

**CEAT AKKHAN LTD**  
**Balance Sheet as at 31 March 2015**

(Taka)

	NOTES	As at 31.03.2015	As at 31.03.2014
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	3	1,500,000,000	1,500,000,000
Reserves and Surplus	4	(201,478,293)	(62,230,438)
Money Received Against Share Warrants	5	-	-
		<b>1,298,521,707</b>	<b>1,437,769,562</b>
<b>SHARE APPLICATION MONEY PENDING ALLOTMENT</b>			
		-	-
<b>NON CURRENT LIABILITIES</b>			
Long term Borrowings	6	-	-
Deferred Tax Liability (Net)	7	-	697,723
Other Long Term Liability	8	-	-
Long Term Provisions	9	-	-
			<b>697,723</b>
<b>CURRENT LIABILITIES</b>			
Short Term Borrowings	10	92,352,840	65,640,396
Trade Payables	11	66,107,427	293,527
Other Current Liabilities	12	136,754,793	82,951,010
Short Term Provisions	13	39,501,636	21,227,595
		<b>334,716,696</b>	<b>170,112,528</b>
		<b>1,633,238,403</b>	<b>1,608,579,813</b>
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Fixed Assets	FA		
(I) Tangible Assets	FA-1	8,679,151	5,715,448
(II) Intangible Assets	FA-1	2,715,349	4,762,400
(III) Capital Work In Progress	FA-2	768,130,862	578,297,920
(iv) Intangible Assets Under Development		-	-
		<b>779,525,363</b>	<b>588,775,768</b>
Non - Current Investments	15	-	-
Deferred Tax Assets (net)		285,175	-
<b>DEFERRED TAX ASSET (Net)</b>		<b>285,175</b>	<b>-</b>
Long - Term Loans and Advances	16	180,163,375	153,744,920
Other Non Current Assets	17	-	-
		<b>959,688,738</b>	<b>742,520,688</b>
<b>CURRENT ASSETS</b>			
Current Investments	18	-	-
Inventories	19	153,165,312	118,056,372
Trade Receivables	20	113,744,294	44,071,137
Cash and Cash Equivalents	21	364,158,439	659,558,209
Short Term Loans and Advances	22	38,538,350	31,801,082
Other Current Assets	23	3,658,095	12,572,325
		<b>673,264,490</b>	<b>866,059,125</b>
		<b>1,633,238,403</b>	<b>1,608,579,813</b>

The annexed notes 1 to 32 form an integral part of these financial statements.

# CEAT AKKHAN LTD

Profit and Loss Statement for the year ended 31 March 2015

		(Taka)	
	NOTES	2014-2015 April to March	2013-2014 April to March
<b>REVENUE</b>			
Revenue From Operations (Gross)	25	562,515,478	252,482,941
Less : Excise Duty		-	-
Revenue From Operations (Net)		562,515,478	252,482,941
Other Income	26	35,560,278	20,696,382
Total Revenue		598,075,756	273,179,323
<b>EXPENSES</b>			
Cost of Materials Consumed		-	-
Purchase of Stock In Trade		512,470,502	304,018,552
Changes in Inventories of finished goods , work in progress and Stock in trade	27	(35,108,940)	(105,189,781)
Employee Benefits Expenses	28	62,335,541	18,460,367
Finance Costs	30	13,315,861	16,086,024
Depreciation and amortization expenses		4,536,930	2,066,908
Other Expenses	31	141,840,321	68,604,403
Total Expenses		699,390,214	304,046,473
<b>PROFIT BEFORE EXCEPTIONAL AND EXTRAORDINARY ITEMS AND TAX</b>		(101,314,458)	(30,867,150)
Exceptional Items		-	-
<b>PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX</b>		(101,314,458)	(30,867,150)
Extraordinary Items		-	-
<b>PROFIT BEFORE TAX</b>		(101,314,458)	(30,867,150)
Tax Expenses :			
Current Tax		38,916,295	17,429,373
Less : MAT Credit entitlement		-	-
Short / (Excess) Provision of earlier years		(982,898)	697,723
Deferred Tax Current year		-	-
Deferred Tax of prior years		-	-
<b>Profit / (Loss) for the period</b>		(139,247,855)	(48,994,246)

The annexed notes 1 to 32 form an integral part of these financial statements.

