



# Annual Report 2013



**Navana CNG Limited**

**FOR A CLEAN ALTERNATIVE**

# Contents

Company Information .....	02
AGM Notice .....	03
Chairman's Statement (English) .....	04-05
Chairman's Statement (Bangla) .....	06-07
Directors' Report .....	08-23
Graphical Presentation .....	24
Certificate on Compliance of Corporate Governance Guidelines .....	25
Independent Auditors' Report .....	26
Financial Statements (Navana CNG Limited and its Subsidiaries) .....	27-30
Financial Statements (Navana CNG Limited) .....	31-34
Notes to the Financial Statements (Navana CNG Limited and its Subsidiaries) .....	35-57
Auditors' Report (Navana Engineering Limited) .....	58
Financial Statements (Navana Engineering Limited) .....	59-62
Notes to the Financial Statements (Navana Engineering Limited) .....	63-68
Auditors' Report (Navana Welding Electrode Limited) .....	69
Financial Statements (Navana Welding Electrode Limited) .....	70-73
Notes to the Financial Statements (Navana Welding Electrode Limited) .....	74-79

# Company Information

## Board of Directors

Shafiul Islam	Chairman
Saiful Islam	Director & CEO
Khaleda Islam	Director
Sajedul Islam	Director
Farhana Islam	Director
Syed Masud Hasan	Independent Director
Ekramul Haq	Independent Director
Md. Abdur Rouf	ICB Nominated Director

## Company Secretary

Tareq Enamur Rahim

## Chief Financial Officer

Kazi Ehsanul Huq FCA

## Head of Internal Audit

Muhammad Abidur Rahman ACA

## Audit Committee

Syed Masud Hasan	- Chairman
Sajedul Islam	- Member
Ekramul Haq <small>FCA</small>	- Member

## Main Bankers

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

## Registered Office

125/A, Motijheel Commercial Area  
 Dhaka, Bangladesh

## Auditors

M/S. Rahman Mostafa Alam & Co.  
 Chartered Accountants  
 Paramount Heights (7th Floor - D2)  
 65/2/1, Box-culvert Road  
 Purana Paltan, Dhaka.

## Legal Advisor

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



## NAVANA CNG LIMITED

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

### Notice of the 9th annual general meeting

Notice is hereby given that the 9th Annual General Meeting (AGM) of the shareholders of the Company shall be held on Thursday, 26 September 2013 at 9:30 AM at Bashundhara Convention Center-2, Baridhara, Dhaka to transact the following businesses: -

1. To consider the audited financial statements of the Company for the year ended 31 March 2013 together with auditors' and directors' reports thereon.
2. To approve dividend.
3. To elect directors.
4. To appoint auditors and fix their remuneration.
5. To transact any other business with the permission of the Chair.

Dated: Dhaka  
July 22, 2013

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., 19 August 2013 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.20/- must be deposited at the Company's Registered Office at least 48 hours prior to the AGM.

## Chairman's statement

Dear Shareholders,

Assalamu Alaikum,

I take the privilege to welcome you all to the 9th Annual General Meeting of Navana CNG Limited and pleased to present before you a summarized performance of the Company for the year ended March 31, 2013.

You might have noted from the annual report that although the turnover of the Company has increased but it could not achieve desired profit due to fall in conversion of vehicles to CNG in the conversion workshops which has been reflected in the segment report of the financial statements. In order to overcome such situation, your company has plan to set-up motor vehicle workshops inside all the existing CNG conversion workshops. We sincerely expect it shall contribute a substantial amount to turnover of the Company, thus increasing in net profit.

As regards the subsidiary companies, I inform you that the net profit of Navana Engineering Limited has decreased this year from making provision for deferred tax liabilities which was not made in the last year. In view of potentialities, the Board of Directors of the Company has plan for expansion of its business; and for the purpose, it acquired land measuring 10 bighas (appx.) at Kaliganj under Gazipur district near Dhaka and that development work is going on in full swing.

The other subsidiary Company- Navana Welding Electrode Limited has started its commercial operation from 1st January 2013. Although it has gone into commercial operation from the last quarter of the financial year, its net profit at Tk 25 lakh resulted into net loss because of provision for deferred tax liabilities as per Bangladesh Accounting Standards (BAS). This has a negative impact in the consolidated income statement of Navana CNG Limited.



| A view of Board of Directors at the 8th AGM |

## Chairman's statement

Last year, we informed you that the Company has obtained preliminary permission from the Ministry of Energy and Mineral Resources for import and bottling of LPG at its own terminal. I take the pleasure to inform you that procurement of land for setting up LPG terminal near Mongla Port has been completed and development work alongwith other formalities are also going on. Further, related works for setting up of three satellite LPG bottling Plants are also in progress.

Before I conclude, I would like to mention here that your Board of Directors has set up a total sales target amounting to Tk.190 crore for Navana CNG Limited alongwith its two subsidiaries.

Further, I would like to assure you that our hard efforts to increase the shareholders' return and equity will continue as before. For continuation of growth of the Company efficient management and skilled labour stand as the main driving force.

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 Bangladesh 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 continued support.

Sd/-  
(Shafiul Islam)  
Chairman



View: Shareholders at the 8th AGM

# চেয়ারম্যানের বিবৃতি

প্রিয় শেয়ারহোল্ডারবৃন্দ,

আসসালামু আলাইকুম।

নাভানা সিএনজি লিমিটেডের নবম বার্ষিক সাধারণ সভায় আপনাদের সবাইকে স্বাগত জানাচ্ছি এবং ৩১শে মার্চ ২০১৩-এ সমাপ্ত অর্থ বছরের কার্যক্রমের একটি সংক্ষিপ্ত প্রতিবেদন আপনাদের সামনে উপস্থাপন করছি।

আপনারা বার্ষিক প্রতিবেদনে দেখে থাকবেন যে, কোম্পানীর মোট বিক্রয় গত বছরের তুলনায় বৃদ্ধি পাওয়া স্বত্বেও কনভারশন ওয়ার্কসপগুলোতে পাড়ীর সিএনজিতে কনভারশন ট্রাস পাওয়ায় এবছর কাঙ্ক্ষিত মুনাফা অর্জিত হয় নাই, যা আর্থিক বিবরণীর সেগমেন্ট রিপোর্ট অংশে প্রতিফলিত হয়েছে। এই অবস্থা থেকে উত্তোরণের জন্য কোম্পানী বিদ্যমান সকল কনভারশন ওয়ার্কসপগুলোর ভেতরে একইসাথে যানবাহন ওয়ার্কসপও স্থাপন করার পরিকল্পনা হাতে নিয়েছে। আমি আশা করি যে, এতে করে নতুন স্থাপিত যানবাহন ওয়ার্কসপগুলো কোম্পানীর মোট বিক্রয়ে উল্লেখযোগ্য অবদান রাখবে এবং তা নীট মুনাফা বৃদ্ধিতেও সহায়ক হবে।

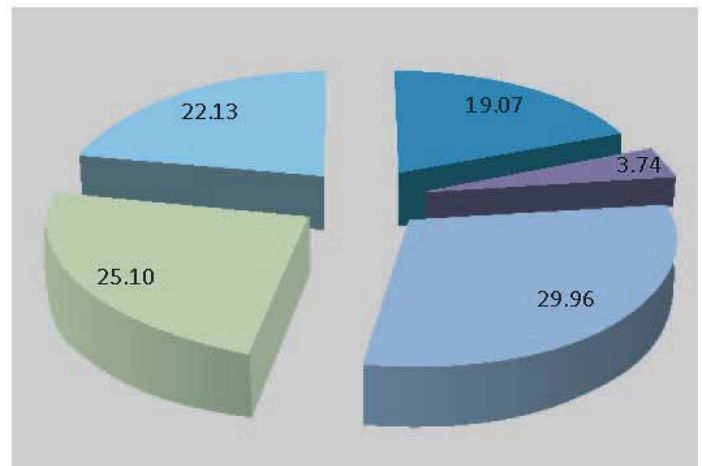
সাবসিডিয়ারি কোম্পানীগুলো প্রসঙ্গে আমি জানাতে চাই যে 'নাভানা ইঞ্জিনিয়ারিং লিঃ' এর আর্থিক বিবরণীতে এ বছর বাংলাদেশ একাউন্টিং স্ট্যান্ডার্ড (BAS) অনুযায়ী Deffered Tax Liability-র প্রভিশন করায় নীট মুনাফা গত বছরের তুলনায় কম হয়েছে। ব্যবসা বৃদ্ধির সম্ভাবনার কথা বিবেচনায় রেখে কোম্পানীর পরিচালনা পর্ষদ কাজ করে যাচ্ছে। এলক্ষ্যে, ঢাকার অদূরে গাজীপুরের কালীগঞ্জে প্রায় ১০ বিঘা জমি অধিগ্রহণ করা হয়েছে এবং সেখানে ভূমি উন্নয়নের পাশাপাশি অন্যান্য কাজও পূর্ণগতিতে চলছে।

আপনারা অবগত আছেন যে অপর সাবসিডিয়ারি কোম্পানী- 'নাভানা ওয়েল্ডিং ইলেক্ট্রোড লিঃ' গত ১লা জানুয়ারী ২০১৩ থেকে বাণিজ্যিক কার্যক্রম শুরু করেছে। যদিও অত্র কোম্পানী আলোচ্য অর্থবছরের শেষ তিন মাস থেকে বাণিজ্যিক কার্যক্রম পরিচালনা করছে, কিন্তু এর আর্থিক বিবরণীতে বাংলাদেশ একাউন্টিং স্ট্যান্ডার্ড (BAS) অনুযায়ী পূর্ণ বছরের জন্য Deffered Tax Liability-র প্রভিশন করায় ২৫ লক্ষ টাকা নীট মুনাফা স্বত্বেও কোম্পানীর আয় বিবরণীতে মুনাফার পরিবর্তে লোকসান প্রতিফলিত হয়েছে। এমতাবস্থায়, নাভানা সিএনজি লিঃ এর সমন্বিত (Consolidated) আয় বিবরণীতেও ঋণাত্মক প্রভাব পড়েছে।

আমরা গত বছরে অবহিত করেছিলাম যে, আপনাদের কোম্পানী জ্বালানী ও খনিজ সম্পদ মন্ত্রণালয় থেকে নিজস্ব টার্মিনালে এল.পি.জি আমদানি ও বোতলজাত করার জন্য প্রাথমিক অনুমতি পেয়েছে। আমি অত্যন্ত আনন্দের সঙ্গে জানাচ্ছি যে, এল.পি.জি প্রজেক্টের টার্মিনাল স্থাপনের জন্য মংলা বন্দরের কাছে ভূমি অধিগ্রহণ সম্পন্ন হয়েছে এবং অন্যান্য কার্যক্রমের পাশাপাশি ভূমি উন্নয়ন কাজও চলছে। এছাড়াও তিনটি স্যাটেলাইট এল.পি.জি বটলিং প্লান্ট স্থাপন সম্পর্কিত কার্যক্রমও প্রকৃয়াধীন আছে।

## Value Added

VALUE ADDED STATEMENT For the year ended March 31, 2013		
	Amount in '000 Taka	%
Sale	1,538,101	
Bought in- Material & Service	1,043,421	
<b>Value Added</b>	<b>494,680</b>	
Application to National Exchequer	94,324	19.07
to Providers of Loan as Interest & Charges	18,524	3.74
to Providers Emp. Salaries Wages & other benefits	148,226	29.96
to Providers of Capital- as Dividend	124,146	25.10
Reserve & Surplus	109,460	22.13
	<b>494,680</b>	<b>100.00</b>



# চেয়ারম্যানের বিবৃতি

আমি আপনাদের আরো আশ্বস্ত করতে চাই যে, শেয়ারহোল্ডারগণের বিনিয়োগ ও পরিসম্পদ বৃদ্ধিতে আমাদের আন্তরিক প্রচেষ্টা পূর্বের ন্যায় অব্যাহত থাকবে। কোম্পানীর অগ্রযাত্রায় দক্ষ ব্যবস্থাপনা এবং প্রশিক্ষিত কর্মীবৃন্দ আমাদের মূল চালিকাশক্তি।

আমি কোম্পানীর সকল সম্মানিত শেয়ারহোল্ডারবৃন্দ, গ্রাহক, পৃষ্ঠপোষক, শুভানুধ্যায়ী এবং সকল কর্মচারী ও কর্মকর্তাবৃন্দকে তাদের অব্যাহত সমর্থনের জন্য ধন্যবাদ জানাচ্ছি, যাদের সহযোগিতা ছাড়া কোম্পানীর বর্তমান প্রবৃদ্ধি অর্জন করা সম্ভব হতো না।

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

স্বাঃ/-

(শফিউল ইসলাম)

চেয়ারম্যান



View: Shareholders registering their attendance at the 8th AGM



## Directors' report to the shareholders

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 2013 alongwith the audited financial statements and auditors' report thereon.

### Revenue

During the year, the Company through its 18 re-fueling stations contributed an amount of Tk. 100.13 crore to the Company's turnover. On the other hand, an amount of Tk.34.51 crore has been added from sale proceeds of its 10 CNG Conversion centers. In addition to above, Tk.7.71 crore has been contributed from vehicle workshop & service revenue The summation of total revenue from all the said facilities thus stood at Tk.142.35 crore.

Your Board of Directors has set up a sales target of Tk. 160.00 crore for Navana CNG Limited for the financial year 2013-14, broken-up into Tk. 110.00 crore from CNG Re-fueling Stations, Tk.30.00 crore from CNG Conversion Workshop and Tk.20.00 crore from vehicle workshops & service revenues.

Apart from above, Tk.20.00 crore has been set up as sales target for Navana Welding Electrode Limited and Tk.10.00 crore for Navana Engineering Limited totaling Tk. 30.00 crore. Therefore, total sales target for Navana CNG Limited alongwith its two fully owned subsidiary companies stands at Tk. 190.00 crore.

Financial Result and Appropriation of Profit: amount in '000' taka

	2013	2012
Net Profit for the year (after tax)	228,097	252,216
Add: Previous year's surplus	557,675	433,890
<b>Profit available for appropriation</b>	<b>785,772</b>	<b>686,106</b>
<b>Recommended for appropriations:</b>		
Tax holiday reserve	2,662	4,285
Cash Dividend	-	49,658
Stock Dividend	114,214	74,488
Un-appropriated profit carried forward	668,896	557,675
<b>Total</b>	<b>785,772</b>	<b>686,106</b>

### Segment-wise or product-wise performance

The company is operating its business with its homogeneous products/services in a single economic and geographical segment within the territory of Bangladesh. However, segment report prepared and mentioned in note 26.0 of the notes to the financial statements considering CNG re-fueling stations and CNG Conversion Workshop as two different segment.

### Industry outlook and possible future developments in the industry

Navana CNG Limited promotes a user-friendly, customer-oriented and safety based conversion protocol. Our slogan is 'For a clean alternative'. Use of CNG also benefit us in a number of ways that includes positive impact on substantial reduction in annual oil import bill, creation of new job opportunities in the local industry etc.

## Directors' report to the shareholders

### Risks and concerns

We are all aware that the risks and concern of the industry solely depends on the upcoming Government policy. Governmental policy i.e., further increase of CNG price, high tariff on CNG cylinders & kits etc. will push up the cost of conversion of vehicles to CNG which will ultimately discourage the customers to convert their vehicles thereby creating threat to this industry at large.

Presently, the Government of Bangladesh suspended permission for setting up any new CNG re-fuelling station. Further, CNG re-fuelling stations remained non-operative for about 3-5 hours a day due to rationing. Low-gas pressure and frequent power load shedding problem affecting the business negatively. As a result, total CNG conversion of vehicles decreased.

On the otherhand, profitability of Navana CNG has affected due to increase of essential ingredients like electricity, feed gas price, labor cost etc. If the price of diesel is adjusted with the international price and therefore, subsidy is reduced, situation will improve. Cylinder re-testing business is increasing significantly as number of expired cylinder has increased in recent time.

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

Particulars	March 31, 2013	March 31, 2012
Cost of goods sold	920,356,258 (64.65%)	878,561,477 (63.41%)
Gross profit	503,234,899 (35.35%)	506,889,347 (36.59%)
Net profit for the year	228,097,372 (16.02%)	254,895,772 (18.40%)

From the above table, it reveals that direct and indirect overheads have marginally increased compared to last year. As a result, gross profit and net profit has been marginally reduced.

### Discussion on continuity of any Extra-Ordinary gain or loss

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

### Related party transactions

During the year, the Company carried out a number of transactions with related parties in the normal course of business. 'Related Party Disclosure' disclosed in the note 28.0 and note 28(a) of the notes to the financial statements.

### Directors

In terms of Article 127 of the Articles of Association of the Company, Mrs. Khaleda Islam and Mr. Saiful Islam, Directors retire by rotation from the Board in the 9th 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.

It may also be mentioned here that Mr. Ekramul Haq FCA has been appointed as Independent Director of the Company vide board resolution dated 31.12.2012. The matter of his appointment will be placed before the ensuing 9th AGM of the Company for approval by the shareholders.

