

AUDITORS' REPORT**TO THE SHAREHOLDERS OF NAVANA BATTERIES LIMITED**

We have audited the accompanying Statement of Financial Position of the Navana Batteries Limited as on August 31, 2012 and the related Statement of Comprehensive Income, Statement of Cash Flows, Statement of changes in Equity and 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.

Basis of Opinion:

We conducted our audit in accordance with Bangladesh Financial Reporting Standards (BFRS) Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. 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 statement 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 Financial Reporting Standards (BFRS), give a true and fair view of the state of the company's affairs as of August 31, 2012 and the results of its operations and its cash flow 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 purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- c) the company's Statement of Financial Position and Statement of Comprehensive Income dealt with by the report are in agreement with the books of account and returns; and
- d) the expenditures incurred was for the purpose of the company's business.

Dated : Dhaka
November 08, 2012

PRACHI-NIKET
54, Dilkusha C/A, Dhaka.

Sd/-
M.M. RAHMAN & CO.
Chartered Accountants

M. Obaidur Rahman, FCA

Navana Batteries Limited
Statement of Financial Position
As at August 31, 2012

	Notes	31.08.2012 BD Taka	31.08.2011 BD Taka
Assets :			
Non-current assets :			
Property, plant and equipment, net	3	251,865,743	218,741,215
Capital work in progress	4	84,314,504	107,917,856
Total non-current assets :		336,180,247	326,659,071
Current assets :			
Stock and stores	5	139,403,486	192,275,462
Trade debtors	6	148,975,034	104,685,063
Income tax deducted at source	7	57,425,044	40,081,164
Advance, deposits and prepayments	8	147,897,878	101,597,452
Cash and bank balances	9	23,251,633	13,639,378
Total current assets :		516,953,075	452,278,519
Total Assets		853,133,322	778,937,590
Equity and Liabilities :			
Equity attributable to equity holders			
Share capital	10	183,702,690	183,702,690
Retained earnings	11	176,894,918	128,572,672
Total Equity		360,597,608	312,275,362
Current liabilities :			
Short term loan	12	91,826,507	84,091,763
Inter company liabilities		300,918,953	273,373,088
Accrued and other current liabilities		99,790,254	109,197,377
Total liabilities		492,535,715	466,662,228
Total Equity and Liabilities		853,133,322	778,937,590
Net assets value per share (NAVPS)		19.63	17.00

The annexed notes 1 to 18 form an integral part of these financial statements.

Sd/-
Chairman

Sd/-
Director

Signed in terms of our separate report of even date.

Dated : Dhaka
November 08, 2012

Sd/-
M.M. RAHMAN & CO.
Chartered Accountants

Navana Batteries Limited
Statement of Comprehensive Income
For the year ended August 31, 2012

Particulars	Notes	Year ended 31.08.2012 BD Taka	Year ended 31.08.2011 BD Taka
Revenues (Net)	13	668,159,995	716,587,341
Cost of goods sold	14	517,696,090	534,561,147
Gross profit		150,463,905	182,026,194
Operating expenses:		81,438,218	70,798,635
Administrative expenses	15	10,016,794	9,562,890
Selling and distribution expenses	16	47,909,322	46,102,356
Financial charges		23,512,102	15,133,389
Profit before contribution to WPPF		69,025,687	111,227,559
Contribution to WPPF		3,286,938	5,296,550
Net profit before tax		65,738,749	105,931,009
Provision for income tax :	17	17,416,503	33,743,029
Net profit after tax		48,322,246	72,187,980
Earning per share (EPS)	18	2.63	3.93

The annexed notes 1 to 18 form an integral part of these financial statements.

Sd/-
Chairman

Sd/-
Director

Signed in terms of our separate report of even date.

Dated : Dhaka
November 08, 2012

Sd/-
M.M. RAHMAN & CO.
Chartered Accountants

Navana Batteries Limited**Statement of Cash Flows**

For the year ended August 31, 2012

Particulars	Year ended	Year ended
	31.08.2012	31.08.2011
	BD Taka	BD Taka
Cash Flows from Operating Activities		
Cash Collection from Sales	623,870,024	670,484,696
Cash Paid to Suppliers and Employees	(577,675,627)	(659,176,984)
Cash generated from operations	46,194,397	11,307,712
Income tax Paid	(17,343,880)	(23,628,853)
Net Cash used in Operating Activities	28,850,517	(12,321,141)
Cash Flows from Investing Activities		
Acquisition of Fixed Assets	(11,932,143)	(32,067,823)
Payments for capital work in progress	(19,074,626)	-
Payment for acquisition of Fixed Assets	-	(52,575,720)
Net Cash used in Investing Activities	(31,006,769)	(84,643,543)
Cash Flows from Financing Activities		
Proceeds from bank loan	7,734,744	6,110,692
Inter company receipts	27,545,865	92,199,800
Bank Interest Paid	(23,512,102)	(15,133,389)
Net Cash provided by Financing Activities	11,768,507	83,177,103
Net Changes in Cash & Cash Equivalents	9,612,255	(13,787,581)
Cash & Cash Equivalents at Beginning of the Year	13,639,378	27,426,959
Cash & Cash Equivalents at End of the Year	23,251,633	13,639,378
Net operating cash flows per share (NOCFPS)	1.57	(0.67)

Sd/-
ChairmanSd/-
DirectorDated : Dhaka
November 08, 2012

Navana Batteries Limited
Statement of Changes in Equity
 For the year ended August 31, 2012

Particulars	Share capital	Retained earnings	Total Equity
	BD Taka	BD Taka	BD Taka
Balance as on September 01, 2010	183,702,690	56,384,692	240,087,382
Surplus for the year		72,187,980	72,187,980
Balance as on September 01, 2011	183,702,690	128,572,672	312,275,362
Surplus for the year	-	48,322,246	48,322,246
Balance as on August 31, 2012	183,702,690	176,894,918	360,597,608

Sd/-
 Chairman

Sd/-
 Director

Dated : Dhaka
 November 08, 2012



View : Battery Delivery on process.

Navana Batteries Limited**Accounting Policies and Explanatory Notes to the Financial Statements**

As at and for the year ended August 31, 2012

1. Corporate Information and Mode of Business**1.1 Corporate Information**

The company incorporated on 21st April, 2009 vide registration # C76441/09.

1.2 Mode of Business

The principal activities of the company are manufacturing of Automotive, Industrial and Solar Batteries in the plant located at Fouzdarhat Industrial Area, Chittagong, Bangladesh.

2. Significant Accounting Policies and Basis of Preparation of Financial Statement**2.1 Statement of Compliance**

The financial statements have been prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) and as per requirements of the Companies Act 1994, the Securities and Exchange Rules 1987, and other applicable laws and regulations.

2.2 Basis of Preparation

The financial statements of this unit have been prepared assuming going concern basis based on the accrual basis of accounting following under the historical cost convention.

2.3 Basis of Reporting

The financial statements of this unit is prepared and presented for external users in accordance with the identified financial reporting framework. Presentation has been made in compliance with the requirement of BAS 1 "Presentation of Financial Statements."

2.4 Reporting Period

This report has been prepared as of August 31, 2012.

2.5 Functional and Presentation Currency

Financial Statements are prepared in Bangladeshi Taka which is the functional currency.

2.6 Recognition of Property, Plant and Equipment

These are capitalized at cost of acquisition and subsequently stated at original cost minus accumulated depreciation and accumulated impairment losses, if any, in compliance with the relevant accounting standard (BAS 16). The cost of the assets is inclusive of cost paid to the vendors along with all incidental expenses to install or construct the same assets for its intended use. Expenditure incurred after the assets have been put in to operation, such as repairs and maintenance is normally charged off as revenue expenditure in the period in which it is incurred.

Depreciation

No depreciation has been charged on land development considering the unlimited useful life. In respect of all other assets, the quantum of annual depreciation charge is calculated over their estimated useful life lives using the diminishing balance method of depreciation. All the assets acquired or disposed of during the period have been depreciated for the period of its uses. The rate at which the assets are depreciated per annum depended on the nature and estimated useful life of each assets are consistently applied since inception of the Unit which are given below.

Notes To The Financial Statements

Name of the Assets	Rate of Depreciation in (%)
Building	2.5
Plant & Machinery	10
Tools & Equipment	20
Office Equipment	10
Furniture & Fixtures	10
Transport Vehicles	20

2.7 Inventories

In compliance with the requirements with BAS 2 "Inventories" Raw Materials and Stores are valued at the lower of average cost and the net realizable value. Stocks of finished goods are valued at cost which is determined by taking into consideration the value of raw materials and production overhead. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to present condition and includes wherever applicable appropriate overheads based on normal level of activity.

