebunnesa Ahmed .In the year 1969 he passed B.A from DhakaCollege and in 1970 he started business in partnership with other company. From 1970 to 1985 he completed a large number of business deals such as supply of power stations to BPDB, supply of drilling rigs to Petro Bangla and supply of pumps station to Water Development Board etc.In the year 1985 he started his own business. Now he is the Chairman of IFAD Group and IFAD Autos Ltd.(which is the sole distributor of Ashok Leyland Ltd., India),IFAD Agro Complex Ltd., Ifad Salt and Chemical Ltd., IFAD Beverage Ltd. Ifad Automobiles Ltd. and Managing Director of IFADEnterprises Ltd. and IFAD Multi Products Ltd. He is an activemember of Federation of Bangladesh Chamber Of Commerce and Industries (FBCCI), Vice President of Bangladesh AutomobilesManufacturers Association (BAMA) and Executive Member of BADA. Other than business, he is also involved with various social activities and in that relation; he is a member of Dhaka Club, Gulshan Club, Uttara Club and Kurmitola Golf Club.

Apart from above, in personal life, he is a dedicated husband and father of three sons as well as a good human being with pleasant personality.

Taskeen Ahmed
Managing Director

Mr. Taskeen Ahmed, was born in 10th November, l979. He is the second son of Mr. Iftekhar Ahmed Tipu (Chairman of IFAD Group) and Mrs. Nilufar Ahmed (Director of IFAD Group). He did his BBA from Independent University, Bangladeshin the year 2000. He joined in the group in the year 2000 and mostly engaged in the marketing of Ashok Leyland Ltd products and negotiates with the Government andSemi-Government sectors to conquer the newcontracts. He is also acting as the head of marketing and credit recovery cell. He is the Managing Director of IFAD Autos Ltd., IFAD Enterprises Ltd., Ifad Salt and Chemical Ltd., IFAD Multi Products Ltd., IFAD Agro Complex Ltd., IFAD Beverage Ltd and IFAD Automobiles Ltd.

Nilufar Ahmed
Director

Mrs. Nilufar Ahmed was born in 31st December 1956in Faridpur District, Bangladesh. Her father's name is Mir Mojibur Ramanan dmother's name is Mrs. Fatema Rahman. She is wife of Mr. Iftekhar Ahmed Tipu. She did her M.A in the year 1983 from the University of Dhaka. From 1987 she has been actively playing a vital role in IFAD Group. She is director of IFAD Group, IFAD Autos Ltd., IFAD Enterprises Ltd., IFAD Agro Complex Ltd., Ifad Salt and Chemical Ltd., IFAD MultiProducts Ltd. IFAD Beverage Ltd and Managing Director of IFAD Automobiles Ltd. Other than business, she is also engaged in many social affairs and she is a permanent member of Dhaka Ladies Club. In her personal life, she is a person of pleasant personality and loving mother of three sons.

Tanveer Ahmed
Director

Mr. Tanveer Ahmed was born in27th of June 1977. He is the eldest son of Mr.Iftekhar Ahmed Tipu (Chairman of IFAD Group) and Mrs. Nilufar Ahmed (director of IFADGroup). He did his bachelor of architecture degree fromNew Jersey Institute of Technology, USA in the year 2001 and in the same year, he joined in the business actively. He is the Managing Director of IFAD Group and Ifad Salt and Chemical Ltd. He is mostly engaged in the marketing of Ashok LeylandLtd. and ELGI Equipments Ltd products and he also negotiates with the Government andSemi-Government sectors for award of contracts. He is key person of credit recovery cellof the group and is also acting as the head of operation of IFAD Multi Products Ltd. He is the director of IFAD

Autos Ltd., IFAD Agro Complex Ltd., IFAD Beverage Ltd and Neela Automobiles Ltd. and director of IFADEnterprises Ltd. and IFAD Automobiles Ltd.

Tashfeen Ahmed
Director

Mr. Tashfeen Ahmed was born in 18th of June 1985. He is the youngest son of Mr. Iftekhar Ahmed Tipu (Chairman of IFAD Group) and Mrs. Nilufar Ahmed (Director of IFAD Group). He is also a Director of IFAD Group. He did his MBA from American University, USA in the year 2011. He joined in the group in the year 2009. He is the Head of Corporate Marketing of Ashok Leyland Ltd products and he is also Head of Quality Control Division of IFAD Multi Products Ltd. He is the director of IFAD Autos Ltd., IFAD Beverage Ltd and significant shareholder of IFAD Multi Products Ltd. and IFAD Automobiles Ltd.

Credit information Bureau (CIB) Status

Neither IFAD Autos Limited nor any of its Sponsors or Directors or Shareholders who hold 5% or more shares in paid-up capital of the issuer is loan defaulters in terms of the CIB report of the Bangladesh Bank.

Descriptions of Top Executives & Departmental Heads of the Company

Sl. No.	Name of the officers	Designation	Joining Date	Educational Qualification	Last Five Years' Experience
01.	Shejuti A. Ahmed	Director HRM	1/1/2011	MBA	IFAD Autos Limited
02.	SyedaShaharbanu Shabazi	Director Purchase Procurement	1/1/2011	MBA	IFAD Autos Limited
03.	UttiyaBakshiAbir	Director, Administration & Corporate Sales	7/6/1986	M. Sc.	IFAD Autos Limited
04.	Arif Masud Chowdhury	Asst. Director, Sales	7/11/1988	M.COM.	IFAD Autos Limited
05.	Moinuddin Ahmmed Chowdhury	Company Secretary	7/11/1998	M. Com	IFAD Autos Limited
06.	Mir Mizanur Rahman	General Manager, Production	6/1/1988	B. Sc.	IFAD Autos Limited
07.	S.M. Rahamatullah	General Manager, Marketing	15/1/1994	M. A.	IFAD Autos Limited
08.	Abu Sayeed Ahmed FCA	Chief Financial Officer	1/1/2011	M. Com, FCA	(i)IFAD Autos Limited (ii)Rangs Electronics Ltd
09.	Ruhul Amin Masud	Deputy General Manager, Marketing	15/12/2005	B.A.	IFAD Autos Limited
10.	Sirajul Islam	Chief Accountant	5/6/1986	B.Com	IFAD Autos Limited
11.	GolamSaklaen Miah	Deputy General Manager, Finance	1/6/1995	M.B.S.	IFAD Autos Limited
12.	GolamMostafa	General Manager, Recovery	1/1/2008	B.A.	IFAD Autos Limited
13.	Ashok Kumar shah	General Manager, (Inventory)	1/7/2008	BSC Engineer (Mechanical)	IFAD Autos Limited
14.	Hafizur Rahman Manik	Deputy General Manager (Marketing)	8/6/2008	M.Com (Accounting)	IFAD Autos Limited
15.	Md. Shah Jalal	Asst. General Manager (Marketing)	1/12/2008	M.A (Political science)	IFAD Autos Limited
16.	Md. AminulHaque Khan	Asst. General Manager Documentation	15/5/1997	M.SC (Zoology)	IFAD Autos Limited
17.	Md. Helal Uddin	Asst. General Manager Marketing	1/1/1998	B.S.S	IFAD Autos Limited
18.	Mir FatemaAkter	Sr. Manager Central Accounts	2/11/2002	M.Com (CA. CC)	IFAD Autos Limited

Involvement of Directors and officers in certain legal proceedings

No Director or officer of IFAD AUTOS LIMITED was involved in any of the following types of legal proceedings in the last 10 (ten) years:

a. Any bankruptcy petition filed by or against any company of which any officer or director of the Issuer Company filing the prospectus was a director, officer or partner at the time of the bankruptcy.

b. Any conviction of director, officer in a criminal proceeding or any criminal proceeding pending against him.

c. Any order, judgment or decree of any court of competent jurisdiction against any director, officer permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any director or officer in any type of business, securities or banking activities.

d. Any order of the Securities and Exchange Commission or other regulatory authority or foreign financial regulatory authority, suspending or otherwise limiting the involvement of any director or officer in any type of business, securities or banking activities.

Certain Relationships and Related Transactions

The Company has neither entered into during the last 2 (two) years nor have any plan to enter into any transaction with the following parties:

1. Any executive director or executive officer of the company;
2. Any director or officer;
3. Any person owning 5% or more of the outstanding stock of the issuer;
4. Any member of the immediate family (including spouse, parents, brothers, sisters, children and in-laws) of any above persons;
5.Any director holding any position, apart from being a director in the issuer company, in any company, society, trust, organization, or proprietorship or partnership firm;
6. Any transaction or arrangement entered into by the issuer or its subsidiary for aperson who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries/holding company or associate concerns, or who was a director or connected in any way with a director at any time during the last three years prior to the issuance of prospectus;
7. Any loan either taken or given from or to any director or any person connected with the director, any loan taken from any such person who did not have any stake in the issuer, its holding company or its associate concerns prior to such loan;
8.Facilities whether pecuniary or non-pecuniary of the prospectus on-enjoyed by the directors will remain unchanged during the publication period of the prospectus. Interest and facility is already disclosed in executive compensation of the prospectus.

Executive Compensation

a. Remuneration paid to top five salaried officers in the last accounting year:

(Amount in Taka)

Sl.	Name	Designation	Salary As on June 30, 2013
01.	Abu Sayeed Ahmed, FCA	Chief Financial Officer	12,00,000
02.	Uttiya Bakshi Abir	Director, Administration & Corporate Sales	11,90,700
03.	Arif Masud Chowdhury	Assistant Director, Sales	11,24,550
04.	Golam Saklaen Miah	Deputy General Manager, Finance	9,89,400
05.	GolamMostafa	General Manager, Recovery	8,04,000

b. Aggregate amount of remuneration paid to directors & employees (As per Audited A/C):

(Amount in Taka)

Sl. No.	Particulars	Remuneration & Salary	
		Year ended June 30, 2013	Year ended June 30, 2012
01.	Directors	432,00,000	39,450,000
02.	Officers & Staff	88,100,309	76,666,139
Total		**131,300,309**	**116,116,139**

c. Remuneration paid to any Director who was not an officer during the last fiscal year:

The Company did not pay any remuneration to any director who was not an officer of the company during the last accounting year.

d. Future compensation to Directors or Officers:

The Company has no contract with any director/officer for providing the payment of future compensation.

e. Pay Increase Intentions:

The Company does not have any plan to substantially increase remuneration to Officers/Directors except normal & additional annual increments/awards of salaries/allowances in line with the performance achieved by individuals.

Options Granted to Directors, Officers and Employees

The Company did not grant any option to any director, officer and other employees of the company or to any other person not involved with the Company.

Transaction with the Directors and Subscribers to the Memorandum

a) Benefits From the Company during last two years:

Name of the Directors and Subscribers	Nature of value received	Amount in Taka 2012-2013	Amount in Taka 2011-2012
Iftekhar Ahmed Tipu	Remuneration	14,400,000	13,350,000
Nilufar Ahmed	Remuneration	72,00,000	6,600,000
Tanveer Ahmed	Remuneration	72,00,000	6,600,000
Taskeen Ahmed	Remuneration	72,00,000	6,600,000
Tashfeen Ahmed	Remuneration	72,00,000	6,300,000
Total		**43,200,000**	**39,450,000**

b) Noassets were acquired or are to be acquired from the directors and subscribers to the memorandum.

Tangible Assets per Share

(As per Audited Accounts as at 30 June 2013)

Particulars	Notes	30/06/2013 Amount in Tk
Assets		
Property, plant & equipment, net		2,012,420,444
Total non-current assets	A	**2,012,420,444**
Total tangible assets	B=A	**2,012,420,444**
Current assets		
Inventories		341,567,943
Investment In Share		205,534,234
Advances, deposits & pre-payments		786,953,245
Cash & bank balances		825,232,189
Accounts Receivable		7,177,340,422
Total current assets	C	**9,336,628,033**
Total assets	D=A+C	**11,349,048,477**
Total tangible assets	E=D	**11,349,048,477**
Equity and liabilities		
Non-current liabilities		
Long-term borrowings		755,406,869
Lease finance		5,329,017,861
Security Deposits		14,775,000
Total non-current liabilities	F	**6,099,199,730**
Current liabilities		
Bank Loans and Credits		1,006,507,416
Advance against sales		231,119,425
Accounts payable		75,269,825
Accruals and Provisions		277,214,484
Total current liabilities	G	**1,590,111,150**
Total liabilities	H=F+G	**7,689,310,880**
Net assets value	I=D-H	**3,659,737,597**
Shareholders' equity		
Number of shares	J	62,500,000
Net assets value per share of Tk. 10 each	K=I/J	**58.56**

Dated: 14 August, 2013
Dhaka

Sd/-
Ata Khan & Co
Chartered Accountant

Ownership of the Company's Securities

Shareholding position of the IFAD Autos Limited is as follows:

Sl.	Name of Directors	Position	Shareholding	%
1	Iftekhar Ahmed Tipu	Chairman	38,437,500	41.00%
2	Taskeen Ahmed	Managing Director	8,437,500	9.00%
3	Tanveer Ahmed	Director	8,437,500	9.00%
4	Nilufar Ahmed	Director	9,375,000	10.00%
5	Tashfeen Ahmed	Director	7,500,000	8.00%
6	Arif Masud Chowdhury	Shareholder	3,750,000	4.00%
7	Yousuf Ismail	Shareholder	937,500	1.00%
8	Asraf Kamal Pasha	Shareholder	937,500	1.00%
9	Naseem Shafi	Shareholder	750,000	0.80%
10	Mehmood Equities ltd	Shareholder	187,500	0.20%
11	Nazeem Uddin Ahmed	Shareholder	1,537,500	1.64%
12	IFad Multi Products (Represented by Tanvir Ahmed)	Shareholder	2,250,750	2.40%
13	IFAD Enterprises Limited (Represented by Tanveer Ahmed)	Shareholder	2,250,750	2.40%
14	IFAD Agro Complex(Represented by Tanveer Ahmed)	Shareholder	1,000,000	1.07%
15	IFAD Salt and Chemical Limited	Shareholder	1,585,875	1.69%
16	Iqbal U Ahmed	Shareholder	178,125	0.19%
17	Mahmudul Huq Arif	Shareholder	50,000	0.05%
18	Md. Habibur Rahman Sikder	Shareholder	95,000	0.10%
19	Shahida Alam	Shareholder	45,000	0.05%
20	Sheikh Joglul Sadeq	Shareholder	50,000	0.05%
21	Akhtar Khan	Shareholder	2,500,000	2.67%
22	Abdul Soba Gofur	Shareholder	2,197,000	2.34%
23	Md. Mostafizur Rahman	Shareholder	10,000	0.01%
24	Muhammad Abu Hanif Meah	Shareholder	50,000	0.05%
25	Anowara Siddika	Shareholder	200,000	0.21%
26	Nusrat Jahan Rimi	Shareholder	100,000	0.11%
27	Lima Akhter	Shareholder	190,000	0.20%
28	Syed Hassan Kahn	Shareholder	175,000	0.19%
29	Nashid Amin	Shareholder	100,000	0.11%
30	A. S. M Mosarraf Hossain	Shareholder	175,000	0.19%
31	Mrs. Noushin Chowdhury	Shareholder	150,000	0.16%
32	Md. Jashim Uddin	Shareholder	100,000	0.11%
33	Morshedur Rahman	Shareholder	10,000	0.01%
Total			**93,750,000**	**100%**

Shareholders Shareholding of 5% or more

No officer/executive except the following holds 5% or above share of the Company individually or as a group as at October 28, 2013.

Sl.	Name of Directors	Shareholding Status	Shareholding	Amount	%
1	**Iftekhar Ahmed Tipu**	Chairman	38,437,500	384,375,000	41
2	**Taskeen Ahmed**	Managing Director	8,437,500	84,375,000	9
3	**Tanveer Ahmed**	Director	8,437,500	84,375,000	9
4	**Nilufar Ahmed**	Director	9,375,000	93,750,000	10
5	**Tashfeen Ahmed**	Director	7,500,000	75,000,000	8
Total			**72,187,500**	**721,875,000**	**77**

Except the above there is no shareholder or director who holds 5% or more of the ordinary shares of the company's paid up capital.

Post IPO shareholding by the sponsors/Directors

Particulars	No of Shares	Amount Tk.
Post IPO Share Capital	115,000,000	1,150,000,000

Sl.	Name of Directors	Position	Shareholding Status	%
1	Iftekhar Ahmed Tipu	Chairman	38,437,500	33.42
2	Taskeen Ahmed	Managing Director	8,437,500	7.34
3	Tanveer Ahmed	Director	8,437,500	7.34
4	Nilufar Ahmed	Director	9,375,000	8.15
5	Tashfeen Ahmed	Director	7,500,000	6.52
Total			**72,187,500**	**62.77**

NB: Post IPO capital structure of the Sponsors/Directors complies with the requirements as imposed by the Bangladesh Securities and Exchange Commission vide Notification No. SEC/CMRRCD/ 2009-193/119/Admin/34, dated November 22, 2011

Securities owned by the officers

Following is list of officers who hold shares of the company's paid up capital. Apart from them no employees hold any shares of the company.

SL	Name	Position	No of Shares held
1	**Iftekhar Ahmed Tipu**	Chairman	38,437,500
2	**Taskeen Ahmed**	Managing Director	8,437,500
3	**Tanveer Ahmed**	Director	8,437,500
4	**Nilufar Ahmed**	Director	9,375,000
5	**Tashfeen Ahmed**	Director	7,500,000
6	**Arif Masud Chowdhury**	Assistant Director, Sales	**3,750,000**

Determination of Offering Price

Particulars	**After Bonus Issue at the end of June 30, 2013**	Amount in Tk.
Method- 1(a)	Net Asset Value (NAV) per share (Considering Revaluation Surplus)	39.04
Method -1(b)	Net Asset Value (NAV) per share (without Considering Revaluation)	22.21
Method-2	Calculation of Historical Earnings Based value per share considering weighted average no of shares outstanding	63.30

Method -1 (a)	Equity Based value (NAV) per share (With Considering Revaluation Surplus) **after bonus issue**	
	Particulars	**Amount**
A	Share Capital (Restated)	937,500,000
B	Revaluation Surplus as at 30th June 2013	1,577,722,823
C	Retained Earnings (Restated)	1,144,514,775
D	Total Shareholders' Equity (A+B+C)	3,659,737,598
E	Number of shares after bonus issue	93,750,000
	Net Asset Value (NAV) Per Share (D/E)	39.04

Method -1 (b)	Equity Based value (NAV) per share (Without Considering Revaluation Surplus) **after bonus issue**	
	Particulars	Amount
A	Share Capital (Restated)	937,500,000
B	Retained Earnings	1,144,514,775
C	Total Shareholders' Equity 2013 (A+B)	2,082,014,775
D	Number of shares after bonus issue	93,750,000
	Net Asset Value (NAV) Per Share (C/D)	22.21

Method-2	Calculation of Historical Earnings Based value per share considering weighted average no of shares outstanding			
Year	No. of Shares	Net Profit After Tax	Weighted no. of Shares	Weighted Average of Net Profit After tax (Taka)
30-Jun-09	1,000,000	190,512,896	0.005108557	973245.9566
30-Jun-10	1,000,000	535,875,338	0.005108557	2737549.619
30-Jun-11	50,000,000	540,778,951	0.255427842	138130000.3
30-Jun-12	50,000,000	251,304,786	0.255427842	64190239.08
30-Jun-13	93,750,000	320,121,458	0.478927203	153314874.5
Total	195,750,000	1,838,593,429	1	359345909.4
Number of Share Outstanding (Before IPO)				93,750,000
EPS based on weighted Average no. of shares outstanding				3.83
Latest Market P/E Ratio (As per DSE Review January, February and March of 2014				16.51
Earning Based value Per share				63.30

Sector P/E Ratio (Engineering Sector):		Market P/E Ratio:	
January	25.20	January	16.74
February	24.32	February	16.91
March	22.98	March	15.89
Average	24.17	Average	16.51
Lower of Sector P/E and Market P/E			16.51

*Note: The Company has increased its paid up capital from 625,000,000 to Tk. 937,500,000 by issuing 31,250,000 bonus shares of Tk. 10/- each totalling Tk. 312,500,000 with the consent of Bangladesh Securities and Exchange Commission vide letter no. SEC/CI/CPLC (Pvt)-309/2011/2738, dated October 22, 2013.

Market for the Securities Being Offered

The issuer shall apply to all the stock exchanges in Bangladesh within seven working days from the date of consent accorded by the Commission to issue prospectus.

Dhaka Stock Exchange Limited (DSE)
9/F, Motijheel C/A, Dhaka-1000

And

Chittagong Stock Exchange Limited (CSE)
CSE Building, 1080 Sk. Mujib Road,
Agrabad C/A, Chittagong

Declaration about Listing of Shares with the stock exchange(s)

None of the stock exchange(s), if for any reason, grants listing within 75 days from the closure of subscription, any allotment in terms of this Prospectus shall be void and the Company shall refund the subscription money within fifteen days from the date of refusal for listing by the stock exchange(s), or from the date of expiry of the said 75 days, as the case may be.

In case of non-refund of the subscription money within the aforesaid fifteen days, the Company's Directors, in addition to the issuer company, shall be collectively and severally liable for refund of the subscription money, with interest at the rate of 2% (two percent) per month above the bank rate, to the subscribers concerned.

The Issue Manager, in addition to the issuer company, shall ensure due compliance of the above mentioned conditions and shall submit compliance report thereon to the Securities and Exchange Commission within seven days of expiry of the aforesaid fifteen days time period allowed for refund of the subscription money.

Trading and Settlement regulation of the Stock exchanges shall apply in respect of trading and settlement of the shares of the company.

Description of Securities outstanding or being offered

a) Dividend, Voting and Preemption Rights

In case of any declaration of cash/stock dividend by the Company or distribution of any property of the Company, all the shareholders shall be entitled to it in proportion to their shareholdings on the date of the book closure or record date for the purpose. The Company will follow a dividend policy, which will allow it to provide a fair return on its shareholders' investment and simultaneously allow for building up of the retained earnings and reserves as a rule that would sustain growth of the Company. The share capital of the Company is divided into Ordinary Shares, carrying equal rights to vote and receive dividend in terms of the relevant provisions of the Companies Act 1994 and the Articles of Association of the Company. All shareholders shall have the usual voting right in person or by proxy in connection with, among others, election of Directors and Auditor(s) and other usual agenda of General Meeting – Ordinary or Extra ordinary. On a show of hand, every shareholder present in person and every duly authorized representative of a shareholder present at a General Meeting shall have one vote and on a poll every shareholder present in person or by proxy shall have one vote for every share held by him or her. In case of any additional issue of shares for raising further capital the existing shareholders shall be entitled to Rights Issue of shares in terms of the guidelines issued by the Securities and Exchange Commission from time to time.

b) Conversion and Liquidation Rights

The Company in its General Meeting may convert paid-up shares to any denomination. No special preferences or privileges shall be attached to this conversion. If the company at any time issues Preference Shares or Debentures or Bonds with the consent of SEC, such holders of securities shall be entitled to convert such securities into ordinary shares if it is so determined by the company. In case of winding- up or liquidation of the Company, all shareholders have the same privileges and advantages as ordinary shareholder as regards participation in profits and voting at meetings of the Company.

c) Right for Transfer

In terms of the provisions of the Companies Act, 1994, Articles of Association of the Company and other relevant rules in force, the shares of the Company are transferable. The Company shall not charge any fee other than Government duties for registering transfer of shares. No shares shall be transferred to an infant or a person of unsound mind.

d) Dividend Policy

I. The profits of the Company, subject to any special right relating thereto created or authorized to be created by the Memorandum of Association and subject to the provision of the Articles of Association, shall be divisible among the members in proportion to the amount of capital paid -up on the shares held by them respectively.
II. No larger dividend shall be declared than is recommended by the directors, but the Company in its General meeting may declare a smaller dividend. If preference share dividend is not paid in one year, such unpaid dividend shall be carried forward to the next year or years; and become cumulative.
III. The declaration of directors as to the amount of net profit of the company shall be conclusive.
IV. No dividends shall be paid otherwise than out of the profits of the year or any other undistributed profits and general reserves. Dividend shall not carry interest as against the Company.
V. The Directors may from time to time pay off the members such interim dividend as appear to the Directors to be justified by the profits of the Company.
VI. A transfer of shares shall not pass the right to any dividend declared thereon after such transfer and before the registration of the transfer.
VII. There is no limitation on the payment of dividends to the common stockholders.

e) Other Rights of Shareholders

The shareholders shall have the right to receive all periodic reports and statements, audited as well as unaudited, published by the company from time to time. The directors shall present the financial statements as required under the law and International Accounting Standards and International Financial Reporting Standards as adopted by the Institute of Chartered Accountants of Bangladesh. Financial statements will be prepared in accordance with International Financial Reporting/Accounting Standards, consistently applied throughout the subsequent periods and present with the objective of providing maximum disclosure as per law and international Financial Reporting/Accounting Standard to the shareholders regarding the Financial and operational position of the company.

In case of any declaration of stock dividend through issue of Bonus Shares, all shareholders shall be entitled to it in proportion to their shareholdings on the date of book closure or record date for the purpose.

The shareholders holding not less than 10% of the issued/fully paid up capital of the Company shall have the right to make requisition of Extra-Ordinary General Meeting (EGM) of the Company as provided under Section 84 of the Companies Act, 1994.

Debt Securities

IAL has not issued or is planning to issue within six months any debt securities.

Underwriting of shares & Underwriters Obligation

As per Rule 14 (1) of the Securities of Exchange Commission (Public Issue) Rules, 2006, the board of directors of the issuer company has appointed the following underwriters having certificate of registration from the Bangladesh Securities and Exchange Commission to carry out the purpose of underwriting on a firm commitment basis.

The Initial Public Offering (IPO) is for 21,250,000 ordinary shares of Tk. 10/- each at an issue price of Tk. 30.00each including a premium of Tk. 20.00per share totaling Tk. 63,75,00,000.00of Ifad Autos Limited. As per the guidelines of the Bangladesh Securities and Exchange Commission, 50% of the said amount i.e. 10,625,000 ordinary shares of Tk. 10/- each at an issue price of Tk. 30.00each including a premium of Tk. 20.00per share totaling amounting to Tk. **318,750,000.00** has been underwritten by the underwriters in the following proportion:

SL	Name of Underwriter	Number of Share	Amount in Tk.
1	Mercantile Bank Limited	5,000,000	150,000,000
2	Unicap Investments Limited	2,000,000	60,000,000
3	Banco Finance and Investment Limited	92,000	2,760,000
4	Prime Finance Capital Management Limited	2,500,000	75,000,000
5	Alpha Capital Management Limited	1,033,000	30,990,000
Total		**10,625,000**	**318,750,000**

1. If and to the extent that the Shares offered to the public through a Prospectus 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 underwriter in writing with a copy of the said writing to the Securities and Exchange Commission, to subscribe the Shares not so subscribed within 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.
2. If payment is made by Cheque/Bank Draft by the underwriter it will be deemed that the underwriter has not fulfilled his obligation towards underwriting commitment under this agreement, until such time as the Cheque/Bank Draft has been en-cashed and the Company's account credited.
3. In any case within 7 (seven) days after expiry of the aforesaid 15 (fifteen) days, the Company shall send proof of subscription and payment by the underwriters, to the Commission.
4. In the case of failure by the underwriter to pay for the Shares under the terms mentioned above, the said underwriter will not be eligible to underwrite any Issue, until such time as he fulfills his underwriting commitment under this Agreement and also other penalties as may be determined by the Commission.

Commission for the Underwriters

The company shall pay to the underwriter an underwriting commission at the rate of .50% of 50% of the IPO amount of the issue value of shares underwritten by them out of the Public Issue.

Relationship of Officers or Directors of the underwriters acting as director of the company

No officer or Director of the underwriters is presently engaged as the Director of the Company.

SECTION-XI ALLOTMENT, SUBSCRIPTION AND MARKET

Lock-in Provision

All issued shares of the issuer at the time of according consent to public offering shall be subject to a lock-in period of 3 (Three) years from the date of issuance of prospectus or commercial operation, whichever comes later.

Provided that the persons, other than directors and those who hold 5% or more, who have subscribed to the shares of the Company within immediately preceding 2 (Two) years of according consent, shall be subject to a lock-in period of 1 (One) year from the date of issuance of prospectus or commercial operation, whichever comes later.

Sl.	Name of Directors	Position	Shareholding Position	Date of Acquisition	%	Lock in Period From Issuance of Prospectus
1	Iftekhar Ahmed Tipu	Chairman	20,500,000	25/12/2012	41.00%	3 Yrs
			5,125,000	11/03/2013		
			12,812,500	28/10/2013		
2	Taskeen Ahmed	Managing Director	4,500,000	25/12/2012	9.00%	3 Yrs
			1,125,000	11/03/2013		
			2,812,500	28/10/2013		
3	Tanveer Ahmed	Director	4,500,000	25/12/2012	9.00%	3 Yrs
			1,125,000	11/03/2013		
			2,812,500	28/10/2013		
4	Nilufar Ahmed	Director	5,000,000	25/12/2012	10.00%	3 Yrs
			1,250,000	11/03/2013		
			3,125,000	28/10/2013		
5	Tashfeen Ahmed	Director	4,000,000	25/12/2012	8.00%	3 Yrs
			1,000,000	11/03/2013		
			2,500,000	28/10/2013		
6	Arif Masud Chowdhury	Shareholder	2,000,000	25/12/2012	4.00%	3 Yrs
			500,000	11/03/2013		1 Yr
			1,250,000	28/10/2013		1 Yr
7	Yousuf Ismail	Shareholder	500,000	25/12/2012	1.00%	3 Yrs
			125,000	11/03/2013		1 Yr
			312,500	28/10/2013		1 Yr
8	Asraf Kamal Pasha	Shareholder	500,000	25/12/2012	1.00%	3 Yrs
			125,000	11/03/2013		1 Yr
			312,500	28/10/2013		1 Yr
9	Naseem Shafi	Shareholder	400,000	25/12/2012	0.80%	3 Yrs
			100,000	11/03/2013		1 Yr
			250,000	28/10/2013		1 Yr
10	Mehmood Equities ltd	Shareholder	100,000	25/12/2012	0.20%	3 Yrs
			25,000	11/03/2013		1 Yr
			62,500	28/10/2013		1 Yr
11	Nazeem Uddin Ahmed	Shareholder	820,000	25/12/2012	1.64%	3 Yrs
			205,000	11/03/2013		1 Yr
			512,500	28/10/2013		1 Yr
12	IFad Multi Products Ltd (Represented by Tanvir Ahmed)	Shareholder	2,250,000	25/12/2012	2.40%	3 Yrs
			750	11/03/2013		1 Yr
			-	28/10/2013		1 Yr
13	IFAD Enterprises Limited (Represented by Tanveer Ahmed)	Shareholder	2,250,000	25/12/2012	2.40%	3 Yrs
			750	11/03/2013		1 Yr
			-	28/10/2013		1 Yr
14	IFAD Agro Complex Ltd (Represented by Tanveer Ahmed)	Shareholder	1,000,000	25/12/2012	1.07%	3 Yrs
			-	11/03/2013		1 Yr
			-	28/10/2013		1 Yr
15	IFAD Salt and Chemical Limited	Shareholder	1,585,000	25/12/2012	1.69%	3 Yrs
			875	11/03/2013		1 Yr
			-	28/10/2013		1 Yr
16	Iqbal U Ahmed	Shareholder	95,000	25/12/2012	0.19%	3 Yrs
			23,750	11/03/2013		1 Yr
			59,375	28/10/2013		1 Yr
17	Mahmudul Huq Arif	Shareholder	50,000	28/10/2013	0.05%	1 Year
18	Md. Habibur Rahman Sikder	Shareholder	95,000	28/10/2013	0.10%	1 Year

19	Shahida Alam	Shareholder	45,000	28/10/2013	0.05%	1 Year
20	Sheikh Joglul Sadeq	Shareholder	50,000	28/10/2013	0.05%	1 Year
21	Akhtar Khan	Shareholder	2,500,000	28/10/2013	2.67%	1 Year
22	Abdul Soba Gofur	Shareholder	2,197,000	28/10/2013	2.34%	1 Year
23	Md. Mostafizur Rahman	Shareholder	10,000	28/10/2013	0.01%	1 Year
24	Muhammad Abu Hanif Meah	Shareholder	50,000	28/10/2013	0.05%	1 Year
25	Anowara Siddika	Shareholder	200,000	28/10/2013	0.21%	1 Year
26	Nusrat Jahan Rimi	Shareholder	100,000	28/10/2013	0.11%	1 Year
27	Lima Akhter	Shareholder	190,000	28/10/2013	0.20%	1 Year
28	Syed Hassan Kahn	Shareholder	175,000	28/10/2013	0.19%	1 Year
29	Nashid Amin	Shareholder	100,000	28/10/2013	0.11%	1 Year
30	A. S. M Mosarraf Hossain	Shareholder	175,000	28/10/2013	0.19%	1 Year
31	Mrs. Noushin Chowdhury	Shareholder	150,000	28/10/2013	0.16%	1 Year
32	Md. Jashim Uddin	Shareholder	100,000	28/10/2013	0.11%	1 Year
33	Morshedur Rahman	Shareholder	10,000	28/10/2013	0.01%	1 Year
Total			**93,750,000**		**100%**	

The following table indicates the shareholders position. These shares will be locked in for three years or one year as the case may be from the date of issuance of prospectus.

Refund of Subscription Money

As per SEC Notification dated February 9, 2010, the issuer shall refund application money to the unsuccessful applicant of the public offer by any of the following manner based on the option given by the applicant in the application form:

- Through banking channel for onward deposit of the refund money into the applicant's bank account as provided in the respective application form for subscription;
  Or
- Through issuance of refund warrant in the name and address of the applicant as provided in the respective application form for subscription;

"Provided that, in case of deposit into the applicant's bank account, the applicant will bear the applicable service charge, if any, of the applicant's banker, and the issuer shall simultaneously issue a letter of intimation to the applicant containing, among others, the date and amount remitted with details of the bank through and to which bank such remittance has been effected.

Subscription by and Refund to Non-Resident Bangladeshi (NRB)

i) A Non-Resident Bangladeshi shall apply either directly by enclosing a foreign demand draft drawn on a bank payable at Dhaka, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking "Account Payee only".

ii) The value of securities applied for by such person may be paid in Taka or US dollar or UK pound sterling or EURO at the rate of exchange mentioned in the securities application form.

iii) Refund against oversubscription shall be made in the currency in which the value of securities was paid for by the applicant through Account Payee bank cheque payable at Dhaka with bank account number, Bank's name and Branch as indicated in the securities application form. If the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue and other banks as mentioned, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms.

Availability of Securities

(1) IPO will be for 21,250,000 Ordinary shares of Tk. 10.00 each at an issue price of Tk. 30.00each including a premium of Tk. 20.00per share totalling Tk. 63,75,00,000.00and minimum market lot must not be for less than 200 Ordinary Shares and must be for a multiple of 200 Ordinary Shares. 20% of the total offering shall be reserved for affected small investors (ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী), 10% of the total offering shall be reserved for nonresident Bangladeshi (NRB), 10% for mutual funds and collective investment schemes registered with the Commission and remaining 60% shall be open for subscription by the general public. The position is thus as follows:

a)	20% of the Issue i.e. 4,250,000 ordinary Shares at an issue price of Tk. 30.00 each including a premium of Tk. 20.00per share shall be reserved for affected small investors (ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী).	127,500,000
b)	10% of the Issue i.e. 2,125,000 ordinary Shares at an issue price of Tk. 30.00 each including a premium of Tk. 20.00per share shall be reserved for Non-resident Bangladeshis.	63,750,000
c)	10% of the Issue i.e. 2,125,000 ordinary Shares at an issue price of Tk. 30.00 each including a premium of Tk. 20.00per share shall be reserved for Mutual Funds and collective investment schemes registered with the Commission.	63,750,000
d)	The remaining 60% i.e. 12,750,000 Ordinary Shares at an issue price of Tk. 30.00 each including a premium of Tk. 20.00per share shall be open for subscription by the general public.	382,500,000
Total		**637,500,000**

(2) All securities as stated in sub-rule (1) shall be offered for subscription and subsequent allotment by the issuer, subject to any restriction which may be imposed, from time to time, by the Securities and Exchange Commission.

(3) In case of over-subscription under any of the categories mentioned in sub-rule (1), the Issue Manger shall conduct an open lottery of all the applications received under each category separately in accordance with the letter of consent issued by the Securities and Exchange Commission.

(4) In case of under-subscription under any of the 20% and 10% category as mentioned in sub-rule (1) a, b and c, the unsubscribed portion shall be added to the general public category, and, if after such addition there is oversubscription in the general public category the issuer and the Issue Manager (s) shall jointly conduct an open lottery of all the applicants added together.

(5) In case of under-subscription of the public offering, the unsubscribed portion of shares shall be taken up by the underwriter(s).

(6) The lottery as stated in sub-rule (3) and (4) shall be conducted in presence of representatives from the issuer, the stock exchanges, and the applicants, if there be any.

Allotment

The company shall issue share allotment letters to all successful applicants within 5 (five) weeks from the date of the subscription closing date. Within the same time, Refund to the unsuccessful applicants shall be made in the currency in which the value of securities was paid for by the applicants without any interest, through Account Payee Cheque/ refund warrants with bank account number, bank's name and Branch as indicated in the securities application forms payable at Dhaka/ Chittagong/ Khulna/ Rajshahi/ Barisal/ Sylhet/ Bogra, as the case may be. A compliance report in this regard shall be submitted to the Commission within 7(seven) weeks from the date of closure of subscription.