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

#### MRS. KHALEDA ISLAM

Mrs. Khaleda Islam is the wife of Mr. Shafiul Islam, Chairman of Navana Group. She joined Navana Group on in the year 1996 as Director. Mrs. Khaleda Islam has experience in business for more than 30 years.

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

Interest in other Company:	Designation
Navana Ltd.	Director
Aftab Automobiles Ltd.	Director
Navana Construction Ltd.	Director
Biponon Ltd.	Director
Navana Computers & Tech Ltd.	Director
Navana Services Ltd.	Director
Navana Interlinks Ltd.	Director
Navana Taxi Cab Co. Ltd.	Director
Navana Electronics Ltd.	Director
Navana Power Generation Ltd.	Director
Navana Foods Ltd. D	irector
Navana Real Estate Ltd.	Director
Navana Power Co. Ltd.	Director
Navana Denims Ltd.	Director
Navana Knitting Ltd.	Director
Navana Feed Mills Ltd.	Director
Navana Software Ltd.	Director
Navana Petroleum Ltd.	Director
Navana Plantation Ltd.	Director
Navana Exports Ltd.	Director
Navana Logistics Ltd.	Director
Navana Renewable Energy Ltd.	Director
Navana Lingerie Ltd.	Director
Navana Fabrics Ltd.	Director
Navana Gas Co. Ltd.	Director
Navana Building Products Ltd.	Director
Navana Toyota Service Center Ltd.	Director
Navana Equities Ltd.	irector
Navana Electrical and Energy Saving Products Ltd.	Director
Navana Engineering Ltd.	Director
Navana Properties Ltd.	Director
Navana Welding Electrode Limited	Director

Membership in committees of the Board of other Companies: None

**MR. SAIFUL ISLAM**

Mr. Saiful Islam joined the Navana Group in 1997. In the early years, he gained valuable experience by being involved in the management of the Group's diverse business operations.

At present, Mr. Saiful Islam is the Senior Vice-Chairman of Navana Group.

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

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

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

#### 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, 12 (twelve) board meetings were held.

#### Remuneration to Directors including Independent Directors

The Director of the Company including Independent Director is receiving a sum of Taka 5,000/- (Five Thousand) as board meeting fee.

**Number of Board meetings held during the year and attendance by each director**

Name of Directors	Number of Board Meeting held during the financial year ended 31.03.2013	Number of Board Meeting attended	Remarks
Mr. Shafiul Islam	12	12	
Mrs. Khaleda Islam	12	6	
Mr. Saiful Islam	12	10	
Mr. Sajedul Islam	12	8	
Ms. Farhana Islam	12	4	
Mr. Syed Masud Hasan (Independent Director)	12	6	
Mr. Md. Ekramul Haq (Independent Director)	1	1	Appointed w.e.f. 31.12.2013
Mr. Md. Abdur Rouf (ICB Nominated Director)	9	4	Appointed w.e.f. 05.06.2012.

**Information Regarding Subsidiary Companies:**
**i) Navana Engineering Ltd.**

During the financial year ended on 31 March 2013, Navana Engineering Limited earns total revenue of Tk.7.67 crore broken-up into Tk.0.72 crore from the sale proceeds of HDPE coil Pipe, Tk.0.10 crore from the sale proceeds of HDPE coil (Wash), Tk.3.04 crore from the sale proceeds of HDPE duct and Tk.1.03 crore from the sale proceeds of PVC.

The operating results for the year ended 31 March 2013 as follows:

	2013 (Taka)	2012 (Taka)
Turnover	76,742,936	63,952,344
Gross Profit	15,330,490	15,167,056
Net Profit After Tax	1,375,969	5,917,515
Earnings Per Share (EPS)	0.92	2.27
Net Assets Value Per Share (NAVPS)	13.16	12.27

A sales target of total Tk.10.00 crore has been set for the financial year 2013-14 for Navana Engineering Limited.

**ii) Navana Welding Electrode Ltd.**

After commencement of commercial operation from 1st January 2013, Navana Welding Electrode Limited earns total revenue of Tk.3.77 crore during the last quarter (Jan-Mar/2013).

The operating results for the year ended 31 March 2013 as follows:

	2013 (Taka)	2012 (Taka)
Turnover	37,766,402	-
Gross Profit	8,207,890	-
Net Profit After Tax	(12,060,017)	36,05,232
Earnings Per Share (EPS)	(1.21)	0.36
Net Assets Value Per Share (NAVPS)	9.15	10.36

It may be noted here that although the Company has performed its commercial operation in the last quarter of the financial year, deferred tax liabilities provision has been made for the full year as per Bangladesh Accounting Standards (BAS) requirement. As a result, its net profit of Tk.25 lakh turned into net loss.

A sales target of Tk.20.00 crore has been set up for the financial year 2013-14 for Navana Welding Electrode Limited.

## DIVIDEND

The Board of Directors has recommended 20% stock dividend (1 bonus share for every 5 shares held) for the shareholders for the year ended 31 March 2013 (subject to the approval in the forthcoming AGM) whose names will appear in the share register of the Company and/or Depository Register of CDBL as on Record Date, i.e., 19 August 2013.

## AUDIT COMMITTEE

The Audit committee consists of the following members:

Mr. Syed Masud Hasan	Independent Director	: Chairman
Mr. Sajedul Islam	Director	: Member
Mr. Ekramul Haq,FCA	Independent Director	: Member

### Scope of work of Audit Committee

The Committee is authorised to investigate any matter within its terms of reference, access all documents and information of the company, seek information from any director or employee of the Group and co-opt any resources (including external professional assistance) it sees fit in order to fulfill its duties. However, the Committee has no executive function and its primary objective is to review and challenge, rather than assume responsibility for any matters within its remit. The Committee presents a summary of its activities to shareholders and other interested parties by means of this report, and the committee Chairman attends all general meetings of the Company's shareholders to answer any questions on the committee's activities.

### Review of financial statements by the Audit Committee

Audit Committee reviewed the annual financial statements for the year 31 March 2013 and placed its recommendation to the Board of Directors.

### External audit

Rahman Mostafa Alam & Co. a Chartered Accountant firm registered in Bangladesh acted as the external auditors to the company throughout the year. The external auditors are not engaged on any material non-audit work such as:

- o Appraisal or valuation services or fairness opinions;
- o Financial information systems design and implementation;
- o Book-keeping or other services related to the accounting records or financial statements;
- o Broker-dealer services;
- o Actuarial services; and
- o Internal audit services;

### Independence of External Auditor

As a policy, the Committee would not allow the external auditors to perform any work that they may subsequently need to audit, or which might otherwise create a conflict of interests. The Committee also monitors the balance between audit and non-audit related functions to ensure that auditor independence can be shown to be maintained. The Chief Financial Officer is permitted to engage the external auditors on matters that do not create such conflicts.

The Audit Committee appraised the expertise, resources, independence and objectivity of external auditor and also reviewed their effectiveness as external auditors before reaching the recommendation to the Board that their re-election should be proposed to shareholders.

### Resolutions of the Audit Committee meeting:

The Committee met four times during last financial year 2012-13 to carry out the following tasks:

- o The Audit Committee reviewed the financial statements for the year ended March 31, 2013;
- o Reviewed and discussed the Management Letter, by external auditor Rahman Mostafa Alam & Co. for the year ended March 31, 2013 on the annual audit on financial statements of Navana CNG Limited;
- o Reviewed various reports of Internal Control & Compliance Department on operational, financial procedures and branch activities;
- o Reviewed the Quarterly and Half-yearly Reports of the Company.

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

#### **REPORT FROM THE AUDIT COMMITTEE**

Dated: 22 July 2013

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

#### **Audit Committee Report**

The Committee reviewed and discussed the procedure and task of the internal audit, financial report preparation and the external auditors' observations in their reports on the draft financial statements of the Company initialed by the auditors for the year ended 31 March 2013. The Committee found the statements 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 and disclosures.

The Committee also reviewed the financial statements of the subsidiary Companies i.e. Navana Engineering Limited and Navana Welding Electrode Limited for the year ended 31 March, 2013 and also found the statements to present a true and fair view of the financial status of the Companies.

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

#### **Appointment of Auditors**

The existing auditors M/S. Rahman Mostafa Alam & Co. has completed their audit for the year under review. Being eligible, they have offered themselves for re-appointment for the year to be ended on March 31, 2014 as auditors of the Company.

#### **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.

### Pattern of Shareholding

Name wise details		No. of Shares held
a)	Parent/Subsidiary/Associated Companies and other related parties	
	Aftab Automobiles Limited	87,837
b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouse and minor children:	
	Mr. Shafiu Islam-Chairman	1,43,36,565
	Mr. Saiful Islam- Director & CEO	28,55,358
	Mrs. Khaleda Islam-Director	29,18,259
	Mr. Sajedul Islam- Director	28,34,827
	Ms. Farhana Islam- Director	12,06,535
	Chief Financial Officer, Company Secretary and Head of Internal Audit and their spouse and minor children:	Nil
c)	Executives	Nil
d)	Shareholders holding ten percent (10%) or more voting interest in the Company:	
	Mr. Shafiu Islam	1,43,36,565

### 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/-  
(Shafiu Islam)  
Chairman  
22 July 2013



A view of front desk service at Navana CNG Conversion Centre



## The Key Operating and Financial Data

### Annexure-1

#### The Key Operating and Financial Data:

Table: Financial Highlights

(Taka in million)

Particulars	2013	2012	2011	2010	2009
Turnover	1,538	1,449	1,392	1368	1236
Gross profit	527	522	605	601	477
Net profit after tax	228	255	301	291	245
Net operating cash flows per share	0.77	4.63	7.11	10.82	13.50

Table: Summary Balance Sheet

(Taka in million)

Particulars	2013	2012	2011	2010	2009
Authorized capital	1500	1500	500	500	500
Paid-up capital	571	497	436	363	300
Reserve and surplus	974	860	747	555	327.16
Shareholders' equity	1544	1363	1183	918	627.16
Debentures	-	-	34	68	94.4
Lease finance liabilities	-	9	61	94.29	102.29
Deferred Tax liabilities	55	41	28	15	0
Long term bank borrowings	0	0	0	0	74
Non-current liabilities	55	50	88	125	271
Current liabilities	973	361	235	192	196
Fixed Assets	830	693	576	548	587
Other Non-current Assets	522	44	38	37	41
Total Non-current Assets	1352	737	614	585	628
Current Assets	1221	1038	892	650	466
Net asset value per share	27.04	27.45	27.15	25.29	20.91
Earnings per share	4.09	4.42	6.06	8.01	6.74
Dividend	20%	25%	32%	30%	21%
Numbers of shareholders	28332	27253	27687	19800	10

Table: Ratios

Profitability Ratios	2013	2012	2011	2010	2009
Debt to Equity Ratio	66.56%	30.25%	27%	35%	74%
Current Ratio	1.25	2.87	3.79	3.39	2.38
Gross profit/Sales (%)	34.25%	36.02 %	43.44%	43.93%	38.58%
Operating profit/Sales (%)	19.47%	21.34 %	28.93%	29.31%	19.80%
Net Profit after tax/Sales (%)	14.82%	17.60 %	21.62%	21.27%	19.80%
Return on Asset (%)	21.85%	15.54 %	19.98%	23.56%	22.36%
Return on Equity (%)	15.69%	20 %	25.44%	31.70%	39.01%

## Annexure-2

**Corporate Governance Compliance Report**

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

(Report under Condition No. 7.00)

Condition No.	Title	Compliance Status	Remarks (if any)
1.1	Board's Size Complied	Complied	
1.2 (i)	At least one fifth (1/5) of the total number of directors in the company's board shall be independent directors.	Complied	
1.2 (ii) a)	"Independent director" means a director- a) who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	Complied	
1.2 (ii) b)	who is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	Complied	
1.2 (ii) c)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/ associated companies;	Complied	
1.2 (ii) d)	who is not a member, director or officer of any stock exchange;	Complied	
1.2 (ii) e)	who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market;	Complied	
1.2 (ii) f)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of any statutory audit firm;	Complied	
1.2 (ii) g)	who shall not be an independent director in more than 3 (three) listed companies;	Complied	
1.2 (ii) h)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI);	Complied	
1.2 (ii) i)	who has not been convicted for a criminal offence involving moral turpitude.	Complied	
1.2 (iii)	the independent director(s) shall be nominated by the board of directors and approved by the shareholders in the Annual General Meeting (AGM).	Complied	
1.2 (iv)	the post of independent director(s) can not remain vacant for more than 90 (ninety) days.	Complied	
1.2 (v)	the Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.	Complied	

Condition No.	Title	Compliance Status	Remarks (if any)
1.2 (vi)	the tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.	Complied	
1.3 (i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	Complied	
1.3 (ii)	The person should be a Business Leader/Corporate Leader/ Bureaucrat/University Teacher with Economics or Business Studies or Law background/Professionals like Chartered Accountants, Cost & Management Accountants, Chartered Secretaries. The independent director must have at least 12 (twelve) years of corporate management/professional experiences.	Complied	
1.3 (iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission.		Not applicable
1.4	The positions of the Chairman of the Board and the Chief Executive Officer of the companies shall be filled by different individuals. The Chairman of the company shall be elected from among the directors of the company. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the Chief Executive Officer.	Complied	
1.5 (i)	Additional statements in the Directors' Report prepared under section 184 of the Companies Act, 1994:- (i) Industry outlook and possible future developments in the industry.	Complied	
1.5 (ii)	Segment-wise or product-wise performance.	Complied	
1.5 (iii)	Risks and concerns.	Complied	
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	Complied	
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss.	Complied	
1.5 (vi)	Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report.	Complied	
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments.		Public issue made through Direct Listing. Thus 1.5 (vii) is not applicable
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.		No such deterioration.
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.		No such variance occurred.

Condition No.	Title	Compliance Status	Remarks (if any)
1.5 (x)	Remuneration to directors including independent directors.	Complied	
1.5 (xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	Complied	
1.5 (xii)	Proper books of account of the issuer company have been maintained.	Complied	
1.5 (xiii)	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.	Complied	
1.5 (xiv)	International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there -from has been adequately disclosed.	Complied	
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	Complied	
1.5 (xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.	Complied	
1.5 (xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	Complied	
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	Complied	
1.5 (xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.		Not applicable (Declaring dividends regularly)
1.5 (xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	Complied	
1.5 (xxi)	The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:-	Complied	
1.5 (xxi) a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	Complied	
1.5 (xxi) b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	Complied	
1.5 (xxi) c)	Executives;	Complied	
1.5 (xxi) d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	Complied	

Condition No.	Title	Compliance Status	Remarks (if any)
	Explanation: For the purpose of this clause, the expression "executive" means top 5 (five) salaried employees of the company, other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit.		
1.5 (xxii)	In case of the appointment/ re-appointment of a director the company shall disclose the following information to the shareholders:-		
1.5 (xxii) a)	a brief resume of the director; Complied	Complied	
1.5 (xxii) b)	nature of his/her expertise in specific functional areas;	Complied	
1.5 (xxii) c)	names of companies in which the person also holds the directorship and the membership of committees of the board.	Complied	
2.1	<b>Appointment</b> The company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the CS.	Complied	
2.2	<b>Requirement to attend the Board Meetings</b> The CFO and the Company Secretary of the companies shall attend the meetings of the Board of Directors, provided that the CFO and/or the Company Secretary shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating to their personal matters.	Complied	
3 (i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors.	Complied	
3 (ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	Complied	
3 (iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	Complied	
3.1 (i)	The Audit Committee shall be composed of at least 3 (three) members.	Complied	
3.1 (ii)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director.	Complied	
3.1 (iii)	All members of the audit committee should be "financially literate" and at least 1(one) member shall have accounting or related financial management experience.	Complied	

Condition No.	Title	Compliance Status	Remarks (if any)
	Explanation: The term "financially literate" means the ability to read and understand the financial statements like Balance Sheet, Income Statement and Cash Flow Statement and a person will be considered to have accounting or related financial management expertise if (s)he possesses professional qualification or Accounting/ Finance graduate with at least 12 (twelve) years of corporate management/professional experiences.	Complied	
3.1 (iv)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office until expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board of Directors shall appoint the new Committee member(s) to fill up the vacancy(ies) immediately or not later than 1 (one) month from the date of vacancy(ies) in the Committee to ensure continuity of the performance of work of the Audit Committee.	Complied	
3.1 (v)	The company secretary shall act as the secretary of the Committee.	Complied	
3.1 (vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1(one) independent director.	Complied	
3.2 (i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director.	Complied	
3.2 (ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM).	Complied	
3.3 (i)	Oversee the financial reporting process.	Complied	
3.3 (ii)	Monitor choice of accounting policies and principles.	Complied	
3.3 (iii)	Monitor Internal Control Risk management process.	Complied	
3.3 (iv)	Oversee hiring and performance of external auditors.	Complied	
3.3 (v)	Review along with the management, the annual financial statements before submission to the board for approval.	Complied	
3.3 (vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	Complied	
3.3 (vii)	Review the adequacy of internal audit function.	Complied	
3.3 (viii)	Review statement of significant related party transactions submitted by the management.	Complied	
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	Complied	