No provision has been made for slow moving & obsolete stocks during the financial year.

2.8 Cash and Cash Equivalent

Cash and cash equivalents includes cash in hand, cash at banks, which are held and available for use by the unit without any restriction and having maturity dates of three months or less from the respective date of deposit. There is insignificant risk of change in value of same.

2.9 Liabilities for Expenses

While the provision for certain standing charges and know liabilities is made at the Statement of Financial Position date based on estimate, the difference arising there from on receipts of bills/demands and/or actual payments is adjusted in the subsequent year when such liabilities are settled.

2.10 Workers Profit Participation Fund

Provision for Workers Profit Participation Fund (WPPF) has been made @5% on net profit as per provision of the Companies Profit (Bangladesh Labour Law,2006) and payable to workers as defined in the said laws.

2.11 Financial Assets and Liabilities

Financial assets and liabilities are recognized on the Statement of Financial Position date when the unit has become a party to a contractual provision of the instruments

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

II) **Payables:** Liabilities are recorded at the amount payable for settlement in respect of goods and services received by the Unit.

III) **Borrowings:** Interest bearing bank loans are recorded at the proceeds received net of direct issue costs.

2.12 General

1. Figures shown in the accounts have been rounded off to the nearest Bangladeshi Taka.

2. Comparative figures and account titles in the financial statements have been re-arranged/re-classified where necessary, to conform to changes in presentation in the current year.

Notes To The Financial Statements

Navana Batteries Limited

3. Property, plant and equipment, net

Particulars	Cost			Rate of Dep.	Depreciation				Carrying amount	
	As at 01.09.2011	Addi./adj during the year	As at 31.08.2012		As at 01.09.2011	Charged during the year	Adj. during the year	As at 31.08.2012	As at 31.08.2012	As at 31.08.2011
Land & Land Development	4,397,508	-	4,397,508	-	-	-	-	-	4,397,508	4,397,508
Building	70,263,096	5,500,526	75,763,622	2.5%	6,618,131	1,659,882	-	8,278,013	67,485,609	63,644,965
Plant & Machinery	150,297,399	38,281,087	188,578,486	10%	34,804,433	13,463,351	-	48,267,784	140,310,702	115,492,966
Tools & Equipments	28,358,728	5,332,910	33,691,638	20%	14,138,074	3,377,421	-	17,515,495	16,176,143	14,220,654
Office Equipment	15,677,425	4,209,641	19,887,066	10%	4,060,878	1,372,137	-	5,433,015	14,454,051	11,616,547
Furniture & Fixture	5,198,221	100,957	5,299,178	10%	1,353,604	389,510	-	1,743,114	3,556,064	3,844,617
Transport Vehicles	12,358,107	1,185,000	13,543,107	20%	6,834,149	1,223,292	-	8,057,441	5,485,666	5,523,958
Total	286,550,484	54,610,121	341,160,605		67,809,269	21,485,593	-	89,294,862	251,865,743	218,741,215

Depreciation charged to :

Cost of goods sold	17,188,474
Administrative	2,148,559
Selling & distribution	2,148,559
T O T A L	21,485,593

Taka

View : Battery production at plant

Notes To The Financial Statements

	31.08.2012	31.08.2011
	BD Taka	BD Taka
4 Capital work in progress Tk 84,314,504		
Opening balance	107,917,856	214,369,352
Less: Addition made during the year	19,074,626	-
	126,992,482	214,369,352
Less: Transferred to Property ,plant & equipment	42,677,978	106,451,496
Closing balance	84,314,504	107,917,856

Capital work in progress on account of acquisition of Land and Land Development , Work in progress of civil constructions, and acquisition of Machinery not installed.

5 Stock and stores Tk 139,403,486		
Raw materials	31,322,656	105,009,010
Goods in transit	31,577,420	26,710,864
Work-in-process	51,365,186	27,123,471
Finished stock	25,138,224	33,432,117
	139,403,486	192,275,462

The quantity of closing stock are 12 Volts NS - 970 Pcs, N - 504 Pcs, NX - 123 Pcs, PNE - 1967 Pcs, NKP - 1399 Pcs, 6NSP - 61 Pcs Automotive, Home Appliance & Solar Batteries.

6 Trade debtors Tk 148,975,034		
Below six months	102,663,056	84,117,654
Over six months	46,311,978	20,567,409
	148,975,034	104,685,063

Trade Debtors are considered good and as such no provision has been made in the accounts for doubtful debts. Company holds no security other than debtor's personal security in the form of work orders.

7 Income tax deducted at source Tk 57,425,044		
Opening balance	40,081,164	16,452,311
Add: during the year	17,343,880	23,628,853
Closing balance	57,425,044	40,081,164

The above amount was deducted at the import point as well as from the Bills in different times at delivery point.

8 Advance, deposits and prepayments Tk 147,897,878		
Advance to suppliers	31,711,135	31,329,635
Advance to other units	72,662,867	45,057,195
Advance to employees	6,071,660	87,119
Deposits	14,170,508	12,055,720
Current Account with VAT	23,281,708	13,067,783
	147,897,878	101,597,452

Advance paid to suppliers against work order and considered good. Advance to employees against expenses, salary releasable on production of documents and monthly salary respectively are considered good. Deposits consist of utility deposits, security money against tender and bank guarantee are considered good.

Notes To The Financial Statements

Navana Batteries Limited

		31.08.2012	31.08.2011
		BD Taka	BD Taka
9	Cash & bank balances Tk 23,251,633		
	Cash in Hand Factory	818,874	991,090
	Cash Balance Dhaka Sales Center	942,772	639,025
	Cash Balance CTG. Sales Center	170,373	8,317
	Cash at Bank	21,319,614	12,000,946
		23,251,633	13,639,378
10	Share capital.		
	Authorised :		
	50,000,000 ordinary shares of Taka 10/- each	500,000,000	500,000,000
		500,000,000	500,000,000
	Issued, Subscribed and Paid up capital Tk 183,702,690		
	Ordinary shares 18,370,269 shares of Taka 10 each		
	Non-controlling Interest (sponsors)	100,000	100,000
	Aftab Automobiles Ltd.	183,602,690	183,602,690
		183,702,690	183,702,690
11	Retained earnings Tk 176,894,918		
	Opening Balance	128,572,672	56,384,692
	Add : Profit for the year	48,322,246	72,187,980
		176,894,918	128,572,672
	Less.adjustment with Capital / Dividend	-	-
	Closing balance	176,894,918	128,572,672
12	Short term loan Tk 91,826,507		
	NCC Bank Ltd (CC Hypo)	26,244,292	25,479,741
	NCC Bank (LTR)	-	15,078,466
	Standard Bank (LTR)	10,900,724	-
	Mercantile Bank (LTR)	10,066,692	17,526,758
	International Leasing	-	3,320,000
	National Bank Ltd. (LTR)	16,476,528	-
	National Finance Ltd.	10,188,000	-
	Al-Arafah Islami Bank Ltd.	10,434,567	-
	Bank Asia Ltd. (LTR)	7,515,704	22,686,798
		91,826,507	84,091,763
13	Revenue (Net) Tk 668,159,995		
		668,159,995	716,587,341
		668,159,995	716,587,341
	The quantity of Sales during the year are 12 Volts NS - 26112 Pcs, N - 5860 Pcs, NX - 3041 Pcs, PNE - 43873 Pcs, NKP - 11685 Pcs, 6NSP - 1606 Pcs Automotive, Home Appliance & Solar Batteries.		
14	Cost of goods Sold. Tk 517,696,090		
	Raw materials consumed	14.1	467,742,884
	Indirect materials		5,364,567
	Total consumption		473,107,451
	Add : Opening WIP		27,123,471
			500,230,922
	Less : Closing WIP	5	51,365,186
			448,865,736
	Factory overhead	14.2	60,536,461
	Cost of production		509,402,197
	Finished products (opening)		33,432,117
			542,834,314
	Finished products (dosing)	5	25,138,224
			517,696,090
			516,208,725
			11,454,387
			527,663,112
			14,038,273
			541,701,385
			27,123,471
			514,577,914
			49,235,467
			563,813,381
			4,179,883
			567,993,264
			33,432,117
			534,561,147

