

# Annual Report 2014



**Navana CNG Limited**

FOR A CLEAN ALTERNATIVE

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# 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

## Company Secretary

Tareq Enamur Rahim

## Chief Financial Officer

Kazi Ehsanul Huq <sup>FCA</sup>

## Head of Internal Audit

Muhammad Abidur Rahman <sup>ACA</sup>

## Audit Committee

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

## Auditors

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

## Main Bankers

Standard Bank Limited  
IFIC Bank Limited  
Dhaka Bank Limited  
Dutch Bangla Bank Limited  
Prime Bank Limited  
Mutual Trust Bank Limited

## Legal Advisor

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

## Registered Office

125/A, Motijheel Commercial Area  
Dhaka, Bangladesh



## NAVANA CNG LIMITED

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

### Notice of the 10<sup>th</sup> annual general meeting

Notice is hereby given that the 10th Annual General Meeting (AGM) of the shareholders of the Company shall be held on Thursday, 25 September 2014 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 2014 together with auditors' and directors' reports thereon.
2. To declare dividend.
3. To elect directors.
4. To appoint auditors and fix their remuneration.
5. To transact any other business of the Company with the permission of the Chair.

By order of the Board

Sd/-  
(Tareq Enamur Rahim)  
Company Secretary

Dated: Dhaka  
July 22, 2014

### 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., 10 August 2014 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.

The Proxy Form & the annual report-2014 are also available in Company's website ([www.navanacng.com](http://www.navanacng.com)).

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

## Chairman's statement

Dear Shareholders,  
Assalamualaikum,

I take the privilege to welcome you all on behalf of the company to the 10<sup>th</sup> Annual General Meeting and present before you a summarized report on the activities of the Company for the year ended March 31, 2014.

You are aware that, in our country the source of petroleum products are mainly dependent on import. Almost a decade ago, consumption of Compressed Natural Gas (CNG) were encouraged in order to cut down oil import bill. The use of CNG was also accepted as eco-friendly fuel for vehicles. But as time passed on, the experts opined that the gas reserve of the country is lesser than that was anticipated earlier. Apart from this, the use of natural gas for production of electricity and fertilizer were much recommended. We know that, the 'energy policy' in different countries of the world is always changing to adapt present need. In our country also, now a days the use of CNG in vehicles are not been encouraged by Government policy, rather it is being discouraged. In the meantime, we observed that many CNG conversion workshops and CNG re-fueling stations of the country find it hard to make profit and thereby moving towards ultimate closure. Your company inspite of such unfavourable situation has been able to sustain its market share by earning customer satisfaction through quality service and application of modern technology.

You are also aware of the fact that, your Board of Directors; anticipating non-favourable future CNG business of the country, has already formed two fully-owned subsidiary companies few years ago for diversification of its business in order to protect your investment. You will be pleased to learn that the business of the subsidiary companies are on rise each year. As a result, we have been able to sustain the company's business and profitability consistently. This year the sale proceeds from CNG re-fueling stations, CNG conversion workshops and servicing workshops alongwith spare parts sales stood at Tk.85.05 crore, Tk.17.25 crore and 28.31 crore totaling Tk.130.62 crore, which was Tk.100.13 crore, Tk.14.67 crore and 27.56 crore totaling Tk.142.36 crore respectively during the last year.



| A view of Board of Directors at the 9<sup>th</sup> AGM |

## Chairman's statement

As regards subsidiary companies, the turnover of the subsidiary company-“Navana Engineering Limited” during the year rose to Tk.17.40 crore from Tk.7.70 crore of last year resulting in net profit of Tk.3.44 crore compared to Tk.30 Lac of last year. You would also be pleased to know that due to increasing demand of Navana Engineering’s products, the board of directors has already undertaken BMRE program. To this effect, the company has also been converted from private to public limited company. As part of BMRE program, land development and infrastructural works at Kaligonj near Dhaka is progressing rapidly for the new project. After completion of the ongoing BMRE program, the company will be able to raise its revenue and earn more profit due to increased production and sale of its products at competitive price. On the otherhand, the sales of the other subsidiary company-“Navana Welding Electrode Limited” has increased to Tk.12.65 crore from Tk.3.78 crore of last year. Meanwhile, it has been able to make a net profit of Tk.1.43 crore during this year.

