



Annual Report 2011



Navana CNG Limited

FOR A CLEAN ALTERNATIVE

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Company Information

Board of Directors

Shafiul Islam	Chairman
Saiful Islam	Vice-Chairman & CEO
Khaleda Islam	Director
Sajedul Islam	Director
Farhana Islam	Director
Kazi Mostafa Alam FCA	Director
Syed Masud Hasan	Independent Director
Md. Khurshed Hossain	ICB Nominated Director

Company Secretary

Tareq Enamur Rahim

Chief Financial Officer

Asadul Islam FCA
Sr. General Manager (Finance & Accounts)

Auditors

M. M. Rahman & Co.
Chartered Accountants
PRACHI-NIKET
54, Dilkusha C/A
Dhaka

Main Bankers

Dhaka Bank Limited
Dutch Bangla Bank Limited
Shahjalal Islami Bank Limited
Standard Bank Limited
Uttara Bank Limited

Legal Advisor

Abdur Razzaque & Associates
67, Naya Paltan (4th Floor)
Dhaka, Bangladesh

Registered Office

125/A, Motijheel Commercial Area
Dhaka, Bangladesh

Notice



NAVANA CNG LIMITED

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

Notice of the 7th annual general meeting

Notice is hereby given that the 7th Annual General Meeting (AGM) of the shareholders of the Company shall be held on Thursday, 22 September 2011 at 9:30 AM at Bashundhara Convention Center-2, Baridhara, Dhaka to transact the following businesses:

Ordinary Business:

1. To consider the audited financial statements of the Company for the year ended 31 March 2011 together with auditors' and directors' reports thereon.
2. To declare dividend.
3. To elect directors.
4. To appoint auditors and fix their remuneration.
5. To transact any other business of the Company with the permission of the Chair.

Special Business:

To approve increase in the Authorized Capital of the Company from Tk.50 crore to Tk.150 crore.

Therefore, to consider and if thought fit, to pass with or without modification the following resolution, as special resolution:

"Resolved that the existing Clause V of the Memorandum of Association and Article 5 of Articles of Association be substituted by the new Clause V and Article 5 as under:

(A)

Existing Clause V of Memorandum of Association	Proposed Amendment of Clause V of Memorandum of Association
V. The authorized share capital of the Company is Tk.50,00,00,000/- (Taka Fifty crore) only divided into 5,00,00,000 (Five crore) ordinary shares of Tk. 10.00 (Taka Ten) only each with power to increase and reduce the capital and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, qualified, deferred or special rights or privileges or conditions as may be determined by or in accordance with the regulations of the Company and to carry or modify or abrogate any such rights or privileges or conditions as may for the time being be provided by the regulations of the Company and consolidate or sub-divide the shares and issue shares of higher or lower denominations.	V. The authorized share capital of the Company is Tk.150,00,00,000/- (Taka One Hundred Fifty crore) only divided into 15,00,00,000 (Fifteen crore) ordinary shares of Tk. 10.00 (Taka Ten) only each with power to increase and reduce the capital and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, qualified, deferred or special rights or privileges or conditions as may be determined by or in accordance with the regulations of the Company and to carry or modify or abrogate any such rights or privileges or conditions as may for the time being be provided by the regulations of the Company and consolidate or sub-divide the shares and issue shares of higher or lower denominations.

(B)

Existing Article 5 of Articles of Association	Proposed Amendment of Article 5 of Articles of Association
5. The authorized share capital of the Company is Tk.50,00,00,000/- (Taka Fifty crore) only divided into 5,00,00,000 (Five crore) ordinary shares of Tk. 10.00 (Taka Ten) only each with power to increase and reduce the capital and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, qualified, deferred or special rights or privileges or conditions as may be determined by or in accordance with the regulations of the Company and to carry or modify or abrogate any such rights or privileges or conditions as may for the time being be provided by the regulations of the Company and consolidate or sub-divide the shares and issue shares of higher or lower denominations.	5. The authorized share capital of the Company is Tk.150,00,00,000/- (Taka One Hundred Fifty crore) only divided into 15,00,00,000 (Fifteen crore) ordinary shares of Tk. 10.00 (Taka Ten) only each with power to increase and reduce the capital and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, qualified, deferred or special rights or privileges or conditions as may be determined by or in accordance with the regulations of the Company and to carry or modify or abrogate any such rights or privileges or conditions as may for the time being be provided by the regulations of the Company and consolidate or sub-divide the shares and issue shares of higher or lower denominations.

Further resolved that consequential amendments be made in the Memorandum and Articles of Association of the Company."

Dated: Dhaka
July 26, 2011

By order of the Board
Sd/-
(Tareq Enamur Rahim)
Company Secretary

Notes

1. 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., 7 August 2011 will be entitled to attend the AGM and receive dividend.
2. Attendance to the AGM will be on production of the Attendance Slip sent with this Notice.
3. The Proxy Form, sent with this Notice, affixed with requisite revenue stamp of Tk.10/- must be deposited at the Company's Registered Office at least 48 hours prior to the AGM.

Chairman's statement

Bismillahir Rahmanir Rahim,

Dear Shareholders,

Assalamu Alaikum.

It is my privilege to welcome you all to the 7th Annual General Meeting of Navana CNG Limited and would therefore like to take this opportunity to present before you a summarized position on the activities of the Company during the last year.

As you are aware that the use of CNG as an environmental friendly and economy fuel was supposed to be increased as per previous trend, but it did not happen so in our country during the last year due to some unfavorable situation arising out of Government decision mentioned below:

- o Price increase of CNG by 50%.
- o Reduction of re-fueling time at CNG stations to the customers.
- o Shortage of power supply due to load shedding.
- o Low gas pressure at CNG re-fueling stations.
- o Suspension on according permission for new CNG re-fueling stations.

It is worthwhile to mention here that inspite of above unfavorable situation in the CNG sector of the country; the Board of Directors has been able to achieve a marginal increase in net profit compared to last year due to efficient managerial skill and relentless efforts by the employees. Further it may be mentioned here that as per previous decision, service workshops with most modern technological facilities has already been set up and started functioning which has been reflected in the Annual Report.



Chairman's statement

I would like to mention here that your board of directors is always working to protect and increase your investment. In line with this, two fully owned subsidiary companies e.g. Navana Engineering Limited and Navana Welding Electrode Limited has been formed for securing your aforesaid interest while not hampering the existing core business of the Company. As regards Navana Engineering Limited, it has gone into commercial operation from April 2011 after completion of successful trial production. On the other hand, acquiring of required land and import of capital machinery for establishment of Navana Welding Electrode plant is under process. We hope operations of these two subsidiaries will positively contribute for increasing the net profit of the Company.

The prime raw material of the Company's business is CNG which is presently in short supply and Government is also under pressure from all quarters. Exploration of new gas fields can only improve the situation. We anticipate that if new gas reserves are not made available immediately, the sales of CNG will not increase alongwith slowdown in conversion of vehicles. Under the circumstances, your Board of Directors is working on comprehensive plans to diversify Company's business to sustain its growth in future which shall be informed to you in time.

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

I would also like to express my gratitude to the Securities and Exchange Commission, Dhaka Stock Exchange Limited, Chittagong Stock Exchange Limited, Registrar of Joint Stock Companies & Firms and Central Depository Bangladesh Limited for their whole hearted support.

Sd/-
(Shafiul Islam)
Chairman



Honorable Shareholders at the 6th AGM

চেয়ারম্যানের বিবৃতি

বিসমিল্লাহির রহমানির রাহিম,
প্রিয় শেয়ারহোল্ডারবৃন্দ,
আসসালামু আলাইকুম।

আমি আপনাদের সবাইকে নাভানা সিএনজি লিমিটেডের সপ্তম বার্ষিক সাধারণ সভায় স্বাগত জানিয়ে বিগত বছরের কোম্পানীর কার্যক্রমের উপর কিছু তথ্য উপস্থাপন করছি।

আপনারা অবগত আছেন যে, পরিবেশবান্ধব ও ব্যয়-সাশ্রয়ী জ্বালানি হিসাবে পূর্বের ধারাবাহিকতায় আমাদের দেশে সিএনজির ব্যবহার বৃদ্ধি পাওয়ার কথা থাকলেও বিগত অর্থবছরে সারাদেশে সিএনজি সেক্টরে সরকারী সিদ্ধান্তের কারণে নিম্নোক্ত প্রতিকূলতা পরিলক্ষিত হয়:

- সিএনজি গ্যাসের মূল্য ৫০% বৃদ্ধিকরণ।
- সিএনজি গ্যাস স্টেশনগুলোতে রিফুয়েলিং এর সময় সংক্ষিপ্তকরণ।
- বিদ্যুতের অপ্রতুলতা।
- সিএনজি স্টেশনে গ্যাসের চাপের সল্পতা।
- নতুন সিএনজি স্টেশন স্থাপনের অনুমতি বন্ধ রাখা।