**CEAT AKKHAN LTD**  
**Cash Flow Statement**  
**for the year ended 31 March 2015**

**A) Cash flows from operating activities**

Loss After tax	(139,247,855)	(48,994,246)
<i>Adjustment for non cash items</i>		
Depreciation & Amortization	4,536,930	2,192,658
Loss on disposal of property, plant and equipment	(18,990)	(1,973)
<b>Operating profit before changes in working capital</b>	<b>(134,729,916)</b>	<b>(46,803,561)</b>
<i>Adjustment for (increase)/decrease in current assets</i>		
Inventories	(35,108,940)	(105,189,781)
Trade Receivables	(69,673,157)	(44,071,137)
Short Term Loans and Advances	(6,737,268)	(23,438,261)
Other Current Assets	8,914,230	(6,663,381)
Long - Term Loans and Advances	(26,418,455)	(153,744,920)
	<b>(129,023,590)</b>	<b>(333,107,480)</b>
<i>Adjustment for Increase/(decrease) in current liabilities</i>		
Trade Payables	65,813,900	(5,399,016)
Other Current Liabilities	53,803,783	82,951,010
Short Term Provisions	18,274,041	17,429,374
Deferred Tax	(982,898)	697,723
<b>Cash generated from operations</b>	<b>136,908,826</b>	<b>95,679,091</b>
<b>Net cash (used In)/from operating activities</b>	<b>(126,844,680)</b>	<b>(284,231,950)</b>

**B) Cash flows from Investing activities**

Acquisition of Tangible Assets	(5,364,193)	(4,916,379)
Acquisition of Intangible Assets	-	(6,141,763)
Received against insurance claim	55,350	56,550
Expenditure incurred for capital work-in-progress	(189,958,692)	(412,049,837)
<b>Net cash used in Investing activities</b>	<b>(195,267,535)</b>	<b>(423,051,429)</b>

**C) Cash flows from financing activities**

Share capital	-	1,492,000,000
Share money deposit	-	(560,688,464)
Short Term Borrowings	26,712,444	29,122,682
<b>Net cash flows from financing activities</b>	<b>26,712,444</b>	<b>960,434,218</b>

**D) Net increase in cash and cash equivalents (A+B+C)**

<b>E) Opening cash and cash equivalents</b>	<b>659,558,209</b>	<b>406,407,370</b>
<b>F) Closing cash and cash equivalents</b>	<b>364,158,439</b>	<b>659,558,209</b>

1 April 2014 to 31 March 2015 Taka	1 April 2013 to 31 March 2014 Taka
(139,247,855)	(48,994,246)
4,536,930	2,192,658
(18,990)	(1,973)
(134,729,916)	(46,803,561)
(35,108,940)	(105,189,781)
(69,673,157)	(44,071,137)
(6,737,268)	(23,438,261)
8,914,230	(6,663,381)
(26,418,455)	(153,744,920)
(129,023,590)	(333,107,480)
65,813,900	(5,399,016)
53,803,783	82,951,010
18,274,041	17,429,374
(982,898)	697,723
136,908,826	95,679,091
(126,844,680)	(284,231,950)
(5,364,193)	(4,916,379)
-	(6,141,763)
55,350	56,550
(189,958,692)	(412,049,837)
(195,267,535)	(423,051,429)
-	1,492,000,000
-	(560,688,464)
26,712,444	29,122,682
26,712,444	960,434,218
(295,399,770)	253,150,839
659,558,209	406,407,370
364,158,439	659,558,209

**CEAT AKKHAN LTD.**

**Notes to the financial statements  
as at and for the year ended 31 March 2015**

**1. Reporting entity**

**1.1 Company profile**

CEAT AKKHAN LTD has been incorporated under the Companies Act, 1994 vide Incorporation no. C-102115/12 dated 30 May 2012 as a public limited company. The registered office of the Company is located at 802 Shanta Western Tower, 186 Tejgaon I/A, Dhaka-1208.

**1.2 Nature of business**

The main objective of the Company is to carry on the business of designing, developing, constructing, producing, repairing, purchasing, selling, importing, exporting and generally dealing in tyres, semi-tyres, tubes and flaps for all types of vehicles used in heavy, medium and light passengers transports, cars scooters, motorcycles and other two and three wheel vehicles.

**1.3 Basis of preparation**

**1.3.1 Statement of compliance**

The financial statements have been prepared in accordance with Bangladesh Financial Reporting Standards (BFRSs).

The title and format of financial statements follow the requirements of BFRS which are to some extent different from the requirement of Companies Act 1994; however, such differences are not material and in the view of management, BFRS format as mentioned in BAS 1 gives a better presentation to the shareholders.

**1.3.2 Basis of measurement**

These financial statements have been prepared on going concern basis under the historical cost convention.

Accrual basis of accounting has been followed consistently in preparing the financial statement.

**1.3.3 Functional and presentational currency and level of precision**

The financial statements are presented in Bangladesh Taka (Taka/Tk/BDT), which is the Company's functional currency. All financial information presented in Taka have been rounded off to the nearest taka.

