

Annual Report 2018



Navana CNG Limited

LETTER OF TRANSMITTAL

To
Hon'ble Shareholders
Regulatory Authorities and concerned

Sub : Annual Report for the year ended June 30, 2018

Dear Sir(s),

We are pleased to enclose a copy of Annual Report together with the audited financial statement for the year ended June 30, 2018 for your kind information.

Sincerely yours

Sd/-
(Tareq Enamur Rahim)
Company Secretary

Company Information

Board of Directors

Shafiul Islam - Chairman

Saiful Islam - Director & CEO

Khaleda Islam - Director

Sajedul Islam - Director

Farhana Islam - Director

M. Obaidur Rahman, FCA - Independent Director

Ekramul Haq, FCA - Independent Director

Tareq Enamur Rahim - Company Secretary

Zahidul Haque, FCA - Chief Financial Officer

Head of Internal Audit

Muhammad Abidur Rahman, FCA

Audit Committee

M. Obaidur Rahman, FCA - Chairman

Sajedul Islam - Member

Ekramul Haq, FCA - Member

Auditors

Malek Siddiqui Wali

Chartered Accountants

9-G, Motijheel C/A, (2nd Floor)

Dhaka, Bangladesh

Legal Advisor

Abdur Razzaque & Associates

Barristers & Advocates

Suite # 5/1, City Heart (4th Floor),

67, Naya Paltan,

Dhaka, Bangladesh

Bankers

Mutual Trust Bank Limited
The City Bank Limited
Dutch Bangla Bank Limited
One Bank Limited
Shahjalal Islami Bank Limited

Subsidiary Company's and Factory Locations:

Navana Engineering Limited

Dipnagar, Mirpur, Dhaka, Bangladesh
Kaliganj, Gazipur, Bangladesh

Navana Welding Electrode Limited

Mirzapur, Gazipur, Bangladesh

Navana LPG Limited

Mongla, Bagerhat, Bangladesh

Head Office

214/D, Tejgaon I/A, Dhaka, Bangladesh
Website : www.navanacng.com

Corporate Office

205-207, Tejgaon I/A, Dhaka, Bangladesh

Registered Office

125/A, Motijheel C/A,
Dhaka, Bangladesh
e-mail : share@navanacng.com

Main CNG Conversion Center

205-207, Tejgaon I/A, Dhaka, Bangladesh

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NAVANA CNG LIMITED

125/A, Motijheel C/A, Dhaka, Bangladesh

Notice of the 14th annual general meeting

Notice is hereby given that the 14th Annual General Meeting (AGM) of the shareholders of the Company shall be held on 09 December 2018 at 11:00 AM at International Convention City Bashundhara, [PUSHPOGUSCHO, Hall-02], Kuril Bishwa Road, Purbachal Express Highway, Dhaka to transact the following businesses: -

1. To receive, consider and adopt the audited financial statements for the year ended 30 June 2018 together with auditors' and directors' reports thereon.
2. To declare dividend.
3. To re-elect directors.
4. To appoint new Independent Director.
5. To appoint auditors and fix their remuneration.
6. Any other business with the permission of the Chair.

By order of the Board

Sd/-
(Tareq Enamur Rahim)
Company Secretary

Dated: Dhaka
28.10.2018

Notes

- a. The shareholders whose names will appear in the Share Register of the Company and/or Depository Register of CDBL as on record date, i.e. 20 November 2018 will be entitled to attend the AGM and receive dividend.
- b. Attendance to the AGM will be on production of the Attendance Slip.
- c. The Proxy Form affixed with requisite revenue stamp of Tk.20/- must be deposited at the Company's Registered Office at least 48 hours prior to the AGM.
- d. Shareholders are requested to update their 12 Digit e-TIN and address through Depository Participant (DP) by 20 November 2018 (Record Date).
- e. The Annual Report-2018 alongwith Attendance Slip and the Proxy Form will be also available in the Company's website www.navanacng.com.

সম্মানিত শেয়ারহোল্ডারবৃন্দের সদয় অবগতির জন্য জানানো যাচ্ছে যে, **Bangladesh Securities and Exchange Commission** এর বিধি-নিষেধ থাকায় আসন্ন বার্ষিক সাধারণ সভায় কোন প্রকার উপহার/আপ্যায়নের ব্যবস্থা থাকবে না।

চেয়ারম্যান-এর বিবৃতি

প্রিয় শেয়ারহোল্ডারবৃন্দ,
আসসালামু আলাইকুম।

আমি আপনাদের সবাইকে নাভানা সি.এন.জি লিমিটেড-এর ১৪তম বার্ষিক সাধারণ সভায় স্বাগত জানিয়ে ৩০শে জুন ২০১৮ তারিখে সমাপ্ত অর্থ বছরে কোম্পানীর কার্যক্রমের উপর কিছু তথ্য উপস্থাপন করছি।

আপনারা অবগত আছেন যে, অন্যান্য কারণ সমূহের মধ্যে প্রাকৃতিক গ্যাসের মওজুদ হ্রাস পাওয়াতে দেশে সার্বিক সি.এন.জি ব্যবসা সংকুচিত হয়ে আসে। অপর দিকে অন্যান্য কোম্পানীগুলো নতুন নতুন এল.পি.জি স্টেশন এবং C.N.G তে রূপান্তরিত কারখানা স্থাপন করার কারণে বিগত অর্থ বছরে কোম্পানী তার প্রত্যাশিত লক্ষ্য মাত্রা অর্জন করতে পারে নাই। তদুপরি, আলোচ্য বছরে বিগত বছরের তুলনায় সি.এন.জি রিফুয়েলিং স্টেশনগুলোর গ্যাস বিক্রয় বৃদ্ধি পাওয়াতে ব্যবসা কিছুটা ভাল হয়।

এর কারণ স্বরূপ বলা যায় যে, বিদ্যুৎ সরবরাহ এবং গ্যাসের চাপ সরবরাহ পাইপ লাইনে ভাল থাকাতে গ্যাস বিক্রয়ও বৃদ্ধি পায়।

এখানে উল্লেখ্য যে, বর্তমানে দেশে ‘এল.পি.জি’র জনপ্রিয়তা ও চাহিদা বিবেচনা করে আপনাদের পরিচালনা পর্ষদ কোম্পানীর বিদ্যমান সি.এন.জি তে রূপান্তরিত কারখানা গুলোতে এল.পি.জি তে রূপান্তরিত করার অতিরিক্ত সুবিধা স্থাপন করার পরিকল্পনা গ্রহণ করেছে। এছাড়াও, দেশের গুরুত্বপূর্ণ স্থান সমূহে সীমিত সংখ্যক অটো এল.পি.জি রিফুয়েলিং স্টেশন স্থাপনার পরিকল্পনাও রয়েছে।

অন্যদিকে, যদিও কোম্পানীর সাবসিডিয়ারী “নাভানা ইঞ্জিনিয়ারিং লিমিটেড” এর বিক্রয় বৃদ্ধি পায় তথাপি overhead cost বৃদ্ধি পাওয়ার কারণে কোম্পানী প্রত্যাশিত মুনাফা অর্জন করতে পারে নাই।

এমতাবস্থায়, আগামী অর্থ বছরে বাজারের চাহিদা অনুযায়ী, উৎপাদন ও market share বৃদ্ধি করে overhead cost কমিয়ে আনার জন্য পরিচালনা পর্ষদ প্রয়োজনীয় পদক্ষেপ হাতে নিয়েছে।

কোম্পানীর অপর সাবসিডিয়ারী “নাভানা ওয়েল্ডিং ইলেক্ট্রোড লিমিটেড” এর কার্যক্রম বিগত বছরের তুলনায় ভাল ছিল। এই সাবসিডিয়ারীর উৎপাদিত পণ্যের market share ক্রমান্বয়ে বৃদ্ধি পাচ্ছে। নতুন নতুন চাহিদাপূর্ণ দ্রব্যাদি অন্তর্ভুক্ত করে, উৎপাদন এবং বিতরণের পরিসর বৃদ্ধি করার পরিকল্পনাও কোম্পানীর রয়েছে।

অপরদিকে, কোম্পানীর প্রধান সাবসিডিয়ারী “নাভানা এল.পি.জি লিমিটেড” প্রসঙ্গে আমি উল্লেখ করতে চাই যে, কোম্পানীটি ইতিমধ্যে নভেম্বর ২০১৭ হতে পূর্ণ মাত্রায় বাণিজ্যিক উৎপাদন শুরু করেছে যা আমরা সংশ্লিষ্ট কর্তৃপক্ষ এবং সম্মানিত শেয়ার হোল্ডারগণকে যথাসময়ে অবগত করেছি। এখানে আরো উল্লেখ্য যে, কোম্পানীর এল.পি.জি ব্যবসা বাজারে ভালো সাড়া পাচ্ছে এবং বর্তমান বিতরণ নেটওয়ার্কের পরিসরকে বৃদ্ধি করে যাতে দেশের সব এলাকায় পৌঁছানো যায় তার পরিকল্পনাও কোম্পানীর রয়েছে।

আমি আপনাদের আশ্বস্ত করতে চাই যে, শেয়ারহোল্ডারগণের পরিসম্পদ বৃদ্ধিতে আমাদের আন্তরিক প্রচেষ্টা ভবিষ্যতেও অব্যাহত থাকবে। আমি কোম্পানীর সকল সম্মানিত শেয়ারহোল্ডারবৃন্দ, গ্রাহক, পৃষ্ঠপোষক, শুভাকাঙ্ক্ষী, রেগুলেটরী কর্তৃপক্ষ এবং সকল কর্মকর্তা ও কর্মচারীবৃন্দকে তাদের অব্যাহত সমর্থনের জন্য ধন্যবাদ জানাচ্ছি।

স্বাঃ/-
(শফিউল ইসলাম)
চেয়ারম্যান

Message from the Chairman

Dear Shareholders,
Assalamu Alaikum,

It is my pleasure to welcome you all to the 14th Annual General Meeting of the Company and place before you a summarized statement of activities of the Company for the financial year ended on 30 June 2018.

You are aware of the fact that the overall CNG business of the country has declined due to fall in reserve of natural gas and introduction of new LPG stations and conversion facility by other companies for which our Company could not achieve its desired profit during the last financial year. However, during the year under review the performance of the CNG re-fueling stations has marginally improved as because the gas sale by the refueling stations was higher compared to last year. This was mainly due to improved power supply and better gas pressure in the supply lines. We further expect to get some opportunity to sell CNG station equipments and set up new CNG stations with the aforesaid improvement of gas pressure.

Further, observing the popularity of LPG in the country, your Board of Directors have plan to introduce additional facilities for conversion of vehicles into LPG (LPG conversion) in the existing CNG conversion workshops of the Company and also set up some auto LPG re-fueling stations in the strategic locations of the country.

The sales of the subsidiary company -Navana Engineering Limited has increased but could not earn its desired profit due to increase in overhead cost. However, the Company has taken necessary steps to curtail down its overhead cost by increasing its market share and production accordingly as per market demand in the next financial year.

The performance of another subsidiary company - Navana Welding Electrode Limited is encouraging compared to last year. The market share of its products is on increase and Company have plan to increase it's production by introducing new line of products and expand it's distribution network accordingly.

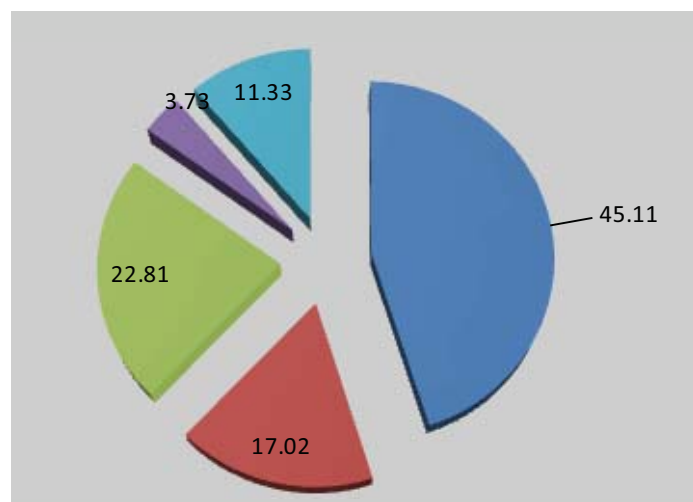
As far as the prime subsidiary of the Company - Navana LPG Limited is concerned, I would like to inform you that it has already gone into full scale commercial production from November 2017 and we have informed the concerned authorities and valuable shareholders accordingly. The LPG business is getting good response from the market and steps are being taken to expand our existing distribution network to cover up maximum territory of the country.

I would like to assure you that all our hard efforts to increase the shareholders equity will continue as before. I would also like to thank all our valued shareholder, customers, patrons, well-wishers, regulatory authorities and all employees for their continued support and sincere efforts towards the growth of the Company.

Sd/-
(Shafiul Islam)
Chairman

Value Added (%) Graph

VALUE ADDED STATEMENT		
For the period ended June 30, 2018		
	Amount in '000 Taka	%
Sale	4,045,370	
Bought in- Material & Service	2,461,129	
Value Added	1,584,241	
Application		
to National Exchequer	714,605	45.11
to Providers of Loan as Interest & Charges	269,621	17.02
to Providers Emp. Salaries Wages & other benefits	361,405	22.81
to Providers of Capital- as Dividend	59,118	3.73
Reserve & Surplus	179,492	11.33
	1,584,241	100.00



Snapshots of 13th Annual General Meeting



Directors' report to the shareholders

Dear Shareholders

Assalamu Alaikum,

The Board of Directors of Navana CNG Limited is please to place before you the Directors' Report and the Auditors' Report together with the audited financial statements of the Company for the year ended June 30, 2018.

PERFORMANCE:

REVENUE EARNINGS

The sales proceeds of 19 CNG re-fueling stations, 10 CNG conversion workshops and a modern service center owned by the Company are in operation in different strategic locations of the country. The total sales of the year from CNG refueling stations, CNG conversion workshops, servicing workshops and spare parts stood at Tk. 167 crore.

'Navana Engineering Limited' the subsidiary company earned sale revenue of Tk. 140.36 crore during the year.

The sale of the subsidiary company 'Navana Welding Electrode Limited' during the year is Tk. 40.24 crore.

'Navana LPG Limited' the subsidiary company earned sale revenue of Tk. 56.66 crore during the year.

Financial Result and Appropriation of Profit:

amount in taka

Particulars	2018
Retained Earnings Brought Forward	1,393,966,136
Less :Last year adjustment	874,703
Add: Total Comprehensive income for the year	179,492,286
Less: Cash Dividend 15% for 2017	59,118,248
Profit available for appropriation	1,513,465,471
Recommended for appropriation:	
Cash Dividend 12% for 2018	82,234,310
Inappropriate profit carried forward	1,512,991,763
Total	1,431,231,161

Segment-wise or product-wise performance

The company is operating its business with its homogeneous products/services in a single economic and geographical segment within the territory of Bangladesh. However, segment report prepared and mentioned in notes 27 of the financial statements considering CNG re-fueling stations and CNG Conversion Workshop as two different segments.

Industry outlook and possible future developments in the industry

Your Board of Directors already has taken diversified business to get more financial benefit to the shareholders of the Company. We are seeing the better prospect of the subsidiaries: Navana Engineering Limited, Navana Welding Electrode Limited and Navana LPG Limited.

Risks and concerns

The Conversion to CNG helped achieving the government's dual objectives of lowering air-pollution and improving the country balance of payments. The prime raw-materials of the Company's business in CNG are presently in short supply. Exploration of new gas field can only improve the situation. The risk and concern of the CNG business solely depends on the government's policy e.g., increase of CNG price, high tariff on CNG cylinder and kits etc.

A discussion on consolidated Cost of Goods sold, Gross Profit Margin and Net Profit Margin

Particulars	Jun 30, 2018	June 30, 2017
Cost of sales	3,009,141,464	1,817,778,656
Gross profit	1,036,228,649	778,744,127
Net profit for the year	179,489,013	207,849,884

Discussion on continuity of any Extra-Ordinary gain or loss

There is no significant extra-ordinary gain or loss during the financial year.

Related party transactions

During the year, the Company carried out a number of transactions with related parties in the normal course of business. The name of related parties, nature of transactions and total transaction value have been set out in accordance with the provisions of 'BAS 24: Related Party Disclosure' disclosed in the note 2.23 of the notes to the financial statements.

Variance within the Financial Year

There was no event of significant variance between quarterly financial performances during the year under review.

Fairness of Financial Statements

The financial statements fairly present the Company's state of affairs, the results of its operations, cash flow and changes in equity. In compliance with the requirement of the Bangladesh Securities and Exchange Commission (BSEC) notification dated August 7, 2012. Chief Executive Officer and Chief Financial Officer have given the declaration about the fairness of the financial statements which is shown on page 23 of the report.

Books of Accounts

Proper books of accounts of the Company were maintained.

Accounting Policies

Appropriate accounting policies have been consistently applied in preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment.

Application of BAS and BFRS

Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS) have been followed in preparation of the financial statements and any deviation there-from has been adequately disclosed.

Internal Control

The systems of internal controls were sound and were implemented and monitored effectively.

Going Concern

There are no significant doubts about the Company's ability to continue as a going concern. The Board of Directors has reviewed the Company's business plan and is satisfied that the Company has adequate resources to continue its operations in the foreseeable future. Accordingly, the financial statements are prepared on the going concern basis.

Recommendations for Re-election

In terms of Article 127 of the Articles of Association of the Company, Mr. Shafiul Islam and Mrs. Khaleda Islam, Directors retire by rotation from the Board in the 14th Annual General Meeting. Being eligible under Article 128 of the Articles of Association of the Company, the retiring Directors have offered themselves for re-election.

Disclosure of information of the directors who are willing to be re-elected:

Mr. Shafiul Islam

A Bachelor of Science, Mr. Shafiul Islam joined the Islam Group, a reputed business conglomerate in Bangladesh in 1968 and started his career with automobile business as well as in the construction, real estate business. In the early years, he gained valuable experience by being involved in the management of the Group's diverse business operations. He played a major role in establishing "Navana" as the Toyota brand car trading company in Bangladesh, and finally set up Aftab Automobiles Ltd. He was also responsible for the construction company named Bengal Development Corporation (BDC) where he was directly responsible for the construction work of BDC in the Middle East and from 1981, he was also taking care of Eastern Housing Limited, then the largest real estate development company in Bangladesh. In 1996, the then Chairman of Islam Group, he separated from Islam Group with Navana Ltd. and Aftab Automobiles Ltd. and formed Navana Group. He has a very good relationship with all business key persons of the country.

Mr. Shafiul Islam is the Chairman of Navana Group, consisting of companies involved amongst others in vehicles assembling, bus body fabrication, trading; real estate; construction; CNG conversion and CNG stations; electronics; petroleum and renewable energy

Names of companies in which Mr. Shafiul Islam also holds the directorship:

Navana Limited., Aftab Automobiles Limited, Navana Real Estate Limited, Navana Construction Ltd., Navana Foods Ltd., Navana Building Products Ltd., Navana Interlinks Ltd., Navana Electronics Ltd., Navana Batteries Ltd., Navana Furniture Ltd., Navana Engineering Ltd., Navana Welding Electrode Limited, Navana Plastic Products Ltd. Navana Power Generation Ltd., Navana Toyota Service Center Ltd., Essential Industries Ltd., Eastern Printing Press Ltd., Orion Complex Ltd., Kenhill Paper Mills Ltd., Biponon Ltd., Navana Computers & Tech Ltd., Navana Services Ltd., Road Linkers Ltd., Navana Taxi Cab Co. Ltd., Navana Power Co. Ltd., Navana Denims Ltd., Navana Knitting Ltd., Navana Feed Mills Ltd., Navana Software Ltd., Navana Plantation Ltd., Navana Exports Ltd., Navana Logistics Ltd., Navana Renewable Energy Ltd., Navana Lingerie Ltd., Navana Fabrics Ltd., Navana Gas Co. Ltd., Navana Paints Ltd., Navana Equities Ltd., Navana Electrical and Energy Saving Products Ltd., Navana Properties Ltd., and Navana LPG Limited.

Membership in committees of the Board of other Companies – None.

Mrs. Khaleda Islam

Mrs. Khaleda Islam is the wife of Mr. Shafiul Islam, Chairman of the Navana Group. She has experienced in business for more than 37 years. She traveled many countries of the world.

At present, Mrs. Khaleda Islam is a Director of Navana Group, involved, amongst others, in vehicles assembling, bus body fabrication, trading; real estate; construction; CNG conversion and CNG stations; electronics; petroleum and renewable energy.

Names of companies in which Mrs. Khaleda Islam also holds the directorship:

Navana Limited., Aftab Automobiles Limited, Navana Real Estate Limited, Navana Construction Ltd., Navana Foods Ltd., Navana Electronics Ltd., Navana Batteries Ltd., Navana Toyota Service Center Ltd., Navana Engineering Ltd., Navana Welding Electrode Limited Navana Furniture Ltd., Navana Interlinks Ltd., Essential Industries Ltd., Eastern Printing Press Ltd., Orion Complex Ltd., Kenhill Paper Mills Ltd., Biponon Ltd., Navana Computers & Tech Ltd., Navana Services Ltd., Road Linkers Ltd., Navana Taxi Cab Co. Ltd., Navana Plastic Products Ltd. Navana Power Generation Ltd., Navana Power Co. Ltd., Navana Denims Ltd., Navana Knitting Ltd., Navana Feed Mills Ltd., Navana Software Ltd., Navana Plantation Ltd., Navana Exports Ltd., Navana Logistics Ltd., Navana Renewable Energy Ltd., Navana Lingerie Ltd., Navana Fabrics Ltd., Navana Gas Co. Ltd., Navana Paints Ltd., Navana Building Products Ltd., Navana Equities Ltd., Navana Electrical and Energy Saving Products Ltd., Navana Properties Ltd., and Navana LPG Limited.

Membership in committees of the Board of other Companies – None.

Board meeting attendance fee for Directors:

The Directors of the Company including Independent Directors are receiving Taka 5000/- (Five thousand) only as board meeting attendance fee. During the year the Company paid Tk. 2,11,500/- deducting tax at source.

BOARD MEETINGS ATTENDANCE

In accordance with directives of the regulatory authorities, the Board supervises and reviews the activities of the Company and makes businesses decisions, etc. During the year the Board of Directors met ten(10) times.

Board meeting attendance during the year 2018

Name of Directors	Number of Board Meeting attended
Mr. Shafiul Islam	10
Mrs. Khaleda Islam	04
Mr. Saiful Islam	07
Mr. Sajedul Islam	09
Ms. Farhana Islam	04
Mr. M. Obaidur Rahman (Independent Director)	07
Mr. Ekramul Haq (Independent Director)	06

Information Regarding Subsidiary Companies:

i) Navana Engineering Limited

Company earned an amount of Tk. 25.71 crore during the year from the sales of HDPE duct. Further from PVC Pipe earned an amount of Tk. 61.54 crore during the year from the sales. In addition, an amount of Tk. 53.11 crore during the year has been added by selling of HDPE coil, UPVC fittings, PPR pipe, fittings and others to the Company's turnover.

The operating results for the year ended June 30, 2018 as follows:

amount in taka		
Particulars	2018	2017
Turnover	1,403,614,715	705,159,466
Gross Profit	438,800,136	248,004,584
Net Profit After Tax	132,369,480	74,215,973
Earning Per Share (EPS)	13.24	7.42
Net Assets Value Per Share (NAVPS)	51.09	37.87

Navana Engineering Limited started its full-scale production at Kaligong, Gazipur. Market demand of products of Navana Engineering Limited is increasing rapidly.

ii) Navana Welding Electrode Limited

The Company is manufacturing and selling around 20 types of electrode for construction, light engineering & ship building industries.

During the year Tk. 40.24 crore added by selling welding electrodes.

The operating results for the year ended June 30, 2018 as follows:

amount in taka		
Particulars	2018	2017
Turnover	402,381,221	299,082,740
Gross Profit	94,493,063	68,818,948
Net Profit After Tax	29,313,236	20,879,279
Earning Per Share (EPS)	2.93	2.09
Net Assets Value Per Share (NAVPS)	19.60	16.67

iii) Navana LPG Limited

Navana LPG Limited has gone into commercial production on November, 2017. It's products are getting good response in the market. We are working for more profits by which it may share more contribution to the Company's sales.

The operating results for the year ended June 30, 2018 as follows:

amount in taka	
Particulars	2018
Turnover	566,635,442
Gross Profit	93,259,846
Net loss	67,073,275

FUTURE PROSPECT

The Board of Directors has expected to fix-up a sales target of Tk. 190.00 crore for Navana CNG Limited for the next financial year, consisting of Tk. 157 crore from CNG Re-fueling Stations, Tk. 31.00 crore from CNG Conversion Workshop and Tk. 2.00 crore from vehicle workshops & service revenues.

In addition to above, the Company have planned to earn Tk. 160.00 crore as revenue from Navana Engineering Limited and Tk. 70.00 crore from Navana Welding Electrode Limited, and Tk. 250.00 crore from Navana LPG Limited. Thus total sales target for Navana CNG Limited along with it's three fully owned subsidiary companies will be Tk. 670.00 crore.

DIVIDEND

The Board of Directors of your Company has recommended cash dividend @ 12% for the year ended June 30, 2018 to the shareholders of the Company for the year ended June 30, 2018. The shareholders whose names will appear in the share register of the Company and/or Depository Register of CDBL as on Record Date, i.e., November 20, 2018 will be entitled to the dividend, subject to approval in the Annual General Meeting of the Company scheduled to be held on December 09, 2018.

Explanation for reducing profit:

During the year ended June 30, 2018 the company profit margin reduce due to the start of new subsidiaries operation named Navana LPG Ltd. The Company (Navana LPG Ltd) initially incurred loss and increased interest expenses.

APPOINTMENT OF AUDITORS

The existing auditors of the Company Malek Siddiqui Wali, Chartered Accountants has completed their audit for three consecutive years. As per Listing Regulation No. 15(2) & 15(3) of Dhaka Stock Exchange (Listing) Regulations, 2015, no auditors be eligible for performing the auditing of the financial statements of the issuer of listed securities for a consecutive period of three years. In this connection, three audit firms e.g., Ata Khan & Co., Chartered Accountants, Ashraf Uddin & Co., Chartered Accountants and Rahman Mostafa Alam & Co., Chartered Accountants has expressed their willingness to conduct audit for the year ending on June 30, 2019.

The Board has recommended to appoint Rahman Mostafa Alam & Co., Chartered Accountants to audit the financial statements of Navana CNG Limited for the year ending on June 30, 2019 and fix their remuneration at Tk. 2,50,000/- only, subject to approval by the shareholders of the Company in the ensuing Annual General Meeting scheduled to be held on December 09, 2018.

