

Navana Pharmaceuticals Limited
AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

MAHFEL HUQ & CO.
CHARTERED ACCOUNTANTS
B G I C Tower (4th Floor)
34, Topkhana Road, Dhaka-1000.
PHONE : 9553143,9581786, Fax:9571005
E-,mail: mh@mahfelhuq.com
Web: www.mahfelhuq.com



Mahfel Huq & Co.

Chartered Accountants

The first registered accounting firm in independent Bangladesh

BGIC Tower (4th Floor)
34, Topkhana Road
Dhaka-1000, Bangladesh
Tel: +88-02-9553143, 9581786
Fax: +88-02-9571005
E-mail : info@mahfelhuq.com
Web: www.mahfelhuq.com



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Independent Auditor's Report

**To the Shareholders of
Navana Pharmaceuticals Limited**

Report on the Financial Statements

We have audited the accompanying Financial Statements of Navana Pharmaceuticals Limited, which comprise the Statement of Financial Position as at 30 June 2017 and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS), The Companies Act 1994 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the company as at 30 June 2017 and of its financial performance and its cash flows for the year then ended in accordance with the Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS), The Companies Act 1994 and other applicable laws and regulations.

Report on Other Legal and Regulatory Requirements

In accordance with The Companies Act 1994, we further report that:

- a) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- 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 these books; and
- c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account.

Dhaka
December 10, 2017

MAHFEL HUQ & CO.
Chartered Accountants



Navana Pharmaceuticals Limited

Statement of Financial Position

As at June 30, 2017

	Notes	June 30, 2017 Taka	June 30, 2016 Taka
Assets			
Non-Current Assets:			
Property, Plant & Equipment	3.00	1,705,388,110	991,410,223
Investment in Share	4.00	33,975,000	-
Total Non-Current Assets:		1,739,363,110	991,410,223
Current Assets:			
Inventories	5.00	640,459,132	379,520,704
Trade and Other Receivables	6.00	342,334,081	253,827,826
Advances, Deposits & Prepayments	7.00	434,795,165	351,053,851
Inter Company Account-NHCL		-	302,556,033
Cash and Cash Equivalents	8.00	26,307,998	25,677,914
Total Current Assets:		1,443,896,376	1,312,636,327
Total Assets		3,183,259,486	2,304,046,550
Equity And Liabilities			
Equity:			
Share Capital	9.00	801,500	301,500
Share Money Deposit	10.00	135,500,000	120,000,000
Capital Reserve	11.00	653,975,792	-
Revaluation Reserve	12.00	681,882,342	744,988,726
Tax Holiday Reserve		4,103,143	4,103,143
Retained Earnings		262,445,194	168,785,267
Total Equity:		1,738,707,971	1,038,178,635
Liabilities			
Non-Current Liabilities:			
Lease Obligation	13.02	68,159,722	95,534,774
Deferred Tax Liability	14.00	48,796,238	-
Total Non-Current Liabilities:		116,955,960	95,534,774
Current Liabilities:			
Short Term Borrowings	15.00	767,809,300	471,032,917
Lease Obligation (Current portion)	13.01	60,494,069	52,422,861
Inter Company Account	16.00	131,188,220	359,511,220
Trade and other Payables	17.00	368,103,966	287,366,143
Total Current Liabilities:		1,327,595,555	1,170,333,141
TOTAL Liabilities		1,444,551,515	1,265,867,915
Total Equity And Liabilities		3,183,259,486	2,304,046,550

The annexed notes 1 to 24 form an integral part of this Financial Statements.

Director

Signed in terms of our separate report of even date annexed.

Dated: Dhaka
10th December, 2017

Director

Mahfel Huq & Co.
Chartered Accountants



Navana Pharmaceuticals Limited
Statement of Profit or Loss & Other Comprehensive Income
For the year ended 30 June 2017

	Notes	June 30, 2017 Taka	June 30, 2016 Taka
Gross Sales	18.00	2,665,417,453	2,027,155,822
Less: VAT		(322,762,028)	(234,906,753)
Net Sales		2,342,655,424	1,792,249,069
Less: Cost of Sales	19.00	(1,310,975,330)	(1,022,291,310)
Gross Profit		1,031,680,095	769,957,759
Less: Operating Expenses:			
Administrative Expenses	20.00	(101,062,986)	(85,571,328)
Selling & Marketing Expenses	21.00	(598,040,709)	(433,738,143)
Distribution Expenses	22.00	(127,429,950)	(80,734,575)
Total Operating Expenses:		(826,533,646)	(600,044,045)
Operating Profit		205,146,449	169,913,714
Less: Financial Expenses	23.00	(89,174,090)	(105,806,491)
Add: Other Income		11,029,687	5,371,089
Profit before tax		127,002,045	69,478,312
Less: Income Tax	24.00	(52,645,273)	(30,887,849)
Current Tax		(47,652,264)	(30,887,849)
Deffered Tax		(4,993,009)	-
Net Profit after Tax		74,356,772	38,590,463
Other Comprehensive Income		-	-
Total Comprehensive Income		74,356,772	38,590,463

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Director

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Dated: Dhaka
10th December, 2017