**1.3.4 Changes in accounting policies**

Except for the changes below, the Company has consistently applied the accounting policies set out in Note 3 to all periods presented in these financial statements. The Company has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with date of initial application of 1 January 2013.

**(a) BFRS 13: Fair Value Measurement**

BFRS 13 (effective from 1 January 2013) establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required or permitted by other BFRSs. It unifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It replaces and expands the disclosure requirements about fair value measurements in other BFRSs, including BFRS 7. As a result the Company has included additional disclosures in this regard (see note 26). The requirements of this BFRS has no significant impact on the measurement of the Company's assets and liabilities.

**(b) Disclosures - Offsetting Financial Assets and Financial Liabilities (Amendments to BFRS 7)**

The Company has adopted these amendments to BFRS 7 however this has no impact on the financial statements.

(c) **BFRS 10: Consolidated Financial Statements**

This Company does not have any subsidiary, as such this standard does not have any impact on the financial statements.

(d) **BFRS 11: Joint Arrangements**

This Company does not have any such arrangement, as such this standard does not have any impact on the financial statements.

(e) **BFRS 12: Disclosure of Interests in Other Entities**

This Company does not have any such interests in other entities, as such this standard does not have any impact on the financial statements.

(f) **Presentation of Items of Other Comprehensive Income (Amendments to BAS 1)**

As a result of the amendments to BAS 1, the Company adopted the policy to separately present items that would be reclassified to profit or loss from those that would never be. However this requirements do not have any material impact on the financial statements.

(g) **Recoverable Amount Disclosures for Non-Financial Assets**

The Company has adopted the amendments to BAS 36 (2013). However this has no impact on the financial statements.

**1.3.5 Use of estimates and judgment**

The preparation of financial statements in conformity with BFRS 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. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

Note 3.1(b)	Depreciation
Note 3.2	Amortisation
Note 17	Provision for expenses
Note 18	Provision for income tax

**1.3.6 Reporting period**

These financial statements cover the period from 1 April 2014 to 31 March 2015.

**1.3.7 Comparative Information**

Comparative information has been disclosed in respect of the year ended 31 March 2014 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.

Figures for the year ended 31 March 2014 have been rearranged, wherever considered necessary, to ensure better comparability with the current year.

## 2 Significant accounting policies

The accounting policies set out below have been applied consistently to the period presented in these financial statements.

### 2.1 Tangible assets

#### (a) Recognition and measurement

Items of tangible assets are measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of tangible assets comprises its purchase price, import duties and non-refundable taxes, after deducting trade discount and rebates, and any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the intended manner.

#### (b) Depreciation

Depreciation is recognised in the statement of comprehensive income on a straight-line basis over the estimated useful lives of each item of property, plant and equipment including leased assets. The Company considers 5% of the costs as salvage value for each category of assets. The Company has changed its depreciation method from reducing balance to straight-line during the year. No depreciation is charged on land and capital work in progress.

Depreciation for full month has been charged on additions irrespective of date when the related assets are put into use. The rates of depreciation are given below:

<u>Category of assets</u>	<u>Rate of depreciation</u>
Furniture and fixture	9.50%
Office equipment	19%
IT equipment	31.67%
Plant & Machinery	12.67%

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

#### (c) Retirements and disposals

An asset is derecognised upon disposal or when no future economic benefits are expected from its use and subsequent disposal. Gains or losses arising from the retirement or disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised as gain or loss from disposal of asset under other income in the statement of comprehensive income.

#### (d) Capital work-in-progress

Capital work in progress consists of acquisition costs of land, plant, machinery, capital components of other equipment and related installation costs incurred until the date placed in service. In case of purchase of assets, capital work in progress is recognised when risks and rewards associated with such assets are transferred to the Company.

### 2.2 Intangible assets

Intangible assets include SAP, Project Information Archive System (PIAS) and other office software which are measured at cost less accumulated amortisation and accumulated impairment losses. These intangible assets are amortised on straight line basis over three years.

### 2.3 Provisions

In accordance with the guidelines as prescribed by BAS 37 provisions were recognised when all the following criteria are met:

- i) When the Company has a present obligation as a result of past event;
- ii) When it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- iii) Reliable estimates can be made of the amount of the obligation.

### 2.4 Contingencies

Contingencies arising from claim, litigation assessment, fines, penalties etc. are recorded when it is probable that a liability has been incurred and the amount can reasonably be measured.

## **2.5 Taxation**

### **2.5.1 Current tax**

Current tax has been provided in the financial statements at the rate applicable for the Company as per the Income Tax Ordinance 1984.