Pattern of Shareholding

Namewise details		No. of Shares held
a)	<u>Parent/Subsidiary/Associated Companies and other related parties</u>	
b)	<u>Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouse and minor children:</u>	
	Mr. Shafiul Islam-Chairman	17,203,878
	Mr. Saiful Islam- Director & CEO	3,426,429
	Mrs. Khaleda Islam-Director	3,568,644
	Mr. Sajedul Islam- Director	3,401,792
	Ms. Farhana Islam- Director	1,447,842
	Mr. M. Obaidur Rahman- Independent Director	Nil
	Mr. Ekramul Haq- Independent Director	Nil
	<u>Chief Financial Officer, Company Secretary and Head of Internal Audit and their spouse and minor children:</u>	Nil
c)	Executives	Nil
d)	<u>Shareholders holding ten percent (10%) or more voting interest in the Company:</u>	
	Mr. Shafiul Islam	17,203,878

The Key Operating and Financial Data

Annexure-1

The summarized key operating financial data of five years is annexed (Consolidated):

Table: Financial Highlights

(Taka in million)

Particulars	2018	2017	2016 (15 Months)	2015	2014
Turnover (net)	4,045	2,597	3,230	1,951	1,606
Gross profit	1,036	779	1,002	612	525
Operating Profit	282	304	400	299	300
Net profit after tax	179	208	281	230	226
Earning Per Share	2.62	3.03	4.18	3.54	3.46
Net cash operating activities	0.88	1.43	(2.02)	1.82	4.03

Table: Summary Balance Sheet

(Taka in million)

Particulars	2018	2017	2016	2015	2014
Authorized capital	1,500	1,500	1,500	1,500	1,500
Paid-up capital	685	685	685	685	685
Reserve and surplus	1,737	1,618	1,467	1,240	1,099
Shareholders' Equity	2,422	2,304	2,152	1,925	1,785
Debentures	-	-	-	250	-
Deferred tax liabilities	108	103	88	73	68
Non-current liabilities	4,900	3,170	1,345	323	68
Current Liabilities	3,430	2,170	934	1,115	951
Fixed Assets	5,419	1,733	1,201	1,100	929
Other Non-current Assets	1,890	3,528	1,249	730	525
Total Non-current Assets	7,309	5,262	2,450	1,830	1,492
Current Assets	3,443	2,382	1,981	1,677	1,456
Book value per share	35.35	33.62	30.57	28.09	28.14
Dividend per share (%)	12%	15%	15%	15%	15%
Numbers of shareholders	12,692	14,454	21,435	24,483	28,580

Table: Ratios

Profitability Ratios	2018	2017	2016	2015	2014
Debt to Equity Ratio	77%	70%	51%	43%	36%
Current Ratio	1.00	1.10	2.12	1.50	1.53
Gross profit / Sales (%)	25.61%	29.99%	31.02%	31.37%	32.69%
Operating profit / Sales (%)	6.97%	11.71%	12.38%	15.84%	19.24%
Profit after tax / Sales (%)	4.43%	8.00%	8.70%	11.79%	14.07%
Return on Asset (%)	2.00%	2.72%	6.34%	6.56%	7.67%
Return on Equity (%)	7.00%	9.02%	13.06%	11.95%	12.66%

Conclusion

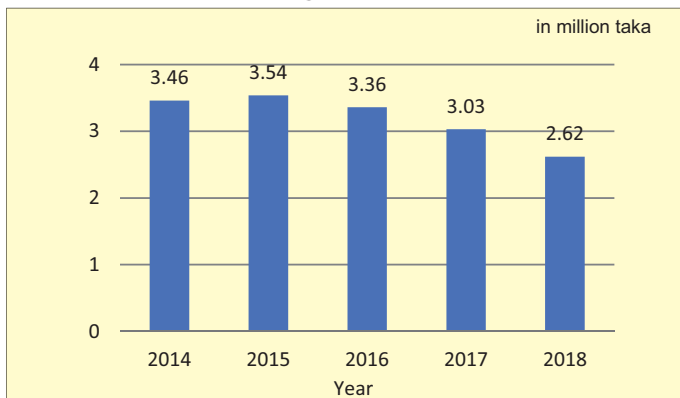
The Board wishes to express its sincere appreciation to all employees of Navana CNG Limited for their contribution and at the same time, thanks to all the stakeholders and concerns for their continued support and confidence.

On behalf of the Board of Directors

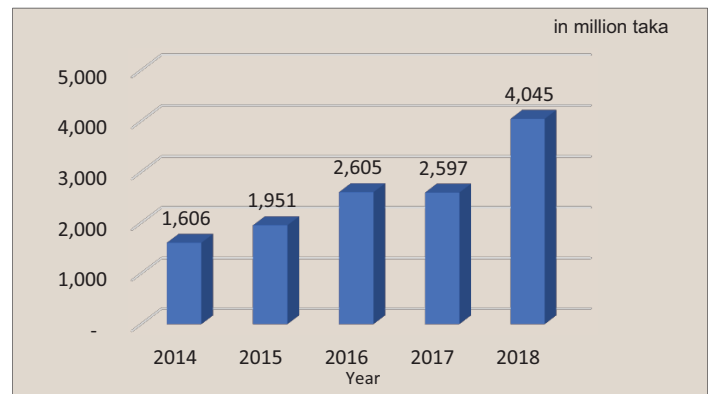
Sd/-
(Saiful Islam)
Chief Executive Officer

Graphical Presentation

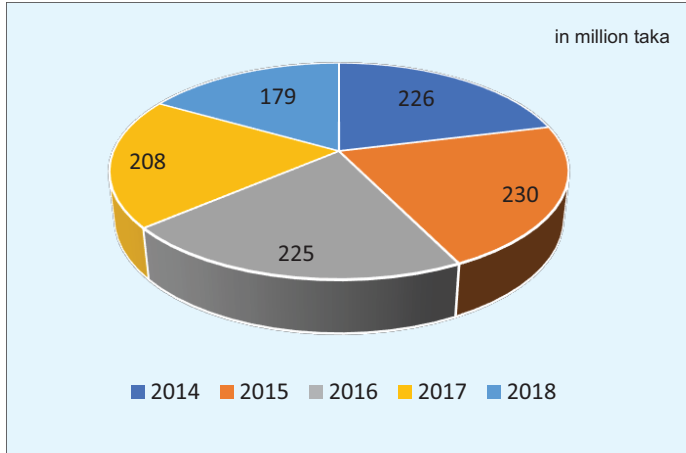
Earning Per Share



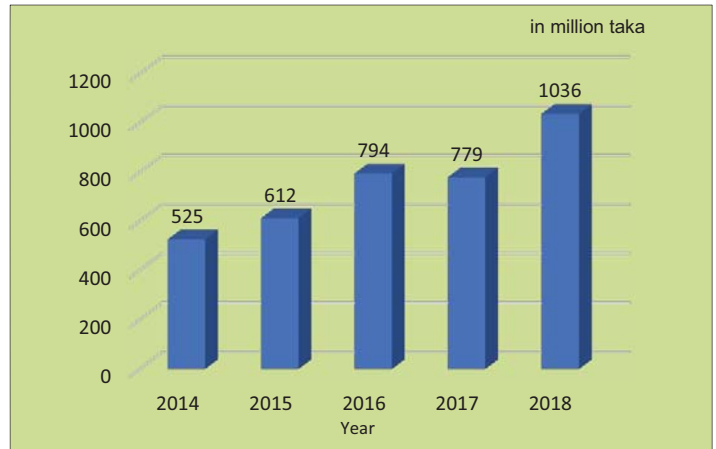
Turnover



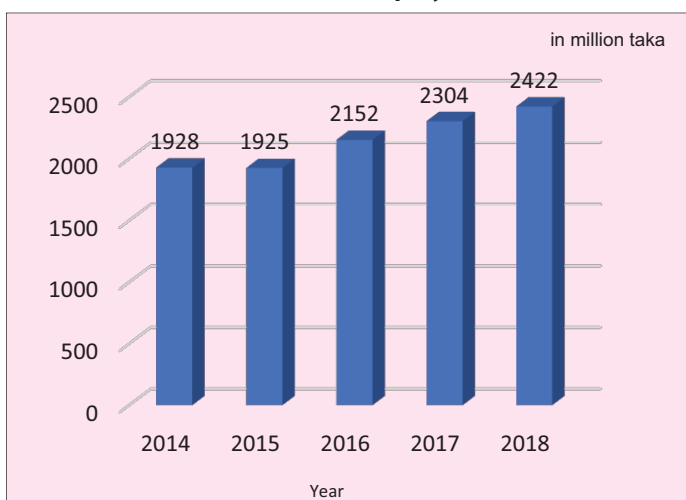
Net Profit After Tax



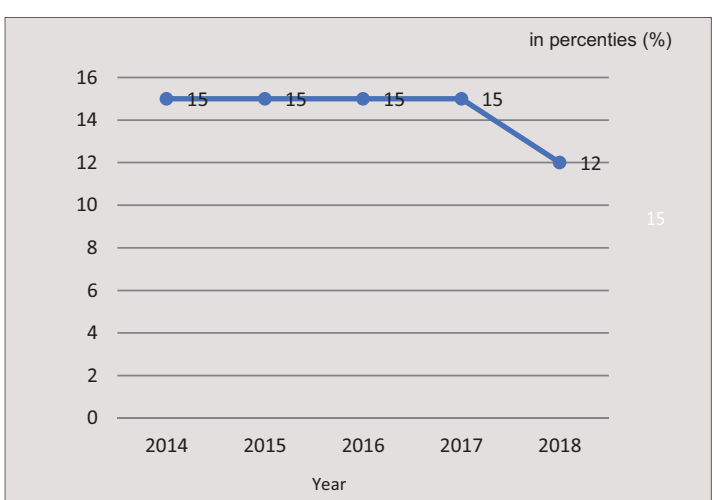
Gross Profit



Shareholders Equity



Dividend (Cash & Stock)



Corporate Governance Compliance [F. Y. ended 30 June 2018]

CORPORATE & FINANCIAL REPORTING:

The Company is determined to ensure good governance by complying with all the applicable rules and regulations of Corporate Governance Guidelines of Bangladesh Securities and Exchange Commission. It has complied with all the requirements of Corporate Governance and the Directors are pleased to confirm the following:

- The financial statements together with the notes thereon have been drawn up in conformity with the Companies Act, 1994 and Securities and Exchange Rules 1987 and other related applicable laws etc.. These statements present fairly the Company's state of affairs, the result of its operations, cash flow and changes in equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate Accounting Policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- The International Accounting Standards, as applicable in Bangladesh, have been followed in preparation of the financial statements.
- The systems of internal control are sound and have been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern.
- There are no significant deviations in operating result of the business of the company compared to last year.
- The key operating and financial data for the last five years is annexed.

Status of compliance with the conditions imposed by the Commission's Notification No.SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under condition number 7.00)

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1	Board of Directors:			
1.1	Board's Size (Number of Directors – minimum 5 and maximum 20)	✓		
1.2	Independent Directors:			
1.2 (i)	At least one fifth of Directors should be Independent Directors;	✓		
1.2.(ii)	"Independent Director" means a director-	✓		
1.2 (ii) a)	Independent Director does not hold any share or holds less than 1% shares of the total paid-up capital;	✓		
1.2 (ii) b)	Non connectivity with the Company's sponsor or director or shareholder who holds one percent or more shares on the basis of family relationship;	✓		
1.2 (ii) c)	Does not have any other relationship, whether pecuniary or otherwise, with the Company or its subsidiary/ associated companies;	✓		
1.2 (ii) d)	Not a member, director or officer of any member of stock exchange;	✓		
1.2 (ii) e)	Not a shareholder, Director or officer of any member of stock exchange or an intermediary of the capital market;	✓		
1.2 (ii) f)	Not is or was a partner or an executive during the preceding 3 (three) years of the company's statutory audit firm;	✓		
1.2 (ii) g)	Shall not be an Independent Director in more than 3 listed companies;	✓		
1.2 (ii) h)	Not convicted by court of competent jurisdiction for defaulting any loan payment to a bank / non bank financial institution;	✓		
1.2 (ii) i)	Non convicted for a criminal offence involving moral turpitude;	✓		
1.2 (iii)	Appointment of Independent Director shall be by board of Directors and subsequently approved by shareholders in the Annual General Meeting;	✓		
1.2 (iv)	The post of Independent Director(s) cannot remain vacant for more than 90 (ninety) days.			No such incidence
1.2 (v)	Code of conduct for all Board members and compliance matter;	✓		
1.2 (vi)	Tenure of office of an Independent Director for a period of 3 (three) years, may be extended for 1 (one) term only.	✓		

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1.3	Qualification of Independent Director :			
1.3 (i)	Shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business;	✓		
1.3 (ii)	Should be a Business /Corporate Leader/Bureaucrat/University Teacher with Economics or Business Studies or Law background/ Professionals like Chartered Accountants, Cost & Management Accountants and Chartered Secretaries. Must have at least 12 (twelve) years of corporate management/ professional experiences;	✓		
1.3 (iii)	Relaxation of qualifications of Independent Directors subject to prior approval of the Commission;			Not applicable
1.4	Chairman of the Board & Chief Executive Officer (CEO) Chairman to the Board and the Chief Executive Officer shall be different individual with clearly defined respective roles and responsibilities;	✓		
1.5	The Director's Report to shareholders:			
1.5 (i)	Industry outlook and possible future developments in the industry;	✓		
1.5 (ii)	Segment-wise or product-wise performance;	✓		
1.5 (iii)	Risks and concerns;	✓		
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin;	✓		
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss;	✓		
1.5 (vi)	Disclosure on related party transactions;	✓		
1.5 (vii)	Utilization from public issues, rights issues and/or through any others instruments;			Not applicable
1.5 (viii)	Explanation if the financial results deteriorate after going for IPO, RPO, Rights Offer, Direct Listing, etc;			Not applicable
1.5 (ix)	Significant variance between Quarterly Financial Performance and Annual Financial Statements and explanation thereon;			Not applicable
1.5 (x)	Remuneration to Directors including Independent Directors;	✓		
1.5 (xi)	Fairness of Financial Statements;	✓		
1.5 (xii)	Maintenance of proper books of account;	✓		
1.5 (xiii)	Application of appropriate accounting policies and estimates;	✓		
1.5 (xiv)	Application of International Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standards (IFRS)/ Bangladesh Financial Reporting Standards (BFRS),	✓		
1.5 (xv)	Efficiency of Internal control system;	✓		
1.5 (xvi)	Going concerns (ability to continue as going concern);	✓		
1.5 (xvii)	Deviations in operating results (highlighting significant deviations from last year in operating result);	✓		
1.5 (xviii)	Key operating and financial data (summarized financial data at least preceding five years);	✓		
1.5 (xix)	Reason for non declaration of dividend ;			Not applicable
1.5 (xx)	Number of Board meetings (number of Board Meetings held and attendance by each Director);	✓		
1.5 (xxi)	The pattern of shareholding;	✓		
1.5 (xxi) a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	✓		

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1.5 (xxi) b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	✓		
1.5 (xxi) c)	Executives;	✓		
1.5 (xxi) d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details);	✓		
1.5 (xxii)	In case of the appointment/ re-appointment of a director the company shall disclose the following information to the shareholders:-			
1.5 (xxii) a)	Brief resume of the Director;	✓		
1.5 (xxii) b)	Nature of his/her expertise in specific functional areas;	✓		
1.5 (xxii) c)	Names of companies in which the person also holds the directorship and the membership of committees of the board;	✓		
2.	Chief Financial Officer(CFO), Head of Internal Audit (HIA) and Company Secretary (CS)			
2.1	Appoint of CFO, HIA and CS. The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the HIA and the CS.	✓		
2.2	Presence of the CFO and CS in the Board Meeting;	✓		
3.	Audit Committee			
3 (i)	Should have an Audit Committee as a sub-committee of the Board of Directors;	✓		
3 (ii)	Assisting Board of Directors in ensuring true and fair presentation of financial statements and also to monitor systems;	✓		
3 (iii)	Reporting and duties of the Audit Committee;	✓		
3.1 (i)	The Audit Committee shall be composed of at least 3 (three) members.	✓		
3.1	Constitution of the Audit Committee			
3.1 (i)	Composition of Audit Committee (should be composed at least 3 [three] members.)	✓		
3.1 (ii)	Audit Committee Members Appointment (members should appointed by the Board with at least one Independent Director);	✓		
3.1 (iii)	Financially literacy of committee members (members should be financially literate;	✓		
3.1 (iv)	Terms of Service of Audit Committee (Board to ensure continuity of minimum prescribed number of members);	✓		
3.1 (v)	Secretary of the committee;	✓		
3.1 (vi)	Quorum of the Audit Committee meeting (at least one Independent Director must present);	✓		
3.2	Chairman of the Audit Committee			
3.2 (i)	Chairman of Audit Committee(Board to select Chairman from audit committee who shall be an Independent Director);	✓		
3.2 (ii)	Presence of Chairman of the audit committee Annual General Meeting;	✓		
3.3	Role of the Audit Committee			
3.3 (i)	Oversee the financial reporting process;	✓		
3.3 (ii)	Monitor choice of accounting policies and principles;	✓		
3.3 (iii)	Monitor Internal Control Risk management process;	✓		
3.3 (iv)	Oversee hiring and performance of external auditors;	✓		
3.3 (v)	Review of annual financial statements before submission to the board;	✓		
3.3 (vi)	Review of quarterly and half yearly financial statements before submission to the board;	✓		
3.3 (vii)	Review the adequacy of internal audit function;	✓		
3.3 (viii)	Review statement of significant related party transactions submitted by the management;	✓		
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors;	✓		

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
3.3 (x)	Declaration to Audit Committee by the Company regards utilization of IPO/RPO, Right issue money			Not applicable
3.4	Reporting of the Audit Committee:			
3.4.1	Reporting to the Board of Directors;			
3.4.1 (i)	The Audit Committee shall report on its activities to the Board of Directors.	✓		
3.4.1 (ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:-	✓		
3.4.1 (ii) a)	Report on conflicts of interests;	✓		
3.4.1 (ii) b)	Report on defect in the internal control system to the Board of Directors;	✓		
3.4.1 (ii) c)	Suspected infringement of laws to the Board of Directors;	✓		
3.4.1 (ii) d)	Any other matter (out of the above a-c).	✓		
3.4.2	Reporting to the Authorities- BSEC (if any material impact on the financial condition & results of operation, unreasonably ignored by the management).	✓		
3.5	Reporting to the shareholders (disclosure of the activities of the audit committee in the annual report).	✓		
4.	External/Statutory Auditors			
4 (i)	Appraisal or valuation services (none by the external/statutory auditor);	✓		
4 (ii)	Financial information system (none by the external/statutory auditor);	✓		
4 (iii)	Book-keeping or other services (none by the external/statutory auditor);	✓		
4 (iv)	Broker-dealer services; (none by the external/statutory auditor);	✓		
4 (v)	Actuarial services (none by the external/ statutory auditor);	✓		
4 (vi)	Internal audit services (none by the external/ statutory auditor);	✓		
4 (vii)	Any other services (none by the external/ statutory auditor);	✓		
4 (viii)	Not to possess any share of the company (none by the external/ statutory auditor);	✓		
5.	Subsidiary Company:			
5 (i)	Composition of the Board of Directors of the subsidiary Company;	✓		
5 (ii)	Presence of Independent Director of holding company in the Board of subsidiary company;	✓		
5 (iii)	Review the Board meeting minutes of subsidiary company in the Board meeting of the holding company;	✓		
5 (iv)	Reflection in the holding company's Board meeting minutes about review of the affairs of subsidiary company;	✓		
5 (v)	Review the financial statements of subsidiary company, in particular the investments made by the subsidiary company.	✓		
6.	Duties of Chief Executive Officer (CEO) and Chief Financial Officer (CFO):			
6 (i) a)	Financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	✓		
6 (i) b)	Financial statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	✓		
6 (ii)	No transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.	✓		
7.	Reporting and Compliance of Corporate Governance:			
7 (i)	Certification on compliance of condition of Corporate Governance Guidelines of BSEC and reporting to the shareholders;	✓		
7 (ii)	Directors' report should state about the compliance with the conditions of the Corporate Governance Guideline of the Commission.	✓		

ATIK KHALED CHOWDHURY
Chartered Accountants

Hasan Court (1st Floor)
23/1 Motijheel C/A,
Dhaka, Bangladesh

Certificate of Compliance of Conditions of Corporate Governance Guidelines to the Shareholders of Navana CNG Limited

We have examined the compliance of conditions of corporate governance guidelines of the Bangladesh Securities and Exchange Commission (BSEC) by Navana CNG Limited for the year ended on June 30, 2018 as stipulated in clause 7(i) of the BSEC notification no BSEC/CMRRCD/2006-158/134/Admin/44, dated 07 August 2012.

The Compliance of conditions of corporate governance guidelines as stated in the aforesaid notification and reporting of the status of compliance is the responsibility of the management of Navana CNG Limited. Our examination for issuing this certification was limited to the checking of procedure and implementations thereof, adopted by Navana CNG Limited for ensuring the compliance of conditions of Corporate Governance and correct reporting of compliance status on the attached statement on the basis of evidence gathered and representation received.

To the best of our information and according to the explanations given to us, we certify that, as reported on the attached status of compliance statement, Navana CNG Limited has complied with condition of corporate governance stipulated in the above mentioned BSEC notification dated August 07, 2012.

Dated : Dhaka
October 18, 2018

Sd/-
Atik Khaled Chowdhury
Chartered Accountants

AUDIT COMMITTEE

The Audit Committee is a sub-committee of the Board. The Committee comprises three Directors including two Independent Directors. The Audit committee consists of the following members:

Mr. M. Obaidur Rahman, Independent Director	: Chairman
Mr. Sajedul Islam, Director	: Member
Mr. Ekramul Haq FCA, Independent Director	: Member

Scope of work of Audit Committee

Audit Committee works as a sub-committee of the Board of Directors. The Committee shall assist the Board of Directors to ensure that the financial statements reflect true and fair view of the state of affairs of the Company and ensure a good monitoring system within the business and they will be responsible to the Board of Directors. The Chairman of the Audit Committee shall remain present in the Annual General Meeting.

Internal Audit

- Audit Committee will observe the functions of internal audit department and its structure and confirm that no barrier/limitation make hindrance against the work of the internal audit department.
- Audit Committee will examine the capabilities and effectiveness of internal audit department.
- Audit Committee will observe the management's function regarding the implementation/elimination of the recommendations/errors/irregularities etc. found by the internal audit department.
- Audit Committee will submit their recommendation to the Board of Directors regarding the change of any accounting principle if they think necessary.

External Audit

- Audit Committee will examine the audit report and audit procedure of the external auditor of the company.
- Audit Committee will examine the implementation/elimination of the recommendation/observation/irregularities as provided by the external auditor in their report by the management properly.
- Audit Committee will submit their recommend to the Board of Directors regarding appointment of external auditor of the company.
- Implementation/existence of practice of acts, rules and regulations
- Audit Committee will examine the implementation/existence of practice of the acts, rules and regulation enforced by the Regulatory Authority like BSEC and other organizations and also adopted by the Board of Directors of the company on regular basis.

Review of financial statements by the Audit Committee

Audit Committee reviewed the annual financial statements for the year ended June 30, 2018 and placed its recommendation to the Board of Directors.

Role of Audit Committee

Role of audit committee shall include the following:

- Oversea the financial reporting process.
- Monitor choice of accounting policies and principles.
- Monitor internal control risk management `process.
- Performance of external auditors.
- Review alongwith the management the annual financial statements before submission to the Board for approval.
- Review the adequacy of internal audit function.
- Review the quarterly report and audited financial statements.

The Audit Committee meeting:

The Committee met four times during last financial year ended June 30, 2018 to carry out the following tasks:

- The Audit Committee reviewed the financial statements for the year ended June 30, 2018;
- Reviewed and discussed the management letter, by external auditor Malek Siddiqui Wali, Chartered Accountants for the year ended June 30, 2018 on financial statements of Navana CNG Limited;
- Reviewed reports of Internal Control & Compliance on operational/financial activities;
- Reviewed the Quarterly Reports and audited financial statements of the Company.

Based on the review and above discussions, the Audit Committee found that the internal control and compliance procedures are adequate to present a true and fair view of the activities and financial status of the company and to ensure that it's assets are safeguarded properly.

AUDIT COMMITTEE

28 October 2018

The Board of Directors
Navana CNG Limited
House#16/B, Road#93
Gulshan-2
Dhaka

Audit Committee Report

The Committee reviewed and discussed the procedure and task of the internal audit, financial report preparation and the external auditors' observations in their reports on the financial statements of Navana CNG Limited for the year ended 30 June 2018. The Committee found adequate arrangement to present a true and fair view of the financial statements of the Company and did not find any material deviation, discrepancies or any adverse finding/observation in the areas of reporting.

The Committee also reviewed the financial statements of the subsidiary Companies i.e. Navana Engineering Limited, Navana Welding Electrode Limited and Navana LPG Limited for the year ended 30 June 2018 and also found adequate arrangement to present a true and fair view of the financial status of the aforesaid Companies.

Sd/-
(M. Obaidur Rahman)
Chairman
Audit Committee
Navana CNG Limited

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER TO THE BOARD

The Board of Directors
Navana CNG Limited

Subject: Certification of Chief Executive Officer and Chief Financial Officer to the Board

Dear Sirs,

Pursuant to Condition No 6 of the Bangladesh Securities and Exchange Commission Notification No. SEC/CMRRCD/2006-158/134/ Admin/44 dated August 07, 2012, we do hereby certify that:

- (i) We have reviewed financial statements for the year ended June 30, 2018 and that to the best of our knowledge and belief:
 - a) These statements do not contain any materially untrue statements or omit any material fact or contain statements that might be misleading;
 - b) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) To the best of our knowledge and belief, no transactions entered into by the company during the period which are fraudulent, illegal or violation of the company's code conduct.

Sd/-
(Zahidul Haque, FCA)
Chief Financial Officer

October 18, 2018

Sd/-
Saiful Islam
Chief Executive Officer

Independent Auditors' Report to the shareholders of Navana CNG Limited and its Subsidiaries

We have audited the accompanying Financial Statements of Navana CNG Limited and its subsidiaries, which comprise the Consolidated Statement of Financial Position as at June 30, 2018, and the consolidated statement of Profit or Loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period/ year then ended, and a summary of significant accounting policies and other explanatory information disclosed in Notes and Schedule-A. We have also audited the attached financial statements of Navana CNG Limited which comprise the statement of financial position as at June 30, 2018 and statements of cash flows for the period/ year then ended and a summary of significant accounting policies and other explanatory notes. The financial statements of subsidiary disclosed in note 2.4 to the financial statements are audited by Rahman Mostafa Alam & Co.

Management's Responsibility for the Financial Statements:

Management of the company is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), and for such internal control as management determine 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 auditors 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, we consider 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 circumstance, 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 Navana CNG Limited and its subsidiary as of June 30, 2018, and its financial performance and its cash flows for the period/ year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS) 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:

- we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- in our opinion, proper books of account as required by the law have been kept by the Company so far as it appeared from our examination of those books;
- the company's financial position and statement of comprehensive income dealt with by the report are in agreement with the books of account and returns; and
- the expenditure incurred was for the purposes of the company's business.