উপরোক্ত বিরূপ পরিস্থিতি এবং সিএনজি সেক্টরের স্থাবিরতা স্বত্ত্বেও আপনাদের পরিচালনা পর্ষদের সঠিক দিকনির্দেশনা, ব্যবস্থাপকদের দক্ষতা এবং কর্মীদের ঐকান্তিক প্রচেষ্টায় কোম্পানীর করপোরবর্তী মুনাফা গত বছরের তুলনায় কিছুটা বৃদ্ধি পেয়েছে। এখানে উল্লেখ্য যে, পূর্বের সিদ্ধান্ত অনুযায়ী কনভার্সান ইউনিটের পাশাপাশি আধুনিক প্রযুক্তিসুবিধা সম্বলিত সার্ভিস ওয়ার্কশপ চালু হয়েছে যা বার্ষিক প্রতিবেদনে উল্লেখিত আছে।

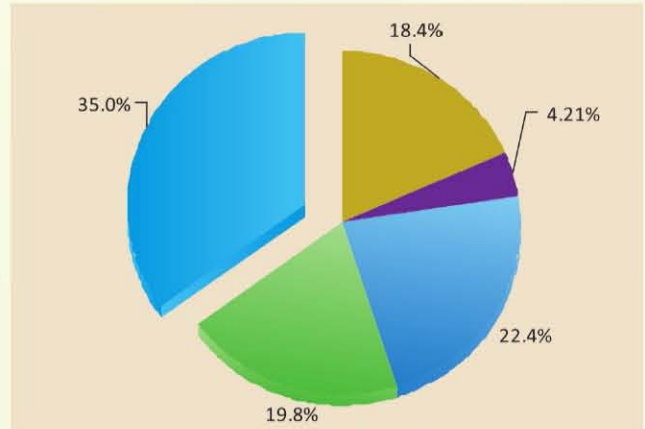
আমি উল্লেখ করতে চাই যে, আপনাদের পরিচালনা পর্ষদ শেয়ারহোল্ডারদের বিনিয়োগ সুরক্ষণ ও বৃদ্ধির লক্ষ্যে কাজ করে যাচ্ছে। এরই ধারাবাহিকতায় দুইটি Fully Owned Subsidiary Company যথা- নাভানা ইঞ্জিনিয়ারিং লিমিটেড এবং নাভানা ওয়েল্ডিং ইলেক্ট্রোড লিমিটেড-এর নিবন্ধন কার্য সম্পন্ন হয়েছে। পরীক্ষামূলক উৎপাদনে সফলতার পর নাভানা ইঞ্জিনিয়ারিং লিমিটেড এবছরের এপ্রিল মাস থেকে বানিজ্যিক কার্যক্রম শুরু করেছে। অন্যদিকে, নাভানা ওয়েল্ডিং ইলেক্ট্রোড লিমিটেডের কারখানা স্থাপনের জন্য প্রয়োজনীয় জমি অধিগ্রহণ এবং মূলধনী যন্ত্রপাতি আমদানির প্রকৃয়া চলছে। এর ফলে ভবিষ্যতে কোম্পানীর আয় আরো বৃদ্ধি পাবে বলে আশা করা যাচ্ছে।

VALUE ADDED STATEMENT

For the year ended March 31, 2010

	Amount in '000 Taka	%
Sale	1,391,713	
Bought in- Material & Service	844,215	
Value Added	547,498	
Application to National Exchequer	100,720	18.40
to Providers of Loan as Interest & Charges	23,024	4.21
to Providers Emp. Salaries Wages & other benefits	122,872	22.44
to Providers of Capital- as Dividend	108,900	19.89
Reserve & Surplus	191,982	35.07
	547,498	100.00

Value Added



চেয়ারম্যানের বিবৃতি

কোম্পানীর ব্যবসায়ের মূল কাঁচামাল সিএনজি-র সরঞ্জাম এখন প্রকট এবং এই কারণে সরকারও সকল সংশ্লিষ্ট মহলের চাপের মধ্যে আছে। ভবিষ্যতে, দেশে গ্যাসের কোন প্রাকৃতিক উৎসের সন্ধান পাওয়া না গেলে, আমাদের দেশে সিএনজি বিক্রয় আগের মত বৃদ্ধি পাবে না এবং যানবাহন সিএনজিতে রূপান্তরকরণও হ্রাস পাবে। এমতাবস্থায়, কোম্পানীর পরিচালনা পর্ষদ আপনাদের বিনিয়োগ সুরক্ষণে এবং মুনাফা বৃদ্ধির লক্ষ্যে কোম্পানীর ব্যবসাকে আরো বহুমুখীকরণের জন্য কাজ করে যাচ্ছে যা যথাযথ সময়ে আপনাদের জানানো হবে।

আমি আপনাদের আশ্বস্ত করতে চাই যে, ব্যবসায়িক উন্নয়ন ও শেয়ারহোল্ডারগণের পরিসম্পদ বৃদ্ধিতে আমাদের আন্তরিক প্রচেষ্টা ভবিষ্যতেও অব্যাহত থাকবে। আমি কোম্পানীর সকল সম্মানিত শেয়ারহোল্ডারবৃন্দ, গ্রাহক, পৃষ্ঠপোষক, শুভাকাঙ্ক্ষী এবং সকল কর্মচারী ও কর্মকর্তাবৃন্দকে তাদের অব্যাহত সমর্থনের জন্য ধন্যবাদ জানাচ্ছি, যাদের সহযোগিতা ছাড়া কোম্পানীর বর্তমান অবস্থা অর্জন করা সম্ভব হতো না।

পরিশেষে, সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন, ঢাকা স্টক এক্সচেঞ্জ লি:, চট্টগ্রাম স্টক এক্সচেঞ্জ লি:, রেজিস্টার অব জয়েন্ট স্টক কোম্পানীজ, সেন্ট্রাল ডিপোজিটরি বাংলাদেশ লিঃ এবং অন্যান্য সবাইকে তাদের সর্বাঙ্গিক সহযোগিতার জন্য আন্তরিক কৃতজ্ঞতা জ্ঞাপন করছি।

স্বাঃ/-
(শফিউল ইসলাম)
চেয়ারম্যান



Mobile CNG Re-fueling Station

Directors' report to the shareholders

Bismillahir Rahmanir Rahim
Dear Shareholders
Assalamu Alaikum,

The Board of Directors of your Company is pleased to place before you their report for the year ended 31 March 2011 containing the audited financial statements and auditors' report thereon.

REVENUE

During the year, the Company through its 10 CNG conversion centers contributed an amount of Tk.77.52 crore to the Company's turnover. On the otherhand, an amount of Tk.55.46 crore has been added to Company's turnover from sale proceeds of its 18 re-fueling stations. In addition to above, Tk.6.19 crore has been added to Company's turnover by providing services from Company's newly opened modern service workshops. Thus, the Company's total revenue stood at Tk.139.17 Crore.

Financial Result and Appropriation of Profit:

amount in '000' taka

	2011	2010
Net Profit for the year (after tax)	300,883	290,789
Add: Previous year's surplus	265,433	113,695
Profit available for appropriation	566,316	404,484
Recommended for appropriations:		
Tax holiday reserve	-	30,151
Cash Dividend @18%	78,408	36,300
Stock Dividend @14%	60,984	72,600
Un appropriated profit carried forward	426,924	265,433
Total	566,316	404,484

FORMATION OF FULLY OWNED SUBSIDIARIES

As per decision of the Board of Directors of the Company two fully owned subsidiary companies has been formed. A brief information is noted below:

Navana Engineering Limited

The objective of the Company is to produce pipes and related products. The Company has started its commercial operation from April 2011. The authorized capital of the Company is Tk.10 crore and existing paid-up capital is Tk.4.50 crore.

Navana Welding Electrode Limited

The objective of the Company is to produce welding electrode products. Acquiring of required land to set up the plant is in process. The Company plans to start its operation as soon as necessary facilities are made available. The authorized capital of the Company is Tk.50 crore and existing paid-up capital is Tk.10 crore.

Directors' report to the shareholders

DIVIDEND

The Board of Directors has recommended 14% stock and 18 % cash dividend for the shareholders for the year ended 31 March 2011 (subject to the approval in the AGM) whose names will appear in the share register of the Company and/or Depository Register of CDBL as on Record Date i.e. 7 August 2011.

DIRECTORS

In terms of Article 127 of the Articles of Association of the Company, Mr. Saiful Islam and Mr. Sajedul Islam, Directors retire by rotation from the Board in the 7th 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.

AUDIT COMMITTEE

The Audit committee consists of the following members:

Mr. Syed Masud Hasan, Independent Director	: Chairman
Mr. Sajedul Islam, Director	: Member
Mr. Kazi Mostafa Alam, Director	: Member

The scope of the Audit Committee is defined as under:

- Review and recommend the Board to approve the financial statements prepared for statutory purpose;
- Report to the Board on Internal Audit findings from time to time considering the significance of the issues;
- Carry on a supervision role to safeguard the system of governance and independence of statutory auditors; and
- Review and consider the internal report and statutory auditors' observations on internal control.

Report from the Audit Committee

The Board of Directors
Navana CNG Limited
125/A, Motijheel C/A
Dhaka-1000

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. The Committee found adequate arrangement to present a true and fair view of the financial status of the Company; and did not find any material deviation, discrepancies or any adverse finding/observation in the areas of reporting.

Sd/-
(Syed Masud Hasan)
Chairman
Audit Committee
Navana CNG Limited

Dated: 26 July 2011

Directors' report to the shareholders

APPOINTMENT OF AUDITORS

The existing auditors M/S. M.M. Rahman & Co., Chartered Accountants, have completed their audit for the year under review. Being eligible, they have offered themselves for re-appointment for the year to be ended on 31 March 2012 as auditors of the Company.