Condition No.	Title	Compliance Status	Remarks (if any)
3.3 (x)	When money is raised through Initial Public Offering (IPO)/ Repeat Public Offering (RPO)/Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus.	Complied	
3.4.1 (i)	The Audit Committee shall report on its activities to the Board of Directors.	Complied	
3.4.1 (ii) a)	report on conflicts of interests;	Complied	
3.4.1 (ii) b)	suspected or presumed fraud or irregularity or material defect in the internal control system;	Complied	
3.4.1 (ii) c)	suspected infringement of laws, including securities related laws, rules and regulations;	Complied	
3.4.1 (ii) d)	any other matter which shall be disclosed to the Board of Directors immediately.	Complied	
3.4.2	If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.	Complied	
3.5	Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1 (ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company.	Complied	
4 (i)	Appraisal or valuation services or fairness opinions.	Complied	
4 (ii)	Financial information systems design and implementation.	Complied	
4 (iii)	Book-keeping or other services related to the accounting records or financial statements.	Complied	
4 (iv)	Broker-dealer services.	Complied	
4 (v)	Actuarial services.	Complied	
4 (vi)	Internal audit services.	Complied	
4 (vii)	Any other service that the Audit Committee determines.	Complied	

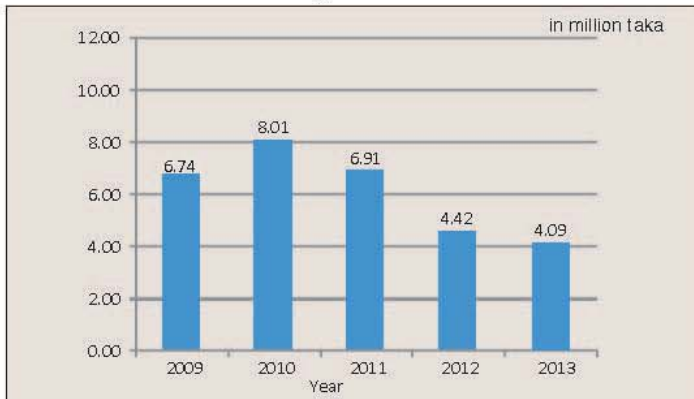
Condition No.	Title	Compliance Status	Remarks (if any)
4 (viii)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.	Complied	
5 (i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	Complied	
5 (ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.	Complied	
5 (iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	Complied	
5 (iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.	Complied	
5 (v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	Complied	
6 (i) a)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	Complied	
6 (i) b)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	Complied	
6 (ii)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.	Complied	
7 (i)	The company shall obtain a certificate from a Professional Accountant/ Secretary (Chartered Accountant/Cost & Management Accountant/Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.	Complied	
7 (ii)	The directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions.	Complied	



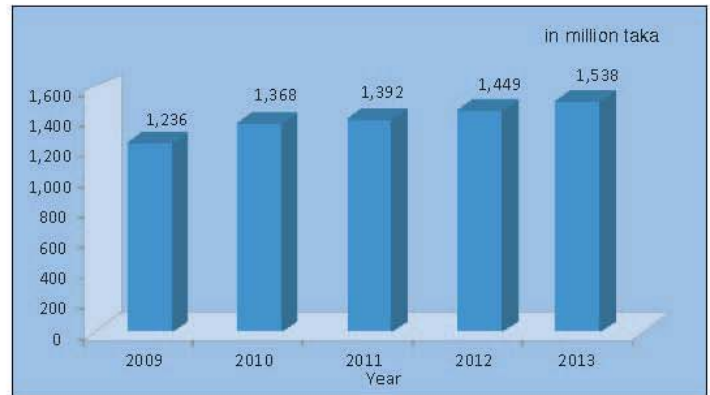
# Graphical Presentation

value in million taka

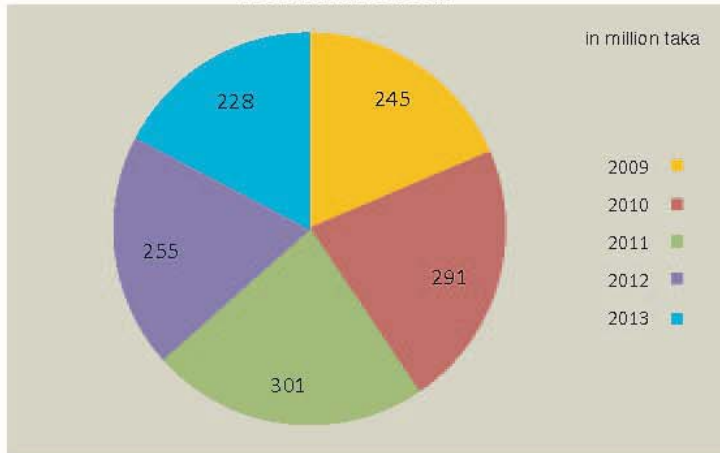
**Earning Per Share**



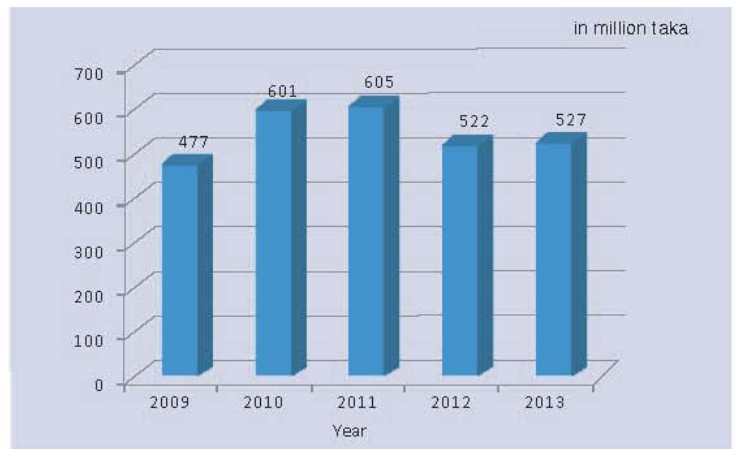
**Turnover**



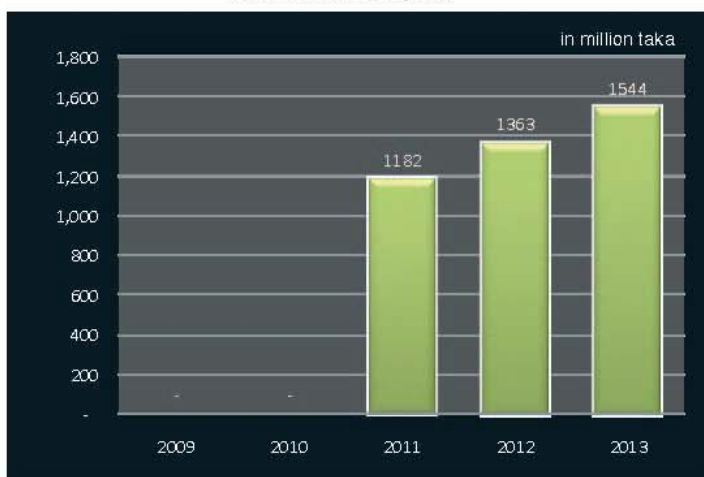
**Net Profit After Tax**



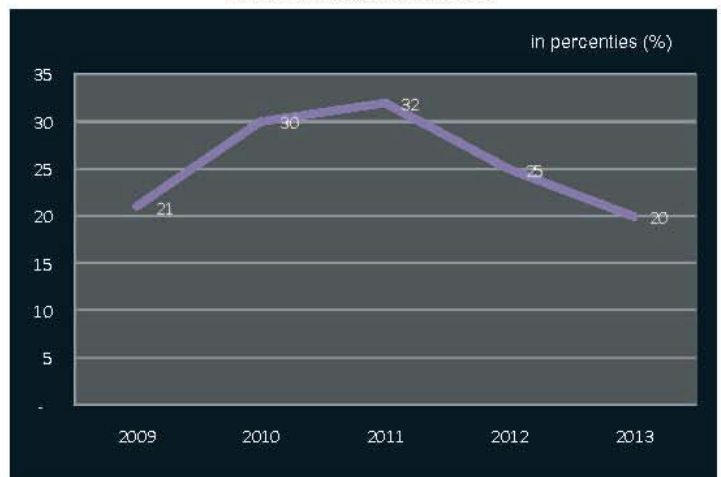
**Gross Profit**



**Shareholders Equity**



**Dividend (Cash & Stock)**



**M. M. RAHMAN & CO.**  
Chartered Accountants

Sultan Ahmed Plaza (10th Floor)  
32, Purana Palatan  
Dhaka-1000

## **Certificate of Compliance to the Shareholders of Navana CNG Limited**

[Issued under Condition # 7(i) of Corporate Governance Guidelines of BSEC vide  
Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012]

We have examined compliance to the BSEC guidelines on Corporate Governance by Navana CNG Limited ("the Company") for the financial year ended 31 March 2013. These guidelines relate to the Notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012 on Corporate Governance.

Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of Corporate Governance.

According to the information and explanations provided by the Company, we hereby certify that in our opinion, the Company has complied with all the conditions of Corporate Governance Guidelines issued by BSEC.

Dated: Dhaka, 22 July 2013

Sd/-  
M. M. Rahman & Co.  
Chartered Accountants

## **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, 2013, 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, 2013, 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(two) 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 (BSAs). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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, 2013, 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  
22.07.2013

Sd/-  
**Rahman Mostafa Alam & Co.**  
Chartered Accountants

## Navana CNG Limited and its Subsidiaries

Consolidated Statement of Financial Position

As at March 31, 2013

	Notes	31/03/13 BD Taka	31/03/12 BD Taka
<b>Assets:</b>			
<b>Non-current assets</b>			
Property, plant & equipment	3(a)	829,869,306	692,529,930
Capital Work - in - progress		483,704,773	-
Long-term security deposit		37,940,300	44,178,528
<b>Total Non-current assets</b>		<b>1,351,514,379</b>	<b>736,708,458</b>
<b>Current assets</b>			
Inventories	6(a)	540,298,075	388,743,535
Accounts receivable	7(a)	145,233,178	93,059,248
Advances, deposits & pre-payments	8(a)	143,255,807	67,961,274
Investment in shares	9(a)	6,424,508	8,221,853
Cash & Cash equivalent	10(a)	385,570,368	479,565,502
<b>Total Current assets</b>		<b>1,220,781,936</b>	<b>1,037,551,412</b>
<b>Total assets</b>		<b>2,572,296,315</b>	<b>1,774,259,870</b>
<b>Equity and liabilities:</b>			
<b>Equity</b>			
Share capital	11	571,071,600	496,584,000
Tax holiday reserve		187,565,540	184,903,945
Retained earnings	12(a)	785,771,747	681,820,383
<b>Equity attributable to owners of Company</b>		<b>1,544,408,887</b>	<b>1,363,308,328</b>
Non-controlling interest		112	113
<b>Total equity</b>		<b>1,544,408,999</b>	<b>1,363,308,441</b>
<b>Non-current liabilities</b>			
Finance lease, net of current portion	13(a)	-	9,146,940
Deferred tax liability		55,078,748	40,542,278
<b>Total Non-current liabilities</b>		<b>55,078,748</b>	<b>49,689,218</b>
<b>Current liabilities</b>			
Finance lease, current portion	13(a)	18,168,847	39,593,014
Dues to Director		144,112,526	144,112,526
Short term loans	14(a)	623,403,747	5,628,086
Provision for income tax	15(a)	91,608,386	70,894,746
Payables and accruals	16(a)	95,515,062	101,033,839
<b>Total Current liabilities</b>		<b>972,808,568</b>	<b>361,262,211</b>
<b>Total liabilities</b>		<b>1,027,887,316</b>	<b>410,951,429</b>
<b>Total equity and liabilities</b>		<b>2,572,296,315</b>	<b>1,774,259,870</b>
<b>Net assets value per share</b>	24(a)	<b>27.04</b>	<b>27.45</b>

The annexed notes 1 to 32 and annexure- A 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  
22.07.2013

Sd/-  
Rahman Mostafa Alam & Co.  
Chartered Accountants

## Navana CNG Limited and its Subsidiaries

Consolidated Statement of Comprehensive Income

For the year ended March 31, 2013

Particulars	Notes	31/03/13	31/03/12
		BD Taka	BD Taka
Revenue	17(a)	1,538,100,495	1,449,403,168
Less: Cost of sales	18(a)	1,011,327,216	927,346,765
<b>Gross profit</b>		<b>526,773,279</b>	<b>522,056,403</b>
Less: Administrative & selling expenses	19(a)	208,798,603	199,804,801
Less: Interest expenses	20(a)	18,523,648	12,881,418
<b>Operating profit</b>		<b>299,451,028</b>	<b>309,370,183</b>
Add: Other income	21(a)	42,846,253	39,179,095
<b>Profit before contribution to WPPF</b>		<b>342,297,281</b>	<b>348,549,278</b>
Less: Contribution to WPPF		14,256,385	15,756,793
<b>Profit before tax holiday reserve</b>		<b>328,040,896</b>	<b>332,792,485</b>
Less: Tax holiday reserve		2,661,603	4,285,097
<b>Profit before tax</b>		<b>325,379,293</b>	<b>328,507,388</b>
Less: Income tax expenses	22(a)	94,435,332	80,576,462
Current tax		79,898,862	67,658,238
Deferred tax		14,536,470	12,918,224
<b>Profit after tax</b>		<b>230,943,961</b>	<b>247,930,926</b>
Revaluation Gain/(Loss) on investment in share		(2,846,594)	6,964,853
<b>Total Comprehensive Income for the year</b>		<b>228,097,367</b>	<b>254,895,780</b>
<b>Profit attributable to:</b>			
Equity holders of the Company		233,605,565	252,216,010
Non-controlling interests		(1)	13
		<b>233,605,564</b>	<b>252,216,023</b>
<b>Number of shares</b>		<b>57,107,160</b>	<b>57,107,160</b>
<b>Earnings per share</b>	23(a)	<b>4.09</b>	<b>4.42</b>

The annexed notes 1 to 32 and annexure- A 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  
22.07.2013

Sd/-  
Rahman Mostafa Alam & Co.  
Chartered Accountants

## Navana CNG Limited and its Subsidiaries

### Consolidated Statement of Cash Flows

For the year ended March 31, 2013

	31/03/13	31/03/12
	BD Taka	BD Taka
<b>A. Cash flows from operating activities</b>		
Receipts from customers	1,485,926,565	1,377,979,487
Receipts of other income	42,846,253	39,179,095
Payments to suppliers and employees	(1,403,356,996)	(1,088,484,595)
<b>Cash generated from operations</b>	<b>125,415,822</b>	<b>328,673,987</b>
Interest paid	(18,523,648)	(12,881,418)
Income tax paid	(62,764,176)	(51,594,198)
<b>Net cash generated by operating activities</b>	<b>44,127,998</b>	<b>264,198,371</b>
<b>B. Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(197,151,741)	(168,718,342)
Capital Work -in- Progress	(483,704,773)	
Investment in shares	(1,051,000)	(105,000)
Long-term security deposits	6,238,228	(8,414,848)
<b>Net cash used in investing activities</b>	<b>(675,669,286)</b>	<b>(177,238,190)</b>
<b>C. Cash flows from financing activities</b>		
Redemption of debentures	-	(34,000,000)
Repayment of finance lease	(30,571,107)	(27,331,536)
Dues to Director	-	144,112,526
Repayment of short-term loans	-	(22,138,136)
Proceeds from short term loan	617,775,661	5,628,086
Dividend paid	(49,658,400)	(78,408,000)
<b>Net cash used in financing activities</b>	<b>537,546,154</b>	<b>(12,137,060)</b>
<b>D. Net changes in cash and cash equivalents (A+B+C)</b>	<b>(93,995,134)</b>	<b>74,823,121</b>
Cash and cash equivalents at the beginning of year	479,565,502	404,742,380
<b>E. Cash and cash equivalents at the end of year</b>	<b>385,570,368</b>	<b>479,565,502</b>
<b>Net operating cash flows per share</b>	<b>0.77</b>	<b>4.63</b>

(Note-25.a)

Sd/-  
Chairman

Sd/-  
Director

Sd/-  
Chief Financial Officer

Signed in terms of our separate report of even date.

Dated : Dhaka  
22.07.2013

Sd/-  
Rahman Mostafa Alam & Co.  
Chartered Accountants

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

For the year ended March 31, 2013

Particulars	Share Capital BD Taka	Tax Holiday Reserve BD Taka	Retained Earnings BD Taka	Attributable to owners of the Company BD Taka	Non- controlling interests BD Taka	Total BD Taka
Balance at April 01, 2011	435,600,000	180,618,848	566,315,613	1,182,534,461	100	1,182,534,561
Prior year adjustment			990	990		990
Balance at April 01, 2011	435,600,000	180,618,848	566,316,603	1,182,535,451	100	1,182,535,551
Net profit for the year	-	-	254,895,780	254,895,780	13	254,895,793
Tax holiday reserve	-	4,285,097		4,285,097		4,285,097
Payment of stock dividend	60,984,000	-	(60,984,000)	-	-	-
Payment of cash dividend	-	-	(78,408,000)	(78,408,000)	-	(78,408,000)
Balance at March 31, 2012	496,584,000	184,903,945	681,820,383	1,363,308,328	113	1,363,308,441
Balance at April 01, 2012	496,584,000	184,903,945	681,820,383	1,363,308,328	113	1,363,308,441
Net profit for the year	-	-	228,097,366	228,097,366	(1)	228,097,365
Tax holiday reserve	-	2,661,593		2,661,593		
Payment of stock dividend	74,487,600	-	(74,487,600)	-	-	-
Payment of cash dividend	-	-	(49,658,400)	(49,658,400)	-	(49,658,400)
Balance at March 31, 2013	571,071,600	187,565,540	785,771,747	1,544,408,887	112	1,544,408,999

 Sd/-  
Chairman

 Sd/-  
Director

 Sd/-  
Chief Financial Officer

Signed in terms of our separate report of even date.