Dated : Dhaka
November 07, 2018

Sd/-
Malek Siddiqui Wali
Chartered Accountants

Navana CNG Limited and its Subsidiaries

Consolidated Statement of Financial Position

As at June 30, 2018

	Note	As at June 30, 2018 Amount (Taka)	As at June 30, 2017 Amount (Taka)
Assets			
Non-current assets			
Property, plant & equipment	3	5,418,786,144	1,733,473,061
Non current assets held for transfer		194,475,891	-
Intangible Assets	4	19,189,021	3,094,787
Capital Work-in-progress	5	1,607,886,756	3,455,262,078
Long-term security deposit	6	48,768,392	48,020,364
Investment in shares	7	20,366,498	21,784,512
Total Non-current assets		7,309,472,702	5,261,634,802
Current assets			
Inventories	8	1,905,049,152	1,237,714,938
Accounts receivable	9	427,735,605	331,117,517
Others Receivable		196,948,207	46,703,616
Advance against land		15,000,000	15,000,000
Advances, deposits & pre-payments	10	664,254,803	429,248,236
Cash & bank balances	11	233,614,168	321,836,046
Total Current assets		3,442,601,935	2,381,620,353
Total assets		10,752,074,637	7,643,255,155
Equity and liabilities			
Capital and reserves			
Share capital	12	685,285,920	685,285,920
Tax holiday reserve		216,004,824	216,004,824
AFS Reserve		7,479,640	7,881,150
Retained earnings	13	1,513,465,471	1,393,966,136
Equity attributable to owners of Company		2,422,235,855	2,303,138,030
Non-controlling interest		(2,945)	328
Total equity		2,422,232,910	2,303,138,358
Non-current liabilities			
Deferred tax liabilities		108,057,251	103,132,585
Security Retention Money	27	708,350,882	85,977,451
Loan from Others		50,000,000	-
Long Term Loan- Net of current portion	14	4,033,196,192	3,067,005,774
Total Non-current liabilities		4,899,604,325	3,256,115,810
Current liabilities			
Long Term Loan- Current portion	14	605,810,654	133,743,267
Short-term loans	15	1,637,966,220	1,127,704,273
Provision for income tax	16	170,953,073	142,142,984
Current account with Aftab Automobiles limited		60,000,230	120,000,230
Payables to sister concern		70,000,000	70,000,000
Bills payables		276,002,440	-
Inter company payable		266,905,612	307,493,060
Payables and accruals	17	342,599,173	182,917,174
Total Current liabilities		3,430,237,402	2,084,000,988
Total equity and liabilities		10,752,074,637	7,643,255,155
Net assets value per share	25	35.35	33.61

The annexed notes & annexure-A & B form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 28 October 2018 and were signed on its behalf by:

Sd/-

Chairman

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

Dated: Dhaka
November 7, 2018

Sd/-

Director

Sd/-

Company Secretary

Sd/-

Malek Siddiqui Wali
Chartered Accountants

Navana CNG Limited and its Subsidiaries

Consolidated Statement of Comprehensive Income
For the year ended June 30, 2018

	Notes	For the year ended June 30, 2018 Amount (Taka)	For the year ended June 30, 2017 Amount (Taka)
Revenues	18	4,045,370,113	2,596,522,783
Less: Cost of sales	19	3,009,141,464	1,817,778,656
Gross profit		1,036,228,649	778,744,127
Less: Administrative & selling expenses	20	485,103,764	384,039,990
Less: Interest expenses	21	269,621,157	90,526,055
Operating profit		281,503,728	304,178,082
Add: Other income	22	4,988,363	5,467,202
Less: Foreign exchange loss		278,792	-
Profit before contribution to WPPF		286,213,299	309,645,284
Less: Contribution to WPPF		18,304,914	14,747,744
Net profit before tax holiday reserve		267,908,385	294,897,540
Net profit after tax holiday reserve		267,908,385	294,897,540
Less: Income tax expenses	23	88,419,372	87,047,656
Current tax		83,352,901	73,110,162
Deferred tax		5,066,471	13,937,494
Net profit after tax		179,489,013	207,849,884
Revaluation Gain on investment in share		(1,418,014)	3,678,999
Less : Deferred tax adjustment		141,801	(551,850)
		(1,276,213)	3,127,149
Total comprehensive income for the year		178,212,800	210,977,033
Profit attributable to:			
Equity holders of the Company		178,216,073	210,976,987
Non-controlling interests		(3,273)	46
		178,212,800	210,977,033
Number of shares		68,528,592	68,528,592
Earnings per share	24	2.62	3.03

The annexed notes & annexure-A & B form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 28 october 2018 and were signed on its behalf by:

Sd/-

Sd/-

Sd/-

Chairman**Director****Company Secretary**

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

Dated: Dhaka
November 7, 2018

Sd/-
Malek Siddiqui Wali
Chartered Accountants

Navana CNG Limited and its Subsidiaries*Consolidated Statement of Changes in Equity*

For the year ended June 30, 2018

Particulars	Share capital	Tax holiday Reserve	Fair Value Reserve	Retained Earnings	Attributable to owners of the Company	Non-Controlling interests	Total
Balance at July 01, 2016	685,285,920	216,004,824	-	1,250,462,254	2,151,752,998	282	2,151,753,280
Prior year adjustment*	-	-	4,754,001	(5,227,708)	(473,707)	-	(473,707)
Restated opening balance	685,285,920	216,004,824	4,754,001	1,245,234,546	2,151,279,291	282	2,151,279,573
Transfer from Other Comprehensive Income	-	-	3,127,149	-	3,127,149	-	3,127,149
Net profit for the year	-	-	-	207,849,838	207,849,838	46	207,849,884
Dividend	-	-	-	(59,118,248)	(59,118,248)	-	(59,118,248)
Balance at June 30, 2017	685,285,920	216,004,824	7,881,150	1,393,966,136	2,303,138,030	328	2,303,138,358
Balance at July 01, 2017	685,285,920	216,004,824	7,881,150	1,393,966,136	2,303,138,030	328	2,303,138,358
Transferred from retained earnings	-	-	874,703	(874,703)	-	-	-
Transfer from Other Comprehensive Income	-	-	(1,276,213)	-	(1,276,213)	-	(1,276,213)
Net profit for the year	-	-	-	179,492,286	179,492,286	(3,273)	179,489,013
Dividend	-	-	-	(59,118,248)	(59,118,248)	-	(59,118,248)
Balance at June 30, 2018	685,285,920	216,004,824	7,479,640	1,513,465,471	2,422,235,855	(2,945)	2,422,232,910

The annexed notes & annexure-A & B form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 28 October 2018 and were signed on its behalf by:

Sd/-
ChairmanSd/-
DirectorSd/-
Company Secretary

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

Dated: Dhaka
November 7, 2018Sd/-
Malek Siddiqui Wali
Chartered Accountants

Navana CNG Limited and its Subsidiaries*Consolidated Statement of Cash Flows*

For the year ended June 30, 2018

	Notes	For the year ended June 30, 2018	For the year ended June 30, 2017
		Amount (Taka)	Amount (Taka)
Cash flows from operating activities			
Receipts from customers		3,948,752,024	2,599,750,877
Receipts of other income		4,988,363	5,467,202
Payments for materials, services and expenses		(3,769,138,434)	(2,415,048,319)
Cash generated from operations		184,601,953	190,169,760
Income tax paid		(124,388,027)	(92,410,490)
Net cash generated by operating activities		60,213,926	97,759,270
Cash flows from investing activities			
Acquisition of property, plant and equipment		(706,977,040)	(355,659,148)
Capital Work-in-progress		(1,575,958,974)	(2,532,198,461)
Advance for LC margin		(109,850,636)	(8,658,686)
Security deposit to LP Gas Ltd		-	(1,200,000)
Other Receivables		533,894	-
Advance against land		-	(15,000,000)
Long-term security deposits		(748,028)	(263,484)
Net cash used in investing activities		(2,393,000,784)	(2,912,979,779)
Cash flows from financing activities			
Received from sister concern		(40,587,448)	299,125,193
Bank Interest paid		(269,621,157)	(90,526,055)
Current account with Aftab Automobiles limited		(60,000,000)	120,000,230
Loan received from others		50,000,000	-
Short term loan		510,261,947	541,318,887
Received from others receivable		43,697,408	-
Security Retention money		622,373,431	52,600,000
Dividend paid		(49,817,006)	(54,804,700)
Long Term Loan		1,438,257,805	1,944,205,582
Net cash Provided in financing activities		2,244,564,980	2,811,919,137
Net changes in cash and cash equivalents		(88,221,878)	(3,301,372)
Cash and cash equivalents at the beginning of the year		321,836,046	325,137,417
Cash and cash equivalents at the end of the year		233,614,168	321,836,046
Net operating cash flows per share	26	0.88	1.43

The annexed notes & annexure-A & B form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 28 october 2018 and were signed on its behalf by:

Sd/-
ChairmanSd/-
DirectorSd/-
Company Secretary

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

Dated: Dhaka
November 7, 2018Sd/-
Malek Siddiqui Wali
Chartered Accountants

Navana CNG Limited and its Subsidiaries

Notes to the Financial Statements

For the year ended June 30, 2018

1. Corporate information

1.1 Reporting entity

Navana CNG Limited (the Company) was incorporated in Bangladesh as private company on April 19, 2004 vide registration no. C525/2(2807)/2004 and converted into a public company on March 08, 2009. The registered office and principal place of business of Navana CNG Limited is located at 125/A Motijheel C/A, Islam Chamber (4th floor), Dhaka-1000

The Company is listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. The principal activities of the Company is conversion of petrol and diesel driven vehicles to Compressed Natural Gas (CNG) driven vehicles, CNG Re-fueling stations and other related services.

1.2 Subsidiaries

Navana Engineering Limited

Navana Engineering Limited is a public limited company which was incorporated in 2010 with Registrar of Joint Stock Companies & Firms, Dhaka, Bangladesh under the Companies Act 1994 as a subsidiary with 99.99% shares owned by Navana CNG Limited.

The principal activities of the Company is to manufacture polymer, plastic, PVC, Poly Ethylene, pipes, tubes, conduits, fittings for house hold, industrial and commercial use. The company started its commercial operation from March 01, 2011.

Navana Welding Electrode Limited

Navana Welding Electrodes Limited is a private limited company which was incorporated in 2011 with Registrar of Joint Stock Companies & Firms, Dhaka, Bangladesh under the Companies Act 1994 as a subsidiary with 99.99% shares owned by Navana CNG Limited. The principal activities of the Company is to produce welding electrode rod, welding and cutting equipment, cutting rod, welding and cutting consumables etc. The company started its commercial operation from January 01, 2013.

Navana LPG Limited

Navana LPG Limited is a private Limited company which is incorporated Vide # C-125694 dated September 13, 2015 with registrar of Join Stocks Companies & Firms, Dhaka, Bangladesh under the Companies Act 1994, as a subsidiary with 99.99% share owned by Navana CNG Limited. The company started its commercial production in November 2017. The main objective is to carry on the business of import, export, indenting and marketing of all types of gases also LPG, LNG, LPG, Propone, Oxygen, nitrogen, acetylene, nitrous, Oxide, Medical and commercial Oxygen and other allied gases. The register office is situated at Islam Chamber (4th Floor), 125/A, Motijheel C/A, Dhaka-1000, Bangladesh. The Company has started its commercial operation from November, 2017.

2. Significant accounting policies and basis of preparation of the financial statements

2.1 Corporate financial statements and reporting

The financial statements comprise statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flows, notes and explanatory materials covering accounting policies.

These financial statements are prepared under the historical cost convention and in accordance with the requirements of the Companies Act, 1994, the Securities and Exchanges Rules 1987 and other applicable laws, rules & regulations and the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as well as those standards, disclosures recommended by IASs and as applicable to this Company.

The Board of Directors is responsible for preparing and presenting the financial statements including adequate disclosures, which approved and authorized for issue of this financial statements.

The preparation of the financial statements in conformity with the Bangladesh Accounting Standards (BASs) requires Board of Directors to make estimates and assumptions that affect the reported amounts of revenues and expenses, assets and liabilities at the date of the reporting period. Due to the inherent uncertainty involved in making estimates, actual result reported could differ from those estimates.

2.2 Reporting period

The period of the financial statements covers from July 01, 2017 to June 30, 2018..

2.3 Functional and presentational (reporting) currency

The financial statements are prepared and presented in Bangladesh Currency (Taka), which is the Company's functional currency.

2.4 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation. The consolidated financial statements comprise consolidated statement of financial position, consolidated statement of comprehensive income, consolidated statement of cash flows, consolidated statement of changes in equity and consolidated notes and explanatory materials covering accounting policies.

2.5 Principal accounting policies

The specific accounting policies selected and applied by the Company's directors for significant transactions and events that have material effect within the framework of BAS-1 "Presentation of Financial Statements", in preparation and presentation of financial statements have been consistently applied throughout the year and were also consistent with those used in earlier years. For a proper understanding of the financial statements, these accounting policies are set out below in one place as prescribed by the BAS-1 "Presentation of Financial Statements". The recommendations of BAS-1 relating the format of financial statements were also taken into full consideration for fair presentation.

2.6 Significant accounting estimates and judgments

Estimates, assumptions concerning the future and judgments are made in the preparation of the financial statements. They affect the application of the Company's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The key assumptions concerning the future and other key sources of estimation or uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Income taxes

The Company has exposure to income taxes in Bangladesh. Significant judgment is involved in determining the Company-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for expected tax issues based on estimates of additional taxes that might be due. Where the final tax outcome of these matters is different from the amounts that were initially recognized, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The Company has enjoyed tax holiday up to April 2009 and accordingly necessary provisions has been made for Tax holiday period.

(ii) Depreciation of machinery and equipment

The costs of machinery and equipment for the manufacturing activities are depreciated on a written down value basis over the useful lives of the machinery. Management estimates the useful lives of the plant and equipment. These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

2.7 Regulatory and legal compliance

The Company complied with requirement of the following regulatory and legal authorities:

The Companies Act, 1994;

The Securities and Exchange Rules, 1987;

The Securities and Exchange Ordinance, 1969;

The Income Tax Ordinance, 1984;

The Value Added Tax Act, 1991; and

The rules and regulations of Dhaka Stock Exchange Ltd., Chittagong Stock Exchange Ltd., and Central Depository Ltd.

2.8 Foreign currency

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the date of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

2.9 Financial assets

Financial assets are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. Financial assets are recognized on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. When financial assets are recognized initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs. The Company determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

A financial asset is derecognized where the contractual rights to receive cash flows from the asset have expired. On de-recognition of a financial asset, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognized directly in equity is recognized in the income statement.

All Purchases and sales of financial assets are recognized or derecognized on the trade date, i.e. the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concern.

2.10 Impairment of financial assets

The Company assesses at each date of statement of financial position whether there is any objective evidence that a financial asset or the group of financial assets is impaired.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset. To determine whether there is objective evidence that an impairment loss on financial assets has been incurred; the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortized cost at the reversal date. The amount of reversal is recognized in the income statement.

2.11 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment assessment for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations are recognized in the income statement as 'impairment losses'.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses recognized for an asset other than goodwill may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Reversal of an impairment loss is recognized in the income statement. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

2.12 Revenue recognition

Revenue is recognized to the extent that is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

(a) Petrol and diesel vehicle conversion services

Revenue on petrol and diesel vehicle conversion services is recognized, net of VAT where applicable upon the completion of the conversion of vehicles to run on either the Bi-Fuel system or the CNG Fuel System and the delivery of the converted vehicles to the vehicle owners.

(b) Sale of CNG

Revenue from sale of CNG is recognized upon the transfer of significant risk and rewards of ownership of the goods to the customer. Revenue is not recognized to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(c) Dividend

Dividend income is recognized when the Company's right to receive payment is established.

(d) Other revenues

Other revenues are recognized when services are rendered and bank interests are earned.

2.13 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Land has an unlimited useful life and therefore is not depreciated. Depreciation of an asset is computed on a reducing balance method over the estimated useful life of the asset as follows:

Items	Rate of depreciation
Land and Land development	Nil
Buildings & Shed	10%
Plant and Machinery	10%
Tools & Equipment	10%
Furniture & Fixtures	10%
Vehicles	10%

Fully depreciated assets are retained in the financial statements until they are no longer in use. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment. An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arises on de-recognition of the asset is included in the income statement in the year the asset is derecognized.

2.14 Inventories

Inventories are stated at the lower of cost and net realizable value. Costs incurred in bringing the inventories to their present location and conditions are accounted for as follows: Raw materials: purchase costs on a weighted average basis; Finished goods and work-in-progress: costs of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Provision is made if necessary, for obsolete and slow-moving item.

2.15 Cash and cash equivalents

Cash in hand and cash at banks have been considered as cash and cash equivalents for the preparation of these financial statements, which were held and available for use by Company without any restriction and there was insignificant risk of changes in value of the same.

2.16 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation. The company applies equity method as per BAS 28 for the consolidation and presentation of financial information.

The consolidated financial statements comprise consolidated statement of financial position, consolidated statement of comprehensive income, consolidated statement of cash flows, consolidated statement of changes in equity and consolidated notes and explanatory materials covering accounting policies.

2.17 Income taxes

(i) Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the date of statement of financial position.

(ii) Deferred tax

Deferred income tax is provided using the deferred method on temporary differences. Deferred tax assets and liabilities are recognized for all temporary differences, except: Where the deferred tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction affects neither the accounting profit nor taxable profit or loss;

In respect of temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled by the Company and it is probable that the temporary differences will not reverse in the foreseeable future; and In respect of deductible temporary differences and carry-forward of unused tax credits and unused tax losses, if it is not probable that taxable profit will be available against which the deductible temporary differences and carry-forward of unused tax credits and unused tax losses can be utilized.

(iii) Value added tax

Revenues, expenses and assets are recognized net of the amount of Value Added Tax except:

Where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and Receivables and payables that are stated with the amount of value added tax included. The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.18 Provisions

Provisions are recognized when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and the amount of the obligation can be estimated reliably. Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

2.19 Financial liabilities

Financial liabilities are recognized on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. Financial liabilities are recognized initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs. Subsequent to initial recognition, all financial liabilities are measured at amortized cost using the effective interest method, except for derivatives, which are measured at fair value. A financial liability is derecognized when the obligation under the liability is extinguished. For financial liabilities other than derivatives, gains and losses are recognized in the income statement when the liabilities are derecognized or impaired, and through the amortization process. Any gains or losses arising from changes in fair value of derivatives are recognized in the income statement. Net gains or losses on derivatives include exchange differences.

2.20 Borrowing costs

In compliance with the requirements of BAS 23 "Borrowing Costs" borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Borrowing costs are recognized as expenses in the period in which they incurred and capitalized the same that incurred before commencement of commercial operation.

2.21 Leases

Finance leases, which transfer to the Company substantially all the risks and rewards incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalized. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the income statement. Contingent rents, if any, are charged as expenses in the periods in which they are incurred. Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term.

Operating lease payments are recognized as an expense in the income statement on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lesser is recognized as a reduction of rental expense over the lease term on a straight-line basis.

2.22 Employees' benefits

Employee leave entitlement

Employee entitlements to annual leave are recognized as a liability when they accrue to employees. The estimated liability for leave is recognized for services rendered by employees up to the date of statement of financial position.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits is based on the number of employees expected to accept the offer.

Workers Profit Participation Fund

Provision for Workers Profit Participation Fund (WPPF) and Worker Welfare Fund (WWF) has been made @ 5% on net profit as per provision of The Bangladesh Labor Law, 2006 and payable to workers as defined in the said law.

2.23 Related Party Disclosure

During the period, The Company carried out a number of transactions with related parties in the normal course of Business. The name of the related parties, Nature of transaction and transaction value have been set out in accordance with the provisions of BAS 24: Related Party Disclosure are as follows:

SI	Name of related Party	Relationship	Nature of Transaction	Outstanding Receivable / (Payable)
01	Loan from Chairman	Director	Interest free loan	(325,117,526)
02	Aftab Automobiles Limited	Alliance Companies	Interest free loan	(60,000,230)
03	Navana Limited	Alliance Companies	Interest free loan	(253,021,612)
04	Navana Construction	Alliance Companies	Interest free loan	(13,884,000)
05	Navana Real estate Limited	Alliance Companies	Interest free Loan	(70,000,000)
06	Board meeting fee	Director	Fee	415,000

2.24 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Company. Contingent liabilities and assets are not recognized on the statement of financial position of the Company.

2.25 Earnings per share

Basic earnings per share

Basic earnings per share have been calculated in accordance with BAS-33 "Earnings per Share" which has been shown on the face of the income statement. This has been calculated by dividing the basic earning by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share

No diluted earnings per share are required to be calculated for the year as there was no scope for dilution during the year under review.

2.26 Events after the reporting period

Events after the reporting period that provide additional information about the Company's position at the date of statement of financial position or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

2.27 Comparative figure

Comparative information has been disclosed in respect of the year June 30, 2017 for all numerical data in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current year's financial statements presentation.

2.28 Reclassification

As per the decision made by Board of directors the subordinate capital is reclassified as dues to Director.

2.29 General

Figures appearing in these financial statements have been rounded off to the nearest taka. Previous year's figures whenever considered necessary have been re-arranged in order to confirm to current year presentation.

	June 30, 2018 Amount (Taka)	June 30, 2017 Amount (Taka)
3 Consolidated Property, plant and equipment, net		
Land and land develop.	924,622,398	762,541,236
Building & Shed	1,095,540,763	179,259,465
Plant & Machinery	1,837,081,311	562,943,156
Cylinder	1,273,872,391	-
Tools & equipment	111,999,529	90,230,369
Furniture & fixtures	17,986,757	15,171,999
Electrical equipment	22,195,233	24,604,478
Office equipment	5,813,214	6,009,423
Vehicles	129,674,548	92,712,935
	5,418,786,144	1,733,473,061
*An elaborate schedule of PPE are shown in annexure -A.		
4 Intangible Assets		
Software Syatem	19,189,021	3,094,787
	19,189,021	3,094,787
*An elaborate schedule of PPE are shown in annexure -B.		
5 Capital work in progress		
Opening Balance	3,455,262,078	1,197,189,342
Add: Addition during the period /year	1,575,958,974	2,532,198,461
	5,031,221,052	3,729,387,803
Less: Transfer to Property, plant and equipment	3,423,334,296	274,125,725
Closing Balance	1,607,886,756	3,455,262,078
Capital Work in progress represents land and land development , civil construction, plant and mechneries etc for LPG project and land and land development, civil construction, Plant and mechneries etc for BMRE project of Navana Engineering Ltd. at Gabtoli and Baligoan at Kalligonj.		
6 Long-term security deposit		
PDBF	5,056	5,056
Titas Gas T&D Co., Ltd.	31,441,963	31,441,963
Pashchimanchal Gas Co.	2,650,741	2,650,741
Dhaka Electricity Supply Co., Ltd.(DESCO)	150,000	150,000
Dhaka Electricity Supply Authority (DESA)	270,000	270,000
Jalalabad Gas Co., Ltd.	1,299,297	1,299,297
Dhaka Palli Budyut Samity(PBS- 1)	257,120	257,120
Delta life Insurance Co., Ltd	10,000	10,000
Roads & Highway	190,350	190,350
North South University	16,143	16,143
Uttara Bank Limited	39,130	39,130
Standard Bank Ltd.	745,038	745,038
Bangladesh Telecommunication Co., Ltd (BTCL)	10,000	10,000
UCEP	338,000	338,000
Dhaka Metropolitan Police	147,331	147,331
Mobile Com	22,000	22,000
Road Cutting	37,106	37,106
PDB	311,025	311,025
Polli-Bidyut Somity-Bagerhat	5,028,094	5,028,094
Mongla port authority	5,399,998	5,051,970
Desco- Nikunja	400,000	-
	48,768,392	48,020,364

7 Consolidated Investment in shares	Number of shares held	June 30, 2018	June 30, 2017
		Amount (Taka)	Amount (Taka)
		Market value as on 30/06/18	Market value as on 30/06/17
Lafarge Surma Cement Ltd.	21,000	1,184,400	1,320,900
Aftab Automobiles Ltd.	119,834	6,315,252	7,968,961
National Bank Ltd.	10,714	141,100	149,130
Square pharmaceuticals Ltd.	33,840	10,662,392	9,816,984
Titas Gas	38,105	1,524,200	1,928,113
Jamuna Oil	1,540	286,594	318,934
Padma Oil	1,100	252,560	281,490
	226,133	20,366,498	21,784,512

The above Investment in Marketable Securities that are designated as available for sale by the management.

8 Consolidated Inventories

Raw materials	907,428,392	708,385,526
Work in process	45,563,140	64,435,702
Stock in Cylinder raw Materials	-	57,836,423
Finished Goods	774,154,583	377,996,399
Spare Parts	1,163,309	7,240,900
Fuel	307,589	294,500
Stock in transit	176,432,139	21,525,488
	1,905,049,152	1,237,714,938

9 Consolidated Accounts receivable

Tejgaon CNG Conversion Center	11,918,777	10,499,700
Kallyanpur CNG Conversion Center	3,992,256	3,716,423
Dipnagar Diesel Conversion Center	7,572,692	9,170,311
Chittagong CNG Conversion Center	2,193,089	2,193,089
Sylhet CNG Conversion Center	3,167,089	3,206,431
Cylinder Testing Unit	483,546	720,003
Engineering Workshop	759,701	599,301
Kalurghat CNG Conversion Center	1,349,074	1,115,360
Kalurghat CRT	169,136	189,600
Uttara CNG Conversion Center	1,604,708	1,567,808
Bogra CNG Conversion Center	240,638	240,638
Palton CNG Conversion Center	1,025,329	655,185
Auto repair & services- Kally-Dhaka	18,895,615	14,194,261
Auto repair & services- Kalurghat-CTG	1,428,349	274,881
Denso CNG Station	6,059,399	5,117,133
Binimoy CNG Station	11,212,591	12,083,188
Sylhet CNG Station	690,413	723,067
Sylhet CNG Station-2	31,162	26,185
Station Technical Department Sylhet	1,058,979	1,902,613
Station Technical Department CTG	12,759,978	11,404,362
Station Technical Department Dhaka	35,343,836	31,764,802
Station Maintenance Department -CTG	52,992	81,358
PRS Department	10,500,804	1,948,382
Engineering service department	549,505	498,570
Baipail CNG Station	861,867	879,589
Bogra CNG Station	41,991	51,170
Leguna CNG Station	34,911	352,090
Sitakundu CNG Station	319,956	558,431
S.H. Khan CNG Station	84,158	274,978
B.O.C CNG Station	17,621	15,767
Kwality CNG Station	584,008	511,900
Abdullah CNG Station	(104,608)	611,603
Bhoirab CNG Station	116,916	150,603
Elenga Station CNG Station	400,182	402,152
United CNG Station	10,365	155,952

	June 30, 2018	June 30, 2017
	Amount (Taka)	Amount (Taka)
Jogajog CNG Station	1,653,573	1,666,556
Sonarbangla CNG Station	4,954,901	4,030,871
Mymensing Zone	7,980,984	-
Chittagonj Zone	22,167,419	33,204,921
Khulna Zone	9,400,922	-
Gazipur Zone	12,357,897	34,349,289
Sylhet Zone	9,031,768	-
Dhaka Zone	22,205,246	1,638,325
HDPE	61,848,851	36,330,826
PPR	17,590,727	9,383,692
Tender	2,837,770	2,378,906
Navana Real state Ltd.	8,029,017	10,636,411
Sylhet Zone	1,329,359	1,410,170
Jessore Zone	5,716,243	5,077,865
Dhaka South zone	11,046,446	11,374,340
Dhaka North zone	5,202,281	8,153,694
Rajshahi Zone	8,972,086	1,789,666
Rangpur Zone	1,254,416	1,324,889
Chitta. South Zone	6,092,922	4,414,986
Chitta. North Zone	4,781,266	3,702,245
Barishal Zone	19,324,155	32,271,341
Corporate	48,530,331	5,823,946
Kallayanpur workshop	-	1,378
Others	-	4,296,313
	427,735,605	331,117,517
10 Consolidated Advances, deposits & pre-payments		
Advance against leasehold land	15,943,624	18,448,724
Advance against local procurement	54,509,097	83,850,465
Bank guarantee margin	38,167,575	36,280,300
Security deposit	2,154,887	54,174,186
Advance Income Tax	171,771,539	101,926,324
Jakshon international Ltd.	251,031	251,031
Vat Current Account	20,220,689	31,892,243
Advance for Rent	19,021,318	11,071,500
Advance for Tender	1,045,410	986,410
Earnest Money & Security Deposit	1,380,300	1,080,300
Clearing & forwarding agent	1,351,023	1,351,024
Dumhill Corporation	-	8,406,225
IMB International BD	-	10,056,189
Rose vally International	340,470	340,470
Advance to Suppliers	59,467,727	21,068,454
Security Deposit Bangladesh Railway	892,985	892,985
Advance against Salary	626,086	13,000
IBCS-PRIMAX Software Ltd.	-	13,067,000
LC Margin for machinery	161,872,238	8,658,686
Advance to others	106,912,375	24,232,721
LP Gas Ltd.	1,200,000	1,200,000
Advance to employee	7,126,428	-
	664,254,803	429,248,236
11 Consolidated Cash & bank balances		
Cash in hand	59,187,933	32,596,686
Cash at banks :	11.01	
Fixed deposit receipt (FDR)	92,839,203	71,589,970
Bank Balances	81,587,032	217,649,390
	233,614,168	321,836,046