Director


Mahfel Huq & Co.
Chartered Accountants

Navana Pharmaceuticals Limited

Statement of Change in Equity
For the year ended 30 June 2017

Particulars	Share Capital BDT	Tax Holiday Reserve BDT	Share Money Deposit BDT	Revaluation Reserve BDT	Capital Reserve on Amalgamation BDT	Amount in BDT	
						Retained Earnings BDT	Total BDT
Opening Balance, July 01 2016	301,500	4,103,143	120,000,000	744,988,726	-	168,785,267	1,038,178,635
Issue of New share to NHCL	500,000	-	-	-	-	-	500,000
Profit after Tax	-	-	-	-	-	74,356,772	74,356,772
Received during the year	-	-	15,500,000	-	-	-	15,500,000
Adj. for deferred tax on revalued assets	-	-	-	(43,803,229)	-	-	(43,803,229)
Trans. of depreciation from revaluation surplus	-	-	-	(19,303,155)	-	19,303,155	-
Capital Reserve	-	-	-	-	653,975,792	-	653,975,792
Closing Balance	801,500	4,103,143	135,500,000	681,882,342	653,975,792	262,445,194	1,738,707,971

Navana Pharmaceuticals Limited

Statement of Change in Equity
For the year ended 30 June, 2016

Particulars	Share Capital	Tax Holiday Reserve	Share Money Deposit	Revaluation Reserve	Capital Reserve on Amalgamation	Retained Earnings	Total
Opening Balance	301,500	4,103,143	120,000,000	767,387,212	-	107,796,317	999,588,173
Profit after Tax	-	-	-	-	-	38,590,463	38,590,463
Trans. of depreciation from revaluation surplus	-	-	-	(22,398,487)	-	22,398,487	-
Closing Balance	301,500	4,103,143	120,000,000	744,988,726	-	168,785,267	1,038,178,635

The annexed notes 1 to 24 form an integral part of this Financial Statements.


Director

Signed in terms of our separate report of even date annexed.

Dated: Dhaka
10th December, 2017


Director

Mahfel Huq & Co.
Chartered Accountants



Navana Pharmaceuticals Limited

Statement of Cash Flows
For the year ended 30 June 2017

	June 30, 2017	June 30, 2016
	Taka	Taka
<i>Cash Flows from Operating Activities:</i>		
Receipts from Customer	2,673,502,539	2,035,357,258
Paid to Supplier	(1,045,822,350)	(804,490,035)
Paid to Employee & others	(995,090,082)	(774,133,661)
Income tax & VAT	(388,460,029)	(14,005,675)
Miscellaneous received	11,029,687	5,371,089
Net Cash flow/(used) in operating Activities:	255,159,764	448,098,975
<i>Cash Flows from Investing Activities:</i>		
Purchase of Fixed Asset	(95,045,766)	(144,704,343)
Sale of Fixed Assets	17,206,021	-
Net Cash flow/(used) in Investing Activities:	(77,839,745)	(144,704,343)
<i>Cash Flows from Financing Activities:</i>		
Share Money Deposit	15,500,000	-
Intercompany Account	(228,323,000)	254,635,569
Short Term Borrowings	161,468,274	122,258,214
Long Term Borrowings	-	(580,130,540)
Lease Liability	(36,161,119)	21,855,579
Bank & Lease Interest- Charge paid	(89,174,090)	(77,044,275)
Interest on Term Loan	-	(28,762,216)
Net Cash from Financing Activities	(176,689,935)	(287,187,669)
Net Cash Flows	630,084	16,206,963
Cash and Cash Equivalent at the beginning of the year	25,677,914	9,470,950
Cash and Cash Equivalent at the end of the year	26,307,998	25,677,914

The annexed notes 1 to 24 form an integral part of this Financial Statements.


Director

Signed in terms of our separate report of even date annexed.

Dated: Dhaka
10th December, 2017


Director


Mahfel Huq & Co.
Chartered Accountants



Navana Pharmaceuticals Limited

Notes to the Financial Statements as at and for the year ended 30 June, 2017

1.00 About the Company

1.01 Legal Form of the Company

Reporting Company: Navana Pharmaceuticals Limited has been incorporated in Bangladesh on 31st March 1986 vide registration No. C-15428/994 under the companies Act- 1913 as a Private Company limited by shares. On July 01, 2016 the company took over 'Navana Health Care Limited' a private limited company with common shareholders following the Scheme of Amalgamation approved by the High Court.

1.02 Address of the Registered Office and Factory

The address of the Company's registered office is 125/A, Islam Chamber Motijheel C/A Dhaka 1000. The Company has its factory in Rupshi, Narayanganj and several depots around the country.

1.03 Nature of Business Activities

The principal activities of the Company are manufacturing of pharmaceutical products and sales of the produced items in the domestic and foreign market.

2.00 Basis of preparation and Presentation of Financial Statements

2.01 Basis of Measurement

The financial statements have been prepared on historical cost convention except for the Property, plant & equipments being revalued on 31 July 2014 and on accrual basis, investment in shares is valued at par value and cash flow statement being prepared on cash basis.

2.02 Statement of Compliance

The financial statements has been prepared in accordance with Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs) and in compliance with the companies Act 1994.

2.03 Component of financial statements

In accordance with BAS 1: Presentation of Financial Statements, The financial statements comprises of:

- (a) a Statement of Financial Position as at the end of the year June 30, 2017;
- (b) a Statement of Profit or Loss and Other Comprehensive Income for the year ended June 30, 2017;
- (c) a Statement of Changes in Equity for the year ended June 30, 2017;
- (d) a Statement of Cash Flows for the year ended June 30, 2017; and
- (e) notes, comprising summary of significant accounting policies and explanatory information.