As regards the ongoing Liquefied Petroleum Gas (LPG) project, you would be pleased to learn that we have already appointed the technical consultant and also obtained all necessary permissions from the govt. and complied with the required formalities. Further, the infrastructural works of the project has also started after completion of technical and civil works design. As you know that, 100% funding for this mega-project is not possible from own source, as such, the Board of Directors of your Company is now considering availing low cost fund for this project either from local or foreign sources for which the work is on. Any significant progress regarding this will be communicated to you in due course.

I would like to assure you that the Board of Directors of your Company is always putting in its hard efforts to protect and increase your investment.

I would also like to thank all our valued shareholders, patrons, well-wishers, regulatory authorities and all employees & staff of the Company for their continued support.

Sd/-  
**(Shafiul Islam)**  
Chairman

View: Shareholders at the 9th AGM



# চেয়ারম্যানের বিবৃতি

প্রিয় শেয়ারহোল্ডারবৃন্দ,  
আসসালামু আলাইকুম।

আপনাদের সবাইকে আমি নাভানা সিএনজি লিমিটেডের পক্ষ থেকে দশম বার্ষিক সাধারণ সভায় স্বাগত জানাচ্ছি এবং ৩১শে মার্চ ২০১৪ এ সমাপ্ত অর্থবছরের কার্যক্রমের একটি সংক্ষিপ্ত প্রতিবেদন উপস্থাপন করছি।

আপনারা অবগত আছেন যে, আমাদের দেশের পেট্রোলিয়ামজাত জ্বালানীর যোগান প্রধানতঃ আমদানী নির্ভর। প্রায় এক দশক পূর্বে আমদানী নির্ভর জ্বালানী থেকে চাপ কমানোর লক্ষ্যে দেশের যানবাহনসমূহে সিএনজি ব্যবহারকে উৎসাহিত করা হয়। এক্ষেত্রে, পরিবেশগত দিকও বিবেচনায় ছিল। কিন্তু বেশ কয়েক বছর পর, দেশের প্রকৃত গ্যাসের মজুদ প্রাক্কলিত বা অনুমিত মজুদ অপেক্ষা কম আছে বলে বিশেষজ্ঞরা অভিমত প্রকাশ করেন। উপরন্তু, পরিবর্তিত প্রেক্ষাপটে বিদ্যুৎ ও সার উৎপাদনে প্রাকৃতিক গ্যাসের ব্যবহার বেশী উপযোগী বলে প্রতিয়মান হয়। বিশ্বের বিভিন্ন দেশে নানাবিধ কারণে ‘জ্বালানী নীতিমালার’ পরিবর্তন ঘটে থাকে। আমাদের দেশেও বর্তমানে যানবাহনে সিএনজির ব্যবহারকে নীতিগতভাবে আর উৎসাহিত করা হচ্ছে না। বরং নানাভাবে এর ব্যবহারকে নিরুৎসাহিত করা হচ্ছে। এই পরিস্থিতিতে মুনাফা অর্জন করা কঠিন হওয়ায় দেশের অনেক সিএনজি কনভার্সন ওয়ার্কশপ এবং রি-ফুয়েলিং স্টেশন বন্ধ হওয়ার উপক্রম হয়েছে। কিন্তু আপনাদের কোম্পানী এরূপ প্রতিকূলতার মধ্যেও উন্নত প্রযুক্তি ব্যবহার এবং মানসম্মত সেবা দানের মাধ্যমে তার নিজস্ব বাজার ধরে রেখেছে।