Notes To The Financial Statements

		31.08.2012	31.08.2011
		BD Taka	BD Taka
14.1 Raw materials consumed. Tk 467,742,884			
Opening stock		105,009,010	20,616,060
Purchases	14.1.1	394,056,530	600,601,675
		499,065,540	621,217,735
Closing stock	5	31,322,656	105,009,010
		467,742,884	516,208,725
14.1.1 Purchases. Tk 394,056,530			
C & F price		292,951,115	471,227,765
Insurance premium		2,097,951	2,089,837
L/C opening charges		3,543,091	2,621,649
C & F charges		14,331,536	14,738,291
Custom duty		21,472,638	29,489,457
Local purchase		59,660,199	80,434,676
		394,056,530	600,601,675
14.2. Factory overhead. Tk 60,536,461			
Salary and allowances		3,010,707	2,366,077
Wages		4,289,961	3,562,720
Bonus		1,646,319	1,147,008
Overtime		2,377,563	2,215,567
Earned Leave		126,868	114,518
PF (Company Contribution)		804,884	350,128
Welfare expenses		112,837	485,230
Eid Gratia		565,228	155,360
Entertainment		415,439	16,552
Office exp.		812,885	522,149
Electricity Expenses		10,525,579	8,329,427
Store & spares		1,215,923	945,028
Fuel & Lubricants for Generator		2,890,455	3,007,689
Carrying & Handling		623,359	351,250
Generator Maintenance		388,520	286,301
Repairs & Maintenance		747,924	792,513
Car Maintenance		510,198	606,987
Travelling & Conveyance		538,292	116,681
Gas bill		813,447	742,474
Telephone & Mobile		210,083	212,387
Screen Printing		40,340	71,880
Liveries & Uniform		390,719	320,786
Chemicals		1,347,821	1,672,249
Night allowance		159,590	150,510
Labour Charges		426,876	666,650
Security Expenses		1,295,723	861,927
Canteen Subsidy		2,095,841	2,506,901
Laboratory Exps		118,836	162,990
Gratuity		910,000	425,000
Foreign Technician Remu.		2,500,000	2,500,000
Fire Extinguisher		35,770	32,000
Insurance Exp		1,400,000	1,250,000
Depreciation		17,188,474	12,288,528
		60,536,461	49,235,467

The number of employees received annual salary and wages above Tk. 36,000 during the year are 120.

Notes To The Financial Statements

	31.08.2012	31.08.2011
	BD Taka	BD Taka
15 Administrative expenses. Tk 10,016,794		
Salary and allowances	1,571,400	1,108,167
Bonus	133,265	141,625
Welfare expenses	27,902	42,500
Gratuity	240,000	275,927
Entertainment	205,984	167,820
TA and Conveyance	186,543	225,800
Travelling Exp - Foreign	887,325	916,816
Car maintenance	776,543	882,471
Stationery	630,876	522,680
Fees and Registration	1,007,279	406,136
Telephone	54,038	66,469
Bank Guarantee & Charge documents	6,712	9,253
Audit fees	25,000	25,000
Postage and telegram	1,070	8,958
Publicity	130,790	305,187
Directors fee	15,000	15,000
Office maintenance	449,546	385,300
Maintenance	420,789	582,260
Carrying & Handling	645,767	720,787
Guest House Maintenance	70,983	874,743
BSTI	-	105,000
ISO Exps	381,423	-
Preliminary exps W/O	-	238,925
Depreciation	2,148,559	1,536,066
	10,016,794	9,562,890
The number of employees received annual salary and allowances above Tk. 36,000 during the year are 59.		
16 Selling and distribution expenses. Tk 47,909,322		
Salary & Allowance	20,493,746	17,649,135
Fuel & Lubricant	1,492,195	1,087,415
Promotional Exps	1,093,456	950,430
Delivery Exps	456,735	1,330,805
Wages	279,398	458,270
Bonus	2,355,713	2,158,340
Welfare	77,980	115,405
P/F company's Contribution	919,736	799,170
Gratuity	421,617	446,163
Rent Rates & Taxes	304,259	1,367,850
Conveyance	1,683,215	1,802,692
Entertainment	1,249,282	1,120,244
Stationery	1,054,978	1,096,643
Telephone	953,736	1,049,321
Publicity Exp.	231,379	1,057,200
Fees & Registration	62,170	285,091
Maintenance	48,170	179,883
Car Maintenance	1,110,087	1,356,829
Electrical Expenses	1,350,071	447,858
Postage & Telegram	547,454	224,058
Papers & Periodicals	17,476	17,163
Bank Charges	169,491	168,097
Security Guard salary	271,529	524,740
Office Maintenance	480,782	32,535
Canteen Subsidy	-	225,550
Showroom Exps	2,975,170	2,113,060
Transportation Charges	1,881,435	2,068,160
Utility Bill (WASA)	75,124	80,414
Gift & Donation	104,113	504,096
Chemical & Packing exps	803,539	692,793
Dealer conference Exp.	2,117,544	3,036,380
Others	679,183	120,500
Depreciation	2,148,559	1,536,066
	47,909,322	46,102,356
The number of employees received annual salary and allowances above Tk. 36,000 during the year are 54.		

Notes To The Financial Statements

Navana Batteries Limited

	31.08.2012 BD Taka	31.08.2011 BD Taka
17		
Income tax expenses	Tk 17,416,503	
Profit before Tax	65,738,749	105,931,009
Add: Accounting Depreciation	21,485,593	15,360,660
Less: Tax Depreciation	(40,780,334)	(31,310,257)
Adjusted Profit for tax calculation	46,444,008	89,981,412
Tax @ 37.50% (transferred to Compreh. Income statement)	17,416,503	33,743,029
18		
Earning per share (EPS)	Tk 2.63	
Net profit after tax	48,322,246	72,187,980
Number of ordinary share	18,370,269	18,370,269
Earning per share (EPS)	2.63	3.93

Sd/-
Chairman

Sd/-
Director

Dated : Dhaka
November 08, 2012

Sd/-
M.M. RAHMAN & CO.
Chartered Accountants



View : Navana Battery

AUDITORS' REPORT

TO THE SHAREHOLDERS OF NAVANA FURNITURE LIMITED

We have audited the accompanying Statement of Financial Position of the Navana Furniture Limited as on August 31, 2012 and the related Statement of Comprehensive Income, Statement of Cash Flows, Statement of changes in Equity and 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.

Basis of Opinion:

We conducted our audit in accordance with Bangladesh Financial Reporting Standards (BFRS) Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. 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 statement 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 Financial Reporting Standards (BFRS), give a true and fair view of the state of the company's affairs as of August 31, 2012 and the results of its operations and its cash flow 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 purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- c) the company's Statement of Financial Position and Statement of Comprehensive Income dealt with by the report are in agreement with the books of account and returns; and
- d) the expenditures incurred was for the purpose of the company's business .

Dated : Dhaka
November 08, 2012

PRACHI-NIKET
54, Dilkusha C/A, Dhaka.

Sd/-
M.M. RAHMAN & CO.
Chartered Accountants

M. Obaidur Rahman, FCA

Navana Furniture Limited

Statement of Financial Position

For the year ended August 31, 2012

	Notes	31.08.2012	31.08.2011
		BD Taka	BD Taka
Assets			
Non-current assets			
Property, plant and equipment, net	3	280,605,375	267,394,543
Capital work in progress	4	80,897,318	70,528,143
Total non-current assets :		361,502,693	337,922,686
Current assets :			
Stock and stores	5	230,549,788	215,408,489
Trade debtors	6	157,070,959	103,888,801
Income tax deducted at source	7	6,750,639	5,215,518
Advance, deposits and prepayments	8	141,996,307	85,604,087
Cash and bank balances	9	3,435,115	4,076,839
Total current assets :		539,802,808	414,193,734
Total Assets		901,305,501	752,116,420
Equity and Liabilities :			
Equity attributable to equity holders			
Share capital	10	217,628,630	217,628,630
Retained earnings	11	87,627,931	73,321,621
Total Equity		305,256,561	290,950,251
Current liabilities :			
Short term loan	12	211,838,643	185,250,901
Inter company liabilities		304,597,638	218,230,099
Accrued and other current liabilities		79,612,659	57,685,169
Total liabilities		596,048,940	461,166,169
Total Equity and Liabilities		901,305,501	752,116,420
Net assets value per share (NAVPS)		14.03	13.37

The annexed notes 1 to 18 form an integral part of these financial statements.

Sd/-
Chairman

Sd/-
Director

Signed in terms of our separate report of even date.