2.04 Reporting Period and Comparative Information

The Financial statements cover 12 months period starting from July 1, 2016 to June 30, 2017.

Figures for earlier periods have been re-arranged wherever considered necessary to ensure better comparability with the current year. Financial information of pre-amalgamation period is presented separately for two company.

2.05 Functional and Presentation Currency

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

2.06 Use of Estimates and Judgments:

The preparation of Financial Statements requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, income and expenses. Due to inherent uncertainties involved in making estimates actual results may differ from those estimates and underlying assumptions are reviewed on a going concern basis.

2.07 Going Concern:

The company has adequate resources to continue in operation for the foreseeable future. The current credit facilities and resources of the company provides sufficient fund to meet the present requirements of its existing business. For this reason the directors continue to adopt going concern assumption in preparing the Financial Statements.

2.08 Significant Accounting Policies

The accounting principles and policies in respect of material items of financial statements set out below have been applied consistently to all periods presented in these financial statements.

2.09 Property, Plant and Equipment (PPE)

Recognition and measurement:

Items of property, plant & equipment are measured at cost or revalued amount less accumulated depreciation and impairment losses, if any in accordance with BAS 16: Property, plant and equipment. Cost includes expenditure that are directly attributable to the acquisition of the assets.

Subsequent expenditure:

Expenditure incurred after the assets have been put into operation, such as repairs and maintenance is normally charged off as revenue expenditure in the period in which it is incurred. In situation where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an addition to cost of the assets.



Disposal:

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized as non operating income and reflected in the Statement of Profit or Loss and other Comprehensive Income.

2.10 Depreciation

Depreciation on Property, Plant & Equipment other than Land and land development has been computed during the year using the reducing balance method so as to write off the assets over their expected useful life. Depreciation has been charged on additions on the basis of when it is available for use.

After considering the useful life of assets as per BAS-16, the annual depreciation rates have been applied as under which is considered reasonable by the management.

Non-Current Assets	Rate	Non-Current Assets	Rate
Land and Land Development		Plant & Machinery	
Land and Land Development	0%	Plant & Machinery	20%
Building & Other Construction		Electrical Installation	18%
Factory Building	20%	Generator	20%
Office Decoration	18%	Gas Line Installation	20%
Pump House Construction	20%	Spare Parts	10%
Store Room	18%	ETP	10%
Office Room Extention	10%	Lab Equipment	
Factory Decoration	10%	Quality Control Equipment	20%
Factory Wall	18%	Tools & Equipment	18%
Solvent Store	10%	Computer, Accessories & Software	
Vehicles		Comnputer	30%
Transport & Vehicles	20%	Software & Networking Installation	25%
Motor Cycle	20%	Other Assets	
Furniture & Fixture		Soundry Assets	18%
Furniture & Fixture	10%	Books	30%
Rack & Pallets	10%		
Office Equipment			
Fire Extinguishers	18%		
Office Equipment	18%		
Air Cooler	18%		
Crockeries & Cutleries	25%		
Telephone Line Installation	18%		
Photocopier & Fax Machine	20%		
Projector	10%		
Refrigeration A/H	10%		
Mobile	20%		

2.11 Impairment of assets

All assets have been reviewed according to BAS 36 and it was confirmed that no such assets have been impaired during the year and for this reason no provision has been made for Impairment of assets.

2.12 Inventories

Inventories are measured in accordance with BAS 2 (Inventories) at lower of cost and net realizable value on FIFO method. The costs of raw materials, packing materials and semi finished goods comprise of expenditures incurred in the normal course of business in bringing these items to their present location and condition. The cost of finished goods comprises cost of materials, direct labor and production related overheads (based on normal capacity).

Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and selling expenses.

2.13 Income Taxes

a) Current Tax:

Provision for income tax has been made in accordance with the Income Tax Ordinance 1984 and Finance Act 2017.

b) Deferred Tax:

Deferred tax is recognized 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 date of statement of financial position. 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 recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilized. Deferred tax assets are reviewed at each year-end and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

2.14 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.

2.15 Financial Assets

Financial assets of the company include cash and cash equivalents, equity instrument of another entity, trade receivable and other receivables. The company initially recognizes receivable on the date they are originated. All other financial assets are recognized initially on the date at which a contractual right is created to receive cash or another financial asset from another company. The company derecognizes a financial asset when and only when contractual rights or probabilities of receiving the cash flows from the assets expire or it transfer the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risk and reward of ownership of the financial assets are transferred.



2.16 Cash and Cash Equivalents

According to BAS 7 'Statement of Cash Flows' cash comprises of cash in hand, demand deposits and cash equivalents which are short term highly liquid investments that are readily convertible to cash and which are subject to an insignificant risk of changes in value. BAS 1 "Presentation of Financial Statements" provides that Cash and Cash Equivalents are not restricted in use. Considering the provision of BAS 7 & BAS 1, Cash in Hand & Bank Balances have been treated as Cash & Cash Equivalents.

2.17 Trade and other Receivables

Trade receivable are carried at original invoice amount less an estimate made for doubtful debts based on a review of all outstanding amount at the year end.