Application for Subscription

01. Application for shares may be made for a minimum lot of **200** ordinary shares to the value of **Tk. 6,000/-** and should be made on the Company's Printed Application forms. Application forms and the Prospectus May be obtained from the Registered Office of the Company, members of the Dhaka Stock Exchange Ltd., Chittagong Stock Exchange Ltd. or from the Bankers to the Issue. In case adequate forms are not available, applicants May use photocopied/cyclostyled/ handwritten/ typed copies of the forms. Application must not be for less than **200** shares. Any application not meeting the criterion will not be considered for allotment purpose.

02. Joint application form for more than two persons will not be accepted. In the case of a joint application each party must sign the application form.

03. Application must be in full name of individuals or limited companies or trusts or societies and not in the name of firms, minors or persons of unsound mind. Applications from insurance, financial and market intermediary companies and Limited Companies must be accompanied by Memorandum and Articles of Association.

04. An applicant can NOT submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% of application money will be forfeited by the Bangladesh Securities and Exchange Commission and balance amount will be refunded to the applicant.

05. The applicant shall provide with the same bank account number in the application form as it is in the BO account of the application.

06. The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% (fifteen) of their subscription money too.

07. An IPO applicant shall ensure his/her BO account remains operational till the process ofIPO (including securities allotment or refund of IPO application) is completed. If any BOaccount mentioned in the IPO application is found closed, the allotted security may be forfeited by BSEC.

08. Bangladeshi nationals (including non-resident Bangladeshis residing/working aboard) and foreign nationals shall be entitled to apply for shares.

09. Payment for subscription by investor other than Non-Resident Bangladeshi may be made to the said branches/office of the bank mentioned below in cash /cheque/pay order /Bank Draft. The Cheque or Pay order or Bank Draft shall be made payable to the bank to which it is sent and be marked "**IFAD Autos Ltd."** and shall bear the crossing **"Account Payee only**" and must be drawn on a Bank the same town of the bank to which application from is deposited.

10. All completed Application forms, together with remittance for the full amount payable on Application, shall be lodged by investors other than Non-Resident Bangladeshis with any of the branches of the Bankers to the Issue.

11. A Non-Resident Bangladeshi (NRB) shall apply against the IPO either directly by enclosing a foreign demand draft drawn on a Bank payable at Dhaka, or through a nominee (including a bank or a company) by paying out of foreign currency deposit account maintained in Bangladesh, for the value of Securities applied for. The value of Securities applied for maybe paid in Taka, US Dollar or UK Pound Sterling at the rate of exchange mentioned in the Share Application Form. Refund against over subscription of Shares shall be made in the currency in which the value of Shares applied for was paid by the applicant. Share Application Form against the quota for NRB shall be sent by the applicant directly along with a draft or cheque to the Company at its Registered Office. Copies of Application Form and Prospectus shall be available with Bangladesh Embassy/High Commission in USA, UK, Saudi Arabia, UAE, Qatar, Kuwait, Oman, Bahrain, Malaysia and South Korea and web sites of the company, Issue Managers, DSE, CSE and the BSEC.

12. The IPO subscription money collected from investors (other than Non-Resident Bangladeshis) by the Bankers to the Issue will be remitted to the Company's **Majesty Account No. 1501202256548001** with Brac Bank Limited, Head office: 1 Gulshan Avenue, Gulshan-1, Dhaka-1212, for the purpose.

13. The subscription money collected from Non-Resident Bangladeshis in US Dollar or UK Pound Sterling shall be deposited to " FC Account(s) open by the company for IPO as follows:

Sl. No.	Name of the Accounts	Accounts No.	Bank and Branch
1.	FC A/C USD	1501202256548002	**BRAC Bank Limited** H/O: 1, Gulshan Avenue, Gulshan-1, Dhaka-1212
2.	FC A/C GBP	1501202256548003	
3.	FC A/C EURO	1501202256548004	

The company shall close these accounts after refund of over subscription, if any.

14. In the case of over-subscription of securities to the NRB applicants, refund shall be made by **IFAD Autos Ltd.** out of the "FC Accounts for IPO NRB Subscription". The company shall close these aforesaid FC Accounts after refund of oversubscription, if any.

15. ক্ষতিগ্রস্থ ক্ষুদ্র বিনিয়োগকারিগন সকল পাবলিক ইস্যুতে একক অথবা যৌথ হিসাবের যে কোনটি অথবা উভয়টি হতে সংরক্ষিত ২০% কোটায়আবেদনকরতেপারবেন।তবেতারাইচ্ছাকরলেক্ষতিগ্রস্থসংরক্ষিত২০% কোটায় আবেদন না করে সাধারণ বিনিয়োগকারীদের জন্য নির্ধারিত কোটায়ওআবেদন করতে পারবেন।

16. Making of any false statement in the application or supplying of incorrect information there in or suppressing any relevant information in the application shall make the application liable to rejection and subject to forfeiture of 25% of the application money and/or forfeiture of share (unit) before and after issuance of the same by the issuer. The said forfeited application money of share (unit) will be deposited in the account of Bangadesh Securities and Exchange Commission (BSEC). This is in addition to any other penalties as may be provided for by the law.

APPLICATIONS NOT IN CONFORMITY WITH THE ABOVE REQUIREMENTS AND THE INSTRUCTIONS PRINTED ON THE APPLICATION FORM ARE LIABLE TO BE REJECTED.

Trading and Settlement

Trading and settlement regulation of the stock exchanges shall apply in respect of trading and settlement of the shares of the company.

***The issue shall be in "N"* Category with DSE and CSE**

BANKERS TO THE ISSUE

Bank Asia Limited		
Principal Office Branch, Dhaka	Mohakhali Branch, Dhaka	Bahadderhat Branch, Chittagong
MCB Dilkusha Branch, Dhaka	Shantinagar Branch, Dhaka	Moghbazar Br., Chittagong
Corporate Branch, Dhaka	Paltan Br., Dhaka	Kamal Bazar Br., Chittagong
Scotia Branch, Dhaka	Shyamoli Br., Dhaka	Patherhat Br., Chittagong
Dhanmondi Branch, Dhaka	Progoti Sarani Br., Dhaka	Sylhet Main Branch, Sylhet
Mitford Branch. Dhaka	Agrabad Branch, Chittagong	Sylhet Uposhar Branch, Sylhet
Gulshan Branch, Dhaka	Khatunganj Branch, Chittagong	Rajshahi Branch, Rajshahi
NorthSouth Road Branch, Dhaka	MCB Sk. Mujib Road Br., Chittagong	Bogra Branch, Bogra
MCB Banani Branch, Dhaka	CDA Avenue Branch, Chittagong	Khulna Branch, Khulna
Bashundhara Branch, Dhaka	Station Road Branch, Chittagong	Jessore Branch, Jessore
Uttara Branch, Dhaka	Anderkilla Branch, Chittagong	Ishwardi Br., Pabna
Mirpur Branch, Dhaka		
National Bank Limited		
Asadgate Br., Dhaka	New Eskaton Br., Dhaka	Faridpur Br., Faridpur
Babubazar Br., Dhaka	North brook Hall Br., Dhaka	Gazipur Br., Gazipur
Banani Branch., Dhaka	Pragati Sarani Br., Dhaka	Jessore Br. Jessore
Bandura Br., Dhaka	Rifles Square Br., Dhaka	Khulna Br., Khulna
Bangsal Road Br., Dhaka	Rokeya Sarani Br., Dhaka	Moulvibazar Br., Sylhet
Dhanmondi Br., Dhaka	Uttara Br., Dhaka	Sylhet Br., Sylhet
Dilkusha Br., Dhaka	Z. H. Sikder M.C. Br., Dhaka	Zindabazar Br., Sylhet
Elephant Road Br., Dhaka	Agrabad Br., Chittagong	Mymenshing Br., Mymenshingh
Foreign Ex. Br., Dhaka	Anderkilla Br., Chittagong	Narayanganj Br., Narayanganj
Gulshan Br., Dhaka	CDA Avenue Br., Chittagong	Narshingdi Br., Narshingdi
Imamgonj Br., Dhaka	Chwak Bazar Br., Chittagong	Netaigonj Br., Netaigonj
Islampur Br., Dhaka	Halishahar Br., Chittagong	Pagla Bazar Br., Pagla Bazar
Jatrabari Br., Dhaka	Jubilee Road Br., Chittagong	Rajshahi Br., Rajshahi
Lake Circus Br., Dhaka	Khatungonj Br., Chittagong	Rangpur Br., Rangpur
Malibagh Br., Dhaka	Muradpur Br., Chittagong	Savar Bazar Br., Savar
Mirpur Br., Dhaka	Pahartoli Br., Chittagong	Sunamganj Br, Sunamganj
Mohakhali Br., Dhaka	S.K. Mujib Road Br.,Chittagong	Tangail Br., Tangail
Mohammadpur Br., Dhaka	Chowmohoni Br., Noakhali	Tongi Br., Tongi
Motijheel Br., Dhaka	Comilla Br., Comilla	Barisal Br., Barisal
Kawran Bazar Br., Dhaka	Feni Br., Feni	Bogra Br., Bogra
BRAC Bank Limited		
Asda Gate Branch, Dhaka	Narayangong Branch, Dhaka	Momin Road Br., Chittagong
Banani Branch, Dhaka	Nawabpur Branch, Dhaka	Patia Br.,Chittagong
Bashundhara Branch, Dhaka	Rampura Branch, Dhaka	Bogra Branch,Bogra
Donia Branch, Dhaka	Shyamoli Branch, Dhaka	Rajshahi Branch, Rajshahi
Eskaton Branch, Dhaka	Uttara Branch, Dhaka	Jessore Branch, Jessore
Graphics Building Branch, Dhaka	Agrabad Br., Chittagong	Khulna Branch, Khulna
Gulshan Branch, Dhaka	CDA Avenue Br., Chittagong	Barisal Branch, Barisal
Manda Branch, Dhaka	Halishohor Br., Chittagong	Zindabazar Branch, Sylhet
Mirpur Branch, Dhaka	Kazirdeuri Br., Chittagong	
Investment Corporation of Bangladesh (ICB)		
Head Office. Dhaka	Khulna Branch	Bogra Branch
Chittagong Branch	Barisal Branch	Local Office Branch. Dhaka
Rajshahi Branch	Sylhet Branch	
The City Bank Limited		
BB Avenue Branch, Dhaka	Pragati Sarani Branch, Dhaka	Narsingdi Branch, Narsingdi
Principal Office Branch, Dhaka	Zinzira Branch, Dhaka	Zinda Bazar Branch, Sylhet
Dhanmondi Branch, Dhaka	Bangabandhu Road Br., Narayanganj	Bandar Bazar Branch, Sylhet
Shaymoli Branch, Dhaka	Tongi Branch, Gazipur	Anborkhana Branch, Sylhet
Imamgonj Branch, Dhaka	Agrabad Branch, Chittagong	Moulvi Bazar Branch, Sylhet
Johnson Road Branch, Dhaka	Jubilee Road Branch, Chittagong	Rajshahi Branch, Rajshahi
Kawranbazar Branch, Dhaka	Khatunganj Branch, Chittagong	Bogra Branch, Bogura
New Market Branch, Dhaka	Andarkilla Branch, Chittagong	Rangpur Branch, Rangpur
VIP Road Branch, Dhaka	Cox's Bazar Branch, Chittagong	Sirajgonj Branch, Sirajganj
Islampur Branch, Dhaka	Chawkbazar Branch, Chittagong	Khulna Branch, Khulna
Nawabpur Branch, Dhaka	Pahartoli Branch, Chittagong	Jessore Branch, Jessore
Nawabganj Branch, Dhaka	Comilla Branch, Chittagong	Barisal Branch, Barisal

Premier Bank		
DEPZ Branch	Pahartoli Branch	Islami Banking Branch Mohakhali
Barishal Branch	Khulna Branch	Kakrail Branch
Narayangonj Branch	Islami Banking Branch Sylhet	Rokeya Sarani Branch
Zinzira Branch	O.R Nizam Road Branch	Kalabagan Branch
Bangshal Branch	Tongi Branch	Rampura Branch
Rajshahi Branch	Moulvi Bazar Branch	Nawabpur Branch
Bogra Branch	Comilla Branch	Agrabad Branch
Meghna Ghat Branch	Rangpur Branch	Uttara Branch
	Jessore Branch	

Southeast Bank Limited		
Principal Br., Dhaka	Ashulia Br., Dhaka	Moulovi Bazar Br., Sylhet
Corporate Br., Dhaka	Bashundhara Br., Dhaka	Konabari Br., Gazipur
Imamgonj Br., Dhaka	Mohammadpur Br., Dhaka	Tongi Br., Gazipur
Dhanmondi Br., Dhaka	Madam Bibir Hat Br., Chittagong	Bashurhat Br., Noakhali
Uttara Br., Dhaka	Agrabad Br., Chittagong	Chowmuhuni Br., Noakhali
New Elephant Road Br., Dhaka	Khatungonj Br., Chittagong	Cox,s Bazar Branch, Cox,s Bazar
Gulshan Br., Dhaka	Jubilee Road Br., Chittagong	Chhagalnaiya Br., Feni
Kakrail Br., Dhaka	Halishahar Br., Chittagong	Feni Br., Feni
Banani Br., Dhaka	Pahartali Br., Chittagong	Rangpur Br., Rangpur
Bangshal Br., Dhaka	CDA Avenue Branch, Chittagong	Bogra Br., Bogra
New Eskaton Br., Dhaka	Momin Road Br., Chittagong	Khulna Br., Khulna
Pragoti Sarani Br., Dhaka	Hetimgonj Br., Sylhet	Barisal Br., Barisal
Satmosjid Road Br., Dhaka	Chouhatta Br., Sylhet	Brammon Baria Br., Brammon Baria
Shyamoli Br., Dhaka	Laldighirpaar Br., Sylhet	Naogaon Br., Naogaon
Aganagar Br., Dhaka	Shahjalal Uposhahar Br., Sylhet	Rajshahi Br., Rajshahi
Kawran Bazar Br., Dhaka	Kulaura Br., Sylhet	Comilla Br., Comilla
Joypara Br., Dhaka	Pathantula Br., Sylhet	Madhabdi Br., Narshingdi
Savar Branch, Dhaka	Bandar Bazar Br., Sylhet	Narayangonj Br., Narayangonj
Mouchak Br., Dhaka		
Mercantile Bank Limited		
Main Br., Dhaka	Engineer institution Road Br, Dhaka	Naogaon Br. Naogaon
Dhanmondi Br., Dhaka	Mazar Road Br., Mirpur, Dhaka	Sylhet Br., Sylhet
Kawran Bazar Br. Dhaka	Pragoti Sarani Br. Dhaka	Moulvibazar Br., Sylhet
Banani Br. Dhaka	Dholaikhal Branch, Dhaka	Beani Bazar Br., Sylhet
Naya Bazar Br., Dhaka	Aganagar Branch, Dhaka	Board Bazar Br., Gazipur
Mohakhali Br., Dhaka	Ring Road Branch, Dhaka	Khulna Br., Khulna
Mirpur Br., Dhaka	Chittagong EPZ Br., Chittagong	Rangpur Br., Rangpur
Uttara Br., Dhaka	Sheikh Mujib Road Br.,Chittagong	Bogra Br., Bogra
Elephant Road Br. Dhaka	O.R.Nizam Road Br., Chittagong	Feni Br., Feni
Motijheel Br. Dhaka	Madam Bibir Hat Br. Chittagong	Barishal Br., Barishal.
Sat Mashjid Road Br., Dhaka	Jubilee road Br., Chittagong	Comilla Br., Comilla
Gulshan Br., Dhaka	Khatungonj Br., Chittagong	Dinajpur Br., Dinajpur
Bijoy Nagar Br., Dhaka	Agrabad Br., Chittagong	Jessore Br., Jessore
Mogbazar Br., Dhaka	Rajshahi Br., Rajshahi	Narayangonj Br., Narayangonj
Green Road Br., Dhaka		
United Commercial Bank Limited		
Principal Branch, Dhaka	Tejgaon Branch, Dhaka	Khulna Branch, Khulna
Gulshan Branch, Dhaka	Mymensingh Branch, Mymensing	Jessore Branch, Jessore
Mirpur Branch, Dhaka	Narayangonj Br., Narayangonj	Kushtia Branch, Kushtia
Bangshal Branch, Dhaka	Faridpur Branch, Faridpur	Jubilee Road Branch, Chittagong
Bijoy Nagar Branch, Dhaka	Bogra Branch, Bogra	Agrabad Branch, Chittagong
Uttara Branch, Dhaka	Dinajpur Branch, Dinajpur	Anderkilla Branch, Chittagong
Corporate Branch, Dhaka	Rangpur Branch, Rangpur	Cox's Bazar Branch, Cox's Bazar
Dhanmondi Branch, Dhaka	Rajshahi Branch, Rajshahi	Sylhet Branch, Sylhet
Mohakhali Branch, Dhaka	Pabna Branch, Pabna	Barisal Branch, Barisal
Banani Branch, Dhaka	Comilla Branch, Comilla	Maijdee Court Branch, Noakhali
Standard Bank Limited		
Principal Branch, Dhaka	Nawabpur Road Br., Dhaka	Moulovi Bazar Br., Sylhet
Foreign Exchange Br., Dhaka	Green Road Br., Dhaka	Mymensingh Br., Mymensingh
Topkhana Road Br., Dhaka	Narayangonj Br., Narayangonj	Rajshahi Br., Rajshahi
Imamgonj Br., Dhaka	Jubilee Road Br., Chittagong	Rangpur Br., Rangpur
Gulshan-2 Br., Dhaka	Agrabad Br., Chittagong	Dinajpur Br., Dinajpur
Dhanmondi Br., Dhaka	Khatungonj Br., Chittagong	Jessore Br., Jessore
Mirpur Br., Dhaka	CDA Avenue Br., Chittagong	Khulna Br., Khulna
Uttara Br., Dhaka	Sadarghat Br., Chittagong	Kushtia Br., Kushtia
Panthapath Br., Dhaka	Comilla Br., Comilla	Faridpur Br., Faridpur
Banani Br., Dhaka	Sylhet Br., Sylhet	Barisal Br., Barisal
Pragoti Sarani Br., Dhaka	Beani Bazar Br., Sylhet	
Dhaka Bank Limited		
Foreign Ex. Br., Dhaka	Uttara Br., Dhaka	Comilla Br., Comilla
Imamaganj Br, Dhaka	Barishal Br., Barishal	KDA Avenue Br., Khulna
Kawran Bazar Br., Dhaka	Bogra Br. Bogra.	Rajshahi Br., Rajshahi
Khilgaon Br., Dhaka	CDA Avenue Br., Chittagong	Rangpur Br., Rangpur
Mirpur Br., Dhaka	Cox's Bazar Br., Cox's Bazar	

Material Contracts

The following are material contracts in the ordinary course of business, which have been entered into by the Company.

a) Underwriting Agreement between the Company and the Underwriters.

c) Issue Management Agreement between the Company and the Issue Managers, Banco Finance And Investment Limited (Lead Issue Manager) and Alpha Capital Management Limited (Co-Issue Manager)

c) Contract between the company and the Central Depository Bangladesh Ltd. (CDBL).

Copies of the aforementioned contracts and documents and a copy of Memorandum and Articles of Association of the Company and the Consent Order from the Securities and Exchange Commission may be inspected on any working day during office hours at the Company's Registered Office.

Manager to the Issue

BANCO FINANCE	Banco Finance and Investment Limited Baitul View Tower (11th Floor) 56/1 Purana Palatan, Dhaka -1000	&		Alpha Capital Management Limited Natioanl Scout Bhaban (5th Floor) 70/1, Inner Circular Road Kakrail, Dhaka-1000

The Issue Management Fee for the Issue Managers is 1% of the issue Size or Tk. 2,000,000.00 whichever is lower.

Commission to the Banker to the Issue

Commission at the rate of 0.10% of the amount collected will be paid to the Bankers to the Issue for the services to be rendered by them.

CORPORATE DIRECTORY

Registered and Corporate Office	**IFAD AUTOS LIMITED** Sonar Tori Tower (15th & 16th Floor) 12, Bipanan C/A, Sonargaon Road Dhaka-1000	
Lead Issue Manager	**BANCO FINANCE AND INVESTMENT LIMITED** Baitul view Tower (11th Floor), 56/1 Purana Palatan, Dhaka-1000	
Co-Issue Manager	**ALPHA CAPITAL MANAGEMENT LIMITED** National Scout Bhaban (5th Floor), 70/1 Inner Circular Road, Dhaka – 1000	
Auditor	**ATA KHAN & CO.** Chartered Accountants 67, Motijheel C/A, Dhaka-1000	
Bankers to the Issue	• Dhaka Bank Ltd. • Mercantile Bank Ltd. • The City Bank • Southeast Bank Ltd. • Standard Bank Ltd.	• Bank Asia Ltd. • BRAC Bank Ltd. • UCBL • National Bank Ltd. • ICB • Premier Bank Limited
Company's Compliance Officer	**Abu Sayeed Ahmed, FCA** Chief Financial Officer	

All investors are hereby informed by the Company that it has appointed a Compliance Officer who may be contacted in case of any Pre-Issue / Post Issue related problems such as, non-receipt of letters of allotment /Share Certificates/Refund warrants/Cancelled Stock Investors, etc.

INFORMATION INCLUDED AS PER SEC'S NOTIFICATION NO. SEC/CMRRCD/2008/115/ADMIN/30 DATED OCTOBER 05, 2011

1. Earnings per Share (EPS) on fully diluted basis (The total existing no. of shares):

Particulars	Amount in Taka
Net profit after Tax for the year ended 30th June, 2013	279,527,667
No. of shares before IPO*	93,750,000
Earnings per Share (EPS) on fully diluted basis	**2.98**

2. Net profit excluding Extra-ordinary income or non-recurring income coming from other than core operations for the year ended 30th June, 2013:

Particulars	Amount in Taka
Net profit before Tax	409,415,732
Less: Other Income	51,123,316
Net profit before tax except other income	358,292,416
Less: Provision for Taxation	129,888,065
Net profit after tax except other income	228,404,351

3. Earnings per shares excluding extra-ordinary income or non-recurring income coming from other than core operations for the Year ended 30th June, 2013:

Particulars	Amount in Taka
Net profit after tax except other income	228,404,351
No. of shares before IPO*	93,750,000
Earnings per Share (EPS) on fully diluted basis	**2.44**

*Note: the company has no extra-ordinary income except other income.

4. Net Asset Value per Share:

a) Net Asset Value with Revaluation Reserve based on fully diluted basis: Tk. 39.04

b) Net Asset Value without Revaluation Reserve based on fully diluted basis: Tk. 22.21

Particulars	Amount in Taka
Share Capital	937,500,000
Tax Holiday Reserve	-
Revaluation Reserve	1,577,722,823
Retained Earnings(Restated considering the proposed bonus issue)	1,144,514,775
Total Shareholders' Equity (with Revaluation Reserve)	3,659,737,598
Total Shareholders' Equity (without Revaluation Reserve)	2,082,014,775
Total Number of Ordinary Share* (Restated considering the proposed bonus Issue)	93,750,000
a) Net Assets Value (NAV) at BDT 10.00 per share	**39.04**
b) Net Assets Value (NAV) at BDT 10.00 per share	**22.21**

*Note: The Company has increased its paid up capital from 625,000,000 to Tk. 937,500,000 by issuing 31,250,000 bonus shares of Tk. 10/- each totalling Tk. 312,500,000 with the consent of Bangladesh Securities and Exchange Commission vide letter no. SEC/CI/CPLC (Pvt)-309/2011/2738, dated October 22, 2013.

ATA KHAN & CO

Chartered Accountants
67 Motijheel Commercial Area, Dhaka-1000, Bangladesh
Telephones (880-2): 956-0933, 955-2833, 956-0716

AUDITORS' REPORT

TO

The Shareholders of Ifad Autos Limited

We have audited the accompanying balance sheet of the **Ifad Autos Limited**as of June 30, 2013 and the related profit and loss account, cash flow statement, statement of changes in equity and the notes to the financial statements for the year then ended. The preparation of these financial statements is the responsibility of the company's management. Our responsibility is to express an independent opinion on these financial statements based on our audit.

Scope:

We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion:

In our opinion, the financial statements prepared in accordance with Bangladesh Accounting Standards (BAS), give a true and fair view of the state of the Company's affairs as of June 30, 2013 and of the results of it's operations and its cash flows for the year then ended and comply with the applicable sections of the Companies Act, 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

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 purposes of our audit and made due verification thereof;

b. in our opinion, proper books of account as required by the law have been kept by the Company so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit have been received from branches not visited by us;

c. the Company's balance sheet and profit and loss account dealt with by the report are in agreement with the books of account and returns;

d. the expenditure were incurred for the purpose of the Company's business;

Dated : Dhaka
14 August, 2013

Sd/-
Ata Khan & Co.
Chartered Accountants

IFAD AUTOS LIMITED
Statement of Financial Position (Balance Sheet)
as at 30th June, 2013

		Notes	Amount in Taka	
			30 June, 2013	**30 June, 2012**
	Source of Fund			
	Shareholders' Equity :			
	Issued, Subscribed and Paid-up Capital	13.00	625,000,000	500,000,000
	Revaluation Surplus	14.00	1,577,722,823	1,577,722,823
	Retained Earnings	15.00	1,457,014,775	1,261,893,318
			3,659,737,598	3,339,616,141
	Long-term Liabilities:			
	Long Term Loans	16.00	755,406,869	740,170,451
	Leasehold Obligations	17.00	5,329,017,861	4,618,144,080
	Security Deposits (Dealer)	18.00	14,775,000	14,035,000
			6,099,199,729	5,372,349,531
			9,758,937,327	**8,711,965,672**
	Applications of Fund			
A	**Non-Current Assets:**			
	Property, Plant & Equipment	Sch-A	2,012,420,444	1,863,729,922
			2,012,420,444	1,863,729,922
B	**Current Assets:**		9,336,628,033	8,507,986,075
	Investment in Shares	4.00	205,534,234	211,333,371
	Inventories	5.00	341,567,943	230,934,464
	Advances, Deposits and Prepayments	6.00	786,953,245	801,820,813
	Accounts Receivable	7.00	7,177,340,422	6,520,813,303
	Cash and Bank Balances	8.00	825,232,189	743,084,124
C	**Current Liabilities:**		1,590,111,150	1,659,750,325
	Accounts Payable	9.00	75,269,825	89,390,608
	Accruals and Provisions	10.00	277,214,484	404,217,439
	Bank Loans and Credits	11.00	1,006,507,416	1,021,568,909
	Advances against Sales	12.00	231,119,425	144,573,369
D	**Net Current Assets (B-C)**		7,746,516,883	6,848,235,750
E	**Total Assets (A+D)**		**9,758,937,327**	**8,711,965,672**
	Net Asset Value Per Share		**58.56**	**53.43**

The annexed notes from an integral part of these financial statements.

This is the Balance Sheet referred to in our annexed report

Sd/-	**Sd/-**	**Sd/-**	Date	Sd/-
Director	**Managing Director**	**Chairman**	14th August 2013	Ata Khan & Co Chartered Accountants

IFAD AUTOS LIMITED
Statement of Comprehensive Income
for the year ended 30th June 2013

Particulars	Notes	Amount in Taka 2012-2013	2011-2012
Sales Revenue	19.00	4,306,384,984	4,152,476,029
Less: Cost of Goods Sold	20.00	3,544,125,046	3,441,510,631
Gross Profit		***762,259,938***	***710,965,398***
Add : Other Income	21.00	51,123,316	26,278,174
		813,383,253	**737,243,573**
Operating Expenses:		**403,967,521**	**329,479,397**
Administrative Expenses	23.00	156,581,511	149,151,456
Selling Expenses	24.00	110,007,705	93,116,202
Financial Expenses	25.00	137,378,306	87,211,739
Net Profit before Tax		***409,415,732***	***407,764,175***
Provision for Tax		129,888,065	129,470,777
Net Profit After Tax		**279,527,667**	**278,293,398**
Other Comprehensive Income:			
Fair Value Gain/(Loss)	22.00	**40,593,790**	**(26,988,613)**
Total Comprehensive Income		**320,121,458**	**251,304,785**
Number of Shares Outstanding		**62,500,000**	**62,500,000**
Earning Per Share of Tk.10		**4.47**	**4.45**

The annexed notes from an integral part of these financial statements.

This is the Balance Sheet
referred to in our annexed report

Sd/- **Director**	**Sd/-** **Managing Director**	**Sd/-** **Chairman**	Date 14th August 2013	Sd/- Ata Khan & Co Chartered Accountants

IFAD AUTOS LIMITED
Statement of Changes in Equity
For the year ended 30th June, 2013

Amount in BDT

Particulars	Share Capital	Revaluation Surplus	Retained Earnings	Total
Balance at 01.07.11	500,000,000	1,577,722,823	1,189,777,442	3,267,500,265
Dividend Paid	-	-	(50,000,000)	(50,000,000)
Short Provision for Income Tax for the year ended 30 June, 2011			(129,188,910)	(129,188,910)
Total Comprehensive Income for the year	-	-	251,304,786	251,304,786
Balance at 30.06.12	500,000,000	1,577,722,823	1,261,893,318	3,339,616,141
Balance at 01.07.12	500,000,000	1,577,722,823	1,261,893,318	3,339,616,141
Stock Dividend	125,000,000	-	(125,000,000)	-
Total Comprehensive Income for the year	-	-	320,121,458	320,121,458
Balance at 30.06.13	625,000,000	1,577,722,823	1,457,014,775	3,659,737,598

The annexed notes from an integral part of these financial statements.

This is the Balance Sheet
referred to in our annexed report

Sd/-
Director

Sd/-
Managing Director

Sd/-
Chairman

Date
14th August 2013

Sd/-
Ata Khan & Co
Chartered Accountants

IFAD AUTOS LIMITED
Cash Flows Statement
For the year ended 30th June, 2013

		Amount in Taka	
		2012-2013	**2011-2012**
A	**Cash Flows from Operating Activities**		
	Cash received from customers	3,736,403,921	3,231,199,092
	Cash paid to suppliers & employees	(3,840,875,094)	(3,436,985,925)
	Cash generated from operation	(104,471,173)	(205,786,833)
	Interest Paid	(137,378,306)	(87,211,739)
	Income tax Paid	(247,234,262)	(133,245,087)
	Net cash used in operating activities	(489,083,742)	(426,243,660)
B	**Cash Flows from Investing Activities**		
	Acquisition of Property, Plant & Equipment	(161,417,528)	(79,476,804)
	Disposal of Property Plant & Equipment	-	1,000,000
	Investment In Shares Disposed/(Acquired)	5,799,137	31,920,257
	Net cash used in investing activities	(155,618,391)	(46,556,547)
C	**Cash Flows from Financing Activities**		
	Dividend Paid	-	(50,000,000)
	Term Loan Received/(Re-paid)	15,236,418	333,137,312
	Leasehold Obligation Received	710,873,780	299,441,863
	Security Deposit Received	740,000	2,775,000
	Net cash provided by financing activities	726,850,198	585,354,175
D	**Net Increase/Decrease in Cash and Cash equivalent**	82,148,066	112,553,968
E	**Cash and Cash Equivalent at the beginning of the year**	743,084,124	630,530,156
F	**Cash and Cash Equivalent at the end of the year (D+E)**	825,232,189	743,084,124
	Operating Cash Flow Per Share	**(7.83)**	**(6.82)**

Sd/-	**Sd/-**	**Sd/-**	Date	Sd/-
Director	**Managing Director**	**Chairman**	14th August 2013	Ata Khan & Co Chartered Accountants

IFAD AUTOS LIMITED

Schedule of Fixed Assets as on 30th June 2013

Shedule -A

Particulars	Written Down Value or Revaluation				Rate	Depreciation	Written Down Value at 30.06.13
	Balance on 01.07.12	Additions during the year	Disposal during the year	Balance at 30.06.13		Charged during the year	
Lands & Land Development	1,698,729,340	147,274,885	-	1,846,004,225		-	1,846,004,225
Buildings	88,931,988	1,343,393	-	90,275,381	5%	4,480,184	85,795,196
Tools & Equipment	5,385,486	347,040	-	5,732,526	10%	555,901	5,176,626
Electric Equipment	1,281,984	333,385	-	1,615,369	10%	144,868	1,470,502
Office Equipment	5,976,173	1,091,990	-	7,068,163	10%	652,217	6,415,946
Furniture & Fixtures	3,115,480	775,105	-	3,890,585	10%	350,303	3,540,282
Motor Vehicles	60,309,470	10,251,730	-	70,561,200	10%	6,543,533	64,017,666
Total of 30.06.2013	**1,863,729,922**	**161,417,528**	**-**	**2,025,147,450**		**12,727,006**	**2,012,420,444**
Total of 30.06.2012	**1,797,429,185**	**79,476,804**	**1,000,000**	**1,875,905,989**		**12,176,067**	**1,863,729,922**

Sd/-
Director

Sd/-
Managing Director

Sd/-
Chairman

Date
14th August 2013

Sd/-
Ata Khan & Co
Chartered Accountants

IFAD AUTOS LIMITED
Notes to the Financial Statements
For the year ended 30th June 2013

1.00 Background:

Ifad Autos Limited was incorporated on February 17, 1988; vide Reg. No.-C-17301 (101)/88 under the Companies Act, 1913. The objects of the Company are to carry out the business of dealings in vehicles in different sectors of Bangladesh. The Company imports different models of Ashoke Leyland, Indian Vehicles to promote in Bangladesh for the benefit of the Company.

Address of registered office and principal place of business:

The principal place of business is the registered office at Sonartori Tower (14th-18th Floor), 12 Biponon C/A.Sonargaon Road, Dhaka-1000, Bangladesh.

Number of employees:

The number of permanent employees at the year end were 531 (2012:459)

2.00 Significant Accounting Policies and Disclosures:

2.01 Basis of Accounting:

The financial statements have been prepared in accordence with International Accounting Standards (IAS)/International Financial Reporting Standards (IFRS) as adopted in Bangladesh. The accounts are prepared under historical cost convention of generally accepted accounting principles. These financial statements have been prepared under accrual basis of accounting.

2.02 Compliance with local Laws and Regulations:

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1994, Securities and Exchange Rules, 1987; and other relevant local laws and regulations as applicable.

2.03 Compliance of Bangladesh Financial Reporting Standards:

The financial statements have been prepared in accordance with the applicable Bangladesh Financial Reporting Standards (BFRSs) including Bangladesh Accounting Standards (BASs)

2.04 Presentation of Financial Statements:

This is in accordance with the guidelines provided by BAS 1: Presentation of Financial Statements.

2.05 Reporting Period:

This covers from the period 1st July 2012 to 30th June 2013, consistent with earlier years.

2.06 Approval of Financial Statements:

The financial statements were approved by the Board of Directors on 14 August 2013.

2.07 Reporting Currency:

The financial statements are prepared and presented in Bangladesh Currency (Taka), which is the Company's functional currency. All financial information presented have been rounded off to the nearest Taka except where indicated otherwise.

2.08 Comparative Information:

Comparative Information has been disclosed for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements. Comparative figures have been re-arranged wherever considered necessary to ensure better comparability with the current year without causing any impact on the profit and value of assets and liabilities as reported in the financial statements.

2.09 Risk and uncertainty for use of Estimates and Judgments:

The preparation of financial statements in conformity with BFRSs/ BASs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, and disclosure requirements for contingent assets and liabilities during and at the date of financial statements.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected as required by BAS-08 Accounting Policies, Changes in Accounting Estimates and Errors.

2.10 Provisions:

In accordance with the guidelines as prescribed by BAS 37: Provisions, Contingent Liabilities and Contingent Assets, provisions are recognized in the following situations :

A. when the company has an obligation (legal or constructive) as a result of past event;

B. when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

C. reliable estimates can be made of the amount of the obligation.

2.11 Accrued Expenses and Other Payables:

Liabilities are recognized for the goods and services received, whether paid or not for those goods and services. Payables are not interest bearing and are stated at their nominal value.

2.12 Going Concern:

The Company has adequate resources to continue in operation for the foreseeable future. For this reason, the directors continue to adopt going concern basis in preparing the accounts. The current credit facilities and resources of the company provides sufficient fund to meet the present requirements of its existing business. The Company has negative operating cash flow as it sells in installments also, deferring its operating cash flows.

2.13 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.

2.14 Impairment:

In accordance with the provisions of BAS-36: Impairment of Assets, the carrying amount on non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated and impairment has been raised till to date.

2.15 Segmental Reporting:

No segmental reporting is applicable for the Company as required by BAS 14: Segment Reporting, as the Company operates in a single industry segment and within a single geographical segment.

2.16 Statement of Cash Flows:

The statement of Cash Flows has been prepared in accordance with the requirements of BAS-7: Statement of Cash Flows.

The cash generated from operating activities has been reported using the Direct Method as encouraged by BAS 7 whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed.

2.17 Related Party Disclosures:

Information in respect any transactions with related parties has been disclosed in a separate note as required by BAS 24: Related Party Disclosures.