BOARD MEETINGS

In accordance with directives of the regulatory authorities, the Board supervise, study and review the activities of the Company and make businesses decisions, etc. During the year, 10 board meetings were held.

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 Securities & Exchange Commission. It has complied with all the requirements of Corporate Governance and the Directors are pleased to confirm the following:

- a) 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. These statements present fairly the Company's state of affairs, the result of its operations, cash flow and changes in equity.
- b) Proper books of accounts of the Company have been maintained.
- c) 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.
- d) The International Accounting Standards, as applicable in Bangladesh, have been followed in preparation of the financial statements.
- e) The systems of internal control are sound and have been effectively implemented and monitored.
- f) There are no significant doubts upon the Company's ability to continue as a going concern.
- g) There are no significant deviations in operating result of the business of the company compared to last year.
- h) The key operating and financial data for the last five years is annexed.

Directors' report to the shareholders

i) Pattern of Shareholding

Namewise details		No. of Shares held
i.	<u>Parent/Subsidiary/Associated Companies and other related parties</u>	
	Aftab Automobiles Limited	67,000
ii.	<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	1,18,12,789
	Mr. Saiful Islam- Vice Chairman & CEO	21,78,000
	Mrs. Khaleda Islam-Director	22,25,980
	Mr. Sajedul Islam- Director	21,62,340
	Ms. Farhana Islam- Director	43,124
	Mr. Kazi Mostafa Alam- Director	1,200
	Chief Financial Officer, Company Secretary and Head of Internal Audit and their spouse and minor children :	Nil
iii)	<u>Executives</u>	Nil
iv)	<u>Shareholders holding ten percent (10 %) or more voting interest in the Company :</u>	
	Mr. Shafiul Islam	1,18,12,789

Key operating and financial data

The summarized key operating financial data of five years is annexed (Annexure :1).

Corporate Governance Compliance Report

In accordance with the requirement of the Securities and Exchange Commission, "Corporate Governance Compliance Report" is annexed (Annexure :2).

On behalf of the Board of Directors

Sd/-
(Shafiul Islam)
Chairman

26 July 2011

The Key Operating and Financial Data

Annexure-1

Financial Highlights

(Taka in million)

Particulars	2011	2010	2009	2008	2007
Turnover (net)	1,392	1368	1236	984	727
Gross profit	605	601	477	407	228
Net profit after tax	301	291	245	208	112
Net cash operating activities	8.26	10.82	13.50	-3.04	6.43

Table: Summary Balance Sheet

(Taka in million)

Particulars	2011	2010	2009	2008	2007
Authorized capital	500	500	500	200	200
Paid-up capital	436	363	300	100	51
Reserve and surplus	747	555	327.16	282.49	123.04
Shareholders' Equity	1183	918	627.16	382.49	174.04
Debentures	34	68	94.4	166	200
lease finance liabilities	61	76	102	130	-
Deferred tax liabilities	28	15	0	0	0
long term bank borrowings	0	0	74	124	46
Non-current liabilities	88	125	271	420	246
Current Liabilities	235	192	196	76	206
Fixed Assets	576	548	587	287	186
Other Non-current Assets	38	37	41	17	1
Total Non-current Assets	614	585	628	304	187
Current Assets	892	650	466	575	440
Book value per share	27.15	25.29	20.91	38.25	34.13
Earning per share	6.91	8.01	6.74	10.40	5.60
Dividend per share	32%	30%	21%	200%	N/A
Numbers of shareholders	27687	19800	10	7	7

Table: Ratios

Particulars	2011	2010	2009	2008	2007
Debt to Equity Ratio	27%	35%	74%	130%	260%
Current Ratio	3.79	3.39	2.38	7.53	2.13
Gross profit / Sales	43.44%	43.93%	38.58%	41.32%	40.94%
Operating profit / Sales	28.93%	29.31%	19.80%	21.18%	15.43%
Profit after tax / Sales	21.62%	21.27%	19.80%	21.18%	15.43%
Return on Asset	19.98%	23.56%	22.36%	23.72%	17.90%
Return on Equity	25.44%	31.70%	39.01%	54.50%	64.42%

Directors' report to the shareholders

Annexure-2

Corporate Governance Compliance Report

Status of compliance with the conditions imposed by the SEC Notification no. SEC/CMRRCD/206/158/admin/02-08 dated 20th February 2006 issued under section 2CC of the Securities and Exchange Ordinance 1969.

Condition No.	Title	Compliance Status		Explanation for Compliance with the Condition
		(Put ✓ in the appropriate column)		
		Complied	Not complied	
1.1	Board's Size	✓		
1.2 (i)	Independent Director	✓		
1.2 (ii)	Appointment of Independent Director	✓		
1.3	Chairman of the Board and CEO	✓		
1.4(a)	Directors' Report on financial statements	✓		
1.4(b)	Keeping proper Books of accounts	✓		
1.4(c)	Appropriate accounting policies have been consistently applied..... and prudent judgment.	✓		
1.4(d)	International Accounting Standards as applicable in Bangladesh, have been followed.....	✓		
1.4(e)	has been and adequately disclosed. The system of internal control is sound and monitored.	✓		
1.4(f)	There are no significant doubts.... disclosed.	✓		
1.4(g)	Significant deviations from last year..... explained.	✓		
1.4(h)	Key operating and financial data..... be summarized.	✓		
1.4(i)	If the issuer Company has not declared dividendbe given.	✓		
1.4(j)	The number of Board meeting disclosed.	✓		
1.4(k)	The pattern of shareholding.	✓		
2.1	Appointment of CFO, Head of Internal Audit and Company Secretary.....	✓		
2.2	Requirement to attend Board meetings.	✓		
3.00	Audit Committee.	✓		
3.1(i)	The Audit committee should be composed of at least 3 members.	✓		
3.1(ii)	The Board of Directors should appoint members and should include at least one Independent Director.	✓		
3.1(iii)	To fill-up the vacancy in the Audit Committee	✓		
3.2(i)	Selection of the Chairman of the Audit Committee.	✓		
3.2(ii)	Qualification of the Chairman of Audit Committee.	✓		
3.3.1(i)	Report by the Audit Committee on its activities to the Board of Directors.	✓		
3.3.1(ii) (a)	Report on conflicts of interests.	✓		
3.3.1(ii) (b)	Suspected or presumed control system.	✓		
3.3.1(ii) (c)	Suspected infringement of laws and resolutions	✓		
3.3.1(ii) (d)	Any other matter.....	✓		
3.3.2	Reporting to the authorities by the Audit Committee.	✓		

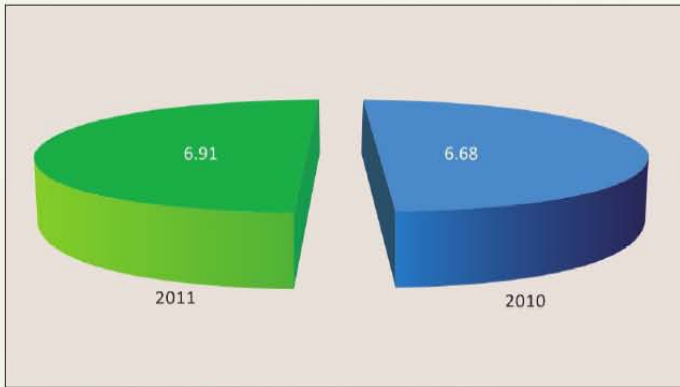
Condition No.	Title	Compliance Status		Explanation for Compliance with the Condition
		(Put ✓ in the appropriate column)		
		Complied	Not complied	
3.4	Reporting to the Shareholders and general investors.	✓		
4.00 (i)	Appraisal or valuation services or fairness opinions.	✓		
4.00 (ii)	Financial information systems design and implementation.	✓		
4.00 (iii)	Book-keeping or other services related to the accounting records or financial statements.	✓		
4.00 (iv)	Broker-dealer service.	✓		
4.00 (v)	Actuarial services.	✓		
4.00 (vi)	Internal Audit services.	✓		
4.00 (vii)	Any other service that the audit committee determines.	✓		