2.18 Revenue

Sale of Goods:

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

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company; and
- The cost incurred or to be incurred in respect of the transaction can be measured reliably.

2.19 Statement of Cash Flows

Statement of Cash Flows has been prepared principally in accordance with BAS-7 "Statement of Cash Flows" and the cash flows from the operating activities have been presented under direct method.

2.20 Related Party Transaction

Related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Transactions with related parties occurred during the year has been disclosed in note # 16 to the financial statements.

2.21 Leased Assets

In compliance with BAS 17, Lease in terms of which the company assumes substantially all the risks and rewards of ownership are classified as finance leases and all other leases are classified as operating lease.

Upon initial recognition, the lease assets is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payment. Subsequent to initial recognition, the assets is accounted for in accordance with accounting policy applicable to the assets.



2.22 Finance Cost

Finance cost (Borrowing Cost) incurred during the year was recognized as revenue expenses in accordance with BAS-23 "Borrowing Cost." Finance cost comprises interest on borrowings and bank commission & charges.

2.23 Provisions

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

- a) when the company has an obligation (legal or constructive) as a result of past events;
- b) when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- c) Reliable estimates can be made of the amount of the obligation.

2.24 Events After the Reporting Period

Events after the reporting date that provide additional information about the Company's position at the reporting date are reflected in the financial statements. Events after the reporting date that are not adjusting events are disclosed in the notes when material.

There is no such significant event between the cut of date and report signing date which is to be reported.



June 30, 2017	June 30, 2016
Consolidated	NPL

3.00 Property, Plant and Equipment

This is made up as follows:

Cost

Opening Balance July 01, 2016

Navana Pharma

1,255,375,172 1,110,670,829

Navana Health Care

768,782,967 -

Addition during the year

95,045,766 151,960,461

Disposal during the year

(19,384,935) (7,256,118)

Closing Balance

2,099,818,970 1,255,375,172

Depreciation

Opening Balance July 01, 2016

Navana Pharma

263,964,950 173,814,239

Navana Health Care

38,833,249 -

Charged during the year

93,811,576 85,150,710

Adjustment during the year

(2,178,914) -

Closing Balance

394,430,860 263,964,950

Written Down Value

1,705,388,110 991,410,223

Details of Non-Current Assets and Depreciation as on June 30, 2017 are shown in the annexure -A. Depreciation has been charged to Selling, Administration, Factory and Distribution expenses.

4.00 Investment in Shares

This is made-up as follows:

Company Name	No. of Share	Taka	Taka
Aftab G.P Farms Ltd.	80,000	800,000	-
Aftab Hatchery Ltd.	3,450,000	11,500,000	-
Aftab Feed Products Ltd.	1,475,000	18,075,000	-
IG Healthcare Ltd.	300,000	3,000,000	-
IG Agro Limited	30,000	300,000	-
IG Fisheries Limited	30,000	300,000	-
Total		<u>33,975,000</u>	<u>-</u>

5.00 Inventories

This is made-up as follows:

Raw Material	162,103,365	100,322,059
Packing Material	73,775,012	52,829,352
Finished Goods	349,295,124	194,807,468
Work-In-Process	41,309,334	17,585,527
Promotional Material	13,976,297	13,976,297
Total	<u>640,459,132</u>	<u>379,520,704</u>



6.00 Trade and Other Receivables

This is made-up as follows:

	June 30, 2017	June 30, 2016
Local	320,409,181	202,088,893
Export	21,924,900	51,738,934
Total	342,334,081	253,827,826

All the receivables are considered good for realization.

7.00 Advances, Deposits & Prepayments

This is made-up as follows:

Advances, Deposits & Prepayments		88,841,531	106,740,833
Advance Income Tax	Note-7.01	311,196,593	219,118,041
L/C Margin & Goods In Transit	Note-7.02	34,757,041	25,194,976
Total		434,795,165	351,053,851

7.01 Advance Income Tax

Opening Balance July 01, 2016			
Navana Pharma	219,118,041	205,112,366	
Navana Health Care	26,380,550	-	
<i>Addition during this year</i>			
TDS at Import Stage	24,772,347	16,644,527	
Deducted at source from Export Proceed	1,079,435	790,433	
Deposited at the time of Vehicle Registration (AIT)	915,000	639,607	
Deducted at source from Institution Sales, Toll Charge & Other pt	1,709,613	-	
Deposited during the Period (Advance Income Tax)	37,221,606	21,344,310	
	311,196,593	244,531,243	
Less: Adjusted During the Year for AY 2014-15	-	(25,413,202)	
Total	311,196,593	219,118,041	