 Dated : Dhaka  
22.07.2013

 Sd/-  
Rahman Mostafa Alam & Co.  
Chartered Accountants

View Navana CNG refueling station at Jurain, Dhaka



## Navana CNG Limited

Statement of Financial Position

As at March 31, 2013

	Notes	31/03/13 BD Taka	31/03/12 BD Taka
<b>Assets:</b>			
<b>Non-current assets</b>			
Property, plant & equipments	3	521,165,424	525,318,972
Capital Work- in-progress		328,280,823	-
Investment in subsidiaries	4	143,838,595	154,522,639
Long term security deposit	5	37,940,300	44,178,528
<b>Total Non-current assets</b>		<b>1,031,225,141</b>	<b>724,020,139</b>
<b>Current assets</b>			
Inventories	6	399,663,973	341,482,966
Accounts receivable	7	91,532,750	81,439,196
Inter-company receivable		-	2,309,474
Advances, deposits & pre-payments	8	104,315,891	53,530,798
Investment in shares	9	5,490,400	8,221,853
Cash & Cash equivalent	10	366,126,183	404,073,474
<b>Total Current assets</b>		<b>967,129,197</b>	<b>891,057,761</b>
<b>Total assets</b>		<b>1,998,354,339</b>	<b>1,615,077,900</b>
<b>Equity and liabilities:</b>			
<b>Equity</b>			
Share capital	11	571,071,600	496,584,000
Tax holiday reserve		180,618,848	180,618,848
Retained earnings	12	785,771,747	681,820,375
<b>Total Equity</b>		<b>1,537,462,195</b>	<b>1,359,023,223</b>
<b>Non Current Liabilities</b>			
Finance lease, net of current portion		-	9,146,940
Deferred tax liabilities		38,774,247	40,542,278
<b>Total Non-current liabilities</b>		<b>38,774,247</b>	<b>49,689,218</b>
<b>Current liabilities</b>			
Finance lease, current portion	13	18,168,847	39,593,014
Short term loans	14	38,557,397	-
Provision for income tax	15	88,399,335	68,731,606
Current account with Subsidiaries		190,471,639	-
Payables and accruals	16	86,520,679	98,040,839
<b>Total Current liabilities</b>		<b>422,117,897</b>	<b>206,365,459</b>
<b>Total liabilities</b>		<b>460,892,144</b>	<b>256,054,677</b>
<b>Total equity and liabilities</b>		<b>1,998,354,339</b>	<b>1,615,077,900</b>
<b>Net assets value per share</b>	24	<b>26.92</b>	<b>27.37</b>

The annexed notes 1 to 32 and annexure- A 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  
22.07.2013

Sd/-  
Rahman Mostafa Alam & Co.  
Chartered Accountants



**Navana CNG Limited**
*Statement of Comprehensive Income*

For the year ended March 31, 2013

Particulars	Notes	31/03/13 BD Taka	31/03/12 BD Taka
Revenue	17	1,423,591,157	1,385,450,824
Less: Cost of sales	18	920,356,258	878,561,477
<b>Gross profit</b>		<b>503,234,899</b>	<b>506,889,347</b>
Less: Administrative & selling expenses	19	196,052,111	189,074,690
Less: Interest expenses	20	15,089,193	12,881,418
<b>Operating profit</b>		<b>292,093,595</b>	<b>304,933,239</b>
Add: Other income	21	40,413,415	27,134,925
<b>Profit before contribution to WPPF</b>		<b>332,507,010</b>	<b>332,068,164</b>
Less: Contribution to WPPF		13,909,219	15,246,662
<b>Profit before tax</b>		<b>318,597,791</b>	<b>316,821,502</b>
Less: Income tax expenses	22	77,084,922	78,413,322
Current tax		78,852,953	65,495,098
Deferred tax		(1,768,031)	12,918,224
<b>Net profit after tax for the year</b>		<b>241,512,869</b>	<b>238,408,180</b>
Add: Other comprehensive income:			
Revaluation Gain/(Loss) on investment in share		(2,731,453)	6,964,853
Share of Profit/(Loss) from subsidiaries		(10,684,044)	9,522,739
<b>Total comprehensive income for the year</b>		<b>228,097,372</b>	<b>254,895,772</b>
<b>Earnings per share (EPS)</b>	23	<b>4.23</b>	<b>4.17</b>

The annexed notes 1 to 32 and annexure- A 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  
22.07.2013

 Sd/-  
Rahman Mostafa Alam & Co.  
Chartered Accountants

## Navana CNG Limited

### Statement of Cash Flows

For the year ended March 31, 2013

Particulars	31/03/12 BD Taka	31/03/11 BD Taka
<b>A. Cash flows from operating activities</b>		
Receipts from customers	1,413,497,603	1,325,647,195
Receipts of other income	40,413,415	27,134,925
Payments to suppliers and employees	(1,198,762,316)	(987,694,262)
<b>Cash generated from operations</b>	<b>255,148,702</b>	<b>365,087,858</b>
Interest paid	(15,089,193)	(12,881,418)
Income tax paid	(59,185,224)	(50,338,680)
<b>Net cash generated by operating activities</b>	<b>180,874,285</b>	<b>301,867,760</b>
<b>B. Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(43,269,036)	-
Capital Work - in - progress	(328,280,823)	-
Investment in shares	-	(105,000)
Realization of/(Payments ) for long-term security deposits	6,238,228	(8,414,848)
<b>Net cash used in investing activities</b>	<b>(365,311,631)</b>	<b>(8,519,848)</b>
<b>C. Cash flows from financing activities</b>		
Received from Subsidiaries	188,162,165	-
Redemption of debentures	-	(34,000,000)
Repayment of finance lease	(30,571,107)	(27,331,536)
Proceeds from Short-term loan	38,557,397	(22,138,136)
Dividend paid	(49,658,400)	(78,408,000)
<b>Net cash provided by financing activities</b>	<b>146,490,055</b>	<b>(161,877,672)</b>
<b>D. Net changes in cash and cash equivalents (A+B+C)</b>	<b>(37,947,291)</b>	<b>101,342,489</b>
Cash and cash equivalents at the beginning of year	404,073,474	302,730,985
<b>E. Cash and cash equivalents at the end of year</b>	<b>366,126,183</b>	<b>404,073,474</b>
<b>Net operating cash flows per share</b>	<b>3.17</b>	<b>5.29</b>

(Note-25)

Sd/-  
Chairman

Sd/-  
Director

Sd/-  
Chief Financial Officer

Signed in terms of our separate report of even date.

Dated : Dhaka  
22.07.2013

Sd/-  
Rahman Mostafa Alam & Co.  
Chartered Accountants

**Navana CNG Limited**
*Statement of Changes in Equity*

For the year ended March 31, 2013

Particulars	Share Capital BD Taka	Tax Holiday Reserve BD Taka	Retained Earnings BD Taka	Total BD Taka
Balance at April 01, 2011	435,600,000	180,618,848	566,315,613	1,182,534,461
Prior year adjustment		-	990	990
Balance at April 01, 2011	435,600,000	180,618,848	566,316,603	1,182,535,451
Net profit for the year	-	-	254,895,772	254,895,772
Payment of stock dividend	60,984,000	-	(60,984,000)	-
Payment of cash dividend	-	-	(78,408,000)	(78,408,000)
Balance at March 31, 2012	496,584,000	180,618,848	681,820,375	1,359,023,223
Balance at April 01, 2012	496,584,000	180,618,848	681,820,375	1,359,023,223
Net profit for the year	-	-	228,097,372	228,097,372
Payment of stock dividend	74,487,600	-	(74,487,600)	(74,487,600)
Payment of cash dividend	-	-	(49,658,400)	(49,658,400)
Balance at March 31, 2013	571,071,600	180,618,848	785,771,747	1,537,462,195

 Sd/-  
Chairman

 Sd/-  
Director

 Sd/-  
Chief Financial Officer

Signed in terms of our separate report of even date.

 Dated : Dhaka  
22.07.2013

 Sd/-  
Rahman Mostafa Alam & Co.  
Chartered Accountants

## Navana CNG Limited and its Subsidiaries

*Notes to the Financial Statements*

For the year ended March 31, 2013

### 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 8th March, 2009. The registered office and principal place of business of Navana CNG Limited is located at Islam Chamber (4th floor), 125/A, Motijheel C/A, Dhaka-1000.

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

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

#### 1.2 Subsidiaries

##### Navana Engineering Limited

Navana Engineering Limited is a 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. The company started its commercial operation from March 01, 2011.

##### Navana Welding Electrode Limited

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

The principal activities of the Company is to produce welding electrode rod, welding and cutting equipment, cutting rod, welding and cutting consumables etc. The company started its commercial operation from January 01, 2013.

### 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, which approved and authorized for issue of this financial statements.

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

#### 2.2 Reporting period

The period of the financial statements covers from 1st April to 31st March consistently. These financial statements have been prepared for the period from 1st April 2012 to 31st March 2013.

#### 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.

## Navana CNG Limited and its Subsidiaries

### 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 comprehensive income, consolidated statement of cash flows, consolidated statement of changes in equity and consolidated notes and explanatory materials covering accounting policies.

#### 2.5 Principal accounting policies

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

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

#### 2.6 Significant accounting estimates and judgments

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

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

##### (i) Income taxes

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

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

## Navana CNG Limited and its Subsidiaries

### 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.

## Navana CNG Limited and its Subsidiaries

### 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 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.

## Navana CNG Limited and its Subsidiaries

### 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:

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

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

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

#### 2.14 Inventories

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

Raw materials: purchase costs on a weighted average basis;

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

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

#### 2.15 Cash and cash equivalents

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

#### 2.16 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.



## Navana CNG Limited and its Subsidiaries

### 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.

## Navana CNG Limited and its Subsidiaries

### 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 Segment Reporting

A business segment is a distinguishable component of an entity that is engaged in providing an individual product or service or a group of related products or services and that is subject to risk and returns that are different from those of other business segment. The company has two distinguishable operating segments which are disclosed in note # 26.

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

##### Workers Profit Participation Fund

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

#### 2.23 Contingencies

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

#### 2.24 Earnings per share

##### Basic earnings per share

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

In computing the basic earnings per share of 2011, 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".

## Navana CNG Limited and its Subsidiaries

### Notes to the Financial Statements

#### Diluted earnings per share

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

#### 2.25 Events after the reporting period

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

#### 2.26 Comparative figure

Comparative information has been disclosed in respect of the year 2011 for all numerical data in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current year's financial statements presentation.

#### 2.27 Restated:

As per BAS 39 para 55(b) financial instrument available for sale to be measured at fair value through other comprehensive income but last year such valuation was not done. This year financial instrument has been measured at fair value and last year's figure has been restated. Share of profit / (loss) from subsidiaries has been shown under other comprehensive income and previous year's figure has been restated accordingly.

#### 2.28 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 conform to current year presentation.



View: Navana CNG re-fueling station at Elenga, Tangail

## Navana CNG Limited and its subsidiaries

Schedule of Property, plant and equipments

As at March 31, 2013

Annexure- A

Particulars	Cost			Rate of Depreciation	Depreciation			Written Down Value at 31.03.13	Written Down Value at 31.03.12
	As at 01.04.2012	Addition during the period	As at 31.03.2013		As at 01.04.2012	Charged During the year	As at 31.03.2013		
Land and land develop.	134,763,064	-	134,763,064	0%	-	-	-	134,763,064	134,763,064
Building & Shed	114,219,482	27,577,299	141,796,781	10%	31,873,840	8,413,456	40,287,296	101,509,485	82,345,642
Plant & Machinery	574,314,885	113,279,294	687,594,179	10%	179,153,008	40,566,247	219,719,256	467,874,924	395,161,877
Tools & equipment	44,555,011	23,057,014	67,612,025	10%	10,607,207	5,700,482	16,307,690	53,830,745	33,947,804
Furniture & fixtures	12,481,495	2,876,042	15,357,537	10%	3,963,935	945,021	4,908,956	7,922,172	8,517,560
Electrical equipment	15,482,425	14,243,490	29,725,915	10%	-	743,148	743,148	28,982,767	15,482,425
Office equipment	321,920	1,277,258	1,599,178	10%	-	39,979	39,979	1,559,199	321,920
Vehicles	30,193,723	14,841,344	45,035,067	10%	8,204,085	3,404,032	11,608,116	33,426,951	21,989,638
<b>Total</b>	<b>926,332,005</b>	<b>197,151,741</b>	<b>1,123,483,746</b>		<b>233,802,075</b>	<b>59,812,365</b>	<b>293,614,440</b>	<b>829,869,306</b>	<b>692,529,930</b>

## Navana CNG Limited

Schedule of Property, plant and equipments

As at March 31, 2013

Annexure- A

Particulars	Cost			Rate of Depreciation	Depreciation			Written Down Value at 31.03.13	Written Down Value at 31.03.12
	As at 01.04.2012	Addition during the period	As at 31.03.2013		As at 01.04.2012	Charged During the year	As at 31.03.2013		
Land and land develop.	94,362,167	-	94,362,167	0%	-	-	-	94,362,167	94,362,167
Building & Shed	87,279,526	10,867,455	98,146,981	10%	31,267,959	6,687,902	37,955,861	60,191,120	56,011,567
Plant & Machinery	497,584,220	13,598,568	511,182,788	10%	176,039,749	33,514,304	209,554,053	301,628,735	321,544,471
Tools & equipment	34,763,694	7,588,983	42,352,677	10%	9,628,075	3,272,460	12,900,535	29,452,142	25,135,619
Furniture & fixtures	12,138,531	514,013	12,652,544	10%	3,959,964	869,258	4,829,222	7,823,322	8,178,567
Vehicles	28,290,666	10,700,017	38,990,683	10%	8,204,085	3,078,660	11,282,745	27,707,938	20,086,581
<b>Total</b>	<b>754,418,804</b>	<b>43,269,036</b>	<b>797,687,840</b>		<b>229,099,832</b>	<b>47,422,584</b>	<b>276,522,416</b>	<b>521,165,424</b>	<b>525,318,972</b>

View: Testing With Gas Analyzer at Navana CNG workshop |



**Navana CNG Limited and its subsidiaries**

## Notes to the Financial Statements

	31/03/13	31/03/12
	BD Taka	BD Taka
<b>3.0 Property, plant and equipment, net</b>		
Land and land development	94,362,167	94,362,167
Building & Shed	60,191,120	56,011,567
Plant & Machinery	301,628,735	321,544,471
Tools & equipment	29,452,142	25,135,619
Furniture & fixtures	7,823,322	8,178,567
Vehicles	27,707,938	20,086,581
	<b>521,165,424</b>	<b>525,318,972</b>
* An elaborate schedule of PPE are shown in Annexure -A		
<b>3(a) Consolidated Property, plant and equipment, net</b>		
Land and land development	134,763,064	134,763,064
Building & Shed	101,509,485	82,345,642
Plant & Machinery	467,874,924	395,161,877
Tools & equipment	52,863,534	33,947,804
Furniture & fixtures	10,448,581	8,517,560
Electrical equipment	28,982,767	15,482,425
Office equipment	-	321,920
Vehicles	33,426,951	21,989,638
	<b>829,869,306</b>	<b>692,529,930</b>
* An elaborate schedule of PPE are shown in Annexure -A		
<b>4.0 Investment in subsidiaries</b>		
Navana Engineering Ltd.	52,293,426	50,917,459
Navana Welding Electrodes Ltd.	91,545,169	103,605,180
	<b>143,838,595</b>	<b>154,522,639</b>
	<b>Total number of shares</b>	<b>Total number of shares held</b>
<b>Name of Subsidiary</b>		<b>Ownership Interest</b>
Navana Engineering Limited	4,500,000	4,499,995
Navana Welding Electrodes Limited	10,000,000	9,999,995
	<b>14,500,000</b>	<b>14,499,990</b>
<b>5.0 Long term security deposits</b>		
PDBF	316,081	316,081
Titas Gas T&D Co. Ltd.	24,642,213	30,880,441
Pashchimanchal Gas Co.	2,650,741	2,650,741
Dhaka Electricity Supply Co. Ltd.	150,000	90,000
Dhaka Electricity Supply Authority	210,000	270,000
Jalalabad Gas Co. Ltd.	1,299,297	1,299,297
Dhaka Palli Budyut Samity 1	257,120	257,120
Delta life Insurance Co. Ltd	10,000	10,000
Roads & Highway	227,456	227,456
North South University	16,143	16,143
Uttara Bank Limited	39,130	39,130
Standard Bank Ltd.	745,038	745,038
Bangladesh Telecommunication Co. Ltd (BTCL)	10,000	32,000
UCEP	338,000	338,000
Dhaka Metropolitan Police	147,331	147,331
Bakhrabad Gas Co.	6,859,750	6,859,750
Mobile Com	22,000	-
	<b>37,940,300</b>	<b>44,178,528</b>