Sd/-
M.M. RAHMAN & CO.
Chartered Accountants

Dated : Dhaka
November 08, 2012

Navana Furniture Limited
Statement of Comprehensive Income
 For the year ended August 31, 2012

Particulars	Notes	Year ended 31.08.2012 BD Taka	Year ended 31.08.2011 BD Taka
Revenue (Net)	13	426,319,150	465,344,383
Cost of goods sold	14	285,046,480	302,737,930
Gross profit		141,272,670	162,606,453
Operating expenses:		123,037,580	90,534,518
Administrative expenses	15	22,781,575	19,719,044
Selling and distribution expenses	16	70,093,585	61,047,351
Financial charges		30,162,420	9,768,123
Profit before contribution to WPPF		18,235,090	72,071,935
Contribution to WPPF		868,338	3,431,997
Net profit before tax		17,366,752	68,639,938
Income tax expenses :	17	3,060,442	22,045,697
Net profit after tax		14,306,310	46,594,241
Earning per share (EPS)	18	0.66	2.14

The annexed notes 1 to 18 form an integral part of these financial statements.

Sd/-
Chairman

Sd/-
Director

Signed in terms of our separate report of even date.

Dated : Dhaka
 November 08, 2012

Sd/-
M.M. RAHMAN & CO.
 Chartered Accountants

Navana Furniture Limited

Statement of Cash Flows

As at August 31, 2012

Particulars	Year ended 31.08.2012 BD Taka	Year ended 31.08.2011 BD Taka
Cash Flows from Operating Activities		
Cash Collection from Sales	373,136,992	416,433,527
Payment for Cost & Expenses	(413,145,528)	(500,029,604)
Cash generated from operations	(40,008,536)	(83,596,077)
Income Tax paid	(1,535,121)	(1,710,097)
Net Cash used in Operating Activities	(41,543,657)	(85,306,174)
Cash Flows from Investing Activities		
Acquisition of property, plant & equipment	(31,521,753)	(123,024,031)
Payment for Acquisition of property, plant & equipment	-	(62,063,417)
Capital work in progress	(10,369,175)	(61,740,808)
Net Cash used in Investing Activities	(41,890,928)	(246,828,256)
Cash Flows from Financing Activities		
Proceeds from bank loan & Other Finance	26,587,742	150,792,081
Inter company receipts	86,367,539	189,061,000
Bank Interest Paid	(30,162,420)	(9,768,123)
Net Cash provided by Financing Activities	82,792,861	330,084,958
Net Changes in Cash & Cash Equivalents	(641,724)	(2,049,472)
Cash & Cash Equivalents at Beginning of the Year	4,076,839	6,126,311
Cash & Cash Equivalents at End of the Year	3,435,115	4,076,839
Net operating cash flows per share (NOCFPS)	(1.91)	(3.92)

Sd/-
Chairman

Sd/-
Director

Dated : Dhaka
November 08, 2012

Sd/-
M.M. RAHMAN & CO.
Chartered Accountants

Navana Furniture Limited
Statement of Changes in Equity
 For the year ended August 31, 2012

Particulars	Share capital BD Taka	Retained earnings BD Taka	Total Equity BD Taka
Balance as on September 1, 2010	217,628,630	26,727,380	244,356,010
Profit for the year	-	46,594,241	46,594,241
Balance as on August 31, 2011	217,628,630	73,321,621	290,950,251
Balance as on September 1, 2011	217,628,630	73,321,621	290,950,251
Profit for the year	-	14,306,310	14,306,310
Balance as on August 31, 2012	217,628,630	87,627,931	305,256,561

Sd/-
Chairman

Sd/-
Director

Dated : Dhaka
November 08, 2012

Sd/-
M.M. RAHMAN & CO.
Chartered Accountants



View: Navana Furniture

Navana Furniture Limited**Accounting Policies and Explanatory Notes to the Financial Statements**

As at and for the year ended August 31, 2012

1. Corporate Information and Mode of Business**1.1 Corporate Information**

The company incorporated on 21st April, 2009 vide registration # C76450/09.

1.2 Mode of Business

The principal activities of the company are manufacturing of world class home, office, industrial and medical furniture in the plant located at Savar, Dhaka, Bangladesh.

2. Significant Accounting Policies and Basis of Preparation of Financial Statements**2.1 Statement of Compliance**

The financial statements have been prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) and as per requirements of the Companies Act 1994, the Securities and Exchange Rules 1987, and other applicable laws and regulations.

2.2 Basis of Preparation

The financial statements of this unit have been prepared assuming going concern basis based on the accrual basis of accounting following under the historical cost convention.

2.3 Basis of Reporting

The financial statements of this unit is prepared and presented for external users in accordance with the identified financial reporting framework. Presentation has been made in compliance with the requirement of BAS 1 "Presentation of Financial Statements."

2.4 Reporting Period

This report has been prepared as on August 31, 2012.

2.5 Functional and Presentation Currency

Financial Statements are prepared in Bangladeshi Taka which is the functional currency.

2.6 Recognition of Property, Plant and Equipment

These are capitalized at cost of acquisition and subsequently stated at original cost minus accumulated depreciation and accumulated impairment losses, if any, in compliance with the relevant accounting standard (BAS 16). The cost of the assets is inclusive of cost paid to the vendors along with all incidental expenses to install or construct the same assets for its intended use. Expenditure incurred after the assets have been put in to operation, such as repairs and maintenance is normally charged off as revenue expenditure in the period in which it is incurred.

Depreciation

No depreciation has been charged on land development considering the unlimited useful life. In respect of all other assets, the quantum of annual depreciation charge is calculated over their estimated useful life lives using the diminishing balance method of depreciation. All the assets acquired or disposed of during the period have been depreciated for the period of its uses. The rate at which the assets are depreciated per annum depended on the nature and estimated useful life of each assets are consistently applied since inception of the Unit which are given below.

Notes to the Financial Statements

Name of the Assets	Rate of Depreciation in (%)
Building	2.5
Electric line Installation	20
Plant & Machinery	10
Tools & Equipment	20
Office Equipment	10
Furniture & Fixtures	10
Transport Vehicles	20

2.7 Inventories

In compliance with the requirements with BAS 2 "Inventories" Raw Materials and Stores are valued at the lower of average cost and the net realizable value. Stocks of finished goods are valued at cost which is determined by taking into consideration the value of raw materials and production overhead. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to present condition and includes wherever applicable appropriate overheads based on normal level of activity.

No provision has been made for slow moving & obsolete stocks during the financial year.

2.8 Cash and Cash Equivalent

Cash and cash equivalents includes cash in hand, cash at banks, which are held and available for use by the unit without any restriction and having maturity dates of three months or less from the respective date of deposit. There is insignificant risk of change in value of same.

2.9 Liabilities for Expenses

While the provision for certain standing charges and know liabilities is made at the Statement of Financial position date based on estimate, the difference arising there from on receipts of bills/demands and/or actual payments is adjusted in the subsequent year when such liabilities are settled.

2.10 Workers Profit Participation Fund

Provision for Workers Profit Participation Fund (WPPF) has been made @5% on net profit as per provision of the Companies Profit (Bangladesh Labour Law, 2006) and payable to workers as defined in the said laws.

2.11 Financial Assets and Liabilities

Financial assets and liabilities are recognized on the Statement of Financial position date when the Unit has become a party to a contractual provision of the instruments

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

II) **Payables:** Liabilities are recorded at the amount payable for settlement in respect of goods and services received by the Unit.

III) **Borrowings:** Interest bearing bank loans are recorded at the proceeds received net of direct issue costs.

2.12 General

1. Figures shown in the accounts have been rounded off to the nearest Bangladeshi Taka.

2. Comparative figures and account titles in the financial statements have been re-arranged/re-classified where necessary, to conform to changes in presentation in the current year.