	June 30, 2018 Amount (Taka)	June 30, 2017 Amount (Taka)
11.01 Cash at bank balances consists of:		
Fixed deposit receipt (FDR) :		
Mercantile Bank Ltd. (FDR)	32,279,244	30,576,408
Mutual Trust Bank Ltd. (FDR)	4,861,497	4,624,670
Standard Bank Ltd. (FDR)	6,945,133	6,688,605
Jumana Bank Ltd. (FDR)	-	4,095,082
Shahjala Islami Bank Ltd. (FDR)	28,388,783	25,605,205
State Bank of India (FDR)	20,364,546	-
	92,839,203	71,589,970

Cash at bank balances consists of:**Bank Balances :**

AB Bank Ltd.	961,735	9,102,231
Bank Alfalah Ltd.	8,713	9,863
Al-Arafah Bank Ltd.	109,238	109,338
Bank Asia Ltd.	4,586,306	27,600,583
Brac Bank Ltd.	594,037	2,981,267
Dhaka Bank Ltd.	1,160,598	2,154,983
Dutch Bangla Bank Ltd.	16,283,980	25,206,977
IFIC Bank Ltd.	842,946	1,575,790
Jamuna Bank Ltd.	363,558	675,069
Mutual Trust Bank Ltd.	16,370,417	51,121,891
National Bank Ltd.	690,472	6,752,219
NCC Bank Ltd.	571,328	293,640
Prime Bank Ltd.	1,161,391	907,791
Pubali Bank Ltd.	3,076,981	8,890,151
Rupali Bank Ltd.	421,031	4,244,683
Shahjalal Islami Bank Ltd.	7,221,760	40,766,557
Social Investment Bank Ltd.	42,062	43,212
Southeast Bank Ltd.	2,866,138	2,040,468
Standard Bank Ltd.	131,638	1,493,593
Standard Chartered Bank	184,218	194,063
Uttara Bank Ltd.	2,188,641	7,033,916
Mercantile Bank Ltd.	1,699,455	6,549,571
One Bank Ltd.	292,599	562,806
Trust Bank Ltd.	367,291	909,567
Islami bank Bd.ltd	7,224,275	4,342,350
Modhumoti Bank Ltd.	978,329	991,488
Sonali Bank Ltd.	1,502,627	813,405
United Commercial Bank Ltd	891,863	2,872,586
City Bank Ltd.	8,355,482	1,688,547
State Bank of India	437,923	5,720,785
	81,587,032	217,649,390

12 Share capital**Authorized capital:**

(150,000,000 Ordinary Shares @ Tk. 10 each)

1,500,000,000**1,500,000,000****Issued, Subscribed and Paid-up Capital:**

(68,528,592 Ordinary Shares @ Tk. 10 each)

685,285,920**685,285,920**

	Face Value per Share	Share capital 30.06.2018	Share capital 30.06.2017
Balance at beginning of year	10.00	685,285,920	685,285,920
Issue of bonus shares	-	-	-
Balance at end of year	10.00	685,285,920	685,285,920

		June 30, 2018	June 30, 2017
		Amount (Taka)	Amount (Taka)
Shareholding position:			
Class of shareholders	Number of share hold	Share holding % 2018	Share holding % 2017
Sponsors	29,116,427	42.49%	42.49%
General public	25,000,890	36.48%	32.06%
Institutional investors	14,411,275	21.03%	25.45%
Total	68,528,592	100%	100%

Classification of shareholders:			
Particulars	Number of Shares	% of Share Holdings 30.06.18	% of Share Holdings 30.06.17
1 to 500	1,470,311	2.14%	2.47%
501 to 5000	5,598,493	8.17%	9.01%
5001 to 10000	2,315,982	3.38%	3.56%
10001 to 20000	2,157,864	3.15%	3.58%
20001 to 30000	1,595,261	2.33%	2.31%
30001 to 40000	1,601,748	2.34%	1.41%
40001 to 50000	1,182,054	1.72%	1.91%
50001 to 100000	2,955,290	4.31%	4.55%
100001 to 1000000	14,012,191	20.45%	17.27%
Above 1000000	35,639,398	52.01%	53.93%
Total	68,528,592	100%	100%

13 Consolidated Retained earnings

Opening balance	1,393,966,136	1,250,462,254
Prior year adjustment*	-	(5,227,708)
Restated opening balance	1,393,966,136	1,245,234,546
Less: Adjustment for AFS Reserve	(874,703)	-
Add: Total Comprehensive Income for the year	179,492,286	207,849,838
	1,572,583,719	1,453,084,384
Less: payment cash/Stock dividend	(59,118,248)	(59,118,248)
Closing balance	1,513,465,471	1,393,966,136

14 Consolidated Long Term Loan

City Bank Limited, Gulshan Avenue Br.	2,853,692,623	2,151,395,325
Shahjalal Islami Bank Ltd.	713,086,786	32,870,738
One Bank Limited, Gulshan Br.	747,109,911	671,365,452
Dues to Director (Mr.SHafiu Islam, chairman)	325,117,526	345,117,526
	4,639,006,846	3,200,749,041
Less: Long Term Loan- Current portion	605,810,654	133,743,267
Long Term Loan-Net of current portion	4,033,196,192	3,067,005,774

15 Consolidated Short-term loans

Shahjalal Islami Bank Ltd.	460,327,553	436,192,794
Standard Bank Ltd.	124,513,544	61,237,488
One Bank Ltd.	854,747,006	623,681,099
Mercantile Bank Ltd. (LTR)	-	6,592,892
City Bank Ltd.	165,492,992	-
Mutual Trust Bank Limited, Principal Br.	32,885,125	-
	1,637,966,220	1,127,704,273

16 Consolidated Provision for income tax

Navana CNG Limited	17,173,833	44,753,531
Navana Welding Electrode Limited	37,717,536	23,844,897
Navana Engineering Limited	112,661,892	73,544,556
Navana LPG Limited	3,399,813	-
	170,953,073	142,142,984

		June 30, 2018 Amount (Taka)	June 30, 2017 Amount (Taka)
17 Consolidated Payables and accruals			
Navana CNG Limited		239,613,080	170,368,664
Navana Engineering Limited		39,628,986	6,760,930
Navana Welding Electrode Limited		10,423,873	5,757,580
Navana LPG Limited		52,933,234	30,000
		342,599,173	182,917,174
18 Consolidated Revenue-net			
Navana CNG Limited		1,672,738,735	1,592,280,577
Navana Engineering Ltd.		1,403,614,715	705,159,466
Navana Welding Electrode Ltd.		402,381,221	299,082,740
Navana LPG Limited		566,635,442	-
		4,045,370,113	2,596,522,783
19 Consolidated Cost of sales			
Navana CNG Limited		1,263,063,130	1,130,359,982
Navana Engineering Limited		964,814,579	457,154,882
Navana Welding Electrode Limited		307,888,158	230,263,792
Navana LPG Limited		473,375,596	-
		3,009,141,464	1,817,778,656
Raw materials Consumed	19.01	3,050,002,870	1,935,584,863
Add : Direct cost		22,731,415	4,663,405
Add: Factory overhead		313,692,801	124,581,994
Cost of Production		3,386,427,086	2,064,830,262
Add: Opening WIP		64,435,702	25,429,444
		3,450,862,788	2,090,259,706
Less: Closing WIP		45,563,140	64,435,702
Cost of goods manufacture		3,405,299,648	2,025,824,004
Add: opening stock of finished goods		377,996,399	169,951,051
		3,783,296,047	2,195,775,055
Less: Closing stock of finished goods		774,154,583	377,996,399
Cost of Goods sold		3,009,141,464	1,817,778,656
19.01 Opening stock of raw materials		708,385,526	598,480,854
Opening stock of raw Cylinder		57,836,423	-
Add: Purchase for the year		2,003,512,992	981,234,680
Add: Cost of CNG sales		1,187,696,321	1,064,254,855
		3,957,431,262	2,643,970,389
Less: Closing stock of raw materials		907,428,392	708,385,526
Raw material consumed		3,050,002,870	1,935,584,863
20 Consolidated Administration and selling expense			
Salary & allowances		289,953,518	238,220,982
Vehicle maintenance		5,001,102	3,613,449
Electricity bill		4,542,835	4,491,913
Rental expense		5,566,020	5,145,700
Telephone & mobile expense		5,669,549	4,010,247
Conveyance		9,499,822	7,700,366
CDBL & Annual listing fee		791,286	973,428
Electrical expense		1,242,964	650,398
Entertainment		8,644,126	7,100,455
Labor charge		1,987,506	1,946,864
Board meeting attendance fee		415,000	410,000
Medical expense		142,490	171,519
Carrying charge		5,061,909	5,983,926
Mineral water		597,205	680,815
Annual general meeting expenses		212,000	70,000
Miscellaneous expense		706,345	595,884
Newspaper & periodicals		324,825	314,398
Office maintenance		4,436,763	3,892,626
Audit fees		402,500	325,000

	June 30, 2018 Amount (Taka)	June 30, 2017 Amount (Taka)
Oil & lubricants	11,282,792	10,689,975
Photocopy expense	55,697	159,364
Postage & stamp	489,296	282,143
Security guard exp.	4,666,400	4,242,596
Uniform & liveries	186,232	342,104
Printing expense	5,785,009	5,375,567
Stationary expense	1,817,951	775,397
Registration & renewals	5,949,797	3,482,062
Travelling expense	3,871,339	2,359,671
Bank charge	3,334,932	1,746,893
Internet bill	2,884,780	1,081,096
Gas Bill	29,700	25,650
Utility & service charge	590,131	67,200
Transport Expenses	4,832,222	466,005
Advertisement	1,510,000	1,412,400
Repair & Maintenance	3,989,592	2,505,778
Fuel & gas Expenses for customer	9,125,490	8,975,521
Bad debts	214,461	-
Depreciation	78,947,581	53,683,825
Amortization	342,597	68,773
	485,103,764	384,039,990
21 Consolidated Interest expenses		
Navana CNG Limited	8,045,190	6,807,364
Navana Engineering Limited	134,985,653	79,869,418
Navana Welding Electrode Limited	6,585,468	3,849,273
Navana LPG Limited	120,004,846	-
	269,621,157	90,526,055
22 Consolidated Other income		
Navana CNG Limited	1,458,627	3,756,178
Navana Engineering Limited	302,910	190,279
Navana Welding Electrode Limited	3,226,826	1,520,745
Navana LPG Limited	-	-
	4,988,363	5,467,202
23 Consolidated Income tax expense		
Current tax	83,352,901	73,110,162
Deferred tax	5,066,471	13,937,494
	88,419,372	87,047,656
Current tax:	124,388,027	92,410,490
Tax deducted at source (import stage)	88,495,727	42,941,837
Tax deducted from FDR interest income	418,746	514,833
Tax deducted from Customer	12,868,565	7,546,951
Tax deducted from STD interest income	280	546
Tax paid in advance	22,000,000	40,921,482
Tax deducted at source (Vehicle)	518,000	422,180
Tax deducted from Dividend	86,709	62,661
Tax provision	(41,035,126)	(19,300,328)
	83,352,901	73,110,162
24 Earnings per share (EPS)	Profit attributable to shareholders Number of ordinary shares	
Profit attributable to ordinary shareholders	179,489,013	207,849,884
Number of ordinary shares used to compute earnings per share	68,528,592	68,528,592
Earnings per share	2.62	3.03

		<u>June 30, 2018</u>	<u>June 30, 2017</u>
		<u>Amount (Taka)</u>	<u>Amount (Taka)</u>
25 Net assets value per share (NAVPS)	$\frac{\text{Total Asset - Total Liabilities}}{\text{Number of ordinary shares}}$		
Net asset value		2,422,235,855	2,303,138,030
Number of ordinary shares used to compute NAVPS		<u>68,528,592</u>	<u>68,528,592</u>
		<u>35.35</u>	<u>33.61</u>
26 Net operating cash flows per share (NOCFPS)	$\frac{\text{Net operating cash flows}}{\text{Number of ordinary shares}}$		
Net operating cash flows		60,213,926	97,759,270
Number of ordinary shares used to compute NOCFPS		<u>68,528,592</u>	<u>68,528,592</u>
Net operating cash flows per share		<u>0.88</u>	<u>1.43</u>

27 Re-arrangement/reclassification

The "Security retention money" was previously shown under "current liability". But the nature of security deposit received suggests that it should be shown as Non-current liability. As such, this figure has been rearranged/reclassified from current liability to Non-current liability.

Navana CNG Limited and its Subsidiaries*Schedule of Property, plant and equipment*

As at 30 June 2018

Annexure-A

Particulars	Cost			Rate of Dep.	Depreciation			Written Down Value at 30.06.2018
	As at 01.07.2017	Addition dur. the Year	As at 30.06.2018		As at 01.07.2017	Charged dur. the Year	As at 30.06.2018	
Land and land develop.	568,065,345	356,557,053	924,622,398	0%	-	-	-	924,622,398
Building & Shed	273,845,646	984,825,140	1,258,670,786	10%	94,586,181	68,543,841	163,130,022	1,095,540,763
Plant & Machinery	1,005,185,591	1,367,028,217	2,372,213,808	10%	442,242,435	92,890,062	535,132,497	1,837,081,311
Cylinder	-	1,318,367,288	1,318,367,288	10%	-	44,494,896	44,494,896	1,273,872,391
Tools & equipment	138,003,160	32,631,099	170,634,259	10%	47,772,791	10,861,939	58,634,730	111,999,529
Furniture & fixtures	25,531,597	4,470,802	30,002,399	10%	10,359,598	1,656,044	12,015,642	17,986,757
Electrical equipment	38,616,523	54,860	38,671,383	10%	14,012,045	2,464,105	16,476,150	22,195,233
Office equipment	8,401,147	429,805	8,830,952	10%	2,391,724	626,014	3,017,738	5,813,214
Vehicles	129,249,322	48,139,852	177,389,174	10%	36,536,387	11,178,239	47,714,626	129,674,548
Total	2,186,898,331	4,112,504,116	6,299,402,447		647,901,161	232,715,140	880,616,301	5,418,786,144

Annexure-B

Particulars	Cost			Rate of Dep.	Depreciation			Written Down Value at 30.06.2018
	As at 01.07.2017	Addition dur. the Year	As at 30.06.2018		As at 01.07.2017	Charged dur. the Year	As at 30.06.2018	
Software System	3,776,412	17,807,220	21,583,632	10%	681,626	1,712,986	2,394,612	19,189,021
Total	3,776,412	17,807,220	21,583,632		681,626	1,712,986	2,394,612	19,189,021

**Auditors' Report
to the shareholders of
Navana CNG Limited**

We have audited the accompanying Financial Statements of Navana CNG Limited which comprise the statement of financial position as at June 30, 2018 and statements of cash flows for the period/ year then ended and a summary of significant accounting policies and other explanatory notes. The financial statements of subsidiary disclosed in note 2.4 to the financial statements are audited by Rahman Mostafa Alam & Co.

Management's Responsibility for the Financial Statements:

Management of the company is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), and for such internal control as management determine 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 auditors 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, we consider 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 circumstance, 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 Navana CNG Limited and its subsidiary as of June 30, 2018, and its financial performance and its cash flows for the period/ year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS) and comply with the applicable sections of the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations.

We also report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by the law have been kept by the Company so far as it appeared from our examination of those books;
- c) the company's 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 expenditure incurred was for the purposes of the company's business.

Dated : Dhaka
November 7, 2018

Sd/-
Malek Siddiqui Wali
Chartered Accountants

Navana CNG Limited

 Statement of Financial Position
 As at June 30, 2018

Assets:
Non-current assets

	Note	As at June 30, 2018 Amount (Taka)	Restated* As at June 30, 2017 Amount (Taka)
Property, plant & equipment	3	636,538,993	863,953,757
Non current assets held for transfer	35(B)	194,475,891	-
Capital Work-in-progress	4	-	2,607,082,557
Investment in subsidiaries	5	850,215,452	556,044,378
Long-term security deposit	6	37,940,300	48,020,364
Investment in shares	7	5,141,327	6,313,986
Total Non-current assets		1,724,311,963	4,081,415,042

Current assets

Inventories	8	589,332,466	603,526,677
Accounts receivable	9	142,035,499	123,554,313
Advances, deposits & pre-payments	10	118,667,258	210,266,867
Other receivables		-	3,006,208
Inter Company Balances to LPG		749,064,319	-
Inter-company receivable		196,384,343	158,384,343
Cash & Cash equivalent	11	76,384,725	164,541,524
Total Current assets		1,871,868,610	1,263,279,932

Total assets

3,596,180,573	5,344,694,974
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Equity and liabilities:
Capital and reserves

Share capital	12	685,285,920	685,285,920
Tax holiday reserve		180,618,848	180,618,848
Fair Value Reserve		4,532,694	5,588,087
Other Reserve		2,072,243	2,293,063
Retained earnings	13	1,514,182,654	1,394,029,436
Total Capital & Reserve		2,386,692,359	2,267,815,354

Non Current Liabilities

Deferred tax liabilities		49,240,111	48,027,300
Long term Loan	14	138,500,000	2,322,766,063
Total Non-current liabilities		187,740,111	2,370,793,363

Current liabilities

Short-term loans	15	66,718,155	158,461,417
Provision for income tax	16	17,173,833	44,753,531
Inter Company Payable		698,243,036	299,125,193
Security Retention Money		-	33,377,451
Payables and accruals	17	239,613,080	170,368,664
Total Current liabilities		1,021,748,103	706,086,256

Total equity and liabilities

3,596,180,573	5,344,694,974
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Net assets value per share

25	34.8	33.1
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*Please see the note 36(c) for detail of restatements.

The annexed notes & annexure-A form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 28 October 2018 and were signed on its behalf by:

Sd/-

Chairman

Sd/-

Director

Sd/-

Company Secretary

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

 Dated: Dhaka
 November 7, 2018

Sd/-

Malek Siddiqui Wali
 Chartered Accountants

Navana CNG Limited

Statement of Profit or Loss and other comprehensive Income
For the year ended June 30, 2018

			Restated*
	Note	For the year ended June 30, 2018	For the year ended June 30, 2017
		Amount (Taka)	Amount (Taka)
Revenue	18	1,672,738,735	1,592,280,577
Less: Cost of sales	19	1,263,063,130	1,146,906,493
Gross profit		409,675,605	445,374,084
Less: Administration & selling expenses	20	283,992,776	284,383,177
Less: Interest expenses	21	8,045,190	6,807,364
Operating profit		117,637,639	154,183,543
Add: Other income	22	1,458,627	3,756,178
Less: Foreign exchange loss		264,866	-
Profit before contribution to WPPF		118,831,400	157,939,721
Less: Contribution to WPPF		5,658,638	7,520,939
Profit before tax		113,172,762	150,418,782
Add: Share of Profit from subsidiaries		94,391,894	95,095,154
Less: Income tax expenses	23	28,293,190	37,606,810
Current tax		26,963,114	34,925,586
Deferred tax		1,330,077	2,681,224
Net profit for the year		179,271,466	207,907,126
Add: Other comprehensive income:			
Revaluation Gain/loss on investment in share		(1,172,659)	981,278
Less: Deferred tax adjustment	23.2.2	117,266	(147,192)
		(1,055,393)	834,086
Share of Other comprehensive income from subsidiaries		(220,820)	2,293,063
Total comprehensive income for the year		177,995,253	211,034,275
Earnings per share (Operating)	24	2.62	3.03

*Please see the restated statement of Profit or Loss statement annexed herewith.

The annexed notes & annexure-A form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 28 October 2018 and were signed on its behalf by:

Sd/-

Chairman

Sd/-

Director

Sd/-

Company Secretary

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

Sd/-

Dated: Dhaka
November 7, 2018

Malek Siddiqui Wali
Chartered Accountants

Navana CNG Limited*Statement of Changes in Equity*

For the year ended June 30, 2018

Particulars	Share capital BD Taka	Tax holiday reserve BD Taka	Fair Value Reserve	Other Reserve	Retained earnings BD Taka	Total BD Taka
Balance at July 01, 2016	685,285,920	180,618,848	-		1,250,468,266	2,116,373,034
Prior year adjustment*			4,754,001		(5,227,708)	(473,707)
Restated opening balance	685,285,920	180,618,848	4,754,001	-	1,245,240,558	2,115,899,327
Other comprehensive income			834,086	2,293,063	-	3,127,149
Net profit for the year	-	-	-		207,907,126	207,907,126
Dividend	-	-	-		(59,118,248)	(59,118,248)
Balance at June 30, 2017	685,285,920	180,618,848	5,588,087	2,293,063	1,394,029,436	2,267,815,354
Balance at July 01, 2017	685,285,920	180,618,848	5,588,087	2,293,063	1,394,029,436	2,267,815,354
Other comprehensive income			(1,055,393)	(220,820)	-	(1,276,213)
Net profit for the year	-	-	-	-	179,271,466	179,271,466
Dividend	-	-	-	-	(59,118,248)	(59,118,248)
Balance at June 30, 2018	685,285,920	180,618,848	4,532,694	2,072,243	1,514,182,654	2,386,692,359

The annexed notes & annexure-A form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 28 October 2018 and were signed on its behalf by:

*The reserve for changes in fair value of investment was wrongly included with retained earnings and no deferred tax was accounted for. The retained earning balance are now being restated by transferring such reserve from retained earnings of Tk. 5,227,708 to 'fair value reserve' of Tk. 4,754,001 and 'deferred tax' of Tk. 473,707 as per Para 42(b) of BAS 8.

Sd/-
ChairmanSd/-
DirectorSd/-
Company Secretary

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

Dated: Dhaka
November 7, 2018Sd/-
Malek Siddiqui Wali
Chartered Accountants

Navana CNG Limited*Statement of Cash Flows*

For the year ended June 30, 2018

	Note	For the year ended June 30, 2018	For the year ended June 30, 2017
		Amount (Taka)	Amount (Taka)
Cash flows from operating activities			
Receipts from customers		1,654,257,549	1,579,024,448
Receipts of other income		1,458,627	3,756,178
Payments for materials, services and expenses		(1,705,653,327)	(1,531,411,942)
Cash generated from operations		(49,937,151)	51,368,684
Income tax paid		(54,542,812)	(45,899,433)
Net cash provided by operating activities		(104,479,963)	5,469,251
Cash flows from investing activities			
Acquisition of property, plant and equipment		(23,390,874)	(253,495,214)
Capital Working Progress		-	(1,837,785,339)
Payments for long-term security deposits		-	(263,484)
Investment in Susidiaries Company		(200,000,000)	-
Net cash used in investing activities		(223,390,874)	(2,091,544,037)
Cash flows from financing activities			
Inter company receivable		(38,000,000)	(25,410,000)
Interest paid		(8,045,190)	(6,807,364)
Term loan		-	1,733,444,992
Short-term loan		4,033,501	88,350,302
Investment with LPG		(67,575,110)	-
Dividend paid		(49,817,006)	(54,804,700)
Sister company Payable		399,117,843	299,125,193
Net cash used in financing activities		239,714,038	2,033,898,423
Net changes in cash and cash equivalents		(88,156,799)	(52,176,363)
Cash and cash equivalents at the beginning of the year		164,541,524	216,717,887
Cash and cash equivalents at the end of the year		76,384,725	164,541,524
Net operating cash flows per share	26	(1.52)	0.08

The annexed notes & annexure-A form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 28 October 2018 and were signed on its behalf by:

Sd/-
ChairmanSd/-
DirectorSd/-
Company Secretary

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

Dated: Dhaka
November 7, 2018Sd/-
Malek Siddiqui Wali
Chartered Accountants

Navana CNG Limited

Restated Statement of profit and loss and other comprehensive income
For the year ended June 30, 2017

Navana CNG Limited
Restated Statement of profit and loss and other comprehensive income
For the year ended 30 June, 2017

Particulars	Foot Note	Restated amount for the Year ended June 30, 2017	Effect of Restatement	Amount as per audited financial statement June 30, 2017
		Amount (Taka)	Amount (Taka)	Amount (Taka)
Sales		1,592,280,577	-	1,592,280,577
Less : Cost of Goods Sold	A	1,146,906,493	16,546,511	1,130,359,982
Gross profit		445,374,084	16,546,511	461,920,595
Less: Administration & selling expenses	A	284,383,177	(16,546,511)	300,929,688
Less: Interest expenses		6,807,364	-	6,807,364
Operating profit		154,183,543	-	154,183,543
Add: Other income		3,756,178	-	3,756,178
Profit before contribution to WPPF		157,939,721		157,939,721
Less: Contribution to WPPF		7,520,939		7,520,939
Profit before tax		150,418,782		150,418,782
Add: Share of Profit from subsidiaries	B	95,095,154	95,095,154	-
Less: Income tax expenses				
Current tax		34,925,586		34,925,586
Deferred tax		2,681,224		2,681,224
		37,606,810		37,606,810
Net profit for the year		207,907,126	95,095,154	112,811,972
Add: Other comprehensive income:				
Revaluation Gain/loss on investment in share		981,278		981,278
Less: Deferred tax adjustment		(147,192)		(147,192)
		834,086		834,086
Share of Other comprehensive income from subsidiaries	B	2,293,063	(95,095,154)	97,388,217
Total comprehensive income for the year		211,034,275	-	211,034,275
Earnings per share (Operating)		3.03		1.65

A : The Company showing all employees' cost in Administrative & selling expenses under Salary & Allowance including Wages & salary for conversion employees though it should be shown as cost of sale. Form the current year, the wages and salary relating to conversion employees are being shown in cost of sale. The prior years figure has also been re-arranged in this respect. The result of re-arrangement will not effect the EPS, NAV, and NOCF per share.

B: The investment in subsidiary of the company's separate financial statement' is being recognised under equity method as per para 10 (C)of BAS 27 separate financial Statements. Under the equity method, as described para 10 of BAS 28, requires to recognise the parent's share of subsidiary's (investees) Profit or loss and other comprehensive income in parents Profit or loss and other comprehensive income respectively with corresponding entry in investment in subsidiary.

But the Navana CNG Limited inadvertently, is recognised in its separate financial statements the parent's share of subsidiary's total comprehensive income as "other comprehensive income". The statement of Profit or Loss and other comprehensive Income is being restated by presenting parent's share of Subsidiary's net profit or loss in parent's profit or loss statements and parent's share of subsidiary other comprehensive income in parent's other comprehensive Income to comply with para 10 of BAS 28.

The above adjustment relating to restatement does not effect the net asset value per share of comparative financial statement.

The financial statements were approved by the Board of Directors on 28 october 2018 and were signed on its behalf by:

Sd/-
Chairman

Sd/-
Director

Sd/-
Company Secretary

Navana CNG Limited

Notes to the Financial Statements

For the period ended June 30, 2018

1. Corporate information

1.1 Reporting entity

Navana CNG Limited (the Company) was incorporated in Bangladesh as private company on April 19, 2004 vide registration no. C525/2(2807)/2004 and converted into a public company on March 08, 2009. The registered office and principal place of business of Navana CNG Limited is located at 125/A Motijheel C/A, Islam Chamber (4th floor), Dhaka-1000

The Company is listed with Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited.