2.18 Events After The Reporting Period:

In compliance with the requirements of BAS 10: Events after the Reporting Period, post balance sheet events that provide additional information about the Company's position at the balance sheet 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.

2.19 Proposed Dividend:

The Board of Directors of the Company in its meeting held on 14th August 2013 proposed stock dividend at 50% (one bonus Share for two existing shares) subject to approval of the shareholders in their Annual General Meeting (AGM) to be held on 31st August 2013.

2.20 Revenue Recognition:

The revenue during the year represents revenue arising from the sale of Vehicles (including built-in body), Fuel and Lubricant and Spare Parts of Vehicles, which are recognized when delivery challan is issued, satisfying all the conditions for revenue recognition as provided in IAS 18 "Revenue Recognition".

2.21 Property, Plant and Equipment:

2.21.01 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 accumulated 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 and non-refundable taxes. The Company has adopted "Revaluation Model" for stating property, plant & equipment on 30 June 2011, with a frequency of every three years.

2.21.02 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 is 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.

2.21.03 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 comprehensive income statement, which is determined with reference to the net book value of the assets and net sale proceeds.

2.21.04 Depreciation of Property, Plant and Equipment :

Depreciation is provided to amortize the cost of the assets after commissioning, over the period of their expected useful life's, in accordance with the provisions of BAS 16: Property, Plant and Equipment. Depreciation is provided for the period in use of the assets. Depreciation is for the provided on all fixed assets except Land & Land development at the following rates on reducing balance basis over the periods appropriate to the estimated useful lives of the different types of assets. Depreciation on additions and disposal are charged at 50% of normal rate in the year of addition and deletion.

Land & Land Development	0
Building	5%
Tools & Equipment	10%
Electric Equipment	10%
Office Equipment	10%
Furniture & Fixture	10%
Motor Vehicle	10%

2.21.05 Revaluation of Lands & Buildings:

S.F.Ahmed & Co, Chartered Accountants and Value, have revalued the Lands and Land developments of the Company as of 30 June 2011 following "Net Current Cost Method" that resulted into a revalution surplus at TK. 1,417,734,514. In addition, G.K. Adjuster Ltd, surveyor and value, revalued Land and Buildings of the Company as of 30 June 2007 following "present value method" that resulted into a revaluation surplus at TK 159,988,309.

2.22 Inventories:

Inventories are valued at the lower of cost and estimated net realizable value. The cost is assigned to the items following FIFO (First In First Out) cost formula.

2.23 Trade Debtors:

Trade debtors are recognized at cost, which is the fair value of the consideration given for them.

2.24 Advances and Deposits:

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads. Deposits are measured at payment value.

2.25 Cash and cash Equivalents:

Cash and cash equivalents are carried in the balance sheet at cost and include cash in hand and with banks on current and deposit accounts, which are held and available for use by the Company without any restriction. There is insignificant risk of change in value of the same.

2.26 Sales Revenue:

Sales are recognized on delivery of vehicles spare parts and lubricants (Including those sold in installments).

2.27 Provision for Taxation :

(a) Provision is made for current tax, complying with section 82C read together with section 53 of the income tax ordinance 1984 at 5% of the import value, except for dividend at 20%, capital gain on shares at 10 % and interest income at 37.50% thereof

(b) No provision is made for deferred tax as the company provides for income tax based on "Turnover", not "Income", and accordingly, timing difference between "Income" as per accounts and taxable "Income" as per Income tax Ordinance, 1984 does not attract deferred tax.

2.28 Earning Per Share:

This has been calculated in compliance with the requirements of BAS 33: Earning per Share by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

Basic Earnings

This represents for the period attributable of ordinary shareholders. As there is no preference dividend, minority interest of extra ordinary items, the net profit for the year has been considered as fully attributable to the ordinary shareholders.

Weighted Average Number of Ordinary Shares outstanding during the year has been taken at the number of ordinary shares outstanding at balance sheet date.

The basis of computation of number of shares as stated above is in line with the provisions of BAS 33: "Earning per Share."

2.29 Foreign Currency Transactions:

The financial records of the Company are maintained and the financial statements are stated in Bangladesh Taka. Foreign currency transactions are recorded at the applicable rates of exchange ruling at the transaction date.

2.30 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.

2.31 Borrowing Cost:

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

2.32 RISK FACTORS AND MANAGEMENT'S PERCEPTIONS ABOUT THE RISKS:

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.

(a) 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 rises 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.

(b) 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.

(c) 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.

(d) Market and technology-related risks:

i) 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.

ii) 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.

(e) 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.

(f) Potential changes in global or national policies:

The performance of the company may be affected by the political and economic 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.

(g) 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.

(h) 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.

(i) 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.

(j) 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.

3.00 General:

Figures in the annexed Financial Statements & Notes have been rounded off to the nearest Taka.

4.00 Investment in Shares: **Tk. 205,534,234**

The break-up of the amount is given below:	30.06.2013	30.06.2012
Bangla Industries Ltd	26,000,000	26,000,000
GMG Airlines Ltd	50,000,000	50,000,000
City Bank Brokerage Ltd, A/C No C 034	994	1,149
Union Capital Ltd, A/C No1494	80,082,934	95,062,909
Envoy Textile Ltd	9,100,000	4,600,000
Prime Bank Investment Ltd, A/C No 3366	39,895,307	35,669,313
SES Company Ltd	455,000	-
Total	**205,534,234**	**211,333,371**

5.00 Inventories: **Tk. 341,567,943**

The break-up of the amount is given below:	30.06.2013	30.06.2012
Imported Vehicles ,2013:189 Nos (2012: 104 Nos)	284,686,383	181,326,683
Other Items	56,881,560	49,607,781
Total	**341,567,943**	**230,934,464**

6.00 Advances , Deposit & Prepayments: **Tk. 786,953,245**

The break-up of the amount is given below:	30.06.2013	30.06.2012
Advance Income Tax (6.01)	241,163,831	252,743,496
Advance Against Land	199,137,586	185,220,872
Advance Against Flat Purchases	19,960,000	18,600,000
Advance Against House Rent	8,000,816	6,824,576
Salary Advance	2,699,725	827,117
Advance against Share of Ifad Salt & Chemical Ltd.	30,000,000	-
Other Advances	57,705,013	35,259,854
Total Advances	558,666,972	499,475,915
L/C Bank Margin	157,736,251	238,934,473
Security Deposit (6.02)	70,550,022	63,410,425
Total Deposits	228,286,273	302,344,898
Total	**786,953,245**	**801,820,813**

6.01 Advance Income Tax: **Tk. 241,163,831**

The break-up of the amount is given below:	30.06.2013	30.06.2012
Advance Income Tax-2008-9	27,559	27,559
Advance Income Tax-2009-10	520,948	520,948
Advance Income Tax-2010-11	-	128,813,926
Advance Income Tax-2011-12	123,381,063	123,381,063
Advance Income Tax-2012-13 (6.01A)	117,234,261	-
Total	**241,163,831**	**252,743,496**

6.01A	**Advance Income Tax-2012-13**	**Tk.**	**117,234,261**	**30.06.2013**	**30.06.2012**
	The break-up of the amount is given below:				
	Advance Income Tax on Import			109,777,311	108,845,954
	Advance Tax Paid			-	10,654,465
	Advance Income Tax on FDR Account			4,915,939	3,313,292
	Advance Income Tax on STD Account			398,119	153,027
	Advance Income Tax on Finance & Leasing			1,680,187	-
	Advance Income Tax on Gain on Share			-	77,875
	Advance Income Tax on Dividend			462,705	336,450
	Total			**117,234,261**	**123,381,063**

6.02	**Security Deposit :**	**Tk.**	**70,550,022**	**30.06.2013**	**30.06.2012**
	The break-up of the amount is given below:				
	Lease Deposit			69,809,022	62,671,925
	Earnest Money			656,500	657,000
	Others Security Deposit			84,500	81,500
	Total			**70,550,022**	**63,410,425**

7.00	**Accounts Receivable:**	**Tk.**	**7,177,340,422**	**30.06.2013**	**30.06.2012**
	Trade Receivables			7,177,340,422	6,520,813,303
	Total			**7,177,340,422**	**6,520,813,303**

These receivables are against installments, due from customers whose vehicles are charged in favour of the Company or its banks/financial institutions.

8.00	**Cash & Cash Equivalents :**	**Tk.**	**825,232,189**	**30.06.2013**	**30.06.2012**
	The break-up of the amount is given below:				
	Cash in Hand			13,141,953	17,838,206
	Cash at Bank (8.01)			812,090,236	725,245,918
	Total			**825,232,189**	**743,084,124**
8.01	**Cash at Bank:**	**Tk.**	**812,090,236**	**30.06.2013**	**30.06.2012**
	The break-up of the amount is given below:				
	CD Accounts			135,214,339	162,529,628
	STD Accounts			76,128,209	36,279,984
	FDR			600,633,332	526,325,940
	Balance with Brokerage House			114,357	110,366
	Total			**812,090,236**	**725,245,918**
9.00	**Accounts Payable :**	**Tk.**	**75,269,825**	**30.06.2013**	**30.06.2012**
	The break-up of the amount is given below:				
	Greenland Traders			17,831,478	19,413,200
	Complant Enterprise Ltd			6,884,978	21,796,538
	Other Payables			50,553,369	48,180,870
	Total			**75,269,825**	**89,390,608**

10.00	**Accruals and Provisions:**	**Tk.**	**277,214,484**	**30.06.2013**	**30.06.2012**
	The break-up of the amount is given below:				
	Salary & Allowances			6,283,826	5,146,175
	Remuneration			2,793,000	2,793,000
	Audit Fees			345,000	313,500
	Wages			987,747	1,080,200
	Telephone,Mobile&Internet Bills			437,245	267,583
	Electric Bills			178,436	187,427
	Office Rent & Others			43,700	93,400
	Gas Charge			-	8,200
	Security Service			97,591	-
	Provision for Value Added Tax			6,466,463	5,820,616
	Provision for Tax			259,581,476	388,507,338
	Total			**277,214,484**	**404,217,439**

11.00	**Bank Loans and Credits:**	**Tk.**	**1,006,507,416**	**30.06.2013**	**30.06.2012**
	The break-up of the amount is given below:				
	Bank Name				
	Mercantile Bank Ltd (LTR)			49,390,835	55,084,453
	National Credit & Commerce Bank Ltd (LTR)			55,642,331	18,282,983
	Bank Asia Ltd (LTR)			31,421,709	67,068,289
	Al Arafah Islami Bank Ltd (LTR)			83,940,343	87,668,979
	Jamuna Bank Ltd (LTR)			58,542,594	73,325,967
	Premier Bank Ltd (LTR)			41,970,843	26,377,737
	Standard Bank Ltd (LTR)			36,388,736	33,123,233
	Exim Bank Ltd (LTR)			42,846,339	23,842,858
	United Commercial Bank Ltd (LTR)			46,159,892	81,292,099
	Shahjalal Islami Bank Ltd (LTR)			116,151,056	136,760,841
	IFIC Bank Ltd (LTR)			11,243,792	59,690,220
	Brac Bank Ltd (LTR)			78,951,091	114,027,547
	Bank Alfalah Bangladesh Ltd (LTR)			6,081,032	17,184,451
	One Bank Ltd (LTR)			77,010,000	59,616,581
	Commercial Bank of Ceylon (LTR)			48,739,000	-
	Trust Bank Ltd (LTR)			21,783,105	-
	Mercantile Bank Ltd (SOD)			24,713,653	32,738,775
	Bank Asia Ltd (SOD)			21,062,504	4,133,902
	Standard Bank Ltd (SOD)			13,408,602	18,439,546
	IFIC Bank Ltd (SOD)			14,207,116	17,434,676
	Premier Bank Ltd (SOD)			3,931,619	7,938,444
	Brac Bank Ltd (SOD)			54,143,508	40,622,253
	Trust Bank Ltd (SOD)			2,278,344	-
	Commercial Bank of Ceylon (SOD)			8,644,989	-
	Commercial Bank of Ceylon (OD)			3,745,522	-
	Union Capital Ltd A/C 1494 (Margin Loan)			25,838,741	22,460,156
	Prime Bank Investment Ltd, A/C 3366 (Margin Loan)			28,270,121	24,454,919
	Total			**1,006,507,416**	**1,021,568,909**

These are secured against personal guarantee of the directors of the Company, at rates varying from 15 % to 17 % per annum, repayable within 6 months.

12.00	**Advance against sales:**	**Tk.**	**231,119,425**	**30.06.2013**	**30.06.2012**
	The break-up of the amount is given below:				
	Advance against sale of Vehicles			231,119,425	144,573,369
	Total			**231,119,425**	**144,573,369**

13.00 Share Capital : Tk.625,000,000

13.01	**Authorized Capital :**	**Tk.**	**2,000,000,000**	**30.06.2013**	**30.06.2012**
	200,000,000 ordinary shares of tk. 10/- each			**2,000,000,000**	**2,000,000,000**
13.02	**Issued, Subscribed, Called-up & Paid-up Capital :**	**Tk.**	**625,000,000**		
	62,500,000 ordinary shares of tk. 10/- each fully Paid-up			**625,000,000**	**500,000,000**

The Shareholding position of the Company is as under :

Name	No. of Shares	Percentages (%)	Amount (Tk.)
Mr. Iftekhar Ahmed Tipu	25,625,000	41.00	256,250,000
Mrs. Nilufar Ahmed	6,250,000	10.00	62,500,000
Mr. Tanveer Ahmed	5,625,000	9.00	56,250,000
Mr. Taskeen Ahmed	5,625,000	9.00	56,250,000
Mr.Tasfeen Ahmed	5,000,000	8.00	50,000,000
Ifad Multiproducts Ltd	2,812,500	4.50	28,125,000
Ifad Enterprises Ltd	2,812,500	4.50	28,125,000
Ifad Agro Complex Ltd	1,250,000	2.00	12,500,000
Ifad Salt & Chemical Ltd.	1,981,250	3.17	19,812,500
Others	5,518,750	8.83	55,187,500
Total	**62,500,000**	**100.00**	**625,000,000**

14.00	**Revaluation Surplus:**	**Tk.**	**1,577,722,823**		
	The break-up of the amount is given below:			**30.06.2013**	**30.06.2012**
	Year ended 30 June 2011			1,417,734,514	1,417,734,514
	Year ended 30 June 2007			159,988,309	159,988,309
	Total			**1,577,722,823**	**1,577,722,823**

15.00	**Retained Earnings:**	**Tk.**	**1,457,014,776**	**30.06.2013**	**30.06.2012**
	The break-up of the amount is given below:				
	Opening Balance			1,261,893,318	1,189,777,442
	Dividend			(125,000,000)	(50,000,000)
	Prior year adjustments			-	(129,188,910)
	Total Comprehensive Income for the year			320,121,458	251,304,786
	Total			**1,457,014,776**	**1,261,893,318**

16.00 Term Loans: Tk. 755,406,869

	30.06.2013	30.06.2012
The break-up of the amount is given below:		
Mercantile Bank Ltd, Term Loan	199,533,969	150,035,307
Shahjalal Islami Bank Ltd, Term Loan	302,310,263	447,223,919
International Finance Investment & Commerce Bank Ltd,Term Loan	153,073,748	142,911,225
NRB Commercial Bank Ltd,Term Loan	100,488,889	-
Total	**755,406,869**	**740,170,451**

Term Loans were taken from above mentioned banks against charge over lands and buildings, with interest at rates varying from 15% to 19% per annum for 5 years. Under the agreements, repayment will be made by equal 60 installments for all banks, taking 3 months grace period.

17.00 Leasehold Obligation: Tk. 5,329,017,861

	30.06.2013	30.06.2012
The break-up of the amount is given below:		
Mercantile Bank Ltd	194,963,356	174,081,827
United Commercial Bank Ltd	244,665,888	220,504,572
Bank Alfalah (Bangladesh) Ltd	26,183,722	17,932,340
One Bank Ltd	287,825,845	128,526,998
Prime Finance & Investment Ltd	383,990,205	137,295,945
Reliance Finance Ltd	-	34,421,460
Premier Bank Ltd	65,863,911	80,302,194
Exim Bank Ltd	-	61,381,813
Al Arafah Islami Bank Ltd	667,376,831	665,438,237
Standard Bank Ltd	226,452,721	243,792,866
IFIC Bank Ltd	-	337,076
State Bank of India	-	-
Jamuna Bank Ltd	53,630,962	103,382,408
National Credit & Commerce Bank Ltd	233,646,664	175,992,853
Social Investment Bank Ltd	35,750,562	101,330,099
Shahjalal Islami Bank Ltd	344,640,408	334,048,235
Bank Asia Ltd	302,143,560	244,305,274
GSP Finance Co (BD) LTD	10,294,757	51,113,386
Uttara Bank Lease Finance Unit	10,073,093	52,890,293
Bangladesh Industrial Finance Company Ltd	46,467,819	64,302,653
Peoples Leasing & Finanacial Service Ltd	27,695,002	51,714,715
Fareast Finance & Investment Ltd	45,006,710	83,021,285
International Leasing & Financial Service Ltd	108,266,750	180,515,250
National Finance Ltd	221,493,193	117,916,590
Bangladesh Finanace Investment Company Ltd	254,887,648	39,554,408
Islami Finance & Investment Ltd	231,208,776	185,894,213
Union Capital Ltd	217,674,832	171,890,467
First Lease Finanace & Investment Ltd	195,614,470	173,396,070
Premier Leasing & Finance Ltd	17,987,825	30,962,202
National Housing Finance And Investment Ltd	101,463,689	72,383,857
Brac Bank Ltd	-	-

FAS Finance Ltd	-	-
IDLC Finance Ltd	45,512,673	57,622,347
Phoenix Finance & Investments Ltd	226,019,507	181,473,382
Uttara Bank Ltd	444,976,482	380,418,765
Commercial Bank of Ceylon	57,240,000	-
Total	**5,329,017,861**	**4,618,144,080**

Leasehold Obligations were made with above mentioned banks and financial institutions against vehicles, per annum at rates varying from 15% to 19% for 4-5 years. Under the agreements, repayments will be made by equal installments during obligation period.

18.00 Security Deposit (Dealer) Tk. 14,775,000

The break-up of the amount is given below:	**30.06.2013**	**30.06.2012**
Security Deposit (Revolving)	14,305,000	13,565,000
Security Deposit (Fixed)	470,000	470,000
Total	**14,775,000**	**14,035,000**

19.00 Sales Revenue : Tk. 4,306,384,984

	Amount in Taka	
The break-up of the amount is given below:	**2012-2013**	**2011-2012**
Sales of Vehicles, Spare Parts and Fuel, 2013: 1737 Nos (2012: 1781 Nos)	4,306,384,984	4,152,476,029
Total	**4,306,384,984**	**4,152,476,029**

20.00 Cost of Goods Sold Tk. 3,544,125,046

The break-up of the amount is given below:	**2012-2013**	**2011-2012**
Cost of Imported Vehicles	3,612,844,212	3,473,191,486
Wages	13,549,095	13,157,446
Servicing Charge	3,099,733	2,060,549
Warranty Expenses	630,456	350,549
Quality Control Expenses	976,555	922,538
Electricity Expenses	462,882	397,616
Delivery Expenses	150,245	80,196
Documantation & Service Charges	14,922,201	7,986,913
Bank Charges for PAD	263,949	1,724,581
Security Service Charge	1,213,478	2,250,050
Vehicle Mobile Set	3,982,200	2,988,905
Service Center Rent	2,063,170	1,951,924
Spare Parts & Tools	600,350	652,275
	3,654,758,525	**3,507,715,028**
Finished Goods (Opening)	230,934,464	164,730,067
Finished Goods (Closing)	(341,567,943)	(230,934,464)
Cost of Goods Sold	**3,544,125,046**	**3,441,510,631**

CIF Cost of Imported Vehicles stands at US $ 41,963,389(2012 :US $ 39,544,575),Equivalent to TK. 3,315,107,695 (2012 : TK. 3,163,565,996)

				2012-2013	2011-2012
21.00	**Non-Operating Income :**	**Tk.**	**51,123,316**	**2012-2013**	**2011-2012**
	The break-up of the amount is given below:				
	Interest on Fixed Deposit			48,905,454	33,133,111
	Interest on STD			3,401,262	1,533,035
	Capital Gain/(Loss) from Share Investment			(3,662,075)	(10,147,222)
	Dividend Income			2,478,675	1,759,250
	Total			**51,123,316**	**26,278,174**
21.01	**Capital Gain from Share Investment :**	**Tk.**	**(3,662,075.47)**	**2012-2013**	**2011-2012**
	The break-up of the amount is given below:				
	Realised Gain			(3,662,075)	(10,147,222)
	Total			**(3,662,075)**	**(10,147,222)**
22.00	**Other Comprehensive Income :**	**Tk.**	**40,593,790**	**2012-2013**	**2011-2012**
	The break-up of the amount is given below:				
	Fair Value (Loss)/Gain			40,593,790	(26,988,613)
	Total			**40,593,790**	**(26,988,613)**
23.00	**Office & Administrative Expenses :**	**Tk.**	**156,581,511**	**2012-2013**	**2011-2012**
	The break-up of the amount is given below:				
	Conveyance			1,987,697	1,559,639
	Electricity Expenses			2,695,163	2,607,761
	Entertainment			3,521,630	4,087,613
	Office Stationary			3,331,515	3,169,509
	Registration & Fees			779,570	1,724,255
	Office Maintenance			16,930,274	16,648,708
	Travelling Expenses			10,056,479	12,642,180
	Postage Expenses			1,021,044	458,776
	Rent, Rates & Taxes			5,561,553	6,580,109
	Telephone Expenses			5,810,509	5,330,524
	Salaries & Allowances			44,730,728	38,296,789
	Directors' Remuneration			43,200,000	39,450,000
	Vehicle Insurance			1,909,216	2,267,858
	Gas Charge			216,687	240,960
	Stamp Expenses			1,064,900	1,472,400
	Audit Fee			300,000	300,000
	VAT on Audit Fees			45,000	13,500
	VAT on Expenses			692,540	124,808
	Depreciation			12,727,006	12,176,067
	Total			**156,581,511**	**149,151,456**
24.00	**Selling Expenses :**	**Tk.**	**110,007,705**	**2012-2013**	**2011-2012**
	The break-up of the amount is given below:				
	Advertisement & Publicity			2,491,247	3,021,975
	Inspecting Charges			131,719	12,000
	Marketing Expenses			27,334,129	23,946,190
	Entertainment			3,304,082	4,047,671
	Travelling Expenses			7,677,795	4,640,562
	Dealers' Commission			34,304,000	27,615,000
	Salaries & Allowances			29,820,486	25,211,904
	VAT on Expenses			1,745,847	1,637,890
	Recovery Expenses			3,198,400	2,983,010
	Total			**110,007,705**	**93,116,202**

25.00 Financial Expenses : **Tk. 137,378,306**

The break-up of the amount is given below:

	2012-2013	2011-2012
Bank Charges & Commission	11,992,807	9,719,796
Interest on Loans and Credits	125,385,499	77,491,943
Total	**137,378,306**	**87,211,739**

26.00 Contingent liabilities:

The Company is contingently liable for installment sales receivable against lease finance to customers by banks and financial institutions aggregating TK 1,258,455,222 as at 30 June 2013 (2012: TK 1,182,068,255)

27.00 Related Party Disclosure:

Transaction with Key Management Personnel of the Company:

Particulars	**2012-2013**	**2011-2012**
(a) Managerial Remuneration paid or payable during the year to the directors, including managing directors or manager	43,200,000	39,450,000
(b) Any other perquisites or benefits in cash or in kind stating approximate money value where applicable.	Nil	Nil
(c) Other allowances and commission including guarantee commission	Nil	Nil
(d) 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	Nil	Nil
(e) Share Based payments	Nil	Nil
(f) Related parties Assets/(Liabilities)	Nil	Nil

28.00 X utilization of the company :

Capacity utilization out of its capacity at 1900 Nos (2012: 2000 Nos)	91%	89%

IFAD AUTOS LIMITED

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

As required under section 135 (1), Para 24(1), Part – II of Schedule III of the Companies Act, 1994, IFAD AUTOS LIMITED prepared the following statements of its assets and liabilities, operating results and cash flows for the year ended 30 June 2013, 2012, 2011, 2010 and 2009and submitted those to us for our working and for issuance of our confirmation thereon.

We, accordingly, have reviewed the relevant audited financial statements and hereby confirm that the following information has been correctly extracted from those audited financial statements:

A. The Statement of Assets and Liabilities of the company as under:

As at	30/06/2013	30/06/2012	30/06/2011	30/06/2010	30/06/2009
Assets:					
Non-current assets					
Property, plant & equipment, net	2,012,420,444	1,863,729,922	1,797,429,185	235,962,385	210,557,969
Investment in shares	205,534,234	211,333,371	243,253,628	152,887,933	31,300,090
Total non-current assets	**2,217,954,678**	**2,075,063,293**	**2,040,682,813**	**388,850,318**	**241,858,059**
Inventories	341,567,943	230,934,464	164,730,067	216,528,887	130,488,444
Account receivables	7,177,340,423	6,520,813,303	6,505,579,332	4,895,484,372	3,188,203,941
Advances, deposits & pre-payments	786,953,245	801,820,813	941,415,136	584,715,122	118,829,527
Cash & bank balances	825,232,189	743,084,124	630,530,156	424,967,208	217,347,616
Total current assets:	**9,131,093,800**	**8,296,652,704**	**8,242,254,691**	**6,121,695,589**	**3,654,869,528**
Total assets	**11,349,048,478**	**10,371,715,997**	**10,282,937,504**	**6,510,545,907**	**3,896,727,587**
Equity & liabilities:					
Capital And reserves					
Share capital	625,000,000	500,000,000	500,000,000	10,000,000	10,000,000
Retained earnings	1,457,014,775	1,261,893,318	1,189,777,442	648,998,491	321,343,768
Revaluation Surplus	1,577,722,823	1,577,722,823	1,577,722,823	159,988,309	159,988,309
Proposed Bonus Share	-	-	-	200,000,000	-
Total equity	**3,659,737,598**	**3,339,616,141**	**3,267,500,265**	**1,018,986,800**	**491,332,077**
Non-current liabilities:					
Long-term borrowings	755,406,869	740,170,451	407,033,139	468,250,499	453,689,389
Lease finance	5,329,017,861	4,618,144,080	5,231,243,649	3,726,223,712	2,185,529,567
Security Deposit (Dealer)	14,775,000	14,035,000	11,260,000	9,150,000	5,555,000
Total non-current liabilities:	**6,099,199,730**	**5,372,349,531**	**5,649,536,788**	**4,203,624,211**	**2,644,773,956**
Current Liabilities:					
Current maturity: lease finance					
Short-term loan	1,006,507,416	1,021,568,909	820,078,820	888,616,422	588,973,957
Advances against sales	231,119,425	144,573,369	138,074,905	164,074,905	66,726,902
Accounts payable	75,269,825	89,390,608	102,785,411	62,744,654	21,698,224
Accrued expenses and other payables	277,214,484	404,217,439	304,961,315	172,498,915	83,222,471
Total current liabilities	**1,590,111,150**	**1,659,750,325**	**1,365,900,451**	**1,287,934,896**	**760,621,554**
Total liabilities	**7,689,310,880**	**7,032,099,856**	**7,015,437,239**	**5,491,559,107**	**3,405,395,510**
Total equity & liabilities	**11,349,048,478**	**10,371,715,997**	**10,282,937,504**	**6,510,545,907**	**3,896,727,587**

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

For the year ended	30/06/2013	30/06/2012	30/06/2011	30/06/2010	30/06/2009
Sales	4,306,384,984	4,152,476,029	4,981,510,692	4,533,830,558	2,594,185,297
Less: Cost of sales	3,544,125,046	3,441,510,631	4,049,142,739	3,724,405,190	2,171,879,052
Gross profit	**762,259,938**	**710,965,398**	**932,367,953**	**809,425,368**	**422,306,245**
Less: Operating expenses	**403,967,522**	**329,479,397**	**280,138,446**	**228,689,482**	**193,423,439**
Administrative expenses	156,581,511	149,151,456	88,869,585	68,723,029	54,593,578
Selling expenses	110,007,705	93,116,202	114,100,921	91,630,193	55,178,166
Financial expenses	137,378,306	87,211,739	77,167,940	68,336,260	83.651,695
Operating Profit	**358,292,416**	**381,486,001**	**652,229,506**	**580,735,886**	**228,882,806**
Add: Non-operating income(expenses)	51,123,316	26,278,174	18,397,096	34,583,714	7,578,202
Profit before tax	**409,415,732**	**407,764,175**	**670,626,603**	**615,319,600**	**236,461,008**
Less: Income tax expenses	129,888,065	129,470,777	129,847,651	79,444,261	45,948,112
Net Profit for the year	**279,527,667**	**278,293,398**	**540,778,952**	**535,875,339**	**190,512,896**
Add: other Comprehensive Income					
Fair Value Gain/(Loss)	**40,593,790**	**-26,988,613**	-	-	-
Total Comprehensive Income	**320,121,458**	**251,304,785**	**540,778,952**	**535,875,339**	**190,512,896**

C. Statement of Cash Flows as follows:

For the year ended	**30/06/2013**	**30/06/2012**	**30/06/2011**	**30/06/2010**	**30/06/2009**
A. Cash flows from operating activities					
Receipts from customers & others	3,736,403,921	3,231,199,092	3,345,415,732	2,631,836,083	1,263,708,776
Payments for costs & expenses	(3,840,875,094)	(3,436,985,925)	(4,430,051,826)	(3,631,399,261)	(2,016,766,823)
Financial expenses paid	(137,378,306)	(87,211,739)	(77,167,940)	(68,336,260)	(83,651,695)
Income tax paid	(247,234,262)	(133,245,087)	(127,159,743)	(129,745,765)	(112,396,062)
Net cash generated by/(used in) operating activities	**(489,083,742)**	**(426,243,660)**	**(1,288,963,777)**	**(1,197,645,203)**	**(949,105,804)**
B. Cash flows from investing activities					
Acquisition of property, plant & equipment	(161,417,528)	(79,476,804)	(151,020,155)	(31,997,620)	(12,259,444)
Disposal of property, plant & equipment	------	1,000,000	--	--	--
Investment in Share (acquired)/disposal	5,799,137	31,920,257	(90,365,695)	(121,587,843)	(31,300,090)
Net cash used in investing activities	**(155,618,391)**	**(46,556,547)**	**(241,385,850)**	**(153,585,463)**	**(43,559,534)**
C. Cash flows from financing activities					
Issued share capital	------	------	290,000,000	--	--
Dividend Paid	----	(50,000,000)	-----------	--	--
Security Deposit received	740,000	2,775,000	2,110,000	3,595,000	5,223,000
Received from/(Repaid to) long-term borrowings	15,236,418	333,137,312	(61,217,360)	14,561,110	(5,008,611)
Received from/(Repaid to) lease finance	710,873,780	299,441,863	1,505,019,933	1,540,694,147	1,080,047,971
Net cash inflow from financing activities	**726,850,198**	**585,354,175**	**1,735,912,573**	**1,558,850,257**	**1,080,262,360**
D. Net cash inflows/(outflows) in this year (A+B+C)	**82,148,066**	**112,553,968**	**205,562,946**	**207,619,591**	**87,597,022**
E. Cash and cash equivalents at beginning of year	**743,084,124**	**630,530,156**	**424,967,208**	**217,347,616**	**129,750,594**
F. Cash and cash equivalents at end of year (D+E)	**825,232,190**	**743,084,124**	**630,530,154**	**424,967,207**	**217,347,616**

D. Dividend

For the year ended June 30 ,	**30/06/2013**	**30/06/2012**	**30/06/2011**	**30/06/2010**	**30/06/2009**
Cash dividend	**Nil**	**Nil**	**10%**	**Nil**	**Nil**
Stock dividend	**50%**	**25%**	**Nil**	**200%**	**Nil**

E. The Company was incorporated on 17th FEBRUARY, 1988;

F. The Company has no subsidiaries

G. No proceeds or part of proceeds of the issue of shares were applied directly or indirectly by the company in the purchase of any other business,

H. The Company did not prepare any financial statements for any year subsequent to 30th June 2013; and

I. Figures related to previous years have been re-arranged whenever considered necessary

Sd/-
Ata Khan& Co.
Chartered Accountants
Dhaka, 14 August 2013

Auditors' Certificate on calculation of various accounting ratios for the years ended 30 June 2013, 2012, 2011, 2010 and 2009.

We have examined the following accounting ratios of IFAD AUTOS LIMITED for the year ended 30 June 2013, 2012, 2011, 2010, and 2009, as submitted to us by its management. The preparation of these ratios is the responsibility of the Company's management. Our responsibility is to review them and certify as to whether they have been properly prepared using acceptable principles on the basis of audited financial statements for the year ended 30 June 2013, 2012, 2011, 2010 and 2009.

Based on our review, we hereby certify that the Company has properly prepared the following ratios for the years as stated below:

Particulars	30/06/2013	30/06/2012	30/06/2011	30/06/2010	30/06/2009
I. Liquidity Ratios					
Current ratio	5.74:1	5.00:1	6.03:1	4.75:1	4.81:1
Quick ratio	5.53:1	4.86:1	5.91:1	4.58:1	4.63:1
Times interest earned	3.98 TIMES	5.68 Times	9.69 Times	10.00 Times	3.83 Times
Debt-equity ratio	1.67:1	1.61:1	1.73:1	4.13:1	5.38:1
II. Operating Ratios					
Accounts receivable turnover ratio (times)	0.63 TIMES	0.64 Times	0.87 Times	1.12 Times	1.03 Times
Assets turnover ratio (times)	0.38 TIMES	0.40 Times	0.48 Times	0.70 Times	0.67 Times
Inventory turnover ratio (times)	12.38 TIMES	17.40 Times	21.24 Times	21.47 Times	15.24 Times
III. Profitability Ratios					
Gross margin ratio (%)	18.00%	17.00%	19.00%	18.00%	16.00%
Operating income ratio (%)	12.00%	11.29%	14.64%	14.32%	12.05%
Net income ratio (%)	6.00%	6.70%	10.86%	11.82%	7.34%
Return on assets ratio (%)	6.00%	5.68%	8.39%	13.09%	10.21%
Return on equity (after tax) (%)	8.00%	8.33%	16.55%	52.59%	38.77%
Earnings per share of Tk. 10 each*	*4.47	*5.57	*10.82	*5358.75	*1905.13
Number of shares outstanding	62,500,000	50,000,000	50,000,000	100,000	100,000
Face value* per share Tk.	*10	*10	*10	*100	*100

*The face value of share of the company has been denominated from Tk 100 to Tk 10 on 28-10-2010. So, EPS has been calculated as per new face value of share.

Sd/-
Ata Khan& Co.
Chartered Accountants
Dhaka, 14 August 2013

Credit Rating Report

Ifad Autos Limited (Surveillance-2013)

Particulars	Rating	Remarks
Ifad Autos Ltd.	A_1	Entity
BDT 6,234.39 million aggregate long term outstanding (LTO)	A_1 *(Lr)*	Please see the Appendix-1 for details
BDT 2,186.20 million aggregate short term fund based limits	ST-3	
BDT 2,026.20 million aggregate short term non fund based limits	ST-3	
Outlook	Stable	

Lr- Loan rating; ST- Short Term

Date of Rating:12 December 2013

Validity: The Entity rating and Long Term ratings arevalid up to 30 December 2014 and the Short term ratings are valid up to limit expiry date of respective credit facilities or 30December 2014 whichever is earlier.

Rating Based on: Audited financial statements up to 30 June 2013, Bank Liability position as on 12 December 2013 and other relevant quantitative as well as qualitative information up to the date of rating declaration.

Auditor: Ata Khan & Co.

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

Analysts:

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Financial Highlights

	Year Ended June,30					
	2013	2012	2011	2010	2009	2008
	(12)	(12)	(12)	(12)	(12)	(12)
Net Sales (BDT Million)	4306.4	4152.5	4981.5	4533.8	2594.2	1766.6
EBITDA (BDT Million)	508.4	461.5	736.7	656.4	319.8	106.4
EBITDA Margin (%)	11.8%	11.1%	14.8%	14.5%	12.3%	6.0%
Net Profit Margin	6.5%	6.1%	10.9%	11.8%	7.3%	1.9%
Net Profit after Tax in (BDT Million)	279.53	251.30	540.78	535.88	190.51	33.97
Return on Asset	2.5%	2.2%	5.3%	8.2%	4.9%	1.4%
Quick Ratio (x)	5.66	6.24	6.09	4.70	4.67	4.09
Cash Conversation Cycle (Days)	635.76	703.05	482.04	409.19	466.86	414.33
Debt to equity ratio (without revaluation)	3.41	4.05	3.82	5.92	9.74	9.25
Debt to Equity (x)	1.94	2.21	1.98	4.99	6.57	5.22
Borrowed Fund to EBITDA (x)	13.95	16.59	8.77	7.75	10.12	18.22
Cash Flow from Operation (CFO) (BDT Millio	777.6	-1,007.6	-1,342.9	-2,066.3	-1,131.8	-564.5
Free Cash Flow (FCF)(BDT Million)	616.2	-1087.1	-1494.0	-2098.3	-1144.8	-569.3
EBIT/Interest (x)	3.61	5.68	9.45	9.50	3.74	2.43

▪ PROFILE

Ifad Autos Limited (hereinafter also referred to as "IAL" or "the Company") was established in 1988 as an importer and marketer of commercial vehicles in Bangladesh and subsequently became the sole distributor of Ashok Leyland Limited of India since 1993. The Company has a body fabrication unit for Ashok Leyland vehicles at Joydebpur of Gazipur District. Based on its audited financial statements on 30 June 2013, IAL reported net sales of BDT 4,306.4 million and net profit of BDT 279.53 million.