### **2.5.2 Deferred tax**

Deferred tax is recognised in compliance with BAS 12: Income Taxes, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

## **2.6 Finance income and expenses**

Finance income comprises interest income on funds invested. Interest income is recognised on maturity. Finance expenses comprise interest expense on short term loan, overdraft and bank charges.

## **2.7 Foreign currency**

Foreign currency transactions are translated into Bangladeshi taka at the rates ruling on the transaction date. All monetary assets and liabilities at the statement of financial position date are retranslated using rates prevailing on that day. All differences are taken to the profit and loss account.

## **2.8 Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### **2.8.1 Financial assets**

Financial assets include cash and cash equivalents, trade receivables, advances, deposits, prepayments and other current assets.

#### **(a) Cash and cash equivalents**

Cash comprises cash in hand and demand deposit with banks. Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

**(b) Trade receivables**

Trade receivables consists of unpaid bills receivable from dealers.

**(c) Short term loans and advances**

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.

Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to profit and loss account.

**2.8.2 Financial liabilities**

Financial liabilities are recognised initially on the transaction date at which the Company becomes a party to the contractual provisions of the liability except the amount payable for letter of credit. The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

Financial liabilities include short term loan, inter company payables, creditors and accruals, and other current liabilities.

**(a) Short term loan**

Short term loan consists of bank overdrafts, loan against trust receipts (LATR) and loan against time loan (LATL).

**(b) Creditors and accruals**

Creditors and accruals consist of payables to suppliers and service providers, withholding VAT and tax payables, and advances received from clients for goods.

**2.9 Impairment**

**(a) Financial assets**

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

**(b) Non-financial assets**

An asset is impaired when its carrying amount exceeds its recoverable amount. The Company assesses at each reporting date whether there is any indication that an asset or a Cash Generating Unit (CGU) may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset or CGU. The recoverable amount of an asset or a CGU is the higher of its fair value less costs to sell and its value in use. Carrying amount of the asset is reduced to its recoverable amount by recognising an impairment loss if, and only if, the recoverable amount of the asset is less than its carrying amount. Impairment loss is recognised immediately in profit or loss, unless the asset is carried at devalued amount. Any impairment loss of a revalued asset shall be treated as a revaluation decrease. As at 31 March 2014, the assessment of indicators of impairment reveals that impairment testing is not required for the Company.

**(c) Inventories**

Inventories are measured at the lower of cost and net realisable value.



#### **2.10 Inventories**

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

#### **2.11 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and revenue can be reliably measured. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership are passed on to the customer which generally coincides with delivery. It is measured at the fair value of the consideration received or receivable, net of VAT and any trade discount.

#### **2.12 Employee benefits**

The Company does not maintain any defined contribution plan for its eligible permanent employees.

##### **2.12.1 Defined benefit plan (leave encashment)**

Permanent employees of the Company are entitled to receive leave encashment on unavailed earned leave. In each year maximum 12 days of earned leave can be encashed by each permanent employee.

#### **2.13 Workers' Profit Participation Fund (WPPF)**

Bangladesh Labour Act 2006 (amended in 2013) requires companies to contribute 5% of the pre-tax profit to a Workers' Profit Participation Fund (WPPF). As the Company has incurred a pre-tax loss for the year, no WPPF contributions have been made.

#### **2.13 Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

**(Taka)**

As at 31.03.2015	As at 31.03.2014
1,500,000,000	1,500,000,000
0	0
<b>1,500,000,000</b>	<b>1,500,000,000</b>

Add : Allotted during the year

**(Taka)**

As at 31.03.2015		As at 31.03.2014
0		0
0	0	0
	0	0
0		0
0		0
	0	0
0		0
0		0
0	0	0
0		0
0	0	0
0		0
0	0	0
0		0
0	0	0
-62,230,438		-13,236,192
-139,247,855		-48,994,246
-201,478,293		-62,230,438
0		0
0		0
0		0
	-201,478,293	-62,230,438
	-201,478,293	-62,230,438

**Surplus - Closing balance**

Notes forming part of the Standalone Financial Statements

Note 10 - Short Term Borrowings:

Short - term Borrowings :

1) SECURED

Loans repayable on demand  
Working Capital Term Loan - Secured  
Working Capital Demand Loan - Secured

a) Cash Credit Facilities

b) Export Packing Credit

c) Buyers Credit

AB Bank Trust Receipt

AB Bank Time Loan

Eastern Bank Import and Demand Loan  
City Bank Import and RSTL

2) UNSECURED

Public Deposits

	As at 31.03.2015	(Taka) As at 31.03.2014
	0	0
	0	0
	74,272,214	52,085,078
	0	0
	0	0
	18,080,626	6,255,094
	0	7,300,224
	0	
	0	
	0	
	0	0
	92,352,840	65,640,396

Security arrangement with banks

**AB Bank Limited**

The loan secured on hypothecated stocks, book debts and bills receivables (present and future) of CEAT AKKHAN LTD. In favor of AB Bank Limited.