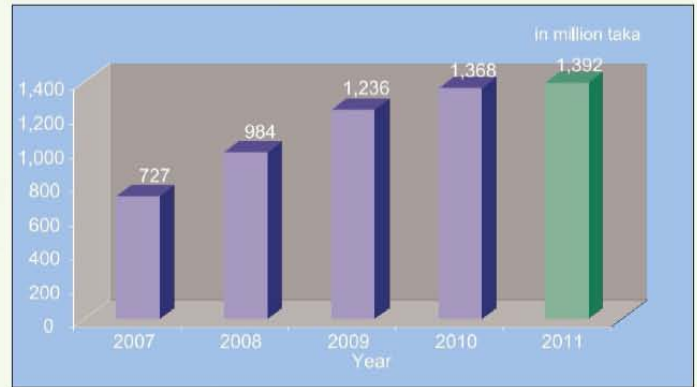
■ CNG Workshop, Chittagong

Graphical Presentation

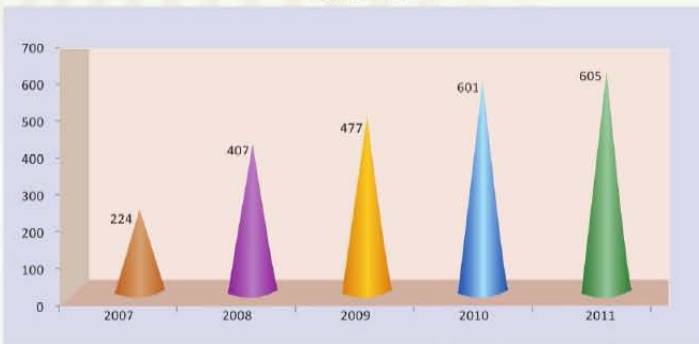
Earning Per Share



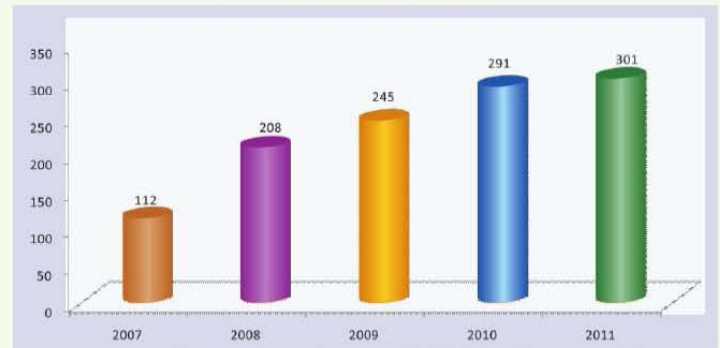
Turnover



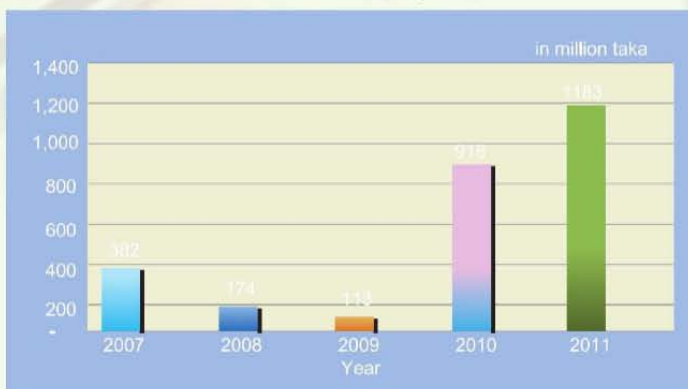
Gross Profit



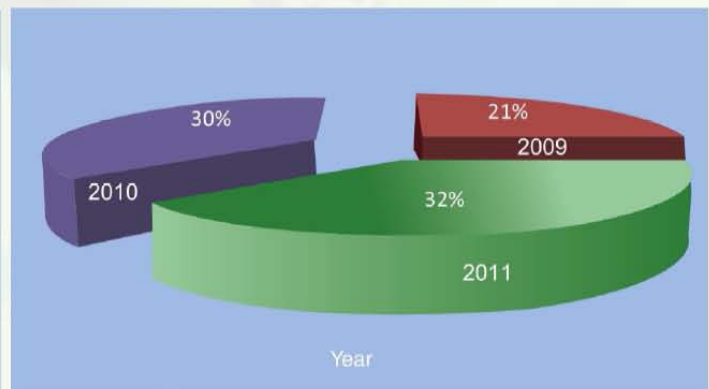
Net Profit After Tax



Shareholders Equity



Dividend (Cash & Stock)



Independent Auditors' Report To the Shareholders of Navana CNG Limited and its Subsidiaries

We have audited the accompanying financial statements of Navana CNG Limited (the Company), which comprise the statement of financial position as at March 31, 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes. We have also audited the attached financial statements of Navana CNG Limited and its subsidiaries, which comprise the consolidated statement of financial position as at March 31, 2011, and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes. The financial statements of 2 subsidiaries disclosed in note 4.00 to the financial statements, are also audited by us.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, 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 subsidiaries as of March 31, 2011, and its financial performance and its cash flows for the 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
July 26, 2011

PRACHI – NIKET
54, Dilkusha C/A,
Dhaka-1000, Bangladesh

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

M. Obaidur Rahman, FCA

Navana CNG Limited and its Subsidiaries

Consolidated and Separate Statement of Financial Position

As at 31 March 2011

	Notes	Consolidated	Separated (The Company)	
		31/3/11 BD Taka	31/3/11 BD Taka	31/3/10 BD Taka
Assets				
Non-current assets				
Property, plant & equipment, net	3.00	576,397,920	543,075,310	548,475,366
Investment in subsidiaries	4.00	-	144,999,900	-
Long-term security deposit	5.00	35,763,680	35,763,680	35,862,576
Deferred expenses	6.00	1,347,509	-	-
Investment in shares	7.00	929,431	929,431	929,431
Total non-current assets		614,438,540	724,768,321	585,267,373
Current assets				
Inventories	8.00	349,148,687	347,471,297	340,704,253
Accounts receivable	9.00	21,635,567	21,635,567	15,283,483
Inter-company receivables	10.00	-	2,309,474	-
Advances, deposits & pre-payments	11.00	116,129,699	107,069,129	70,248,698
Cash & bank balances	12.00	404,742,380	302,730,985	223,943,225
Total current assets		891,656,333	781,216,452	650,179,659
Total assets		1,506,094,873	1,505,984,773	1,235,447,032
Equity and liabilities				
Capital and reserves				
Share capital	13.00	435,600,000	435,600,000	363,000,000
Tax holiday reserve		180,618,848	180,618,848	180,618,848
Retained earnings		566,315,613	566,315,613	374,332,855
Equity attributable to the owners of Company		1,182,534,461	1,182,534,461	917,951,703
Non-controlling interest	14.00	100	-	-
Total equity		1,182,534,561	1,182,534,461	917,951,703
Non-current liabilities				
Debentures, net of current portion	15.00	-	-	34,000,000
Finance lease, net of current portion	16.00	60,857,192	60,857,192	76,071,490
Deferred tax liabilities	17.00	27,624,054	27,624,054	14,800,614
Total non-current liabilities		88,481,246	88,481,246	124,872,104
Current liabilities				
Debentures, current portion	15.00	34,000,000	34,000,000	34,000,000
Finance lease, current portion	16.00	15,214,298	15,214,298	18,167,040
Short-term loans	18.00	22,138,136	22,138,136	25,430,789
Provision for income tax		53,575,188	53,575,188	47,281,522
Payables and accruals	19.00	110,151,444	110,041,444	67,743,874
Total current liabilities		235,079,066	234,969,066	192,623,225
Total liabilities		323,560,312	323,450,312	317,495,329
Total equity and liabilities		1,506,094,873	1,505,984,773	1,235,447,032
Net assets value per share	27.00	27.15	27.15	21.07

The annexed notes from 1 to 34 and annexure form an integral part of these financial statements.

Sd/-
Chairman

Sd/-
Director

Sd/-
Chief Financial Officer

Signed in terms of our separate report of even date.

Dated : Dhaka
July 26, 2011

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

Navana CNG Limited
Statement of Comprehensive Income
 For the year ended 31 March 2011

Particulars	Notes	Year ended 31/3/11 BD Taka	Year ended 31/3/10 BD Taka
Revenues	20.00	1,391,712,665	1,368,041,514
Cost of sales	21.00	787,088,408	766,620,966
Gross profit		604,624,257	601,420,548
Administration & selling expenses	22.00	178,911,216	171,827,113
Finance costs	23.00	23,023,837	29,053,749
Operating profit		402,689,204	400,539,686
Other income	24.00	17,147,203	872,399
Profit before contribution to WPPF		419,836,407	401,412,085
Contribution to WPPF		19,992,210	19,114,861
Net Profit before tax		399,844,197	382,297,224
Income tax expense	25.00	98,961,439	91,508,188
Current tax expense		86,137,999	76,707,574
Deferred tax expense		12,823,440	14,800,614
Net Profit for the year		300,882,758	290,789,036
Earnings per share	26.00	6.91	6.68

The annexed notes from 1 to 34 and annexure form an integral part of these financial statements.

Sd/-
Chairman

Sd/-
Director

Sd/-
Chief Financial Officer

Signed in terms of our separate report of even date.

Dated : Dhaka
July 26, 2011

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

Navana CNG Limited
Statement of Changes in Equity
For the year ended 31 March 2011

	Share Capital BD Taka	Tax Holiday Reserve BD Taka	Retained Earnings BD Taka	Total BD Taka
Balance at 1 April 2009	300,000,000	150,467,082	176,695,585	627,162,667
Net profit for the year	-	-	290,789,036	290,789,036
Transfer to tax holiday reserve	-	30,151,766	(30,151,766)	-
Payment of stock dividend	63,000,000	-	(63,000,000)	-
Balance at 31 March 2010	363,000,000	180,618,848	374,332,855	917,951,703
Net profit for the year	-	-	300,882,758	300,882,758
Payment of stock dividend	72,600,000	-	(72,600,000)	-
Payment of cash dividend	-	-	(36,300,000)	(36,300,000)
Balance at 31 March 2011	435,600,000	180,618,848	566,315,613	1,182,534,461

Sd/-
Chairman

Sd/-
Director

Sd/-
Chief Financial Officer

Signed in terms of our separate report of even date.