Notes to the Financial Statements

Navana Furniture Limited

3. Property, plant and equipment, net

Particulars	Cost			Rate of Dep.	Depreciation			Carrying amount		
	As at 01.09.2011	Addi./adj during the year	As at 31.08.2012		As at 01.09.2011	Charged during the year	Adj. during the year	As at 31.08.2012	As at 31.08.2012	As at 31.08.2011
Land & Land Development	90,265,017	70,500	90,335,517	-	-	-	-	90,335,517	90,265,017	
Building	66,130,167	7,068,832	73,199,999	2.5%	5,980,473	1,592,040	-	65,621,486	60,149,694	
Electric line Installation	3,674,484	6,744,940	10,419,424	20%	1,133,455	1,182,700	-	8,103,269	2,541,029	
Plant & Machinery	95,829,610	2,251,722	98,081,332	10%	29,866,599	6,708,888	-	61,505,845	65,963,011	
Tools & Equipments	26,856,492	1,155,102	28,011,594	20%	11,970,934	3,092,622	-	12,948,039	14,885,558	
Office Equipment	14,990,773	1,561,127	16,551,900	10%	5,723,566	1,004,777	-	9,823,557	9,267,207	
Furniture & Fixture	16,818,340	1,785,220	18,603,560	10%	3,689,312	1,402,164	-	13,512,084	13,129,028	
Transport Vehicles	22,089,260	10,889,310	32,978,570	20%	10,895,261	3,327,731	-	18,755,578	11,193,999	
Total	336,654,143	31,521,753	368,175,896		69,259,600	18,310,921		87,570,521	267,394,543	

Depreciation charged to :

Cost of goods sold	14,648,736
Profit & loss Account (Admin)	3,662,185
T O T A L	18,310,921

Taka

14,648,736
3,662,185
18,310,921



View: Navana Furniture

Notes to the Financial Statements

Navana Furniture Limited

	31.08.2012	31.08.2011
	BD Taka	BD Taka
4 Capital work in progress Tk 80,897,318		
Opening Balance	70,528,143	23,823,940
Add: addition made during the year	10,369,175	61,740,808
	<u>80,897,318</u>	<u>85,564,748</u>
Less: Transferred to Property, plant & equipment	-	15,036,605
Closing balance	<u>80,897,318</u>	<u>70,528,143</u>
Capital work in progress on account of acquisition of Land and Land Development, Work in progress of civil constructions etc.		
5 Stock and stores Tk 230,549,788		
Raw materials	35,626,103	44,933,921
Work-in-process	82,579,283	63,010,670
Goods in transit	25,569,430	35,208,280
Finished stock Company Secretary	86,774,972	72,255,618
	<u>230,549,788</u>	<u>215,408,489</u>
6 Trade debtors Tk 157,070,959		
Below six months	122,510,315	51,722,160
Over six months	34,560,644	52,166,641
	<u>157,070,959</u>	<u>103,888,801</u>
Trade Debtors are considered good and as such no provision has been made in the accounts for doubtful debts. Company holds no security other than debtor's personal security in the form of work orders.		
7 Income tax deducted at source Tk 6,750,639		
Opening balance	5,215,518	3,505,421
Add: during the year	1,535,121	1,710,097
	<u>6,750,639</u>	<u>5,215,518</u>
Less: adjustment	-	-
Closing balance	<u>6,750,639</u>	<u>5,215,518</u>
8 Advance, deposits and prepayments Tk 141,996,307		
Advance to suppliers	46,776,632	31,888,125
Advance to employees	1,815,200	1,004,517
Advance to other units	1,522,520	1,273,531
Deposits	35,575,135	22,475,135
Other Advance	56,306,820	28,962,779
	<u>141,996,307</u>	<u>85,604,087</u>

Advance paid to suppliers against work order and considered good. Advance to employees against expenses, salary releasable on production of documents and monthly salary respectively are considered good. Deposits consist of utility deposits, security money against tender and bank guarantee are considered good.

Notes to the Financial Statements

Navana Furniture Limited

	31.08.2012	31.08.2011
	BD Taka	BD Taka
9 Cash & bank balances Tk 3,435,115		
Cash at plant	786,756	645,162
National Bank, Gulshan	66,163	3,666
National Bank, Motijheel	10,988	10,988
IFIC Bank, Motijheel A/c-449-001	5,202	128,436
IFIC Bank, Lalmatia	111,015	111,015
Exim Bank, Panthapath A/c- 11988	49,316	3,732
Exim Bank, A/C-117822	1,245	35,939
IFIC Agrabad A/c-2751-001	235,298	215,461
Mutual Trust-Ctg	2,399	2,036
Prime Bank-Mirpur CD-6414	17,217	11,039
Prime -NFL-IBBL,Mirpur A/c. 16972	68,580	187,314
IFIC-NFL-Motijheel Br.26-001	463,207	1,828,357
Dutch Bangla Bank	50,500	2,500
National Bank-NFL-Motijheel Br. 111-79	54,105	694,876
United Commercial Bank, Bijoyagar-0769	10,000	10,000
National Bank-Uttara Branch A/c-243506	394,262	19,058
BKB CD-Motijheel Br.A/c-38397	73,357	162,778
Uttara Bank A/c.2271, Corp Br. Motijheel	736,627	4,482
Uttara Bank Gulshan Branch C/A-1099	3,801	-
Bank Asia 833-00-8060	80,000	-
NCC Bank, Panthapath A.c-360	185,077	-
Pubali Bank, Gulshan Br. A/c.360	10,000	-
Standard Bank, Gulshan Br. A/c.33010-136	10,000	-
Shajalal islami Bank	10,000	-
	3,435,115	4,076,839
10 Share capital.		
Authorised Capital :		
50,000,000 ordinary shares of Taka 10/- each	500,000,000	500,000,000
	500,000,000	500,000,000
Issued, Subscribed and Paid up capital Tk 217,628,630		
Ordinary shares - 2,17,62,863 shares of Taka 10 each		
Non-controlling Interest (sponsors)	100,000	100,000
Aftab Automobiles Ltd.	217,528,630	217,528,630
	217,628,630	217,628,630
11 Retained earnings Tk 87,627,931		
Opening Balance	73,321,621	26,727,380
Add : Profit for the year	14,306,310	46,594,241
	87,627,931	73,321,621
Less. Purchase consideration/Dividend	-	-
Closing balance	87,627,931	73,321,621
12 Short term loan Tk 211,838,643		
Bangladesh Krishi Bank	206,539,611	153,062,200
Bangladesh Krishi Bank-L.A.T.R.	-	10,238,043
National Bank Ltd. L.A.T.R.	-	16,911,566
National Finance Ltd.	3,536,131	2,678,917
Uttara Finance & Investment Co. Ltd.	208,034	561,714
Others	1,554,867	1,798,461
	211,838,643	185,250,901

Notes to the Financial Statements

Navana Furniture Limited

		31.08.2012	31.08.2011
		BD Taka	BD Taka
13	Revenues (Net) Tk 426,319,150		
	Net Sales	426,319,150	465,344,383
		<u>426,319,150</u>	<u>465,344,383</u>
14	Cost of goods Sold Tk 285,046,480		
	Raw materials consumed	14.1 256,676,750	285,199,056
	Indirect materials	20,277,600	25,090,042
	Total consumption	276,954,350	310,289,098
	Add : Opening WIP	63,010,670	48,660,381
		339,965,020	358,949,479
	Less : Closing WIP	5 82,579,283	63,010,670
		257,385,737	295,938,809
	Factory overhead	14.2 42,180,097	35,764,651
	Cost of production	299,565,834	331,703,460
	Finished products (opening)	72,255,618	43,290,088
		371,821,452	374,993,548
	Finished products (closing)	5 86,774,972	72,255,618
		<u>285,046,480</u>	<u>302,737,930</u>
14.1	Raw materials consumed. Tk 256,676,750		
	Opening stock	44,933,921	45,200,991
	Purchases	14.1.1 247,368,932	284,931,986
		292,302,853	330,132,977
	Closing stock	5 35,626,103	44,933,921
		<u>256,676,750</u>	<u>285,199,056</u>
14.1.1.	Purchases. Tk 247,368,932		
	C & F price	13,268,829	11,293,941
	Insurance premium	98,127	103,492
	L/C opening charges	140,888	117,114
	C & F charges	1,120,350	820,785
	Custom duty & others	23,746,845	19,495,388
	Local purchase	208,993,893	253,101,266
		<u>247,368,932</u>	<u>284,931,986</u>
14.2	Factory overhead. Tk 42,180,097		
	Salary and allowances	12,238,851	11,379,776
	Wages	2,217,315	1,525,735
	Bonus	2,842,378	2,771,502
	Welfare Exp.	168,796	205,487
	Rent Rates & Taxes	162,012	165,706
	Printing & stationary	223,901	195,390
	Travelling & Conveyance	196,323	178,978
	Entertainment	206,520	205,782
	Car Repairs & Maintenance	275,330	180,336
	Repairs & Maintenance	2,852,122	2,440,052
	Electricity Expenses	3,047,687	2,498,082
	Gas	561,356	552,854
	Telephone, Mobile & Others	256,537	160,228
	Carrying & Handling	763,165	883,361
	Papers Periodicals	5,200	4,230
	Charges General	5,518	5,200
	Fuel-for Genrator & Car	1,254,560	956,478
	Computer Consumable	193,790	111,369
	Depreciation	14,648,736	11,344,105
		<u>42,180,097</u>	<u>35,764,651</u>

The number of employees received annual salary and wages above Tk. 36,000 during the year are 282.