## Navana CNG Limited and its subsidiaries

### Notes to the Financial Statements

	31/03/13	31/03/12
<b>6.0 Inventories</b>	<b>BD Taka</b>	<b>BD Taka</b>
Stock & Stores	397,928,958	339,698,037
Goods in transit	1,735,015	1,784,929
	<b>399,663,973</b>	<b>341,482,966</b>
<b>6(a) Consolidated Inventories</b>		
Stock & Stores	538,563,060	386,958,606
Goods in transit	1,735,015	1,784,929
	<b>540,298,075</b>	<b>388,743,535</b>
<b>7.0 Accounts receivable</b>		
Tejgaon CNG Conversion Center	14,728,447	15,498,296
Kallyanpur CNG Conversion Center	7,540,744	9,690,805
Dipnagar Diesel Conversion Center	7,396,554	8,709,023
Chittagong CNG Conversion Center	7,566,086	8,157,676
Chittagong Station Office,	4,727,370	7,554,474
Sylhet CNG Conversion Center	3,394,469	5,390,065
Cylinder Testing Unit	4,063,132	4,460,830
Engendering Workshop	500,104	4,241,940
Kalurghst CNG Conversion Center	277,162	2,671,054
Kalurghst CRT	31,500	2,652,107
Station Office, Dhaka	13,498,919	2,451,735
Uttara CNG Conversion Center	203,648	2,065,385
Bogra CNG Conversion Center	227,638	1,317,900
Palton CNG Conversion Center	178,020	726,713
Auto repair & services	7,827,616	704,300
Denso CNG Station	1,864,866	595,662
Binimoy CNG Station	6,678,889	568,348
Sylhet CNG Station	593,753	547,171
Sylhet Station office	748,661	504,009
Baipail CNG Station	870,042	463,172
Bogra CNG Station	114,403	365,149
Bogra Station office	1,389,800	345,466
Leguna CNG Station	548,319	297,006
Sitakundu CNG Station	343,979	271,665
S.H. Khan CNG Station	889,650	259,830
Kwality CNG Station	454,674	189,796
Abdullah CNG Station	136,968	185,577
Bhoirab CNG Station	253,145	134,394
Elenga Station CNG Station	241,911	112,152
United CNG Station	155,718	89,522
Jogajog CNG Station	324,083	76,665
Sonarbangla CNG Station	3,762,480	141,309
	<b>91,532,750</b>	<b>81,439,196</b>

**Navana CNG Limited and its subsidiaries**

## Notes to the Financial Statements

	31/03/13	31/03/12
	BD Taka	BD Taka
<b>7(a) Consolidated Accounts receivable</b>		
Tejgaon CNG Conversion Center	14,728,447	15,498,296
Kallyanpur CNG Conversion Center	7,540,744	9,690,805
Dipnagar Diesel Conversion Center	7,396,554	8,709,023
Chittagong CNG Conversion Center	7,566,086	8,157,676
Chittagong Station Office,	4,727,370	7,554,474
Sylhet CNG Conversion Center	3,394,469	5,390,065
Cylinder Testing Unit	4,063,132	4,460,830
Engendering Workshop	500,104	4,241,940
Kalurghst CNG Conversion Center	277,162	2,671,054
Kalurghst CRT	31,500	2,652,107
Station Office, Dhaka	13,498,919	2,451,735
Uttara CNG Conversion Center	203,648	2,065,385
Bogra CNG Conversion Center	227,638	1,317,900
Palton CNG Conversion Center	178,020	726,713
Auto repair & services	7,827,616	704,300
Denso CNG Station	1,864,866	595,662
Binimoy CNG Station	6,678,889	568,348
Sylhet CNG Station	593,753	547,171
Sylhet Station office	748,661	504,009
Baipail CNG Station	870,042	463,172
Bogra CNG Station	114,403	365,149
Bogra Station office	1,389,800	345,466
Leguna CNG Station	548,319	297,006
Sitakundu CNG Station	343,979	271,665
S.H. Khan CNG Station	889,650	259,830
Kwality CNG Station	454,674	189,796
Abdullah CNG Station	136,968	185,577
Bhoirab CNG Station	253,145	134,394
Elenga Station CNG Station	241,911	112,152
United CNG Station	155,718	89,522
Jogajog CNG Station	324,083	76,665
Sonarbangla CNG Station	3,762,480	141,309
Sylhet Zone	52,020	-
Jessore Zone	424,120	-
Dhaka South zone	4,742,580	-
Dhaka North zone	2,523,240	-
Rajshahi Zone	1,224,990	-
Rangpur Zone	1,256,030	-
Chitta. South Zone	1,722,117	-
Chitta. North Zone	1,356,845	-
Barishal Zone	1,533,740	-
Corporate Customer	425,487	-
M/S Hamida Traders	18,054,268	10,703,459
Md.Saheb Ali Sagor(S.O)	4,822,032	-
Md.Sajedur Rahman Masum(A.S.O)	2,004,589	-
Md.Shamim(A.S.O)	3,465,177	-
Md.Shoaib Ahmed(A.O.S)	2,195,413	-
Mr.Razaul Islam (O.S.)	5,263,484	-
Others	2,634,297	916,593
	<b>145,233,178</b>	<b>93,059,248</b>
<b>8.0 Advances, deposits &amp; pre-payments</b>		
Advance against leasehold land	11,686,324	11,840,624
Advance against local procurement	66,427,339	19,514,788
Bank guarantee margin	19,315,650	17,542,047
Security deposit	1,865,509	133,339
Pre-payments	5,021,069	4,500,000
	<b>104,315,891</b>	<b>53,530,798</b>

## Navana CNG Limited and its subsidiaries

### Notes to the Financial Statements

		31/03/13	31/03/12
<b>8(a)</b>	<b>Consolidated Advances, deposits &amp; pre-payments</b>	<b>BD Taka</b>	<b>BD Taka</b>
	Advance against leasehold land	11,686,324	11,840,624
	Advance against local procurement	86,384,720	28,928,946
	Bank guarantee margin	19,315,650	17,541,057
	Security deposit	7,031,391	133,339
	Pre-payments	5,021,069	4,500,000
	Advance Income Tax	7,348,213	2,463,553
	Advance Trade Vat	963,766	37,766
	Jakshon international Ltd.	251,031	-
	Vat Current Account	4,365,559	2,515,989
	Advance to Fixed Assets	623,084	
	Advance House Rent	265,000	
		<b>143,255,807</b>	<b>67,961,274</b>
<b>9.0</b>	<b>Investment in shares</b>		
	Lafarge Surma Cement Ltd.	630,000	2,394,876
	Aftab Automobiles Ltd.	4,860,400	5,826,977
		<b>5,490,400</b>	<b>8,221,853</b>
		<b>Market value as on 31/03/13</b>	<b>Market value as on 31/03/12</b>
	Lafarge Surma Cement Ltd.	10	21,000
	Aftab Automobiles Ltd.	10	67,040
		<b>20</b>	<b>88,040</b>
		<b>5,490,400</b>	<b>8,221,853</b>
<b>9(a)</b>	<b>Consolidated Investment in shares</b>		
	Lafarge Surma Cement Ltd.	630,000	2,394,876
	Aftab Automobiles Ltd.	4,860,400	5,826,977
	National Bank Ltd.	133,980	-
	Square Pharmaceuticals Ltd.	800,128	-
		<b>6,424,508</b>	<b>8,221,853</b>
		<b>Market value as on 31/03/13</b>	<b>Market value as on 31/03/12</b>
	Lafarge Surma Cement Ltd.	10	21,000
	Aftab Automobiles Ltd.	10	67,040
	National Bank Ltd.	10	7,700
	Square Pharmaceuticals Ltd.	10	4,480
		<b>100,220</b>	<b>10.1</b>
		<b>6,424,508</b>	<b>8,221,853</b>
<b>10.0</b>	<b>Cash &amp; Cash equivalent</b>		
	Cash in hand	29,341,679	35,414,897
	Cash at bank	336,784,504	368,658,577
		<b>366,126,183</b>	<b>404,073,474</b>



**Navana CNG Limited and its subsidiaries**

## Notes to the Financial Statements

	31/03/13	31/03/12
	BD Taka	BD Taka
<b>10.1 Cash at Bank</b>		
AB Bank Ltd.	4,171,698	13,373,125
Bank Alfalah Ltd.	11,463	12,613
Al-Arafah Bank Ltd.	8,077	10,000
Bank Asia Ltd.	391,039	392,539
Brac Bank Ltd.	70,451	2,388,985
Dhaka Bank Ltd.	4,725,209	6,616,767
Dutch Bangla Bank Ltd.	16,781,805	26,885,474
IFIC Bank Ltd.	997,964	1,064,402
Jamuna Bank Ltd.	366,771	133,520
Mutual Trust Bank Ltd.	8,446,637	18,970,466
National Bank Ltd.	5,378,588	2,877,639
NCC Bank Ltd.	787,034	2,731,106
Prime Bank Ltd.	1,217,194	9,814,222
Pubali Bank Ltd.	2,590,841	5,186,617
Rupali Bank Ltd.	3,056,500	10,304,573
Shahjalal Islami Bank Ltd.	4,609,265	7,474,770
Social Investment Bank Ltd.	45,237	46,277
Southeast Bank Ltd.	1,368,242	30,190
Standard Bank Ltd.	11,511	45,464
Standard Chartered Bank	260,814	1,799,614
Uttara Bank Ltd.	7,781,641	17,593,233
Mercantile Bank Ltd. (FDR)	75,316,347	67,149,899
NCC Bank Ltd.(FDR)	49,873,766	43,415,274
One Bank Ltd.(FDR)	66,275,314	59,343,083
Standard Bank Ltd. (FDR)	79,314,410	70,998,725
Jumana Bank Ltd. (FDR)	2,926,686	-
	<b>336,784,504</b>	<b>368,658,577</b>
<b>10(a) Consolidated Cash &amp; cash equivalent</b>		
Cash in hand	31,819,125	36,812,899
Cash at bank	353,751,243	442,752,603
	<b>385,570,368</b>	<b>479,565,502</b>
<b>10 (b) Cash at Bank</b>		
AB Bank Ltd.	4,171,698	13,373,125
Bank Alfalah Ltd.	11,463	12,613
Al-Arafah Bank Ltd.	24,231	30,000
Bank Asia Ltd.	391,039	392,539
Brac Bank Ltd.	70,451	2,388,985
Dhaka Bank Ltd.	4,725,209	6,616,767
Dutch Bangla Bank Ltd.	25,180,848	26,885,474
IFIC Bank Ltd.	997,964	1,064,402
Jamuna Bank Ltd.	375,695	152,944
Mutual Trust Bank Ltd.	9,624,705	18,970,466
National Bank Ltd.	5,378,588	2,877,639
NCC Bank Ltd.	787,034	2,731,106
Prime Bank Ltd.	1,217,194	9,814,222
Pubali Bank Ltd.	3,405,183	5,186,617
Rupali Bank Ltd.	3,056,500	10,304,573
Shahjalal Islami Bank Ltd.	5,586,457	9,593,886
Social Investment Bank Ltd.	45,237	46,277
Southeast Bank Ltd.	3,685,200	843,057
Standard Bank Ltd.	2,129,315	4,086,635
Standard Chartered Bank Ltd.	260,814	1,799,614
Uttara Bank Ltd.	7,781,641	17,593,233
Mercantile Bank Ltd.	279,207	-
Mercantile Bank Ltd. (FDR)	75,316,347	67,149,899
NCC Bank Ltd.(FDR)	49,873,766	43,415,274
One Bank Ltd.(FDR)	66,858,609	59,343,083
Standard Bank Ltd. (FDR)	79,314,410	70,998,725
Jumana Bank Ltd. (FDR)	2,926,686	-
Islami Bank Bd. Ltd	275,752	-
FDR for Navana Welding Electrode Ltd.	-	67,081,448
	<b>353,751,243</b>	<b>442,752,603</b>

## Navana CNG Limited and its subsidiaries

### Notes to the Financial Statements

			31/03/13	31/03/12
			BD Taka	BD Taka
<b>11.00 Share capital</b>				
Authorized capital: (150,000,000 Ordinary Shares @ Tk. 10 each)			1,500,000,000	1,500,000,000
Issued, Subscribed and Paid-up Capital: (57,107,160 Ordinary Shares @ Tk. 10 each)			571,071,600	496,584,000
	Number of Shares Quantity	Value Per Share BD Taka	Share Capital BD Taka	Share Capital BD Taka
Balance at beginning of year	49,658,400	10	496,584,000	435,600,000
Issue of bonus shares	7,448,760	10	74,487,600	60,984,000
<b>Balance at end of year</b>	<b>57,107,160</b>		<b>571,071,600</b>	<b>496,584,000</b>

#### Shareholding position:

Class of shareholders	Number of Investors	Number of Shares hold	Shares Holding % 31-03-2013	Shares Holding % 31-03-2012
Sponsors	10	24,358,370	42.65%	43%
General public	28,015	23,284,691	40.77%	36%
Institutional investors	307	9,464,099	16.57%	21%
<b>Total</b>	<b>28,332</b>	<b>57,107,160</b>	<b>100%</b>	<b>100%</b>

#### Classification of shareholders:

Particulars	Number of Investors	Number of Shares	Shares Holding % 31-03-2013	Shares Holding % 31-03-2012
1 to 500	20,444	3,221,684	5.64%	7.18%
501 to 5000	7,314	9,318,663	16.32%	5.14%
5001 to 10000	282	1,960,496	3.43%	16.75%
10001 to 20000	128	1,796,500	3.15%	3.71%
20001 to 30000	47	1,136,261	1.99%	1.89%
30001 to 40000	21	710,339	1.24%	1.29%
40001 to 50000	17	764,983	1.34%	1.29%
50001 to 100000	40	3,000,731	5.25%	3.05%
100001 to 1000000	33	10,533,250	18.44%	17.42%
1000000 above	6	24,664,253	43.19%	42.29%
<b>Total</b>	<b>28,332</b>	<b>57,107,160</b>	<b>100%</b>	<b>100%</b>

<b>12.0 Retained earnings</b>				
Opening balance			681,820,375	566,315,613
Prior year error			-	990
Opening balance			681,820,375	566,316,603
Add: Total Comprehensive Income for the year			241,512,869	238,408,180
			923,333,244	804,724,783
Add : Share of Profit from subsidiaries			(10,684,044)	9,522,739
Add : unrealised profit/(loss) on investment in share			(2,731,453)	6,964,853
			909,917,747	821,212,375
Less: Declaration of stock dividend			(74,487,600)	(60,984,000)
Less: payment cash dividend			(49,658,400)	(78,408,000)
Closing balance			785,771,747	681,820,375

**Navana CNG Limited and its subsidiaries**

## Notes to the Financial Statements

	31/03/13	31/03/12
	BD Taka	BD Taka
<b>12(a) Consolidated Retained earnings</b>		
Opening balance	681,820,383	566,315,613
Prior year error	-	990
<b>Opening balance</b>	<b>681,820,382</b>	<b>566,316,603</b>
Add: Total Comprehensive Income for the year	228,097,366	254,895,780
	<b>909,917,747</b>	<b>821,212,383</b>
Less: Declaration of stock dividend	(74,487,600)	(60,984,000)
Less: payment cash dividend	(49,658,400)	(78,408,000)
<b>Closing balance</b>	<b>785,771,747</b>	<b>681,820,383</b>
<b>13.0 Finance lease</b>		
Opening balance	48,739,954	76,071,490
Add : Interest charged during the year	9,243,250	9,256,225
	<b>57,983,204</b>	<b>85,327,715</b>
Less : Repayment during the year	39,814,357	36,587,761
<b>Closing balance</b>	<b>18,168,847</b>	<b>48,739,954</b>
Non-current portion of finance lease	-	9,146,940
Current portion of finance lease	18,168,847	39,593,014
	<b>18,168,847</b>	<b>48,739,954</b>
<b>13(a) Consolidated Finance lease</b>		
Opening balance	48,739,954	76,071,490
Add : Interest charged during the year	9,243,250	9,256,225
	<b>57,983,204</b>	<b>85,327,715</b>
Less : Repayment during the year	39,814,357	36,587,761
<b>Closing balance</b>	<b>18,168,847</b>	<b>48,739,954</b>
Non-current portion of finance lease	-	9,146,940
Current portion of finance lease	18,168,847	39,593,014
	<b>18,168,847</b>	<b>48,739,954</b>
<b>14.0 Short term loans</b>		
Standard Bank Ltd.	12,186,425	-
Shahjalal Islami Bank Ltd.	26,370,972	-
	<b>38,557,397</b>	<b>-</b>
<b>14(a) Consolidated Short term loans</b>		
Standard Bank Ltd.	12,186,425	5,628,086
Shahjalal Islami Bank Ltd.	26,370,972	-
Social Islami Bank Ltd.	28,700,278	-
IFIC Bank Ltd.	556,146,072	-
	<b>623,403,747</b>	<b>5,628,086</b>
<b>15.0 Provision for income tax</b>		
Opening balance	68,731,606	53,575,188
Add: Current tax expenses for the year	78,852,953	65,495,098
	<b>147,584,559</b>	<b>119,070,286</b>
Less: Tax paid during the year	(59,185,224)	(50,338,680)
<b>Closing balance</b>	<b>88,399,335</b>	<b>68,731,606</b>