The charge will be registered with the Registrar of Joint Stock Companies and Firms. Limit BDT 165 Million.

**State bank of India**

This is in respect of funded and non-funded facility arrangements with SBI.

Hypothecation of all stocks, receivables and other current assets (existing and proposed) of the Company. Limit BDT 120 Million.

**Eastern Bank Limited**

The loan secured on hypothecated stocks, book debts and bills receivables (present and future) of CEATAKKHAN LTD. in favor of Eastern Bank

Limited. The charge will be registered with the Registrar of Joint Stock Companies and Firms. Limit BDT 210 Million.

**The City Bank Limited**

The loan secured on hypothecated stocks, book debts and bills receivables (present and future) of CEAT AKKHAN LTD. in favor of The City Bank

Limited. The charge will be registered with the Registrar of Joint Stock Companies and Firms. Limit BDT 120 Million.

Short term borrowings(Details)

Cash credit facilities

State Bank of India

Trust receipt

AB Bank Limited

Time loan

AB Bank Limited

Bank overdraft:

State Bank of India

The City Bank Limited

Eastern Bank Limited

	As at 31.03.2015	(Taka) As at 31.03.2014
	74,185,999	40,041,836
	18,080,626	6,255,094
		7,300,224
		12,043,242
	86,215	
	92,352,840	65,640,396

Notes forming part of the Standalone Financial Statements

Note 11 - TRADE PAYABLES

TRADE PAYABLES

Acceptances

Due to Micro, Small and Medium enterprises

Overdue

Not due

Other Trade Payables

Advance from Customers

	As at 31.03.2015	(Taka) As at 31.03.2014
	0	0
	0	0
	0	0
	66,107,427.0	293,527
	0	0
	66,107,427	293,527

## Note 12 - OTHER CURRENT LIABILITIES

## Other Current Liabilities

- 1) Current Maturities of Long term debt
- 2) Current Maturities of Finance Lease Obligations
- 2) Interest Accrued but not Due on Borrowings
- 4) Interest Accrued & Due on Borrowings
- 5) Income received in Advance
- 3) Unpaid Dividends
- Application money due for Refund
- 4) Unpaid Interest & Matured Deposits
- Unpaid Interest & Matured Bonds
- 5) Other Payables :
  - Payable to Capital Vendors
  - Payable to Capital Vendors-Intercompany
  - Deposits From Dealers & Others
  - Statutory Dues
  - Withholding and Other Taxes payable
  - Advance from Customers
  - Premium on Hedging Instruments
  - Short Term Forex MTM

As at 31.03.2015	As at 31.03.2014
0	0
0	0
52,899	200,810
4,205,576	1,943,258
0	0
0	0
0	0
0	0
0	0
0	0
14,822,724	-33,306
26,007,300	25,990,650
88,582,291	45,807,418
0	0
3,084,003	9,042,180
0	0
0	0
0	0
136,754,793	82,951,010

## Notes forming part of the Standalone Financial Statements

(Taka)

## Note 13 - SHORT TERM PROVISIONS

## SHORT TERM PROVISIONS

- 1) Provision for Employee Benefits
  - Unavailed Leave, Current
  - Gratuity
- 2) Proposed Dividend
- 3) Tax on Proposed Dividend
- Provision for Income Tax
- 4) Provision for Warranty

As at 31.03.2015	As at 31.03.2014
0	0
0	0
0	0
0	0
39,501,636	21,227,595
0	0
39,501,636	21,227,595

## Property, plant and equipment

As at 31 March 2015		Cost			Depreciation					WDV as at March 31 2015	
ASSETS		Balance as at 1 April 2014	Addition during the year	Disposal/ adjustment during the year	As at 31 March 2015	Rate	Balance as at 1 April 2014	Addition during the year	Disposal/ adjustment during the year	As at 31 March 2015	
1	Furniture & Fixtures	1,502,697	1,451,941	-	2,954,638	9.50%	156,309	203,022	-	359,332	2,595,306
2	Office Equipments	910,775	1,466,755	-	2,377,530	19.00%	151,883	376,887	20,680	508,090	1,869,440
3	IT Equipments	4,529,161	1,344,324	55,350	5,818,135	31.67%	918,992	1,819,225	124,060	2,614,157	3,203,978
4	Electrical Equipments	-	1,101,172	-	1,101,172	12.67%	-	90,746	-	90,746	1,010,426
Total		6,942,633	5,364,193	55,350	12,251,476		1,227,184	2,489,880	144,740	3,572,324	8,679,151