▪ RATIONALE

Credit Rating Agency of Bangladesh Limited (CRAB) has re-affirmedA_1(*Pronounced as Single A one*) rating to Ifad Autos Limited. CRAB has also assigned **A_1(Lr)**rating to BDT 6,234.39 million Long Term outstanding as well as ST-3 rating to BDT 2,186.2 million aggregate short term fund based limits and BDT2,026.20million aggregate short term non fund based limits of the Company.

The rating affirmation denotes stable performance of entity which takes into consideration IAL's decades of operational track record, strategic relationship with Ashok Leyland Limited, and moderate sales growth in line with the industry growth, stable recovery position, and comfortable coverage position. However, the rating is constrained by the high leverage position, WC intensity and cash flow position of the Company.

IAL capitalized the growing demand of heavy vehicles (truck) due to increasing consumption in garments and cement sector and obtained 75% growth in sales volume from 2009 to 2010 although sales increased by 4% in 2013. Major focus on truck sales contributed almost 85% of its revenue mix in 2013.

IAL is a leveraged entity where debt to equity ratio is 1.94(x) in 2013 which was 2.21(x) in 2012 due to higher external finance, of which 75% is lease obligation taken to facilitate its buyers for their credit purchase which is the nature of business. However, IAL slightly improved its recovery position, as the average recovery rates in 2013 and 2012were 94.22% and 94.18% respectively.

Due to the nature of business in terms of credit sales, IAL's liquidity position was stretched in 2013 because of high receivable period which resulted in high CCC (In 2013it was 635 days and 2012 it was703 days) and affected its cash flow which was negative in last couple of years though it becomes positive in 2013. Meanwhile, IAL enjoys the safety cushion in credit sales, as the title of the sold (credit) vehicles remain with IAL till full installment payment from its client. Equity position improved in 2013 along with retained earnings, provided cushions to its capital structure to some extent. However, future equity infusion will be used for debt repayment and establishing its assembling units which will strengthen its business foothold in future.

Credit Strength:

+ **Long Experience**: IFAD Autos has long experience in the medium and heavy commercial vehicle business. The Company already has established strong position in the domestic market.
+ **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.
+ **Broad Customer base**: IAL has broad dealer base for catering government agencies and corporate clients, which also minimizes its concentration risk.
+ **Established Brand**: IFAD Autos has a long business relation with Ashok Leyland of India which has a long presence in the country with its "Ashok Leyland" brand.
+ **Satisfactory Credit History**: IFADAutos has long satisfactory credit history according to bankers report.

Credit Concern:

- **High Leverage**: Leverage position of IFAD Autos Ltd. 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.
- **Nature of WC intensity**: Due to the nature of business in terms of credit sales, IAL's liquidity position was stretched in FY12and FY13 because of high receivable period which resulted in high CCC.

BACKGROUND

IFAD Autos Limited (IAL) commenced its operation in 1988 by importing and marketing commercial vehicles in Bangladesh. The Company made a major breakthrough in 1993 by acquiring the sole distributorship of Ashok Leyland Limited's medium and heavy commercial vehicles in Bangladesh. Head quartered in Dhaka, IFAD Autos Ltd. has its zonal offices at Chittagong, Jessore, Tangail and Bogra. The Company has a body fabrication unit for Ashok Leyland vehicles at Joydebpur, Gazipur.

As a sole distributor of Ashok Leyland Ltd., IAL mainly imports and sells light, medium and heavy truck chassis, different types of bus chassis such as double decker buses, AC buses and CNG driven buses. The company also sells special vehicles like dump truck, water tankers, concrete mixture, prime movers, bulk carriers etc.

IAL has a separate body fabrication unit mostly to meet the growing demand of covered van. The unit is established on 1.6 acre of land, with covered area measuring 36,000 sft (approx) leased from BRTC. Presently the unit is fully engaged in fabrication of all types of cabin and body on all models of Ashok Leyland vehicles. IFAD Autos Ltd. has a well equipped central service station at Tongi to provide after sale service for Ashok Leyland vehicles in Bangladesh. The Company has also service stations at Bogra, Comilla, Chittagong and Pabna to cover wider area to provide after sales service. Besides, on spot services are also available by the Company. IFAD Autos Ltd. also earns revenue by selling spare parts of Ashok Leyland vehicles.

Shareholding and Board Composition of IFAD Autos Limited (IAL)

The authorized share capital of IAL is BDT 2,000.0 million and paid up capital is BDT 625.0million divided into 62.5million ordinary shares of BDT 10 each.

Table 1

Composition of Board and Share holding Position		
Name	**Designation**	**Shareholding**
Mr. Iftekhar Ahmed Tipu	Chairman	41%
Mrs. Nilufar Ahmed	Director	10%
Mr. Taskeen Ahmed	Managing Director	9%
Mr. Tanveer Ahmed	Director	9%
Mr. Tashfeen Ahmed	Director	8%
Mr. IqbalUddin Ahmed	Shareholder	0.2%
Mr. Nazim-Uddin Ahmed	Shareholder	1.6.%
Mr. Arif MasudChowdhury	Shareholder	4%
Mr. Yousuf Ismail	Shareholder	1%
Mr. Ashraf Kamal Pasha	Shareholder	1%
Mr. NasimSahafi	Shareholder	0.8%
Mehmood Equities Ltd.	Shareholder	0.2%
Ifad Multiproducts Ltd.	Shareholder	4.5%
Ifad Enterprise Ltd.	Shareholder	4.5%
Ifad Agro Complex Ltd.	Shareholder	2%
Ifad Salt & Chemical Ltd.	Shareholder	3.20%

Management, HR and MIS Implementation

The management is headed by Mr. Iftekhar Ahmed Tipu, also the founder as well as Chairman of the Company. Mr. Tipu is the successful entrepreneur of several business organizations. The Chairman is supported by Mr. Taskeen Ahmed, the Managing Director and Mr. Tanveer Ahmed, 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 Ltd. for long.

IFAD Autos Ltd. has a structured organogram having separate divisions for Administration, Marketing, Finance, Accounts and Credit Recovery in the head office. Out of total531employees, credit recovery division possesses highest 129 employees followed by marketing division having 61 employees. Moreover, the Company has different management for its body fabrication unit at Joydebpur, and central service centre at Tongi. Body fabrication unit of IFAD Autos Ltd. is managed by a General Manager having 128 permanent staff. IFAD Autos has an in-house management information system for smooth operation of the Company as well as for making strategic management decision. Marketing, Recovery and Finance & Accounts divisions prepare monthly report for the top management.

Overview of Ifad Group

IFAD group comprises 5 companies with diversified business line namely IFAD Autos Ltd., IFAD Enterprises Ltd., IFAD Agro Complex Ltd., and IFAD Multi Products Ltd.and IFAD Salt & Chemical Ltd. The entities have mostly common directors who are family members. The group has over 833 employees.

Table 2: Consolidated financials of the Ifad group - as on June30, 2013 (Mill. BDT)

Particulars	IFAD Autos Ltd.	IFAD Enterprise	IFAD Agro complex Ltd	IFAD Multi Products Ltd.	IFAD Salt & Chemical Ltd.	Group Total
Total Assets	11,349.04	563.73	105.72	19,328.49	428.39	31,775.37
Total Debt	7,090.93	245.14	1.31	1383.21	266.39	8,986.98
Total Equity	3,659.24	(79.39)	23.18	97.58	136.37	3,836.98
Total Revenue	4,306.38	123.30	187.60	2033.60	506.86	7,157.74
Net Profit	279.52	(39.61)	12.47	9.27	13.33	274.98

BUSINESS STRENGTH AND RISK ANALYSIS

Favorable economic growth and easy financing derives sales of vehicles

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 busses are also increasing. However, government tariff and tax structure also pay 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. Others are sole distributors or importers in natures of their respective partners. Apart from IAL, Aftab Auto, Navana, Rangs, Rancon Motors, Nitol Motors, Runner Motors, AG automobiles are major distributors in Bangladesh.

Strategic relationship with Ashok Leyland Limited

IAL and Ashok Leyland Limited entered into a contract in 1993 where IAL will act as the exclusive distributor of its medium and heavy duty vehicles in Bangladesh. As a sole distributor of Ashok Leyland Ltd., IAL mainly imports light, medium and heavy truck chassis, different types of bus chassis such as double-decker buses, AC buses and CNG driven buses and markets these vehicles in different parts of the country. The Company also sells special vehicles like dump truck, water tankers, concrete mixture, prime movers, bulk carriers etc.

Ashok Leyland Ltd (ALL) was incorporated in 1948 as Ashok Motors Limited. The Company commenced operations by assembling Austin car parts in India at its first plant at Ennore, Chennai. In 1955, it entered into an agreement with Leyland Motors, UK - which took a controlling stake in the Company, changed its name to ALL and started manufacturing Leyland vehicles and engines. In 1987, the Hinduja Group purchased major stake from Leyland, UK. The product range of ALL includes different types of busses, trucks, special vehicles as well as engines. ALL uses the Hino for passenger buses and is increasingly looking at adapting the Hino engines for all its vehicles. ALL has recently signed a JV with Nissan Motor Co., Ltd. for manufacturing light commercial vehicles (LCVs). The Company has also plan to introduce a new family of six- and four-cylinder inline engines, codenamed “NEPTUNE”, which will replace /complement the ‘H’-Series engines. This range of new engines will meet BS IV emission standards besides being design protected for tighter emission standards. ALL exports its commercial vehicles in more than 40 countries.

Limited product line and risk of buyer concentration are mitigated by growing demand for trucks and wide range of customers. However, providing credit facilities to buyers significantly increases its lease obligation and leverage position as well as increased its revenue in 2013.

Due to large demand in domestic truck consumption, IAL enjoyed 75% growth in sales from FY09 to FY10. After the huge growth, its market prospects became stable in FY11 (earned 9% growth) and in FY12 sales reduces 17% due to slow growth of economy and In FY13 it follows again increasing trend(earned 3.7% growth). In 2011-12, IFAD Autos sold a total of 1,737 commercial vehicles and among the product mix truck sold was 81.5% of total sales; this rate was 75.5% in 2012. Predominantly IFAD Autos had stronger sales in truck segments over the years. Truck sales are presumed to be linked with economic growth of the country.

Table 3

Number of Vehicles sold by IAL										
Vehicles	2013	%	2012	%	2011	%	2010	%	2009	%
Truck	1,417	81.58%	1,322	75.5%	1,814	84%	1,462	73%	643	56%
Mid-size Carrier	27	1.55%	121	6.91%	91	4%	181	9%	174	15%
Bus	293	16.87%	307	17.54%	246	11%	365	18%	324	28%
Total	1,737		1,750		2,151		2,008		1,141	

IAL capitalizes the market base of Ashok Leyland Ltd. to boost its revenue through emphasizing on Truck till FY11 and this trend become slightly stag in FY12 and FY13 it follows again following trend. In FY09, around 56% sales came from selling different models of trucks whereas in FY13 truck contributed 81% of its product mix.This was mainly because of higher growth in cement and garments business in the country.

Being one of the major market player in 'Medium and Heavy Commercial (MHC)' vehicles business in the country, IAL positioned itself in a comfortable situation with its market base. Auto business for MHC vehicles requires credit facilities to the customers which act as an entry barrier of the business. IAL has credit/lease facilities with several financial institutions which provides credit facilities to its buyers for 45 days IFAD Autos is one of the major market players in the domestic automotive market. At the moment, only few companies are engaged in MHC vehicle segments mainly because of the nature of the business. IFAD Autos has B2B marketing policy with government agencies and corporate clients, major portion of the buyers are individual clients, which minimizes its concentration risk.

IFAD Autos Ltd. mainly sells the vehicles in chassis form. The company also has body making facilities. 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 hands over 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.

Effective recovery process to collect credit sales

IFAD Autos has a separate recovery unit for collection of installments of the credit sales. Recovery team starts its work at the very beginning, just before providing the credit facility by assessing credit worthiness of the client. At the moment recovery team comprises of 16 personnel. Each member of the team has a designated area to cover the recovery activities. Members of the recovery team report monthly regarding monthly installment collection and overdue collection. Deputy Managing Director directly manages the recovery team

Table 4

Credit Sales and collection of IAL						
(Mill.BDT)	FY13	FY12	FY11	FY10	FY09	FY08
Sales	4,306.38	4,152.48	4,981.51	4,533.83	2,594.2	1,766.6
Total Credit sales	3,222.80	3,042.91	3572.41	2795.54	795.14	460.75
Credit Sales as % of Total Sales	74.84%	73.28%	71.7%	61.7%	31%	26%
Total Collection	3,036.5	2,865.8	3345.42	2631.84	690.62	375.95
Collection as % of Credit Sales	94.22%	94.18%	93.6%	94.1%	87%	82%
Total Overdue	186.4	177.1	226.996	163.704	104.52	84.80
Overdue as % of Credit sales	5.78%	5.82%	6.4%	5.9%	13%	18%

*Credit collection of correspondent year.

Due to the expansion of business, IAL's annual recovery (collection) target was increased as it provides credit purchase facilities to its buyers. However, the company managed to collect above 92.18% in FY13(94.18% recovery in FY12) of its recovery target in FY10 and FY11due to the continuous monitoring by the recovery team led by its DMD. Annual overdue remained 6.26%of recovery target in FY13.

Sales are geographically diversified with range of dealers nationwide

IFAD Autos Ltd. has a distribution channel consisting of 25 dealers and selling agents to sell Ashok Leyland vehicles. Presently, the Company has sales outlet at Sylhet. Dhaka and adjoining area are covered by the head office. The marketing staff of head office is also engaged in corporate and institutional sales. The Company already sold Ashok Leyland special vehicles such as Garbage 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 Ltd. sold Ashok Leyland covered van to some leading cement industries.

■ FINANCIAL RISK ANALYSIS

Financial policy of IAL is to use borrowed fund in the form of Lease/Other loans/LC only to finance credit purchase of its buyers and to procure chassis from AII. Internal fund generation capacity of IAL is sound due to strong retained earnings. Management of IAL plans to infuse fresh equity within 1year which will also improve its leverage structure in future to some extent. The external auditor of IAL is Ata Khan & Co. The financial statement produces adequate disclosures and notes.

Constant Earnings position with moderate Profitability and moderate coverage position

Due to large demand in domestic truck consumption, IAL enjoys 75% growth in sales from FY09 to FY10. After the huge growth, its market prospects became stable in FY11 (earned 9% growth) and FY13 it followed the stable trend (3.7% growth). EBITDA margin increases in FY13 due to increase of EBIT BDT495.67 million in FY13 which was BDT 459.92million in FY12.

Table 5

Earnings position

	Year Ended June,30					
	FY13	**FY12**	**FY11**	**FY10**	**FY09**	**FY08**
(Months)	(12)	(12)	(12)	(12)	(12)	(12)
Net Sales (BDT Million)	4306.4	4152.5	4981.5	4533.8	2594.2	1766.6
Sales Growth	3.7%	-16.6%	9.9%	74.8%	46.8%	148.0%
CoGS as % of Net Sales	82.3%	83.4%	81.3%	82.1%	83.7%	92.0%
EBITDA (BDT Million)	508.40	461.48	736.69	656.36	319.82	106.40
EBITDA Growth	10.2%	-37.4%	12.2%	105.2%	200.6%	270.7%
EBITDA Margin	11.8%	11.1%	14.8%	14.5%	12.3%	6.0%
Net Profit after tax (BDT Million)	279.53	251.30	540.78	535.88	190.51	33.97
Net profit after tax growth	11%	-54%	1%	181%	461%	12%

CRAB found that IAL maintains healthy growth in volumes over the medium term, resulting in improvement in profitability and comfortable coverage position although it followed slightly increased trend in FY13 with debt protection measures and reduction in gearing compared to previous estimates.

Table 6

Profitability Ratio

	Year Ended June,30					
	FY13	**FY12**	**FY11**	**FY10**	**FY09**	**FY08**
(Months)	(12)	(12)	(12)	(12)	(12)	(12)
Gross Profit Margin	17.7%	16.6%	18.7%	17.9%	16.3%	8.0%
Operating Profit Margin	11.5%	10.8%	14.6%	14.3%	12.0%	5.6%
Net Profit Margin	6.5%	6.1%	10.9%	11.8%	7.3%	1.9%
Return on Asset	2.5%	2.2%	5.3%	8.2%	4.9%	1.4%
Return on Equity	7.6%	7.2%	16.6%	52.6%	38.8%	9.3%

High receivable period stretched the liquidity position of IAL and hence affected the cash flow

Due to the nature of business in terms of credit sales, IAL's liquidity position was stretched in FY13 because of high receivable period which results in high CCC (FY13it was 636 days and FY12it was 703 days) and affected its cash flow which was negative in last 2-3 years though FY13 it showed slightly improved position. Accounts Receivable position decreased in FY13 was BDT7, 177.34 million which was BDT 7,798.70 million. Meanwhile, IAL enjoys the safety cushion in credit sales the title of the sold (credit) vehicles remained with IAL till full installment payment from its client.

Table 7

Liquidity Ratio						
	Year Ended June,30					
	FY 13	FY 12	FY11	FY10	FY09	FY08
(Months)	(12)	(12)	(12)	(12)	(12)	(12)
Current Ratio	5.87	6.39	6.21	4.87	4.84	4.40
Quick Ratio	5.66	6.24	6.09	4.70	4.67	4.09
Accounts Receivable Turnover Ratio	0.60	0.53	0.77	0.93	0.81	0.95
Average Receivable Collection Period	608	686	477	394	449	382
Inventory Turnover Ratio	10.38	15.00	24.58	17.20	16.64	10.52
Average Inventory Processing Period	35	24	15	21	22	35
Accounts Payable Turnover Ratio	47.09	53.74	38.51	59.36	100.10	138.82
Average Payable Payment Period	8	7	9	6	4	3
Cash Conversation Cycle (Days)	636	703	482	409	467	414

Leverage position remains high due to the lease obligation IAL had taken. However, equity infusion balances the leverage to some extent.

The Company is a leveraged entity where 62% of its assets are financed through external fund, in which 75% are lease obligation which was taken to facilitate its buyers for their credit purchase. Debt to equity ratio decreased in FY13 was 1.94(x) which was 2.21(x) in FY12 because of lower debt burden in FY13 in compare to FY12. Equity increases without revaluation in FY13 which was aggregately BDT 2,082.01 million from BDT 1,891.08million in FY12. IAL has increased its paid up capital in FY13 from BDT 625.00 million to BDT 500.0 million in FY12 which comforts its leverage structure to some extent. Moreover, growing retained earnings also stabilizes its internal source of funds.

Table 8

Leverage Ratio						
	Year Ended June30					
	FY13	FY12	FY11	FY10	FY09	FY08
(Months)	(12)	(12)	(12)	(12)	(12)	(12)
Equity (BDT Million)	3659.74	3468.81	3267.50	1018.99	491.33	367.27
Borrowed Fund (BDT Million)	7090.93	7657.71	6458.36	5083.09	3228.19	1916.79
EBITDA (BDT Million)	508.40	461.48	736.69	656.36	319.82	106.40
Fund Flow from Operation (FFO)	241.13	252.87	529.67	508.58	190.22	41.26
Cash Flow from Operation (CFO)	777.60	-1007.60	-1342.94	-2066.28	-1131.80	-564.54
Retained Cash Flow (RCF)	777.60	-1007.60	-1342.94	-2066.28	-1131.80	-564.54
Free Cash Flow (FCF)	616.18	-1087.08	-1493.96	-2098.28	-1144.81	-569.29
Ratios						
Debt to Equity (x)	1.94	2.21	1.98	4.99	6.57	5.22
Borrowed Fund to EBITDA (x)	13.95	16.59	8.77	7.74	10.09	18.02
FFO/Debt	3.4%	3.3%	8.2%	10.0%	5.9%	2.2%
EBIT/Interest (x)	3.61	5.68	9.45	9.50	3.74	2.43

Future Plan

IAL plans to go for IPO (net IPO proceed is projected as BDT 956.25 million) by July 31, 2014 subject to other regulatory approval which will be used for loan repayment, establishing assembling and body building unit and for other investment and WC purpose.

Bank facilities and credit history

IAL has banking relationship with One Bank Ltd., Al-Arafah Bank Ltd., EXIM Bank Ltd., Mercantile Bank Ltd., Jamuna Bank Ltd. Standard Bank Ltd., Bank Asia Ltd., Premier Bank Ltd., ShahjalalIslami Bank Ltd., UCBL, NCC Bank Ltd., IFIC Bank Ltd., State Bank of India and several number of leasing companies. According to the bankers and leasing company, their transaction with IAL was satisfactory with timely payment. Details of Bank Facilities are mentioned in Appendix-1.

APPENDIX 1: DETAILS OF CREDIT FACILITIES OF IAL

APPENDIX 2:

Details of Credit Facilities of Ifad Autos Ltd. as on 12 December 2013 (Mil. BDT)

Facility Details	BANK/NBFI	Nature of Facility	Sanction Amount	Outstanding	Limit expiry
Long Term	ONE BANK	LEASE FINANCE	634.30	293.02	14-Sep-16
	AL-ARAFAH ISLAMI BANK	HPSM	700.00	706.15	14-Jan-17
	MERCANTILE BANK	TERM LOAN	200.00	6.18	8-Feb-15
		TERM LOAN		19.71	21-Aug-16
		TERM LOAN		24.02	24-Jul-17
		TERM LOAN		70.51	25-Mar-17
		LEASE FINANCE	200.00	206.00	31-Dec-13
	JAMUNA BANK	LEASE FINANCE	150.00	32.90	30-Apr-14
	STANDARD BANK	LEASE FINANCE	300.00	209.76	29-Dec-16
	BANK ASIA	LEASE FINANCE	300.00	278.58	19-Feb-14
	PREMIER BANK	LEASE FINANCE	150.00	114.62	31-Aug-17
	SHAHJAL ISLAMI BANK	TERM LOAN	200.00	91.94	5-Jul-18
		TERM LOAN	150.00	49.91	22-May-17
		HPSM	350.00	315.11	24-May-17
	NCC	LEASE FINANCE	280.00	232.90	31-Oct-14
	STATE BANK OF INDIA	CORP GUARANTEE	298.80	33.03	30-Aug-14
	UCBL	TRANSPORT LOAN	250.00	200.68	30-Apr-14
	SIBL	HPSM	39.50	1.99	29-Mar-17
	UTTARA BANK LTD	LEASE FINANCE	300.00	391.59	25-Dec-17
	BANGLADESH FINANCE & INVESTMENT LTD	LEASE FINANCE	150.00	223.85	8-Jun-17
	ISLAMI FINANCE & INVESTMENT LTD	LEASE FINANCE	300.00	196.27	5-Aug-16
	PEOPLES LEASING & FINANCIAL SERVICES LTD	LEASE FINANCE	47.00	13.64	30-Aug-14
	FAREAST FINANCE AND INVESTMENT LTD	LEASE FINANCE	220.00	110.33	9-Nov-15
	INTERNATIONAL LEASING & FINANCIAL SERVICES LTD	LEASE FINANCE	150.00	81.08	10-Jun-17
	BANGLADESH INDUSTRIAL FINANCE CO.LTD	LEASE FINANCE	100.00	33.69	9-May-15
	NATIONAL FINANCE LTD	LEASE FINANCE	100.00	275.22	2-Nov-15
	UNION CAPITAL LTD	LEASE FINANCE	50.00	187.49	25-Oct-16
	NATIONAL HOUSING FINANCE AND INVESTMENT LTD.	LEASE FINANCE	100.00	86.08	15-Dec-15
	PREMIER LEASING AND FINANCE LTD	LEASE FINANCE	-	102.14	5-Aug-14
	FRIST LEASE INTERNATIONAL LTD	LEASE FINANCE	230.00	173.93	25-Aug-16
	FIDELITY ASSET & SECURITY FINANCE LTD	LEASE FINANCE	-	126.49	
	IDLC FINANCE LTD	LEASE FINANCE	200.00	52.04	15-Apr-16
	PHOENIX FINANCE & INVESTMENT LTD.	LEASE FINANCE	300.00	199.04	15-Aug-16
	PRIME FINANCE AND INVESTMENT LTD.	LEASE FINANCE	300.00	473.03	9-Apr-17
	BANK ALFALAH	LEASE FINANCE	80.00	27.72	28-May-14
	COMMERCIAL BANK OF CEYLON	LEASE FINANCE	225.00	134.66	13-Mar-17
	NRB COMMERCIAL BANK	TERM LOAN	100.00	97.42	13-Jun-16
		LEASE FINANCE	300.00	254.18	13-Jun-14
	TRUST BANK	LEASE FINANCE	450.00	100.16	14-May-18
	UTTARA LEASE FINANCE	LEASE FINANCE	50.00	7.33	17-Mar-14
		Sub Total	**7,954.60**	**6,234.39**	
Short term/ Funded	BRAC BANK	LTR	148.50	69.74	21-Feb-14
		REVOLVING	75.00	47.07	21-Feb-14
	ONE BANK	LTR	51.70	80.87	31-May-14
	EXIM BANK	MTR	80.00	16.10	31-May-14
	MERCANTILE BANK	LTR	80.00	28.54	31-Dec-17
		SOD(GEN)	40.00	21.55	31-Dec-17
	JAMUNA BANK	LTR	100.00	30.89	30-Apr-14
	STANDARD BANK	LTR	45.00	24.78	31-Jul-14
		SOD	35.00	18.06	31-Jul-14
	BANK ASIA	LTR	110.00	51.89	19-Feb-14
		DL	30.00	29.97	19-Feb-14
	PREMIER BANK	LTR	70.00	25.82	31-Aug-14
		OD	25.00	3.72	31-Aug-14
	IFIC	LTR	90.00	6.13	31-Oct-14
		OD	25.00	7.11	31-Oct-14
	SHAHJAL ISLAMI BANK	MURABAHA	200.00	32.55	28-Feb-14
	NCC	LTR	120.00	59.87	31-Oct-14
	UCBL	LTR	125.00	75.49	30-Apr-14
	AL-ARAFAH ISLAMI BANK	LTR	110.00	112.03	14-Jan-14
	BANK ALFALAH	LTR	91.00	28.03	28-May-14
	COMMERCIAL BANK OF CEYLON	LTR	135.00	67.92	1-Apr-14
		SOD	75.00	27.86	1-Apr-14
	NRB COMMERCIAL BANK	LTR	90.00	27.71	13-Jun-14
		SOD	45.00	18.27	13-Jun-14
	SIBL	LTR	75.00	53.92	30-Jun-14
		SOD	25.00	26.49	30-Jun-14
	TRUST BANK	LTR	90.00	48.99	14-May-14
		Sub Total	**2,186.20**	**1,041.37**	
Short Term/ Non Funded	BRAC BANK	L/C	165.00	13.42	21-Feb-14
	AL-ARAFAH ISLAMI BANK	L/C	180.00	38.06	14-Jan-14
	MERCANTILE BANK	L/C	100.00	11.83	31-Dec-17
	JAMUNA BANK	L/C	120.00	12.31	30-Apr-14
	STANDARD BANK	L/C	70.00	11.25	31-Jul-14
	BANK ASIA	L/C	120.00	13.32	19-Feb-14
	PREMIER BANK	L/C	85.00	14.26	31-Aug-14
	IFIC	L/C	100.00	10.53	31-Oct-14
	SHAHJAL ISLAMI BANK	L/C	200.00	26.96	28-Feb-14
	NCC	L/C	100.00	13.20	31-Oct-14
	UCBL	L/C	100.00	12.08	30-Apr-14
	BANK AL-FALAH	L/C	100.00	10.62	28-May-14
	SIBL	L/C	100.00	28.65	30-Jun-14
	ONE BANK	L/C	36.20	12.17	31-May-14
	EXIM BANK	L/C	100.00	12.12	31-May-14
	TRUST BANK	L/C	100.00	17.04	14-May-14
	COMMERCIAL BANK OF CEYLON	L/C	150.00	17.58	1-Apr-14
	NRB COMMERCIAL BANK	L/C	100.00	15.00	13-Jun-14
		Sub Total	**2,026.20**	**290.40**	
		Grand Total	**12,167.00**	**7,566.16**	

Previous Rating in 2012:

Particulars	Rating	Remarks
Ifad Autos Ltd.	A_1	Entity
BDT 5,829.6 million aggregate long term outstanding (LTO)	A_1 *(Lr)*	Appendix 1
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**	

Previous Rating in 2011:

Particulars	Ratings 2011	Remarks
Ifad Autos Ltd.	A_1	Entity
BDT 5,284.1million aggregate long term outstanding (LTO)	A_1 *(Lr)*	Please see the Appendix-1 for details
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
AAA 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.
AA_1, AA_2, AA_3* 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.
A_1, A_2, A_3 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.
BBB_1, BBB_2, BBB_3 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.
BB_1, BB_2, BB_3 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_1, B_2, B_3 Single B	Companies rated in this category have weak capacity to meet financial commitments. These companies have speculative elements, subject to high credit risk.
CCC_1, CCC_2, CCC_3 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.
CC 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.
C 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.
D (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
AAA (Lr) **(Triple A)** **Highest Safety**	Loans/facilities rated **AAA (Lr)** 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.
AA (Lr)* **(Double A)** **High Safety**	Loans/facilities rated **AA (Lr)** 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.
A (Lr) **Adequate Safety**	Loan/facilities rated **A (Lr)** 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.
BBB (Lr) **(Triple B)** **Moderate Safety**	Loans/facilities rated **BBB (Lr)** 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.
BB (Lr) **(Double B) Inadequate Safety**	Loans/facilities rated **BB (Lr)** 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 (Lr) **High Risk**	Loans/facilities rated **B (Lr)** 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.
CCC (Lr) **Very High Risk**	Loans/facilities rated **CCC (Lr)** 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.
CC (Lr) **Extremely High Risk**	Loans/facilities rated **CC (Lr)** are judged to be extremely vulnerable to default; timely payment of financial obligations is possible only through external support.
C (Lr) **Near to Default**	Loans/facilities rated **C (Lr)** 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.
D (Lr) **Default**	Loans/facilities rated **D (Lr)** 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)

	DEFINITION
ST-1 Highest Grade	This rating indicates that the degree of safety regarding timely payment on the loans/facilities is very strong.
ST-2 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.
ST-3 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.
ST-4 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.
ST-5 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.
ST-6 Lowest Grade	This rating indicates that the loans/facilities are expected to be in default on maturity or is in default.

SECTION-XVI AUDITORS ADDITIONAL DISCLOSURE

1. It appears from auditors' report section 135(1), Para 24(1) of Part-II of the Third Schedule of the Companies Act, 1994 that net cash provided from operating activities shows a negative balance of Tk.48,90,83,742 for the period ended on June 30, 2013 and negative balance of Tk.42,62,43,660, Tk. 128,89,63,777, Tk. 119,76,45,203 & Tk.94,91,05,804 for the year ended on June 30, 2012, 2011, 2010 & 2009 respectively which is a threat for the company to continue as a going concern. Provide auditors' explanation on the above with reasons for such negative cash flow;

   Auditors' Response:

   Breakdown of cash flows from operating activities are as follows:

For the year ended	*30/06/2013*	*30/06/2012*	*30/06/2011*	*30/06/2010*	*30/06/2009*
A. Cash flows from operating activities					
Receipts from customers & others	*3,736,403,921*	*3,231,199,092*	*3,345,415,732*	*2,631,836,083*	*1,263,708,776*
Payments for costs & expenses	*(3,840,875,094)*	*(3,436,985,925)*	*(4,430,051,826)*	*(3,631,399,261)*	*(2,016,766,823)*
Financial expenses paid	*(137,378,306)*	*(87,211,739)*	*(77,167,940)*	*(68,336,260)*	*(83,651,695)*
Income tax paid	*(247,234,262)*	*(133,245,087)*	*(127,159,743)*	*(129,745,765)*	*(112,396,062)*
Net cash generated by/(used in) operating activities	***(489,083,741)***	***(426,243,659)***	***(1,288,963,777)***	***(1,197,645,203)***	***(949,105,804)***
Lease/loan financing received for installment credit-sales	*710,873,780*	*299,441,863*	*1,505,019,933*	*1,540,694,147*	*1,080,047,971*
Revised Net cash generated by/(used in) operating activities	***221,790,039***	***(126,801,796)***	***216,056,156***	***343,048,944***	***130,942,167***

   Because of the nature of IAL'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 inflow 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".

   IAL 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.

2. It appears from note # 2.21.05 to the financial statements for the period ended on June 30, 2013 and the valuation report done by S.F. AHMED & CO. (SFACO) that IFAD Autos Limited has revalued its land to Tk. 1,63,90,17,000 the cost price of which is only Tk.18,77,61,000. Explain the reason for such high revaluation;

   Auditor's response: *Based on the date of registration of the lands, these were acquired by IAL in 2004-05 through 2010-11 notwithstanding that such lands were, in fact, negotiated, paid for and possessed earlier. Within this time-gap, the price of such lands compared to deed value thereof, rose substantially, warranting revaluation of such lands. BAS 16 provides that revaluation shall be made with sufficient regularity to ensure that carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Therefore, such high revaluation is a reflection of market price caused by passage of time; and significant inflation of land prices.*

3. Quantity-wise schedule of inventory as per requirement of Schedule XI, Part II of the Companies Act, 1994 as well as information regarding inventories (mentioning quantity of each item) as per requirement of Schedule XI of the Act;

   Auditor's Response: *Quantity wise information regarding inventories as per requirement of schedule XI, part II para 3 of the companies act, 1994 is enclosed in(Annexure: A)of the additional disclosure submitted to the commission as hard cop. It is long lists consist of 22 pages that's why the list is not incorporated here.*

4. Subsequent realization of account receivables with schedule thereof;
   Auditor's Response: *Subsequent realization of account receivables with schedule is enclosed in (Annexure: B) of the additional disclosure, submitted to the commission as hard cop. It is long lists consist of 101 pages that's why the list is not incorporated here.*

5. *Subsequent realization of Accounts Payable and also mention whether accounts payable contains any related party transaction as per BAS 24;*

   Auditor's Response: *subsequent realization of accounts payable is enclosed in (Annexure: C) of the additional disclosure.*

6. Year-wise break-up of interest charged on different bank loans, capitalization of loan interest and interest charged as financial expenses on the income statement;

   Auditor's Response:
   Details of Financial expenses are as follows:

Particulars	*Amount*
Commercial Bank Of Ceylon-Interest Expenses-OD	*496,399*
Interest Expenses-Merchant Bank	*8,034,746*
IFIC-Interest Expenses- TL	*26,869,710*
MBL-Interest Expenses-TL	*35,255,023*
NRB Commercial Bank-Interest Expenses- TL	*488,889*
Shahjalal Interest Expenses-TL	*54,240,733*
Total	***125,385,499***

Details of Bank charge are as follows:

Particulars	*Amount*
AIBL-Bank Charge CD	*27,094.10*
Bank Asia Bank Charge-CD	*26,328.08*
Bank Al-Falah Bank Charge-CD	*19,150.83*
Brac Bank Charge-CD	*368,164.66*
Bank Charges Others-CD	*1,051,996.87*
IFIC Bank Charge-CD	*40,626.87*
Jamuna Bank Bank Charge-CD	*47,457.89*
MBL-Bank Charge CD	*206,791.00*
NCC Bank Charge-CD	*287,499.60*
NRB Commercial Bank CD	*615.00*
One Bank Bank Charge-CD	*283,619.50*
Premier Bank charge-CD	*381,180.10*
Shahjalal Bank Charge CD	*537,342.49*
Standard Bank Charge-CD	*116,752.55*
Trust Bank-Bank Charge CD	*24,805.00*
UCBL Bank Charge CD	*11,812.00*
Commercial Bank Of Ceylon-Bank Charge OD	*38,680.00*
MBL-Bank Charge TL	*34,600.00*
Delay Charge	*1,579,662.00*
Fees & Others-Merchant Bank	*1,466,872.81*
Bank Charge-FDR	*428,435.00*
PO,DD & TT Charges	*351,386.00*
AIBL-Bank Charge STD	*3,275.55*
Jamuna bank Bank Charge-STD	*2,556.00*

MBL-Bank Charge STD	*9,693.00*
One Bank Bank Charge-STD	*19,131.10*
Premier Bank charge-STD	*3,243.00*
Bank Charges Others-STD	*1,002,042.25*
Trust Bank-Bank Charge STD	*2,998.00*
UCBL-Bank Charge STD	*11,680.00*
Bank Asia Bank Charge-lease	*126,800.00*
Jamuna Bank-Bank Charge-lease	*48,095.00*
MBL-Bank Charge Lease	*339,526.66*
NCC-Bank Charge-Lease	*113,261.50*
One Bank Bank Charge – Lease	*1,485,474.95*
Premier Bank charge-Lease	*283,540.48*
Shah Jalal Bank-Bank Charge-Lease	*129,945.45*
SIBL-Bank Charge-Lease	*519,108.00*
Standard Bank-Bank Charge-lease	*471,840.11*
UCBL-Bank Charge-Lease	*89,725.00*
Total	***11,992,808.40***

7. Details of turnover/sales mentioning itemized quantity and value as required under of Schedule XI, Part II, Para 3 (a) of the Companies Act, 1994;

Breakup of sales revenue is as follows:

Sl. No.	***Particulars***	***Quantity***	***Amount in Taka***
1	*Ashok Leyland Vehicles*	*1737*	*4,267,560,000*
2.	*Spare Parts**	*-*	*29,737,168*
3.	*Fuel/Lubricants*	*190.54 Barrels*	*9,087,816*
Total			***4,306,384,984***

Due to a large number of spare parts, we only provided the sales figure of spare parts. However, the company keeps record of each transaction related to sales.