আপনারা আরো জানেন যে, আপনাদের পরিচালনা পর্ষদ সিএনজির ভবিষ্যত ব্যবসা নেতিবাচক হতে পারে বিবেচনা করে, কয়েক বছর আগেই দুইটি সাবসিডিয়ারী কোম্পানী গঠনের মাধ্যমে বিজনেস ডাইভার্সিফিকেশনের পদক্ষেপ নিয়েছিল, যাতে আপনাদের বিনিয়োগ সুরক্ষিত থাকে। এই সাবসিডিয়ারী কোম্পানীগুলোর ব্যবসা প্রতিবছরই বৃদ্ধি পাচ্ছে। যার ফলে, কোম্পানী তার ব্যবসা ও মুনাফার ধারাবাহিকতা বজায় রেখেছে। এবছর সিএনজি রি-ফুয়েলিং স্টেশন, সিএনজি কনভার্সন ওয়ার্কশপ এবং সার্ভিস ওয়ার্কসপ ও স্পেয়ার পার্টস সেলস থেকে বিক্রয়লব্ধ অর্থের পরিমাণ ছিল যথাক্রমে ৮৫.০৫ কোটি, ১৭.২৫ কোটি ও ২৮.৩১ কোটি টাকা - সর্বমোট ১৩০.৬২ কোটি টাকা; যা গতবছর যথাক্রমে ১০০.১৩ কোটি, ১৪.৬৭ কোটি ও ২৭.৫৬ কোটি টাকা - সর্বমোট ১৪২.৩৬ কোটি টাকা ছিল।



View: Shareholders registering their attendance at the 9th AGM

# চেয়ারম্যানের বিবৃতি

সাবসিডিয়ারি কোম্পানীগুলোর মধ্যে নাভানা ইঞ্জিনিয়ারিং লিমিটেডের বিক্রয় বিগত বছরের তুলনায় এবছর ৭.৭০ কোটি টাকা থেকে ১৭.৪০ কোটি টাকায় এবং নীট মুনাফা ১৩ লক্ষ টাকা থেকে ৩.৪৪ কোটি টাকায় উন্নীত হয়েছে। আপনারা আরো জেনে আনন্দিত হবেন যে, কোম্পানিটির উৎপাদিত পণ্যসমূহের অধিক চাহিদা থাকায় আপনারদের পরিচালনা পর্ষদ BMRE কার্যক্রম হাতে নিয়েছে। এ লক্ষ্যে, এরই মধ্যে কোম্পানীটিকে প্রাইভেট থেকে পাবলিক লিমিটেড কোম্পানীতে রূপান্তর করা হয়েছে। BMRE কার্যক্রমের অংশ হিসাবে টাকার অদূরে কালীগঞ্জে নতুন প্রকল্পের জন্য ভূমি অধিগ্রহণ করে অবকাঠামোগত উন্নয়নের কাজ দ্রুতগতিতে এগিয়ে চলছে। চলমান BMRE কার্যক্রম সম্পন্ন হলে, কোম্পানী তার বর্ধিত উৎপাদন প্রতিযোগিতামূলক দামে বিক্রয় করে আরো অধিক মুনাফা অর্জনে সক্ষম হবে বলে আশা করা যায়। অন্যদিকে, অপর সাবসিডিয়ারি কোম্পানী- নাভানা ওয়েল্ডিং ইলেক্ট্রোড লিমিটেডের বিক্রয় ৩.৭৮ কোটি টাকা থেকে এবছর ১২.৬৫ কোটি টাকায় বৃদ্ধি পেয়েছে। ফলশ্রুতিতে, এবছর ১.৪৩ কোটি টাকা নীট মুনাফাও অর্জিত হয়েছে।