The principal activities of the Company is conversion of petrol and diesel driven vehicles to Compressed Natural Gas (CNG) driven vehicles, CNG Re-fueling stations and other related services.

2. Significant accounting policies and basis of preparation of the financial statements

2.1 Corporate financial statements and reporting

The financial statements comprises statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flows, notes and explanatory materials covering accounting policies.

These financial statements are prepared under the historical cost convention and in accordance with the requirements of the Companies Act, 1994, the Securities and Exchanges Rules 1987 and other applicable laws, rules & regulations and the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) as well as those standards, disclosures recommended by IASs and as applicable to this Company.

The Board of Directors is responsible for preparing and presenting the financial statements including adequate disclosures, which approved and authorized for issue of this financial statements.

The preparation of the financial statements in conformity with the Bangladesh Accounting Standards (BASs) requires Board of Directors to make estimates and assumptions that affect the reported amounts of revenues and expenses, assets and liabilities at the date of the reporting period. Due to the inherent uncertainty involved in making estimates, actual result reported could differ from those estimates.

2.2 Reporting period

The period of the financial statements covers from July 01, 2017 to June 30, 2018.

2.3 Functional and presentational (reporting) currency

The financial statements are prepared and presented in Bangladesh Currency (Taka), which is the Company's functional currency.

2.4 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

The consolidated financial statements comprise consolidated statement of financial position, consolidated statement of comprehensive income, consolidated statement of cash flows, consolidated statement of changes in equity and consolidated notes and explanatory materials covering accounting policies.

Navana CNG Limited*Notes to the Financial Statements***2.5 Principal accounting policies**

The specific accounting policies selected and applied by the Company's directors for significant transactions and events that have material effect within the framework of BAS-1 "Presentation of Financial Statements", in preparation and presentation of financial statements have been consistently applied throughout the year and were also consistent with those used in earlier years.

For a proper understanding of the financial statements, these accounting policies are set out below in one place as prescribed by the BAS-1 "Presentation of Financial Statements". The recommendations of BAS-1 relating the format of financial statements were also taken into full consideration for fair presentation.

2.6 Significant accounting estimates and judgments

Estimates, assumptions concerning the future and judgments are made in the preparation of the financial statements. They affect the application of the Company's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key assumptions concerning the future and other key sources of estimation or uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Income taxes

The Company has exposure to income taxes in Bangladesh. Significant judgment is involved in determining the Company-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for expected tax issues based on estimates of additional taxes that might be due. Where the final tax outcome of these matters is different from the amounts that were initially recognized, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The Company has enjoyed tax holiday up to April 2009 and accordingly necessary provisions has been made for Tax holiday period.

(ii) Depreciation of machinery and equipment

The costs of machinery and equipment for the manufacturing activities are depreciated on a written down value basis over the useful lives of the machinery. Management estimates the useful lives of the plant and equipment. These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

2.7 Regulatory and legal compliance

The Company complied with requirement of the following regulatory and legal authorities:

The Companies Act, 1994;

The Securities and Exchange Rules, 1987;

The Securities and Exchange Ordinance, 1969;

The Income Tax Ordinance, 1984;

The Value Added Tax Act, 1991; and

The rules and regulations of Dhaka Stock Exchange Ltd., Chittagong Stock Exchange Ltd., and Central Depository Ltd.

2.8 Foreign currency

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the date of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Navana CNG Limited

Notes to the Financial Statements

2.9 Financial assets

Financial assets are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. Financial assets are recognized on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. When financial assets are recognized initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs. The Company determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

A financial asset is derecognized where the contractual rights to receive cash flows from the asset have expired. On de-recognition of a financial asset, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognized directly in equity is recognized in the income statement.

All Purchases and sales of financial assets are recognized or derecognized on the trade date, i.e. the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concern.

2.10 Impairment of financial assets

The Company assesses at each date of statement of financial position whether there is any objective evidence that a financial asset or the group of financial assets is impaired.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset. To determine whether there is objective evidence that an impairment loss on financial assets has been incurred; the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortized cost at the reversal date. The amount of reversal is recognized in the income statement.

2.11 Impairment of non financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment assessment for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations are recognized in the income statement as 'impairment losses'.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses recognized for an asset other than goodwill may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Reversal of an impairment loss is recognized in the income statement. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

2.12 Revenue recognition

Revenue is recognized to the extent that is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

Navana CNG Limited*Notes to the Financial Statements***(a) Petrol and diesel vehicle conversion services**

Revenue on petrol and diesel vehicle conversion services is recognized, net of Vat where applicable upon the completion of the conversion of vehicles to run on either the Bi-Fuel system or the CNG Fuel System and the delivery of the converted vehicles to the vehicle owners.

(b) Sale of CNG

Revenue from sale of CNG is recognized upon the transfer of significant risk and rewards of ownership of the goods to the customer. Revenue is not recognized to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(c) Dividend

Dividend income is recognized when the Company's right to receive payment is established.

(d) Other revenues

Other revenues are recognized when services are rendered and bank interests are earned.

2.13 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Land has an unlimited useful life and therefore is not depreciated. Depreciation of an asset is computed on a reducing balance method over the estimated useful life of the asset as follows:

Name of Properties	Rate of depreciation
Land and Land development	Nil
Buildings & Shed	10%
Plant and Machinery	10%
Tools & Equipment	10%
Furniture & Fixtures	10%
Vehicles	10%

Fully depreciated assets are retained in the financial statements until they are no longer in use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arises on de-recognition of the asset is included in the income statement in the year the asset is derecognized.

2.14 Inventories

Inventories are stated at the lower of cost and net realizable value. Costs incurred in bringing the inventories to their present location and conditions are accounted for as follows:

Raw materials: purchase costs on a weighted average basis;

Finished goods and work-in-progress: costs of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity.

Navana CNG Limited

Notes to the Financial Statements

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Provision is made if necessary, for obsolete and slow-moving item.

2.15 Cash and cash equivalents

Cash in hand and cash at banks have been considered as cash and cash equivalents for the preparation of these financial statements, which were held and available for use by Company without any restriction and there was insignificant risk of changes in value of the same.

2.16 Income taxes

(i) Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the date of statement of financial position.

(ii) Deferred tax

Deferred income tax is provided using the deferred method on temporary differences. Deferred tax assets and liabilities are recognized for all temporary differences, except:

Where the deferred tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction affects neither the accounting profit nor taxable profit or loss;

In respect of temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled by the Company and it is probable that the temporary differences will not reverse in the foreseeable future; and

In respect of deductible temporary differences and carry-forward of unused tax credits and unused tax losses, if it is not probable that taxable profit will be available against which the deductible temporary differences and carry-forward of unused tax credits and unused tax losses can be utilized.

(iii) Value added tax

Revenues, expenses and assets are recognized net of the amount of Value Added Tax except:

Where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

Receivables and payables that are stated with the amount of value added tax included.

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position

2.17 Provisions

Provisions are recognized when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

2.18 Financial liabilities

Financial liabilities are recognized on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. Financial liabilities are recognized initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs. Subsequent to initial recognition, all financial liabilities are measured at amortized cost using the effective interest method, except for derivatives, which are measured at fair value.

Navana CNG Limited

Notes to the Financial Statements

A financial liability is derecognized when the obligation under the liability is extinguished. For financial liabilities other than derivatives, gains and losses are recognized in the income statement when the liabilities are derecognized or impaired, and through the amortization process. Any gains or losses arising from changes in fair value of derivatives are recognized in the income statement. Net gains or losses on derivatives include exchange differences.

2.19 Borrowing costs

In compliance with the requirements of BAS 23 "Borrowing Costs" borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Borrowing costs are recognized as expenses in the period in which they incurred and capitalized the same that incurred before commencement of commercial operation.

2.20 Leases

Finance leases, which transfer to the Company substantially all the risks and rewards incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalized. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the income statement. Contingent rents, if any, are charged as expenses in the periods in which they are incurred. Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term.

Operating lease payments are recognized as an expense in the income statement on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessee is recognized as a reduction of rental expense over the lease term on a straight-line basis.

2.21 Employees' benefits

Employee leave entitlement

Employee entitlements to annual leave are recognized as a liability when they accrue to employees. The estimated liability for leave is recognized for services rendered by employees up to the date of statement of financial position.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognizes termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits is based on the number of employees expected to accept the offer.

Workers Profit Participation Fund

Provision for Workers Profit Participation Fund (WPPF) and Worker Welfare Fund (WWF) has been made @ 5% on net profit as per provision of The Bangladesh Labor Law, 2006 and payable to workers as defined in the said law.

2.22 Segment Reporting

A business segment is a distinguishable component of an entity that is engaged in providing an individual product or service or a group of related products or services and that is subject to risk and returns that are different from those of other business segment. The company has two distinguishable operating segments which are disclosed in note # 27

A geographical segment is a distinguishable component of an entity that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that different from those of components operating in other economic environments. Since the company has operating all its activities in the same economic environment geographical segment reporting is not required.

2.23 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Company. Contingent liabilities and assets are not recognized on the statement of financial position of the Company.

2.24 Earnings per share

Basic earnings per share

Basic earnings per share have been calculated in accordance with BAS-33 "Earnings per Share" which has been shown on the face of the income statement. This has been calculated by dividing the basic earning by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share

No diluted earnings per share are required to be calculated for the year as there was no scope for dilution during the year under review.

2.25 Events after the reporting period

Events after the reporting period that provide additional information about the Company's position at the date of statement of financial position or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

2.26 Comparative figure

Comparative information has been disclosed in respect of the year June 30, 2017 for all numerical data in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current year's financial statements presentation.

2.27 Reclassification

As per the decision made by Board of directors the subordinate capital is reclassified as dues to Director.

2.28 Recognition of Investment in Subsidiary in separate financial statements

The investment in subsidiaries are being accounted for using equity method in the company's separate financial statements as directed by Para 10 (C) of BAS 27 Separate Financial Statements, "under the equity method, on initial recognition the investment in an associate or a joint venture is recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The investor's share of the investee's profit or loss is recognized in the investor's profit or loss. Distributions received from an investee reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the investor's proportionate interest in the investee arising from changes in the investee's other comprehensive income."

2.29 Related Party Disclosure

As per Bangladesh Accounting Standard (BAS -24) the parties are considered to be related if one of the party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The company carried out transactions in the ordinary course of business on an arm's length basis with its related parties.

2.30 General

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

Previous year's figures whenever considered necessary have been re-arranged in order to confirm to current year presentation.

	June 30, 2018 Taka	June 30, 2017 Taka
3 Property, plant and equipment net		
Land and land development	254,566,824	449,042,715
Building & Shed	50,103,901	52,493,853
Plant & Machinery	220,489,555	233,396,171
Tools & equipment	45,807,091	48,055,343
Furniture & fixtures	6,985,002	9,150,837
Vehicles	58,586,620	71,814,837
	636,538,993	863,953,757

*An elaborate schedule of PPE are shown in annexure -A.

4 Capital work in progress		
Opening Balance	2,607,082,557	769,297,218
Add: Addition during the year	-	1,837,785,339
	2,607,082,557	2,607,082,557
Less: Transfer to LPG Limited	2,607,082,557	-
Closing balance	-	2,607,082,557

5 Investment in subsidiaries

Navana Engineering Ltd.	5.1	720,282,552	388,354,779
Navana Welding Electrode Ltd.	5.2	196,002,871	166,689,649
Navana LPG Limited	5.3	(66,069,971)	999,950
		850,215,452	556,044,378

5.1 Navana Engineering Ltd.

Opening balance of profit accrued	243,354,829	166,845,831
Add: Profit accrued under equity method during the year	131,927,773	76,508,998
	375,282,602	243,354,829
Cost value of investment share	99,999,950	99,999,950
Balance of last year additional investment	45,000,000	45,000,000
Add additional investment during the year	200,000,000	-
	720,282,552	388,354,779

5.2 Navana Welding Electrode Ltd.

Opening balance of profit accrued	66,689,699	45,810,431
Add: Profit accrued under equity method during the year	29,313,221	20,879,268
	96,002,920	66,689,699
Cost value of share	99,999,950	99,999,950
	196,002,871	166,689,649

5.3 Navana LPG Ltd.

Opening balance of profit accrued	-	-
Add: Profit accrued under equity method during the year	(67,069,921)	-
	(67,069,921)	-
Cost value of share	999,950	999,950
	(66,069,971)	999,950

Name of Subsidiaries	face value	Total number of shares	Number of shares held	Ownership Interest
Navana Engineering Ltd.	10	10,000,000	9,999,995	5
Navana Welding Electrode Ltd.	10	10,000,000	9,999,995	5
Navana LPG Limited	10	1,000,000	999,995	5
		21,000,000	20,999,985	15

	June 30, 2018	June 30, 2017
	Taka	Taka
6 Long-term security deposit		
PDBF	5,056	5,056
Titas Gas T&D Co., Ltd.	31,441,963	31,441,963
Pashchimanchal Gas Co.	2,650,741	2,650,741
Dhaka Electricity Supply Co., Ltd.(DESCO)	150,000	150,000
Dhaka Electricity Supply Authority (DESA)	270,000	270,000
Jalalabad Gas Co., Ltd.	1,299,297	1,299,297
Dhaka Palli Budyut Samity(PBS- 1)	257,120	257,120
Delta life Insurance Co., Ltd	10,000	10,000
Roads & Highway	190,350	190,350
North South University	16,143	16,143
Uttara Bank Limited	39,130	39,130
Standard Bank Ltd.	745,038	745,038
Bangladesh Telecommunication Co., Ltd (BTCL)	10,000	10,000
UCEP	338,000	338,000
Dhaka Metropolitan Police	147,331	147,331
Mobile Com	22,000	22,000
Road Cutting	37,106	37,106
PDB	311,025	311,025
Polli-Bidyut Somity-Bagerhat	-	5,028,094
Mongla port authority	-	5,051,970
	37,940,300	48,020,364
7 Investment in shares		
Lafarge Surma Cement Ltd.	1,184,400	1,320,900
Aftab Automobiles Ltd.	3,956,927	4,993,086
	5,141,327	6,313,986

	Face value per share	Total Cost value	Number of share held	Market value as on 30/06/18	Market value as on 30/06/17
Lafarge Surma Cement Ltd.	10	-	21,000	1,184,400	1,320,900
Aftab Automobiles Ltd.	10	105,000	75,084	3,956,927	4,993,086
		105,000	96,084	5,141,327	6,313,986

The above Investment in Marketable Securities that are designated as available for sale by the management. These are measured at fair Value and presented as non-current asset and unrealized gain/ (loss) from the above investment are recognized as other comprehensive income.

8 Inventories		
Stock & Stores	585,054,650	542,054,650
Stock in Cylinder raw Materials	-	57,836,423
Goods in transit	4,277,816	3,635,604
	589,332,466	603,526,677
9 Accounts receivable		
Tejgaon CNG Conversion Center	11,918,777	10,499,700
Kallyanpur CNG Conversion Center	3,992,256	3,716,423
Dipnagar Diesel Conversion Center	7,572,692	9,170,311
Chittagong CNG Conversion Center	2,193,089	2,193,089
Sylhet CNG Conversion Center	3,167,089	3,206,431
Cylinder Testing Unit	483,546	720,003
Enginerring Workshop	759,701	599,301
Kalurghat CNG Conversion Center	1,349,074	1,115,360
Kalurghat CRT	169,136	189,600
Uttara CNG Conversion Center	1,604,708	1,567,808
Bogra CNG Conversion Center	240,638	240,638
Palton CNG Conversion Center	1,025,329	655,185
Auto repair & services- Kally-Dhaka	18,895,615	14,194,261
Auto repair & services- Kalug-CTG	1,428,349	274,881
Denso CNG Station	6,059,399	5,117,133

Binimoy CNG Station
Sylhet CNG Station
Sylhet CNG Station-2
Station Technical Department Sylhet
Station Technical Department CTG
Station Technical Department Dhaka
Station Maintenance Department -CTG
PRS Department
Engineering service department
Baipail CNG Station
Bogra CNG Station
Leguna CNG Station
Sitakundu CNG Station
S.H. Khan CNG Station
B.O.C CNG Station
Kwality CNG Station
Abdullah CNG Station
Bhoirab CNG Station
Elenga Station CNG Station
United CNG Station
Jogajog CNG Station
Sonarbangla CNG Station

June 30, 2018	June 30, 2017
Taka	Taka
11,212,591	12,083,188
690,413	723,067
31,162	26,185
1,058,979	1,902,613
12,759,978	11,404,362
35,343,836	31,764,802
52,992	81,358
10,500,804	1,948,382
549,505	498,570
861,867	879,589
41,991	51,170
34,911	352,090
319,956	558,431
84,158	274,978
17,621	15,767
584,008	511,900
(104,608)	611,603
116,916	150,603
400,182	402,152
10,365	155,952
1,653,573	1,666,556
4,954,901	4,030,871
142,035,499	123,554,313

Aging Schedule of Accounts Receivables**Duration**

Invoiced 0 to 1 month	63,915,975	55,599,441
Invoiced 1 month to 3 months	28,407,100	24,710,863
Invoiced 3 months to 6 months	21,305,325	18,533,147
Invoiced 6 months to 9 months	14,203,550	12,355,431
Invoiced 9 months to 12 months	12,783,195	11,119,888
Invoiced above 12 months	1,420,355	1,235,543
	142,035,499	123,554,313

10 Advances, deposits & pre-payments

Advance against rent	15,943,624	18,448,724
Advance against local procurement	51,588,460	83,603,436
Bank guarantee margin	32,887,751	29,807,800
Security deposit	2,154,887	54,174,186
Advance to others	16,092,536	24,232,721
	118,667,258	210,266,867

Opening Balance

Less: Transfer to LPG limited	99,702,159	-
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Add : payment during the year	117,163,122	177,537,121
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Less: Adjusted during the year	109,060,572	76,796,145
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Closing Balance	118,667,258	210,266,867
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Maturity analysis:

Adjustment/Realizable within 1 year	43,400,266	109,060,572
Adjustment/Realizable after 1 year	75,266,992	101,206,295
	118,667,258	210,266,867

11 Cash & Cash equivalent

Cash in hand	28,569,216	25,019,002
Cash at banks :		
Fixed deposit receipt (FDR)	21,537,253	23,215,118
Bank Balances	26,278,256	116,307,404
	76,384,725	164,541,524

11.01

11.01 The bank balances consists of:**Fixed deposit receipt (FDR) :**

Mutual Trust Bank Ltd. (FDR)

Jumana Bank Ltd. (FDR)

Shahjala Islami Bank Ltd. (FDR)

Bank Balances :

AB Bank Ltd.

Bank Alfalah Ltd.

Al-Arafah Bank Ltd.

Bank Asia Ltd.

Brac Bank Ltd.

Dhaka Bank Ltd.

Dutch Bangla Bank Ltd.

IFIC Bank Ltd.

Jamuna Bank Ltd.

Mutual Trust Bank Ltd.

National Bank Ltd.

NCC Bank Ltd.

Prime Bank Ltd.

Pubali Bank Ltd.

Rupali Bank Ltd.

Shahjalal Islami Bank Ltd.

Social Investment Bank Ltd.

Southeast Bank Ltd.

Standard Bank Ltd.

Standard Chartered Bank

Uttara Bank Ltd.

United Commercial Bank Ltd.

City Bank Ltd.

Trust Bank Ltd.

Mercantile Bank Ltd.

	June 30, 2018	June 30, 2017
	Taka	Taka
	4,861,497	4,624,670
	-	4,095,082
	16,675,756	14,495,366
	21,537,253	23,215,118

	961,735	9,102,231
	8,713	9,863
	4,752	5,902
	396,244	397,969
	594,037	2,981,267
	1,160,598	2,154,983
	3,939,903	12,191,779
	574,497	1,304,741
	318,081	635,292
	9,657,624	45,429,924
	690,472	6,752,219
	571,328	293,640
	1,121,969	866,627
	412,493	6,297,774
	421,031	4,244,683
	241,433	4,450,335
	42,062	43,212
	583,971	1,052,976
	115,725	1,011,913
	184,218	194,063
	2,188,641	7,033,916
	890,456	1,799,402
	603,040	1,688,547
	282,909	823,293
	312,324	5,540,853
	26,278,256	116,307,404

12 Share capital**Authorized capital:**

(150,000,000 Ordinary Shares @ Tk. 10 each)

Issued, Subscribed and Paid-up Capital:

(68,528,592 Ordinary Shares @ Tk. 10 each)

	1,500,000,000	1,500,000,000
	685,285,920	685,285,920

	Number of Shares	Face Value per Share	Share capital 30.06.2018	Share capital 30.06.2017
Balance at beginning of year	68,528,592	10.00	685,285,920	685,285,920
Issue of bonus shares	-	-	-	-
Balance at end of year	68,528,592	10.00	685,285,920	685,285,920

Shareholding position:

Class of shareholders	Number of Investors	Number of share hold	Share holding %	Share holding %
			30.06.18	30.06.17
Sponsors	6	29,116,427	42.49%	42.49%
General public	14,205	25,000,890	36.48%	32.06%
Institutional investors	243	14,411,275	21.03%	25.45%
Total	14,454	68,528,592	100%	100%

June 30, 2018	June 30, 2017
Taka	Taka

Classification of shareholders:

Particulars	Number of Investors	Number of Shares	Share holding % 30.06.18	Share holding % 30.06.17
1 to 500	9,665	1,470,311	2.14%	2.47%
501 to 5000	4,069	5,598,493	8.17%	9.01%
5001 to 10000	333	2,315,982	3.38%	3.56%
10001 to 20000	170	2,157,864	3.15%	3.58%
20001 to 30000	64	1,595,261	2.33%	2.31%
30001 to 40000	27	1,601,748	2.34%	1.41%
40001 to 50000	29	1,182,054	1.72%	1.91%
50001 to 100000	43	2,955,290	4.31%	4.55%
100001 to 1000000	47	14,012,191	20.45%	17.27%
Above 1000000	7	35,639,398	52.01%	53.93%
Total	14,454	68,528,592	100%	100%

13 Retained earnings

Opening balance	1,394,029,436	1,250,468,266
Prior year adjustment*	-	(5,227,708)
Restated opening balance	1,394,029,436	1,245,240,558
Add: Net profit after tax	179,271,466	207,907,126
	1,573,300,902	1,453,147,684
Less: payment cash/Stock dividend	(59,118,248)	(59,118,248)
Closing balance	1,514,182,654	1,394,029,436

*The reserve for changes in fair value of investment was wrongly included with retained earnings and no deferred tax was accounted for. The retained earning balance are now being restated by transferring such reserve from retained earnings of Tk. 5,227,708 to 'fair value reserve' of Tk. 4,754,001 and 'deferred tax' of Tk. 473,707 as per Para 42(b) of BAS 8.

14 Long Term Loan

City Bank Limited, Gulshan Avenue Br.	-	2,151,395,325
Shahjalal Islami Bank Ltd.	-	32,870,738
Due to Director (14.01)	138,500,000	138,500,000
	138,500,000	2,322,766,063

14.01 Due to Director (Mr.Shafiul Islam, chairman)

Opening Balance	138,500,000	138,500,000
Add: during the year	-	-
	138,500,000	138,500,000

This represents un-secured and Interest free loan from Mr.Shafiul Islam, chairman.

15 Short-term loans

Shahjalal Islami Bank Ltd.	66,718,155	158,461,417
	66,718,155	158,461,417

Related information for loan

The above short term loan consist of LTR and OD facility @ the rate of 11%-13%. The initial limit of sanction amount 13 crore for a period of 6 months. There is no security against the above loan.

16 Provision for income tax

Opening balance	44,753,531	55,727,378
Add: Current tax expenses for the year	26,963,114	34,925,586
	71,716,645	90,652,964
Less: Tax paid/adjusted in current year	(54,542,812)	(45,899,433)
Closing balance	17,173,833	44,753,531

Navana CNG Limited

Notes to the Financial Statements

		June 30, 2018	June 30, 2017
		Taka	Taka
17 Payables and accruals			
Account payables		35,175,470	26,018,337
Liabilities for Expenses		158,796,733	99,260,142
Workers profit participation fund		7,760,686	10,510,239
Sundry payables		2,992,511	8,993,508
Unclaim Dividend		34,887,680	25,586,438
		239,613,080	170,368,664
18 Revenue-net			
CNG conversion		132,749,549	147,995,054
CNG sales		1,347,508,939	1,226,923,427
Service revenue		192,480,247	217,362,096
		1,672,738,735	1,592,280,577
19 Cost of sales			
Cost of CNG conversion	19.01	75,366,809	82,651,638
Cost of CNG sales	19.02	1,187,696,321	1,064,254,855
		1,263,063,130	1,146,906,493
19.01 Cost of CNG conversion			
Opening balance of conversion materials		542,054,650	521,962,998
Add : Purchase during the year		101,240,904	86,196,779
Add : LPG Raw materials Purchase		849,884,102	-
		1,493,179,656	608,159,777
Less: LPG Raw Materials Transfer		849,884,102	-
Available for consumption		643,295,554	608,159,777
Less: Closing balance of conversion materials		585,054,650	542,054,650
Conversion materials consumed		58,240,904	66,105,127
Add: wages and salaries	34	17,125,905	16,546,511
Cost of CNG conversion		75,366,809	82,651,638
19.02 Cost of CNG sales			
Gas		1,061,361,022	943,526,293
Electricity		72,579,819	73,709,148
Land rent		4,680,000	3,600,000
Station Commission		49,075,480	43,419,414
		1,187,696,321	1,064,254,855
20 Administration and selling expense			
Salary & allowances		178,739,123	177,818,513
Vehicle maintenance		2,585,418	2,914,608
Electricity bill		4,366,016	4,335,712
Rental expense		3,962,400	4,254,820
Telephone & mobile expense		2,187,778	2,104,869
Conveyance		5,230,514	5,507,947
CDBL & Annual listing fee		791,286	973,428
Electrical expense		246,057	218,330
Entertainment		5,228,173	5,519,740
Labor charge		1,127,049	1,791,316
Board meeting attendance fee		235,000	290,000
Medical expense		106,375	171,519
Carrying charge		184,649	359,026
Mineral water		597,205	680,815
Annual general meeting expenses		212,000	70,000
Miscellaneous expense		706,345	595,884
Newspaper & periodicals		257,106	280,323
Office maintenance		2,549,973	2,216,590
Audit fees		230,000	200,000
Oil & lubricants		8,527,993	8,963,741
Photocopy expense		42,082	144,412
Postage & stamp		211,439	259,540
Uniform & liveries		186,232	342,104
Printing expense		2,270,700	2,178,300

Navana CNG Limited
Notes to the Financial Statements

		June 30, 2018	June 30, 2017
		Taka	Taka
Stationary expense		835,607	534,967
Registration & renewals		2,488,032	2,876,694
Travelling expense		1,316,662	1,135,485
Security guard		3,932,200	3,481,066
Bank Charge		1,155,119	953,728
Internet Expense		1,305,700	1,081,096
Repair & maintenace		2,547,362	2,505,778
Fuel & gas Expenses for mobile lory		9,125,490	8,975,521
Depreciation		40,505,691	40,647,305
		283,992,776	284,383,177
21 Interest expenses			
Interest on short-term loans		8,045,190	6,807,364
		8,045,190	6,807,364
22 Other income			
Interest income on FDR		1,325,194	3,627,592
Interest income on STD Account		2,799	5,460
Dividend income		130,634	123,126
		1,458,627	3,756,178
23 Income tax expense			
Current tax	23.01	26,963,114	34,925,586
Deferred tax	23.2.1	1,330,077	2,681,224
		28,293,190	37,606,810
23.01 Current tax:		54,542,812	45,899,433
Tax deducted at source (import stage)		30,080,557	6,610,475
Tax deducted from FDR interest income		132,518	362,759
Tax deducted by Customer		1,956,330	977,882
Tax deducted from STD interest income		280	546
Tax paid in advance		22,000,000	37,565,466
Tax deducted at source (Vehicle)		347,000	357,680
Tax deducted from Dividend		26,127	24,625
Tax provision		(27,579,698)	(10,973,847)
		26,963,114	34,925,586
23.02 Deferred tax:			
Deferred tax for temporary difference	23.2.1	48,736,478	47,406,401
DeferreTax on Unrealized Gain/Loss	23.2.2	503,633	620,899
		49,240,111	48,027,300
23.2.1 Taxable temporary difference		194,945,915	189,625,609
Tax rate		25.00%	25.00%
Provision for deferred tax liabilities		48,736,478	47,406,401
Opening balance		47,406,401	44,725,177
		1,330,077	2,681,224
23.2.2 Deferred tax on unrealized gain			
Opening Balance		620,899	-
Prior year adjustment*		-	473,707
Restated opening balance		620,899	473,707
Add: For the year		(117,266)	147,192
		503,633	620,899

*The reserve for changes in fair value of investment was wongly included with retained earnings and no deferred tax was accounted for. The retained earning balance are now being restated by transferring such reserve from retained earnings of Tk. 5,227,708 to 'fair value reserve' of Tk. 4,754,001 and 'deferred tax' of Tk. 473,707 as per Para 42(b) of BAS 8.