8. Following are some observation from the revalued land which was purchased between January to June 2011 of IFAD Autos Ltd.;

Location	Sale deed	Date of Purchase	Date of Revaluation	Total Land (Decimal)	Total Purchase Price (TK)	Revalued amount (TK)	% Increase
Trisal, Mymensingh	4122	30.05.11	30.06.11	32.5	815,000	97,50,000	1196.35%
Trisal, Mymensingh	2740	27.03.11	30.06.11	19	475,000	57,00,000	1200.00%
Trisal, Mymensingh	2021	03.03.11	30.06.11	5	125,000	15,00,000	1200.00%
Trisal, Mymensingh	46	05.01.13	30.06.11	27	675,000	81,00,000	1200.00%
Trisal, Myensingh	337	12.01.11	30.06.11	9	160,000	27,00,000	1687.50%
Trisal, Mymensingh	2159	09.03.11	30.06.11	8	200,000	24,00,000	1200.00%
Dhamrai, Dhaka	7600	16.06.11	30.06.11	34.75	1,975,000	1,04,25,000	527.80%
Dhamrai, Dhaka	3449	20.03.11	30.06.11	52	2,950,000	1,56,00,000	528.80%
Dhamrai, Dhaka	3346	16.03.11	30.06.11	83	4,700,000	2,49,00,000	529.80%
Dhamrai, Dhaka	3212	14.03.11	30.06.11	23	1,300,000	69,00,000	530.80%
Dhamrai, Dhaka	2933	08.03.11	30.06.11	23.34	1,330,000	70,02,000	526.50%
Dhamrai, Dhaka	2669	03.03.11	30.06.11	51	2,880,000	1,53,00,000	531.30%
Dhamrai, Dhaka	2396	27.02.11	30.06.11	33	1,865,000	99,00,000	530.80%
Dhamrai, Dhaka	1346	01.02.11	30.06.11	11.66	665,000	34,98,000	526.00%
Dhamrai, Dhaka	1107	27.01.11	30.06.11	41	2,350,000	1,23,00,000	523.40%
Dhamrai, Dhaka	930	24.01.11	30.06.11	8	550,000	24,00,000	436.40%
Dhamrai, Dhaka	867	20.01.11	30.06.11	24	1,355,000	72,00,000	531.40%
Ashulia, Savar	8705	19.05.11	30.06.11	27	2,960,000	1,62,00,000	547%
Dhamrai, Dhaka	929	24.01.11	30.06.11	21	1,200,000	63,00,000	525%
Dhamrai, Dhaka	2941	08.03.11	30.06.11	4.92	275,000	14,76,000	537%
Dhamrai, Dhaka	3014	09.03.11	30.06.11	37	2,000,000	1,11,00,000	555%
Dhamrai, Dhaka	3025	09.03.11	30.06.11	6.16	350,000	18,48,000	528%
Dhamrai, Dhaka	3211	14.03.11	30.06.11	51	2,750,000	1,53,00,000	556%

Please provide valuers explanation specifying the reason for such significant overstating the price of land in such short period of time along with basis for such valuation.

Valuer’s Response:

Based on their examination, the valuer explained that the foregoing lands were incorporsted by Ifad Autos Limitedin its accounts in 2010-11Based on the date of registration of the landsnotwithstanding that such lands were, in fact, negotiated, paid for and possessed earlier through baina. Since baina the price of such lands rose substantially in the market as of 30 June 2011, compared to deed value thereof, warranting revaluation of such lands, resulting in a significant revaluation surplus. Therefore, such high revaluation surplus is a reflection of market price caused by passage of time; and significant inflation of land prices since baina thereof. The valuer further explained they had to revalue the foregoing lands despite incorporation thereof by Ifad Autos Limited in its accounts in 2010-11 as they were required to do so to comply with the requirements of paragraph 36 of BAS 16: Property, Plant and Equipment.

We believe that the valuer’s response is reasonable and fair.

9. It appears from note # 15 to the financial statements for the period ended on June 30, 2013 that there is an item named prior year adjustment of TK.12,91,88,910 which has been adjusted with retained earning which is not clear to us;

Auditor's Response: *The prior year adjustment of retained earnings represents shortfall in income tax provision for the year ended June 30, 2011 to comply with the amendment of section 82(C) of the Income Tax Ordinance, 1984.*

10. It appears from notes to the financial statements for the period ended on June 30, 2013 that some items have been restated which is not clear to us. Please mention the details of the restated items and the basis of such restatement and mention the impact of these restatement on NAV and EPS of the company;

Auditor's Response:

As per BAS 1 *Comparative Information has been disclosed for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements. Comparative figures have been re-arranged/restated wherever considered necessary to ensure better comparability with the current year as reported in the financial statements. Following are figures restated for the year June 30, 2013:*

Particulars	***6/30/2012 (Restated)***	***30-Jun-12***	***Difference***	***Remarks***
Retained Earnings	*1,261,893,318*	*1,391,082,228*	*-129,188,910*	*Prior year adjustment represents shortfall in income tax provision for the year ended June 30, 2011 to comply with the amendment of section 82(C) of the Income Tax Ordinance, 1984.*
Accruals and Provisions/ Accounts Payable	*493,608,047*	*364,419,137*	*129,188,910*	*Restated to rectify the error in provisioning in income tax*
Leasehold obligations	*4,618,144,080*	*5,896,077,443*	*-1,277,933,363*	*Transferred to Contingent Liability/Contingent Assets. These are not actual liabilities assets, but contingencies thus, adjusted.*
Accounts Receivable	*6,520,813,303*	*7,798,746,666*	*-1,277,933,363*	
Cash and Bank Balance	*743,084,124*	*742,973,758*	*110,366*	*Margin balance with City Brokerage ltd is now added to cash and bank balance to classify appropriately.*
Bank Loan and Credits	*1,021,568,909*	*1,021,458,543*	*110,366*	

Due to restatement, there was no impact on the net profit and net value of assets and liabilities of the company for the financial year 2012-13 and 2011-12. However, with the prior year adjustment in retained earnings the impact on NAV and EPS for the financial year 2010-11 will be as follows:

Impact on EPS		
Particulars	***2010-11***	***2010-11 (Restated)***
Net Profit Before Tax	*670,626,602.00*	*670,626,602.00*
Provision for Tax	*129,847,651.00*	*259,036,561.00*
Net Profit after Tax	*540,778,951.00*	*411,590,041.00*
No of Shares outstanding	*50,000,000.00*	*50,000,000.00*
EPS	***10.82***	***8.23***

Impact on NAV		
Particulars	***2010-11***	***2010-11 (Restated)***
Share Capital	*500,000,000*	*500,000,000*
Revaluation Surplus	*1,577,722,823*	*1,577,722,823*
Retained Earnings	*1,189,777,442*	*1,060,588,532*
Total Shareholders' equity	*3,267,500,265*	*3,138,311,355*
Number of shares outstanding	*50,000,000*	*50,000,000*
NAV	***65.35***	***62.77***

11. It appears from fixed asset schedule that the company has charged depreciation only for six month on the addition of fixed asset during the year 2012-2013. What is the basic of charging half- yearly depreciation on fixed asset addition;

Auditor's response: *The accounting policy as to depreciation on additions and disposal are charged at 50% of normal rate in the year of addition and deletion was adopted by the management of IFAD Autos Limited which is already declared in the notes to the financial statements and in accordance with the provisions of BAS 16: Property, Plant and Equipment.*

12. Please provide the justification of the company's going into IPO for repayment of bank loan of TK.28,81,45,250 from IPO proceeds in spite of having an investment in shares of TK.20,55,34,234, investment in IFAD salt &Chemical Ltd. TK.3,00,00,000, and advances of Tk. 78, 69,53,245;

Auditor's Response:

Investment in Shares:

Investment in shares was always a good profitable investment for IAL. Therefore, management of IAL will keep the investment to maintain the profitability in future.

Advances, Deposit & Prepayments:

The breakup of advances of Tk. ***786,953,245*** *is as follows:*

Advances , Deposit & Prepayments:	***30.06.2013***
The break-up of the amount is given below:	
Advance Income Tax (6.01)	*241,163,831*
Advance Against Land	*199,137,586*
Advance Against Flat Purchases	*19,960,000*
Advance Against House Rent	*8,000,816*
Salary Advance	*2,699,725*
Advance against Share of Ifad Salt & Chemical Ltd.	*30,000,000*
Other Advances	*57,705,013*
Total Advances	***558,666,972***
L/C Bank Margin	*157,736,251*
Security Deposit (6.02)	*70,550,022*
Total Deposits	***228,286,273***
Total	***786,953,245***

Investment in shares, advances, deposits and prepayments and investment in IFAD Salt and Chemical Limited are made in the normal course of business to achieve profitability and cash flow. Despite these uses of fund the company plans to make IPO for BMRE for achieving further profitability and cash flows; and for repayment of loan for reducing financial expenses and for streamlining cash flows.

13. It appears from note # 6 to the financial statements for the period ended on June 30, 2013 that there is a advance against flat purchase of TK.1,99,60,000 and another advance against Land purchase of TK.24,11,63,831. Please provide the current status of these advances;

Auditor's Response:

1. *Tk. 1, 99, 60,000 Advance against allotment of 2 apartments from advanced Development Technologies Ltd will be adjusted after handover and registration expected within 2014.*

2. *We would like to inform you that TK.24, 11, 63,831 are the advance against income tax and TK. 19, 91, 37,586 is advance against land purchase and development of plots will be adjusted after registration expected within 2014.*

14. It also appears from note # 6 to the financial statements for the period ended on June 301, 2013 that is an advance against share of IFAD Salt & Chemical Ltd. Of TK.3,00,00,000 which is not disclosed under related party transactions as per IAS-24;

Auditor's Response:

Disclosure as per BAS-24 is as follows:

a) Transaction with related entity:

Sl. No	*Name of Customer*	*Relationship*	*Balance as at June 30, 2012*	*Addition during the year*	*Realized During the year*	*Balance as at June 30, 2013*
1.	*IFAD Salt and Chemical Limited (Money paid as share money deposit)*	*Common Management*	*-*	*300,000,000*	*-*	*300,000,000*

15. It also appears from note # 6 to the financial statements for the period ended on June 30, 2013 that there is an item named other advance of TK.5, 77, 05,013 which is not clear to us. Please provide detail break up of these advance;

Auditor's Response:

Breakup of other advances is as follows: To be cleared with only branch and dealer.

Particulars	***Amount***
Chittagong Branch	*19,891*
Chittagong Service Center	*637*
Comilla Branch	*9,652*
Comilla Service Centre	*4,309*
Faridpur Branch	*6,962*
Jatrabari Service Center	*2,629*
Jessore Branch	*181*
Mymensingh Branch	*807*
Rangpur Branch	*26,643*
Rangpur Service Centre	*2,183*
Sylhet Service Centre	*21,068*
Tongi Service Center	*101,658*
Abul Kalam (Manager Savar)	*1,521,554*
Akram Hossain	*3,000*
Aminul Haque/Documentation	*936,280*
Arif Masud Chow.	*28,000*
Azimullah Chow(joydevpur)	*8,000*
Baten	*543,800*

Didar	*1,308,320*
Dilip K Devnath	*296,508*
Habibur Rahman	*432,910*
Helal Uddin Marketing	*37,000*
Jashim(Asstt)	*2,010*
Jaynul Abedin (Sr. Manager)	*10,000*
Kalam Manager Nilabithi	*156,963*
Khalilur Rahman Shimul	*88,675*
Maruf (Recovery)	*1,115,300*
Masud (DGM)	*995,000*
Mizanur Rahman	*3,309,813*
Mohammad Ali (Recovery)	*200,810*
Monirul(Commercial)	*42,750*
Mustafa Benapol	*263,736*
Mustafa-S/Parts	*2,688,848*
Noor-A-Khoda Hira	*94,090*
Nurun Taj Ahmed	*30,674*
Rahmat Ullah	*709,250*
Rezaul Karim	*146,227*
S.Alam (Recovery)	*144,705*
Sagor Ad	*25,000*
Sanaullah Shakil	*203,000*
Shahadat (Asistant)	*3,452*
Shaheb Ali Driver	*7,270*
Shahid Mubarak (Sylhet)	*45,205*
Shahjalal (Ctg.)	*22,165*
Shamim Talukder	*293,075*
Shamima (Admin)	*13,800*
Sumana	*5,000*
Yousuf	*130,000*
Business Asia	*25,000*
Banco Finance & Investment Ltd.	*1,250,000*
Dhara AD	*50,000*
Euro Star Petro Carriers	*5,000,000*
Sonartori	*22,960,000*
Gulf Oil Bangladesh Ltd	*294,452*
Immense Solution	*1,530,000*
Ntraco Refueling	*6,500,000*
Jehan AD	*75,000*
Master Trading Co	*100,000*
Mohammad Yusuf Hasan(Paribagh)	*36,000*
Moin Uddin Ahammed Chowdhury	*200,000*
MS Krittica Sharma	*950,000*
Saif Ahmed	*200,000*
Sena Hotel Development	*300,000*
Simu Eng.Works	*1,167,000*
The Financial Times	*10,000*
Trust Tele-Media Ltd	*60,000*
Unique Sign	*150,000*
Bank Guarantee-Mercantile Bank Ltd.	*788,751*
Total	***57,705,013***

16. Please provide a compliance report on Corporate Governance Guideline as per the provision of BSEC Notification No. SEC/CMRRCD/2006-158/ADMIN/44 Dated August 07, 2012.

Auditor's Response:

The company is in a process of appointing Independent Director of a director. As they need to take this decision through AGM of shareholders of the company. Since the company very recently concluded the last AGM, the issue will be taken to the next AGM. In the next AGM the necessary amendment will be made in the board structure to comply with the said notification of Bangladesh Securities and Exchange commission.

17. Please explain how the company plans to declare dividend after listing with such high negative operation cash flow;

Auditor's Response:

It is fact that the company has negative operating cash flow but it had always overall positive cash flow. So, the company can give cash dividend if it so wishes. Further, as the company has significant net profit and retained earnings, it can also give stock dividend.

18. Provide Justification and valuation considering the EPS without extra-ordinary income;

Auditor's Response: *Following is the justification of valuation considering the EPS without extra-ordinary income:*

1. Earnings per Share (EPS) on fully diluted basis (The total existing no. of shares):

Particulars	***Amount in Taka***
Net profit after Tax for the year ended 30th June, 2013	*279,527,667*
*No. of shares before IPO**	*93,750,000*
Earnings per Share (EPS) on fully diluted basis	***2.98***

2. Net profit excluding Extra-ordinary income or non-recurring income coming from other than core operations for the year ended 30th June, 2013:

Particulars	***Amount in Taka***
Net profit before Tax	*409,415,732*
Less: Other Income	*51,123,316*
Net profit before tax except other income	*358,292,416*
Less: Provision for Taxation	*129,888,065*
Net profit after tax except other income	*228,404,351*

3. Earnings per shares excluding extra-ordinary income or non-recurring income coming from other than core operations for the Year ended 30th June, 2013:

Particulars	***Amount in Taka***
Net profit after tax except other income	*228,404,351*
*No. of shares before IPO**	*93,750,000*
Earnings per Share (EPS) on fully diluted basis	***2.44***

**Note: the company has no extra-ordinary income except other income.*

4. Net Asset Value per Share:

a) Net Asset Value with Revaluation Reserve based on fully diluted basis: Tk. 39.04

b) Net Asset Value without Revaluation Reserve based on fully diluted basis: Tk. 22.21

Particulars	***Amount in Taka***
Share Capital	*937,500,000*
Tax Holiday Reserve	*-*
Revaluation Reserve	*1,577,722,823*
Retained Earnings(Restated considering the proposed bonus issue)	*1,144,514,775*
Total Shareholders' Equity (with Revaluation Reserve)	*3,659,737,598*
Total Shareholders' Equity (without Revaluation Reserve)	*2,082,014,775*
Total Number of Ordinary Share (Restated considering the proposed bonus Issue)*	*93,750,000*
a) Net Assets Value (NAV) at BDT 10.00 per share	***39.04***
b) Net Assets Value (NAV) at BDT 10.00 per share	***22.21***

19. Explain the reason for significant decline in NP ratio, Return on Asset (ROA) and Return on Equity (ROE).

Response to the above: Auditor's Response: *The reason for significant decline in NP ratio, Return on Asset (ROA) and Return on Equity (ROE) is relatively lower Net Profit compared to Sales, Total Assets and Shareholders' Equity due to competitive business scenario.*

20. It is observed from Ifad Autos Limited's distributor agreement with Ashok Leyland that the company is running its business as a sole distributor of Ashok Leyland, India under 3 to 5 years renewable agreement. Provide an explanation regarding the threat that if Ashok Leyland do not renew its agreement in future what will happen to the business of the company.

Response to the above: *Ifad Autos Limited is operating its business under a distributor agreement with Ashok Leyland which is renewable. IFAD has a decent history of renewing the contract in the past and is known as one of the best distributors in the sub-continent and awarded as best distributor on few occasions. IFAD and Ashok Leyland both have strong business relationship and good track record of business. IFAD has a very strong distributor and recovery network. It is highly unlikely that Ashok Leyland will take any risk of shifting the distributorship agreement to some other distributor when they have a very strong relationship with IFAD. Hence, the possibility of not renewing the contract offsets for the above mentioned reasons.*

In addition, we would also like to inform you that IAL is setting up a body building unit where Ashok Leyland will provide technical support to IAL and IAL has no restriction in assembling and body building of other renowned brands in the world. Therefore, incase if by any chance IFAD fails to renew the contract they still have the opportunity to switch to some other renowned brand.

21. It appears from audited financial statements of Ifad Autos Limited prepared for the year ended June 30, 2013 that the company has revalued its land and land development in the year 2007 and 2011 having revaluation surplus of Tk. 15,99,88,309/- and Tk. 141,77,34,514/- and subsequently transferred these surplus in shareholders' equity without making provisions for deferred tax on revaluation surplus which is not clear. Please explain the reason behind this;

Response to the above: *The Company's tax assessment is based on under section 82(C), of the Income Tax Ordinance, 1984; and the revaluation surpluses by IAL are permanent differences. Thus, provision for deferred tax is not applicable for Ifad Autos Limited.*

22. As per labour law 2006, every company engaged in industrial undertakings which satisfy any of the following conditions, shall establish a Workers profit Participation Fund (WPPF) and a workers welfare fund:
    a. The number of workers employed by the company in any shift at any time during a year is 100 or more.
    b. The paid up capital of the company as on the last day of its accounting year is one crore taka or more.
    c. The value of the fixed assets of the company at cost as on the last day of the accounting year is not less two crore taka or more.

Such workers profit participation fund (WPPF) was not found in the financial statements of the company. Explain the reason with your opinion in line with Bangladesh labour law, 2006;

Response to the above: *The Company is still not an "industrial undertaking" in that sense of the term. Therefore, WPPF is not applicable to IAL until its Assembly Plant and Automatic Body Building Plant commence operation. IAL will establish WPPF after starting up the body building unit.*

23. It is observed from the distributor agreement between Ifad Autos Limited and Ashok Leyland, India that IFAD Autos Limited is running its business as a sole distributor of Ashok Leyland selling their products (Vehicles) in Bangladesh as an agent who cannot do anything without the prior approval of Ashok Leyland. As such, provide auditor's explanation regarding possibilities of the company's capital expenditure for assembling and body building in Bangladesh;

Response to the above:

IFAD Autos Limited is the sole distributor of Ashok Leyland, India and engaged in the business of selling Ashok Leyland vehicles in Bangladesh. As per the agreement with Ashok Leyland, IAL is allowed to import vehicles both in CKD (complete Knock Down) and SKD (Semi Knock Down) form. That means that IFAD has the license to assemble and built 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. Moreover, the proposed body building unit will be under close supervision of Ashok Leyland and expert from Ashok Leyland will continuously monitor the whole process. Furthermore, the plant IAL is setting up is not only for Ashok Leyland, where IAL will start body building of other commercial vehicles of different brand. As, IAL will build without making any change in the original design of Ashok Leyland, therefore, capital expenditure for assembling and body building unit is properly justified.

24. What are the values will be added by the companies proposed BMRE in terms of employment generation and contribution in national economy; and

Response to the above:

IFad Autos Limited (IAL) was laid by Mr. Iftekhar Ahmed Tipu in 1988. A visionary Entrepreneur and a committed philanthropist set up IFAD Autos limited with a vision to help and develop the economy by seeding pioneering businesses in sectors such as Trading, Agro and FMCG. Since then IAL is supporting the economy of Bangladesh by creating new job and by paying government duties which is helping the Bangladesh economy to grow.

With the proposed BMRE IAL will be able to create 250 new job vacancies. At present Ashok Leyland, India has employed that much number of workers which is actually helping India to develop their economy. Whereas, IAL has that expertise and ability to do the same in Bangladesh which will help us to employ people of our country and as well as we will be able to save foreign currencies by importing the vehicles in completed knock down condition.

IAL will also save foreign exchange for the country by assembling and building body of vehicle; i.e., substitution import of such services from India and other countries.

25. Provide Clarification given by statutory auditor as well as the valuer, S.F. Ahmed & Co. (Chartered Accountants) in line with the commissions notification no- SEC/CMRRCD/2009-193/150/Admin/51 dated August 18, 2013.

Response to the above: *Clarification by statutory auditor and valuer is enclosed herewith. (Annex-1)*

26. Provide us with one example – your accounting journals for obtaining lease for one vehicle unit, periodic repayments, sale of such units, subsequent collection, revenue recognition etc.

Response to the above:

The required journals are as follows:

	Cash on Delivery (COD)	
1.	*Accounts Receivable*	*Dr*
	Sales	*Cr*
(When Sale is made)		
2.	*Cash*	*Dr*
	Accounts Receivable	*Cr*
(When Cash is received against Sales)		
3.	*LTR*	*Dr*
	Cash	*Cr*
(When LTR is paid off against import cost)		

	Lease/Instalment Sales	
1.	*Accounts Receivable*	*Dr*
	Sales	*Cr*
(When Sale is made)		
2.	*Cash*	*Dr*
	Accounts Receivable	*Cr*
(20-25% Down Payment received)		
3.	*Cash*	*Dr*
	Leasehold Obligation	*Cr*
(Balance amount after deduction of down payment)		
4.	*LTR*	*Dr*
	Cash	*Cr*
(Import loan paid after receiving leasehold amount)		
5.	*Cash*	*Dr*
	Accounts Receivable	*Cr*
(Monthly Installment received from customer)		
6.	*Leasehold Obligation*	*Dr.*
	Cash	*Cr.*
(Monthly lease rental paid to Financial Institution/Non- Banking Financial Institution)		

Dated: Dhaka
April06, 2014

Sd/-
ATA KHAN & CO.
Chartered Accountants

Annexure: C

IFAD Autos Limited
Schedule of Accounts Payable
As at June 30, 2013

The details of accounts payable are as follows:

Particulars	*Opening Balance*	*Transaction*		*Closing Balance*
		Debit	*Credit*	
Complant Enterprice Ltd	*21,796,538*	*14,911,560*	*-*	*6,884,978*
GL Steel	*19,413,200*	*31,700,000*	*30,118,278*	*17,831,478*
Alam Transport And Cargo Service	*5,073,175*	*4,947,500*	*5,260,000*	*5,385,675*
ASA Enterprise	*4,006,371*	*3,000,000*	*4,740,000*	*5,746,371*
Delwar Trasport	*4,100,000*	*4,177,000*	*4,500,000*	*4,423,000*
Eastern Paribahan	*4,572,750*	*2,150,000*	*2,020,500*	*4,443,250*
Enter IT BD Ltd.	*7,503,083*	*3,337,856*	*-*	*4,165,227*
Esha Motors	*3,703,500*	*4,823,000*	*5,320,000*	*4,200,500*
Farhan Motor	*4,355,000*	*5,102,500*	*5,500,000*	*4,752,500*
Khan Enterprise	*4,721,010*	*2,250,000*	*1,732,500*	*4,203,510*
Khan Motor	*2,071,150*	*1,172,000*	*101,500*	*1,000,650*
KSK Traders	*956,325*	*3,460,000*	*3,073,500*	*569,825*
M Roshni Motors	*-*	*31,500*	*31,500*	*-*
Maksud Enterprise	*17,000*	*150,000*	*211,500*	*78,500*
Mohastan Motors	*1,246,250*	*4,400,000*	*3,910,500*	*756,750*
MR Enterprise	*1,744,881*	*14,900,000*	*15,200,100*	*2,044,981*
MS Traders	*54,688*	*220,000*	*184,500*	*19,188*
N.H Enterprise	*135,750*	*670,000*	*576,000*	*41,750*
Narail Trading Agency	*53,250*	*100,000*	*103,500*	*56,750*
National Transport	*100,000*	*-*	*4,680,000*	*4,780,000*
New Line Motors	*80,500*	*100,000*	*36,000*	*16,500*
Projukti Autos	*50,000*	*-*	*-*	*50,000*
Rejia Motor	*50,000*	*-*	*-*	*50,000*
Sabuj Auto Mobiles	*200,000*	*-*	*-*	*200,000*
Sabuj Transport Agency	*1,324,000*	*-*	*-*	*1,324,000*
Sangram Motor	*42,500*	*109,287*	*81,000*	*14,213*
Siam Enterprise	*10,000*	*-*	*-*	*10,000*
Sohel Akon	*38,000*	*-*	*-*	*38,000*
SS Motor	*61,050*	*350,000*	*325,000*	*36,050*
Tuhin Transport	*200,000*	*50,000*	*50,000*	*200,000*
Tutul Motors	*108,125*	*10,750,000*	*10,738,000*	*96,125*
Tax Deducted at Source :				
Advertisment & Publicity	*29,701*	*36,627*	*49,092*	*42,166*
Dealer Commission	*639,000*	*3,208,400*	*3,346,400*	*777,000*
House Rent	*73,746*	*222,581*	*335,972*	*187,137*
Security Services	*4,215*	*9,959*	*17,740*	*11,996*
Remunaration	*807,000*	*9,684,000*	*9,684,000*	*807,000*
Salary	*48,850*	*757,713*	*733,618*	*24,755*
Total	***89,390,608***	***126,781,483***	***112,660,700***	***75,269,825***

Annex:01

To Whom It May Concern

Status of compliance with the conditions imposed by the Commission's Notification No SEC/CMRRCD/2009-193/150/Admin dated August 18, 2013:

Condition No.	Title	Compliance Status		Remarks (If any)
		Complied	Not Complied	
	Section 2CC of Securities and Exchange Ordinance, 1969 (XVII of 1969)			
A	**General Requirement**			
1.	The decision of valuation and appointment of the valuer shall be taken by the board of directors of the company concerned. The board decision should clearly mention, among others, the purpose of valuation and the asset classes to be revalued.	√		
2.	The valuer shall the valuation report to the board along with all workings and documents and the board shall decide next course of action. If the board decides for financial reporting of the valuation, it shall instruct the management of the company to do so mentioning the reporting period.	√		
3.	The valuer shall provide a report and fairness opinion duly signed by its chief executive which shall form integral part of the valuation report. In their report, the valuer shall confirm that the valuation has been undertaken in accordance with the International Valuation Standards (IVS) and that they have maintained the Fundamental Principles of Ethical Conduct namely Integrity, Objectivity, Competence, Confidentiality and Professional Behaviour regarding the valuation.	√		
4.	The revalued amounts of assets and liabilities shall be included in the financial statements in accordance with the applicable provision of Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS). The valuation report shall be presented as annexure of the financial statements of the period in which the valuation has been made.	√		
5.	After preparation of the financial statements, the management shall handover the same to the auditors along with all workings and documents provides by the valuer.	√		
6.	The auditor shall examine all relevant documents and furnish their opinion in the auditors' report regarding whether the valuation report has been prepared and treated in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) and other applicable law, rules, regulations and guidelines or not. They shall also certify whether proper accounting treatments, including provisions, tax and other liabilities, have been made in the financial statements to consider the valuation or not.	√		
7.	The management of the company concerned shall extend all co-operations to the valuer and the auditors	√		

	regarding the valuation and auditing. The valuer shall also co-operate the auditors for clarification of the valuation.			
8.	Time-lag between two valuations for the same class of assets shall not be less than three years; provided that no upward revaluation of an asset shall be made within two years of its acquisition.		√	Company's valuation was performed before publication of the notification
9.	Upward revaluation of the following assets are not allowed: i. Leasehold lands and buildings on such lands having no transferring rights, total lease period below 99 years and remaining lease period below 10 years. ii. Plants and machineries acquired in second hand condition, acquired in brand new condition but having remaining economic life of less than 50% of its total useful life, as estimated at acquisition. iii. Tin-shed buildings, buildings having remaining economic life of less than 50% of its total useful life, as estimated at construction. iv. Vehicles, furniture & fittings, office equipments, loose tools and intangible assets.	√ √ √ √		
10.	No dividend shall be issued out of any revaluation surplus.	√		
11.	The valuer shall be a partnership firm or a company registered with the Registrar of Joint Stock Companies and Firms.	√		
12.	The valuer shall be independent from the company, its directors, auditors and other stakeholders.	√		
B.	**Disclosure Requirements:** The valuation report shall be prepared in a manner so that it can communicate the information necessary for proper understanding of the valuation. A valuation report shall not be ambiguous or misleading and shall provide the intended reader with a clear understanding of the valuation. To provide comparability, relevance and credibility, the valuation report shall set out a clear and accurate description of the scope of the assignment, its purpose an intended use, confirmation of the basis of value used and disclosure of any assumptions, special assumptions or limiting conditions that directly affect the valuation. Among others, the following information shall be disclosed in a valuation report:			
1.	Identification of the valuer and confirmation of competence: A statement confirming the competence of the valuer shall be included. If the valuer has obtained assistance from others in relation to any aspect of the engagement, the nature of such assistance and the extent of reliance shall be recorded in the report, Names, qualification and experiences of all the persons involved in the valuation process have to be disclosed.	√		
2.	Identification of the client and any other intended uses: The party commissioning the valuation shall be identified together with any other parties whom it is intended may	√		

	rely on the valuation.			
3.	Nature of instructions and the purpose of the valuation: Details of instructions received from the client regarding the job shall be stated along with the purpose of the valuation.	√		
4.	Identification of the asset or liability to be revalued: Where a valuation is required of assets that are held in conjunction with other complementary or related assets it shall be clearly defined whether it is the group or portfolio that is to be valued or the individual assets. If the latter, it is also important to establish whether each asset is assumed to be valued as part of the whole group or portfolio, as an individual item but assuming that the other assets are available or not available.	√		
5.	Basis of value: The definition and source of the basis of value used should be cited. A basis of value is a statement of the fundamental measurement assumptions of a valuation, which does not contradict with the applicable Accounting Standard.	√		
6.	Valuation date: The valuation date is the date on which the estimate of value applies. This may be different from the date of the valuation report or the date on which investigations are to be undertaken or completed. These dates should be clearly mentioned in the report.	√		
7.	Extant of investigations: The extant of the valuers' investigations undertaken, including the limitations on those investigations set out in the scope of work shall be recorded in the report.	√		
8.	Nature and source of the information relied upon: The nature and source of any information used in the valuation process should be recorded.	√		
9.	Assumptions and any special assumptions: Different valuation assumptions may be appropriate depending on the classification of the asset or liability. The assumptions those are applicable to each of assts shall be included.	√		
10.	Valuer's Report and Fairness Opinion: The valuer shall provide a report and fairness opinion signed by its chief executive which shall form integral part of the valuation report. In their report, the valuer shall confirm that the valuation has been undertaken in accordance with the International Valuation Standard (IVS) and that they have verified that the ownership, possession and use of the assets are due to the company. Where a statement is made that a valuation has been undertaken in accordance with these standards, it is implicit that all relevant individual standards are complied with. If a departure is necessary to comply with any legislative or regulatory requirements, this should be clearly explained. The valuer shall also confirm that they have maintained the Fundamental Principles of Ethical Conduct namely Integrity, Objectivity, Competence, Confidentiality and Professional Behaviour regarding the valuation and have	√		

	taken all possible steps to avoid or mitigate possible threats to compliance of these principles.			
11.	Valuation approach and methodology: To understand the valuation figure in context, the report shall make reference to the approach or approaches adopted, methodology used for the valuation and the key reasons for the conclusions reached.	√		
12.	Valuation Sheet: The valuation sheet shall contain, among others, the acquisition date, cost, written down value, amount and basis of the valuation and the applicable currency. The valuer shall also allocate, where applicable, an age and "remaining useful life" to each asset valued for recording purpose considering expected use of the asset, expected physical wear and tear, technical or commercial obsolescence, legal or similar limits on the use of the assets and any other factors that will affected the useful life of the asset.	√		
13.	Date of the valuation report: The date on which the report is issued should be included. This may be different from the valuation date.	√		
C.	**Ethical Principles for the Valuer:** The valuer shall maintain five Fundamental Principles of Ethical Conduct namely Integrity, Objectivity, Competence, Confidentiality, and Professional Behaviour and shall adhere to the following to avoid or mitigate possible threats to compliance of these principles.	√		
1.	The valuer shall be straightforward and honest in all professional and business relationships. They shall not be associated with any statement or information that are materially false or misleading or made recklessly or omits or obscures information required to be included and such omission or obscurity would be misleading.	√		
2.	The valuer shall not compromise their professional or business judgement because of biasness, conflict of interest or under influence of others and should not be perceived as supporting the views of any interested party, including the company.	√		
3.	The valuer shall take all steps necessary to avoid threats to their independence. In particular, they shall not accept an assignment where the company, or any other stakeholder in the transaction, seeks to unreasonably limit the investigations to be undertaken or to direct or otherwise influence the methods adopted or the conclusions reached.	√		
4.	The valuer shall not accept an assignment, if there is any existing or proposed relationships, they or their firm or organization have that may impair, or create the appearance of impairing, their independence and evaluate the extent of that impairment. Such as, relationships with the company, its directors, management, controlling shareholders, auditors, other stakeholders or any relationship that creates, or may reasonably be perceived as creating, the valuer with an interest in the outcome of a contemplated transaction.	√		
5.	The valuer shall not be engaged in any act that could	√		

	give rise to the perception that the valuer is taking instruction from the company or other interested parties on the approach, valuation method to be used or the conclusions to be reached.			
6.	The valuer shall maintain professional knowledge and skill at the level required to ensure that clients receives competent professional service and shall act diligently in accordance with applicable technical and professional standards when proving professional service.	√		
7.	The valuer shall employ, for valuation purpose, only those individuals with appropriate knowledge, experience and high standards of integrity.	√		
8.	The valuer shall refrain from disclosing outside the firm or employing organization confidential information acquired as a result of professional and business relationship without proper and specific authority or unless there is a legal or professional right or duty to disclose. They shall not confidential information acquired as a result of professional and business relationships to their personal advantage or the advantage of any third party.	√		
9.	The valuer shall comply with relevant laws and regulations and avoid any action that the professional valuer knows may discredit the profession. They shall be honest and truthful and not make exaggerated claims for the service they offer, the qualifications they posses, the experiences they have gained.	√		
10.	The valuer shall not accept data and analysis from the company or other interested parties without critical review.	√		
11.	The valuer shall not enter into an agreement where the fee or the fee amount is dependent upon outcome of the report.	√		
12.	The valuer shat not change their report following a factual review of a draft by the company for a reason other than a change in the facts on which it was based.	√		
13.	If an agreement requires the exercise of judgement of the valuer, that judgement must be applied properly and shall not be used to overstate or understate the valuation result. The proper exercise of judgement should always have regard to the stated objectives of the standards applicable to the valuation.	√		
14.	The valuer shall have appropriate technical skills, experience and knowledge of the subject of the valuation, the market and the purpose of valuation. If requires, the valuer shall seek assistance from specialists in certain aspects of the overall assignment, providing this is disclosed in the valuation report.	√		
15.	When a valuer identifies a potential threat to their ability to comply with the Fundamental Principles, they shall decline or discontinue the assignment.	√		

Dated: Dhaka April 06, 2014	**Sd/-** **ATA KHAN & CO.** **Chartered Accountants**

ATA KHAN & CO

Chartered Accountants
67 Motijheel Commercial Area, Dhaka-1000, Bangladesh
Telephones (880-2): 956-0933, 955-2833, 956-0716

AUDITORS' REPORT
TO
The Shareholders of Ifad Autos Limited

We have audited the accompanying Statement of Financial Position of **Ifad Autos Limited** as of June 30, 2014 and the related Statement of Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity together with related notes for the year then ended. The financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Scope :

We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion :

In our opinion, the financial statements prepared in accordance with Bangladesh Accounting Standards (BAS), give a true and fair view of the state of the Company's affairs as of June 30, 2014 and of the results of it's operations and its cash flows for the year then ended and comply with the applicable sections of the Companies Act, 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

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 purposes of our audit and made due verification thereof;

b. in our opinion, proper books of account as required by the law have been kept by the Company so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit have been received from branches not visited by us;

c. the Company's balance sheet and profit and loss account dealt with by the report are in agreement with the books of account and returns;

d. the expenditure were incurred for the purpose of the Company's business;

Dated : Dhaka
18th August 2014

Sd/-
Ata Khan & Co
Chartered Accountant

IFAD AUTOS LIMITED
Statement of Financial Position (Balance Sheet)
as at 30th June, 2014

		Notes	Amount in Taka	
			30 June, 2014	**30 June, 2013**
	Source of Fund			
	Shareholders' Equity :			
	Issued, Subscribed and Paid-up Capital	13.00	937,500,000	625,000,000
	Revaluation Surplus	14.00	1,577,722,823	1,577,722,823
	Retained Earnings	15.00	1,620,821,030	1,457,014,775
			4,136,043,853	3,659,737,598
	Long-term Liabilities:			
	Long Term Loans	16.00	581,113,747	755,406,869
	Leasehold Obligations	17.00	8,641,126,021	5,329,017,861
	Security Deposits (Dealer)	18.00	15,180,000	14,775,000
			9,237,419,768	6,099,199,729
			13,373,463,621	**9,758,937,327**
	Applications of Fund			
A	**Non-Current Assets:**			
	Property, Plant & Equipment	Sch-A	2,137,852,557	2,012,420,444
			2,137,852,557	2,012,420,444
B	**Current Assets:**		13,177,336,843	9,336,628,033
	Investment in Shares	4.00	218,907,361	205,534,234
	Inventories	5.00	508,319,790	341,567,943
	Advances, Deposits and Prepayments	6.00	1,033,058,744	786,953,245
	Accounts Receivable	7.00	9,976,863,956	7,177,340,422
	Cash and Bank Balances	8.00	1,440,186,992	825,232,189
C	**Current Liabilities:**		1,941,725,779	1,590,111,150
	Accounts Payable	9.00	106,704,000	75,269,825
	Accruals and Provisions	10.00	548,323,059	277,214,484
	Bank Loans and Credits	11.00	1,185,448,270	1,006,507,416
	Advances against Sales	12.00	101,250,450	231,119,425
D	**Net Current Assets (B-C)**		11,235,611,064	7,746,516,883
E	**Total Assets (A+D)**		**13,373,463,621**	**9,758,937,327**
	Net Asset Value Per Share		**44.12**	**39.04**

The annexed notes from an integral part of these financial statements.