## Intangible Assets

As at 31 March 2015		Cost			Amortisation				WDV as at March 31 2015	
Sl.	ASSETS	Balance as at 1 April 2014	Addition during the year	Disposal/ adjustment during the year	As at 31 March 2015	Rate	Balance as at 1 April 2014	Addition during the year	Disposal/ adjustment during the year	As at 31 March 2015
1	SAP Software	3,877,205	-	-	3,877,205	33.33%	1,076,894	1,292,272	-	2,369,166
2	Office Software	599,000	-	-	599,000	33.33%	149,735	199,648	-	349,383
3	PIRS Software	958,358	-	-	958,358	33.33%	133,092	319,420	-	452,512
4	OfficeStd 2013 SNGL OLP NL, Visio STD, Media kit	707,200	-	-	707,200	33.33%	19,642	235,710	-	255,352
Total		6,141,763	-	-	6,141,763		1,379,363	2,047,050	-	3,426,413
										2,715,350

**FA-Schedule-2**

<b>Capital work-in-progress</b>			
<i>In taka</i>	<b>Land cost</b>	<b>Other project cost</b>	<b>Total</b>
Balance at 1 April 2013	158,741,480	7,506,603	166,248,083
Additions	311,860,037	100,189,800	412,049,837
Transfer to PPE	-	-	-
Balance at 31 March 2014	470,601,517	107,696,403	578,297,920
Balance at 1 April 2014	470,601,517	107,696,403	578,297,920
Additions	135,953,177	53,879,765	189,832,942
Transfer to PPE	-	-	-
Balance at 31 March 2015	606,554,694	161,576,168	768,130,862

**(Taka)**

### LONG TERM LOANS AND ADVANCES

**UNSECURED CONSIDERED GOOD**

Capital Advances	131,989,252	104,765,776
Security Deposits	0	0
Rent Deposits	0	5,489,125
Prepaid Expenses	0	0
Other Deposits	0	0
VAT Current Account	23,361,497	25,058,782
Advance payment of Tax Gross	24,812,626	18,431,237
MAT Credit Entitlement	0	0
Balance with Government Authorities	0	0
Less : Provision made for Deposits	0	0
Share application in CEAT AKKHAN LTD.	0	0
	<b>180,163,375</b>	<b>153,744,920</b>

**(Taka)**

#### Note 17 - Other Non Current Assets

### Long Term Forex MTM

As at 31.03.2015	As at 31.03.2014
0	
0	

**(Taka)**

## Note 19 - INVENTORIES

## INVENTORIES

Raw Materials	0		0
Goods-in transit	0		0
Semi-Finished Goods	0		0
Goods-in transit	0		0
Finished goods	0		0
Goods-In transit	0		0
Traded Goods Stock	102,298,104		118,056,372
Goods-In transit	50,867,208	153,165,312	0
Stores , spares and Others	0		0
Goods-In transit	0		0
Less :			
Provision for Obsolescence of Stores	0	0	0
		153,165,312	118,056,372

## TRADE RECEIVABLES

Secured, Considered Good  
Unsecured, Considered Good  
Unsecured, Considered Doubtful  
Less : Provision for Doubtful Debts

### Other Debts

Secured, Considered Good  
Unsecured, Considered Good  
Unsecured, Considered Doubtful  
Less : Provision for Doubtful Debts

As at 31.03.2015		As at 31.03.2014
0		0
0		0
0		0
0		0
0	0	0
0		0
113,744,294		44,071,137
0		
0	113,744,294	
	113,744,294	44,071,137

**(Taka)**

### CASH AND CASH EQUIVALENTS

**Balances with Banks :**

On Unpaid Dividend Accounts  
On Unpaid Interest and Fixed Deposit  
On remittance in Transit

**Cash in Hand**

## Other Bank Balance

Deposits with original maturity (FDR)

Margin Money Deposits

Deposits with more than 12 months maturity

As at 31.03.2015	As at 31.03.2014
252,059,354	84,612,097
0	0
0	0
0	0
0	0
325,996	105,537
252,385,350	84,717,634
110,090,418	571,191,812
1,682,671	3,648,763
0	0
111,773,089	574,840,575
364,158,439	659,558,209



Notes forming part of the Standalone Financial Statements

(Taka)

Note 22 - Short Term Loans and Advances

UNSECURED, Considered Good

Loans and Advances to related Parties

Others :

Advance Receivable in Cash or Kind or for Value to be Received

Balance with Customs, Port Trust, Excise etc.