## Navana CNG Limited and its subsidiaries

### Notes to the Financial Statements

		31/03/13	31/03/12
		BD Taka	BD Taka
<b>15(a)</b>	<b>Consolidated Provision for income tax</b>		
	Navana CNG Limited	88,399,335	68,731,606
	Navana Welding Electrode Limited	3,100,562	2,163,140
	Navana Engineering Limited	108,489	
		<b>91,608,386</b>	<b>70,894,746</b>
<b>16.0</b>	<b>Payables and accruals</b>		
	Account payables	27,353,775	11,222,784
	Provisions & accruals	48,273,195	71,439,116
	Workers profit participation fund	8,097,391	15,246,662
	Sundry payables	2,796,318	132,277
		<b>86,520,679</b>	<b>98,040,839</b>
<b>16(a)</b>	<b>Consolidated Payables and accruals</b>		
	Navana CNG Limited	86,520,679	98,040,839
	Navana Engineering Limited	4,946,051	897,514
	Navana Welding Electrode Limited	4,048,332	2,095,486
		<b>95,515,062</b>	<b>101,033,839</b>
<b>17.0</b>	<b>Revenue</b>		
	CNG conversion	345,113,046	411,908,018
	CNG sales	1,001,348,180	897,928,063
	Service revenue	77,129,931	75,614,743
		<b>1,423,591,157</b>	<b>1,385,450,824</b>
<b>17(a)</b>	<b>Consolidated Revenue</b>		
	Navana CNG Limited	1,423,591,157	1,385,450,824
	Navana Engineering Limited	76,742,936	63,952,344
	Navana Welding Electrode Limited	37,766,402	-
		<b>1,538,100,495</b>	<b>1,449,403,168</b>
<b>18.0</b>	<b>Cost of sales</b>		
	Cost of CNG conversion	140,991,484	208,513,327
	Cost of CNG sales	775,317,063	670,048,150
	Direct overhead	4,047,711	-
		<b>920,356,258</b>	<b>878,561,477</b>
<b>18.01</b>	<b>Cost of CNG conversion</b>		
	Opening balance of conversion materials	339,698,037	345,590,175
	Add : Purchase during the year	199,222,405	202,621,189
	Available for consumption	<b>538,920,442</b>	<b>548,211,364</b>
	Less: Closing balance of conversion materials	397,928,958	339,698,037
	Conversion materials consumed	<b>140,991,484</b>	<b>208,513,327</b>
<b>18.02</b>	<b>Cost of CNG sales</b>		
	Gas Bill	686,236,381	593,541,925
	Electricity Bill	57,301,983	46,119,375
	Land rent Bill	31,778,699	30,386,850
		<b>775,317,063</b>	<b>670,048,150</b>

**Navana CNG Limited and its subsidiaries**

## Notes to the Financial Statements

	31/03/13	31/03/12
	BD Taka	BD Taka
<b>18(a) Cost of sales</b>		
Navana CNG Limited	920,356,258	878,561,477
Navana Engineering Limited	61,412,446	48,785,288
Navana Welding Electrode Limited	29,558,512	-
	<b>1,011,327,216</b>	<b>927,346,765</b>
<b>19.0 Administrative and selling expense</b>		
Salary & allowances	110,417,613	107,017,011
Overtime allowance	6,557,185	7,338,092
Vehicle maintenance	2,203,015	2,056,536
Electricity bill	2,730,919	2,042,986
Rental expense	8,498,804	2,238,966
Telephone & mobile expense	2,830,890	2,421,319
Conveyance	1,373,396	2,609,844
Electrical expense	156,086	162,726
Entertainment	1,500,060	1,581,832
Labour charge	922,160	448,882
Board meeting attendance fee	255,000	110,000
Medical expense	152,000	167,240
Carrying charge	812,736	981,667
Mineral water	617,177	488,058
Annual general meeting expenses	2,546,520	1,345,300
Miscellaneous expense	609,960	546,390
Newspaper & periodicals	190,212	177,103
Office maintenance	232,792	254,523
Audit fees	80,000	60,000
Oil & lubricants	2,068,790	2,196,377
Photocopy expense	45,416	75,409
Postage & stamp	212,007	212,965
Uniform & liveries	185,816	137,962
Printing expense	1,115,500	3,118,938
Stationary expense	644,548	720,344
Registration & renewals	1,209,923	1,679,527
Travelling expense	461,002	1,000,604
Depreciation	47,422,584	47,884,089
	<b>196,052,111</b>	<b>189,074,690</b>
<b>19(a) Consolidated Administrative and selling expense</b>		
Salary & allowances	114,631,279	110,865,737
Overtime allowance	7,628,574	7,947,113
Vehicle maintenance	2,872,114	2,365,635
Electricity bill	2,741,798	2,050,865
Rental expense	8,767,304	2,238,966
Telephone & mobile expense	3,617,981	2,818,442
Conveyance	1,826,209	2,832,208
Electrical expense	252,343	482,970
Entertainment	1,750,163	1,642,796
Labor charge	989,040	1,243,879
Board meeting attendance fee	255,000	110,000
Medical expense	173,250	171,240
Carrying charge	873,417	1,209,634
Mineral water	641,777	512,758
Annual general meeting expenses	2,546,520	1,345,300
Miscellaneous expense	656,808	1,524,038
Newspaper & periodicals	207,360	180,337
Office maintenance	1,067,635	1,085,590
Audit fees	130,000	80,000
Oil & lubricants	2,319,112	2,231,510
Photocopy expense	49,976	88,318
Postage & stamp	343,545	265,170
Uniform & liveries	316,024	315,062
Printing expense	1,159,672	3,175,036
Stationary expense	1,035,490	797,800
Registration & renewals	1,424,188	2,288,854
Travelling expense	621,484	1,111,005
Depreciation	49,900,540	48,824,538
	<b>208,798,603</b>	<b>199,804,801</b>

## Navana CNG Limited and its subsidiaries

### Notes to the Financial Statements

		31/03/13	31/03/12
		BD Taka	BD Taka
<b>20.0 Interest expenses</b>			
Interest on debentures		-	3,400,000
Interest on lease finance		9,243,250	9,256,225
Interest on short term loans		5,845,943	225,193
		<b>15,089,193</b>	<b>12,881,418</b>
<b>20(a) Consolidated Interest expenses</b>			
Interest on debentures		-	3,400,000
Interest on lease finance		9,243,250	9,256,225
Interest on short term loans		9,280,398	225,193
		<b>18,523,648</b>	<b>12,881,418</b>
<b>21.0 Other income</b>			
Interest income on FDR		33,491,327	27,020,869
Interest income on STD account		7,827	86,552
Others		6,914,261	27,504
		<b>40,413,415</b>	<b>27,134,925</b>
<b>21(a) Consolidated Other income</b>			
Navana CNG Limited		40,413,415	27,134,925
Navana Welding Electrode Limited		2,432,838	12,044,170
		<b>42,846,253</b>	<b>39,179,095</b>
<b>22.00 Income tax expense</b>			
Current tax	22.01	78,852,953	65,495,098
Deferred tax		(1,768,031)	12,918,224
		<b>77,084,922</b>	<b>78,413,322</b>
<b>22.01 Current tax:</b>		<b>8,590,881</b>	<b>19,338,680</b>
Tax deducted at source (import stage)		4,897,623	5,435,758
Tax deducted from FDR interest income		3,415,485	2,700,386
Tax deducted from Customer		197,387	193,880
Tax deducted from STD interest income		386	8,656
Tax paid in advance		-	11,000,000
Tax deducted at source (Vehicle)		80,000	-
Tax provision		70,262,072	46,156,418
		<b>78,852,953</b>	<b>65,495,098</b>
<b>22(a) Consolidated Income tax expense</b>			
Current tax	22(b)	79,898,862	67,658,238
Deferred tax		14,536,470	12,918,224
		<b>94,435,332</b>	<b>80,576,462</b>
<b>22(b) Current tax:</b>		<b>8,590,881</b>	<b>20,594,198</b>
Tax deducted at source (import stage)		4,897,623	5,435,758
Tax deducted from FDR interest income		3,415,485	3,955,904
Tax deducted from Customer		197,387	193,880
Tax deducted from STD interest income		386	8,656
Tax paid in advance		-	11,000,000
Tax deducted at source (Vehicle)		80,000	-
Tax provision		71,307,981	47,064,040
		<b>79,898,862</b>	<b>67,658,238</b>

**Navana CNG Limited and its subsidiaries**

## Notes to the Financial Statements

	31/03/13	31/03/12
	BD Taka	BD Taka
<b>23.0 Earnings per share (EPS)</b>		
Profit attributable to ordinary shareholders	241,512,869	238,408,180
Number of ordinary shares used to compute earnings per share	57,107,160	57,107,160
<b>Earnings per share</b>	<b>4.23</b>	<b>4.17</b>
<b>23.(a) Earnings per share (EPS)</b>		
Profit attributable to ordinary shareholders	233,605,565	252,216,010
Number of ordinary shares used to compute earnings per share	57,107,160	57,107,160
<b>Earnings per share</b>	<b>4.09</b>	<b>4.42</b>
<b>24.0 Net assets value per share (NAVPS)</b>		
Net assets value	1,537,462,195	1,359,023,223
Number of ordinary shares used to compute NAVPS	57,107,160	49,658,400
<b>Net assets value per share</b>	<b>26.92</b>	<b>27.37</b>
<b>24.(a) Net assets value per share (NAVPS)</b>		
Net assets value	1,544,408,887	1,363,308,328
Number of ordinary shares used to compute NAVPS	57,107,160	49,658,400
<b>Net assets value per share</b>	<b>27.04</b>	<b>27.45</b>
<b>25.0 Net operating cash flows per share (NOCFPS)</b>		
Net operating cash flows	180,874,285	301,867,760
Number of ordinary shares used to compute NOCFPS	57,107,160	57,107,160
<b>Net operating cash flows per share</b>	<b>3.17</b>	<b>5.29</b>
<b>25(a) Net operating cash flows per share (NOCFPS)</b>		
Net operating cash flows	44,127,998	264,198,371
Number of ordinary shares used to compute NOCFPS	57,107,160	57,107,160
<b>Net operating cash flows per share</b>	<b>0.77</b>	<b>4.63</b>

## Navana CNG Limited and its subsidiaries

### Notes to the Financial Statements

#### 26.0 Segment Report

	Conversion Workshop	CNG Station	Total
<b>Assets:</b>			
<b>Non-current assets</b>			
Property, plant & equipment	156,349,627	364,815,797	521,165,424
Capital Work - in - progress	328,280,823	-	328,280,823
Investment in subsidiaries	143,838,594	-	143,838,594
Long term security deposit	7,588,060	30,352,240	37,940,300
<b>Total non-current assets</b>	<b>636,057,104</b>	<b>395,168,037</b>	<b>1,031,225,141</b>
<b>Current assets</b>			
Inventories	399,663,973	-	399,663,973
Accounts receivable	36,613,100	54,919,650	91,532,750
Advances, deposits & pre-payments	44,158,435	60,157,456	104,315,891
Investment in shares	5,490,400	-	5,490,400
Cash & Cash equivalents	146,450,473	219,675,710	366,126,183
<b>Total current assets</b>	<b>632,376,381</b>	<b>334,752,816</b>	<b>967,129,197</b>
<b>Total assets</b>	<b>1,268,433,485</b>	<b>729,920,853</b>	<b>1,998,354,338</b>
<b>Equity and liabilities:</b>			
<b>Equity</b>			
Share capital	571,071,600	-	571,071,600
Tax holiday reserve	180,618,848	-	180,618,848
Retained earnings	157,154,349	628,617,398	785,771,747
Inter Unit Balance	9,608,965	(9,608,965)	-
<b>Total equity</b>	<b>918,453,763</b>	<b>619,008,432</b>	<b>1,537,462,195</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	15,509,699	23,264,548	38,774,247
<b>Total non-current liabilities</b>	<b>15,509,699</b>	<b>23,264,548</b>	<b>38,774,247</b>
<b>Current liabilities</b>			
Finance lease, current portion	18,168,847	-	18,168,847
Short term loans	38,557,397	-	38,557,397
Provision for income tax	35,359,734	53,039,601	88,399,335
Inter company payable	190,471,639	-	190,471,639
Payables and accruals	51,912,407	34,608,272	86,520,679
<b>Total current liabilities</b>	<b>334,470,024</b>	<b>87,647,873</b>	<b>422,117,897</b>
<b>Total liabilities</b>	<b>349,979,723</b>	<b>110,912,421</b>	<b>460,892,144</b>
<b>Total equity and liabilities</b>	<b>1,268,433,486</b>	<b>729,920,853</b>	<b>1,998,354,339</b>



## Navana CNG Limited and its subsidiaries

### Notes to the Financial Statements

Particulars	Conversion Workshop*	CNG Station	Total
Revenue	422,242,977	1,001,348,180	1,423,591,157
Less: Cost of sales	368,142,503	552,213,755	920,356,258
<b>Gross profit</b>	<b>54,100,474</b>	<b>449,134,425</b>	<b>503,234,899</b>
Less: Admin & selling expenses	117,631,267	78,420,844	196,052,111
Less: Interest expenses	15,089,193	-	15,089,193
<b>Operating profit</b>	<b>(78,619,986)</b>	<b>370,713,581</b>	<b>292,093,595</b>
Add: Other income	40,413,415	-	40,413,415
<b>Profit before contribution to WPPF</b>	<b>(38,206,571)</b>	<b>370,713,581</b>	<b>332,507,010</b>
Less: Contribution to WPPF	-	13,909,219	13,909,219
<b>Profit before tax</b>	<b>(38,206,571)</b>	<b>356,804,362</b>	<b>318,597,791</b>
Less: Income tax expenses	30,833,969	46,250,953	77,084,922
Current tax	31,541,181	47,311,772	78,852,953
Deferred tax	(707,212)	(1,060,819)	(1,768,031)
<b>Net profit after tax for the year</b>	<b>(69,040,540)</b>	<b>310,553,409</b>	<b>241,512,869</b>
<b>Other comprehensive income:</b>			
Unrealised profit on investment in share	(2,731,453)	-	(2,731,453)
Share of Profit from subsidiaries	(10,684,044)	-	(10,684,044)
<b>Total comprehensive income for the year</b>	<b>(82,456,036)</b>	<b>310,553,409</b>	<b>228,097,372</b>

\* Including General Activities

#### 27.0 Event after the Reporting Period

The Directors in the meeting held on July 22, 2013, recommended 20% stock dividend for the shareholders whose name will be appeared in the shareholders' registers at the date of book closure which is subject to shareholders' approval at the forthcoming annual general meeting to be held on September 26, 2013.

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

#### 28.0 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 value	Outstanding receivable/ (payable)
			BD Taka	BD Taka
Navana Engineering Limited	Subsidiary	working capital	1,473,065	1,473,065
Navana Welding Electrodes Ltd	Subsidiary	working capital	836,409	836,409

## Navana CNG Limited and its subsidiaries

### Notes to the Financial Statements

#### 28 (a) 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 value	Outstanding receivable/ (payable)
			BD Taka	BD Taka
Navana Engineering Limited	Subsidiary	working capital	1,473,065	-
Navana Welding Electrodes Ltd	Subsidiary	working capital	836,409	-
Loan from Director	Director	Intt. free Loan	144,112,526	144,112,526
Navana Real State Ltd.	Common Director		1,071,037	1,708,013
Navana Construction Ltd.	Common Director		638,525	638,525

#### 29.0 Amount due by directors

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

#### 30.0 Claims against the company

There is no known claim against the Company

#### 31.0 Employee position of the Company

The number of employees drawing Tk. 3,000 or more per month was 839 (2012:842) during the year

#### 32.0 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	255,000
Managerial remuneration	1,792,857
<b>Managerial Benefits:</b>	
Bonus	298,810
Gratuity	537,857
Perquisites	2,485,242
Company's contribution to provident fund	179,286
	5,549,051

during the year under review :

- i) no compensation was allowed by the company to the Chief executive officer of the company who is also a Director.
- ii) the rate at which Directors have drawn Board meeting attendance fees @ Tk.5,000/- per Director per meeting. The total Board meeting attendance fee incurred during the year under review was Tk. 255,000/- and
- iii) no amount of money was spent by the company for compensating any member of the board for special services rendered.

## **Independent Auditors' Report to the shareholders of Navana Engineering Limited**

We have audited the accompanying financial statements Navana Engineering Limited (the Company), which comprise the statement of financial position as at March 31, 2013, and the statement of comprehensive income, statement of changes in equity, statement of cash flows and a summary of significant accounting policies and other explanatory notes for the year then ended.