		<u>June 30, 2018</u> Taka	<u>June 30, 2017</u> Taka
24 Earnings per share (EPS)	<u>Profit attributable to shareholders</u> Number of ordinary shares		
	Profit attributable to ordinary shareholders	179,271,466	112,811,972
	Number of ordinary shares used to compute earnings per share	68,528,592	68,528,592
	Earnings per share	2.62	1.65
25 Net assets value per share (NAVPS)	<u>Total Asset - Total Liabilities</u> Number of ordinary shares		
	Net assets value	2,386,692,359	2,267,815,354
	Number of ordinary shares used to compute NAVPS	68,528,592	68,528,592
	Net assets value per share	34.8	33.1
26 Net operating cash flows per share (NOCFPS)	<u>Net operating cash flows</u> Number of ordinary shares		
	Net operating cash flows	(104,479,963)	5,469,251
	Number of ordinary shares used to compute NOCFPS	68,528,592	68,528,592
	Net operating cash flows per share	(1.52)	0.08

27 Segment wise financial position- As at June 30, 2018

Particulars	Conversion Workshop	CNG Station	Total
Assets			
Non-current assets			
Property, plant & equipment	190,961,698	445,577,295	636,538,993
Non current assets held for transfer	194,475,891		194,475,891
Investment in subsidiaries	850,215,452		850,215,452
Long-term security deposit	7,588,060	30,352,240	37,940,300
Investment in shares	5,141,327		5,141,327
Total non-current assets	1,248,382,428	475,929,535	1,724,311,963
Current assets			
Inventories	589,332,466	-	589,332,466
Accounts receivable	56,814,200	85,221,299	142,035,499
Advances, deposits & pre-payments	99,769,455	18,897,803	118,667,258
Inter-company Balances	749,064,319		749,064,319
Inter-company receivable	196,384,343	-	196,384,343
Inter Unit balance	-	722,403,594	-
Cash & Cash equivalent	30,553,890	45,830,835	76,384,725
Total current assets	1,721,918,673	872,353,531	1,871,868,610
Total assets	2,970,301,101	1,348,283,067	3,596,180,573
Equity and liabilities			
Capital and reserves			
Share capital	685,285,920	-	685,285,920
Tax holiday reserve	180,618,848	-	180,618,848
Fair Value Reserve	4,532,694	-	4,532,694
Other Reserve	828,897	1,243,346	2,072,243
Retained earnings	302,836,531	1,211,346,123	1,514,182,654
Total equity	1,174,102,890	1,212,589,469	2,386,692,359
Non-current liabilities			
Deferred tax liabilities	19,696,044	29,544,067	49,240,111
Long term Loan	138,500,000		138,500,000
Total non-current liabilities	158,196,044	29,544,067	187,740,111
Current liabilities			
Short-term loans	66,718,155	-	66,718,155
Provision for income tax	6,869,533	10,304,300	17,173,833
Inter company payable	698,243,036		698,243,036
Inter unit Balance	722,403,594	-	-
Payables and accruals	143,767,848	95,845,232	239,613,080
Total current liabilities	1,638,002,166	106,149,532	1,021,748,103
Total liabilities	1,796,198,211	135,693,598	1,209,488,215
Total equity and liabilities	2,970,301,101	1,348,283,067	3,596,180,573

Segment wise statement of profit or loss and other comprehensive income for the year ended June 30, 2018

Particulars	Conversion Workshop	CNG Station	Total
Revenue	325,229,796	1,347,508,939	1,672,738,735
Less: Cost of sales	75,366,809	1,187,696,321	1,263,063,130
Gross profit	249,862,987	159,812,618	409,675,605
Less: Administration & selling expenses	170,395,666	113,597,111	283,992,776
Less: Interest expenses	8,045,190	-	8,045,190
Operating profit	71,422,131	46,215,507	117,637,639
Add: Other income	1,458,627	-	1,458,627
Less: Foreign exchange loss	264,866	-	264,866
Profit before contribution to WPPF	72,615,892	46,215,507	118,831,400
Less: Contribution to WPPF	-	5,658,638	5,658,638
Profit before tax	72,615,892	40,556,869	113,172,762
Add: Share of Profit from subsidiaries	37,756,758	56,635,137	94,391,894
Less: Income tax expenses	11,317,276	16,975,914	28,293,190
Current tax	10,785,245	16,177,868	26,963,114
Deferred tax	532,031	798,046	1,330,077
Net profit for the year	99,055,374	80,216,092	179,271,466
Other comprehensive income:			
Unrealised profit on investment in share	(1,172,659)	-	(1,172,659)
Deferred tax adjustment	117,266	-	117,266
	(1,055,393)	-	(1,055,393)
Share of Profit from subsidiaries	(88,328)	(132,492)	(220,820)
Total comprehensive income for the year	97,911,653	80,083,600	177,995,253

28 Event after the Reporting Period

The Directors in the meeting held on October 28, 2018, recommended 12% cash dividend for the shareholders whose name will be appeared in the shareholders' registers at the date of book closure which is subject to shareholders' approval at the forthcoming annual general meeting to be held on December 09, 2018.

"Except the fact stated above, no circumstances have arisen since the balance sheet date which would require adjustment or disclosure in the financial statements or notes thereto."

29 Amount due by directors

There is no advance in the name of the directors or associates undertaking of the Company

30 Claims against the company

There is no known claim against the Company

31 Employee position of the Company

The total number of employees was 745 who drawing Tk. 3,000 or more per month.

32 Payment / Perquisites to Directors and officers :

The aggregate amount paid / provided during the period in respect of " Directors " and " Officers " of the Company as defined in the Securities and Exchange Commission Rules 1987 are disclosed below :

Particulars	Amount
Board meeting attendance fee	235,000
Managerial remuneration	3,267,000

during the year under review :

i) no compensation was allowed by the company to the Chief executive officer of the company who is also a Director.

ii) the rate at which Directors have drawn Board meeting attendance fees @ Tk.5,000/- per Director per meeting. The total Board meeting attendance fee incurred during the year under review was Tk. 235,000/- and

iii) no amount of money was spent by the company for compensating any member of the board for special services rendered.

33 Contingent assets / liabilities :

The company does not hold any claim that meets definition of contingent liability in accordance with BAS 37 Provision, Contingent Liability and Contingent Asset exists at reporting date.

34 Related Party Transactions

During the period, The Company carried out a number of transactions with related parties in the normal course of Business. The name of the related parties, Nature of transaction and transaction value have been set out in accordance with the provisions of BAS 24: Related Party Disclosure

Name of the Related Party	Nature of Relationship	Nature of Transaction	Transactions during the year		Receivables/(Payables)	
			Dr.	Cr.	30-06-2018	30-06-2017
			Taka	Taka	Taka	Taka
Navana Engineering Ltd	Subsidiaries	Working Capital			25,962,105	25,962,105
Navana Engineering Ltd	Subsidiaries	Working Capital		(238,000,000)	(238,000,000)	-
Navana Welding Electrode Ltd.	Subsidiaries	Working Capital	-	-	107,012,238	107,012,238
Navana Welding Electrode Ltd.	Subsidiaries	Working Capital		(30,000,000)	(30,000,000)	
Navana LPG Limited	Subsidiaries	Interest free loan	10,400,000	-	35,810,000	25,410,000
Navana LPG Limited	Subsidiaries	Working Capital	749,064,319	-	749,064,319	-
Navana LPG Limited	Subsidiaries	Working Capital	-	(1,130,225)	(1,130,225)	-
Loan from Chairman	Director	Interest free loan	-	-	138,000,000	138,000,000
Navana Limited	Alliance Companies	Interest free loan	-	(116,987,618)	(416,112,811)	(299,125,193)
Navana Limited	Alliance Companies	Interest free loan	27,600,000	-	27,600,000	-
Navana Construction	Alliance Companies	Interest free loan	-	(13,000,000)	(13,000,000)	-
Board meeting fee	Director	Fee	235,000		235,000	-

35 Rearrange and Reclassified

A) The Company showing all employees' cost in Administrative & selling expenses under Salary & Allowance including Wages & salary for conversion employees though it should be shown as cost of sale. From the current year, the wages and salary relating to conversion employees are being shown in cost of sale. The prior years figure has also been re-arranged in this respect. The result of re-arrangement will not effect the EPS, NAV, and NOCF per share.

B) According to the decision of Board of Directors of Navana CNG Ltd. the company had transferred all assets and liabilities relating LPG Unit to Navana LPG Ltd. (99.99% shareholding subsidiary of Navana CNG Ltd.) during the year. The factory Land of LPG Unit was originally purchased in the name of Navana CNG Ltd. As titled deed were not yet transferred, resultant the said land shown in statement of financial position of Navana CNG Ltd as "non current assets held for transfer."

C) *The reserve for changes in fair value of investment was wrongly included with retained earnings and no deferred tax was accounted for. The opening balance of comparative financial statements is being restated by transferring such reserve from retained earnings of Tk. 5,227,708 to 'fair value reserve' of Tk. 4,754,001 and 'deferred tax' of Tk. 473,707 as per Para 42(b) of BAS 8.

36 Disclosure for purchase in foreign currency by the company during the year

Disclosure as per Para 8 of Schedule XI (kh) of the Companies Act 1994 regarding purchase made in foreign currency during the year are as follows:

The company made purchase in foreign currency in import of \$ 698,478.03 and € 353,869.21

Schedule of Property, plant and equipment
 As at June 30, 2018

Annexure-A

Particulars	Cost			Rate of Dep.	Depreciation			Written Down Value at 30.06.2018
	As at 01.07.2017	Addition dur. the Year	As at 30.06.2018		As at 01.07.2017	Charged dur. the Year	As at 30.06.2018	
Land and land development	254,566,824	-	254,566,824	0%	-		-	254,566,824
Building & Shed	115,103,044	2,961,864	118,064,908	10%	62,609,191	5,351,816	67,961,007	50,103,901
Plant & Machinery	560,986,700	10,623,336	571,610,036	10%	327,590,529	23,529,952	351,120,481	220,489,555
Tools & equipment	75,886,038	5,141,684	81,027,722	10%	30,457,070	4,763,561	35,220,631	45,807,091
Furniture & fixtures	15,842,546	233,000	16,075,546	10%	8,335,683	754,861	9,090,544	6,985,002
Vehicles	89,134,394	4,430,990	93,565,384	10%	28,873,262	6,105,502	34,978,764	58,586,620
Total	1,111,519,546	23,390,874	1,134,910,420		457,865,735	40,505,691	498,371,427	636,538,993

Independent Auditors' Report To the Shareholders of Navana Engineering Limited

We have audited the accompanying Financial Statements of Navana Engineering Limited ("the Company") which comprise the Statement of Financial Position as at June 30, 2018 and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information disclosed in note 1 to 22 and annexure A & B.

Management's responsibility for the financial statements

Management of the company is responsible for the preparation and fair presentation of these Financial Statements in accordance with Bangladesh Financial Reporting Standards (BFRSs), 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 Statement that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSAs). 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 auditors' 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 company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management of the company 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 present fairly, in all material respects, the financial position of Navana Engineering Limited as at June 30, 2018 and its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs) and companies Act 1994 and comply with other applicable laws and regulations.

We also report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by the law have been kept by the Company so far as it appeared from our examination of these books ;
- c) the Company's Statement of Financial Position and the Statement of Profit and Loss and Other Comprehensive Income dealt with by the report are in agreement with the books of account and returns.

Dated : Dhaka
October 18, 2018

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants



Navana Engineering Limited

Statement of Financial Position

As at June 30, 2018

Particular	Notes	Amount in Taka	
		June 30, 2018	June 30, 2017
Assets			
Non-current assets			
Property, plant and equipment	3	1,282,149,233	580,219,573
Intangible Assets	4	17,813,001	2,107,599
Capital Work-in- progress	5	322,138,116	795,993,949
Investment in shares	6	15,225,171	15,470,526
Total Non-current assets		1,637,325,521	1,393,791,647
Current assets			
Inventories	7	809,494,186	559,780,988
Trade receivables	8	242,013,125	168,275,656
Others receivables		-	43,697,408
Advances, deposits & prepayments	9	254,096,077	186,090,991
Inter-company receivable		320,000,000	70,000,000
Cash & Cash equivalents	10	34,709,537	13,547,918
Total Current assets		1,660,312,925	1,041,392,961
Total assets		3,297,638,446	2,435,184,608
Equity and liabilities			
Share capital	11	100,000,000	100,000,000
Tax holiday reserve		35,385,976	35,385,976
AFS Reserve		3,420,653	2,293,063
Retained earnings	12	372,082,975	241,061,906
Equity		510,889,604	378,740,945
Non Current liabilities		1,040,802,226	700,190,893
Deferred tax liability	13	62,769,569	30,635,571
Long Term Loan- Net of current portion	14	683,032,657	624,555,322
Loan from Others		50,000,000	-
Share money deposit		245,000,000	45,000,000
Current liabilities			
Long Term Loan- Current portion	14	151,010,391	133,743,267
Short-term loan	15	1,134,207,036	926,241,682
Current account with Aftab Automobiles limited		60,000,230	120,000,230
Intercompany Payable		248,438,081	95,962,105
Provision for income Tax	16	112,661,892	73,544,556
Payables & accruals	17	39,628,986	6,760,930
Total Current liabilities		1,745,946,616	1,356,252,770
Total Liabilities		2,786,748,842	2,056,443,663
Total Equity & Liabilities		3,297,638,446	2,435,184,608
Net assets value per share		51.09	37.87

The annexed notes 1 to 22 & annexure-A & B form an integral part of these financial statements.

Sd/-
Chairman

Sd/-
Director

Sd/-
Company Secretary

Signed in term of our separate report of event date

Dated: Dhaka
October 18, 2018

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants



Navana Engineering Limited

Statement of Profit or loss and other comprehensive income
For the year ended June 30, 2018

Particular	Note	Amount in Taka	
		July 01, 2017 to June 30, 2018	July 01, 2016 to June 30, 2017
Revenue (net)	18	1,403,614,715	705,159,466
Less: Cost of goods sold	19	964,814,579	457,154,882
Gross profit		438,800,136	248,004,584
Less: Administrative & selling expenses	20	90,289,772	48,567,277
Less: Interest expenses		134,985,653	79,869,418
Operating profit		213,524,710	119,567,889
Add: Other income		302,910	190,279
Profit before contribution to WPPF		213,827,620	119,758,168
Less: Contribution to WPPF		10,182,268	5,702,770
Net profit before tax		203,645,353	114,055,399
Less: Income Tax Expenses	21	71,275,873	39,839,425
Current tax	21.01	39,117,336	30,608,807
Deferred tax	13	32,158,537	9,230,618
Profit after Tax		132,369,479	74,215,974
Add : Other comprehensive income/ loss		(245,355)	2,697,721
Add/Less : Deferred tax adjustment	13	24,535	(404,658)
		(220,820)	2,293,063
Total Comprehensive Income for the year		132,148,659	76,509,036
Earnings per share		13.24	7.42

The annexed notes 1 to 22 & annexure-A & B form an integral part of these financial statements.

Sd/-
Chairman

Sd/-
Director

Sd/-
Company Secretary

Signed in term of our separate report of event date

Dated: Dhaka
October 18, 2018

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants



Navana Engineering Limited

Statement of Changes in Equity

For the year ended June 30, 2018

Particulars	Share capital	Tax holiday reserve	AFS Reserve	Retained Earnings	Total
Balance at July 01, 2016	100,000,000	35,385,976	-	166,845,933	302,231,909
AFS Reserve			2,293,063		2,293,063
Net profit for the year	-	-	-	74,215,973	74,215,973
Balance at June 30, 2017	100,000,000	35,385,976	2,293,063	241,061,906	378,740,945
Balance at July 01, 2017	100,000,000	35,385,976	2,293,063	241,061,906	378,740,945
Transferred from retained earnings			1,348,410	(1,348,410)	-
Total Comprehensive Income	-	-	(220,820)	132,369,479	132,148,659
Balance at June 30, 2018	100,000,000	35,385,976	3,420,653	372,082,975	510,889,604

Sd/-
Chairman

Sd/-
Director

Sd/-
Company Secretary



Navana Engineering Limited

Statement of Cash Flows

For the year ended June 30, 2018

Particulars	Amount in Taka	
	July 01, 2017 to June 30, 2018	July 01, 2016 to June 30, 2017
Cash flows from operating activities		
Receipts from customers	1,329,877,246	722,298,571
Receipts of other income	302,910	190,279
Payments for materials, services and expenses	(1,229,085,745)	(632,644,792)
	101,094,411	89,844,058
Income tax paid	(46,963,465)	(41,171,526)
Net cash Provided by operating activities	54,130,946	48,672,532
Cash flows from investing activities		
Payments for property, plant and equipment	(27,656,537)	(85,455,778)
Capital Work-in- progress	(290,210,334)	(694,413,122)
Net cash used in investing activities	(317,866,871)	(779,868,900)
Cash flows from financing activities		
Share money deposit	200,000,000	-
Interest paid	(134,985,653)	(79,869,418)
Current account with Aftab Automobiles limited	(60,000,000)	120,000,230
Loan received from others	50,000,000	-
Short term loan	207,965,354	456,395,301
Inter company receivable	(250,000,000)	-
Received from other receivables	43,697,408	-
Received from Subsidiaries & Alliance companies	152,475,976	-
Term loan	75,744,459	210,760,590
Net cash inflows from financing activities	284,897,544	707,286,703
Net changes in cash and cash equivalents	21,161,619	(23,909,665)
Cash and cash equivalents at the beginning of the year	13,547,918	37,457,583
Cash and cash equivalents at the end of the year	34,709,537	13,547,918

Sd/-
Chairman

Sd/-
Director

Sd/-
Company Secretary

Navana Engineering Limited

Notes to the Financial Statements

As at and for the year ended June 30, 2018

1. Corporate Information and Mode of Business

1.1 Corporate Information

Navana Engineering Limited is a public limited company which was incorporated in 2010 with Registrar of Joint Stock Companies & Firms, Dhaka, Bangladesh under the Companies Act 1994 as a subsidiary with 99.99% shares owned by Navana CNG Limited. The company started its commercial operation from March 01, 2011.

1.2 Mode of Business

The principal activities of the company are manufacturing of polymer, plastic, PVC, poly ethylene, pipes, tubes, conduits, fittings etc, and all sorts of finished products for house hold, industrial and commercial use.

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 company 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 company 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

The period of the financial statements covers from July 01, 2017 to June 30, 2018.

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.

<u>Name of the Properties</u>	<u>Rate of Dep. in (%)</u>
Land & land Development	--
Building & shed	10
Plant & Machinery	10
Tools & Equipment	10
Furniture & Fixtures	10
Motor Vehicles	10

2.7 Software: Intangible Asset

Recognition and measurement Intangible assets that are acquired by the company and have finite useful lives are measured at cost less any accumulated amortization and any accumulated impairment losses, if any. Intangible assets are recognized when all the conditions for recognition as per IAS/BAS 38 Intangible Assets are met.

Navana Engineering Limited

Notes to the Financial Statements

Amortization

Amortization is recognized in statement of profit or loss & other comprehensive income, Rate of amortization is 10%.

2.8 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 Period.

2.9 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.

2.10 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.

2.11 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.

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.

Payables:

Liabilities are recorded at the amount payable for settlement in respect of goods and services received by the Unit.

2.12 Related Party Disclosure

During the period, The Company carried out a number of transactions with related parties in the normal course of Business. The name of the related parties, Nature of transaction and transaction value have been set out in accordance with the provisions of BAS 24: Related Party Disclosure

Amount in BDT				
SI	Name of related Party	Relationship	Nature of Transaction	Outstanding Receivable/(Payable)
01	Navana CNG Limited	Subsidiary	Working Capital	(25,962,105)
02	Navana Real Estate Ltd	Alliance Companies	Interest free loan	(70,000,000)
03	Navana Welding Electrode Ltd.	Sister Concern	Interest free loan	70,000,000
04	Loan from Chairman	Director	Interest free loan	(86,933,137)
05	Navana Real Estate Ltd	Alliance Companies	Interest free loan	8,029,017
06	Navana LPG Limited	Sister Concern	Interest free loan	(144,091,976)
07	Navana Construction	Alliance Companies	Interest free loan	(8,384,000)
08	Navana Cng Ltd	Subsidiary	Working Capital	238,000,000
09	Navana LTD	Alliance Companies	Interest free loan	12,000,000
10	Board meeting fee	Director	Fee	60,000

2.13. General

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

Navana Engineering Limited

Notes to the Financial Statements

Amount in Taka	
June 30, 2018	June 30, 2017

03 Property, plant and equipment

Land and land development	454,894,508	222,497,138
Building & Shed	303,117,259	73,430,336
Plant & Machinery	458,248,244	231,294,436
Tools & equipment	55,407,997	42,175,025
Furniture & fixtures	2,507,617	2,222,216
Motor vehicle	7,973,608	8,600,421
	1,282,149,233	580,219,573

*An elaborate schedule of PPE are shown in annexure -A.

04 Intangible Assets

Software System	17,813,001	2,107,599
	17,813,001	2,107,599

*An elaborate schedule of Intangible Assets are shown in annexure -B.

05 Capital work in progress

Opening Balance	795,993,949	301,626,525
Add: Addition during the year	290,210,334	694,413,122
	1,086,204,283	996,039,647
Less : Transfer to PPF	764,066,167	200,045,698
Closing Balance	322,138,116	795,993,949

Capital Work in progress represents land and land development, civil construction, Plant and mechineries etc for BMRE project at Gabtoli and Baligoan, Kalligonj.

06 Investment in shares

Aftab Automobiles Ltd.	2,358,325	2,975,875
National Bank Ltd.	141,100	149,130
Square pharmaceuticals Ltd.	10,662,392	9,816,984
Titas Gas	1,524,200	1,928,113
Jamuna Oil	286,594	318,934
Padma Oil	252,560	281,490
	15,225,171	15,470,526

Name of the share	Number of Shares	Cost Price	Market value as on 30/06/18	Market value as on 31/06/17
Aftab Automobiles Ltd.	44,750	2,502,091	2,358,325	2,975,875
National Bank Ltd.	10,714	222,205	141,100	149,130
Square pharmaceuticals Ltd.	33,840	5,904,363	10,662,392	9,816,984
Titas Gas	38,105	2,134,819	1,524,200	1,928,113
Jamuna Oil	1,540	299,287	286,594	318,934
Padma Oil	1,100	361,678	252,560	281,490
	130,049	11,424,443	15,225,171	15,470,526

The above Investment in Marketable Securities that are designated as available for sale by the management. These are measured at fair value and presented as non-current asset and unrealized gain/(loss) from the above investment are recognized as other comprehensive income.