7.02 L/C Margin & Goods In Transit: Amounts in L/C Margin & Goods in Transit was paid for Import purpose.



8.00 Cash & Cash Equivalents*This is made-up as follows:***a. Cash at Bank**

	June 30, 2017	June 30, 2016
Eastern Bank Ltd. C.D.-509	-	2,315
Eastern Bank Ltd. C.C.-268	1,311,103	215,919
Jamuna Bank Ltd. A/C. 661	145,310	820,052
N.C.C Bank Ltd.(Mogh Bazar Br.)	-	4,690
Pubali Bank Ltd.(Stadium Br.)-A/c 473	3,610,212	9,021,215
Standard Bank Ltd. A/C No. 518	275,681	277,330
Southeast Bank Ltd. ERQ A/C No.059	228,119	489,138
Southeast Bank Ltd. CD A/C No.648	-	3,072,526
SEBL DAD AC-153	677,414	-
SEBL DAD AC-154	41,466	-
Dutch Bangla Bank Ltd. CD A/C No.957	4,254,827	2,116,347
Sonali Bank-379	3,203,620	3,249,688
Uttara Bank Ltd. (Ramna Br.)	-	-
Jamuna Bank Ltd. A/C No-1670	237,314	-
Eastern Bank Ltd. OD A/C No-767	138,025	-
Sonali Bank A/C No-1378	757,134	-
SEBL CD A/C No-7649	-	-
Eastern Bank Ltd. ERQ A/C No.105	-	1,412
Faridpur-PBL-160	172,134	345,471
Gazipur-SEBL-027	122,372	365,953
Khulna-SEBL-925	159,591	390,908
Jessore-SEBL-347	285,704	377,579
M.Bazar-SEBL-365	119,549	165,199
Maizdee-PBL-840	57,708	417,743
Mymensingh-PBL-294	171,939	307,004
Rajshahi-SEBL-014	162,622	366,432.63
Barisal-SEBL-051	103,176	288,250
Bogra-SEBL-246	81,648	232,611
Chittagong-SEBL-456	269,252	528,369
Comilla-SEBL-044	140,338	301,949
Cox's Bazar-SEBL-091	190,469	285,998
Rangpur-SEBL-284	116,986	395,943
Sylhet-PBL-125	192,585	319,787
	17,226,297	24,359,829
b. Cash in Hand	9,081,701	1,318,084
Total	26,307,998	25,677,914

The Bank Balances have been reconciled where necessary and were agreed with the balance as per bank statements as on 30-06-2017. Cash in hand balance was duly certified by the management.

9.00 Share Capital*This is made-up as follows:***A. Authorised Capital:**

500,000 Ordinary Shares of Tk. 100 each

50,000,000**50,000,000**

B. Issued, Subscribed & Paid up Capital:

8,015 Ordinary Shares of Tk. 100 each.

Total

June 30, 2017	June 30, 2016
801,500	301,500
801,500	301,500

As per Scheme of Amalgamation as approved by the High Court Division and in consideration of the transfer of and vetting of the Undertaking and the Liabilities of Navana Health Care Ltd. (Transferor Company) with effect from July 01, 2016 Navana Pharmaceuticals Ltd. (Transferee Company) has issued 5,000 nos ordinary shares of Tk.100 each to the shareholders of Navana Health Care Ltd. on 1:1 exchange ratio.

Composition of Shareholding of Ordinary Shares

Name of Shareholder	No. of Ordinary Share	No. of Ordinary Share
Mr. Manzurul Islam	6,811	1,602
Mrs. Suraiya Begum	412	412
Mr. M.A. Wadud	110	10
Mr. Abu Luthfe Fazle Rahim Khan	110	10
Mrs. Syeda Rashida Islam	-	57
Mrs. Fahima Islam	-	66
Mrs. Taslima Islam	-	66
Mrs. Bushra Islam	-	66
Mrs. Musfika Islam	-	66
Mr. Azharul Islam	-	44
Mr. Shafiul Islam	-	44
Mrs. Nurun Nahar Begum	22	22
Mrs. Gul Nahar Begum	22	22
Mrs. Sayeda Islam	132	132
Mrs. Mafida Islam	132	132
Ms. Naima Islam	132	132
Ms. Kaneta Islam	132	132
	8,015	3,015

409 nos ordinary share was transferred and allotted to Mr. Manzurul Islam from the following shareholders as approved by the shareholders at meeting held on December 15, 2016:

	No of Ordinary Share
Mrs. Syeda Rashida Islam	57
Mrs. Fahima Islam	66
Mrs. Taslima Islam	66
Mrs. Bushra Islam	66
Mrs. Musfika Islam	66
Mr. Azharul Islam	44
Mr. Shafiul Islam	44
	409



	June 30, 2017	June 30, 2016
10.00 Share Money Deposit		
<i>This is made-up as follows:</i>		
Opening Balance July 01, 2016	120,000,000	120,000,000
Add: Received during the year from Mr. Manzurul Islam, Chairman	15,500,000	-
Less: Transfer to Share Capital	-	-
Total	135,500,000	120,000,000

The entire amount of share money received from Mr. Manzurul Islam, Chairman of the company.

11.00 Capital Reserve

This is made-up as follows:

Opening Balance July 01, 2016	-	-
Addition during the year:		
Share Capital of NHCL as on July 01, 2016	500,000	-
Retained Earning of NHCL as on July 01, 2016	48,385,645	-
Revaluation Surplus of NHCL as on July 01, 2016	605,590,148	-
	654,475,792	-
Less: New Share issued on amalgamation	500,000	-
Total	653,975,792	-

As per High Court Order, Navana Health Care Ltd. amalgamated with Navana Pharmaceuticals Ltd. with effect from July 01, 2016. The purchase consideration was settled through share exchange of 1:1 ratio and the excess of Net Asset Value of Navana Health Care Ltd. over the consideration paid is credited to 'Capital Reserve Account'.