### **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 Navana Engineering Limited and its subsidiaries as of March 31, 2013, 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  
10.07.2013

Sd/-  
Rahman Mostafa Alam & Co.  
Chartered Accountants

## Navana Engineering Limited

Statement of Financial Position

As at March 31, 2013

	Notes	31/03/13 BD Taka	31/03/12 BD Taka
<b>Assets:</b>			
<b>Non-current assets</b>			
Property, plant and equipments	3	66,684,946	44,535,590
Capital Work - in - progress		103,243,558	-
Investment in shares	4	934,108	-
<b>Total Non-current assets</b>		<b>170,862,612</b>	<b>44,535,590</b>
<b>Current assets</b>			
Inventories	5	66,171,786	36,926,762
Account receivables	6	38,864,746	11,620,052
Advances, deposits & prepayments	7	8,331,801	3,812,894
Inter-company receivable		177,871,639	-
Cash & Cash equivalent	8	10,543,330	7,612,033
<b>Total Current assets</b>		<b>301,783,302</b>	<b>59,971,741</b>
<b>Total assets</b>		<b>472,645,914</b>	<b>104,507,331</b>
<b>Equity and liabilities:</b>			
<b>Equity</b>			
Share capital	9	45,000,000	45,000,000
Tax holiday reserve	10	6,946,700	4,285,097
Retained earnings	11	7,293,484	5,917,515
<b>Total Equity</b>		<b>59,240,184</b>	<b>55,202,612</b>
<b>Non Current liabilities</b>			
Deferred tax liability	12	2,682,112	-
<b>Total Non Current liabilities</b>		<b>2,682,112</b>	<b>-</b>
<b>Current liabilities</b>			
Dues to Director		46,933,137	46,933,137
Payables to Navana CNG Ltd.		-	1,473,065
Short term loan (IFIC Bank Ltd.)		358,735,941	-
Provision for income Tax		108,489	-
Payables & accruals		4,946,051	898,517
<b>Total Current liabilities</b>		<b>410,723,618</b>	<b>49,304,719</b>
<b>Total Liabilities</b>		<b>413,405,730</b>	<b>49,304,719</b>
<b>Total equity &amp; liabilities</b>		<b>472,645,914</b>	<b>104,507,331</b>

The annexed notes 1 to 16 and annexure-A 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  
10.07.2013

Sd/-  
Rahman Mostafa Alam & Co.  
Chartered Accountants

## Navana Engineering Limited

Statement of Comprehensive Income  
For the year ended March 31, 2013

	Notes	31/03/13 BD Taka	31/03/12 BD Taka
Revenue	13	76,742,936	63,952,344
Less: Cost of goods sold	14	61,412,446	48,785,288
<b>Gross profit</b>		<b>15,330,490</b>	<b>15,167,056</b>
Less: Administrative & selling expenses	15	6,212,721	4,454,313
Less: Interest expenses		1,827,291	-
<b>Profit before contribution to WPPF</b>		<b>7,290,478</b>	<b>10,712,743</b>
Less: Contribution to WPPF		347,166	510,131
<b>Profit before tax</b>		<b>6,943,312</b>	<b>10,202,612</b>
Less: Income Tax Expenses		2,790,600	-
Current tax		108,489	-
Deferred tax liabilities		2,682,111	-
<b>Profit after Tax for the year</b>		<b>4,152,712</b>	<b>10,202,612</b>
Less: Tax holiday reserve	16	2,661,603	4,285,097
<b>Profit after tax holiday reserve</b>		<b>1,491,109</b>	<b>5,917,515</b>
Less: Other comprehensive income/(loss):			
Unrealized loss on investment in share		(115,140)	-
<b>Total Comprehensive Income for the year</b>		<b>1,375,969</b>	<b>5,917,515</b>

The annexed notes 1 to 16 and annexure-A 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  
10.07.2013

Sd/-  
Rahman Mostafa Alam & Co.  
Chartered Accountants

## Navana Engineering Limited

### Statement of Cash Flows

For the year ended March 31, 2013

	31/03/13	31/03/12
	BD Taka	BD Taka
<b>A. Cash flows from operating activities</b>		
Receipts from customers	49,498,242	52,332,292
Payments to suppliers and employees	(91,166,837)	(77,700,548)
	<b>(41,668,595)</b>	<b>(25,368,256)</b>
Interest paid	(1,827,291)	-
Income tax paid	(2,302,988)	-
<b>Net cash used by operating activities</b>	<b>(45,798,874)</b>	<b>(25,368,256)</b>
<b>B. Cash flows from investing activities</b>		
Payments for property, plant and equipment	(29,312,638)	(15,915,223)
Capital work in Progress	(103,243,558)	-
Investment in Shares	(1,051,000)	-
<b>Net cash used in investing activities</b>	<b>(133,607,196)</b>	<b>(15,915,223)</b>
<b>C. Cash flows from financing activities</b>		
Proceeds from short term loan	358,735,941	-
Paid to Navana CNG Ltd.	(176,398,574)	-
Dues to Director	-	46,933,137
<b>Net cash inflows from financing activities</b>	<b>182,337,367</b>	<b>46,933,137</b>
<b>D. Net changes in cash and cash equivalents (A+B+C)</b>	<b>2,931,297</b>	<b>5,649,659</b>
Cash and cash equivalents at the beginning of year	7,612,033	1,962,375
<b>E. Cash and cash equivalents at the end of year</b>	<b>10,543,330</b>	<b>7,612,033</b>

Sd/-  
Chairman

Sd/-  
Director

Sd/-  
Chief Financial Officer

Signed in terms of our separate report of even date.

Dated : Dhaka  
10.07.2013

Sd/-  
Rahman Mostafa Alam & Co.  
Chartered Accountants

## Navana Engineering Limited

Statement of Changes in Equity

For the year ended March 31, 2013

Particulars	Share Capital BD Taka	Tax Holiday Reserve BD Taka	Retained Earnings BD Taka	Total BD Taka
Balance at April 01, 2011	45,000,000	-	-	45,000,000
Net profit for the year	-	-	5,917,515	5,917,515
Tax holiday reserve	-	4,285,097	-	4,285,097
<b>Balance at March 31, 2012</b>	<b>45,000,000</b>	<b>4,285,097</b>	<b>5,917,515</b>	<b>55,202,612</b>
Balance at April 01, 2012	45,000,000	4,285,097	5,917,515	55,202,612
Net profit for the year	-	-	1,375,969	1,375,969
Tax holiday reserve	-	2,661,603	-	2,661,603
<b>Balance at March 31, 2013</b>	<b>45,000,000</b>	<b>6,946,700</b>	<b>7,293,484</b>	<b>59,240,184</b>

Sd/-  
Chairman

Sd/-  
Director

Sd/-  
Chief Financial Officer

Signed in terms of our separate report of even date.

Dated : Dhaka  
10.07.2013

Sd/-  
Rahman Mostafa Alam & Co.  
Chartered Accountants

View: Testing lab & equipments of Navana Engineering Plant



## Navana Engineering Limited

Notes to the Financial Statements

For the year ended March 31, 2013

### 1. Corporate Information and Mode of Business

#### 1.1 Corporate Information

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 company started its commercial operation from March 01, 2011.

#### 1.2 Mode of Business

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

### 2. Significant Accounting Policies and Basis of Preparation of Financial Statement

#### 2.1 Statement of Compliance

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

#### 2.2 Basis of Preparation

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

#### 2.3 Basis of Reporting

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

#### 2.4 Reporting Period

The period of the financial statements covers from 1st April to 31st March consistently. These financial statements have been prepared for the period from 1st April 2012 to 31st March 2013.

#### 2.5 Functional and Presentation Currency

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

#### 2.6 Recognition of Property, Plant and Equipment

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

#### Depreciation

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

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



## Navana Engineering Limited

### Notes to the Financial Statements

#### 2.7 Inventories

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

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

#### 2.8 Cash and Cash Equivalents

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

#### 2.9 Liabilities for Expenses

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

#### 2.10 Financial Assets and Liabilities

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

#### Receivables:

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

#### Payables

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

#### 2.11 Restated

WPPF was not calculated though it was applicable last year. Workers profit participation fund (WPPF) has been calculated and created this year and also restated last year's WPPF fund and spontaneously payable and accruals of last year figure have been restated.

#### 2.12 General

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

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



View: Navana Engineering pipe products

## Navana Engineering Limited

### Notes to the Financial Statements

#### Schedule of Property, plant and equipment As at March 31, 2013

Annexure-A

Particulars	Cost			Rate of Depreciation	Depreciation			Written Down Value at 31.03.13	Written Down Value at 31.03.12
	As at 01.04.2012	Addition during the period	As at 31.03.2013		As at 01.04.2012	Charged During the year	As at 31.03.2013		
Land and land development	2,215,397	-	2,215,397	0%	-	-	-	2,215,397	2,215,397
Building & Shed	6,058,811	3,206,480	9,265,291	10%	605,881	865,941	1,471,822	7,793,469	5,452,930
Plant & Machinery	31,132,594	8,240,537	39,373,131	10%	3,113,259	3,625,987	6,739,246	32,633,885	28,019,335
Tools & equipment	9,791,317	15,468,031	25,259,348	10%	979,132	2,428,022	3,407,154	21,852,194	8,812,185
Furniture & fixtures	39,714	74,090	113,804	10%	3,971	10,983	14,954	98,850	35,743
Motor vehicle	-	2,323,500	2,323,500	10%	-	232,350	232,350	2,091,150	-
<b>Total</b>	<b>49,237,833</b>	<b>29,312,638</b>	<b>78,550,471</b>		<b>4,702,243</b>	<b>7,163,282</b>	<b>11,865,525</b>	<b>66,684,946</b>	<b>44,535,590</b>

#### Depreciation Charged to :

	TK
Cost of good sold	5,730,626
Administrative & selling Expenses	1,432,656
	<b>7,163,282</b>

View: Marketing campaign of Navana Engineering products



## Navana Engineering Limited

Notes to the Financial Statements

		31/03/13	31/03/12		
		BD Taka	BD Taka		
3.0	Property, plant and equipment, net				
	Land and land development	2,215,397	2,215,397		
	Building & Shed	7,793,469	5,452,930		
	Plant & Machinery	32,633,885	28,019,335		
	Tools & equipment	21,852,194	8,812,185		
	Furniture & fixtures	98,850	35,743		
	Motor vehicle	2,091,150	-		
		<b>66,684,946</b>	<b>44,535,590</b>		
	* An elaborate schedule of PPE are shown in Annexure -A				
4.0	Investment in shares				
	National Bank Ltd.	133,980	-		
	Square Pharmaceuticals Ltd.	800,128	-		
		<b>934,108</b>	<b>-</b>		
	Name of the share	Number of Share	Face value per share	Cost Price	Market value as on March 31, 2013
	National Bank Ltd.	7,700	10	222,205	133,980
	Square Pharmaceuticals Ltd.	4,480	10	827,043	800,128
		<b>12,180</b>		<b>1,049,248</b>	<b>934,108</b>
5.0	Inventories				
	Stock in raw materials			56,175,858	19,851,316
	Goods in Transit			3,432,545	14,674,311
	Finished goods			6,563,383	2,401,135
				<b>66,171,786</b>	<b>36,926,762</b>
6.0	Account receivables				
	M/S Hamida Traders			18,054,268	10,703,459
	Corporate Customer			425,487	-
	Md.Saheb Ali Sagor(S.O)			4,822,032	-
	Md.Sajedur Rahman Masum(A.S.O)			2,004,589	-
	Md.Shamim(A.S.O)			3,465,177	-
	Md.Shoaib Ahmed(A.O.S)			2,195,413	-
	Mr.Razaul Islam (O.S.)			5,263,484	-
	Others			2,634,297	916,593
				<b>38,864,746</b>	<b>11,620,052</b>
7.0	Advances, deposits & prepayments				
	Advance Income Tax			38,864,746	11,620,052
	Advance Trade Vat			3,677,445	1,259,139
	Advance Trade Vat			37,766	37,766
	Jakshon international Ltd.			251,031	-
	Vat Current Account			4,365,559	2,515,989
				<b>8,331,801</b>	<b>3,812,894</b>

## Navana Engineering Limited

Notes to the Financial Statements

		31/03/13	31/03/12
		BD Taka	BD Taka
<b>8.0</b>	<b>Cash &amp; Cash Equivalents</b>		
	Cash in hand	1,824,344	1,398,002
	Cash at bank	8,718,986	6,214,031
		<b>10,543,330</b>	<b>7,612,033</b>
<b>8.1</b>	<b>Cash at Banks</b>		
	Al- Arafah Islami Bank Ltd.	8,077	10,000
	Jamuna Bank Ltd	6,062	9,712
	Shahjalal islami Bank Ltd.	150,742	2,020,586
	Southeast Bank Ltd	2,316,958	812,867
	Standard Bank Ltd.	2,117,266	3,360,866
	Dutch Bangla Bank Ltd.	3,536,585	-
	One Bank Ltd.	583,295	-
		<b>8,718,986</b>	<b>6,214,031</b>
<b>9.0</b>	<b>Authorized Capital:</b>		
	10,000,000 Ordinary Shares @ Tk. 10 each	<b>100,000,000</b>	<b>100,000,000</b>
	Issued, Subscribed and Paid-up Capital		
	4,500,000 Ordinary Shares @ Tk. 10 each	<b>45,000,000</b>	<b>45,000,000</b>
	Non -controlling interest ( Sponsors )	50	50
	Navana CNG Limited	44,999,950	44,999,950
		<b>45,000,000</b>	<b>45,000,000</b>
<b>10.0</b>	<b>Tax holiday reserve</b>		
	Opining balance	4,285,097	-
	Add: addition during the year	2,661,603	4,285,097
		<b>6,946,700</b>	<b>4,285,097</b>
<b>11.0</b>	<b>Retained earnings</b>		
	Opening balance	5,917,515	-
	Add: Total Comprehensive Income for the year	1,375,969	5,917,515
	Closing balance	<b>7,293,484</b>	<b>5,917,515</b>
<b>12.0</b>	<b>Calculation of Deferred tax:</b>		
	Taxable temporary difference	7,152,300	-
	Tax rate	37.5%	-
	Deferred tax liabilities	<b>2,682,112</b>	-
	Opening balance	-	-
	Provision for deferred tax	<b>2,682,112</b>	-
<b>13.0</b>	<b>Revenue</b>		
	HDPE Coil Pipe	7,284,012	12,357,969
	HDPE Coil( Wash)	1,034,100	-
	HDPE Duct Sales	30,406,703	51,015,628
	PPR Pipe Fittings Sales	27,675,789	578,746
	P V C	10,342,332	-
		<b>76,742,936</b>	<b>63,952,344</b>
<b>14.0</b>	<b>Cost of goods sold</b>		
	Raw materials Consumed	55,966,459	45,421,521
	Add: Factory overhead	9,608,235	5,764,902
		<b>65,574,694</b>	<b>51,186,423</b>
	Add: opening Stock of finished goods	2,401,135	-
		<b>67,975,829</b>	<b>51,186,423</b>
	Less: Closing Stock of finished goods	6,563,383	2,401,135
		<b>61,412,446</b>	<b>48,785,288</b>
<b>14.1</b>	<b>Raw materials</b>		
	Opening stock of raw materials	19,851,316	1,677,390
	Add: Purchase during the year	92,291,001	63,595,447
		<b>112,142,317</b>	<b>65,272,837</b>
	Less: Closing stock of Raw materials	56,175,858	19,851,316
	Raw materials consumed	<b>55,966,459</b>	<b>45,421,521</b>

**Navana Engineering Limited**

Notes to the Financial Statements

		31/03/13	31/03/12
		BD Taka	BD Taka
<b>14.2</b>	<b>Factory overhead</b>		
	Salary & wages	872,000	701,445
	Diesel exp.	6,100	38,305
	Gas Bill	-	276,823
	Electricity Bill	2,999,509	986,535
	Depreciation	5,730,626	3,761,794
		<b>9,608,235</b>	<b>5,764,902</b>
<b>15.0</b>	<b>Administrative and selling expense</b>		
	Salary & allowances	1,184,611	1,546,212
	Leave encashment	68,542	62,100
	Festival Bonus	256,225	131,375
	Deferred expenses W/O	-	959,646
	Audit Fee	25,000	10,000
	Overtime allowance	519,092	65,923
	Repair & Maintenance	687,875	85,051
	Bank charge	28,846	18,172
	Telephone & mobile expense	89,968	18,153
	Conveyance	68,577	16,811
	Electrical expense	69,330	209,916
	Entertainment	225,129	37,514
	Internet bill	14,600	11,400
	Carrying charge	60,681	23,400
	Newspaper & periodicals	590	1,200
	Office maintenance	212,194	52,186
	ISO Exps	48,055	25,000
	Photocopy expense	1,060	9,409
	Postage & stamp	116,197	36,864
	Printing & Stationary expense	245,427	30,566
	Registration & renewals	157,715	34,605
	Gift	-	41,400
	Advertisement	-	66,855
	C.P.F Expenses	-	20,106
	Gas & other bill	182,134	-
	Diesel Vehicle	14,945	-
	Picnic Expense	70,081	-
	Vehicle rent	60,000	-
	Marketing Expenses	94,508	-
	TA&DA	278,683	-
	Depreciation	1,432,656	940,449
		<b>6,212,721</b>	<b>4,454,313</b>
<b>16.0</b>	<b>Tax Holiday Reserve</b>		
	Operating profit of 11 months	2,545,881	-
	50% of operating profit (one month)	115,722	-
	<b>Total tax holiday</b>	<b>2,661,603</b>	<b>-</b>
	<b>Income tax Expense</b>	<b>108,489</b>	<b>-</b>
<b>16.1</b>	<b>Operating profit</b>	<b>6,943,312</b>	
	Operating profit of 11 months	6,364,703	
	Tax Holiday Reserve 40%	2,545,881	-
	Operating profit one month	578,609	
	50% of operating profit	289,305	
	Tax Holiday Reserve	115,722	-
	<b>Income tax Expense -37.5% on 50% operating profit</b>	<b>108,489</b>	<b>-</b>

The company is enjoying tax holiday reserve for 5 years that commencing on 1st march 2011.