Navana Engineering Limited

Notes to the Financial Statements

		Amount in Taka	
		June 30, 2018	June 30, 2017
07 Inventories			
Stock in raw materials		51,700,688	141,289,110
Stock In Transit		171,291,950	11,205,889
Work in process		33,642,717	55,910,972
Closing finished goods		552,858,831	351,375,017
		809,494,186	559,780,988
08 Trade receivables			
Mymensing Zone		7,980,984	-
Chittagonj Zone		22,167,419	33,204,921
Khulna Zone		9,400,922	-
Rajshahi Zone		6,663,693	-
Gazipur Zone		12,357,897	34,349,289
Sylhet Zone		9,031,768	-
Dhaka Zone		22,205,246	1,638,325
Barishal Zone		17,422,599	30,231,649
HDPE		61,848,851	36,330,826
PPR		17,590,727	9,383,692
Tender		2,837,770	2,378,906
Navana Real state Ltd.		8,029,017	10,636,411
Corporate		44,476,232	5,823,946
Kallayanpur workshop		-	1,378
Others		-	4,296,313
		242,013,125	168,275,656
09 Advances, deposits & prepayments			
Advance for rent		16,577,478	10,800,000
Advance for Tender		1,045,410	986,410
Advance Income Tax	9.01	129,998,309	83,034,844
Advance Bank Guarantee		5,279,824	6,472,500
Clearing & forwarding agent		1,351,023	1,351,023
Dunhill Corporation		-	8,406,225
IMB International BD		-	10,056,189
Advance against local procurement		91,175	247,029
Jakshon international Ltd.		251,031	251,031
Vat Current Account		17,958,499	30,683,799
Rose vally International		340,470	340,470
IBCS-PRIMAX Software Ltd.		-	13,067,000
Advance against Suppliers		28,618,431	20,394,471
Advance against others		52,584,427	-
		254,096,077	186,090,991
09.1 Advance Income Tax			
Opening Balance		83,034,844	41,863,318
Add: Addition during the year		46,963,465	41,171,526
Closing Balance		129,998,309	83,034,844
10 Cash & Cash Equivalents			
Cash in hand		18,342,704	2,245,154
Cash at Banks	10.1	16,366,833	11,302,764
		34,709,537	13,547,918

Navana Engineering Limited

Notes to the Financial Statements

		Amount in Taka	
		June 30, 2018	June 30, 2017
10.1 Cash at banks			
Al- Arafah Islami Bank		76,734	81,534
Islami Bank Ltd.		7,174,917	3,627,490
Jamuna Bank Ltd		21,777	22,927
Shahjalal islami Bank Ltd.		164,348	392,291
Southeast Bank Ltd		2,282,167	987,492
Standard Bank Limited		796	8,730
Dutch Bangla Bank Ltd.		751,633	1,546,081
One Bank Ltd.		292,599	562,806
Mutual Trust Bank Ltd.		479,138	285,559
Trust Bank Ltd.		84,382	85,532
Modhumoti Bank Ltd.		978,329	991,488
United Commercial Bank Ltd		911	545
Mercantile Bank Ltd.		2,710	4,090
IFIC Bank Ltd.		112,522	113,822
Pubali Bank Ltd.		2,664,488	2,592,377
Bank Asia Ltd.		1,279,382	-
		16,366,833	11,302,764
11 Authorized Capital:			
50,000,000 Ordinary Shares @ Tk. 10 each		500,000,000	500,000,000
Issued, Subscribed and Paid-up Capital		100,000,000	100,000,000
10,000,000 Ordinary Shares @ Tk. 10 each			
Navana CNG Limited		99,999,950	99,999,950
Others		50	50
		100,000,000	99,999,950
12 Retained earnings			
Opening balance		241,061,906	166,845,933
Less: Transferred to retained earnings		(1,348,410)	-
Add: Net profit for the year		132,369,479	74,215,973
Closing balance		372,082,975	241,061,906
13 Calculation of Deferred tax:			
Deferred tax liabilities	13.1	62,389,450	30,230,913
DeferreTax on Unrealized Gain	13.2	380,119	404,654
		62,769,569	30,635,567
13.1 Taxable temporary difference		178,255,572	86,374,035
Tax rate		35.0%	35.0%
Deferred tax liabilities		62,389,450	30,230,913
Less: Opening balance		30,230,913	21,000,295
Current deferred tax		32,158,537	9,230,618
13.2 Deferred tax on unrealized gain			
Opneing Balance		404,654	-
Add: Addition during the year		-	404,654
		404,654	404,654
Less: Adjustment During the year		24,535	-
		380,119	404,654

Navana Engineering Limited

Notes to the Financial Statements

		Amount in Taka	
		June 30, 2018	June 30, 2017
14 Long Term Loan-Net of current portion			
One Bank Limited, Gulshan Br.		747,109,911	671,365,452
Due to Director		86,933,137	86,933,137
		834,043,048	758,298,589
Less: Long Term Loan- Current portion		151,010,391	133,743,267
Long Term Loan-Net of current portion		683,032,657	624,555,322
Directors loan represents un-secured and Interest free loan from Mr.Shafiul Islam, chairman.			
15 Short-term loan			
One Bank Limited, Gulshan Br.		854,747,006	623,681,099
Standard Bank Limited ,Principal Br.		124,513,544	61,237,488
Shahjalal Islami Bank Limited, Gulshan Br.		122,061,361	241,323,095
Mutual Trust Bank Limited, Principal Br.		32,885,125	-
		1,134,207,036	926,241,682
16 Provision for income tax			
Opening balance		73,544,556	42,935,749
Add: provision during the year		39,117,336	30,608,807
Closing balance		112,661,892	73,544,556
17 Payables & accrual			
Liabilities for Expenses		5,791,394	1,058,160
Workers profit participation fund		11,322,822	5,702,770
Sundry payables		22,514,770	-
		39,628,986	6,760,930

Navana Engineering Limited

Notes to the Financial Statements

		Amount in Taka	
		June 30, 2018	June 30, 2017
18	Revenue (net)		
	HDPE Coil Pipe	21,302,441	9,354,719
	HDPE Duct Pipe	257,093,645	110,155,426
	PPR Pipe Fittings	6,550,459	2,610,154
	PPR Pipe	73,921,255	37,449,242
	uP V C Pipe	615,358,619	534,851,427
	uP V C Pipe Fitting	72,679,998	39,601,621
	Plastic Item	45,362,519	7,572,040
	Gas stove	53,730,203	9,478,256
	Sink	306,927	116,089
	Battery container	27,463,220	2,478,240
	Water pump	3,746,902	12,492,218
	Plastic Item (Exempted goods)	406,431,956	29,121,748
	Exported item (Exempted goods)	3,958,860	8,663,175
		<u>1,587,907,004</u>	<u>803,944,355</u>
	Less: VAT	<u>(184,292,289)</u>	<u>(98,784,889)</u>
		<u>1,403,614,715</u>	<u>705,159,466</u>
19	Cost of goods sold		
	Raw materials Consumed	19.1 983,317,675	623,838,347
	Add: Factory overhead	19.2 160,712,463	77,309,489
		<u>1,144,030,138</u>	<u>701,147,836</u>
	Add: Opening Work in Process	55,910,972	15,537,441
		<u>1,199,941,110</u>	<u>716,685,277</u>
	Less : Closing Work in Process	33,642,717	55,910,972
		<u>1,166,298,393</u>	<u>660,774,305</u>
	Add: opening finished goods	351,375,017	147,755,594
		<u>1,517,673,410</u>	<u>808,529,899</u>
	Less: Closing finished goods	552,858,831	351,375,017
		<u>964,814,579</u>	<u>457,154,882</u>
19.1	Raw materials		
	Opening stock of raw materials	141,289,110	51,849,980
	Add: Purchased during the year	893,729,253	713,277,477
		<u>1,035,018,363</u>	<u>765,127,457</u>
	Less: Closing stock of raw material	51,700,688	141,289,110
		<u>983,317,675</u>	<u>623,838,347</u>
19.2	Factory overhead		
	Wages & Salary	33,211,717	21,647,178
	Gas for Generator & others	609,420	182,000
	Electricity expenses	58,381,280	21,991,802
	Factory Machine Repair	1,084,559	-
	Others Expenses	8,155,374	-
	Depreciation (Annexure-A)	58,006,819	33,301,167
	Amortization (Annexure-B)	1,263,294	187,342
		<u>160,712,463</u>	<u>77,309,489</u>

Navana Engineering Limited

Notes to the Financial Statements

		Amount in Taka	
		June 30, 2018	June 30, 2017
20	Administration and selling expense		
	Salary & allowances	46,932,924	21,410,353
	Audit Fee	57,500	50,000
	Bank charge	1,380,521	555,147
	Board meeting attendance fee	60,000	60,000
	Telephone & mobile bill	1,987,450	785,041
	Conveyance	1,762,045	861,849
	Electrical expense	996,907	432,068
	Entertainment	2,295,877	1,003,969
	Internet expenses	966,015	355,590
	Transport Expenses	1,781,339	466,005
	Newspaper & periodicals	22,009	15,000
	Office maintenance	1,470,807	813,957
	Carrying Charge	4,877,260	5,624,900
	Photocopy expense	13,615	14,952
	Postage & stamp	37,975	1,030
	Printing expense	2,661,400	3,058,375
	Stationary expense	614,397	147,835
	Registration & renewals	787,442	434,917
	Gas & Diesel	1,165,678	513,235
	Vehicle Expense	2,415,684	698,841
	Travelling Expense	1,291,199	718,156
	Security Guard	734,200	761,530
	Advertisement	1,160,000	1,412,400
	Depreciation (Annexure-A)	14,501,705	8,325,292
	Amortization (Annexure-B)	315,824	46,836
		90,289,772	48,567,277
21	Income tax Expense		
	Current tax	39,117,336	30,608,807
	Deferred tax	32,158,537	9,635,276
		71,275,873	40,244,083
21.1	Current tax		
	Taxable Operating profit	111,763,817	87,453,735
	Current Tax 35%	39,117,336	30,608,807
21.1.1	Profit Before Tax	203,645,353	114,055,398
	Add: Accounting Depreciation	72,508,524	41,626,458
	Add: Accounting Amortization	1,579,118	234,178
		277,732,994	155,916,034
	Less: Capital Allowance	(165,969,178)	(68,462,300)
		111,763,817	87,453,735

Navana Engineering Limited

Notes to the Financial Statements

		Amount in Taka	
		June 30, 2018	June 30, 2017
22	Reconciliation of Cash flows from operating activities under indirect method:		
	Net profit/(loss) before interest & income tax during the year	338,631,006	
	Adjustments to reconcile net income to net cash provided by operating activities:		
	Depreciation	74,087,642	
	Income Tax paid during the year	(46,963,465)	
	Changes in current assets and liabilities:		
	Advance, deposits & prepayments	(21,041,621)	
	Accounts receivable	(73,737,469)	
	Inventories	(249,713,198)	
	Creditors and accrued	32,868,056	
	Net cash flow from operating activities	54,130,946	

Navana Engineering Limited

Notes to the Financial Statements

Schedule of Property, plant and equipment

As at June 30, 2018

Annexure-A

Particulars	Cost			Rate of Dep	Depreciation			Written Down Value at 30.06.2018
	As at 01.07.2017	Addition dur. the year	As at 30.06.2018		As at 01.07.2017	Charged dur.the year	As at 30.06.2018	
Land and land development	222,497,138	232,397,370	454,894,508	0%	-	-	-	454,894,508
Building & Shed	87,250,799	256,595,352	343,846,151	10%	13,820,463	26,908,429	40,728,892	303,117,259
Plant & Machinery	291,462,035	266,032,595	557,494,630	10%	60,167,599	39,078,787	99,246,386	458,248,244
Tools & equipment	59,490,747	18,613,839	78,104,586	10%	17,315,722	5,380,867	22,696,589	55,407,997
Furniture & fixtures	2,720,401	549,028	3,269,429	10%	498,185	263,627	761,812	2,507,617
Motor vehicle	11,690,780	250,000	11,940,780	10%	3,090,359	876,813	3,967,172	7,973,608
Total	675,111,900	774,438,184	1,449,550,084		94,892,328	72,508,524	167,400,852	1,282,149,233

Depreciation Charged to :

TK

Cost of good sold
Administrative & selling Expenses

58,006,819
14,501,705
72,508,524

Schedule of Intangible Assets

As at June 30, 2018

Annexure-B

Particulars	Cost			Rate of Amr.	Amortization			Written Down Value at 30.06.2018
	As at 01.07.2017	Addition dur. the year	As at 30.06.2018		As at 01.07.2017	Charged dur.the year	As at 30.06.2018	
Software System	2,526,412	17,284,520	19,810,932	10%	418,813	1,579,118	1,997,931	17,813,001
Total	2,526,412	17,284,520	19,810,932		418,813	1,579,118	1,997,931	17,813,001

Amortization Charged to :

TK

Cost of good sold
Administrative & selling Expenses

1,263,294
315,824
1,579,118

Auditors' Report To the Shareholders of Navana Welding Electrode Limited

We have audited the accompanying Financial Statements of Navana Welding Electrode Limited ("the Company") which comprise the Statement of Financial Position as at June 30, 2018 and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the period then ended and a summary of significant accounting policies and other explanatory information disclosed in note 1 to 19 and Annexure A & B.

Management's Responsibility for the Financial Statements

Management of the company is responsible for the preparation and fair presentation of these Financial Statements in accordance with Bangladesh Financial Reporting Standards (BFRSs), 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 Statement that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSAs). 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 auditors' 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 company's preparation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management of the company 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 present fairly, in all material respects, the financial position of Navana Welding Electrode Limited as at June 30, 2018 and its financial performance and its cash flows for the period then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs) and Companies Act 1994 and comply with the other applicable laws and regulations.

We also report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by the law have been kept by the Company so far as it appeared from our examination of these books;
- c) the Company's Statement of Financial Position and the Statement of Profit and Loss and Other Comprehensive Income dealt with by the report are in agreement with the books of account and returns.

Dated : Dhaka
October 18, 2018

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants



Navana Welding Electrode Limited

Statement of Financial Position

For the year ended June 30, 2018

Particulars	Note	Amount in Taka	
		June 30, 2018	June 30, 2017
Assets			
Non-current assets			
Property, plant and equipment	3	312,932,669	280,931,864
Intangible Assets	4	1,165,081	987,188
Capital Work-in- Progress	5	-	52,185,572
Total non-current assets		314,097,750	334,104,624
Current assets			
Inventories	6	55,082,216	74,407,273
Trade receivables	7	43,686,981	39,287,547
Intercompany Receivable		66,500,000	-
Advances, deposits & prepayments	8	34,394,423	23,031,692
Cash & Cash equivalent	9	109,784,366	89,623,725
Total current assets		309,447,986	226,350,237
Total assets		623,545,736	560,454,861
Equity and liabilities			
Equity			
Share capital	10	100,000,000	100,000,000
Retained earnings	11	96,002,966	66,689,731
Total equity		196,002,966	166,689,731
Non-current liabilities			
Term Loan	12	99,679,389	119,679,389
Deferred tax liabilities	13(2)	30,564,144	24,469,852
		130,243,533	144,149,241
Current liabilities			
Short-term loan	14	72,145,590	43,001,174
Intercompany Payable		177,012,238	177,012,238
Provision for income tax	15	37,717,536	23,844,897
Payables & accruals	16	10,423,873	5,757,580
Total current liabilities		297,299,237	249,615,889
Total liabilities		427,542,770	393,765,130
Total equity & liabilities		623,545,736	560,454,861
Net assets value per share		19.60	16.7

The annexed notes 1 to 19 & annexure-A & B form an integral part of these financial statements.

Sd/-

Chairman

Sd/-

Director

Sd/-

Company Secretary

Signed in term of our separate report of event date

Dated: Dhaka
October 18, 2018

Sd/-

Rahman Mostafa Alam & Co.
Chartered Accountants



Navana Welding Electrode Limited

Statement of Profit or loss and other comprehensive income
For the year ended June 30, 2018

Particulars	Note	July 01, 2017 to June 30, 2018	July 01, 2016 to June 30, 2017
Revenue (net)		402,381,221	299,082,740
Less: Cost of sales	17	307,888,158	230,263,792
Gross profit		94,493,063	68,818,948
Less: Administrative and selling expenses	18	39,376,320	34,485,685
Less: Interest expenses		6,585,468	3,849,273
Operating profit		48,531,275	30,483,990
Add: Other income		3,226,826	1,520,745
Less: Foreign exchange loss		13,926	
Profit before contribution to WPPF		51,744,175	32,004,735
Less: Contribution to WPPF		2,464,008	1,524,035
Profit before tax		49,280,167	30,480,700
Less: Income tax expenses		19,966,931	9,601,421
Current tax	13 (1)	13,872,639	7,575,769
Deferred tax	13 (2)	6,094,292	2,025,652
Total Comprehensive Income for the year		29,313,236	20,879,279
Earnings per share		2.93	2.09

The annexed notes 1 to 19 & annexure-A & B form an integral part of these financial statements.

Sd/-
Chairman

Sd/-
Director

Sd/-
Company Secretary

Signed in term of our separate report of event date

Dated: Dhaka
October 18, 2018

Rahman Mostafa Alam & Co.
Chartered Accountants



Navana Welding Electrode Limited

Statement of Changes in Equity

For the year ended June 30, 2018

Particulars	Share capital	Retained Earnings	Total
Balance at July 01,2016	100,000,000	45,810,452	145,810,452
Net profit for the year	-	20,879,279	20,879,279
Balance at June 30, 2017	100,000,000	66,689,731	166,689,731
Balance at July 01,2017	100,000,000	66,689,731	166,689,731
Net profit for the year	-	29,313,236	29,313,236
Balance at June 30, 2018	100,000,000	96,002,966	196,002,966

Sd/-
Chairman

Sd/-
Director

Sd/-
Company Secretary

Navana Welding Electrode Limited

Statement of Cash Flows

For the year ended June 30, 2018

Particulars	July 01, 2017 to June 30, 2018	July 01, 2016 to June 30, 2017
A. Cash flows from operating activities		
Receipts from customers	397,981,787	298,427,858
Receipts of other income	3,226,826	1,520,745
Payments for materials, services and expenses	(305,743,106)	(250,959,244)
	<u>95,465,507</u>	<u>48,989,359</u>
Income tax paid	(10,154,278)	(5,339,531)
Net cash Inflow by operating activities	<u>85,311,229</u>	<u>43,649,828</u>
B. Cash flows from investing activities		
Acquisition of property, plant and equipment	(1,209,536)	(16,708,156)
Capital work-in-progress	-	-
Net cash used by investing activities	<u>(1,209,536)</u>	<u>(16,708,156)</u>
C. Cash flows from financing activities		
Intercompany receivable	(66,500,000)	-
Interest paid	(6,585,468)	(3,849,273)
Short-term loan	29,144,416	(3,426,716)
Term loan	(20,000,000)	-
Net cash inflows from financing activities	<u>(63,941,052)</u>	<u>(7,275,989)</u>
D. Net changes in cash and cash equivalents (A+B+C)	<u>20,160,641</u>	<u>19,665,683</u>
Cash and cash equivalents at the beginning of the year	89,623,725	69,958,042
E. Cash and cash equivalents at the end of the year	<u>109,784,366</u>	<u>89,623,725</u>

Sd/-
Chairman

Sd/-
Director

Sd/-
Company Secretary

Navana Welding Electrode Limited

Notes to the Financial Statements

For the Period ended June 30, 2018

1. Corporate Information and Mode of Business

1.1 Corporate Information

Navana Welding Electrodes Limited is a private limited company which was incorporated in 2011 with Registrar of Joint Stock Companies & Firms, Dhaka, Bangladesh under the Companies Act 1994 as a subsidiary with 99.99% shares owned by Navana CNG Limited. The company started its commercial operation from January 01, 2013.

1.2 Mode of Business

The principal activities of the company are manufacturing of welding electrode rod, welding and cutting equipments, cutting rod, welding and cutting consumables etc. all kind of welding flux chemical, associated chemicals, welding wire rod, Industrial and all purposes commercial use.

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 company 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 company 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

The period of the financial statements covers from July01, 2017 to June 30, 2018.

2.5 Functional and Presentation Currency

The 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.

<u>Name of the Properties</u>	<u>Rate of Dep. in (%)</u>
Land & land Developments	--
Building & Civil Construction	10
Plant & Machinery	10
Office Equipment	10
Tools & Equipment	10
Furniture & Fixtures	10
Electrical Equipment	10
Motor Vehicles	10

Navana Welding Electrode Limited

Notes to the Financial Statements

2.7 Intangible Asset (Software)

Recognition and measurement Intangible assets that are acquired by the company and have finite useful lives are measured at cost less any accumulated amortization and any accumulated impairment loss, if any. Intangible assets are recognized when all the conditions for recognition as per IAS/BAS 38 Intangible Assets are met. The cost of an intangible asset comprises its license to operate the software from the vendor Advance ERP (BD) Limited at a price of k 1,250,000 and any directly attributable cost of preparing the asset for its intended use

Amortization

Amortization is recognized in profit or loss over the estimated useful lives of intangible assets.

2.8 Inventories

In compliance with the requirements with BAS 2 "Inventories" Raw Materials and Stores are valued at the lower of 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.

2.9 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.

2.10 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 period when such liabilities are settled.

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

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.

Payables:

Liabilities are recorded at the amount payable for settlement in respect of goods and services received by the Unit.

2.12 Related Party Disclosure

The figures have been carried forward from previous year as noted below:

				Amount in BDT
Name of related Party	Relationship	Nature of Transaction	Transaction Value	Outstanding Receivable / (Payable)
Navana CNG Limited	Subsidiary	Working Capital	-	(107,012,238)
Navana Engineering Ltd.	Sister Concern	Interest free loan	-	(70,000,000)
Term Loan	Loan from Chairman	Interest Free Loan	-	(99,679,389)
Board meeting	Director	Board meeting fee	60,000	60,000
Navana CNG Limited	Subsidiary	Intercompany receivable	-	30,000,000
Navana LPG Limited	Sister Concern	Intercompany receivable	-	3,6500,000

2.13 General

- Figures shown in the accounts have been rounded off to the nearest Bangladeshi taka.
- 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 period.

Navana Welding Electrode Limited

Notes to the Financial Statements

		Amount in Taka	
		June 30, 2018	June 30, 2017
3	Property, Plant and Equipment		
	Land and land development	102,324,202	82,633,516
	Building & civil construction	79,278,076	53,335,276
	Plant & machinery	88,779,579	98,252,549
	Office equipment	5,813,214	6,009,423
	Furniture & fittings	3,474,456	3,798,945
	Electrical equipment	22,195,233	24,604,478
	Vehicles	11,067,909	12,297,677
	Written Down Value (WDV)	312,932,669	280,931,864
*An elaborate schedule of PPE are shown in annexure -A.			
4	Intangible Assets		
	Software system	1,165,081	987,188
	Written Down Value (WDV)	1,165,081	987,188
*An elaborate schedule of intangible assets are shown in annexure -B.			
5	Capital work in progress		
	Opening Balance	52,185,572	126,265,599
	Add: Addition during the year	-	-
		52,185,572	126,265,599
	Less : Transfer to PPE	(52,185,572)	74,080,027
	Closing Balance	-	52,185,572
6	Inventories		
	Raw materials	32,215,520	25,041,766
	Work-in-process	11,185,358	8,524,730
	Finished goods	9,348,067	26,621,382
	Stock In Transit	862,373	6,683,995
	Spare parts	1,163,309	7,240,900
	Fuel	307,589	294,500
		55,082,216	74,407,273
7	Trade receivables		
	Sylhet Zone	1,329,359	1,410,170
	Jessore Zone	5,716,243	5,077,865
	Dhaka South zone	11,046,446	11,374,340
	Dhaka North zone	5,202,281	8,153,694
	Rajshahi Zone	2,308,393	1,789,666
	Rangpur Zone	1,254,416	1,324,889
	Chitta. South Zone	6,092,922	4,414,986
	Chitta. North Zone	4,781,266	3,702,245
	Barishal Zone	1,901,556	2,039,692
	Corporate	4,054,099	-
		43,686,981	39,287,547

Navana Welding Electrode Limited

Notes to the Financial Statements

8 Advances, deposits & prepayments

Advance Income Tax	8.1	29,045,758	18,891,480
Advance to Suppliers		317,893	673,983
Earnest Money & Security Deposit		1,380,300	1,080,300
Security Deposit Bangladesh Railway		892,985	892,985
Advance House Rent		315,000	271,500
Vat Current Account		1,816,401	1,208,444
Advance against Salary		626,086	13,000
		34,394,423	23,031,692

8.1 Advance Income Tax

Opening Balance		18,891,480	13,551,949
Add: Addition during the year		10,154,278	5,339,531
		29,045,758	18,891,480
Less : Adjustment during the year		-	-
Closing Balance		29,045,758	18,891,480

9 Cash & Cash equivalents

Cash in hand		9,819,326	5,332,530
Cash at banks :			
Fixed Deposit Receipt (FDR)	9.1	71,301,950	48,374,852
Bank Balances	9.2	28,663,090	35,916,343
		109,784,366	89,623,725

The bank balances consists of :

9.1 Fixed Deposit Receipt (FDR) :

Shahjalal Islami Bank Ltd.		11,713,027	11,109,839
Mercantile Bank Ltd.		32,279,244	30,576,408
Standard Bank Ltd.		6,945,133	6,688,605
State Bank of India		20,364,546	
		71,301,950	48,374,852

9.2 Bank Balances :

Al-Arafah Bank Ltd.		27,752	21,902
Dutch Bangla Bank Ltd.		11,005,233	11,469,117
Mercantile Bank Ltd.		1,384,421	1,004,628
Prime Bank Ltd.		39,422	41,164
Mutual Trust Bank Ltd.		5,766,614	5,406,408
Trust Bank Ltd.		-	742
Bank Asia Ltd.		2,186,163	4,993,644
Shahjalal Islami Bank Ltd.		6,068,337	4,010,022
Standard Bank Ltd.		15,117	472,950
Islami Bank Ltd.		49,358	714,860
Sonali Bank Ltd.		496	813,405
United commercial Bank Ltd.		1,502,627	1,072,639
Jamuna Bank Ltd.		23,700	16,850
State Bank of India		437,923	5,720,785
IFIC Bank Ltd.		155,927	157,227
		28,663,090	35,916,343

Navana Welding Electrode Limited

Notes to the Financial Statements

10 Authorized Capital:		
50,000,000 Ordinary Shares @ Tk. 10 each	<u>500,000,000</u>	<u>500,000,000</u>
Issued, Subscribed and Paid-up Capital		
10,000,000 Ordinary Shares @ Tk. 10 each	<u>100,000,000</u>	<u>100,000,000</u>
Navana CNG Limited	99,999,950	99,999,950
Non -controlling interest (Sponsors)	50	50
	<u>100,000,000</u>	<u>100,000,000</u>
11 Retained earnings		
Opening balance	66,689,731	45,810,452
Add: Total Comprehensive Income for the year	29,313,236	20,879,279
Closing balance	<u>96,002,966</u>	<u>66,689,731</u>
12 Term Loan		
Due to Director	12.1 <u>99,679,389</u>	<u>119,679,389</u>
12.1 Due to Director (Mr.Shafiul Islam, chairman)		
Opening Balance	119,679,389	119,679,389
Less: Paid during the year	20,000,000	-
	<u>99,679,389</u>	<u>119,679,389</u>
This represents un-secured and Interest free loan from Mr.Shafiul Islam, chairman.		
13 Calculation of Tax:		
13.1 Current Tax		
Profit Before Tax	49,280,167	30,480,700
Add. Accounting Base Depreciation	21,096,603	23,556,144
Add. Accounting Base Amortization	119,806	109,688
	<u>70,496,575</u>	<u>54,146,532</u>
Less: Tax Base Depreciation	30,574,895	29,823,034
Less: Tax Base Amortization	285,569	273,438
	<u>39,636,111</u>	<u>24,050,060</u>
Current Tax 35%	13,872,639	8,417,521
Less: Tax Rebate 10%	-	841,752
Current Tax	<u>13,872,639</u>	<u>7,575,769</u>
13.2 Deferred tax:		
Taxable temporary difference	87,326,125	77,682,069
Tax rate	35%	31.5%
Deferred tax liabilities	<u>30,564,144</u>	<u>24,469,852</u>
Less: Opening balance	24,469,852	22,444,200
Provision for deferred tax	<u>6,094,292</u>	<u>2,025,652</u>
14 Short-term loan		
Shahjalal Islami bank Ltd.	72,145,590	36,408,282
Mercantile Bank Ltd. (LTR)	-	6,592,892
	<u>72,145,590</u>	<u>43,001,174</u>

Navana Welding Electrode Limited

Notes to the Financial Statements

15 Provision for income tax		
Opening balance	23,844,897	16,269,128
Add: Provision during the year	13,872,639	7,575,769
Closing balance	37,717,536	23,844,897
16 Payable & accrual		
Liabilities for expenses	2,981,785	3,617,202
Workers profit participation	2,768,815	1,524,035
Sundry payable	4,458,812	616,343
Provision for doubtful debt	214,461	-
	10,423,873	5,757,580
17 Cost of goods sold		
Raw materials	17.1 248,259,374	181,386,534
Factory overhead	17.2 39,410,587	47,272,505
Direct Cost	5,605,510	4,663,405
	293,275,471	233,322,444
Add: Opening Work in Process	8,524,730	9,892,003
	301,800,201	243,214,447
Less: Closing Work in Process	11,185,358	8,524,730
	290,614,843	234,689,717
Add: Opening stock of finished goods	26,621,382	22,195,457
	317,236,225	256,885,174
Less: Closing stock of finished goods	9,348,067	26,621,382
	307,888,158	230,263,792
17.1 Raw materials		
Opening stock of raw materials	25,041,766	24,667,876
Add: Purchase for the year	255,433,128	181,760,424
	280,474,894	206,428,300
Less: Closing stock of raw materials	32,215,520	25,041,766
	248,259,374	181,386,534
17.2 Factory overhead		
Salary & Wages	9,520,908	12,951,907
Q.C Test	431,490	223,660
Cleaning & Washing Exp	16,300	13,985
Carrying charge	8,750	20,650
Conveyance	70,626	98,750
Dress & Uniform	22,690	44,520
Electrical Expenses	154,089	610,112
Entertainment exp	1,229,143	1,155,337
Fuel Exp	2,636,762	3,687,554
Internet exp	-	130,208
Labour Charge	161,840	768,098
Medical Exp	43,048	113,140
Oil & Lubricant exp	134,712	668,022