Dated : Dhaka
July 26, 2011

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



Navana CNG Limited and its Subsidiaries

Consolidated and Separate Statement of Cash Flows

As at 31 March 2011

	Consolidated	Separated (The Company)	
	31/3/11 BD Taka	31/3/11 BD Taka	31/3/10 BD Taka
Cash flows from operating activities			
Receipts from customers	1,385,360,581	1,385,360,581	1,374,621,956
Payments to suppliers and employees	(946,390,293)	(939,734,197)	(924,242,779)
Cash generated from operations	438,970,288	445,626,384	450,379,177
Finance income received	17,147,203	17,147,203	-
Finance cost paid	(23,023,837)	(23,023,837)	(28,181,350)
Income tax paid	(79,844,333)	(79,844,333)	(29,426,052)
Net cash generated by operating activities	353,249,321	359,905,417	392,771,775
Cash flows from investing activities			
Acquisition of property, plant and equipment	(44,456,960)	(44,456,960)	(15,928,957)
Acquisition of shares of subsidiaries	(35,000,000)	(144,999,900)	-
Realization of long-term security deposits	98,896	98,896	2,867,191
Payments for deferred expenses	(1,332,509)	-	-
Net cash used in investing activities	(80,690,573)	(189,357,964)	(13,061,766)
Cash flows from financing activities			
Issue of ordinary shares	100	-	-
Redemption of debentures	(34,000,000)	(34,000,000)	(38,550,000)
Repayment of finance lease	(18,167,040)	(18,167,040)	(44,634,700)
Repayment of short-term loans	(3,292,653)	(3,292,653)	(162,333,903)
Dividend paid	(36,300,000)	(36,300,000)	-
Net cash used in financing activities	(91,759,593)	(91,759,693)	(245,518,603)
Net changes in cash and cash equivalents	180,799,155	78,787,760	134,191,406
Cash and cash equivalents at the beginning of year	223,943,225	223,943,225	89,751,819
Cash and cash equivalents at the end of year	404,742,380	302,730,985	223,943,225
Net operating cash flows per share (Note: 28.00)	8.11	8.26	9.02

 Sd/-
Chairman

 Sd/-
Director

 Sd/-
Chief Financial Officer

Signed in terms of our separate report of even date.

 Dated : Dhaka
July 26, 2011

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

Notes to the Financial Statements

For the year ended March 31, 2011

1. Corporate information

1.1 Reporting entity

Navana CNG Limited (the Company) was incorporated in Bangladesh as private company on 19 April 2004 vide registration no. C525/2(2807)/2004 and converted into a public company on 08.03.09. 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, Bangladesh.

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 private 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.

Navana Welding Electrode Limited

Navana Welding Electrode 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.

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

2.1 Corporate financial statements and reporting

This 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.

This is 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, who 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 1st April to 31st March consistently. These financial statements have been prepared for the period from 1st April 2010 to 31st March 2011.

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.

Notes to the Financial Statements

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 cash flows and consolidated notes and explanatory materials covering accounting policies. No consolidated statement of comprehensive income and consolidated statement of changes in equity were prepared for Navana Engineering Limited and Navana Welding Electrodes Limited because these two subsidiaries did not start commercial production during the period.

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 has been made for Tax holiday period and provision of Income Tax made for the rest period under review.

Notes to the Financial Statements

(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 Securities and Exchange Commission Act, 1993;

The Securities and Exchange (Public Issues) Rules, 2006;

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.



CNG Conversion Workshope, Tejgaon, Dhaka

Notes to the Financial Statements

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 it 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 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.

Notes to the Financial Statements

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:

Item	Rate of depreciation
Land and land development	Nil
Buildings & Shed	10%
Plant and machinery	10%
Other 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 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.

Notes to the Financial Statements

(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.

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.

Notes to the Financial Statements

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

As lessee

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 lessor 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.

2.22 Workers Profit Participation Fund

The Company had created a fund for workers as "Workers' Profit Participation Fund" and 5% of the profit has been transferred to this fund.

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 has 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.

In computing the basic earning per share of 2010, the total number of shares including the bonus shares has been considered as the weighted average number of shares outstanding during the year 2010 as per BAS-33 "Earnings per Share".

Diluted earnings per share

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

Notes to the Financial Statements

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.

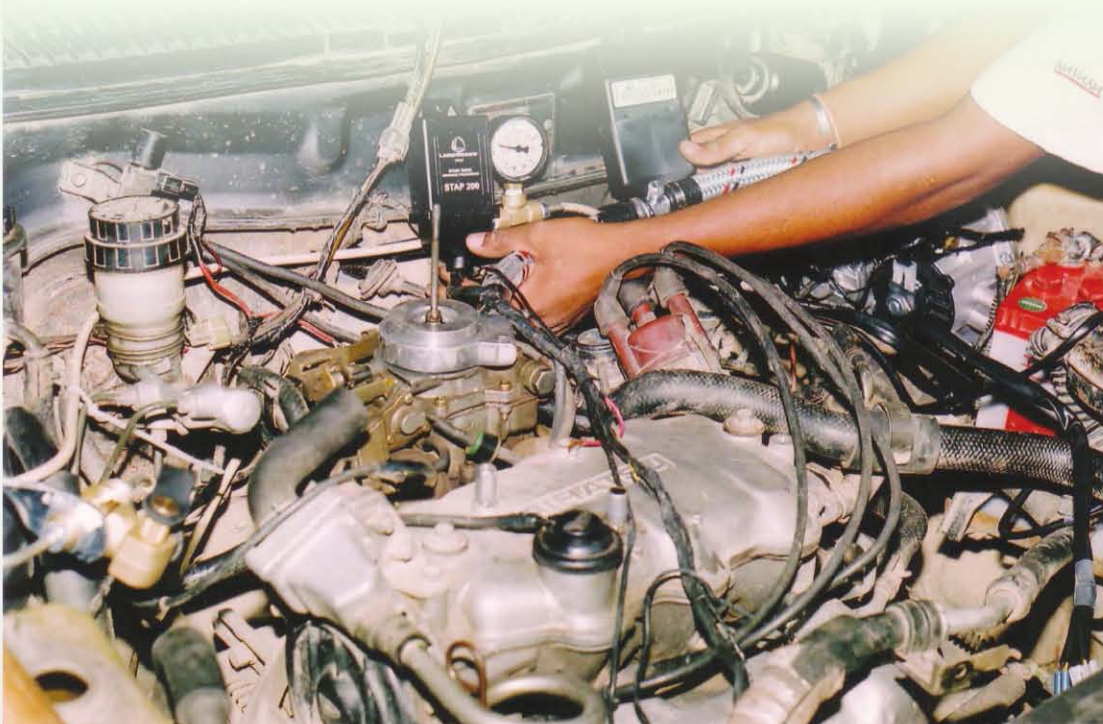
2.26 Comparative figure

Comparative information has been disclosed in respect of the year 2010 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 except for the consolidated financial statements as this was consolidation for the first time.

2.27 General

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

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



■ A view CNG conversion under process

Notes to the Financial Statements

Annexure: A

Navana CNG Limited

Schedule of property, plant & equipment

As at 31 March 2011

Particulars	Cost			Rate of Depreciation	Depreciation			Written Down Value at 31.03.11	Written Down Value at 31.03.10
	As at 01.04.2010	Addition during the period	As at 31.03.2011		As at 01.04.2010	Charged During the year	As at 31.03.2011		
Land and land development	56,176,667	38,185,500	94,362,167	0%	-	-	-	94,362,167	56,176,667
Building & Shed	79,535,966	2,517,720	82,053,686	10%	18,710,092	6,334,359	25,044,451	57,009,235	60,825,875
Plant & Machinery	489,991,178	-	489,991,178	10%	101,459,409	38,853,177	140,312,586	349,678,592	388,531,769
Tools & equipment	24,110,800	2,203,893	26,314,693	10%	4,670,844	2,164,385	6,835,229	19,479,464	19,439,956
Furniture & fixtures	10,139,871	348,292	10,488,163	10%	2,224,909	826,325	3,051,234	7,436,929	7,914,962
Vehicles	19,879,611	1,201,555	21,081,166	10%	4,293,473	1,678,769	5,972,242	15,108,924	15,586,138
Total	679,834,093	44,456,960	724,291,053		131,358,727	49,857,016	181,215,743	543,075,310	548,475,366



■ Navana CNG Re-fueling Station, Bhairab

Notes to the Financial Statements

	Consolidated	Separated (The Company)	
	31/03/11	31/03/11	31/03/10
3.00 Property, plant and equipment, net			
Cost	757,613,663	724,291,053	679,834,093
Accumulated depreciation	(181,215,743)	(181,215,743)	(131,358,727)
Carrying amount	576,397,920	543,075,310	548,475,366
Land and land development	94,362,167	94,362,167	56,176,667
Building & Shed	57,009,235	57,009,235	60,825,875
Plant & Machinery	383,001,202	349,678,592	388,531,769
Other equipment	19,479,464	19,479,464	19,439,956
Furniture & fixtures	7,436,929	7,436,929	7,914,962
Vehicles	15,108,924	15,108,924	15,586,138
	576,397,920	543,075,310	548,475,366

No depreciation has been charged to the property, plant and equipment of Navana Engineering Limited as the Company has not yet started commercial production and there was no property, plant and equipment of Navana Welding Electrode Limited.