Loans and Deposits with Companies

Advance Payment of Tax

MAT Credit Entitlement

Other Receivables

Unsecured , Considered Doubtful

Loans Advances and Deposits

Provision for Doubtful Advance, Deposit

As at 31.03.2015	As at 31.03.2014
6,697,550	5,891,396
28,959,766	25,909,686
2,881,034	0
0	0
0	0
0	0
0	0
0	0
0	0
0	0
38,538,350	31,801,082

(Taka)

Note 23 - Other Current Assets

OTHER CURRENT ASSETS

Interest Receivable

Unamortised Premium on Forward Contract

Short Term MTM Assets

As at 31.03.2015	As at 31.03.2014
3,658,095	12,572,325
0	
0	0
3,658,095	12,572,325

Notes forming part of the Standalone Financial Statements

(Taka)

Note 25 - Revenue from Operations

Sale of products

Other operating revenues

Royalty Income

Sale of Scrap

Govt Grants

Other

Less:

Excise duty

2014-2015 April to March	2013-2014 April to March
560,959,050	252,480,968
0	0
1,467,438	0
0	0
88,990	1,973
0	0
562,515,478	252,482,941

Notes forming part of the Standalone Financial Statements

Note 26 - Other Income

Profit on Sale of Assets	
Profit on Sale of Investment	
Interest Income - Banks	

2014-2015 April to March	2013-2014 April to March
0	0
0	0
35,560,278	20,696,382
<b>35,560,278</b>	<b>20,696,382</b>

Note 27 - Changes in Inventories of Finished Goods, Work-in-progress and Stock In Trade

Opening Stock  
Semi - Finished  
Finished Goods  
Traded Goods

Closing Stock  
Semi - Finished  
Finished  
Traded Goods

0	0
0	0
118,056,372	12,865,834
<b>118,056,372</b>	<b>12,865,834</b>
0	0
0	0
153,165,312	118,056,372
<b>153,165,312</b>	<b>118,056,372</b>

Note 28 - Employee Benefits Expenses

Salaries, Wages and Bonus	
Provident Fund and Superannuation Scheme etc.	
Gratuity Fund	
Welfare Expenses	
Voluntary Retirement Scheme	

51,931,860	14,528,694
0	0
0	0
10,403,681	3,931,673
0	0
<b>62,335,541</b>	<b>18,460,367</b>

Notes forming part of the Standalone Financial Statements

Note 30 - Finance Cost

Interest Cost	
FOREX Loss on Finance Transactions	
Other Borrowing Cost	

2014-2015 April to March	2013-2014 April to March
13,315,861	16,086,024
0	0
0	0
<b>13,315,861</b>	<b>16,086,024</b>

Notes forming part of the Standalone Financial Statements

**Note 31 - Other Expenses**

	2014-2015 April to March	2013-2014 April to March
Conversion Charges	0	0
Stores and Spares Consumed	0	0
Provision for Obsolescence of Stores	0	0
Power and Fuel	562,891	0
Freight and Delivery Charges	7,882,013	4,797,208
Rent	17,705,691	16,825,389
Lease Rent	0	0
Rates and Taxes	0	0
Insurance	3,408,468	3,346,646
Repairs :		
Machinery	3,969,744	2,138,135
Buildings	303,431	31,900
Others	865	2,975
	4,274,040	2,173,010
Travelling and Conveyance	19,192,385	11,304,303
Printing and Stationery	1,336,343	1,198,029
Directors' Fees	0	0
Auditors' Remuneration :		
Audit Fees	442,750	621,635
Tax Audit	0	0
Other Services (Certification)	0	0
Reimbursement of Expenses	0	0
	442,750	621,635
Cost Audit Fee	0	0
Advertisement and Sales Promotion Expenses	49,982,158	12,044,313
Rebates and Discounts	3,288,893	201,998
Commission on Sales	0	0
Communication Expenses	11,011,281	3,362,854
Advances Written off	0	0
Bad Debts Written off	0	0
Less : Provision for doubtful debts written back to the extent provided	0	0
	0	0
Provision for Doubtful Debts / Advances	0	0
Loss on Assets Sold / Discarded	0	0
Factory Expenses	0	0
Legal Charges	76,925	116,313
Foreign Exchange Fluctuations (Net)	88,771	69,123
Professional and Consultancy Charges	5,724,341	2,847,891
Commission to Directors	0	0
Training and Conference Expenses	2,487,936	810,391
Bank Charges	2,060,972	1,957,232
Miscellaneous Expenses	12,314,463	6,928,068
	141,840,321	68,604,403