Notes to the Financial Statements

Navana Furniture Limited

	31.08.2012	31.08.2011
	BD Taka	BD Taka
15 Administrative expenses. Tk 22,781,575		
Salary and allowances	7,991,703	7,442,158
Bonus	660,440	654,556
Overtime	988,647	802,274
Welfare expenses	1,067,305	834,506
Gratuity	1,698,111	1,529,012
Leave pay	86,870	205,382
Entertainment	100,549	106,607
TA and Conveyance	349,391	282,872
Car maintenance	1,019,126	965,782
Stationery	196,619	124,849
Fees and Registration	243,049	171,258
Telephone	418,748	412,185
Electric expenses	840,948	347,662
Rent, rates and taxes	277,730	232,781
Insurance premium	850,000	834,506
Bank charges	13,936	5,820
Audit fees	25,000	25,000
Paper and periodicals	12,092	8,220
Publicity	120,120	215,887
Directors fee	15,000	15,000
Maintenance	624,699	603,447
General Expenses	31,659	13,433
WASA Bill	25,120	23,150
Carrying & Handling	375,410	350,887
Security Exps	40,600	38,500
Other expenses	89,508	83,167
ISO Exps	152,835	42,938
Fuel & Lubricant	804,175	272,253
Preliminary exps W/O	-	238,925
Depreciation	3,662,185	2,836,027
	22,781,575	19,719,044

The number of employees received annual salary and allowances above Tk. 36,000 during the year are 89 .

16 Selling & Distribution Overhead Tk 70,093,585		
Salary & Allowance	23,733,508	22,426,697
Fuel & Lubricant	1,420,528	449,787
Promotional Exps	5,513,210	7,120,403
Trade fare Exp.	2,049,916	913,495
Delivery Exps	5,752,102	4,548,396
Wages	2,729,805	2,653,323
Bonus	2,746,572	2,450,899
Leave pay	277,945	232,789
Rent Rates & Taxes	11,634,487	9,859,322
Conveyance	3,384,398	2,597,169
Entertainment	1,311,218	1,212,815
Stationery	852,070	860,243
Telephone	1,556,899	924,635
Publicity Exp.	336,999	317,900
Fees & Registration	66,850	51,447
Maintenance	782,857	594,047
Car Maintenance	1,235,772	1,165,231
Electrical Expenses	2,388,942	1,618,713
Postage & Telegram	195,200	193,660
Papers & Periodicals	25,741	27,476
Office Maintenance	1,405,112	313,003
Utility Bill (WASA)	195,598	107,119
Others	497,856	408,782
	70,093,585	61,047,351

The number of employees received annual salary and allowances above Tk. 36,000 during the year are 88 .

	31.08.2012 BD Taka	31.08.2011 BD Taka
17 Income tax expenses: Tk 3,060,442		
Profit before Tax	17,366,752	68,639,938
Add: Accounting Depreciation	18,310,921	14,180,132
Less: Tax Depreciation	(27,516,493)	(24,031,546)
Adjusted Profit for tax calculation	8,161,180	58,788,524
Tax @ 37.50% (transferred to Com perhensive Income)	3,060,442	22,045,697
18 Earning per share (EPS) Tk 0.66		
Net profit after tax	14,306,310	46,594,241
Number of ordinary share	21,762,863	21,762,863
Earning per share (EPS)	0.66	2.14

Sd/-
Chairman

Sd/-
Director

Dated : Dhaka
November 08, 2012

Sd/-
M.M. RAHMAN & CO.
Chartered Accountants



View: Navana Furniture kitchen cabinet

AUDITORS' REPORT**TO THE SHAREHOLDERS OF NAVANA PAINTS LIMITED**

We have audited the accompanying Statement of Financial Position of the Navana Paints Limited as on August 31, 2012 and the related Statement of Comprehensive Income, Statement of Cash Flows, Statement of changes in Equity and 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.

Basis of Opinion:

We conducted our audit in accordance with Bangladesh Financial Reporting Standards (BFRS) Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. 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 statement 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 Financial Reporting Standards (BFRS), give a true and fair view of the state of the company's affairs as of August 31, 2012 and the results of its operations and its cash flow 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 purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
- c) the company's Statement of Financial Position and Statement of Comprehensive Income dealt with by the report are in agreement with the books of account and returns; and
- d) the expenditures incurred was for the purpose of the company's business.

Dated : Dhaka
November 08, 2012

PRACHI-NIKET
54, Dilkusha C/A, Dhaka.

Sd/-
M.M. RAHMAN & CO.
Chartered Accountants

M. Obaidur Rahman, FCA

Navana Paints Limited**Statement of Financial Position**

For the year ended August 31, 2012

	Notes	31.08.2012 BD Taka	31.08.2011 BD Taka
Assets :			
Non-current assets :			
Property, plant and equipment, net	3	57,278,996	61,048,248
Capital work in progress	4	4,016,653	3,570,073
Total non-current assets :		61,295,649	64,618,321
Current assets :			
Stock and stores	5	27,345,784	18,899,547
Trade debtors	6	66,328,981	60,962,081
Income tax deducted at source	7	6,201,611	4,191,442
Advance, deposits and prepayments	8	51,050,699	40,578,583
Cash and bank balances	9	723,341	1,569,041
Total current assets :		151,650,416	126,200,694
Total Assets		212,946,065	190,819,015
Equity and Liabilities :			
Equity attributable to equity holders			
Share capital	10	90,547,980	90,547,980
Retained earnings	11	26,726,773	18,225,897
Total Equity		117,274,753	108,773,877
Current liabilities :			
Short term loan	12	46,374,002	31,187,008
Inter company liabilities		1,973,578	843,122
Accrued and other current liabilities		47,323,732	50,015,008
Total liabilities		95,671,312	82,045,138
Total Equity and Liabilities		212,946,065	190,819,015
Net assets value per share (NAVPS)		12.95	12.01

The annexed notes 1 to 18 form an integral part of these financial statements.

Sd/-
Chairman

Sd/-
Director

Signed in terms of our separate report of even date.

Dated : Dhaka
November 08, 2012

Sd/-
M.M. RAHMAN & CO.
Chartered Accountants

Navana Paints Limited**Statement of Comprehensive Income**

For the year ended August 31, 2012

Particulars	Notes	Year ended 31.08.2012	Year ended 31.08.2011
		BD Taka	BD Taka
Revenue	13	99,515,552	116,193,683
Cost of goods sold	14	60,147,984	73,254,985
Gross profit		39,367,568	42,938,698
Operating expenses:		28,225,864	25,127,706
Administrative expenses	15	4,052,435	3,957,470
Selling and distribution expenses	16	19,131,412	16,867,163
Financial charges		5,042,017	4,303,073
Profit before contribution to WPPF		11,141,704	17,810,992
Contribution to WPPF		530,557	848,142
Net profit before tax		10,611,147	16,962,850
Income tax expenses	17	2,110,271	4,483,962
Net profit after tax		8,500,876	12,478,888
Earning per share (EPS)	18	0.94	1.38

The annexed notes 1 to 18 form an integral part of these financial statements.

Sd/-
Chairman

Signed in terms of our separate report of even date.

Dated : Dhaka
November 08, 2012

Sd/-
Director

Sd/-
M.M. RAHMAN & CO.
Chartered Accountants

Navana Paints Limited**Statement of Cash Flows**

For the year ended August 31, 2012

Particulars	Year ended 31.08.2012 BD Taka	Year ended 31.08.2011 BD Taka
Cash Flows from Operating Activities		
Cash Collection from Sales	94,148,652	107,409,031
Payment for Cost & Expenses	(103,562,688)	(107,784,411)
Cash generated from operations	(9,414,036)	(375,380)
Income Tax paid	(2,010,169)	(1,398,462)
Net Cash used in Operating Activities	(11,424,205)	(1,773,842)
Cash Flows from Investing Activities		
Payment for Acquisition of Fixed Assets	(250,348)	(1,520,700)
Capital work in progress	(446,580)	(35,000)
Net Cash used in Investing Activities	(696,928)	(1,555,700)
Cash Flows from Financing Activities		
Inter company receipts	1,130,456	22,500
Proceeds from bank loan	15,186,994	5,456,934
Bank Interest Paid	(5,042,017)	(4,303,073)
Net Cash provided by Financing Activities	11,275,433	1,176,361
Net Changes in Cash & Cash Equivalents	(845,700)	(2,153,181)
Cash & Cash Equivalents at Beginning of the Year	1,569,041	3,722,222
Cash & Cash Equivalents at End of the Year	723,341	1,569,041
Net operating cash flows per share (NOCFPS)	(1.26)	(0.20)

Sd/-
ChairmanDated : Dhaka
November 08, 2012Sd/-
DirectorSd/-
M.M. RAHMAN & CO.
Chartered Accountants

Navana Paints Limited
Statement of Changes in Equity
 For the year ended August 31, 2012

Particulars	Share capital BD Taka	Retained earnings BD Taka	Total Equity BD Taka
Balance as on September 01, 2010	90,547,980	5,747,009	96,294,989
Profit for the year	-	12,478,888	12,478,888
Balance as on August 31, 2011	90,547,980	18,225,897	108,773,877
Profit for the year	-	8,500,876	8,500,876
Balance as on August 31, 2012	90,547,980	26,726,773	117,274,753

Sd/-
Chairman

Dated : Dhaka
November 08, 2012

Sd/-
Director

Sd/-
M.M. RAHMAN & CO.
Chartered Accountants



View: Navana Paints factory

Navana Paints Limited**Accounting Policies and Explanatory Notes to the Financial Statements**

As at and for the year ended August 31, 2012

1. Corporate Information and Mode of Business**1.1 Corporate Information**

The company incorporated on 21st April ,2009 vide registration # C76442/09.