আপনারা আরো জেনে আনন্দিত হবেন যে, কোম্পানীর চলমান এল.পি.জি প্রজেক্টের জন্য ইতোমধ্যেই কারিগরী পরামর্শক নিয়োগদান করা হয়েছে। এই প্রজেক্টের জন্য সরকারী বিভিন্ন সংস্থার অনুমোদন পাওয়া গিয়েছে এবং এতদসংক্রান্ত সকল শর্তসমূহও পূরণ করা হয়েছে। এছাড়া, প্রজেক্টের জন্য কারিগরী ও স্থাপনা নির্মাণ-নকশা সম্পন্ন করার পর অবকাঠামোর কাজও শুরু হয়েছে। আপনারা সম্মত হবেন যে, এই বৃহৎ প্রজেক্টটি সম্পূর্ণভাবে নিজস্ব অর্থায়নে বাস্তবায়ন করা সম্ভব নয় বিধায় আপনারদের পরিচালনা পর্ষদ দেশী বা বিদেশী সূত্র হতে স্বল্প সুদে প্রয়োজনীয় তহবিল সংগ্রহ করার লক্ষ্যে কাজ চালিয়ে যাচ্ছে। এই প্রজেক্টের অগ্রগতি সংক্রান্ত তথ্যবলী যথা সময়ে আপনারদের অবহিত করা হবে।

আমি আপনারদের আরো আশ্বস্ত করতে চাই, শেয়ারহোল্ডারগণের বিনিয়োগ ও পরিসম্পদ বৃদ্ধিতে কোম্পানীর পরিচালনা পর্ষদ আগের মতোই তাদের আন্তরিক প্রচেষ্টা অব্যাহত রাখবে। পরিশেষে, আমি কোম্পানীর সকল সম্মানিত শেয়ারহোল্ডারবৃন্দ, গ্রাহক, পৃষ্ঠপোষক, শুভাকাঙ্ক্ষী, পুঁজিবাজার নিয়ন্ত্রক সংস্থাসমূহ এবং সকল কর্মকর্তা ও কর্মচারীবৃন্দকে তাদের সর্বাত্মক সহযোগিতার জন্য ধন্যবাদ জানাচ্ছি।

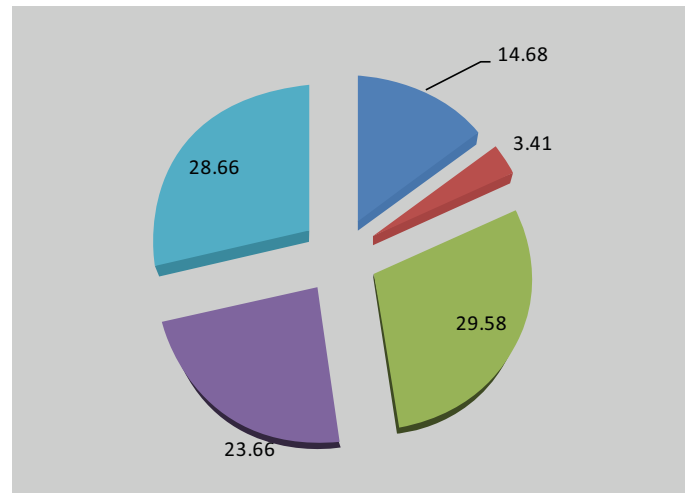
স্বাঃ/-

(শফিউল ইসলাম)

চেয়ারম্যান

Value Added (%) Graph

VALUE ADDED STATEMENT		
For the year ended March 31, 2014		
	Amount in '000 Taka	%
Sale	1,643,754	
Bought in- Material & Service	1,161,115	
Value Added	482,639	
Application to National Exchequer	70,856	14.68
to Providers of Loan as Interest & Charges	16,481	3.41
to Providers Emp. Salaries Wages & other benefits	142,765	29.58
to Providers of Capital- as Dividend	114,214	23.66
Reserve & Surplus	138,322	28.66
	482,639	100.00



## Directors' report to the shareholders

## Dear Shareholders

Assalamu Alaikum,

I, on behalf of the Board of Directors, have the pleasure to present before you the report for the year ended 31 March 2014 alongwith the audited financial statements and auditors' report thereon.