This is the Balance Sheet referred to in our annexed report

Sd/-	**Sd/-**	**Sd/-**	Dhaka	**Sd/-**
Director	**Managing Director**	**Chairman**	18th August 2014	Ata Khan & Co Chartered Accountants

IFAD AUTOS LIMITED

Statement of Comprehensive Income

for the year ended 30 June, 2014

Particulars	Notes	Amount in Taka 2013-2014	Amount in Taka 2012-2013
Sales Revenue	19.00	8,152,791,865	4,306,384,984
Less: Cost of Goods Sold	20.00	6,985,029,943	3,544,125,046
Gross Profit		***1,167,761,922***	***762,259,938***
Add : Other Income	21.00	96,874,498	51,123,316
		1,264,636,420	**813,383,253**
Operating Expenses:		**513,383,774**	**403,967,521**
Administrative Expenses	23.00	194,492,936	156,581,511
Selling Expenses	24.00	170,320,598	110,007,705
Financial Expenses	25.00	148,570,240	137,378,306
Net Profit before Tax		***751,252,646***	***409,415,732***
Provision for Tax		267,488,226	129,888,065
Net Profit After Tax		**483,764,420**	**279,527,667**
Other Comprehensive Income:			
Fair Value Gain/(Loss)	22.00	(7,458,165)	40,593,790
Total Comprehensive Income		**476,306,255**	**320,121,458**
Number of Shares Outstanding		**93,750,000**	**93,750,000**
Earning Per Share of Tk.10		**5.16**	**2.98**

The annexed notes from an integral part of these financial statements.

This is the income statement referred to in our annexed report

Sd/-	Sd/-	Sd/-	Dhaka	Sd/-
Director	**Managing Director**	**Chairman**	18th August 2014	Ata Khan & Co Chartered Accountants

IFAD AUTOS LIMITED
Statement of Changes in Equity
for the year ended 30th June, 2014

Amount in BDT

Particulars	Share Capital	Revaluation Surplus	Retained Earnings	Total
Balance at 01.07.12	500,000,000	1,577,722,823	1,261,893,318	3,339,616,141
Stock Dividend	125,000,000	-	(125,000,000)	-
Total Comprehensive Income for the year	-	-	320,121,458	320,121,458
Balance at 30.06.13	625,000,000	1,577,722,823	1,457,014,775	3,659,737,598
Balance at 01.07.13	625,000,000	1,577,722,823	1,457,014,775	3,659,737,598
Stock Dividend	312,500,000	-	(312,500,000)	-
Total Comprehensive Income for the year	-	-	476,306,255	476,306,255
Balance at 30.06.14	937,500,000	1,577,722,823	1,620,821,031	4,136,043,854

The annexed notes from an integral part of these financial statements.

This is the statement of changes in equity referred to in our annexed report

Sd/-	**Sd/-**	**Sd/-**	Dhaka	**Sd/-**
Director	**Managing Director**	**Chairman**	18th August 2014	Ata Khan & Co Chartered Accountants

IFAD AUTOS LIMITED
Cash Flows Statement
for the year ended 30th June, 2014

		Amount in Taka	
		2013-2014	**2012-2013**
A	**Cash Flows from Operating Activities**		
	Cash Received from Customers	5,223,399,356	3,736,403,921
	Cash Paid to Suppliers & Employees	(7,145,197,970)	(3,840,875,094)
	Cash generated from operation	(1,921,798,614)	(104,471,173)
	Interest Paid	(148,570,240)	(137,378,306)
	Income Tax Paid	(296,540,897)	(247,234,262)
	Net cash used in operating activities	(2,366,909,751)	(489,083,742)
B	**Cash Flows from Investing Activities**		
	Acquisition of Property, Plant & Equipment	(142,982,358)	(161,417,528)
	Investment in Shares Disposed/(Acquired)	(13,373,127)	5,799,137
	Net cash used in investing activities	(156,355,485)	(155,618,391)
C	**Cash Flows from Financing Activities**		
	Term Loan Received/(Re-paid)	(174,293,122)	15,236,418
	Leasehold Obligation Received	3,312,108,160	710,873,780
	Security Deposit Received	405,000	740,000
	Net cash provided by financing activities	3,138,220,038	726,850,198
D	**Net Increase/Decrease in Cash and Cash equivalent**	614,954,803	82,148,066
E	**Cash and Cash Equivalent at the beginning of the year**	825,232,189	743,084,124
F	**Cash and Cash Equivalent at the end of the year (D+E)**	1,440,186,992	825,232,189
	Operating Cash Flow Per Share	**(25.25)**	**(5.22)**

Sd/-	**Sd/-**	**Sd/-**	Dhaka	**Sd/-**
Director	**Managing Director**	**Chairman**	18th August 2014	Ata Khan & Co Chartered Accountants

IFAD AUTOS LIMITED
Notes to the Financial Statements
For the year ended 30th June, 2014

1.00 Background:

Ifad Autos Limited was incorporated on February 17,1988, vide Reg. No.-C-17301 (101)/88 under the Companies Act,1913. The objects of the Company are to carry out the business of dealings in vehicles in different sectors of Bangladesh. The Company imports different models of Ashoke Leyland, Indian Vehicles to promote in Bangladesh for the benefit of the Company.

Address of registered office and principal place of business:

The principal place of business is the registered office at Sonartori Tower (14th-18th Floor), 12 Biponon C/A.Sonargaon Road, Dhaka-1000, Bangladesh.

Number of employees:

The number of permanent employees at the year end were 603 (2013:531)

2.00 Significant Accounting Policies and Disclosures:

2.01 Basis of Accounting:

The financial statements have been prepared in accordence with International Accounting Standards (IAS)/International Financial Reporting Standards (IFRS) as adopted in Bangladesh. The accounts are prepared under historical cost convention of generally accepted accounting principles. These financial statements have been prepared under accrual basis of accounting.

2.02 Compliance with local Laws and Regulations:

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1994, Securities and Exchange Rules,1987; and other relevant local laws and regulations as applicable.

2.03 Compliance of Bangladesh Financial Reporting Standards:

The financial statements have been prepared in accordance with the applicable Bangladesh Financial Reporting Standards (BFRSs) including Bangladesh Accounting Standards (BASs)

2.04 Presentation of Financial Statements:

This is in accordance with the guidelines provided by BAS 1: Presentation of Financial Statements.

2.05 Reporting Period:

This covers from the period 1st July 2013 to 30th June 2014, consistent with earlier years.

2.06 Approval of Financial Statements:

The financial statements were approved by the Board of Directors on 18th August, 2014.

2.07 Reporting Currency:

The financial statements are prepared and presented in Bangladesh Currency (Taka), which is the Company's functional currency. All financial information presented have been rounded off to the nearest Taka except where indicated otherwise.

2.08 Comparative Information:

Comparative Information has been disclosed for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements. Comparative figures have been re-arranged wherever considered necessary to ensure better comparability with the current year without causing any impact on the profit and value of assets and liabilities as reported in the financial statements.

2.09 Risk and uncertainty for use of Estimates and Judgments:

The preparation of financial statements in conformity with BFRSs/ BASs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, and disclosure requirements for contingent assets and liabilities during and at the date of financial statements.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognized in the preiod in which the estimate is revised and in any future periods affected as required by BAS-08 Accounting Policies, Changes in Accounting Estimates and Errors.

2.10 Provisions:

In accordance with the guidelines as prescribed by BAS 37: Provisions, Contingent Liabilities and Contingent Assets, provisions are recognized in the following situations :

A. when the company has an obiligation (legal or constructive) as a result of past event;

B. when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and

C. reliable estimates can be made of the amount of the obligation.

2.11 Accrued Expenses and Other Payables:

Liabilities are recognized for the goods and services received, whether paid or not for those goods and services. Payables are not interest bearing and are stated at their nominal value.

2.12 Going Concern:

The Company has adequate resources to continue in operation for the foreseeable future. For this reason, the directors continue to adopt going concern basis in preparing the accounts. The current credit facilites and resources of the company provides sufficient fund to meet the present requirements of its existing business. The Company has negative operating cashflow as it sells in instalments also, deferring its operating cashflows.

2.13 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.

2.14 Impairment:

In accordance with the provisions of BAS-36: Impairment of Assets, the carrying amount on non-financial assets, other than inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated and impairment has been raised till to date.

2.15 Segmental Reporting:

No segmental reporting is applicable for the Company as required by BAS 14: Segment Reporting, as the Company operates in a single industry segment and within a single geographical segment.

2.16 Statement of Cash Flows:

The statement of Cash Flows has been prepared in accordance with the requirements of BAS-7: Statement of Cash Flows.

The cash generated from operating activities has been reported using the Direct Method as encouraged by BAS 7 whereby major classes of gross cash receipts and gross cash payments from operating activities are disclosed.

2.17 Raleated Party Disclosures:

Information in respect any transactions with related parties has been disclosed in a separate note as required by BAS 24: Related Party Disclosures.

2.18 Events After The Reporting Period:

In compliance with the requirements of BAS 10: Events after the Reporting Period, post balance sheet events that provide additional information about the Company's position at the balance sheet 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.

2.19 Revenue Recognition:

The revenue during the year represents revenue arising from the sale of Vehicles (including built-in body), Fuel and Lubricant and Spare Parts of Vehicles, which are recognised when delivery challan is issued, satisfying all the conditions for revenue recognition as provided in IAS 18 "Revenue Recognition".

2.20 Property, Plant and Equipment:

2.20.01 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 accumulated depreciation in compliance with the requirements of BAS 16: Poperty, 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 and non-refundable taxes. The Company has adopted "Revaluation Model" for stating property, plant & equipment on 30 June 2011, with a frequency of every four years.

2.20.02 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 assests. 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.

2.20.03 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 comprehensive income statement, which is determined with reference to the net book value of the assets and net sale proceeds.

2.20.04 Depreciation of Property,Plant and Equipment :

Depreciation is provided to amortize the cost of the assets after commissioning, over the period of their expected useful lifes, in accordance with the provisions of BAS 16: Property, Plant and Equipment. Depreciation is provided for the period in use of the assets. Depreciation is for the provided on all fixed assets except Land & Land development at the following rates on reducing balance basis over the periods appropriate to the estimated useful lives of the different types of assets. Depreciation on additions and disposal are charged at 50% of normal rate in the year of addition and deletion.

Land & Land Development	0
Building	5%
Tools & Equipment	10%
Electric Equipment	10%
Office Equipment	10%
Furniture & Fixture	10%
Motor Vehicle	10%

2.20.05 Revaluation of Lands & Buildings:

S.F.Ahmed & Co, Chartered Accountants and Value, have revalued the Lands and Land developments of the Company as of 30 June 2011 following "Net Current Cost Method" that resulted into a revalution surplus at TK. 1,417,734,514. In addition, G.K. Adjuster Ltd, Surveyor and Value, revalued Land and Buildings of the Company as of 30 June 2007 following "Present Value Method" that resulted into a revaluation surplus at TK 159,988,309.

2.21 Inventories:

Inventories are valued at the lower of cost and estimated net realisable value. The cost is assigned to the items following FIFO (First In First Out) cost formula.

2.22 Accounts Receivable:

Accounts Receivable are recognized at cost, which is the fair value of the consideration given for them.

2.23 Advances and Deposits:

Advance is initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads.Deposits are measured at payment value.

2.24 Cash and cash Equivalents:

Cash and cash equivalents are carried in the balance sheet at cost and include cash in hand and with banks on current and deposit
accounts, which are held and available for use by the Company without any restriction. There is insignificant risk of change in value of the
same.

2.25 Sales Revenue:

Sales are recognised on delivery of vehicles spare parts and lubricants (Including those sold in instalments).

2.26 Provision for Taxation :

(a) Provision is made for current tax, complying with section 82C read togetther with section 53 of the income tax ordinance 1984 at 5% of the import value,except for dividend at 20%, capital gain on shares at 10 % and interest income at 35% thereof

(b) No provision is made for deferred tax as the company provides for income tax based on "Turnover", not "Income", and accordingly, timing difference between "Income" as per accounts and taxable “Income" as per Income tax Ordinance, 1984 does not attract deferred tax.

2.27 Earning Per Share:

This has been calculated in compliance with the requirements of BAS 33: Earning per Share by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

Basic Earnings

This represents for the period attributable of ordinary shareholders. As there is no preference dividend, minority interest of extra ordinary items, the net profit for the year has been considered as fully attributable to the ordinary share holders.

Weighted Average Number of Ordinary Shares outstanding during the year has been taken at the number of ordinary shares outstanding at balance sheet date.

The basis of computation of number of shares as stated above is in line with the provisions of BAS 33: "Earning per Share."

2.28 Foreign Currency Transactions:

The financial records of the Company are maintained and the financial statements are stated in Bangladesh Taka. Foreign currency transactions are recorded at the applicable rates of exchange ruling at the transaction date.

2.29 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 paid to suppliers and employees,the shortfall being funded by finance from bank and financial institutions.

2.30 Borrowing Cost:

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

2.31 RISK FACTORS AND MANAGEMENT'S PERCEPTIONS ABOUT THE RISKS:

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.

(a) 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 rises 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.

(b) 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.

(c) 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.

(d) Market and technology-related risks:

i) 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.

ii) 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.

(e) 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.

(f) 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 oprations smooth.

(g) 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.

(h) 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.

(i) 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.

(j) 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.

3.00 General:

Figures in the annexed Financial Statements & Notes have been rounded off to the nearest Taka.

4.00 Investment in Shares: Tk. 218,907,361

The break-up of the amount is given below:

	30.06.2014	30.06.2013
Bangla Industries Ltd	26,000,000	26,000,000
GMG Airlines Ltd	50,000,000	50,000,000
City Bank Brokerage Ltd, A/C No C 034	785	994
Union Capital Ltd, A/C No1494	96,288,256	80,082,934
Envoy Textile Ltd	9,560,000	9,100,000
Prime Bank Investment Ltd, A/C No 3366	36,279,180	39,895,307
SES Company Ltd	779,140	455,000
Total	**218,907,361**	**205,534,234**

5.00 Inventories: Tk. 508,319,790

The break-up of the amount is given below:

	30.06.2014	30.06.2013
Imported Vehicles ,2014:272 Nos (2013: 189 Nos)	459,287,790	284,686,383
Other Items	49,032,000	56,881,560
Total	**508,319,790**	**341,567,943**

6.00 Advances , Deposit & Prepayments: Tk. 1,033,058,744

The break-up of the amount is given below:

	30.06.2014	30.06.2013
Advance Income Tax (6.01)	537,482,093	241,163,831
Advance Against Land & Land development	201,137,586	199,137,586
Advance Against Flat Purchases	19,960,000	19,960,000
Advance Against House Rent	9,975,616	8,000,816
Salary Advance	7,770,355	2,699,725
Advance against Share of Ifad Salt & Chemical Ltd.	30,000,000	30,000,000
Other Advances	37,284,232	57,705,013
Total Advances	843,609,882	558,666,972
L/C Bank Margin	112,291,585	157,736,251
Security Deposit (6.02)	77,157,277	70,550,022
Total Deposits	189,448,862	228,286,273
Total	**1,033,058,744**	**786,953,245**

6.01 Advance Income Tax: Tk. 537,482,093

The break-up of the amount is given below:

	30.06.2014	30.06.2013
Advance Income Tax-2008-09	-	27,559
Advance Income Tax-2009-10	-	520,948
Advance Income Tax-2011-12	142,808,839	123,381,063
Advance Income Tax-2012-13	153,097,131	117,234,261
Advance Income Tax-2013-14	241,576,123	-
Total	**537,482,093**	**241,163,831**

6.02 Security Deposit : Tk. 77,157,277

The break-up of the amount is given below:

	30.06.2014	30.06.2013
Lease Deposit	76,366,277	69,809,022
Earnest Money	706,500	656,500
Others Security Deposit	84,500	84,500
Total	**77,157,277**	**70,550,022**

7.00 Accounts Receivable: Tk. 9,976,863,956

The break-up of the amount is given below:

	30.06.2014	30.06.2013
Trade Receivables	9,976,863,956	7,177,340,422
Total	**9,976,863,956**	**7,177,340,422**

These receivables are against instalments, due from customers whose vehicles are charged in favour of the Company or its banks/financial institutions.

8.00 Cash & Cash Equivalents : Tk. 1,440,186,992

	30.06.2014	30.06.2013
Cash in Hand	23,458,956	13,141,953
Cash at Bank (8.01)	1,416,728,036	812,090,236
Total	**1,440,186,992**	**825,232,189**

8.01 Cash at Bank: Tk. 1,416,728,036

The break-up of the amount is given below:

	30.06.2014	30.06.2013
CD Accounts	170,184,382	135,214,339
STD Accounts	414,277,526	76,128,209
FDR	832,152,771	600,633,332
Balance with Brokerage House	113,357	114,357
Total	**1,416,728,036**	**812,090,236**

9.00 Accounts Payable : Tk. 106,704,000

The break-up of the amount is given below:

	30.06.2014	30.06.2013
Greenland Traders	15,067,718	17,831,478
Complant Enterprise Ltd	2,433,323	6,884,978
Other Payables	89,202,959	50,553,369
Total	**106,704,000**	**75,269,825**

Accruals and Provisions:	**Tk. 548,323,059**	**30.06.2014**	**30.06.2013**
The break-up of the amount is given below:			
Salary & Allowances		7,945,587	6,283,826
Remuneration		2,793,000	2,793,000
Audit Fees		345,000	345,000
Wages		1,166,220	987,747
Telephone,Mobile&Internet Bills		478,097	437,245
Electric Bills		191,834	178,436
Office Rent & Others		367,020	43,700
Security Service		37,455	97,591
Provision for Value Added Tax		8,151,779	6,466,463
Provision for Tax		526,847,067	259,581,476
Total		**548,323,059**	**277,214,484**

11.00 Bank Loans and Credits: **Tk. 1,185,448,270**

The break-up of the amount is given below:

Bank Name	**30.06.2014**	**30.06.2013**
Mercantile Bank Ltd (LTR)	21,686,679	49,390,835
National Credit & Commerce Bank Ltd (LTR)	28,517,067	55,642,331
Bank Asia Ltd (LTR)	55,459,271	31,421,709
Al Arafah Islami Bank Ltd (LTR)	197,412,556	83,940,343
Jamuna Bank Ltd (LTR)	88,113,001	58,542,594
Premier Bank Ltd (LTR)	42,209,093	41,970,843
Standard Bank Ltd (LTR)	-	36,388,736
Exim Bank Ltd (LTR)	-	42,846,339
United Commercial Bank Ltd (LTR)	16,494,173	46,159,892
Shahjalal Islami Bank Ltd (LTR)	70,704,832	116,151,056
IFIC Bank Ltd (LTR)	14,981,194	11,243,792
Brac Bank Ltd (LTR)	8,969,597	78,951,091
Bank Alfalah Bangladesh Ltd (LTR)	-	6,081,032
One Bank Ltd (LTR)	182,124,798	77,010,000
Commercial Bank of Ceylon (LTR)	-	48,739,000
Trust Bank Ltd (LTR)	60,865,093	21,783,105
Modhumoti Bank (LTR)	40,265,111	-
NRB Commercial Bank (LTR)	1,529,988	-
SIBL (LTR)	22,557,440	-
South Bangla (LTR)	16,681,573	-
Mercantile Bank Ltd (SOD)	10,072,092	24,713,653
Bank Asia Ltd (SOD)	31,137,158	21,062,504
Standard Bank Ltd (SOD)	19,413,558	13,408,602
IFIC Bank Ltd (SOD)	23,346,918	14,207,116
Premier Bank Ltd (SOD)	37,054,632	3,931,619
Brac Bank Ltd (SOD)	8,231,749	54,143,508
Trust Bank Ltd (SOD)	35,208,630	2,278,344
Commercial Bank of Ceylon (SOD)	-	8,644,989
Modhumoti Bank (SOD)	10,897,632	-
NRB Commercial Bank (SOD)	3,268,870	-
SIBL (SOD)	10,307,899	-
South Bangla (SOD)	15,178,024	-
Commercial Bank of Ceylon (OD)	25,315,475	3,745,522
Union Capital Ltd A/C 1494 (Margin Loan)	61,160,124	25,838,741
Prime Bank Investment Ltd, A/C 3366 (Margin Loan)	26,284,043	28,270,121
Total	**1,185,448,270**	**1,006,507,416**

These are secured against personal gurantee of the directors of the Company, at rates varying from 15 % to 17 % per annum, repayable within 6 months.

12.00 Advance against sales: Tk. 101,250,450

	30.06.2014	30.06.2013
The break-up of the amount is given below:		
Advance against sale of Vehicles	101,250,450	231,119,425
Total	**101,250,450**	**231,119,425**

13.00 Share Capital : Tk.937,500,000

13.01 <u>Authorised Capital :</u> Tk. 2,000,000,000

	30.06.2014	30.06.2013
200,000,000 ordinary shares of tk. 10/- each	**2,000,000,000**	**2,000,000,000**

13.02 <u>Issued, Subscribed, Called-up & Paid-up Capital :</u> Tk. 937,500,000

93,750,000 ordinary shares of tk. 10/- each fully Paid-up	**937,500,000**	**625,000,000**

<u>The Shareholding position of the Company is as under :</u>

Name	No. of Shares	Percentages (%)	Amount (Tk.)
Mr. Iftekhar Ahmed Tipu	38,437,500	41	384,375,000
Mrs. Nilufar Ahmed	9,375,000	10	93,750,000
Mr. Tanveer Ahmed	8,437,500	9	84,375,000
Mr. Taskeen Ahmed	8,437,500	9	84,375,000
Mr.Tasfeen Ahmed	7,500,000	8	75,000,000
Ifad Multiproducts Ltd	2,250,750	2	22,507,500
Ifad Enterprises Ltd	2,250,750	2	22,507,500
Ifad Agro Complex Ltd	1,000,000	1	10,000,000
Ifad Salt & Chemical Ltd.	1,585,875	2	15,858,750
Others	14,475,125	15	144,751,250
Total	**93,750,000**	**100**	**937,500,000**

14.00 Revaluation Surplus: Tk. 1,577,722,823

	30.06.2014	30.06.2013
The break-up of the amount is given below:		
Year ended 30 June 2011	1,417,734,514	1,417,734,514
Year ended 30 June 2007	159,988,309	159,988,309
Total	**1,577,722,823**	**1,577,722,823**

15.00 Retained Earnings: Tk. 1,620,821,030

	30.06.2014	30.06.2013
The break-up of the amount is given below:		
Opening Balance	1,457,014,775	1,261,893,318
Dividend	(312,500,000)	(125,000,000)
Total Comprehensive Income for the year	476,306,255	320,121,458
Total	**1,620,821,030**	**1,457,014,775**

16.00 Term Loans: Tk. 581,113,747

	30.06.2014	30.06.2013
The break-up of the amount is given below:		
Mercantile Bank Ltd, Term Loan	151,405,719	199,533,969
Shahjalal Islami Bank Ltd, Term Loan	245,479,721	302,310,263
International Finance Investment & Commerce Bank Ltd,Term Loan	112,135,660	153,073,748
NRB Commercial Bank Ltd,Term Loan	72,092,647	100,488,889
Total	**581,113,747**	**755,406,869**

Term Loans were taken from above mentioned banks against charge over lands and buildings, with interest at rates varying from 15% to 19% per annum for 5 years. Under the agreements, repayment will be made by equal 60 instalments for all banks, taking 3 months grace period.

17.00 Leasehold Obligation: Tk. 8,641,126,021

The break-up of the amount is given below:

	30.06.2014	30.06.2013
Mercantile Bank Ltd	463,959,933	194,963,356
United Commercial Bank Ltd	255,183,903	244,665,888
Bank Alfalah (Bangladesh) Ltd	36,357,776	26,183,722
One Bank Ltd	495,723,003	287,825,845
Prime Finance & Investment Ltd	403,173,580	383,990,205
Premier Bank Ltd	475,574,257	65,863,911
Al Arafah Islami Bank Ltd	954,874,021	667,376,831
Standard Bank Ltd	253,940,281	226,452,721
Jamuna Bank Ltd	93,140,948	53,630,962
National Credit & Commerce Bank Ltd	364,415,610	233,646,664
Social Investment Bank Ltd	297,844,320	35,750,562
Shahjalal Islami Bank Ltd	343,793,316	344,640,408
Bank Asia Ltd	365,354,678	302,143,560
GSP Finance Co (BD) LTD	-	10,294,757
NRB Commercial Bank Ltd.	375,448,930	-
Trust Bank Ltd.	308,918,604	-
Uttara Bank Lease Finance Unit	-	10,073,093
Bangladesh Industrial Finance Company Ltd	66,714,522	46,467,819
Peoples Leasing & Finanacial Service Ltd	95,633,772	27,695,002
Fareast Finance & Investment Ltd	279,161,330	45,006,710
International Leasing & Financial Service Ltd	52,953,500	108,266,750
National Finance Ltd	434,118,910	221,493,193
Bangladesh Finanace Investment Company Ltd	384,067,990	254,887,648
Islami Finance & Investment Ltd	160,556,585	231,208,776
Union Capital Ltd	316,448,380	217,674,832
First Lease Finanace & Investment Ltd	280,897,350	195,614,470
Premier Leasing & Finance Ltd	82,535,807	17,987,825
National Housing Finance And Investment Ltd	70,303,081	101,463,689
IDLC Finance Ltd	31,386,741	45,512,673
Phoenix Finance & Investments Ltd	225,679,513	226,019,507
Uttara Bank Ltd	322,501,905	444,976,482
Modhumoti Bank Ltd	99,251,876	-
South Bangla Agricultuer and Commarce Bank Ltd	74,490,721	-
Commercial Bank of Ceylon	176,720,878	57,240,000
Total	**8,641,126,021**	**5,329,017,861**

Leasehold Obligations were made with above mentioned banks and financial institutions against vehicles, per annum at rates varying from 15% to 19% for 4-5 years. Under the agreements, repayments will be made by equal instalments during obligation period.

18.00 Security Deposit (Dealer) Tk. 15,180,000

The break-up of the amount is given below:

	30.06.2014	30.06.2013
Security Deposit (Revolving)	14,710,000	14,305,000
Security Deposit (Fixed)	470,000	470,000
Total	**15,180,000**	**14,775,000**

19 Sales Revenue : Tk. 8,152,791,865

The break-up of the amount is given below:

	Amount in Taka	
	2013-2014	**2012-2013**
Sales of Vehicles, Spare Parts and Fuel, 2014: 3957 Nos (2013: 1737 Nos)	8,152,791,865	4,306,384,984
Total	**8,152,791,865**	**4,306,384,984**

20.00 Cost of Goods Sold **Tk. 6,985,029,943**

The break-up of the amount is given below:

	2013-2014	2012-2013
Cost of Imported Vehicles	7,099,329,360	3,612,844,212
Wages	15,067,373	13,549,095
Servicing Charge	3,465,047	3,099,733
Warranty Expenses	586,846	630,456
Quality Control Expenses	1,539,509	976,555
Electricity Expenses	891,900	462,882
Delivery Expenses	433,512	150,245
Documantation & Service Charges	15,701,999	14,922,201
Bank Charges for PAD	721,440	263,949
Security Service Charge	605,364	1,213,478
Vehicle Mobile Set	9,822,600	3,982,200
Service Center Rent	2,602,110	2,063,170
Spare Parts & Tools	1,014,730	600,350
	7,151,781,790	**3,654,758,525**
Finished Goods (Opening)	341,567,943	230,934,464
Finished Goods (Closing)	(508,319,790)	(341,567,943)
Cost of Goods Sold	**6,985,029,943**	**3,544,125,046**

21.00 Non Operating Income : **Tk. 96,874,498**

The break-up of the amount is given below:

	2013-2014	2012-2013
Interest on Fixed Deposit	80,837,506	48,905,454
Interest on STD	8,283,407	3,401,262
Interest on CD	489,937	-
Capital Gain/(Loss) from Share Investment (21.01)	4,478,129	(3,662,075)
Dividend Income	2,785,519	2,478,675
Total	**96,874,498**	**51,123,316**

21.01 Capital Gain from Share Investment : **Tk. 4,478,129**

The break-up of the amount is given below:

	2013-2014	2012-2013
Realised Gain	4,478,129	(3,662,075)
Total	**4,478,129**	**(3,662,075)**

22.00 Other Comprehensive Income : **Tk. (7,458,165)**

The break-up of the amount is given below:

	2013-2014	2012-2013
Fair Value (Loss)/Gain	(7,458,165)	40,593,790
Total	**(7,458,165)**	**40,593,790**

23.00 Office & Administrative Expenses : **Tk. 194,492,936**

The break-up of the amount is given below:

	2013-2014	2012-2013
Conveyance	2,935,991	1,987,697
Electricity Expenses	2,590,185	2,695,163
Entertainment	6,351,993	3,521,630
Office Stationary	4,763,787	3,331,515
Registration & Fees	1,143,385	779,570
Office Maintenance	19,022,175	16,930,274
Travelling Expenses	17,242,789	10,056,479
Postage Expenses	2,765,308	1,021,044
Rent, Rates & Taxes	8,511,742	5,561,553
Telephone Expenses	6,078,389	5,810,509
Salaries & Allowances	56,961,293	44,730,728
Directors' Remuneration	43,200,000	43,200,000

Vehicle Insurance	4,020,516	1,909,216
Gas Charge	261,767	216,687
Stamp Expenses	1,889,120	1,064,900
Audit Fee	300,000	300,000
VAT on Audit Fees	45,000	45,000
VAT on Expenses	859,251	692,540
Depreciation	15,550,245	12,727,006
Total	**194,492,936**	**156,581,511**

24.00 Selling Expenses : Tk. 170,320,598

The break-up of the amount is given below:

	2013-2014	2012-2013
Advertisement & Publicity	1,761,044	2,491,247
Inspecting Charges	496,906	131,719
Marketing Expenses	34,321,967	27,334,129
Entertainment	7,382,169	3,304,082
Travelling Expenses	10,094,400	7,677,795
Dealers' Commission	65,498,000	34,304,000
Salaries & Allowances	37,974,196	29,820,486
VAT on Expenses	2,885,316	1,745,847
Recovery Expenses	9,906,600	3,198,400
Total	**170,320,598**	**110,007,705**

25.00 Financial Expenses : Tk. 148,570,240

The break-up of the amount is given below:

	2013-2014	2012-2013
Bank Charges & Commission	14,411,722	11,992,807
Interest on Loans and Credits	134,158,518	125,385,499
Total	**148,570,240**	**137,378,306**

26.00 Contingent liabilities:

The Company is contingently liable for instalment sales receivable against lease finance to customers by banks and financial institutions aggregating TK 786,460,566 as at 30 June, 2014 (2013: TK 1,258,455,222)

27.00 Related Party Disclosure:

Transaction with Key Management Personnel of the Company:

Particulars	**2013-2014**	**2012-2013**
(a) Managerial Remuneration paid or payable during the year to the directors, including managing directors or manager	43,200,000	43,200,000
(b) Any other perquisites or benefits in cash or in kind stating, approximate money value where applicable.	Nil	Nil
(c) Other allowances and commission including guarantee commission	Nil	Nil
(d) 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	Nil	Nil
(e) Share Based payments	Nil	Nil
(f) Related parties Assets/(Liabilities)	Nil	Nil

Sd/-	**Sd/-**	**Sd/-**
Director	**Managing Director**	**Chairman**

IFAD AUTOS LIMITED

Schedule of Fixed Assets as on 30th June, 2014

Schedule -A

Particulars	Written Down Value or Revaluation				Rate	Depreciation	Written Down Value at 30.06.14
	Balance on 01.07.13	Additions during the year	Disposal during the year	Balance at 30.06.14		Charged during the year	
Lands & Land Development	1,846,004,225	73,380,045	-	1,919,384,270		-	1,919,384,270
Buildings	85,795,196	7,269,313	-	93,064,509	5%	4,471,493	88,593,017
Tools & Equipment	5,176,626	355,055	-	5,531,681	10%	535,415	4,996,265
Electric Equipment	1,470,502	567,124	-	2,037,626	10%	175,406	1,862,219
Office Equipment	6,415,946	1,838,094	-	8,254,040	10%	733,499	7,520,541
Furniture & Fixtures	3,540,282	1,279,580	-	4,819,862	10%	418,007	4,401,855
Motor Vehicles	64,017,666	56,293,147	-	120,310,813	10%	9,216,424	111,094,389
Total of 30.06.2014	**2,012,420,444**	**140,982,358**	**-**	**2,153,402,802**		**15,550,245**	**2,137,852,557**
Total of 30.06.2013	**1,863,729,922**	**161,417,528**	**-**	**2,025,147,450**		**12,727,006**	**2,012,420,444**

Sd/-
Director

Sd/-
Managing Director

Sd/-
Chairman

IFAD AUTOS LIMITED

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

As required under section 135 (1), Para 24(1), Part – II of Schedule III of the Companies Act, 1994, IFAD AUTOS LIMITED prepared the following statements of its assets and liabilities, operating results and cash flows for the year ended 30 June 2014, 2013, 2012, 2011 and, 2010 and submitted those to us for our working and for issuance of our confirmation thereon.