**Note:32**

**32.1 Capital commitments**

Supplier Name	Type of Work	31 March 2015		31 March 2014	
		USD	BDT	USD	BDT
CEAT Limited, India	Project implementation	667,000	52,092,700	667,000	52,059,350 ✓
Bestry, China	Extruder and Line	1,110,000	86,691,000	1,110,000	86,580,000 ✓
Jacobs, India	Project Consultancy	162,225	12,669,773	-	-
Comerio, Italy	Calendar and Line	2,025,000	158,152,500	2,125,000	165,750,000 ✓
L&T, India	Mixer	420,000	32,802,000	410,000	31,980,000 ✓
Prabha Steel, India	Main Drain Tank and	72,012	5,624,137	72,012	5,616,936 ✓
Raychem, India	Transformer	246,470	19,249,307	246,470	19,224,660 ✓
Elgi, India	Air Compressor	110,000	8,591,000	110,000	8,580,000
Thermax, India	Condensate Recovery	25,000	1,952,500	25,000	1,950,000 ✓
Forbes Marshall, India	Boiler	405,000	31,630,500	405,000	31,590,000
Himgiri, India	Cooling Tower	22,000	1,718,200	22,000	1,716,000 ✓
L&T, India	Curing Press	4,000,000	312,400,000	-	-
Aah Engineer, India	Gearbox for Mixer	76,500	5,974,650	-	-
Vacunair	Vacuum System	65,000	5,076,500	-	-
M/S Bhalla	Centrifugal Pumps	55,000	4,295,500	-	-
ABB India	Motor, VFD, Transformer	235,170	18,366,777	-	-
Auto Power, BD	Power Contractor	-	1,111,110	-	-
Brothers Construction	Site Grading	-	738,548	-	-
PEB Steel, BD	PEB	-	141,200,000	-	-
Magnum, BD	Civil	-	344,250,246	-	-
DDCL	Civil Work Supervision	-	3,692,883	-	-
		<b>9,696,377</b>	<b>1,248,279,831</b>	<b>5,192,482</b>	<b>405,046,946</b>

**32.2 Other commitments**

The Company had contractual commitments in respect of Letter of Credit for import of tyres at following Bank:

Bank Name	31 March 2015	31 March 2014
	Amount in Taka(Million)	Amount in Taka(Million)
AB Bank Limited	16.95	36.2
Eastern Bank Limited	0.24	-
State Bank of India	34.55	22.69
The City Bank Limited	0.16	-
<b>Total</b>	<b>51.90</b>	<b>58.89</b>

**32.3 Related party transactions**

The Company in normal course of business has entered into transactions with other entities that fall within the definition of related party contained in IAS/BAS: 24 Related Party Disclosure. The Company believes that the terms of related party transactions are not significantly different from those that could have been obtained from third parties. The significant related party transactions during the period are as follows:

As on 31 March 2015				
Name of related party	Relationship	Nature of transactions	Transactions during the period	Outstanding as at 31st March 2015
			Taka	Taka
CEAT Limited, India	Parent company	Purchase of tyre and other claim	426,157,817	37,822,496
		Project implementation and plant commissioning services	-	26,007,300
			426,157,817	63,829,796
AK Khan & Co Limited, BD	Shareholder	C&F Agent	7,332,975	777,182
As on 31 March 2014				
Name of related party	Relationship	Nature of transactions	Transactions during the period	Outstanding as at 31st March 2015
			Taka	Taka
CEAT Limited, India	Parent company	Purchase of tyre and other claim	255,884,824	210,495
		Project implementation and plant commissioning services	25,990,650	25,990,650
			281,875,474	26,201,145
AK Khan & Co Limited, BD	Shareholder	C&F Agent	4,304,275	556,621

**32.4 Purchase and Sale of Traded Goods**

	2014-15	2013-14
Traded Goods Purchases - Tyres	512,470,502	304,018,552
Traded Goods Sales - Tyres and Tubes (Gross)	562,515,478	252,482,941

**32.5 Value of Imports calculated on C&F basis:**

Traded Goods	426,157,817	255,884,824
--------------	-------------	-------------

**32.6 Earnings Per Share (EPS):**

Net Profit for calculation of basic and diluted EPS	(139,247,855)	(48,994,246)
Weighted average number of equity shares (face value per share ` 10/-) in calculating basic EPS	150,000,000	58,624,176
Effect of dilution :		
Convertible share warrants		
Weighted average number of equity shares (face value per share ` 10/-) in calculating diluted EPS		
	(0.93)	(0.84)
Basic EPS	(0.93)	(0.84)
Diluted EPS		