1.2 Mode of Business

The principal activities of the company are manufacturing of paint products which consists of distemper, enamel paint, weather coat, plastic emulsion, A.C Primer, Navacem, Thinner etc in the plant located at Fouzdarhat Industrial Area, Chittagong, Bangladesh.

2. Significant Accounting Policies and Basis of Preparation of Financial Statement**2.1 Statement of Compliance**

The financial statements have been prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) and as per requirements of the Companies Act 1994, the Securities and Exchange Rules 1987, and other applicable laws and regulations.

2.2 Basis of Preparation

The financial statements of this unit have been prepared assuming going concern basis based on the accrual basis of accounting following under the historical cost convention.

2.3 Basis of Reporting

The financial statements of this unit is prepared and presented for external users in accordance with the identified financial reporting framework. Presentation has been made in compliance with the requirement of BAS 1 "Presentation of Financial Statements."

2.4 Reporting Period

This report has been prepared as of August 31, 2012.

2.5 Functional and Presentation Currency

Financial Statements are prepared in Bangladeshi Taka which is the functional currency.

2.6 Recognition of Property, Plant and Equipment

These are capitalized at cost of acquisition and subsequently stated at original cost minus accumulated depreciation and accumulated impairment losses, if any, in compliance with the relevant accounting standard (BAS 16). The cost of the assets is inclusive of cost paid to the vendors along with all incidental expenses to install or construct the same assets for its intended use. Expenditure incurred after the assets have been put in to operation, such as repairs and maintenance is normally charged off as revenue expenditure in the period in which it is incurred.

Depreciation

No depreciation has been charged on land development considering the unlimited useful life. In respect of all other assets, the quantum of annual depreciation charge is calculated over their estimated useful life lives using the diminishing balance method of depreciation. All the assets acquired or disposed of during the period have been depreciated for the period of its uses. The rate at which the assets are depreciated per annum depended on the nature and estimated useful life of each assets are consistently applied since inception of the Unit which are given below

Notes to the Financial statements

Name of the Assets	Rate of Depreciation in (%)
Building	2.5
Plant & Machinery	10
Tools & Equipment	20
Office Equipment	10
Furniture & Fixtures	10
Transport Vehicles	20

2.7 Inventories

In compliance with the requirements with BAS 2 "Inventories" Raw Materials and Stores are valued at the lower of average cost and the net realizable value. Stocks of finished goods are valued at cost which is determined by taking into consideration the value of raw materials and production overhead. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to present condition and includes wherever applicable appropriate overheads based on normal level of activity.

No provision has been made for slow moving & obsolete stocks during the financial year.

2.8 Cash and Cash Equivalent

Cash and cash equivalents includes cash in hand, cash at banks, which are held and available for use by the unit without any restriction and having maturity dates of three months or less from the respective date of deposit. There is insignificant risk of change in value of same.

2.9 Liabilities for Expenses

While the provision for certain standing charges and know liabilities is made at the Statement of Financial position date based on estimate, the difference arising there from on receipts of bills/demands and/or actual payments is adjusted in the subsequent year when such liabilities are settled.

2.10 Workers Profit Participation Fund

Provision for Workers Profit Participation Fund (WPPF) has been made @5% on net profit as per provision of the Companies Profit (Bangladesh Labour Law, 2006) and payable to workers as defined in the said laws.

2.11 Financial Assets and Liabilities

Financial assets and liabilities are recognized on the Statement of Financial position date when the Unit has become a party to a contractual provision of the instruments

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

II) **Payables:** Liabilities are recorded at the amount payable for settlement in respect of goods and services received by the Unit.

III) **Borrowings:** Interest bearing bank loans are recorded at the proceeds received net of direct issue costs.

2.12 General

i) Figures shown in the accounts have been rounded off to the nearest Bangladeshi Taka.

ii) Comparative figures and account titles in the financial statements have been re-arranged/re-classified where necessary, to conform to changes in presentation in the current year.

Notes to the Financial statements

Navana Paints Limited

3. Property, plant and equipment, net

Particulars	Cost			Rate of Dep.	Depreciation			Carrying amount		
	As at 01.09.2011	Addi./adj during the year	As at 31.08.2012		As at 01.09.2011	Charged during the year	Adj. during the year	As at 31.08.2012	As at 31.08.2012	As at 31.08.2011
Land & Land Development	4,326,850	-	4,326,850	-	-	-	-	-	4,326,850	4,326,850
Building	30,294,220	77,853	30,372,073	2.5%	2,792,087	688,526	-	3,480,613	26,891,460	27,502,133
Plant & Machinery	34,259,590	39,000	34,298,590	10%	12,666,830	2,161,226	-	14,828,056	19,470,534	21,592,760
Tools & Equipments	2,454,195	-	2,454,195	20%	767,172	337,405	-	1,104,577	1,349,618	1,687,023
Office Equipment	4,369,118	56,900	4,426,018	10%	1,712,456	268,511	-	1,980,967	2,445,051	2,656,662
Furniture & Fixture	1,497,009	4,650	1,501,659	10%	496,420	100,291	-	596,711	904,948	1,000,589
Transport Vehicles	9,230,179	71,945	9,302,124	20%	6,947,948	463,641	-	7,411,589	1,890,535	2,282,231
Total	86,431,161	250,348	86,681,509		25,382,913	4,019,600	-	29,402,513	57,278,996	61,048,248

Depreciation charged to :

Cost of goods sold	2,411,760
Administrative	401,960
Selling & distribution	1,205,880
T O T A L	4,019,600



View: Navana Paints lab

Notes to the Financial statements

Navana Paints Limited

	31.08.2012	31.08.2011
	BD Taka	BD Taka
4 Capital work in progress Tk 4,016,653		
Opening balance	3,570,073	24,819,478
Addition during the year	446,580	35,000
	4,016,653	24,854,478
Less: transfer to property, plant & equipment	-	21,284,405
Closing balance	4,016,653	3,570,073
Capital work in progress on account of Work in progress of civil constructions, and partial acquisition of Machinery .		
5 Stock and stores Tk 27,345,784		
Raw materials	16,504,181	10,585,441
Goods in transit	2,098,345	639,403
Work-in-process	1,856,945	1,159,892
Finished stock	6,886,313	6,514,811
	27,345,784	18,899,547
Value of stock of finished product of paints are Enamal-2,182 Ltr.,SPD-939 Ltr.,APE- 5,083Ltr.,Weather care-5,386 Ltr.,Jhilmil-3,557 Ltr.,Under coat- 138 Ltr.,GP Thinner-202 Ltr., Aqua wall primer sealer-850 Ltr., A.C.Primer-852 Ltr.,Epoxy-867 Ltr., Navacem-1,760 Ltr., and other-2,122 Ltr.		
6 Trade debtors Tk 66,328,981		
Below six months	43,861,350	44,778,721
Over six months	22,467,631	16,183,360
	66,328,981	60,962,081
Trade Debtors are considered good and as such no provision has been made in the accounts for doubtful debts. Company holds no security other than debtor's personal security in the form of work orders.		
7 Income tax deducted at source Tk 6,201,611		
Opening balance	4,191,442	2,792,980
Add: during the year	2,010,169	1,398,462
	6,201,611	4,191,442
Less: adjustment		
Closing balance	6,201,611	4,191,442
8 Advance, deposits and prepayments Tk 51,050,699		
Advance to suppliers	41,726,005	33,125,993
Advance to employees	47,318	42,818
Deposits	9,277,376	7,409,772
	51,050,699	40,578,583
Advance paid to suppliers against work order and considered good. Advance to employees against expenses, salary releasable on production of documents and monthly salary respectively are considered good. Deposits consist of utility deposits, security money against tender and bank guarantee are considered good.		