We, accordingly, have reviewed the relevant audited financial statements and hereby confirm that the following information has been correctly extracted from those audited financial statements:

A. The Statement of Assets and Liabilities of the company as under:

As at	30/06/2014	30/06/2013	30/06/2012	30/06/2011	30/06/2010
Assets:					
Non-current assets					
Property, plant & equipment, net	2,137,852,557	2,012,420,444	1,863,729,922	1,797,429,185	235,962,385
Investment in shares	218,907,361	205,534,234	211,333,371	243,253,628	152,887,933
Total non-current assets	**2,356,759,918**	**2,217,954,678**	**2,075,063,293**	**2,040,682,813**	**388,850,318**
Inventories	508,319,790	341,567,943	230,934,464	164,730,067	216,528,887
Account receivables	9,976,863,956	7,177,340,422	6,520,813,303	6,505,579,332	4,895,484,372
Advances, deposits & pre-payments	1,033,058,744	786,953,245	801,820,813	941,415,136	584,715,122
Cash & bank balances	1,440,186,992	825,232,189	743,084,124	630,530,156	424,967,208
Total current assets:	**12,958,429,482**	**9,131,093,799**	**8,296,652,704**	**8,242,254,691**	**6,121,695,589**
Total assets	**15,315,189,400**	**11,349,048,477**	**10,371,715,997**	**10,282,937,504**	**6,510,545,907**
Equity & liabilities:					
Capital And reserves					
Share capital	937,500,000	625,000,000	500,000,000	500,000,000	10,000,000
Retained earnings	1,620,821,030	1,457,014,775	1,261,893,318	1,189,777,442	648,998,491
Revaluation Surplus	1,577,722,823	1,577,722,823	1,577,722,823	1,577,722,823	159,988,309
Proposed Bonus Share	-	-	-	-	200,000,000
Total equity	**4,136,043,853**	**3,659,737,598**	**3,339,616,141**	**3,267,500,265**	**1,018,986,800**
Non-current liabilities:					
Long-term borrowings	581,113,747	755,406,869	740,170,451	407,033,139	468,250,499
Lease finance	8,641,126,021	5,329,017,861	4,618,144,080	5,231,243,649	3,726,223,715
Security Deposit (Dealer)	15,180,000	14,775,000	14,035,000	11,260,000	9,150,000
Total non-current liabilities:	**9,237,419,768**	**6,099,199,730**	**5,372,349,531**	**5,649,536,788**	**4,203,624,214**
Current Liabilities:					
Current maturity: lease finance					
Short-term loan	1,185,448,270	1,006,507,416	1,021,568,909	820,078,820	888,616,422
Advances against sales	101,250,450	231,119,425	144,573,369	138,074,905	164,074,905
Accounts payable	106,704,000	75,269,825	89,390,608	102,785,411	62,744,654
Accrued expenses and other payables	548,323,059	277,214,484	404,217,439	304,961,315	172,498,915
Total current liabilities	**1,941,725,779**	**1,590,111,150**	**1,659,750,325**	**1,365,900,451**	**1,287,934,896**
Total liabilities	**11,179,145,547**	**7,689,310,880**	**7,032,099,856**	**7,015,437,239**	**5,491,559,107**
Total equity & liabilities	**15,315,189,400**	**11,349,048,478**	**10,371,715,997**	**10,282,937,504**	**6,510,545,910**
Net Asset Value Per share (	**44.12**	**39.04**	**53.43**	**65.35**	**1018.99**

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

For the year ended	30/06/2014	30/06/2013	30/06/2012	30/06/2011	30/06/2010
Sales	8,152,791,865	4,306,384,984	4,152,476,029	4,981,510,692	4,533,830,558
Less: Cost of sales	6,985,029,943	3,544,125,046	3,441,510,631	4,049,142,739	3,724,405,190
Gross profit	**1,167,761,922**	**762,259,938**	**710,965,398**	**932,367,953**	**809,425,368**
Less: Operating expenses	**513,383,774**	**403,967,521**	**329,479,397**	**280,138,446**	**228,689,482**
Administrative expenses	194,492,936	156,581,511	149,151,456	88,869,585	68,723,029
Selling expenses	170,320,598	110,007,705	93,116,202	114,100,921	91,630,193
Financial expenses	148,570,240	137,378,306	87,211,739	77,167,940	68,336,260
Operating Profit	**654,378,148**	**358,292,417**	**381,486,001**	**652,229,507**	**580,735,886**
Add: Non-operating income(expenses)	96,874,498	51,123,316	26,278,174	18,397,096	34,583,714
Profit before tax	**751,252,646**	**409,415,732**	**407,764,175**	**670,626,603**	**615,319,600**
Less: Income tax expenses	267,488,226	129,888,065	129,470,777	129,847,651	79,444,261
Net Profit for the year	**483,764,420**	**279,527,667**	**278,293,398**	**540,778,952**	**535,875,339**
Add: other Comprehensive Income					
Fair Value Gain/(Loss)	**(7,458,165)**	**40,593,790**	**(26,988,613)**	-	-
Total Comprehensive Income	**476,306,255**	**320,121,457**	**251,304,785**	**540,778,952**	**535,875,339**
Earnings Per Share (EPS) (BASIC)	**5.16**	**4.47**	**5.57**	**10.82**	**5,358.75**
Earnings per Share (EPS) (RESTATED)	**5.16**	**2.98**	**2.96**	**5.76**	**5.71**

C. Statement of Cash Flows as follows:

For the year ended	**30/06/2014**	**30/06/2013**	**30/06/2012**	**30/06/2011**	**30/06/2010**
A. Cash flows from operating activities					
Receipts from customers & others	5,223,399,356	3,736,403,921	3,231,199,092	3,345,415,732	2,631,836,083
Payments for costs & expenses	(7,145,197,970)	(3,840,875,094)	(3,436,985,925)	(4,430,051,826)	(3,631,399,260)
Financial expenses paid	(148,570,240)	(137,378,306)	(87,211,739)	(77,167,940)	(68,336,260)
Income tax paid	(296,540,897)	(247,234,262)	(133,245,087)	(127,159,743)	(129,745,765)
Net cash generated by/(used in) operating activities	**(2,366,909,751)**	**(489,083,741)**	**(426,243,659)**	**(1,288,963,777)**	**(1,197,645,202)**
B. Cash flows from investing activities					
Acquisition of property, plant & equipment	(142,982,358)	(161,417,528)	(79,476,804)	(151,020,155)	(31,997,620)
Disposal of property, plant & equipment	-		1,000,000		
Investment in Share (acquired)/disposal	(13,373,127)	5,799,137	31,920,257	(90,365,695)	(121,587,843)
Net cash used in investing activities	**(156,355,485)**	**(155,618,391)**	**(46,556,547)**	**(241,385,850)**	**(153,585,463)**
C. Cash flows from financing activities					
Issued share capital	-	-	-	290,000,000	-
Dividend Paid	-	-	(50,000,000)	-	-
Security Deposit received	405,000	740,000	2,775,000	2,110,000	3,595,000
Received from/(Repaid to) long-term borrowings	(174,293,122)	15,236,418	333,137,312	(61,217,360)	14,561,110
Received from/(Repaid to) lease finance	3,312,108,160	710,873,780	299,441,863	1,505,019,933	1,540,694,147
Net cash inflow from financing activities	**3,138,220,038**	**726,850,198**	**585,354,175**	**1,735,912,573**	**1,558,850,257**
D. Net cash inflows/(outflows) in this year (A+B+C)	**614,954,802**	**82,148,066**	**112,553,969**	**205,562,946**	**207,619,592**
E. Cash and cash equivalents at beginning of year	**825,232,190**	**743,084,124**	**630,530,156**	**424,967,208**	**217,347,616**
F. Cash and cash equivalents at end of year (D+E)	**1,440,186,992**	**825,232,190**	**743,084,125**	**630,530,154**	**424,967,208**

D. Dividend

For the year ended June 30 ,	**30/06/2014**	**30/06/2013**	**30/06/2012**	**30/06/2011**	**30/06/2010**
Cash dividend	**Nil**	**Nil**	**Nil**	**10%**	**Nil**
Stock dividend	**Nil**	**50%**	**25%**	**Nil**	**200.0%**

E. The Company was incorporated on 17th FEBRUARY, 1988;

F. The Company has no subsidiaries

G. No proceeds or part of proceeds of the issue of shares were applied directly or indirectly by the company in the purchase of any other business,

H. The Company did not prepare any financial statements for any year subsequent to 30th June 2014; and

I. Figures related to previous years have been re-arranged whenever considered necessary

Sd/-
Ata Khan& Co.
Chartered Accountants
Dhaka, 18 August 2014

Auditors’ Certificate on calculation of various accounting ratios for the years ended 30 June 2014, 2013, 2012, 2011 and 2010.

We have examined the following accounting ratios of IFAD AUTOS LIMITED for the year ended 30 June 2014, 2013, 2012, 2011, and 2010, as submitted to us by its management. The preparation of these ratios is the responsibility of the Company’s management. Our responsibility is to review them and certify as to whether they have been properly prepared using acceptable principles on the basis of audited financial statements for the year ended 30 June 2014, 2013, 2012, 2011 and 2010.

Based on our review, we hereby certify that the Company has properly prepared the following ratios for the years as stated below:

Particulars	30/06/2014	30/06/2013	30/06/2012	30/06/2011	30/06/2010
I. Liquidity Ratios					
Current ratio	6.79:1	5.74:1	5.00:1	6.03:1	4.75:1
Quick ratio	6.52:1	5.53:1	4.86:1	5.91:1	4.58:1
Times interest earned	6.06:1 TIMES	3.98 TIMES	5.68 Times	9.69 Times	10.00 Times
Debt-equity ratio	2.23:1	1.67:1	1.61:1	1.73:1	4.13:1
II. Operating Ratios					
Accounts receivable turnover ratio (times)	1.52 TIMES	0.63 TIMES	0.64 Times	0.87 Times	1.12 Times
Assets turnover ratio (times)	0.53 TIMES	0.38 TIMES	0.40 Times	0.48 Times	0.70 Times
Inventory turnover ratio (times)	16.44 TIMES	12.38 TIMES	17.40 Times	21.24 Times	21.47 Times
III. Profitability Ratios					
Gross margin ratio (%)	14.00%	18.00%	17.00%	19.00%	18.00%
Operating income ratio (%)	9.85%	12.00%	11.29%	14.64%	14.32%
Net income ratio (%)	5.93%	6.00%	6.70%	10.86%	11.82%
Return on assets ratio (%)	6.73%	6.00%	5.68%	8.39%	13.09%
Return on equity (after tax) (%)	11.70%	8.00%	8.33%	16.55%	52.59%
Earnings per share of Tk. 10 each*	*5.16	*4.47	*5.57	*10.82	5358.75
Number of shares outstanding	93.750,000	62,500,000	50,000,000	50,000,000	100,000
Face value* per share Tk.	10	*10	*10	*10	100

*The face value of share of the company has been denominated from Tk 100 to Tk 10 on 28-10-2010. So, EPS has been calculated as per new face value of share.

Sd/-
Ata Khan& Co.
Chartered Accountants
Dhaka, 18 August 2014

*Current ratio and quick ratio of the company for the year ended on June 30, 2014 was calculated based on the audited financial statement of the company. However, the calculation of ratios of the previous years was calculated as per Section – 135 (1), Para 24 (1), of Part II of Schedule – III of the Companies Act, 1994.

শেয়ার বাজারে বিনিয়োগ ঝুঁকিপূর্ণ । জেনে ও বুঝে বিনিয়োগ করুন ।

"Interested persons are entitled to a prospectus, if they so desire. Copies of prospectus may be obtained from the issuer and the issue manager"

IFAD Autos Limited

APPLICATION FORM

APPLICATION FOR SHARES BY OTHER THAN NON-RESIDENT BANGLADESHIS

Warning: Please read the instructions on the back of this form. Incorrectly filled Applications or Applications failing to comply with any of the instructions therein may be rejected.

The Managing Director
IFAD Autos Limited
Sonar Tori Tower (15th & 16th Floor)
12, Bipanan C/A, Sonargaon Road
Dhaka-1000

Bankers Sl. No.

Dear Sir,

I/we apply for and request you to allot me/us ………………. numbers of Shares and I/we agree to accept the same or any smaller number that may be allotted to me/us upon terms of the Company's Prospectus approved by the Securities and Exchange Commission subject to the Memorandum and Articles of Association of the Company. Further, I/we authorize you to place my/our name(s) on the Register of Member(s) of the Company and deposit the said ordinary shares in my Beneficiary Owner ("BO") account; I/we further authorize you to send a crossed (Account Payee only) cheque in respect of any Application money refundable to me/us by post/courier at my/our risk to the first applicant's address stated below:

1. No. of Ordinary Shares ....of Tk. 10.00 each at Tk.30.00including premium of Tk. 20.00per share.

2. Amountof Tk. (in figures) ....Taka (in words)..only deposited vide cash/Cheque/Draft/Pay Order No.............................Dated................................on……………….. Bank..Branch.

3. Beneficiary Owner (BO) A/C No.

(If you do not mention your valid BO A/C No. your application will be treated as invalid)

4. I/we agree to fully abide by the instructions given herein.

5. Particulars of Applicant

a) Sole/First Applicant

Name:	
Father's/Husband's Name:	
Mother's Name:	
Postal Address:	
Phone Number* (If any):	
Occupation:	Nationality:
For Refund Warrant: For Refund Warrant (Application will not be treated as valid if any one uses a non-scheduled bank to avoid this complication, investors are requested not to use the name of any non-schedule bank) please write the correct and full name of bank and branch.	
For Refund Purpose: I/We want refund through☐ Bank Account*☐rier/Hand delivery (Please put tick mark in which refund will be made)	
Applicants Bank A/c no. Name of the Bank:	 Branch :

b) Second Applicant

Name:	
Father's/Husband's Name:	
Mother's Name:	
Postal Address:	
Phone Number* (If any):	
Occupation:	Nationality:

6. I/we hereby declare that I/we have read the Prospectus of **IFAD Autos Limited** and have willingly subscribed for ………… No.of Ordinary Shares of Tk. 10.00 each at Tk. 30.00including premium of Tk. 20.00per share.

7. Specimen Signature(s):

(i) Name (in Block Letters)		Signature:
(ii) Name (in Block Letters)		Signature:

* In case of deposit into the applicants' bank account, the applicant will bear the applicable service charge, if any, of the applicants' banker and the issuer shall simultaneously issue a letter of intimation to the applicant containing, among others, the date and amount remitted with details of the bank through and to which bank such remittance has been effected.

BANKERS' ACKNOWLEDGEMENT

Certified that this Bank has received Tk. (in figures)………………… (in word …………………………………) only from ./Mrs./Ms…………………………………………being the Application money for …………Ordinary Shares of **IFAD Autos Limited**

Banker's SL. No. **Seal & Date** **Authorized Signature**

(Name & Designation)

INSTRUCTIONS

1. As per provision of the Depository Act, 1999 and regulations made there under shares will only be issued in dematerialized condition. Please mention your BO (Beneficiary Owner) account number in the Application Form. If you do not mention your valid BO (Beneficiary Owner) Account, your application will be treated as invalid.
2. All information must be typed or written in full (in block letters) in English or in Bengali and must not be abbreviated.
3. Application must be made on the Company's printed form/photocopy or on typed copy/hand written form thereof.
4. Application must not be for less than **200 ordinary shares** and must be for a multiple of **200 ordinary shares**. Any application not meeting these criterions will not be considered for allotment purpose.
5. Remittance for the full amount of the shares must accompany each application and must be forwarded to any of the Bankers' to the Issue. Remittance should be in the form of cash/cheque/bank draft/pay order payable to one of the Bankers' to the Issue favoring **"IFAD AUTOS LTD. "** and crossed **"A/C Payee only"** and must be drawn on a bank in the same town as the bank to which the application form has been sent.
6. In the case of a joint application form, the Allotment letter will be dispatched to the person whose name appears first on this application form and where amount is refundable in whole or in part the same will be refunded by Account Payee cheque by post/courier service to the person named first on this application form in the manner prescribed in the Prospectus.
7. Joint application form for more than two persons will not be accepted. In case of joint application, each party must sign the application form.
8. Applications must be in the full name of individuals or companies or societies or trusts and not in the name of firms, minors or persons of unsound mind. Application from financial and market intermediary companies and private companies must be accompanied by Memorandum of Association and Articles of Associations and Certificate of Incorporation.
9. **An applicant cannot submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.**
10. No receipt will be issued for the payment made with application, but the bankers will issue a provisional acknowledgement to the issue for application lodged with them.
11. In the case of non-allotment of securities, if the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the Bankers to the Issue, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms. Otherwise, refund will be made only through "Account Payee" cheque(s) showing bank account number and name of bank and branch as mentioned in the application payable at Dhaka or Chittagong, as the case may be.
12. Allotment shall be made solely in accordance with the instructions of the Bangladesh Securities and Exchange Commission BSEC.
13. Making of any false statement in the application or supplying of incorrect information there in or suppressing any relevant information in the application shall make the application liable to rejection and subject to forfeiture of 25% of the application money and/or forfeiture of share (unit) before and after issuance of the same by the issuer. The said forfeited application money of share (unit) will be deposited in the account of Bangadesh Securities and Exchange Commission (BSEC). This is in addition to any other penalties as may be provided for by the law.
14. Applications which do not meet the above requirements, or applications, which are incomplete, shall not be considered for allotment purpose.
15. The Bankers' to the Issue shall be obliged to receive the A/C Payee Cheque(s) on the closing day of the subscription of the IPO.
16. **No sale of securities shall be made nor shall any money be taken from any person, in connection with such sale until 25 (twenty five) days after the prospectus have been published.**
17. **The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% of their subscription money too.**

Banker to the Issue

Bank Asia Limited		
Principal Office Branch, Dhaka MCB Dilute Branch, Dhaka Corporate Branch, Dhaka Scotia Branch, Dhaka Dhanmondi Branch, Dhaka Mitford Branch. Dhaka Gulshan Branch, Dhaka NorthSouth Road Branch, Dhaka MCB Banani Branch, Dhaka Bashundhara Branch, Dhaka Uttara Branch, Dhaka Mirpur Branch, Dhaka	Mohakhali Branch, Dhaka Shantinagar Branch, Dhaka Paltan Br., Dhaka Shyamoli Br., Dhaka Progoti Sarani Br., Dhaka Agrabad Branch, Chittagong Khatunganj Branch, Chittagong MCB Sk. Mujib Road Br., Chittagong CDA Avenue Branch, Chittagong Station Road Branch, Chittagong Anderkilla Branch, Chittagong	Bahadderhat Branch, Chittagong Moghbazar Br., Chittagong Kamal Bazar Br., Chittagong Patherhat Br., Chittagong Sylhet Main Branch, Sylhet Sylhet Uposhar Branch, Sylhet Rajshahi Branch, Rajshahi Bogra Branch, Bogra Khulna Branch, Khulna Jessore Branch, Jessore Ishwardi Br., Pabna
National Bank Limited		
Asadgate Br., Dhaka Babubazar Br., Dhaka Banani Branch., Dhaka Bandura Br., Dhaka Bangsal Road Br., Dhaka Dhanmondi Br., Dhaka Dilkusha Br., Dhaka Elephant Road Br., Dhaka Foreign Ex. Br., Dhaka Gulshan Br., Dhaka Imamgonj Br., Dhaka Islampur Br., Dhaka Jatrabari Br., Dhaka Lake Circus Br., Dhaka Malibagh Br., Dhaka Mirpur Br., Dhaka Mohakhali Br., Dhaka Mohammadpur Br., Dhaka Motijheel Br., Dhaka Kawran Bazar Br., Dhaka	New Eskaton Br., Dhaka North brook Hall Br., Dhaka Pragati Sarani Br., Dhaka Rifles Square Br., Dhaka Rokeya Sarani Br., Dhaka Uttara Br., Dhaka Z. H. Sikder M.C. Br., Dhaka Agrabad Br., Chittagong Anderkilla Br., Chittagong CDA Avenue Br., Chittagong Chwak Bazar Br., Chittagong Halishahar Br., Chittagong Jubilee Road Br., Chittagong Khatungonj Br., Chittagong Muradpur Br., Chittagong Pahartoli Br., Chittagong S.K. Mujib Road Br.,Chittagong Chowmohoni Br., Noakhali Comilla Br., Comilla Feni Br., Feni	Faridpur Br., Faridpur Gazipur Br., Gazipur Jessore Br. Jessore Khulna Br., Khulna Moulvibazar Br., Sylhet Sylhet Br., Sylhet Zindabazar Br., Sylhet Mymenshing Br., Mymenshingh Narayanganj Br., Narayanganj Narshingdi Br., Narshingdi Netaigonj Br., Netaigonj Pagla Bazar Br., Pagla Bazar Rajshahi Br., Rajshahi Rangpur Br., Rangpur Savar Bazar Br., Savar Sunamganj Br, Sunamganj Tangail Br., Tangail Tongi Br., Tongi Barisal Br., Barisal Bogra Br., Bogra
BRAC Bank Limited		
Asad Gate Branch, Dhaka Banani Branch, Dhaka Bashundhara Branch, Dhaka Donia Branch, Dhaka Eskaton Branch, Dhaka Graphics Building Branch, Dhaka Gulshan Branch, Dhaka Manda Branch, Dhaka Mirpur Branch, Dhaka	Narayangong Branch, Dhaka Nawabpur Branch, Dhaka Rampura Branch, Dhaka Shyamoli Branch, Dhaka Uttara Branch, Dhaka Agrabad Br., Chittagong CDA Avenue Br., Chittagong Halishohor Br., Chittagong Kazirdeuri Br., Chittagong	Momin Road Br., Chittagong Patia Br.,Chittagong Bogra Branch,Bogra Rajshahi Branch, Rajshahi Jessore Branch, Jessore Khulna Branch, Khulna Barisal Branch, Barisal Zindabazar Branch, Sylhet
Investment Corporation of Bangladesh (ICB)		
Head Office. Dhaka Chittagong Branch Rajshahi Branch	Khulna Branch Barisal Branch Sylhet Branch	Bogra Branch Local Office Branch. Dhaka
The City Bank Limited		
BB Avenue Branch, Dhaka Principal Office Branch, Dhaka Dhanmondi Branch, Dhaka Shaymoli Branch, Dhaka Imamgonj Branch, Dhaka Johnson Road Branch, Dhaka Kawranbazar Branch, Dhaka New Market Branch, Dhaka VIP Road Branch, Dhaka Islampur Branch, Dhaka Nawabpur Branch, Dhaka Nawabganj Branch, Dhaka	Pragati Sarani Branch, Dhaka Zinzira Branch, Dhaka Bangabandhu Road Br., Narayanganj Tongi Branch, Gazipur Agrabad Branch, Chittagong Jubilee Road Branch, Chittagong Khatunganj Branch, Chittagong Andarkilla Branch, Chittagong Cox's Bazar Branch, Chittagong Chawkbazar Branch, Chittagong Pahartoli Branch, Chittagong Comilla Branch, Chittagong	Narsingdi Branch, Narsingdi Zinda Bazar Branch, Sylhet Bandar Bazar Branch, Sylhet Anborkhana Branch, Sylhet Moulvi Bazar Branch, Sylhet Rajshahi Branch, Rajshahi Bogra Branch, Bogura Rangpur Branch, Rangpur Sirajgonj Branch, Sirajganj Khulna Branch, Khulna Jessore Branch, Jessore Barisal Branch, Barisal
Premier Bank		
DEPZ Branch Barishal Branch Narayangonj Branch Zinzira Branch Bangshal Branch Rajshahi Branch Bogra Branch Meghna Ghat Branch	Pahartoli Branch Khulna Branch Islami Banking Branch Sylhet O.R Nizam Road Branch Tongi Branch Moulvi Bazar Branch Comilla Branch Rangpur Branch Jessore Branch	Islami Banking Branch Mohakhali Kakrail Branch Rokeya Sarani Branch Kalabagan Branch Rampura Branch Nawabpur Branch Agrabad Branch Uttara Branch

Southeast Bank Limited		
Principal Br., Dhaka Corporate Br., Dhaka Imamgonj Br., Dhaka Dhanmondi Br., Dhaka Uttara Br., Dhaka New Elephant Road Br., Dhaka Gulshan Br., Dhaka Kakrail Br., Dhaka Banani Br., Dhaka Bangshal Br., Dhaka New Eskaton Br., Dhaka Pragoti Sarani Br., Dhaka Satmosjid Road Br., Dhaka Shyamoli Br., Dhaka Aganagar Br., Dhaka Kawran Bazar Br., Dhaka Joypara Br., Dhaka Savar Branch, Dhaka Mouchak Br., Dhaka	Ashulia Br., Dhaka Bashundhara Br., Dhaka Mohammadpur Br., Dhaka Madam Bibir Hat Br., Chittagong Agrabad Br., Chittagong Khatungonj Br., Chittagong Jubilee Road Br., Chittagong Halishahar Br., Chittagong Pahartali Br., Chittagong CDA Avenue Branch, Chittagong Momin Road Br., Chittagong Hetimgonj Br., Sylhet Chouhatta Br., Sylhet Laldighirpaar Br., Sylhet Shahjalal Uposhahar Br., Sylhet Kulaura Br., Sylhet Pathantula Br., Sylhet Bandar Bazar Br., Sylhet	Moulovi Bazar Br., Sylhet Konabari Br., Gazipur Tongi Br., Gazipur Bashurhat Br., Noakhali Chowmuhuni Br., Noakhali Cox,s Bazar Branch, Cox,s Bazar Chhagalnaiya Br., Feni Feni Br., Feni Rangpur Br., Rangpur Bogra Br., Bogra Khulna Br., Khulna Barisal Br., Barisal Brammon Baria Br., Brammon Baria Naogaon Br., Naogaon Rajshahi Br., Rajshahi Comilla Br., Comilla Madhabdi Br., Narshingdi Narayangonj Br., Narayangonj
Mercantile Bank Limited		
Main Br., Dhaka Dhanmondi Br., Dhaka Kawran Bazar Br. Dhaka Banani Br. Dhaka Naya Bazar Br., Dhaka Mohakhali Br., Dhaka Mirpur Br., Dhaka Uttara Br., Dhaka Elephant Road Br. Dhaka Motijheel Br. Dhaka Sat Mashjid Road Br., Dhaka Gulshan Br., Dhaka Bijoy Nagar Br., Dhaka Mogbazar Br., Dhaka Green Road Br., Dhaka	Engineer institution Road Br, Dhaka Mazar Road Br., Mirpur, Dhaka Pragoti Sarani Br. Dhaka Dholaikhal Branch, Dhaka Aganagar Branch, Dhaka Ring Road Branch, Dhaka Chittagong EPZ Br., Chittagong Sheikh Mujib Road Br.,Chittagong O.R.Nizam Road Br., Chittagong Madam Bibir Hat Br. Chittagong Jubilee road Br., Chittagong Khatungonj Br., Chittagong Agrabad Br., Chittagong Rajshahi Br., Rajshahi	Naogaon Br. Naogaon Sylhet Br., Sylhet Moulvibazar Br., Sylhet Beani Bazar Br., Sylhet Board Bazar Br., Gazipur Khulna Br., Khulna Rangpur Br., Rangpur Bogra Br., Bogra Feni Br., Feni Barishal Br., Barishal. Comilla Br., Comilla Dinajpur Br., Dinajpur Jessore Br., Jessore Narayangonj Br., Narayangonj
United Commercial Bank Limited		
Principal Branch, Dhaka Gulshan Branch, Dhaka Mirpur Branch, Dhaka Bangshal Branch, Dhaka Bijoy Nagar Branch, Dhaka Uttara Branch, Dhaka Corporate Branch, Dhaka Dhanmondi Branch, Dhaka Mohakhali Branch, Dhaka Banani Branch, Dhaka	Tejgaon Branch, Dhaka Mymensingh Branch, Mymensing Narayangonj Br., Narayangonj Faridpur Branch, Faridpur Bogra Branch, Bogra Dinajpur Branch, Dinajpur Rangpur Branch, Rangpur Rajshahi Branch, Rajshahi Pabna Branch, Pabna Comilla Branch, Comilla	Khulna Branch, Khulna Jessore Branch, Jessore Kushtia Branch, Kushtia Jubilee Road Branch, Chittagong Agrabad Branch, Chittagong Anderkilla Branch, Chittagong Cox's Bazar Branch, Cox's Bazar Sylhet Branch, Sylhet Barisal Branch, Barisal Maijdee Court Branch, Noakhali
Standard Bank Limited		
Principal Branch, Dhaka Foreign Exchange Br., Dhaka Topkhana Road Br., Dhaka Imamgonj Br., Dhaka Gulshan-2 Br., Dhaka Dhanmondi Br., Dhaka Mirpur Br., Dhaka Uttara Br., Dhaka Panthapath Br., Dhaka Banani Br., Dhaka Pragoti Sarani Br., Dhaka	Nawabpur Road Br., Dhaka Green Road Br., Dhaka Narayangonj Br., Narayangonj Jubilee Road Br., Chittagong Agrabad Br., Chittagong Khatungonj Br., Chittagong CDA Avenue Br., Chittagong Sadarghat Br., Chittagong Comilla Br., Comilla Sylhet Br., Sylhet Beani Bazar Br., Sylhet	Moulovi Bazar Br., Sylhet Mymensingh Br., Mymensingh Rajshahi Br., Rajshahi Rangpur Br., Rangpur Dinajpur Br., Dinajpur Jessore Br., Jessore Khulna Br., Khulna Kushtia Br., Kushtia Faridpur Br., Faridpur Barisal Br., Barisal
Dhaka Bank Limited		
Foreign Ex. Br., Dhaka Imamaganj Br, Dhaka Kawran Bazar Br., Dhaka Khilgaon Br., Dhaka Mirpur Br., Dhaka	Uttara Br., Dhaka Barishal Br., Barishal Bogra Br. Bogra. CDA Avenue Br., Chittagong Cox's Bazar Br., Cox's Bazar	Comilla Br., Comilla KDA Avenue Br., Khulna Rajshahi Br., Rajshahi Rangpur Br., Rangpur

শেয়ার বাজারে বিনিয়োগ ঝুকিপূর্ণ । জেনে ও বুঝে বিনিয়োগ করুন ।

"Interested persons are entitled to a prospectus, if they so desire. Copies of prospectus may be obtained from the issuer and the issue manager"

IFAD Autos Limited

APPLICATION FORM

APPLICATION FOR SHARES BY NON-RESIDENT BANGLADESHIS

(TO BE SENT DIRECTLY TO THE COMPANY'S CORPORATE OFFICE)

Warning: Please read the instructions on the back of this form. Incorrectly filled Applications or Applications failing to comply with any of the instructions therein may be rejected.

The Managing Director
IFAD Autos Limited
Sonar Tori Tower (15th & 16th Floor)
12, Bipanan C/A, Sonargaon Road
Dhaka-1000

Dear Sir,

I/we apply for and request you to allot me/us ………………. numbers of Shares and I/we agree to accept the same or any smaller number that may be allotted to me/us upon terms of the Company's Prospectus approved by the Securities and Exchange Commission subject to the Memorandum and Articles of Association of the Company. Further, I/we authorize you to place my/our name(s) on the Register of Member(s) of the Company and deposit the said ordinary shares in my Beneficiary Owner ("BO") account; I/we further authorize you to send a crossed (Account Payee only) cheque in respect of any Application money refundable to me/us by post/courier at my/our risk to the first applicant's address stated below:

1. No. of Ordinary Shares ....of Tk. 10.00 each at Tk. 30.00 including premium of Tk. 20.00per share.

2. Amountof Tk. (in figures) ....Taka (in words)..only convertible into USD at the rate of US Dollar 1.00 = Tk…………../UK Pound Sterling 1.00 = Tk. …………../EURO 1.00 = Tk…………. Payment by Draft/Cheque No…………….dated……………………for US Dollar/ UK Pound Sterling/EURO/Tk……………. drawn on……………Bank………………Branch………………..

3. Beneficiary Owner (BO) A/C No.

(If you do not mention your valid BO A/C No. your application will be treated as invalid)

4. I/we agree to fully abide by the instructions given herein.

5. Particulars of Applicant(s)

a) Sole/First Applicant

Name:	
Father's/Husband's Name:	
Mother's Name:	
Mailing Address:	
Occupation:	Nationality:
Passport No. :	Valid up to:
Date of Birth:	
For Refunds: Please write the correct and full name of bank and branch (Application will not be treated as valid if any one uses a non-scheduled bank. Applicants are requested not to use the name of any non-scheduled bank).	
Applicants Bank A/c no. Name of the Bank:	Branch :

b) Second Applicant

Name:	
Father's/Husband's Name:	
Mother's Name:	
Mailing Address:	
Occupation:	Nationality:
Passport No. :	Valid up to:
Date of Birth:	

Nominee's Name:
Mailing Address:

6. I/we hereby declare that I/we have read the Prospectus of **IFAD Autos Limited** and have willingly subscribed for ………… No. of Ordinary Shares of Tk. 10.00 each at Tk. 30.00including premium of Tk. 20.00per share.

7. Specimen Signature(s):

	Name in Block Letters	Signature
Sole/First Applicant:		
Second Applicant:		
Nominee:		

***Please see the instructions in paragraphs 14 and 15 for the evidence required to establish Non-Resident Bangladeshi status.**

Instructions

1. As per provision of the Depository Act, 1999 and regulations made there under shares will only be issued in dematerialized condition. Please mention your BO (Beneficiary Owner) account number in the Application Form. If you do not mention your valid BO (Beneficiary Owner) account, your application will be treated as invalid.
2. All information must be written or typed in block letters in English and must not be abbreviated.
3. An application must not be for less than **200** Ordinary Shares and must be for a multiple of **200** ordinary shares. Any application not meeting this criterion will not be considered for allotment purpose.
4. An application must be accompanied by a foreign demand draft drawn on a bank payable at Dhaka or cheque drawn out of foreign currency deposit account maintained in Bangladesh for the full value of shares favoring **"IFAD Autos Ltd."** and crossed **"Account Payee only".**
5. An application shall be sent by the applicant directly to the Company by _______________ so as to reach the Company ______________. Applications sent after ___________ or received by the Company after ___________________ will not be considered for allotment purpose.
6. Refund against over-subscription shall be made in the currency in which the value of shares was paid for by the applicant at the same rate as stated on the application form through Account Payee cheque payable at Dhaka with bank account number, Bank's name and Branch as indicated in the securities application form.
7. In case of over-subscription, allotment shall be made by lottery solely in accordance with the instructions by BSEC.
8. Money receipt on clearance of draft or cheque, as the case may be, shall be sent by post to the applicant by the Company.
9. Joint Application by two persons will be acceptable. In such a case, allotment of refund shall be made by post to the first applicant. Note that a non-resident Bangladeshi (NRB) applicant cannot submit more than two applications, one in his/her own name and another jointly with another person by one cheque/DD/PO by USD/GBP/Euro/BDT (supported by a foreign currency encashment certificate). More than two applications by one cheque/DD/PO by USD/GBP/Euro/BDT (supported by a foreign currency encashment certificate) will not be allowed.
10. Application must be made by an individual, a corporation or company, a trust or a society and not by a firm, minor or persons of unsound mind.
11. Making of any false statement in the application or supplying of incorrect information there in or suppressing any relevant information in the application shall make the application liable to rejection and subject to forfeiture of 25% of the application money and/or forfeiture of share (unit) before and after issuance of the same by the issuer. The said forfeited application money of share (unit) will be deposited in the account of Bangadesh Securities and Exchange Commission (BSEC). This is in addition to any other penalties as may be provided for by the law.
12. The intending NRB applicants shall deposit share money by US Dollar/UK Pound Sterling/EURO draft drawn on any Bank and payable in Dhaka, Bangladesh, or through a nominee by paying out of foreign currency deposit account maintained in Bangladesh or in Taka, supported by foreign currency encashment certificate issued by the concerned bank, for the value of securities applied for through crossed bank cheque marking "Account Payee only". So that the issuer's collecting bank can clear the proceeds and deposit the same into issuer bank's account in time.
13. The spot buying rate (TT Clean) in US Dollar, UK Pound Sterling and EURO of Sonali Bank at the day of subscription opening will be applicable for the Non Resident Bangladeshi (NRB) applicants.
14. The applicant shall furnish photocopies of relevant pages of valid passports in support of his being a NRB, dual citizenship or of the foreign passport bearing an endorsement from the concerned Bangladeshi Embassy to the effect that no visa is required for him to travel to Bangladesh.
15. In case of joint NRB application joint applicant shall also submit supporting papers /documents in support of their being a NRB as mentioned in para-14 (above).
16. **An applicant cannot submit more than two applications, one in his/her own name and another jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.**
17. No sale of securities shall be made nor shall any money be taken from any person, in connection with such sale until twenty five days after the prospectus have been published.
18. In case of non-allotment of the ordinary shares, if the applicants' bank accounts as mentioned in their application forms are maintained with any of the bankers to the issue, the amount refunded to those applicants will be directly credited into their respective bank accounts as mentioned in their application forms. Otherwise, refunds will be made only through "Account Payee" cheque(s) with bank account number and name of the bank branch as mentioned in the application form, payable at Dhaka or Chittagong, Khulna, Barisal, Rajshahi or Sylhet, as the case may be.
19. **The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% of their subscription money too.**

THE NRB APPLICATION ALONG WITH THE FOREIGN CURRENCY DRAFT, AS ABOVE, IS TO BE SUBMITTED TO THE COMPANY'S HEAD OFFICE DIRECTLY WITHIN THE STIPULATED TIME MENTIONED IN PARA 5.

শেয়ার বাজারে বিনিয়োগ ঝুঁকিপূর্ণ । জেনে ও বুঝে বিনিয়োগ করুন

"Interested persons are entitled to a prospectus, if they so desire. Copies of prospectus may be obtained from the issuer and the issue manager"

IFAD Autos LTD.

APPLICATION FORM

APPLICATION FOR SHARES BY AFFECTED SMALL INVESTORS (ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারী)

Warning: Please read the instructions on the back of this form. Incorrectly filled Applications or Applications failing to comply with any of the instructions therein may be rejected.

The Managing Director
IFAD Autos Limited
Sonar Tori Tower (15th & 16th Floor)
12, Bipanan C/A, Sonargaon Road
Dhaka-1000

Bankers Sl. No.

Dear Sir,

I/we apply for and request you to allot me/us ………………. numbers of Shares and I/we agree to accept the same or any smaller number that may be allotted to me/us upon terms of the Company's Prospectus approved by the Securities and Exchange Commission subject to the Memorandum and Articles of Association of the Company. Further, I/we authorize you to place my/our name(s) on the Register of Member(s) of the Company and deposit the said ordinary shares in my Beneficiary Owner ("BO") account; I/we further authorize you to send a crossed (Account Payee only) cheque in respect of any Application money refundable to me/us by post/courier at my/our risk to the first applicant's address stated below:

1. No. of Ordinary Shares ....of Tk. 10.00 each at Tk.30.00including premium of Tk. 20.00per share.

2. Amount of Tk. (in figures) ....Taka (in words)...only deposited vide cash/Cheque/Draft/Pay Order No.............................Dated................................on…………….......................................
Bank..Branch.