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

We have audited the accompanying financial statements Navana Welding Electrode Limited (the Company), which comprise the statement of financial position as at March 31, 2013, and the statement of comprehensive income, statement of changes in equity, statement of cash flows and a summary of significant accounting policy notes for the year then ended.

### **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 Navana Welding Electrode Limited as at March 31, 2013, 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  
10.07.2013

Sd/-  
Rahman Mostafa Alam & Co.  
Chartered Accountants

**Navana Welding Electrode Limited**
*Statement of Financial Position*

As at March 31, 2013

	Notes	31/03/13	31/03/12
		BD Taka	BD Taka
<b>Assets:</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	242,018,937	122,675,368
Capital Work - in - progress		52,180,392	-
<b>Total Non-Current assets</b>		<b>294,199,329</b>	<b>122,675,368</b>
<b>Current assets</b>			
Inventories	4	74,462,316	10,333,807
Trade receivables	5	14,835,682	-
Intercompany Receivable		12,600,000	-
Advances, deposits & prepayments	6	30,608,114	10,618,572
Cash & Cash equivalent	7	8,900,855	67,879,995
<b>Total current assets</b>		<b>141,406,967</b>	<b>88,832,374</b>
<b>Total assets</b>		<b>435,606,296</b>	<b>211,507,742</b>
<b>Equity and liabilities:</b>			
<b>Equity</b>			
Share capital	8	100,000,000	100,000,000
Retained earnings	9	(8,454,785)	3,605,232
<b>Total equity</b>		<b>91,545,215</b>	<b>103,605,232</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	10	13,622,389	-
<b>Total Non Current liabilities</b>		<b>13,622,389</b>	<b>-</b>
<b>Current liabilities</b>			
Dues to Director		97,179,389	97,179,389
Short term loan	11	226,110,409	5,628,086
Provision for income tax		3,100,562	2,163,140
Payables to Navana CNG Ltd.		-	836,409
Payables & accruals		4,048,332	2,095,486
<b>Total current liabilities</b>		<b>330,438,692</b>	<b>107,902,510</b>
<b>Total Liabilities</b>		<b>344,061,081</b>	<b>107,902,510</b>
<b>Total equity &amp; liabilities</b>		<b>435,606,296</b>	<b>211,507,742</b>

The annexed notes 1 to 13 and annexure-A 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  
10.07.2013

Sd/-  
Rahman Mostafa Alam & Co.  
Chartered Accountants

## Navana Welding Electrode Limited

Statement of Comprehensive Income

For the year ended March 31, 2013

	Notes	31/03/13 BD Taka	31/03/12 BD Taka
Revenue		37,766,402	-
Less: Cost of sales	12	29,558,512	-
<b>Gross profit</b>		<b>8,207,890</b>	<b>-</b>
Less: Administrative and selling expenses	13	6,533,771	6,275,798
Less: Interest expenses		1,607,164	-
<b>Operating profit</b>		<b>66,955</b>	<b>(6,275,798)</b>
Add: Other income		2,432,838	12,044,170
<b>Profit before tax</b>		<b>2,499,793</b>	<b>5,768,372</b>
Less: Income tax expenses		14,559,810	2,163,140
Current tax		937,422	2,163,140
Deferred tax liabilities		13,622,388	-
<b>Total Comprehensive Income for the year</b>		<b>(12,060,017)</b>	<b>3,605,232</b>

The annexed notes 1 to 13 and annexure-A 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  
10.07.2013

Sd/-  
Rahman Mostafa Alam & Co.  
Chartered Accountants



**Navana Welding Electrode Limited**
*Statement of Cash Flows*

For the year ended March 31, 2013

	31/03/13	31/03/12
	BD Taka	BD Taka
<b>A. Cash flows from operating activities</b>		
Receipts from customers	22,930,720	-
Receipts of other income	2,432,838	12,044,170
Payments to suppliers and employees	(113,427,843)	(23,089,784)
	<b>(88,064,285)</b>	<b>(11,045,614)</b>
Paid Tax	(1,275,964)	(1,255,518)
Interest paid	(1,607,164)	-
	<b>(90,947,413)</b>	<b>(12,301,132)</b>
<b>B. Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(124,570,067)	(122,675,368)
Capital Working progress	(52,180,392)	-
Net cash used by investing activities	<b>(176,750,459)</b>	<b>(122,675,368)</b>
<b>C. Cash flows from financing activities</b>		
Dues to Director	-	97,179,389
Intercompany Receivable	(11,763,591)	-
Proceeds from Short term loan	220,482,323	5,628,086
Net cash inflows from financing activities	<b>208,718,732</b>	<b>102,807,475</b>
<b>D. Net changes in cash and cash equivalents (A+B+C)</b>	<b>(58,979,140)</b>	<b>(32,169,025)</b>
Cash and cash equivalents at the beginning of year	67,879,995	100,049,020
<b>E. Cash and cash equivalents at the end of year</b>	<b>8,900,855</b>	<b>67,879,995</b>

 Sd/-  
Chairman

 Sd/-  
Director

 Sd/-  
Chief Financial Officer

Signed in terms of our separate report of even date.

 Dated : Dhaka  
10.07.2013

 Sd/-  
Rahman Mostafa Alam & Co.  
Chartered Accountants

## Navana Welding Electrode Limited

Statement of Cash Flows

For the year ended 31 March 2013

Particulars	Share Capital BD Taka	Retained Earnings BD Taka	Total BD Taka
Balance at April 01, 2011	100,000,000	-	100,000,000
Net profit for the year	-	3,605,232	3,605,232
Balance at March 31, 2012	<u>100,000,000</u>	<u>3,605,232</u>	<u>103,605,232</u>
Balance at April 01, 2012	100,000,000	3,605,232	103,605,232
Net profit for the year	-	(12,060,017)	(12,060,017)
Balance at March 31, 2013	<u>100,000,000</u>	<u>(8,454,785)</u>	<u>91,545,215</u>

Sd/-  
Chairman

Sd/-  
Director

Sd/-  
Chief Financial Officer

Signed in terms of our separate report of even date.

Dated : Dhaka  
10.07.2013

Sd/-  
Rahman Mostafa Alam & Co.  
Chartered Accountants



A view of Navana Welding Electrode Plant

## Navana Welding Electrode Limited

Notes to the Financial Statements

For the year ended March 31, 2013

### 1. Corporate Information and Mode of Business

#### 1.1 Corporate Information

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

#### 1.2 Mode of Business

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

### 2. Significant Accounting Policies and Basis of Preparation of Financial Statement

#### 2.1 Statement of Compliance

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

#### 2.2 Basis of Preparation

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

#### 2.3 Basis of Reporting

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

#### 2.4 Reporting Period

The period of the financial statements covers from 1st April to 31st March consistently. These financial statements have been prepared for the period from 1st April 2012 to 31st March 2013.

#### 2.5 Functional and Presentation Currency

The financial statements are prepared in Bangladeshi Taka which is the Functional Currency.

#### 2.6 Recognition of Property, Plant and Equipment

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

#### Depreciation

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

## Navana Welding Electrode Limited

Notes to the Financial Statements

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

### 2.7 Inventories

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

### 2.8 Cash and Cash Equivalent

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

### 2.9 Liabilities for Expenses

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

### 2.10 Financial Assets and Liabilities

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

#### Receivables:

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

#### Payables:

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

### 2.11 General

- i) Figures shown in the accounts have been rounded off to the nearest Bangladeshi Taka.
- ii) Comparative figures and account titles in the financial statements have been re-arranged/re-classified where necessary, to conform to changes in presentation in the current year.

## Navana Welding Electrode Limited

Notes to the Financial Statements

### Schedule of Property, plant and equipment As at March 31, 2013

Annexure-A

Particulars	Cost			Rate of Depreciation	Depreciation			Written Down Value at 31.03.13	Written Down Value at 31.03.12
	As at 01.04.2012	Addition during the period	As at 31.03.2013		As at 01.04.2012	Charged During the year	As at 31.03.2013		
Land and land development	38,185,500	-	38,185,500	0%	-	-	-	38,185,500	38,185,500
Building & civil construction	20,881,145	13,503,364	34,384,509	10%	-	859,613	859,613	33,524,896	20,881,145
Plant & machinery	45,598,071	91,440,189	137,038,260	10%	-	3,425,957	3,425,957	133,612,304	45,598,071
Furniture & fittings	303,250	2,287,939	2,591,189	10%	-	64,780	64,780	2,526,409	303,250
Electrical equipment	15,482,425	14,243,490	29,725,915	10%	-	743,148	743,148	28,982,767	15,482,425
Office equipment	321,920	1,277,258	1,599,178	10%	-	39,979	39,979	1,559,199	321,920
Vehicles	1,903,057	1,817,827	3,720,884	10%	-	93,022	93,022	3,627,862	1,903,057
<b>Total</b>	<b>122,675,368</b>	<b>124,570,067</b>	<b>247,245,435</b>		<b>-</b>	<b>5,226,498</b>	<b>5,226,498</b>	<b>242,018,937</b>	<b>122,675,368</b>

Depreciation Charged to :	TK
Cost of good sold	4,181,199
Administrative & selling Expenses	1,045,300
	<u>5,226,498</u>



Front view of Navana Welding Electrode Factory premises

## Navana Welding Electrode Limited

Notes to the Financial Statements

	31/03/13	31/03/12
	BD Taka	BD Taka
<b>3.0 Property, plant and equipment, net</b>		
Land and land development	38,185,500	38,185,500
Building & civil construction	33,524,896	20,881,145
Plant & machinery	133,612,304	45,598,071
Office equipment	1,559,199	321,920
Furniture & fittings	2,526,409	303,250
Electrical equipment	28,982,767	15,482,425
Vehicles	3,627,862	1,903,057
	<b>242,018,937</b>	<b>122,675,368</b>
* An elaborate schedule of PPE are shown in Annexure -A		
<b>4.0 Inventories</b>		
Raw materials	50,889,722	10,333,807
Work-in-progress	7,495,511	-
Finished goods	7,643,556	-
Spare parts	8,296,849	-
Fuel	136,678	-
	<b>74,462,316</b>	<b>10,333,807</b>
<b>5.0 Trade receivables</b>		
Sylhet Zone	52,020	-
Jessore Zone	424,120	-
Dhaka South zone	4,742,580	-
Dhaka North zone	2,523,240	-
Rajshahi Zone	1,224,990	-
Rangpur Zone	1,256,030	-
Chitta. South Zone	1,722,117	-
Chitta. North Zone	1,356,845	-
Barishal Zone	1,533,740	-
	<b>14,835,682</b>	<b>-</b>
<b>6.0 Advances, deposits &amp; prepayments</b>		
Advance to Fixed Assets	623,084	-
Advance Income Tax	3,670,768	1,204,414
Advance to Suppliers	19,957,381	9,414,158
Advance Trade Vat	926,000	-
Earnest Money & Security Deposit	5,165,881	-
Advance House Rent	265,000	-
	<b>30,608,114</b>	<b>10,618,572</b>
<b>7.0 Cash &amp; Cash equivalents</b>		
Cash in hand	653,102	-
Cash at bank	8,247,753	67,879,995
	<b>8,900,855</b>	<b>67,879,995</b>
<b>7.01 Cash at banks</b>		
Al-Arafah Bank Ltd.	8,077	10,000
Dutch Bangla Bank Ltd.	4,862,458	-
Jamuna Bank Ltd.	2,862	9,712
Mercantile Bank Ltd.	279,207	-
Mutual Trust Bank Ltd.	1,178,068	-
Pubali Bank Ltd.	814,342	-
Shahjalal Islami Bank Ltd.	826,450	98,530
Standard Bank Ltd.	538	680,305
Islami Bank Ltd.	275,751	-
FDR	-	67,081,448
	<b>8,247,753</b>	<b>67,879,995</b>

## Navana Welding Electrode Limited

### Notes to the Financial Statements

		31/03/13	31/03/12
		BD Taka	BD Taka
8.0	Authorized Capital:		
	50,000,000 Ordinary Shares @ Tk. 10 each	500,000,000	100,000,000
	Issued, Subscribed and Paid-up Capital		
	10,000,000 Ordinary Shares @ Tk. 10 each	100,000,000	100,000,000
	Non -controlling interest ( Sponsors )	50	50
	Navana CNG Limited	99,999,950	99,999,950
		100,000,000	100,000,000
9.0	Retained earnings		
	Opening balance	3,605,232	-
	Add: Total Comprehensive Income for the year	(12,060,017)	3,605,232
	Closing balance	(8,454,785)	3,605,232
10.0	Calculation of Deferred tax:		
	Taxable temporary difference	36,326,370	-
	Tax rate	37.5%	-
	Deferred tax liabilities	13,622,389	-
	Opening balance	-	-
	Provision for deferred tax	13,622,389	-
11.0	Short term loan		
	IFIC Bank Ltd.	197,410,131	-
	Shahjalal Islami bank Ltd. (LTR)	28,700,278	-
	Standard bank Ltd.( LTR AC )	5,628,086	-
		226,110,409	5,628,086
12.0	Cost of sales		
	Raw materials	12.1 35,357,615	-
	Factory overhead	12.2 8,285,135	-
	Direct Cost	1,054,829	-
		44,697,579	-
	Add: Opening Work in Process	-	-
		44,697,579	-
	Less: Closing Work in Process	7,495,511	-
		37,202,068	-
	Add: opening stock of finished goods	-	-
		37,202,068	-
	Less: Closing stock of finished goods	7,643,556	-
		29,558,512	-
12.1	Raw materials		
	Opening stock of raw materials	-	-
	Add: Purchase for the year	86,247,337	-
		86,247,337	-
	Less: Closing stock of raw materials	50,889,722	-
	Raw materials consumed	35,357,615	-

## Navana Welding Electrode Limited

Notes to the Financial Statements

	31/03/13	31/03/12
	BD Taka	BD Taka
<b>12.2 Factory overhead</b>		
Chemical Exp	4,450	-
Cleaning & Washing Exp	505	-
Carrying charge	48,375	-
Conveyance	14,795	-
Daily Allowance	1,800	-
Dish bill	3,600	-
Dress & Uniform	4,320	-
Earn leave Allowance	69,727	-
Electrical Expenses	170,797	-
Entertainment exp.	139,008	-
Fuel exp.	1,379,971	-
Internet exp.	2,680	-
Labour Charge	2,300	-
Medical exp.	11,088	-
Misc. Expenses	12,737	-
Office maintenance	201,782	-
Oil & Lubricant exp.	70,730	-
Paper & Periodical	1,088	-
Postage & Courier	3,550	-
Stationary	27,720	-
Salary & Allowance	1,837,455	-
TA/DA Expenses	4,600	-
Telephone & Mobile Bill	35,752	-
Translator exp.	30,000	-
Electricity bill	25,106	-
Depreciation	4,181,199	-
	<b>8,285,135</b>	<b>-</b>
<b>13.0 Administrative and selling expenses</b>		
Conveyance	588,649	347,110
Daily Allowance	210,500	192,470
Van rent	48,375	182,930
Electricity	10,879	33,618
Entertainment	24,974	28,092
Gas Bill	1,350	-
Internet bill	26,927	26,927
Misc. exp.	4,301	1,048,131
Labor bill	18,505	46,392
License Fee	42,500	-
Leave Allowance	13,840	-
Mobile bill	46,135	42,898
Medical Expenses	4,000	-
News Papers	1,958	1,820
Office Rent	268,500	715,193
Overtime Exp	32,820	-
Office Maintenance	22,325	71,466
Fuel Expenses	33,783	48,303
Postage & Courier	15,341	12,500
Printing	26,600	120,500
Stationery	46,890	39,520
Registration & Renewal Exp	14,050	359,805
Service Charges	20,000	-
Salary & Allowance	2,086,399	1,267,162
TA/DA Allowances	168,153	245,115
Transport exp.	10,401	65,720
Audit Fee	25,000	10,000
Selling & Distribution exp.	1,618,141	1,356,703
Bank Charges	57,175	13,423
Depreciation	1,045,300	-
	<b>6,533,771</b>	<b>6,275,798</b>







# 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 9th Annual General Meeting of the Company to be held on the 26 September 2013 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 9th Annual General Meeting held on 26 September 2013 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

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