## REVENUE

This is to inform you that during the year, the Company through its 18 re-fueling stations contributed an amount of Tk.85.05 crore to the Company's turnover. On the other hand, an amount of Tk. 17.25 crore has been added from the sale proceeds of its 10 CNG Conversion centers. In addition to above, Tk.28.31 crore has been contributed to the turnover of the Company from vehicle workshop & service centers. The summation of total revenue from all above stood at Tk.130.62 crore. The two subsidiary companies 'Navana Engineering Limited' and 'Navana Welding Electrode Limited' also earned revenue amounting to Tk. 17.40 crore and 12.65 crore respectively.

Your Board of Directors has set up a sales target of Tk. 130 crore for Navana CNG Limited for the financial year 2014-15, broken-up into Tk.80 crore from CNG Re-fueling Stations, Tk.15 crore from CNG Conversion Workshop and Tk.35 crore from vehicle workshops & service centers.

Apart from above, Tk.40 crore has been set up as sales target for Navana Engineering Limited and Tk.20 crore for Navana Welding Electrode Limited, totaling Tk.60 crore. Therefore, total Tk.190 crore sales target for Navana CNG Limited alongwith its two fully owned subsidiary companies.

### Financial Result and Appropriation of Profit:

amount in taka

Particulars	2014	2013
Retained Earnings Brought Forward	671,557,427	557,674,381
Add: Total Comprehensive year for the year	229,674,447	228,097,366
<b>Profit available for appropriation</b>	<b>901,231,874</b>	<b>785,771,747</b>
<b>Recommended for appropriations:</b>		
<div> <div>2014</div> <div>2013</div> </div>		
Stock Dividend @ - 20%	-	114,214,320
Cash Dividend @ 15%	102,792,888	-
<b>Un appropriated profit carried forward</b>	<b>798,438,986</b>	<b>671,557,427</b>
<b>Total</b>	<b>901,231,874</b>	<b>785,771,747</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 has been presented in notes 27.0 of the financial statements considering CNG re-fueling stations and CNG Conversion Workshop as two different segments.

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

Due to predicted shortage of gas reserve in our country, desired growth of CNG business has become uncertain. Considering such, your Company has already undertaken the LPG project to protect your investment and sustain its profitability.

## Risks and concerns

We know that risks of CNG business in our country rests mostly on two factors i.e.; the Govt. policy and un-interrupted supply of natural gas to distribution and sales point. Presently, we are facing both the problems for which conversion of vehicles to CNG is slowing down and rationing of gas is still continuing for about 4-6 hours. We hope that the present situation will be improved by the upcoming Govt. policy.

## Directors' report to the shareholders

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

Particulars	March 31, 2014	March 31, 2013
Cost of goods sold	881,680,272(67.50%)	920,356,258 (64.65%)
Gross profit	424,488,766(32.49%)	503,234,899 (35.35%)
Net profit for the year	229,674,447(17.58%)	228,097,372 (16.02%)

Cost of goods sold increased due to price increase of natural gas, direct and indirect overheads also increased compared to last year. As a result, gross profit has also been reduced. The net profit slightly increased due to revaluation gain on investment in share.

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

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

### Related party transactions

During the year, the Company carried out a number of transactions with related parties in the normal course of business. The name of related parties, nature of transactions and total transaction value have been set out in accordance with the provisions of 'BAS 24: Related Party Disclosure' disclosed in the note 29.0 of the notes to the financial statements.

### Directors

In terms of Article 127 of the Articles of Association of the Company, Mr. Shafiul Islam and Mr. Sajedul Islam, Directors retire by rotation from the Board in the 10th 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. Md. Abdur Rouf, ICB Nominated Director has been withdrawn by ICB and approved vide Company's board resolution dated 22.07.2014.