Navana Welding Electrode Limited

Notes to the Financial Statements

Paper & Periodical	4,010	7,117
Stationery	80,462	214,846
Spare Parts	1,449,305	1,840,288
Repair Maintenance	1,787,202	2,075,307
Telephone & Mobile Bill	99,380	205,036
Electricity bill	3,993,143	3,250,970
Security guard	593,600	260,333
Depreciation (Annexure-A)	16,877,282	18,844,915
Amortization (Annexure-B)	95,845	87,750
	39,410,587	47,272,505

18 Administration and Selling expense

Salary & Allowance	24,609,914	21,743,958
Conveyance	1,397,729	1,330,570
Daily Allowance	892,713	701,647
Electricity bill	176,819	156,201
Entertainment	554,864	576,746
Gas Bill	29,700	25,650
Internet bill	242,674	165,875
Labor expenses	860,457	155,548
Board meeting attendance fee	60,000	60,000
Telephone & Mobile Bill	641,537	598,872
Paper & periodicals	14,212	19,075
Office Rent	935,520	890,880
Repair and Maintenance	936,197	862,079
Fuel Expenses	1,168,183	1,212,999
Postage & Courier	20,452	21,573
Printing	149,252	138,892
Stationery	87,653	92,595
Registration & Renewal Exp	804,495	170,451
Service Charges	67,500	67,200
TA/DA Allowances	877,669	506,030
Audit Fee	57,500	50,000
Bank Charges	333,537	205,678
Bad Debts	214,461	-
Depreciation (Annexure-A)	4,219,321	4,711,229
Amortization (Annexure-B)	23,961	21,938
	39,376,320	34,485,685

Navana Welding Electrode Limited

Notes to the Financial Statements

19 Reconciliation of cash flows from operating activities under indirect method :

Net profit/(loss) before interest & income tax during the year	55,865,635
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	21,216,408
Changes in current assets and liabilities:	
Decrease/increase in Inventories	19,325,057
Increase/Decrease in trade receivables	(4,399,434)
Increase/decrease in advance and prepayments	(11,362,731)
Increase/Decrease in Payables & accruals	4,666,294
Net cash flow from operating activities	85,311,229



Navana Welding Electrode Plant

Navana Welding Electrode Limited

Notes to the Financial Statements

Schedule of Property, plant and equipment

As at June 30, 2018

Particulars	Cost			Rate of Dep	Depreciation			Annexure-A Written Down
	As at 01.07.17	Addition dur. the year	As at 30.06.18		As at 01.07.17	Charged dur.the year	As at 30.06.18	Value at 30.06.18
Land and land development	82,633,516	19,690,686	102,324,202	0%	-	-	-	102,324,202
Building & civil construction	71,491,803	32,494,886	103,986,689	10%	18,156,527	6,552,086	24,708,613	79,278,076
Plant & machinery	152,736,856	370,826	153,107,682	10%	54,484,307	9,843,796	64,328,103	88,779,579
Office equipment	8,401,147	429,805	8,830,952	10%	2,391,724	626,014	3,017,738	5,813,214
Furniture & fittings	5,324,676	56,345	5,381,021	10%	1,525,731	380,834	1,906,565	3,474,456
Electrical equipment	38,616,523	54,860	38,671,383	10%	14,012,045	2,464,105	16,476,150	22,195,233
Vehicles	16,870,443		16,870,443	10%	4,572,766	1,229,768	5,802,534	11,067,909
Total	376,074,964	53,097,408	429,172,372		95,143,100	21,096,603	116,239,703	312,932,669

Depreciation Charged to :

Cost of good sold
Administrative & selling Expenses

TK

16,877,282
4,219,321
21,096,603

Schedule of Intangible Assets

As at June 30, 2018

Particulars	Cost			Rate of Amr.	Amortization			Annexure-B Written Down
	As at 01.07.17	Addition dur. the year	As at 30.06.18		As at 01.07.17	Charged dur.the year	As at 30.06.18	Value at 30.06.18
Software system	1,250,000	297,700	1,547,700	10%	262,813	119,806	382,619	1,165,081
Total	1,250,000	297,700	1,547,700		262,813	119,806	382,619	1,165,081

Amortization Charged to :

Cost of good sold
Administrative & selling Expenses

TK

95,845
23,961
119,806

Auditors' Report To the Shareholders of Navana LPG Limited

We have audited the accompanying Financial Statements of Navana LPG Limited ("the Company") which comprise the Statement of Financial Position as at June 30, 2018 and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information disclosed in note 1 to 21 and Annexure A & B.

Management's responsibility for the financial statements

Management of the company is responsible for the preparation and fair presentation of these Financial Statements in accordance with Bangladesh Financial Reporting Standards (BFRSs), 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 Statement that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSAs). 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 auditors' 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 company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management of the company 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 present fairly, in all material respects, the financial positions of Navana LPG Limited as at June 30, 2018 and its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs) and comply with the applicable section of the Companies Act 1994 and other applicable laws and regulations.

We also report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by the law have been kept by the Company so far as it appeared from our examination of these books ;
- c) the Company's Statement of Financial Position and the Statement of Profit and Loss and Other Comprehensive Income dealt with by the report are in agreement with the books of account and returns.

Dated : Dhaka
October 18, 2018

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants



Navana LPG Limited

Statement of Financial Position

As at June 30, 2018

Particulars	Notes	Amount in Taka	
		June 30, 2018	June 30, 2017
Assets :			
Non- current assets			
Property, plant and equipment	3	3,187,165,249	8,367,867
Intangible Assets	4	210,938	-
Capital Work-in-progress	5	1,285,748,640	-
Long-term security deposit	6	10,828,092	-
Deferred tax liabilities	7	34,516,434	-
Total Non-current assets		4,518,469,353	8,367,867
Current assets			
Inventories	8	451,140,284	-
Advance against land		15,000,000	15,000,000
Other receivables	9	196,948,205	-
Inter company receivable		379,086,100	-
Advances, deposits & prepayments	10	257,097,044	9,858,686
Cash & Bank Balances	11	12,735,540	54,122,879
Total current assets		1,312,007,173	78,981,565
Total assets		5,830,476,526	87,349,432
Equity and Liabilities			
Equity			
Share Capital	12	1,000,000	1,000,000
Retained earnings	13	(67,136,710)	(63,435)
Total Equity		(66,136,710)	936,565
Non-current Liabilities			
Security Retention Money		708,350,882	52,600,000
Long Term Loan - Net off current portion	14	3,111,984,146	5,000
		3,820,335,028	52,605,000
Current liabilities			
Long term loan current portion		454,800,263	
Short term Loan	15	364,895,439	-
Provision for income tax	16	3,399,813	-
Bills Payables		276,002,440	-
Inter company payable		924,247,019	33,777,867
Payables & accruals	17	52,933,234	30,000
Total Current liabilities		2,076,278,208	33,807,867
Total equity & Liabilities		5,830,476,526	87,349,432

The annexed notes 1 to 21 & annexure A to B form an integral part of these financial statements.

Chairman

Sd/-
Director

Sd/-
Company Secretary

Signed in terms of our separate report of even date.

Dated : Dhaka
October 18, 2018

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants



Navana LPG Limited

Statement of Profit or loss and other comprehensive income
For the year ended June 30, 2018

Particulars	Notes	Amount in Taka	
		July 01, 2017 to June 30, 2018	July 01, 2016 to June 30, 2017
Revenues (net off VAT)	18	566,635,442	-
Less: Cost of goods sold	19	473,375,596	-
Gross profit		93,259,846	-
Less: Administrative & selling expenses	20	71,444,896	57,340
Operating profit		21,814,950	(57,340)
Less: Interest expenses		120,004,846	-
Net Profit before tax		(98,189,896)	(57,340)
Less: Income Tax Expenses		(31,116,621)	-
Current tax		3,399,813	-
Deferred tax		(34,516,434)	-
Net Profit after Tax		(67,073,275)	(57,340)

The annexed notes 1 to 21 & annexure A to B form an integral part of these financial statements.

Sd/-
Chairman

Sd/-
Director

Sd/-
Company Secretary

Signed in terms of our separate report of even date.

Dated : Dhaka
October 18, 2018

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants

Navana LPG Limited

Statement of Changes in Equity
For the year ended June 30, 2018

Particulars	Share capital	Retained Earnings	Total
Balance at July 01, 2016	1,000,000	(6,095)	993,905
Net profit/ (Loss) for the year	-	(57,340)	(57,340)
Balance at June 30, 2017	<u>1,000,000</u>	<u>(63,435)</u>	<u>936,565</u>
Balance at July 01, 2017	1,000,000	(63,435)	936,565
Net profit/ (Loss) for the year	-	(67,073,275)	(67,073,275)
Balance at June 30, 2018	<u>1,000,000</u>	<u>(67,136,710)</u>	<u>(66,136,710)</u>

Sd/-
Chairman

Sd/-
Director

Sd/-
Company Secretary



LPG Plant Office



Navana LPG Limited

Statement of Cash Flows

For the year ended June 30, 2018

Particulars	Amount in Taka	
	July 01, 2017 to June 30, 2018	July 01, 2016 to June 30, 2017
Cash flows from operating activities		
Receipts from customers	566,635,442	-
Payments for materials, services and expenses	(541,479,431)	(32,340)
	25,156,011	(32,340)
Income tax paid	(12,727,472)	-
Net cash Provided by operating activities	12,428,539	(32,340)
Cash flows from investing activities		
Payments for property, plant and equipment	(654,720,093)	-
Capital Work-in- progress	(1,285,748,640)	-
Advance for LC margin	(109,850,636)	(8,658,686)
Security deposit to LP Gas Ltd	-	(1,200,000)
Advance against land	-	(15,000,000)
Other receivables	533,894	-
Payment for long term security deposit	(748,028)	-
Net cash used in investing activities	(2,050,533,503)	(24,858,686)
Cash flows from financing activities		
Inter company Receivable	(366,262,925)	25,410,000
Interest paid	(120,004,846)	-
Inter company Payable	208,979,943	-
Long term loan	1,382,513,346	-
Short term Loan	269,118,676	-
Security Money received	622,373,431	52,600,000
Net cash inflows from financing activities	1,996,717,625	78,010,000
Net changes in cash and cash equivalents	(41,387,339)	53,118,974
Cash and cash equivalents at the beginning of the year	54,122,879	1,003,905
Cash and cash equivalents at the end of the year	12,735,540	54,122,879

Sd/-
Chairman

Sd/-
Director

Sd/-
Company Secretary

Navana LPG Limited

Notes to the Financial Statements
For the year ended June 30, 2018

1. Legal status

Navana LPG Limited is a private limited company which was incorporated in 13 September 2015, Vide Registration number C-125694 of Joint Stock Companies & Firms, Dhaka, Bangladesh under the Companies Act, 1994.

i. Principal activities of the company

The company main objective to carry on the business of import, export, indenting and Marketing of all types of gases also LPG, LNG, CNG, propene, butane, oxygen, nitrogen, acetylene, nitrous, oxide, Medical and commercial oxygen and other allied gases.

ii. Present operation status

The Company has started its commercial operation from November, 2017.

iii. Functional and presentational (reporting) currency

The financial statements are prepared and presented in Bangladesh Currency (Taka), which is the Company's functional currency.

2. Principal accounting policies

The specific accounting policies selected and applied by the Company's directors for significant transactions and events that have material effect within the framework of BAS-1 "Presentation of Financial Statements", in preparation and presentation of financial statements have been consistently applied throughout the year and were also consistent with those used in earlier years.

For a proper understanding of the financial statements, these accounting policies are set out below in one place as prescribed by the BAS-1 "Presentation of Financial Statements". The recommendations of BAS-1 relating the format of financial statements were also taken into full consideration for fair presentation.

i. Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

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.

<u>Name of the Assets</u>	<u>Rate of Depreciation in (%)</u>
Land & land Development	--
Building & shed	10
Plant & Machinery	10
Cylinder	10
Tools & Equipment	10
Furniture & Fixtures	10
Vehicles	10

ii. Borrowing costs

In compliance with the requirements of BAS 23 "Borrowing Costs" borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Borrowing costs are recognized as expenses in the period in which they incurred and capitalized the same that incurred before commencement of commercial operation.

iii. Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Company. Contingent liabilities and assets are not recognized on the statement of financial position of the Company.

Navana LPG Limited

Notes to the Financial Statements

iv. Inventories

Inventories are stated at the lower of cost and net realizable value. Costs incurred in bringing the inventories to their present location and conditions are accounted for as follows:

Raw materials: purchase costs on a weighted average basis;

v. Cash and cash equivalents

Cash in hand and cash at banks have been considered as cash and cash equivalents for the preparation of these financial statements, which were held and available for use by Company without any restriction and there was insignificant risk of changes in value of the same.

vi. Events after the reporting period

Events after the reporting period that provide additional information about the Company's position at the date of statement of financial position or those that indicate the going concern assumption is not appropriate are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes when material.

vii. Related party disclosure

During the period, The Company carried out a number of transactions with related parties in the normal course of Business. The name of the related parties, Nature of transaction and transaction value has been set out in accordance with the provisions of BAS 24: Related Party Disclosure.

				Amount in BDT
Name of related Party	Relationship	Nature of Transaction	Transaction Value	Outstanding Receivable / (Payable)
Navana Construction Ltd.	Alliance Companies	Interest Free Loan		7,500,000
Navana Engineering Ltd.	Sister Concern	Interest Free Loan		144,091,976
Aftab Automobiles Ltd.	Alliance Companies	Interest Free Loan		50,400,000
Navana Limited	Alliance Companies	Interest Free Loan		175,963,899
Navana CNG Ltd.	Subsidiary	Working Capital		1,130,225
Navana CNG Ltd.	Subsidiary	Working Capital		(749,064,319)
Navana CNG Ltd.	Subsidiary	Interest Free Loan		(35,810,000)
Navana Welding Electrode Ltd.	Sister Concern	Interest Free Loan		(36,500,000)
Navana Limited	Alliance Companies			(102,872,700)
Board meeting fee	Director			60,000

viii. General

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

Navana LPG Limited

Notes to the Financial Statements

3.00 Property, plant and equipment

	Amount in Taka	
	June 30, 2018	June 30, 2017
Land and land development	112,836,864	8,367,867
Building & shed	663,041,528	-
Plant & machinery	1,069,563,933	-
Cylinder	1,273,872,392	-
Tools & equipment	10,784,440	-
Furniture & fixtures	5,019,681	-
Motor vehicle	52,046,411	-
	3,187,165,249	8,367,867

*An elaborate schedule of PPE are shown in annexure -A.

4.00 Intangible assets

Software System	210,938	-
	210,938	-

*An elaborate schedule of Intangible Assets are shown in annexure -B.

5.00 Capital work in progress

Opening balance	2,607,082,557	-
Add: Addition during the year	1,285,748,640	-
	3,892,831,197	-
Less : Transfer to PPE	2,607,082,557	-
Closing Balance	1,285,748,640	-

Capital Work in Progress represents land and land development, civil construction, Plant and machineries etc.

6.00 Long-term security deposit

Polli-Bidyut Somity-Bagerhat	5,028,094	-
Mongla port authority	5,399,998	-
Desco- Nikunja	400,000	-
	10,828,092	-

7.00 Deferred tax assets:

Taxable temporary difference	(98,618,384)	-
Tax rate	35.0%	-
Deferred tax assets as at June 30, 2018	(34,516,434)	-
Add/Less : Deferred tax adjustment	-	-
	(34,516,434)	-
Less: Opening balance	-	-
Current Deferred tax income	(34,516,434)	-

8.00 Inventories

Stock in raw materials	238,457,534	-
Work in process	735,065	-
Closing finished goods	211,947,685	-
	451,140,284	-

Notes to the Financial Statements

Amount in Taka	
June 30, 2018	June 30, 2017
194,475,891	-
2,472,314	-
196,948,205	-

* Other receivable from Navana CNG Ltd. amounts tk. 194,475,891 which contains land value that will be transferred from Navana CNG through registration and other required formalities.

10.00 Advances, deposits & prepayments

LC Margin		161,872,238	8,658,686
LP Gas Ltd.		1,200,000	1,200,000
Advance Income Tax	10.01	12,727,472	-
Advance Office Rent		2,128,840	-
Advance to employee		7,126,428	-
Advance to Suppliers		30,531,403	-
Advance against local procurement		2,829,462	-
Advance to Others		38,235,412	-
Vat Current Account		445,789	-
		257,097,044	9,858,686

10.01 Advance Income Tax

Opening Balance	-	-
Add: Addition during the year	12,727,472	-
	<u>12,727,472</u>	-
Less : Adjustment during the year	-	-
Closing Balance	<u>12,727,472</u>	-

11.00 Cash & Cash Equivalent

Cash in hand		2,456,687	-
Cash at Banks	11.01	10,278,853	54,122,879
		<u>12,735,540</u>	<u>54,122,879</u>

11.01 Cash at banks

Bank Asia Ltd.	A/C#00077	724,517	22,208,970
City Bank Ltd.	A/C#97001	7,752,442	-
Dutch Bangla Bank Ltd.	A/C#8713	587,211	-
Mutual Trust Bank Ltd.	A/C#3943	467,041	-
Shahjalal islami Bank Ltd.	A/C#12865	747,642	31,913,909
		10,278,853	54,122,879

Navana LPG Limited

Notes to the Financial Statements

		Amount in Taka	
		June 30, 2018	June 30, 2017
12.01 Share Capital:			
Authorized Capital		3,000,000,000	3,000,000,000
300,000,000 Ordinary Shares @ Tk. 10 each			
Issued, Subscribed and Paid-up Capital	12.01	1,000,000	1,000,000
100,000 Ordinary Shares @ Tk. 10 each			
12.01 Breakup of Share Capital			
Navana CNG Limited 99,995 shares of tk. 10 each		999,950	999,950
Mr. Shafiul Islam 1 share of tk. 10 each		10	10
Mrs. Khaleda Islam 1 share of tk. 10 each		10	10
Mr. Saiful Islam 1 share of tk. 10 each		10	10
Mr. Sajedul Islam 1 share of tk. 10 each		10	10
Mrs. Farhana Islam 1 share of tk. 10 each		10	10
		1,000,000	1,000,000
13.00 Retained earnings			
Opening balance		(63,435)	(6,095)
Add: Net profit/ (Loss) for the year		(67,073,275)	(57,340)
Closing balance		(67,136,710)	(63,435)
14.00 Long Term Loan - Net of current portion			
City Bank Limited, Gulshan Br.		2,853,692,623	-
Shahjalal Islami Bank Limited		713,086,786	-
Due to Director	14.01	5,000	5,000
		3,566,784,409	5,000
Less: Long term loan- current portion		454,800,263	-
Long term loan-net of current portion		3,111,984,146	5,000
14.01 Due to Director (Mr.Shafiul Islam, chairman)			
Opening Balance		5,000	5,000
Add: during the year		-	-
		5,000	5,000
This represents un-secured and Interest free loan from Mr.Shafiul Islam, chairman.			
15.00 Short-term loan			
City Bank Limited, Gulshan Br.		165,492,992	-
Shahjalal Islami Bank Limited, Gulshan Br.		199,402,447	-
		364,895,439	-
16.00 Provision for income tax			
Opening balance		-	-
Add: provision during the year		3,399,813	-
		3,399,813	-
Less: Tax paid/adjusted during the year		-	-
Closing balance		3,399,813	-
17.00 Payables & accruals			
Liabilities for expenses		19,757,203	30,000
Sundry payables		33,176,031	-
		52,933,234	30,000

Navana LPG Limited

Notes to the Financial Statements

Amount in Taka	
June 30, 2018	June 30, 2017

18.00 Revenue (net off VAT)

Hose Clamp	292,850	-
Hose Pipe	918,400	-
LPG 12 KG	373,135,851	-
LPG 33 KG	26,196,935	-
Refill 12 KG LPG	119,399,541	-
Refill 33 KG LPG	28,674,316	-
Regulator High Pressure	1,050,642	-
Regulator Low Pressure	4,614,434	-
Stove double Burner	13,425,890	-
Stove Single Burner	8,172,901	-
Less: VAT on Traffic value (General order no.05/VAT/2018)	(9,246,318)	-
	566,635,442	-

19.00 Cost of goods sold

Raw materials Consumed	19.01	572,488,596	-
Add: Factory overhead	19.02	113,569,750	-
		686,058,346	-
Add: Opening Work in Process		-	-
		686,058,346	-
Less : Closing Work in Process		735,065	-
		685,323,281	-
Add: opening finished goods		-	-
		685,323,281	-
Less: Closing finished goods		211,947,685	-
		473,375,596	-

19.01 Raw materials

Opening stock of raw materials	57,836,423	-
Add: Purchased during the year	753,109,707	-
	810,946,130	-
Less: Closing stock of raw material	238,457,534	-
	572,488,596	-

19.02 Factory overhead

Salary & wages	11,521,622	-
Fuel & lubricant	3,346,929	-
Electricity bill	5,565,676	-
Factory repair & maintenance	2,094,869	-
Labour bill	4,748,093	-
Loading & unloading exp.	2,754,295	-
Insurance premium	3,138,626	-
Security service	1,504,933	-
Depreciation (Annexure-A)	78,883,457	-
Amortization (Annexure-B)	11,250	-
	113,569,750	-

Navana LPG Limited

Notes to the Financial Statements

20.00 Administration and selling expense

Amount in Taka		
	June 30, 2018	June 30, 2017
Salary & allowances	39,671,557	-
Audit fee	57,500	-
Bank charge	465,755	57,340
Board meeting attendance fee	60,000	-
Telephone & mobile bill	852,784	-
Conveyance	216,821	-
Office rent	668,100	-
Entertainment	565,212	-
Internet expenses	370,391	-
Transport expenses	3,050,883	-
Newspaper & periodicals	31,498	-
Repair & maintenance	506,033	-
Office maintenance	415,983	-
Medical expenses	36,115	-
Postage & stamp	219,430	-
Printing expense	703,657	-
Stationary expense	280,294	-
Registration & renewals	1,869,828	-
Fuel & lubricant	420,938	-
Travelling expense	385,809	-
Utility & service charge	522,631	-
Advertisement	350,000	-
Depreciation (Annexure-A)	19,720,864	-
Amortization (Annexure-B)	2,813	-
	71,444,896	57,340



LPG Reserve Tank

Navana LPG Limited

Notes to the Financial Statements

Amount in Taka
July 01, 2017 to June 30, 2018

21.00 Reconciliation of Cash flows from operating activities

Net profit/(loss) before interest & income tax during the year 21,814,950

Adjustments to reconcile net income to net cash provided by operating activities:

Depreciation 98,618,384

Changes in current assets and liabilities:

Advance, deposits & prepayments (24,958,091)

Tax Paid (12,727,472)

Accounts receivable -

Inventories (393,303,861)

Creditors and accrued 322,984,629

Net cash flow from operating activities

12,428,539



LPG Cylinder Filling Shed

Navana LPG Limited

Notes to the Financial Statements

Schedule of Property, plant and equipment

As at June 30, 2018

Particulars	Cost			Rate of Depreciation	Depreciation			Annexure- A Written Down Value at 30.06.18
	As at 01.07.2017	Addition during the year	As at 30.06.18		As at 01.07.2017	Charged during the year	As at 30.06.18	
Land and land development	8,367,867	104,468,997	112,836,864	0%	-	-	-	112,836,864
Building & Shed	-	692,773,038	692,773,038	10%	-	29,731,510	29,731,510	663,041,528
Plant & Machinery	-	1,090,001,460	1,090,001,460	10%	-	20,437,527	20,437,527	1,069,563,933
Cylinder	-	1,318,367,288	1,318,367,288	10%	-	44,494,896	44,494,896	1,273,872,392
Tools & equipment	2,626,375	8,875,576	11,501,951	10%	-	717,511	717,511	10,784,440
Furniture & fixtures	1,643,974	3,632,429	5,276,403	10%	-	256,722	256,722	5,019,681
Vehicles	11,553,705	43,458,862	55,012,567	10%	-	2,966,156	2,966,156	52,046,411
Total	24,191,921	3,261,577,650	3,285,769,571		-	98,604,322	98,604,322	3,187,165,249

Depreciation Charged to :

Factory Overhead	78,883,457
Administrative & selling Expenses	19,720,864
	98,604,322

Schedule of Intangible Assets

As at June 30, 2018

Particulars	Cost			Rate of Amortization	Amortization			Annexure-B Written Down Value at 30.06.2018
	As at 01.07.2017	Addition during the year	As at 30.06.2018		As at 01.07.2017	Charged dur.the year	As at 30.06.2018	
Software System	-	225,000	225,000	10%	-	14,063	14,063	210,938
Total	-	225,000	225,000		-	14,063	14,063	210,938

Amortization Charged to :

Factory Overhead	11,250
Administrative & selling Expenses	2,813
	14,063

Share Capital & other Information

Authorised Capital	: Tk. 1,500,000,000
Paid-up Capital	: Tk. 685,285,920
Class of Shares	: Ordinary share of Tk. 10 each.
Stock Exchange Listing	: Listed with Dhaka and Chittagong Stock Exchange Limited.
Dividend recommended by the Board	: 12%
Market Value per share	: Highest during the year 78.10 Lowest during the year 54.00

The Position of Ordinary Shareholders as on June 30, 2018 was as follows:

Particulars	Number of Investors	Number of Shares	% of Share Holdings
Sponsors	6	29116427	42.49%
Institutional Investors	229	14411275	21.03%
General Public	12457	25000890	36.48%
Total	12692	68528592	100.00%

The classification of shareholders by holding as on June 30, 2018 was as follows:

Particulars	Number of Investors	Number of Shares	% of Share Holdings
1 to 500	8390	1470311	2.14%
501 to 5000	3606	5598493	8.17%
5001 to 10000	313	2315982	3.38%
10001 to 20000	150	2157864	3.15%
20001 to 30000	64	1595261	2.33%
30001 to 40000	45	1601748	2.34%
40001 to 50000	25	1182054	1.72%
50001 to 100000	40	2955290	4.31%
100001 to 1000000	50	14012191	20.45%
Above 1000000	9	35639398	52.01%
Total	12692	68528592	100.00%



Navana CNG Limited

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

Proxy Form

I/We _____
of _____ being
a member of Navana CNG 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 14th Annual General Meeting of the Company to be held on 09 December 2018 at 11:00 a.m. at International Convention City Bashundhara [PUSHPOGUSCHO, Hall-02], Kuril Bishwa Road, Purbachal Express Highway, Dhaka and at any adjournment thereof.

Revenue Stamp
Taka 20.00

Name of Shareholder _____

Name of Proxy _____

No. of Shares held _____

Signature of Proxy _____

B.O. A/C No.

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Date _____

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.



Navana CNG Limited

Attendance Slip

I/We hereby record my/our presence at the 14th Annual General Meeting on 09 December 2018 at 11:00 a.m. at International Convention City Bashundhara [PUSHPOGUSCHO, Hall-02], Kuril Bishwa Road, Purbachal Express Highway, Dhaka.

Name of Proxy _____

Name of Shareholder _____

Signature of Proxy _____

No. of Shares held _____

Date _____

B.O. A/C No.

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Signature of Shareholder _____

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

সম্মানিত শেয়ারহোল্ডারবৃন্দের সদয় অবগতির জন্য জানানো যাচ্ছে যে, Bangladesh Securities and Exchange Commission এর বিধি-নিষেধ থাকায় আসন্ন বার্ষিক সাধারণ সভায় কোন প্রকার উপহার/আপ্যায়নের ব্যবস্থা থাকবে না।



Scan code with a QR code
reader-enabled device to find
out more about the company



Navana CNG Limited

FOR A CLEAN ALTERNATIVE

Registered Office :

Islam Chamber

125/A, Motijheel C/A, Dhaka, Bangladesh