4.00 Investment in subsidiaries

Navana Engineering Ltd.	-	44,999,950	-
Navana Welding Electrode Ltd.	-	99,999,950	-
	-	144,999,900	-

<u>Name of Subsidiary</u>	<u>Total number of shares</u>	<u>Total number of shares held</u>	<u>Ownership Interest</u>
Navana Engineering Limited	4,500,000	4,499,995	99.99%
Navana Welding Electrode Limited	10,000,000	9,999,995	99.99%
	14,500,000	14,499,990	99.99%

The Company has acquired 3,500,000 ordinary shares of Tk. 10 each of Navana Engineering Limited other than for cash consideration.

5.00 Long-term security deposit

PDBF	316,081	316,081	445,081
Titas Gas T&D Co. Ltd.	30,880,441	30,880,441	30,662,337
Pashchimanchal Gas Co.	2,650,741	2,650,741	2,650,741
DESCO	90,000	90,000	90,000
DESA	270,000	270,000	120,000
Jalalabad Gas Co. Ltd	1,299,297	1,299,297	1,299,297
UCEP	-	-	338,000
Dhaka PBS 1	257,120	257,120	257,120
	35,763,680	35,763,680	35,862,576

Notes to the Financial Statements

	Consolidated	Separated (The Company)	
	31/03/11	31/03/11	31/03/10
6.00 Deferred expenses			
Preliminary Expenses	90,000	-	-
Unallocated revenue expenditure	1,257,509	-	-
	1,347,509	-	-
7.00 Investment in shares			
This consists of securities of the following companies (at cost):			
Lafarge Surma Cement Ltd.	468,071	468,071	468,071
Aftab Automobiles Ltd.	461,360	461,360	461,360
	929,431	929,431	929,431
	Face value per share	Number of shares held	Market value as on 31-03-11
Lafarge Surma Cement Ltd.	100	1,050	452,288
Aftab Automobiles Ltd.	10	44,694	13,162,383
	-	45,744	13,614,671
8.00 Inventories			
Stock & Stores	347,267,565	345,590,175	331,158,124
Stock in transit	1,881,122	1,881,122	9,546,129
	349,148,687	347,471,297	340,704,253
9.00 Account receivables			
Receivables comprise following:			
Tejgaon CNG Conversion Center	6,899,533	6,899,533	3,788,259
Kallyanpur CNG Conversion Center	1,327,285	1,327,285	1,762,586
Dipnagar Diesel Conversion Center	2,790,983	2,790,983	1,465,324
Chittagong CNG Conversion Center	2,843,284	2,843,284	1,726,581
Sylhet CNG Conversion Center	528,378	528,378	172,685
Cylinder Testing Unit	532,219	532,219	526,825
Engendering Workshop	477,653	477,653	125,635
Kalurghst CNG Conversion Center	545,896	545,896	95,835
Station Office, Dhaka	501,200	501,200	102,632
Uttara CNG Conversion Center	947,746	947,746	912,477
Bogra CNG Conversion Center	476,742	476,742	263,266
Palton CNG Conversion Center	1,150,823	1,150,823	1,642,478
Auto repair & services	806,635	806,635	-
Denso CNG Station	102,354	102,354	125,489
Binimoy CNG Station	354,284	354,284	135,642
Sylhet CNG Station	265,842	265,842	126,354
Baipail CNG Station	263,548	263,548	322,654
Bogra CNG Station	103,264	103,264	241,063
Leguna CNG Station	25,364	25,364	169,850
Sitakundu CNG Station	103,624	103,624	415,888
S.H. Khan CNG Station	145,021	145,021	199,659
Kwality CNG Station	12,036	12,036	77,854
Abdullah CNG Station	44,589	44,589	102,655
BOC CNG Station	-	-	100,228
Mother Daughter CNG Station	-	-	124,253
Bhoirab CNG Station	102,354	102,354	102,444
Elena Station CNG Station	26,365	26,365	96,225
United CNG Station	33,254	33,254	99,369
Jogajog CNG Station	125,426	125,426	100,589
Sonarbangla CNG Station	99,865	99,865	158,684
	21,635,567	21,635,567	15,283,483

Notes to the Financial Statements

	Consolidated	Separated (The Company)	
	31/03/11	31/03/11	31/03/10
10.00 Inter-company receivables			
Navana Engineering Limited	-	1,473,065	-
Navana Welding Electrode Limited	-	836,409	-
	-	2,309,474	-
11.00 Advances, deposits & prepayments			
Advance against leasehold land	68,548,521	68,548,521	30,770,456
Advance against local procurement	35,648,569	35,648,569	5,062,446
Bank guarantee margin	2,872,039	2,872,039	13,485,847
Advance to others	9,060,570	-	20,929,949
	116,129,699	107,069,129	70,248,698
12.00 Cash & bank balances			
Cash in hand	21,387,380	19,375,985	5,998,493
Cash at bank	383,355,000	283,355,000	217,944,732
	404,742,380	302,730,985	223,943,225
The bank balance consists of:			
AB Bank Ltd.	2,828,370	2,828,370	1,761,432
Bank Alfalah Ltd.	13,763	13,763	14,913
Bank Asia Ltd.	397,688	397,688	132,490
Brac Bank Ltd.	1,160,341	1,160,341	106,156
Dhaka Bank Ltd.	2,695,884	2,695,884	162,797,293
Dutch Bangla Bank Ltd.	15,462,635	15,462,635	14,189,165
IFIC Bank Ltd.	71,740	71,740	12,758
Jamuna Bank Ltd.	155,635	155,635	160,775
Mercantile Bank Ltd.	60,000,000	60,000,000	-
Mutual Trust Bank Ltd.	10,074,259	10,074,259	10,505,348
National Bank Ltd.	1,840,418	1,840,418	3,217,148
NCC Bank Ltd.	40,495,139	40,495,139	96,246
One Bank Ltd.	53,169,698	53,169,698	-
Prime Bank Ltd.	3,107,409	3,107,409	2,249,029
Pubali Bank Ltd.	1,803,733	1,803,733	1,798,506
Rupali Bank Ltd.	9,796,127	9,796,127	2,062,244
Shahjalal Islami Bank Ltd.	7,206,838	7,206,838	2,506,627
Social Investment Bank Ltd.	47,835	47,835	49,253
Southeast Bank Ltd.	1,584,189	1,584,189	409,716
Standard Bank Ltd.	165,794,906	65,794,906	67,366
Standard Chartered Bank	1,831,898	1,831,898	3,941,406
Uttara Bank Ltd.	3,816,495	3,816,495	11,866,861
	383,355,000	283,355,000	217,944,732
The fixed deposit amount was kept in the following banks:			
One Bank Ltd.	53,169,698	53,169,698	-
Standard Bank Ltd.	163,441,800	63,441,800	-
NCC Bank Ltd.	40,000,000	40,000,000	-
Mercantile Bank Ltd.	60,000,000	60,000,000	-
	316,611,498	216,611,498	-

Notes to the Financial Statements

Separated (The Company)

		31/03/11	31/03/10
13.00 Share capital			
Authorized capital:			
(50,000,000 Ordinary Shares @ Tk. 10 each)		500,000,000	500,000,000
Issued, Subscribed and Paid-up Capital:			
(43,560,000 Ordinary Shares @ Tk. 10 each)		435,600,000	363,000,000
	Number of Shares	Share Capital	Share Capital
	Quantity	BD Taka	BD Taka
Balance at beginning of year	36,300,000	363,000,000	51,000,000
Issue of bonus shares	7,260,000	72,600,000	312,000,000
Balance at end of year	43,560,000	435,600,000	363,000,000

Shareholding position:

Class of shareholders	Number of Investors	Number of Shares hold	Shares Holding %	Shares Holding %
Sponsors	9	18,512,998	42.50%	50.00%
General public	27,250	16,374,012	37.59%	44.50%
Institutional investors	428	8,672,990	19.91%	5.50%
Total	27,687	43,560,000	100.00%	100.00%

Classification of shareholders:

Particulars	Number of Investors	Number of Shares	% of Shares Holding	% of Shares Holding
Less than 500	21,718	4,412,974	10.13%	7.65%
501 to 5000	5,580	7,474,320	17.16%	14.33%
5001 to 10000	197	1,441,338	3.31%	3.40%
10001 to 20000	91	1,282,820	2.94%	2.86%
20001 to 30000	26	623,160	1.43%	1.77%
30001 to 40000	12	431,320	0.99%	0.99%
40001 to 50000	12	532,689	1.22%	1.25%
50001 to 100000	18	1,368,950	3.14%	3.57%
100001 to 1000000	29	7,613,320	17.48%	5.64%
1000000 above	4	18,379,109	42.19%	58.54%
Total	27,687	43,560,000	100.00%	100.00%

	Consolidated	Separated (The Company)	
	31/03/11	31/03/11	31/03/10
14.00 Non-controlling interest			
Balance at beginning of year	-	-	-
Share of profit for the year	-	-	-
Non controlling interests arising on the acquisition of Navana Engineering Limited	50	-	-
Non controlling interests arising on the acquisition of Navana Welding Electrode Limited	50	-	-
Balance at end of year	100	-	-