3. Beneficiary Owner (BO) A/C No.

(If you do not mention your valid BO A/C No. your application will be treated as invalid)

4. I/we agree to fully abide by the instructions given herein.
5. Particulars of Applicant

a) Sole/First Applicant

Name:	
Father's/Husband's Name:	
Mother's Name:	
Postal Address:	
Phone Number* (If any):	
Occupation:	Nationality:
For Refund Warrant: For Refund Warrant (Application will not be treated as valid if any one uses a non-scheduled bank to avoid this complication, investors are requested not to use the name of any non-schedule bank) please write the correct and full name of bank and branch.	
For Refund Purpose: I/We want refund through☐ Bank Account*☐rier/Hand delivery (Please put tick mark in which refund will be made)	
Applicants Bank A/c no. Name of the Bank:	Branch :

b) Second Applicant

Name:	
Father's/Husband's Name:	
Mother's Name:	
Postal Address:	
Phone Number* (If any):	
Occupation:	Nationality:

6. I/we hereby declare that I/we have read the Prospectus of **IFAD Autos Limited** and have willingly subscribed for ………… No. of Ordinary Shares of Tk. 10.00 each at Tk. 30.00including premium of Tk. 20.00per share.

7. Specimen Signature(s):

(i) Name (in Block Letters)		Signature:
(ii) Name (in Block Letters)		Signature:

* In case of deposit into the applicants' bank account, the applicant will bear the applicable service charge, if any, of the applicants' banker and the issuer shall simultaneously issue a letter of intimation to the applicant containing, among others, the date and amount remitted with details of the bank through and to which bank such remittance has been effected.

BANKERS' ACKNOWLEDGEMENT

Certified that this Bank has received Tk. (in figures)………………… (in word …………………………………) only from ./Mrs./Ms…………………………………………being the Application money for …………Ordinary Shares of **IFAD Autos Limited**

Banker's SL. No. **Seal & Date** **Authorized Signature**
(Name & Designation)

INSTRUCTION

1. As per provision of Depository Act, 1999 and regulations made there under shares will only be issued in dematerialized condition. Please mention your Beneficiary Owner (BO) Account number in the Application form. If you do not mention your valid BO account number your application will be treated as invalid.
2. All information must be written or typed in Block Letters in English or in Bengali and must not be abbreviated.
3. Application must be made on the Company's printed form/photocopy or on typed copy/handwritten form thereof.
4. Application must not be for less than **200 Ordinary** Shares and must be for a multiple of **200 Ordinary** Shares. Any Application not meeting these criteria will not be considered for allotment purpose.
5. Remittance for the full amount of the Shares must accompany each Application and must be forwarded to any of the Bankers to the Issue. Remittance should be in the form of Cash/Cheque/Bank Draft/Pay Order payable to one of the Bankers to the favoring A/C "**IFAD AUTOS LTD.**" and crossed "**A/C payee only**" and must be drawn on a Bank in the same town as the Bank to which the Application form has been sent.
6. In the case of joint application form, the allotment letter will be dispatched to the person whose name appears first on this application form and where amount is refundable in whole or in part the same will be refunded by account payee cheque by post/courier service to the person named first on this application form in the manner prescribed in the prospectus.
7. Joint application form for more than two persons will not be accepted. In case of joint application, each party must sign the application form.
8. Application must be in full name of individuals or companies or societies or trusts and not in the name of firms, minors or persons of unsound mind. Application from financial and market intermediary companies must be accompanied by Memorandum and Articles of Association and Certificate of Incorporation.
9. **An applicant cannot submit more than two applications, one in his/her own name and the other jointly with another person. In case an applicant makes more than two applications, all applications will be treated as invalid and will not be considered for allotment purpose. In addition, 15% (fifteen) of the application money will be forfeited by the Commission and the balance amount will be refunded to the applicant.**

10. No receipt will be issued for the payment made with Application, but the bankers will issue a provisional acknowledgement to the Issuer for Application lodged with them.

11. In the case of non-allotment of securities, if the applicants' bank accounts as mentioned in their IPO Application Forms are maintained with the bankers to the issue, refund amount of those applicants will be directly credited into the respective bank accounts as mentioned in their IPO Application Forms. Otherwise, refund will be made only through "Account Payee" cheque(s) showing bank account number and name of bank and branch as mentioned in the application payable at Dhaka or Chittagong, as the case may be.

12. Allotment shall be made solely in accordance with the instructions of the Bangladesh Securities and Exchange Commission (BSEC).
13. Making of any false statement in the application or supplying of incorrect information there in or suppressing any relevant information in the application shall make the application liable to rejection and subject to forfeiture of 25% of the application money and/or forfeiture of share (unit) before and after issuance of the same by the issuer. The said forfeited application money of share (unit) will be deposited in the account of Bangadesh Securities and Exchange Commission (BSEC). This is in addition to any other penalties as may be provided for by the law.
14. Applications, which do not meet the above requirements, or Applications, which are incomplete, shall not be considered for allotment purposes.
15. The Banker's to the Issue Banks shall be obliged to receive the A/C Payee Cheque(s) on the closing day of the subscription.
16. **No sale of securities shall be made, nor shall any money be taken from any person, in connection with such sale until 25(Twenty Five) days after the prospectus has been published.**

1. The applicants who have applied for more than two applications using same bank account, their application will not be considered for lottery and the Commission will forfeit 15% (fifteen) of their subscription money too.

18.তালিকাভুক্তক্ষতিগ্রস্থ ক্ষুদ্র বিনিয়োগকারীগন সকল পাবলিক ইস্যুতে একক অথবা যৌথহিসাবে যেকোনটি অথবা উভয়টি হতে সংরক্ষিত ২০% কোটায় আবেদন করতে পারবেন। তবে তারা ইচ্ছা করলে সংরক্ষিত কোটায় আবেদন না করে সাধারন বিনিয়োগকারীদের জন্য নির্ধারিত কোটায়ও আবেদন করতে পারবেন।

BANKERS TO THE ISSUE

Bank Asia Limited		
Principal Office Branch, Dhaka	Mohakhali Branch, Dhaka	Bahadderhat Branch, Chittagong
MCB Dilkusha Branch, Dhaka	Shantinagar Branch, Dhaka	Moghbazar Br., Chittagong
Corporate Branch, Dhaka	Paltan Br., Dhaka	Kamal Bazar Br., Chittagong
Scotia Branch, Dhaka	Shyamoli Br., Dhaka	Patherhat Br., Chittagong
Dhanmondi Branch, Dhaka	Progoti Sarani Br., Dhaka	Sylhet Main Branch, Sylhet
Mitford Branch. Dhaka	Agrabad Branch, Chittagong	Sylhet Uposhar Branch, Sylhet
Gulshan Branch, Dhaka	Khatunganj Branch, Chittagong	Rajshahi Branch, Rajshahi
NorthSouth Road Branch, Dhaka	MCB Sk. Mujib Road Br., Chittagong	Bogra Branch, Bogra
MCB Banani Branch, Dhaka	CDA Avenue Branch, Chittagong	Khulna Branch, Khulna
Bashundhara Branch, Dhaka	Station Road Branch, Chittagong	Jessore Branch, Jessore
Uttara Branch, Dhaka	Anderkilla Branch, Chittagong	Ishwardi Br., Pabna
Mirpur Branch, Dhaka		

National Bank Limited		
Asadgate Br., Dhaka	New Eskaton Br., Dhaka	Faridpur Br., Faridpur
Babubazar Br., Dhaka	North brook Hall Br., Dhaka	Gazipur Br., Gazipur
Banani Branch., Dhaka	Pragati Sarani Br., Dhaka	Jessore Br. Jessore
Bandura Br., Dhaka	Rifles Square Br., Dhaka	Khulna Br., Khulna
Bangsal Road Br., Dhaka	Rokeya Sarani Br., Dhaka	Moulvibazar Br., Sylhet
Dhanmondi Br., Dhaka	Uttara Br., Dhaka	Sylhet Br., Sylhet
Dilkusha Br., Dhaka	Z. H. Sikder M.C. Br., Dhaka	Zindabazar Br., Sylhet
Elephant Road Br., Dhaka	Agrabad Br., Chittagong	Mymenshing Br., Mymenshingh
Foreign Ex. Br., Dhaka	Anderkilla Br., Chittagong	Narayanganj Br., Narayanganj
Gulshan Br., Dhaka	CDA Avenue Br., Chittagong	Narshingdi Br., Narshingdi
Imamgonj Br., Dhaka	Chwak Bazar Br., Chittagong	Netaigonj Br., Netaigonj
Islampur Br., Dhaka	Halishahar Br., Chittagong	Pagla Bazar Br., Pagla Bazar
Jatrabari Br., Dhaka	Jubilee Road Br., Chittagong	Rajshahi Br., Rajshahi
Lake Circus Br., Dhaka	Khatungonj Br., Chittagong	Rangpur Br., Rangpur
Malibagh Br., Dhaka	Muradpur Br., Chittagong	Savar Bazar Br., Savar
Mirpur Br., Dhaka	Pahartoli Br., Chittagong	Sunamganj Br, Sunamganj
Mohakhali Br., Dhaka	S.K. Mujib Road Br.,Chittagong	Tangail Br., Tangail
Mohammadpur Br., Dhaka	Chowmohoni Br., Noakhali	Tongi Br., Tongi
Motijheel Br., Dhaka	Comilla Br., Comilla	Barisal Br., Barisal
Kawran Bazar Br., Dhaka	Feni Br., Feni	Bogra Br., Bogra

BRAC Bank Limited		
Asad Gate Branch, Dhaka	Narayangong Branch, Dhaka	Momin Road Br., Chittagong
Banani Branch, Dhaka	Nawabpur Branch, Dhaka	Patia Br.,Chittagong
Bashundhara Branch, Dhaka	Rampura Branch, Dhaka	Bogra Branch,Bogra
Donia Branch, Dhaka	Shyamoli Branch, Dhaka	Rajshahi Branch, Rajshahi
Eskaton Branch, Dhaka	Uttara Branch, Dhaka	Jessore Branch, Jessore
Graphics Building Branch, Dhaka	Agrabad Br., Chittagong	Khulna Branch, Khulna
Gulshan Branch, Dhaka	CDA Avenue Br., Chittagong	Barisal Branch, Barisal
Manda Branch, Dhaka	Halishohor Br., Chittagong	Zindabazar Branch, Sylhet
Mirpur Branch, Dhaka	Kazirdeuri Br., Chittagong	

Investment Corporation of Bangladesh (ICB)		
Head Office. Dhaka	Khulna Branch	Bogra Branch
Chittagong Branch	Barisal Branch	Local Office Branch. Dhaka
Rajshahi Branch	Sylhet Branch	

The City Bank Limited		
BB Avenue Branch, Dhaka	Pragati Sarani Branch, Dhaka	Narsingdi Branch, Narsingdi
Principal Office Branch, Dhaka	Zinzira Branch, Dhaka	Zinda Bazar Branch, Sylhet
Dhanmondi Branch, Dhaka	Bangabandhu Road Br., Narayanganj	Bandar Bazar Branch, Sylhet
Shaymoli Branch, Dhaka	Tongi Branch, Gazipur	Anborkhana Branch, Sylhet
Imamgonj Branch, Dhaka	Agrabad Branch, Chittagong	Moulvi Bazar Branch, Sylhet
Johnson Road Branch, Dhaka	Jubilee Road Branch, Chittagong	Rajshahi Branch, Rajshahi
Kawranbazar Branch, Dhaka	Khatunganj Branch, Chittagong	Bogra Branch, Bogura
New Market Branch, Dhaka	Andarkilla Branch, Chittagong	Rangpur Branch, Rangpur
VIP Road Branch, Dhaka	Cox's Bazar Branch, Chittagong	Sirajgonj Branch, Sirajganj
Islampur Branch, Dhaka	Chawkbazar Branch, Chittagong	Khulna Branch, Khulna
Nawabpur Branch, Dhaka	Pahartoli Branch, Chittagong	Jessore Branch, Jessore
Nawabganj Branch, Dhaka	Comilla Branch, Chittagong	Barisal Branch, Barisal

Premier Bank		
DEPZ Branch	Pahartoli Branch	Islami Banking Branch Mohakhali
Barishal Branch	Khulna Branch	Kakrail Branch
Narayangonj Branch	Islami Banking Branch Sylhet	Rokeya Sarani Branch
Zinzira Branch	O.R Nizam Road Branch	Kalabagan Branch
Bangshal Branch	Tongi Branch	Rampura Branch
Rajshahi Branch	Moulvi Bazar Branch	Nawabpur Branch
Bogra Branch	Comilla Branch	Agrabad Branch
Meghna Ghat Branch	Rangpur Branch	Uttara Branch
	Jessore Branch	

Southeast Bank Limited		
Principal Br., Dhaka	Ashulia Br., Dhaka	Moulovi Bazar Br., Sylhet
Corporate Br., Dhaka	Bashundhara Br., Dhaka	Konabari Br., Gazipur
Imamgonj Br., Dhaka	Mohammadpur Br., Dhaka	Tongi Br., Gazipur
Dhanmondi Br., Dhaka	Madam Bibir Hat Br., Chittagong	Bashurhat Br., Noakhali
Uttara Br., Dhaka	Agrabad Br., Chittagong	Chowmuhuni Br., Noakhali
New Elephant Road Br., Dhaka	Khatungonj Br., Chittagong	Cox,s Bazar Branch, Cox,s Bazar
Gulshan Br., Dhaka	Jubilee Road Br., Chittagong	Chhagalnaiya Br., Feni
Kakrail Br., Dhaka	Halishahar Br., Chittagong	Feni Br., Feni
Banani Br., Dhaka	Pahartali Br., Chittagong	Rangpur Br., Rangpur
Bangshal Br., Dhaka	CDA Avenue Branch, Chittagong	Bogra Br., Bogra
New Eskaton Br., Dhaka	Momin Road Br., Chittagong	Khulna Br., Khulna
Pragoti Sarani Br., Dhaka	Hetimgonj Br., Sylhet	Barisal Br., Barisal
Satmosjid Road Br., Dhaka	Chouhatta Br., Sylhet	Brammon Baria Br., Brammon Baria
Shyamoli Br., Dhaka	Laldighirpaar Br., Sylhet	Naogaon Br., Naogaon
Aganagar Br., Dhaka	Shahjalal Uposhahar Br., Sylhet	Rajshahi Br., Rajshahi
Kawran Bazar Br., Dhaka	Kulaura Br., Sylhet	Comilla Br., Comilla
Joypara Br., Dhaka	Pathantula Br., Sylhet	Madhabdi Br., Narshingdi
Savar Branch, Dhaka	Bandar Bazar Br., Sylhet	Narayangonj Br., Narayangonj
Mouchak Br., Dhaka		
Mercantile Bank Limited		
Main Br., Dhaka	Engineer institution Road Br, Dhaka	Naogaon Br. Naogaon
Dhanmondi Br., Dhaka	Mazar Road Br., Mirpur, Dhaka	Sylhet Br., Sylhet
Kawran Bazar Br. Dhaka	Pragoti Sarani Br. Dhaka	Moulvibazar Br., Sylhet
Banani Br. Dhaka	Dholaikhal Branch, Dhaka	Beani Bazar Br., Sylhet
Naya Bazar Br., Dhaka	Aganagar Branch, Dhaka	Board Bazar Br., Gazipur
Mohakhali Br., Dhaka	Ring Road Branch, Dhaka	Khulna Br., Khulna
Mirpur Br., Dhaka	Chittagong EPZ Br., Chittagong	Rangpur Br., Rangpur
Uttara Br., Dhaka	Sheikh Mujib Road Br.,Chittagong	Bogra Br., Bogra
Elephant Road Br. Dhaka	O.R.Nizam Road Br., Chittagong	Feni Br., Feni
Motijheel Br. Dhaka	Madam Bibir Hat Br. Chittagong	Barishal Br., Barishal.
Sat Mashjid Road Br., Dhaka	Jubilee road Br., Chittagong	Comilla Br., Comilla
Gulshan Br., Dhaka	Khatungonj Br., Chittagong	Dinajpur Br., Dinajpur
Bijoy Nagar Br., Dhaka	Agrabad Br., Chittagong	Jessore Br., Jessore
Mogbazar Br., Dhaka	Rajshahi Br., Rajshahi	Narayangonj Br., Narayangonj
Green Road Br., Dhaka		
United Commercial Bank Limited		
Principal Branch, Dhaka	Tejgaon Branch, Dhaka	Khulna Branch, Khulna
Gulshan Branch, Dhaka	Mymensingh Branch, Mymensing	Jessore Branch, Jessore
Mirpur Branch, Dhaka	Narayangonj Br., Narayangonj	Kushtia Branch, Kushtia
Bangshal Branch, Dhaka	Faridpur Branch, Faridpur	Jubilee Road Branch, Chittagong
Bijoy Nagar Branch, Dhaka	Bogra Branch, Bogra	Agrabad Branch, Chittagong
Uttara Branch, Dhaka	Dinajpur Branch, Dinajpur	Anderkilla Branch, Chittagong
Corporate Branch, Dhaka	Rangpur Branch, Rangpur	Cox's Bazar Branch, Cox's Bazar
Dhanmondi Branch, Dhaka	Rajshahi Branch, Rajshahi	Sylhet Branch, Sylhet
Mohakhali Branch, Dhaka	Pabna Branch, Pabna	Barisal Branch, Barisal
Banani Branch, Dhaka	Comilla Branch, Comilla	Maijdee Court Branch, Noakhali
Standard Bank Limited		
Principal Branch, Dhaka	Nawabpur Road Br., Dhaka	Moulovi Bazar Br., Sylhet
Foreign Exchange Br., Dhaka	Green Road Br., Dhaka	Mymensingh Br., Mymensingh
Topkhana Road Br., Dhaka	Narayangonj Br., Narayangonj	Rajshahi Br., Rajshahi
Imamgonj Br., Dhaka	Jubilee Road Br., Chittagong	Rangpur Br., Rangpur
Gulshan-2 Br., Dhaka	Agrabad Br., Chittagong	Dinajpur Br., Dinajpur
Dhanmondi Br., Dhaka	Khatungonj Br., Chittagong	Jessore Br., Jessore
Mirpur Br., Dhaka	CDA Avenue Br., Chittagong	Khulna Br., Khulna
Uttara Br., Dhaka	Sadarghat Br., Chittagong	Kushtia Br., Kushtia
Panthapath Br., Dhaka	Comilla Br., Comilla	Faridpur Br., Faridpur
Banani Br., Dhaka	Sylhet Br., Sylhet	Barisal Br., Barisal
Pragoti Sarani Br., Dhaka	Beani Bazar Br., Sylhet	
Dhaka Bank Limited		
Foreign Ex. Br., Dhaka	Uttara Br., Dhaka	Comilla Br., Comilla
Imamaganj Br, Dhaka	Barishal Br., Barishal	KDA Avenue Br., Khulna
Kawran Bazar Br., Dhaka	Bogra Br. Bogra.	Rajshahi Br., Rajshahi
Khilgaon Br., Dhaka	CDA Avenue Br., Chittagong	Rangpur Br., Rangpur
Mirpur Br., Dhaka	Cox's Bazar Br., Cox's Bazar	

SECTION XVIII: New IPO Application Process

1. In addition to the existing IPO application process, applicants can also apply through their Stockbroker/Merchant Bankers in the following process:

Step-1 (Applicant)

a. Applicants other than Non-resident Bangladeshi (NRB) and Foreign applicants for public issue of securities shall submit application/instruction, within the subscription period, to the Stockbroker/ Merchant Banker where the applicant maintains BO account.

b. The application/instruction may be submitted in prescribed paper or electronic form, which shall contain the Customer ID, Name, BO Account Number, Number of Securities applied for, Total Amount and Category of the Applicant. At the same time the applicant shall make the application money available in respective customer account maintained with the Stockbroker/Merchant Banker. No margin facility, advance or deferred payment is permissible for this purpose. Application/instructions shall be preserved by the same Stockbroker/Merchant Banker up to 6 months from listing of the securities with exchange.

Step-2 (Intermediary)

a. The Stockbroker/Merchant Banker shall maintain separate bank account only for this purpose namely "Public Issue Application Account". The Stockbroker/Merchant Banker shall verify the availability of fund and if find in order, block the customer account for an amount equivalent to the application money, accumulate all the application/instructions received up to the subscription closing date, deposit the amount in the "Public Issue Application Account" maintained with its bank, instruct the banker to block the account for an amount equivalent to the aggregate application money and to issue a certificate in this regard. In case of application submitted by the Stock-dealer or the Merchant Banker's own portfolio, the application amount should also be transferred to the "Public Issue Application Account".

b. Banker of the Stockbroker/Merchant Banker shall block the account(s) as requested for, issue a certificate confirming the same and provide it to the respective Stockbroker/Merchant Banker. The Stockbroker/Merchant Banker shall prepare category wise lists of the applicants containing Customer ID, Name, BO Account Number and Number of Securities applied for, and within 03 (three) working days from the subscription closing date, send it to the issuer both in electronic (text format with tilde '~' separator) and printed format along with the certificate issued by its banker.

Step-3 (Issuer)

a. The issuer shall prepare consolidated list of the applications and send the applicants' BOIDs in electronic (text format with tilde '~' separator) format in a CDROM to CDBL for verification. CDBL shall verify the BOIDs as to whether the BO accounts of the applicants are active or not. Along with the verification report, CDBL shall provide the issuer with an updated database of the applicants containing BO Account Number, Name, Addresses, Parents' Name, Joint Account Information and Bank Account Information. After receiving verification report and information from CDBL, the issuer shall scrutinize the applications, prepare category wise consolidated lists of the valid and invalid applications, submit status reports of subscription to the Commission and the stock exchanges and conduct lottery in line with the conditions of the consent letter.

b. Within 02 (two) working days of conducting lottery, the issuer shall:

   i. send the lists of the successful and unsuccessful applicants (other than NRB and foreign) in electronic (text format with tilde '~' separator) and printed format to the Stockbroker/Merchant Banker, request them to unblock the amount blocked earlier and remit the amount of successful applicants to the issuers respective Escrow Account opened for subscription purpose.

   ii. issue allotment letters in the names of successful applicants in electronic format with digital signatures and send those to respective Stockbroker/Merchant Bankers. To credit the allotted shares to the respective BO accounts, the issuer shall send consolidated allotment data (BOID and number of securities) in text format in a CDROM to CDBL.

Step-4 (Intermediary)

a. On the next working day of receiving the documents from the issuer and issue manager, the stockbroker/Merchant Banker shall request its banker to release the amount blocked earlier and remit the aggregate amount of successful applicants deducting service charge to the 'Escrow' account of the issuer opened for the subscription purpose.

b. On the next working day of receiving request from the Stockbrokers/Merchant Bankers, their bankers shall unblock the amount blocked in the account(s) and remit the amount as requested for to the issuer's 'Escrow' account. Simultaneously, the stockbrokers/Merchant Bankers shall unblock the customer accounts; inform the successful applicants about allotment of securities and the unsuccessful applicants about releasing their blocked amounts. The unblocked amounts of unsuccessful applicants shall be placed as per their instructions.

Miscellaneous:

a. The issuer and Issue Manager(s) shall jointly ensure compliance of the above.

b. The Stockbroker/Merchant Banker shall be entitled to service charge at a rate of 0.05% on the total amount of application money received by them. The service charge shall be paid by the issuer and deducted by the Stockbroker/Merchant Banker from the amount of successful applicants while remitting to the issuer. In case of shortage of the service charge, the Stockbroker/Merchant Banker shall send a bill to the issuer and the issuer shall pay it within 02 (two) working days. The Stockbroker/Merchant Banker shall provide the issuer with a statement of the remittance amount and the processing fee.

2. The above application process is a pilot project and optional for investors, i.e. investors can apply either following new process through stockbroker/merchant banker or in existing process through banker to the issue.

3. List of the Stockbroker/Merchant Bankers participating in the pilot project is given below. Only the applicants maintaining accounts with the Stockbroker/Merchant Bankers name contained in the list can apply through the new process.

List of the Stockbroker/Merchant Bankers to receive IPO applications

DSE Stockbrokers

Sl. No.	Name of TREC Holder	TREC No.	Sl. No.	Name of TREC Holder	TREC No.
1	A. K. Khan Securities Ltd.	6	44	Mona Finan. Consultancy & Sec. Ltd.	164
2	International Leasing Securities Limited	9	45	Tobarrak Securities Ltd.	172
3	Brac epl stock brokerage ltd.	11	46	T. A. Khan Securities Co. Ltd.	174
4	MAH Securities Limited	13	47	BLI Securities Limited	175
5	Adil Securities Ltd.	17	48	Peoples Equities Ltd.	176
6	Greenland Equities Ltd.	18	49	Commerce Bank Securities and Investment Ltd.	180
7	Royal Capital Ltd.	21	50	UCB Capital Management Limited	181
8	Vision Capital Management Ltd.	24	51	Razzak Securities Ltd.	184
9	ETBL Securities & Exchange Ltd.	31	52	Delta Capital Limited	185
10	Daulatunnessa Equities Limited	37	53	G M F Securities Ltd.	186
11	Haji Ahmad Brothers Securities Ltd.	41	54	Globe Securities Limited	189
12	Rapid Securities Limited	42	55	Eminent Securities Ltd.	191
13	AB & Company Limited	43	56	DBL Securities Limited	193
14	M-Securities Ltd.	44	57	Parkway Securities Ltd.	194
15	SAHCO Securities Limited	46	58	MTB Securities Ltd.	197
16	Imtiyaz Husain Securities Limited	50	59	AD Holdings Limited	213
17	Mian Abdur Rashid Securities Ltd.	53	60	Pubali Bank Securities Ltd.	214
18	Shahjahan Securities Limited	64	61	Mika Securities Ltd.	215
19	ASENZ Securities Ltd.	65	62	BRB Securities Limited	220
20	Popular Equities Ltd.	68	63	Modern Securities Ltd.	229
21	Mohammad Talha & Co Ltd.	69	64	IIDFC Securities Limited	238
22	HAC Securities Limited	74	65	A N W Securities Ltd.	240
23	Asia Securities Ltd.	88	66	One Securities Ltd.	241
24	Uniroyal Securities Ltd.	89	67	Apex Investments Limited	7

25	Md. Fakhrul Islam Securities Ltd.	90	68	Alpha Equities Ltd.	56
26	SIBL Securities Ltd.	94	69	IDLC Securities Ltd.	58
27	Salta Capital Limited	95	70	Square Securities Management Ltd.	76
28	Jamal Ahmed Securities Ltd.	97	71	R. N. Trading Limited	78
29	Howlader Equity Services Limited	102	72	Alhaj Securities & Stocks Limited	93
30	Islami Bank Securities Limited	107	73	Remons Investment & Securities Ltd.	108
31	Ettihad Securities Ltd.	110	74	Midway Securities Ltd.	142
32	A N F Management Company Limited	117	75	Investment Promotion Services Limited	158
33	K-Securities and Consultants Ltd.	122	76	Oshadhi Securities Ltd.	208
34	Rose Securities Ltd.	125	77	United Financial Trading Co. Ltd.	227
35	Dynamic Securities Consultants Ltd.	126	78	Expo Traders Ltd.	230
36	LankaBangla Securities Ltd.	132	79	Popular Life Insurance Company Ltd.	232
37	Moshihor Securities Ltd.	134	80	Dhaka Securities Ltd.	239
38	Cosmopolitan Traders (Pvt.) Ltd.	146	81	NLI Securities Ltd.	244
39	Joytun Securities Intl. Ltd.	148	82	Shyamol Equity Management Limited	3
40	Shakil Rizvi Stock Ltd.	149	83	Phoenix Securities Limited	4
41	EMES Securities Ltd.	155	84	Crest Securities Ltd.	8
42	Standard Bank Securities Ltd.	156	85	Khwaja Equity Services Limited	10
43	Trustee Securities Ltd.	162	86	Pasha Capital Ltd.	12

Sl. No.	Name of TREC Holder	TREC No.	Sl. No.	Name of TREC Holder	TREC No.
87	ACE Capital Management Service Ltd.	16	131	City Brokerage Limited	145
88	Azam Securities Limited	19	132	Indicate Securities Consultants Ltd.	154
89	BDBL Securities Ltd.	20	133	Anwar Securities Ltd.	160
90	Ershad Securities Limited	23	134	Haji Mohammad Ali Securities Ltd.	165
91	Arena Securities Ltd.	25	135	Subvalley Securities Ltd.	168
92	EBL Securities Limited	26	136	Merchant Securites Limited	169
93	SAR Securities Ltd.	27	137	Shah Mohammad Sagir & Co. Ltd.	171
94	Sadeque Finance Management Ltd.	28	138	Hazrat Amanat Shah Securities Ltd.	173
95	Kazi Firoz Rashid Securities Limited	29	139	Anchor Securities Ltd.	177
96	Ibrahim Securities Limited	33	140	JKC Securities Ltd.	179
97	B & B Enterprise Limited	34	141	Nur-E-Alam Siddique & Company Ltd.	182
98	Rashid Investment Services Limited	35	142	C-Maart Securities Limited	183
99	Quayum Securities Limited	38	143	Jahan Securities Ltd.	195
100	Aries Securities Ltd.	48	144	Stock & Bond Limited	199
101	S. B. Securities Limited	51	145	Total Communication Ltd.	200
102	M. Zubair Securities Limited	52	146	AB Securities Ltd.	201
103	UGC Securities Limited	54	147	Prilink Securities Ltd.	202
104	Global Securities Ltd.	60	148	Modern Equity Limited	206
105	NCCB Securities & Financial Services Ltd.	61	149	United Enterprises & Co. Ltd.	207
106	E-Securities Ltd.	66	150	Mondol Securities Ltd.	209
107	Sinha Securities Limited	67	151	Wifang Securities Ltd.	210
108	First Capital Securities Ltd.	70	152	Sharp Securities Limited	216
109	Multi Securities & Services Limited	75	153	Rasti Securities Consultant Ltd.	217
110	Md. Sahidullah Securities Limited	91	154	A. L. Securities Ltd.	222
111	Dhanmondi Securities Ltd.	98	155	Mercantile Bank Securities Limited	224
112	Island Securities Ltd.	106	156	Shohrab Securities & Trade Ltd.	225
113	Unique Share Management Ltd.	109	157	FAREAST Stocks & Bonds Ltd.	226
114	Nouvelle Securities Ltd.	112	158	Akij Securities Ltd.	231
115	CMSL Securities Limited	113	159	Shahjalal Islami Bank Securities Ltd.	233
116	Ahmed Iqbal Hasan Securities Ltd.	114	160	AIBL Capital Market Services Ltd.	234
117	Nabiul Karim Securities Limited	115	161	PHP Stock & Securities Ltd.	235
118	Murshed Securities Limited	116	162	Premier Bank Securities Ltd.	236
119	Saad Securities Ltd.	118	163	Bank Asia Securities Limited	237
120	Dragon Securities Limited	119	164	Trust Bank Securities Ltd.	242
121	Sheltech Brokerage Limited	120	165	BD Sunlife Securities Ltd.	248
122	SCL Securities Limited	121	166	Sterling Stocks & Securities Ltd.	249
123	Shahed Securities Ltd	123	167	S & H Equities Limited	2

124	ICB Securities Trading Company Limited	129	168	Federal Securities And Investment Limited	45
125	Thea Securities Ltd.	130	169	H R Securities & Investments Limited	72
126	Harpoon Securities Ltd.	131	170	Prime Islami Securities Ltd.	104
127	Kazi Equities Ltd.	135	171	PFI Securities Limited	79
128	Securities Broking & Management Services Ltd.	136	172	Ali Securities Co. Limited	105
129	Al-Haja Jahanara Securities Ltd.	138	173	R N I Securities Ltd.	128
130	K.H.B. Securities Ltd.	143	174	Aloco Securities Ltd.	139

CSE Stockbrokers

Sl. No.	Name of the TREC Holder	TREC Holders No.	Sl. No.	Name of the TREC Holder	TREC Holders No.
1	Alpha Securities Ltd.	CSE 001	38	T.K. Shares & Securities Ltd.	CSE 069
2	ISPI Securities Limited	CSE 002	39	Ahmed Securities Services Ltd.	CSE 070
3	Meenhar Securities Limited	CSE 003	40	Sohel Securities Ltd.	CSE 076
4	South Asia Securities Limited	CSE 004	41	International Leasing Securities Limited	CSE 080
5	Island Securities Ltd.	CSE 005	42	DBL Securities Limited	CSE 081
6	Chittagong Capital Ltd.	CSE 006	43	Skys Securities Limited	CSE 084
7	Saya Securities Ltd.	CSE 010	44	Purabi Securities Ltd.	CSE 087
8	First Capital Securities Limited.	CSE 011	45	D. N. Securities Ltd.	CSE 089
9	BREC EPL Stock Brokerage Ltd.	CSE 013	46	LankaBangla Securities limited	CSE 091
10	UCB Capital Management Ltd.	CSE 015	47	Square Securities Management Ltd.	CSE 092
11	Adams Securities Limited	CSE 016	48	Holy City Securities Ltd.	CSE 093
12	North West Securities Ltd.	CSE 019	49	Inter Continental Securities Ltd.	CSE 094
13	EBL Securities Ltd.	CSE 021	50	PFI Securities Limited	CSE 095
14	Salta Capital Limited	CSE 022	51	International Securities Co. Ltd.	CSE 096
15	Uttara Exchange And Securities Limited	CSE 024	52	Multi Securities & Services Limited	CSE 097
16	Be Rich Limited	CSE 027	53	Mona Financial Consultancy and Securities Ltd.	CSE 103
17	RAK Capital Ltd.	CSE 028	54	Pubali Bank Securities Ltd.	CSE 105
18	PHP Stocks & Securities Ltd.	CSE 031	55	NC Securities Limited	CSE 107
19	Sylnet Securities Ltd.	CSE 033	56	Cordial Securities Limited	CSE 113
20	Pioneer Shares & Securities Ltd.	CSE 034	57	Hassan Shares & Securities Ltd.	CSE 114
21	Hillcity Securities Ltd.	CSE 037	58	Hallmark Securities Ltd.	CSE 117
22	S.R.Capital Ltd.	CSE 038	59	IDLC Securities Ltd.	CSE 119
23	Remons Investment & Securities Ltd.	CSE 042	60	Western Securities Investment Management Ltd.	CSE 120
24	United Financial Trading Company Ltd.	CSE 043	61	Far East Shares & Securities Ltd.	CSE 123
25	Kishwar Securities Investment Ltd.	CSE 047	62	Amin Securities & Consultants Ltd.	CSE 128
26	Impel Shares & Securities Ltd.	CSE 049	63	Phoenix Securities Limited	CSE 131
27	Mirpur Securities Limited	CSE 050	64	NCCB Securities and Financial Services Ltd.	CSE 132
28	E-Securities Limited	CSE 052	65	City Brokerage Ltd.	CSE 133
29	Royal Capital Limited	CSE 053	66	Shahjalal Islami Bank Securities Limited	CSE 134
30	Prime Financial Consultants & Equities Limited	CSE 055	67	Popular Life Insurance Company Ltd.	CSE 135
31	Kabir Securities Limited	CSE 056	68	Premier Leasing Securities Ltd.	CSE 136
32	Eastern Shares & Securities Ltd.	CSE 058	69	Fareast Stocks & Bonds Limited.	CSE 138
33	Reliance Securities Consultant Ltd.	CSE 059	70	AIBL Capital Market Services Ltd.	CSE 139
34	CMSL Securities Limited	CSE 061	71	SIBL Securities Limited	CSE 142
35	Prudential Capital Ltd.	CSE 062	72	Islami Bank Securities Ltd.	CSE 146
36	Associated Capital Securities Ltd.	CSE 063	73	ONE Securities Limited	CSE 148
37	Platinum Securities Limited	CSE 064			

Merchant Bankers

Sl. No.	Name of the Merchant Bankers	Sl. No.	Name of the Merchant Bankers
1	ICB Capital Management Ltd.	20	BMSL Investment Ltd.
2	IDLC Investments Ltd.	21	EBL Investments Ltd.
3	EXIM Islami Investment Ltd.	22	AAA Finance & Investment Limited.
4	Imperial Capital Limited	23	PLFS Investments Ltd.
5	AFC Capital Ltd.	24	Sonali Investment Ltd.
6	Prime Finance Capital Management Ltd.	25	IIDFC Capital Ltd.
7	FAS Capital Management Ltd.	26	IL Capital Ltd.
8	Trust Bank Investment Limited	27	Grameen Capital Management Ltd.
9	City Bank Capital Resources Ltd.	28	Alpha Capital Management Ltd.
10	UniCap Investments Limited	29	Rupali Investment Ltd.
11	SBL Capital Management Ltd.	30	Uttara Finance and Investment Ltd.
12	Jamuna Bank Capital Management Ltd.	31	Green Delta Capital Ltd.
13	LankaBangla Investments Ltd.	32	First Securities Services Ltd.
14	EC Securities Limited	33	Southeast Bank Capital Services Ltd.
15	BLI Capital Limited	34	Janata Capital and Investment Ltd.
16	Prime Bank Investment Ltd.	35	First Security Islami Capital & Investment Ltd.
17	AIBL Capital Management Ltd.	36	Swadesh Investment Management Ltd.
18	BRAC EPL Investments Limited	37	BD Finance Capital Holdings Ltd.
19	MTB Capital Ltd.		