Notes to the Financial statements

Navana Paints Limited

	31.08.2012	31.08.2011
	BD Taka	BD Taka
9	Cash & bank balances Tk 723,341	
	Cash in hand	381,250
	Cash at bank	1,187,791
	723,341	1,569,041
10	Share capital.	
	Authorised :	
	20,000,000 ordinary shares of Taka 10/- each	200,000,000
	200,000,000	200,000,000
	Issued, Subscribed and Paid up capital Tk 90,547,980	
	Ordinary shares - 9,054,798 shares of Taka 10/- each	
	Non-controlling Interest (sponsors)	100,000
	Aftab Automobiles Ltd.	90,447,980
	90,547,980	90,547,980
11	Retained earnings Tk 26,726,773	
	Opening Balance	5,747,009
	Add : Profit for the year	12,478,888
	26,726,773	18,225,897
	Less. Transferred Purchase cons./ Dividend	-
	Closing balance	18,225,897
12	Short term loan Tk 46,374,002	
	Shahjalal Islami Bank Ltd., Main Br. Dhaka	2,529,766
	Pubali Bank Ltd., B B Avnue	14,789,572
	Prime Finance & Investing Ltd., Dhaka	13,867,670
	Mercantile Bank Ltd.	-
	46,374,002	31,187,008
13	Revenues (Net) Tk 99,515,552	
	Net sales	116,193,683
	99,515,552	116,193,683

The quantity of sales during the year are SPD-74,278 Ltr., APE-71,307 Ltr., Enamel-89,280 Ltr., Weather Care-70,264 Ltr., GP Thinner-55,245 Ltr., Under Coat-14,266 Ltr., Aqua wall sealer-48,075 Ltr., Marine-292 ltr., A.C. Primer-18,465 Ltr., Epoxy paint-6,121 Ltr., Navacem-44,505 Kg., Synthetic Alkyd Resin-2,51,600 Kg., Jhilmil -21,260 Ltr. and other Paints-16,701 Ltr.

Notes to the Financial statements

Navana Paints Limited

		31.08.2012	31.08.2011	
		BD Taka	BD Taka	
14	Cost of goods sold Tk 60,147,984			
	Raw materials consumed	14.1	46,237,817	60,032,422
	Indirect materials		3,562,147	5,170,273
	Total consumption		49,799,964	65,202,695
	Add : Opening WIP		1,159,892	1,453,137
			50,959,856	66,655,832
	Less : Closing WIP	5	1,856,945	1,159,892
			49,102,911	65,495,940
	Factory overhead	14.2	11,416,575	9,932,898
	Cost of production		60,519,486	75,428,838
	Finished products (opening)		6,514,811	4,340,958
			67,034,297	79,769,796
	Finished products (closing)	5	6,886,313	6,514,811
			60,147,984	73,254,985
14.1.	Raw materials consumed. Tk 46,237,817			
	Opening stock		10,585,441	11,199,767
	Purchases	14.1.1	52,156,557	59,418,096
			62,741,998	70,617,863
	Closing stock	5	16,504,181	10,585,441
			46,237,817	60,032,422
14.1.1	Purchases. Tk 52,156,557			
	C & F price		26,041,447	24,457,997
	Insurance premium		371,540	279,299
	L/C opening charges		332,554	207,200
	C & F charges		1,766,834	1,400,182
	Custom duty		3,118,770	2,339,420
	Local purchase		20,525,412	30,733,998
			52,156,557	59,418,096
14.2	Factory overhead. Tk 11,416,575			
	Salary and allowances		3,294,269	2,603,327
	Wages		1,097,155	1,064,018
	Bonus		294,290	288,989
	Overtime		227,114	148,215
	Gratuity		144,118	101,830
	Welfare		7,153	1,850
	Eid Gratia		92,935	92,890
	Entertainment		329,667	321,960
	Electricity Expenses		1,737,069	1,431,871
	Carrying & Handling		276,589	210,747
	Maintenance		524,762	540,557
	Gas bill		223,118	319,691
	Machinery Maintenance		193,143	95,617
	Stationary		468,807	450,759
	Telephone		94,626	83,718
	Depreciation		2,411,760	2,176,859
			11,416,575	9,932,898

The number of employees received annual salary and wages above Tk. 36,000 during the year are 57.

Notes to the Financial statements

Navana Paints Limited

	31.08.2012	31.08.2011
	BD Taka	BD Taka
15 Administrative expenses. Tk 4,052,435		
Salary and allowances	2,245,200	1,763,300
Bonus	203,886	270,079
Welfare expenses	99,459	111,583
Entertainment	270,810	226,465
Travelling Exp - Foreign	95,270	85,450
Car maintenance	128,387	139,934
Stationery	67,052	85,853
Fees and Registration	35,744	36,844
Telephone	77,100	76,300
Bank charges	14,653	9,375
Audit fees	25,000	25,000
Postage and telegram	575	535
Directors fee	15,000	15,000
Office maintenance	11,139	282,590
Other expenses	361,200	165,247
Preliminary exps W/O	-	301,105
Depreciation	401,960	362,810
	4,052,435	3,957,470

The number of employees received annual salary and allowances above Tk. 36,000 during the year are 59 .

16 Selling and distribution expenses. Tk 19,131,412		
Salary & Allowance	7,967,026	7,342,485
Transit Insurance	-	601,448
Promotional Exps	492,867	286,970
Delivery Exps	1,690,373	1,501,001
Bonus	701,504	981,160
Rent Rates & Taxes	1,075,250	525,000
Conveyance	1,590,821	512,406
Entertainment	110,874	502,889
Stationery	189,733	314,782
Telephone	371,026	375,735
Publicity Exp.	99,019	63,150
Maintenance	80,472	72,222
Car Maintenance	1,195,273	842,861
Electrical Expenses	146,750	142,258
Postage & Telegram	34,063	18,349
Bank Charges	62,457	56,697
Security Guard salary	337,364	182,667
Office Maintenance	131,990	185,370
Transportation Charges	793,904	697,697
Utility Bill (WASA)	156,009	177,098
Others	698,757	396,488
Depreciation	1,205,880	1,088,430
	19,131,412	16,867,163

The number of employees received annual salary and allowances above Tk. 36,000 during the year are 66.

Notes to the Financial statements

Navana Paints Limited

	31.08.2012	31.08.2011
	BD Taka	BD Taka
17		
Income Tax Expenses	Tk 2,110,271	
Profit before Tax	10,611,147	16,962,850
Add: Accounting Depreciation	4,019,600	3,628,099
	14,630,747	20,590,949
Less: Tax Depreciation	9,003,357	8,633,716
Adjusted Profit for tax calculation	5,627,390	11,957,233
Tax @ 37.50% (Transferred to Comprehensive Income)	2,110,271	4,483,962
18		
Earning per share (EPS)	0.94	
Net profit after tax	8,500,876	12,478,888
Number of ordinary share	9,054,798	9,054,798
Earning per share (EPS)	0.94	1.38

Sd/-
Chairman

Dated : Dhaka
November 08, 2012

Sd/-
Director

Sd/-
M.M. RAHMAN & CO.
Chartered Accountants

aftab automobiles limited

125/A, Motijheel C/A, Dhaka-1000

Proxy Form

I / We of
..... being
a member of Aftab Automobiles Limited do hereby appoint Mr. / Ms.
of
as my/our proxy to attend and vote for me/us and on my/our behalf at the 32nd Annual General Meeting of the Company to be held on the 20 December
2012 at 9:30 AM at Bashundhara Convention Center-2, Block # C, Umme Kulsum Road, Bashundhara R/A, Baridhara, Dhaka and at any adjournment
thereof.

Revenue Stamp
Taka 10.00

Name of Shareholder

Name of Proxy

No. of Shares held

Signature of Proxy

Folio No.

Date

B.O. A/C No.

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Signature of shareholder

Note : A member entitled to attend and vote at the Annual General Meeting may appoint a Proxy to attend and vote in his/her behalf. The Proxy Form, duly stamped must be deposited at the Registered Office of the Company atleast 48 hours before the meeting.

aftab automobiles limited

Attendance Slip

I/We hereby record my/our presence at the 32nd Annual General Meeting on 20 December 2012 at 9:30 AM at Bashundhara Convention Center-2, Block # C, Umme Kulsum Road, Bashundhara R/A, Baridhara, Dhaka

Name of Shareholder(s)

Name of Proxy

No. of Shares held

Signature of Proxy

Folio No.

Date

B.O. A/C No.

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Signature of shareholder

N.B. Please present this slip at the Registration Desk. Signature must match with your recorded signature.



aftab automobiles limited

Islam Chamber

125/A, Motijheel Commercial Area

Dhaka, Bangladesh