Notes to the Financial Statements

	Consolidated	Separated (The Company)	
	31/03/11	31/03/11	31/03/10
15.00 Debentures			
This is arrived as follows:			
Opening balance	68,000,000	68,000,000	94,395,000
Interest charged during the year	6,460,000	6,460,000	12,155,000
	74,460,000	74,460,000	106,550,000
Repayment during the year	40,460,000	40,460,000	38,550,000
Closing balance	34,000,000	34,000,000	68,000,000
Non-current portion of Debenture	-	-	34,000,000
Current portion of Debenture	34,000,000	34,000,000	34,000,000
	34,000,000	34,000,000	68,000,000
16.00 Finance lease			
This is arrived as follows:			
Opening balance	94,238,530	94,238,530	102,285,470
Interest charged during the year	11,936,282	11,936,282	15,105,420
	106,174,812	106,174,812	117,390,890
Repayment during the year	30,103,322	30,103,322	23,152,360
Closing balance	76,071,490	76,071,490	94,238,530
Non-current portion of finance lease	60,857,192	60,857,192	76,071,490
Current portion of finance lease	15,214,298	15,214,298	18,167,040
	76,071,490	76,071,490	94,238,530
17.00 Deferred tax liabilities			
Taxable temporary difference	46,630,691	46,630,691	53,820,415
Tax rate	27.50%	27.50%	27.50%
Provision for deferred tax expenses	12,823,440	12,823,440	14,800,614
Opening balance	14,800,614	14,800,614	-
Closing balance	27,624,054	27,624,054	14,800,614
18.00 Short-term loans			
This consists of as follows			
Shahjalal Islami Bank Ltd. (Note: 18.01)	8,360,287	8,360,287	-
Standard Bank Ltd. (Note: 18.02)	13,777,849	13,777,849	25,430,789
	22,138,136	22,138,136	25,430,789

Notes to the Financial Statements

18.01 Shahjalal Islami Bank Ltd.

The Company is enjoying following facilities from Shahjalal Islami Bank Ltd. Gulshan, Dhaka branch under the following terms and conditions

Facilities: Loan against trust receipt

Purpose: to open letters of credit and subsequent retirement through Shahjalal Islami Bank Ltd.

Tenor: 120 days

Repayment: On maturity each trust receipt outstanding will be adjusted by debiting company's bank account and quarterly interest will be charged into the same account.

18.02 Standard Bank Ltd.

The company is enjoying following facilities from Standard Bank Ltd. Principal branch, Dhaka under the following terms and conditions

Facilities: Loan against trust receipt

Purpose: to open letters of credit and subsequent retirement through Standard Bank Ltd.

Tenor: 120 days

Repayment: On maturity each trust receipt outstanding will be adjusted by debiting company's bank account and quarterly interest will be charged into the same account.

		Consolidated		Separated (The Company)	
		31/03/11	31/03/11	31/03/10	
19.00	Payables and accruals				
	Account payables	16,498,502	16,498,502	6,979,923	
	Provisions & accruals	45,971,713	45,861,713	36,514,804	
	Workers profit participation fund	32,416,870	32,416,870	19,114,861	
	Sundry payables	15,264,359	15,264,359	5,134,286	
		110,151,444	110,041,444	67,743,874	
20.00	Revenues				
	CNG conversion		775,192,339	827,255,144	
	CNG sales		554,575,650	540,786,370	
	Service revenue		61,944,676	-	
			1,391,712,665	1,368,041,514	
21.00	Cost of sales				
	Cost of CNG conversion (Note: 21.01)		418,492,463	393,169,948	
	Cost of CNG sales (Note: 21.02)		368,595,945	373,451,018	
			787,088,408	766,620,966	

Notes to the Financial Statements

Separated (The Company)

	31/03/11	31/03/10
21.01 Cost of CNG conversion		
Opening balance of conversion materials	331,158,124	282,647,384
Purchase during the year	432,924,514	441,680,688
Available for consumption	764,082,638	724,328,072
Closing balance of conversion materials	345,590,175	331,158,124
Conversion materials consumed	418,492,463	393,169,948
21.02 Cost of CNG sales		
Gas	303,579,455	307,893,555
Electricity	37,043,790	35,987,619
Land rent	27,972,700	29,569,844
	368,595,945	373,451,018
22.00 Administration & selling expenses		
Salary & allowances	89,880,187	84,110,862
Overtime allowance	7,025,418	5,284,967
Vehicle maintenance	180,254	112,387
Electricity bill	1,258,474	1,116,108
Rental expense	4,540,254	4,440,284
Telephone & mobile expense	2,254,898	1,941,910
Conveyance	1,605,824	1,469,070
Electrical expense	1,125,423	852,845
Entertainment	1,125,625	823,524
Labor charge	1,126,324	962,548
Board meeting attendance fee	26,250	22,500
Medical expense	105,241	112,052
Carrying charge	2,425,140	1,940,112
Mineral water	914,366	863,522
Annual general meeting expenses	1,228,968	-
Miscellaneous expense	313,244	735,333
Newspaper & periodicals	222,411	219,345
Office maintenance	135,242	124,121
Audit fees	50,000	95,000
Oil & lubricants	2,041,258	1,781,134
Photocopy expense	563,242	422,447
Postage & stamp	1,125,847	836,365
Uniform & liveries	1,479,106	347,245
Printing expense	3,461,308	2,769,046
Stationary expense	758,965	425,363
Gratuity expense	2,400,000	2,250,000
Registration & renewals	555,242	609,010
Travelling expense	1,125,689	917,893
Amortization	-	1,542,264
Depreciation	49,857,016	54,699,856
	178,911,216	171,827,113

Notes to the Financial Statements

Separated (The Company)

	31/03/11	31/03/10
23.00 Finance costs		
Interest on debentures	6,460,000	12,155,000
Interest on lease finance	11,936,282	15,105,420
Interest on short-term loans	4,627,555	1,793,329
	23,023,837	29,053,749
24.00 Other income		
Interest income on FDR	14,796,998	-
Interest income on STD Account	2,350,205	-
Other income	-	872,399
	17,147,203	872,399
25.00 Income tax expense		
Current tax	86,137,999	76,707,574
Deferred tax	12,823,440	14,800,614
	98,961,439	91,508,188
Current tax:		
Tax deducted at source	10,562,811	5,838,813
Tax paid in advance	22,000,000	23,587,239
Tax provision	53,575,188	47,281,522
	86,137,999	76,707,574
26.00 Earnings per share (EPS)		
Profit attributable to ordinary shareholders	300,882,758	290,789,036
Number of ordinary shares used to compute EPS	43,560,000	43,560,000
	6.91	6.68
27.00 Net assets value per share (NAV)		
Net assets	1,182,534,461	917,951,703
Number of ordinary shares used to compute NAV	43,560,000	43,560,000
	27.15	21.07
28.00 Net operating cash flows per share (NOCFPS)		
Net operating cash flows	359,905,417	392,771,775
Number of ordinary shares used to compute NOCFPS	43,560,000	43,560,000
	8.26	9.02
28.01 Consolidated net operating cash flows per share (NOCFPS)		
Net operating cash flows	353,249,321	-
Number of ordinary shares used to compute NOCFPS	43,560,000	-
	8.11	-

Notes to the Financial Statements

29.00 Related party disclosures

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 provision with the provisions of BAS 24: Related Party Disclosure.

Name of related party	Relationship	Nature of Transactions	Transaction	Outstanding
			Value	Receivable/ (Payable)
			BD Taka	BD Taka
Navana Engineering Limited	Subsidiary	working capital	1,473,065	1,473,065
Navana Welding Electrode Ltd	Subsidiary	working capital	836,409	836,409

30.00 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:

Board meeting attendance fee	26,250
Managerial remuneration	1,481,700
Managerial Benefits:	
Gratuity	443,579
Bonus	246,950
Perquisites	2,151,681
Company's contribution to provident fund	148,170
	4,498,331

- 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 is Tk. 750/- per director per meeting. The total board meeting attendance fee incurred during the year under review was Tk. 26,250/- and
- iii) no amount of money was spent by the Company for compensating any member of the board for special services rendered.

31.00 Amount due by directors

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

32.00 Claims against the company

There is no known claim against the Company

33.00 Employee position of the Company

The number of employees drawing Tk. 3,000 or more per month was 842 (2010:762) during the year

Notes to the Financial Statements

34.00 Events after the reporting date

The board of directors of the Company in their meeting held on July 26, 2011, proposed 14% stock dividend and 18% cash dividend for the shareholders whose name will be appeared in the shareholders' registers at the date of book closure which is subject to the shareholders' approval at the forthcoming annual general meeting.

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

Sd/-
Chairman

Sd/-
Director

Sd/-
Chief Financial Officer

Signed in terms of our separate report of even date.

Dated : Dhaka
July 26, 2011

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



Navana CNG Re-fueling Station, Dampara, Chittagong

Navana Engineering Limited Directors' report to the shareholders'

For the year ended 31 March 2011

Navana Engineering Limited is a private 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.

1. Operations

As the Company has not commenced commercial production, no Income Statement has been prepared.

2. Shareholding

The Company has issued 4,499,995 shares of Tk. 10 each to Navana CNG Limited. In addition 5 shares of Tk.10 each have been issued to the individual shareholders as follows:

Mr. Shafiul Islam	1 share
Mrs. Khaleda Islam	1 share
Mr. Saiful Islam	1 share
Mr. Sajedul Islam	1 share
Ms. Farhana Islam	1 share
Total	5 shares

On the basis of the above shareholdings, Navana Engineering Ltd has the status of subsidiary to Navana CNG Limited.