12.00 Revaluation Reserve

Opening Balance July 01, 2016		
Navana Pharma	744,988,726	767,387,212
Navana Health Care	-	-
Less: Adj. for depreciation on revalued assets	(19,303,155)	(22,398,487)
Less: Adj. for deferred tax on revalued assets	(43,803,229)	-
Total	681,882,342	744,988,726

13.00 Lease Obligation

Total Minimum Lease Obligation (net basis)	128,653,791	147,957,635
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13.01 Payment due within one year	60,494,069	52,422,861
13.02 Payment due within two to five year	68,159,722	95,534,774

14.00 Deferred Tax Liability

Opening Balance	-	-
Addition during the period		
Deferred on Assets (Cost Basis)	4,993,009	-
Deferred on Assets (Revaluation Basis)	43,803,229	-
	48,796,238	-
Closing Balance	48,796,238	-

15.00 Short Term Borrowings*This is made-up as follows:****Navana Pharmaceuticals Limited***

	June 30, 2017	June 30, 2016
Southeast Bank Ltd. OD A/C-268	300,753,070	176,477,578
Southeast Bank Ltd. OD A/C -282	102,082,450	-
Southeast Bank Ltd. LTR A/C	56,476,261	54,002,344
Southeast Bank Ltd. UPAS Loan	306,707,850	147,530,527
Southeast Bank Ltd. FDBP A/C	1,789,668	32,942,468
Southeast Bank Ltd. -Time Loan A.C 1770	-	60,080,000
	<u>767,809,300</u>	<u>471,032,917</u>

The above balances were in agreement with the balance as per respective bank statement as on 30-06-2017. The above loan is secured against the Non-Current assets.

16.00 Inter Company A/C*This is made-up as follows:***Islam Brothers Properties (IBPL) Account**

Bal B/F	170,365,220	50,000,000
Received from IBPL	-	120,365,220
Paid to IBPL	(39,177,000)	-
Balance C/F (a)	<u>131,188,220</u>	<u>170,365,220</u>

Bengal Development Corporation (BDC) Account

Bal B/F	189,146,000	22,500,000
Received from BDC	-	175,000,000
Paid to BDC	(189,146,000)	(8,354,000)
Balance C/F (b)	<u>-</u>	<u>189,146,000</u>

Total Balance C/F (a+b)	<u>131,188,220</u>	<u>359,511,220</u>
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17.00 Trade and other Payables*This is made-up as follows:*

Trade Payables	30,364,935	9,418,139
Provision For VAT Expenses	40,000,000	40,000,000
Liabilities' for Other Finance	14,007,730	31,678,376
Provision for Income Tax	283,731,301	206,269,628
Total	<u>368,103,966</u>	<u>287,366,143</u>

17.01 Provision for Income Tax

Opening Balance July 01, 2016	-	-
Navana Pharma	206,269,628	-
Navana Health Care	29,809,409	200,794,981
Provision made during this year	47,652,264	24,326,159
Less: Provision adj. against advance tax for AY: 2014-15	-	(18,851,512)
Total	<u>283,731,301</u>	<u>206,269,628</u>



18.00 Sales*This is made-up as follows:*

	June 30, 2017	June 30, 2016
Local Sales	1,599,959,911	1,127,906,753
Export Sales	108,214,287	136,844,730
Animal health division sales	634,481,226	527,497,587
Net Turnover	2,342,655,424	1,792,249,069
Add: Value Added Tax (VAT)	322,762,028	234,906,753
Gross Turnover	2,665,417,453	2,027,155,822

Composition of Current Year Net Sales:Local Sales from Human Health Products

Navana Pharmaceuticals Limited	1,259,942,458	-
Navana Health Care Limited	340,017,453	-
	1,599,959,911	-

Export Sales

Navana Pharmaceuticals Limited	103,653,171	-
Navana Health Care Limited	4,561,116	-
	108,214,287	-

19.00 Cost of Sales*This is made-up as follows:*

Opening Stock of Raw Materials-NPL	100,322,059	126,053,131
Opening Stock of Raw Materials-NHCL	47,551,098	-
Purchase during the year	809,083,535	613,694,795
Closing Stock of Raw Materials	(162,103,365)	(100,322,059)
Opening Stock of Packing Materials -NPL	52,829,352	53,287,149
Opening Stock of Packing Materials -NHCL	34,454,419	-
Purchase during the year	271,669,139	198,813,253
Closing Stock of Packing Materials	(73,775,012)	(52,829,352)
Opening Stock Work-In-Process -NPL	17,585,527	23,516,726
Opening Stock Work-In-Process- NHCL	13,367,834	-
Closing Stock Work-In-Process	(41,309,334)	(17,585,527)
Opening Stock Finished Goods- NPL	194,807,468	215,851,325
Opening Stock Finished Goods- NHCL	149,278,620	-
Closing Stock Finished Goods	(349,295,124)	(194,807,468)
	1,064,466,218	865,671,973
Factory Expenses	262,361,429	167,755,117
Less: Physician Sample	(15,852,317)	(11,135,779)
Total	1,310,975,330	1,022,291,310



19.01 Factory Expenses

June 30, 2017

June 30, 2016

This is made-up as follows:

Salary and Allowances	121,182,875	61,907,018
Festival Bonus	8,050,226	5,831,283
Contribution to PF	5,140,335	4,613,209
Conveyance	72,115	87,973
Holiday Allowance & Overtime	11,613,651	7,541,133
Cylinder Expenses	811,500	1,666,000
Diesel & Fuel	6,595,354	3,004,500
Electricity Bill	17,384,405	9,060,691
Entertainment	691,370	574,399
Fees & Renewals	47,625	382,933
Ins. Premium -Fire & Burglary	642,932	1,124,700
Gas Bill	282,746	279,497
Group Insurance Premium	123,594	104,096
Laboratory Chemicals	3,077,118	1,672,730
Medical Expenses	17,712	9,432
Newspaper & Periodicals	5,390	6,360
Petrol, Oil & Lubricants	1,691,099	797,797
Repair & Maintenance	1,532,318	1,970,703
Spare Parts for machinery	1,215,119	-
Mobile Telephone Bill	493,257	344,994
Internet Bill	520,045	397,088
Staff Quarter rent	979,000	847,000
Stationery	2,480,460	719,647
Subsidy on Canteen	4,226,718	3,092,010
Uniform & Liveries	312,681	166,607
Vehicle repair-spare parts	648,052	863,713
Vehicle Tax & Renewals	106,058	114,865
Land Revenue	258,720	79,200
Toll Charge (Contract Manufacturing)	1,665,288	-
Gratuity	2,447,130	890,040
Depreciation	68,046,535	59,605,497
Total	262,361,429	167,755,117



20.00 Administrative Expenses

June 30, 2017

June 30, 2016

This is made-up as follows:

Salary and Allowances	30,116,604	21,113,341
Festival Bonus	2,641,454	2,011,374
Contribution to PF	1,542,472	1,272,840
Gratuity	3,450,830	1,720,080
Holiday Allowance & Overtime	849,858	647,805
Audit Fees	125,000	75,000
Consultant Fees	3,567,453	3,275,143
Credit Rating Fee	97,750	-
Conveyance and Travelling	602,225	269,911
Diesel & Fuel	29,450	42,713
Director's Remuneration	9,900,000	10,350,000
Electricity Bill	1,891,510	1,692,319
Internet Bill	377,235	290,950
Entertainment	921,827	765,866
Fees & Renewals	808,931	169,201
Registration Fees	136,899	383,000
Foreign Tour Exp.	17,488,289	19,004,586
Gas Bill	62,400	91,840
Group Insurance Premium	105,891	92,695
Fire & Burglary	93,094	164,706
Mobile Telephone Bill	557,895	506,198
Newspapers & Periodicals	12,486	8,672
Repair & Maintenance	210,935	322,699
Sanitation Expense	638,062	587,016
Stationery	803,551	1,193,863
Telephone	32,704	41,555
Vehicle repair-spare parts	455,205	734,172
Vehicle Tax & Renewals	113,627	89,079
Vehicle Fuel & Lubricants	987,362	-
WASA	497,583	255,392
Subsidy On Canteen	1,106,953	420,970
Iftar Bill	676,866	15,586
Accommodation Expense	1,347,682	1,046,318
Office Rent	6,049,452	6,407,222
Bad Debt Expense	1,988,645	1,208,145
Training Expenses	253,522	-
Other Expenses	97,944	-
Security Services	2,231,400	786,000
Depreciation	8,191,942	8,515,071
Total	101,062,986	85,571,328



21.00 Selling & Marketing Expenses

This is made-up as follows:

	June 30, 2017	June 30, 2016
Salary and Allowances	299,996,091	232,685,595
Festival Bonus	26,625,451	16,357,300
Contribution to PF	16,097,046	12,698,511
Incentives	16,573,159	9,790,106
Stationery	3,201,650	2,388,096
Daily Expenses for Field workers	117,717,612	86,866,540
Travelling and Conveyance	6,137,830	691,253
Group Insurance Premium	807,645	752,376
Insurance Premium Export	519,603	783,086
Export and Freight Expenses	4,678,188	4,342,618
Registration Fee	1,450,700	-
Product Reg. Fee- Overseas	1,248,610	-
Product Testing Exp. Fee- Overseas	1,479,918	-
Scientific Seminar	554,712	-
Day Celebration	2,806,265	-
Entertainment	460,914	382,933
Fees & Renewals	421,550	510,000
Training Expenses	4,688,955	363,016
Mobile Telephone Bill	7,864,099	7,220,372
Printed Promotional Expense	23,635,667	21,891,383
Gifted Promotional Expense	30,265,918	10,056,350
Sample Expenses	15,852,317	11,135,779
Advertisement Expense	1,835,609	2,458,763
Repair & Maintenance	859,208	-
Iftar Bill	1,007,502	967,749
Subsidy On Canteen	415,985	252,425
Foreign Tour Exp.	5,852,930	6,334,862
Prescription Survey report fee	1,403,000	1,403,000
Depreciation	3,582,575	3,406,028
Total	598,040,709	433,738,143



22.00 Distribution Expenses

This is made-up as follows:

	June 30, 2017	June 30, 2016
Salary and Allowances	31,387,310	19,677,370
Festival Bonus	2,999,180	1,210,788
Contribution to PF	1,753,782	1,316,664
Repair & Maintenance	2,301,252	1,049,738
Stationery	3,814,195	2,833,090
Holiday Allowance & Overtime	1,894,335	-
Fire & Burglary	263,036	275,828
Group Insurance Premium	170,090	140,686
Sales Centre Rent	8,222,290	7,254,778
Travelling and Conveyance	1,981,148	724,164
Entertainment	230,457	191,466
Telephone Bill	15,922	39,908
Security Services	268,800	268,800
Electricity	2,664,910	2,844,541
Land Revenue	22,810	22,810
Gratuity	3,200,310	-
Driver Allowance	1,393,332	-
Re-packing Expenses	1,409,446	-
Internet Bill	164,280	-
Gas Bill	117,700	-
Courier Service & Postage	3,466,606	-
Consumables & Supplies	1,050,586	-
Mobile Telephone Bill	2,625,117	-
Renewal Fees	238,850	-
Vehicle-Toll & Levies	1,468,604	-
Vehicle-Tax & Renewals	340,574	-
Vehicles Repair-Spare Parts	4,790,058	2,445,551
Vehicle Tax & Renewals	340,574	407,519
Petrol, Oil & Lubricants	10,914,863	6,686,761
Daily Expenses for Field workers	23,893,119	19,690,108
Training Expenses	35,890	29,891
Depreciation	13,990,524	13,624,114
Total	127,429,950	80,734,575



23.00 Financial Expenses*This is made-up as follows:*

	June 30, 2017	June 30, 2016
Bank Charges	2,995,036	2,124,695
Interest on Overdraft	33,681,499	22,167,434
Interest on LTR Account	22,346,463	31,674,418
Interest on Term Loan	-	28,762,216
Interest on Time Loan	2,684,786	80,000
Interest on UFIL	2,813,700	4,623,526
Interest on Lease Finance	19,190,245	14,751,419
Loan Processing Fee	115,000	133,785
FOREX Gain loss	5,347,361	198,328
Loss on FDBP loan	-	1,290,670
Total	89,174,090	105,806,491

<u>Company wise breakup of Current year expense</u>	<u>NPL</u>	<u>NHCL</u>	<u>Total</u>
Bank Charges	2,423,835	571,202	2,995,036
Interest on Overdraft	24,552,979	9,128,520	33,681,499
Interest on LTR Account	19,090,495	3,255,968	22,346,463
Interest on Time Loan	2,684,786	-	2,684,786
Interest on UFIL	2,813,700	-	2,813,700
Interest on Lease Finance	17,110,161	2,080,084	19,190,245
Loan Processing Fee	115,000	-	115,000
FOREX Gain loss	5,347,361	-	5,347,361
	74,138,316	15,035,774	89,174,090

24.00 Income tax*This is made-up as follows:*

Current year tax		47,652,264	24,326,159
Deferred Tax Expense / (Income)		4,993,009	-
Income tax for AY 2014-15	Note-7.01	-	6,561,690
Total		52,645,273	30,887,849



NAVANA PHARMACEUTICALS LTD

Schedule of Property, Plant & Equipment As at 30 June 2017

Annexure-A

Particulars	Cost and revaluation				Rate	Depreciation				Net Book value at 30 June 2017
	Balance as at 1 July 2016	Addition	Disposal/adjustment	Total at 30 June 2017		Up to 1 July 2016	Charged for the period	Adjustment	Total to 30 June 2017	
Land and Land Development	13,539,140	-	-	13,539,140	As specified in note no 2.10	-	-	-	-	13,539,140
Building & Other Construction	172,658,964	13,013,577	(17,015,860)	168,656,681		46,434,294	19,715,568	(1,281,118)	64,868,745	103,787,936
Plant & Machinery	283,729,124	32,813,261	-	316,542,385		103,367,060	34,130,887	-	137,497,947	179,044,438
Lab Tools & Equipment	29,045,634	805,000	-	29,850,634		11,861,169	5,812,837	-	17,674,006	12,176,627
Vehicles	199,347,276	30,496,193	-	229,843,469		91,176,422	25,649,654	-	116,826,076	113,017,393
Furniture & Fixture	24,523,189	8,875,344	-	33,398,532		9,735,567	2,366,297	-	12,101,863	21,296,669
Office Equipment's	28,674,035	5,893,469	(2,369,075)	32,198,429		14,013,132	2,616,292	(897,797)	15,731,627	16,466,801
Computer, Accessories & Software	30,714,363	3,098,422	-	33,812,785		21,584,948	3,372,373	-	24,957,321	8,855,464
Other Assets	5,272,354	50,500	-	5,322,854		4,625,606	147,668	-	4,773,274	549,580
	787,504,079	95,045,766	(19,384,935)	863,164,909		302,798,198	93,811,576	(2,178,914)	394,430,860	468,734,049
Revaluation	-	-	-	-		-	-	-	-	-
Land and Land Development	1,176,961,595	-	-	1,176,961,595		-	-	-	-	1,176,961,595
Building & Other Construction	33,519,269	-	-	33,519,269		-	-	-	-	33,519,269
Lab Tools & Equipment	23,406,300	-	-	23,406,300		-	-	-	-	23,406,300
	1,233,887,164	-	-	1,233,887,164		-	-	-	-	1,233,887,164
Total 2017										1,702,621,214
Capital Work in Progress (CWIP)										2,766,897
Carrying value as on 30 June 2017										1,705,388,110

Allocation of Depreciation

Total	Admin.	Factory	Sales & Marketing	Distribution
93,811,576	8,191,942	68,046,535	3,582,575	13,990,524

Depreciation charge on cost: 74,508,421
 Depreciation charge on revaluation: 19,303,155
93,811,576