3. Financial position

The total investment made by the Company up to 31 March, 2011 as detailed below:

Assets	Amount in	Tk
Property, plant & equipment		33,322,610
Deferred expenses		545,120
Inventories		1,677,390
Advances, deposits & pre-payments		9,060,570
Cash & bank balances		1,962,375
Total		46,568,065

The above investments have been financed as follows:

Paid-up Capital	45,000,000
Current Liabilities	1,568,065
Total	46,568,065

4. Accounting year

The Company's accounting year ended on 31 March, 2011. As the company did not commence production during the year ended 31 March, 2011, no Income Statement and Statement of Changes in Equity have been prepared.

5. Board of Directors

The Board of Directors as included in the Articles of Association continues to serve and no vacancy has yet been created therein.

6. Appointment of Auditors

The present auditors M/S M. M. Rahman & Co. Chartered Accountants retire at this AGM. Being eligible they have offered themselves to continue for 2011-2012 and sought re-appointment by shareholders.

On behalf of the Board

Sd/-
Director

Sd/-
Director

Dated : Dhaka
July 26, 2011

Independent Auditors' Report To the shareholders of Navana Engineering Limited

We have audited the accompanying statement of financial position of Navana Engineering Limited as at March 31, 2011, and the related statement of cash flows for the year then ended. The preparation of these financial statements is the responsibility of the Company's management. Our responsibility is to express an independent opinion on these financial statements based on our audit.

Basis of opinion

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

Opinion

In our opinion, the financial statements prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the Company's affairs as of March 31, 2011, and its cash flows for the year then ended and comply with the applicable sections of the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations.

We also report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by the law have been kept by the Company so far as it appeared from our examination of those books;
- c) the Company's financial position 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
July 26, 2011

PRACHI – NIKET
54, Dilkusha C/A,
Dhaka-1000, Bangladesh

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

M. Obaidur Rahman, FCA

Navana Engineering Limited

Statement of Financial Position

As at 31 March 2011

	31/03/10
	BD Taka
Property & Assets	
Property, plant and equipment at cost	33,322,610
Preliminary Expenses	45,000
Deferred revenue expenses	500,120
Inventories	1,677,390
Advances, deposits & prepayments	9,060,570
Cash & Bank Balances	1,962,375
Total property & assets	46,568,065
Equity and liabilities	
Authorized Capital:	
10,000,000 Ordinary Shares @ Tk. 10 each	100,000,000
Issued, Subscribed and Paid-up Capital	45,000,000
Payables to Navana CNG Ltd.	1,473,065
Accrued expenses	95,000
Total equity & liabilities	46,568,065

Sd/-
Director

Sd/-
Director

Signed in terms of our separate report of even date.

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

Dated : Dhaka
July 26, 2011

1. The Company was incorporated on August 11, 2010 vide registration No. C-86362/10
2. The Company has issued 3,500,000 ordinary shares of Tk. 10 each to Navana CNG Limited other than for cash consideration.
3. The Company has not started its commercial operation till March 31, 2011 as such all expenses has been shown in deferred revenue expenses.
4. Figures have been rounded off to the nearest Taka

■ A view of Navana Engineering Limited plant



Navana Engineering Limited

Statement of Cash Flows

For the year ended 31 March 2011

	Year ended 31/03/10
	BD Taka
Cash flows from operating activities	
Receipts from Navana CNG Limited	1,473,065
Payments for costs & expenses	(8,965,570)
Net cash outflows by operating activities	(7,492,505)
Cash flows from investing activities	
Payments for property, plant and equipment	-
Payments for deferred expenses	(545,120)
Net cash used in investing activities	(545,120)
Cash flows from financing activities	
Issue of share capital	10,000,000
Net cash inflows from financing activities	10,000,000
Net changes in cash and cash equivalents	1,962,375
Cash and cash equivalents at the beginning of year	-
Cash and cash equivalents at the end of year	1,962,375

Sd/-
Director

Sd/-
Director

Signed in terms of our separate report of even date.

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

Dated : Dhaka
July 26, 2011



Coil of HDPE

Navana Welding Electrode Limited Directors' report to the shareholders'

For the year ended 31 March 2011

Navana Welding Electrode 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.

1. Operations

As the Company has not commenced commercial production, no Income Statement has been prepared.

2. Shareholding

The Company has issued 99,99,995 shares of Tk. 10 each to Navana CNG Limited. In addition 5 shares of Tk.10 each have been issued to the individual shareholders as follows:

Mr. Shafiul Islam	1 share
Mrs. Khaleda Islam	1 share
Mr. Saiful Islam	1 share
Mr. Sajedul Islam	1 share
Ms. Farhana Islam	1 share
Total	5 shares

On the basis of the above shareholdings, Navana Welding Electrode Ltd has the status of subsidiary to Navana CNG Limited.

3. Financial position

The total investment made by the Company up to 31 March, 2011 as detailed below:

Assets	Amount in Tk
Deferred expense	802,389
Cash & bank balances	100,049,020
Total	100,851,409

The above investments have been financed as follows:

Paid-up Capital	100,000,000
Current Liabilities	851,409
Total	100,851,409

4. Accounting year

The Company's accounting year ended on 31 March, 2011. As the Company did not commence production during the year ended 31 March, 2011, no Income Statement and Statement of Changes in Equity have been prepared.

5. Board of Directors

The Board of Directors as included in the Articles of Association continues to serve and no vacancy has yet been created therein.

6. Appointment of Auditors

The present auditors M/S M. M. Rahman & Co. Chartered Accountants retire at this AGM. Being eligible they have offered themselves to continue for 2011-2012 and sought re-appointment by shareholders.

On behalf of the Board

Sd/-
Director

Sd/-
Director

Dated : Dhaka
July 26, 2011

**Independent Auditors' Report
To the shareholders of
Navana Welding Electrode Limited**

We have audited the accompanying statement of financial position of Navana Welding Electrode Limited as at March 31, 2011, and the related statement of cash flows for the year then ended. The preparation of these financial statements is the responsibility of the Company's management. Our responsibility is to express an independent opinion on these financial statements based on our audit.

Basis of opinion

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

Opinion

In our opinion, the financial statements prepared in accordance with Bangladesh Financial Reporting Standards (BFRS), give a true and fair view of the Company's affairs as of March 31, 2011, and its cash flows for the year then ended and comply with the applicable sections of the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations.

We also report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by the law have been kept by the Company so far as it appeared from our examination of those books;
- c) the Company's financial position 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
July 26, 2011

PRACHI – NIKET
54, Dilkusha C/A,
Dhaka-1000, Bangladesh

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

M. Obaidur Rahman, FCA

Navana Welding Electrode Limited

Statement of Financial Position

As at 31 March 2011

	31/03/10
	BD Taka
Property & Assets	
Preliminary Expenses	45,000
Deferred revenue expenditure	757,389
Cash & Bank Balances	100,049,020
Total property & Assets	100,851,409
Equity & liabilities	
Authorized Capital:	
50,000,000 Ordinary Shares @ Tk. 10 each	500,000,000
Issued, Subscribed and Paid-up Capital	100,000,000
Payables to Navana CNG Ltd.	836,409
Accrued expenses	15,000
Total equity & liabilities	100,851,409

Sd/-
Director

Sd/-
Director

Signed in terms of our separate report of even date.

Dated : Dhaka
July 26, 2011

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

1. The Company was incorporated on February 14, 2011 vide registration No. Cv90478/11
2. The Company has not started its commercial operation till March 31, 2011 as such all expenses has been shown in deferred revenue expenses.
3. Figures have been rounded off to the nearest Taka

Navana Welding Electrode Limited

Statement of Cash Flows

For the year ended 31 March 2011

	Year ended 31/03/10
	BD Taka
Cash flows from operating activities	
Receipts from Navana CNG Limited	836,409
Payments for costs & expenses	-
Net cash generated by operating activities	836,409
Cash flows from investing activities	
Payments for deferred expenses	(787,389)
Net cash used in investing activities	(787,389)
Cash flows from financing activities	
Issue of share capital	100,000,000
Net cash inflows from financing activities	100,000,000
Net changes in cash and cash equivalents	100,049,020
Cash and cash equivalents at the beginning of year	-
Cash and cash equivalents at the end of year	100,049,020

Sd/-
Director

Signed in terms of our separate report of even date.

Dated : Dhaka
July 26, 2011

Sd/-
Director

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



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 7th Annual General Meeting of the Company to be held on the 22 September 2011 at 9:30 a.m. at Bashundhara Conventiona Center-2, Block # C, Umme Kulsum Road, Bashundhara R/A, Baridhara, Dhaka and at any adjournment thereof.



Name of Shareholder _____

Name of Proxy _____

No. of Shares held _____

Folio No. _____

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 7th Annual General Meeting held on 22 September 2011 at 9:30 a.m. at Bashundhara Convention Center-2, Block # C, Umme Kulsum Road, Bashundhara R/A, Baridhara, Dhaka.

Name of Shareholder _____

Name of Proxy _____

No. of Shares held _____

Folio No. _____

Signature of Proxy

B.O. A/C No.

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

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

Date _____

Signature of Shareholder _____

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

Navana CNG Limited

Registered Office :

Islam Chamber (4th Floor)
125/A, Motijheel C/A, Dhaka, Bangladesh