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

#### MR. SHAFIUL ISLAM

A Bachelor of Science, Mr. Islam joined the then Islam Group, a reputed business conglomerate in Bangladesh in 1968 and started his career with automobile business as well as in the construction and real estate business. He played a major role in establishing "Navana" as the Toyota brand car trading company in Bangladesh, and finally set up Aftab Automobiles Limited. He was also taken care of Eastern Housing Limited from 1981, then the largest real estate developing company in Bangladesh. In 1996, the then Chairman of Islam Group, he separated from Islam Group with Navana Limited and Aftab Automobiles Limited and formed Navana Group and became the Chairman of Navana Group.

In 2004, he is the key promoter of Navana CNG Limited and with all his expertise he has been contributing towards the growth of the Company till date.

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

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

Membership in committees of the Board of other Companies: None

#### MR. SAJEDUL ISLAM

Mr. Sajedul Islam joined the Navana Group in 1999. He gained valuable experience by being involved in the management of the Group's diversified business operations. He is the chief executive officer (CEO) of the Navana Real Estate Limited and Navana Construction Ltd. At present, he is the Vice-chairman of Navana Group.

In 2004, he is the key promoter of Navana CNG Limited and with all his expertise he has been contributing towards the growth of the Company till date.

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

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

Membership in committees of the Board of other Companies – Audit committee member of Aftab Automobiles Limited.

#### 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, 6 (six) Board Meetings were held.

#### Remuneration to Directors including Independent Directors

The Director of the Company including Independent Director, ICB Nominated 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 31.03.2014	Number of Board Meeting attended	Remarks
Mr. Shafiul Islam	6	6	
Mrs. Khaleda Islam	6	3	
Mr. Saiful Islam	6	4	
Mr. Sajedul Islam	6	3	
Ms. Farhana Islam	6	3	
Mr. Syed Masud Hasan (Independent Director)	6	4	
Mr. Md. Ekramul Haq (Independent Director)	6	6	
Mr. Md. Abdur Rouf (ICB Nominated Director)	6	2	Withdrawn by ICB and approved in the Company's Board meeting on 22.07.2014

### Information Regarding Subsidiary Companies:

#### i) Navana Engineering Ltd.

During the financial year ended on 31 March 2014, Navana Engineering Limited earns total revenue of Tk.17.35 crore broken-up into Tk.94 lac from the sale proceeds of HDPE Coil Pipe, Tk.19 lac from the sale proceeds of HDPE coil (Wash), Tk.6.93 crore from the sale proceeds of HDPE duct, Tk.39 lac from the sale proceeds of PPR pipe fittings, Tk.3.76 crore from the sale proceeds of PPR pipe, Tk.6.63 crore from the sale proceeds of PVC Pipe and Tk.27 lac from the sale proceeds of PVC pipe fittings. The company also paid an amount of Tk.1.78 crore Value Added Tax (VAT) during the year.

The operating results for the year ended 31 March 2014 as follows:

	2014 (Taka)	2013 (Taka)
Turnover	1,735,15,862	76,742,936
Gross Profit	67,083,194	1,53,30,490
Net Profit After Tax	32,780,947	1,491,109
Earnings Per Share (EPS)	9.96	0.90
Net Assets Value Per Share (NAVPS)	55.77	13.16

The net profit of Navana Engineering Limited has been increased from last year. The products of the Company are increasing and to meet up the market demand, your Board has been taken BMRE program. Already this Company has been converted to public limited company from private limited company.

A sales target of total Tk.50 crore has been set for the financial year 2014-15 for the Company.

#### ii) Navana Welding Electrode Ltd.

During the financial year ended on 31 March 2014, Navana Welding Electrode Limited earned total revenue of Tk.12.65 Crore.

The operating results for the year ended 31 March 2014 as follows:

	2014 (Taka)	2013 (Taka)
Turnover	126,494,251	37,766,402
Gross Profit	33,379,034	8,207,890
Net Profit After Tax	14,317,272	(12,060,017)
Earnings Per Share (EPS)	1.43	(1.21)
Net Assets Value Per Share (NAVPS)	20.30	9.15

It may be noted that last year, there was net loss of Tk.1.21 crore, but during the financial year ended on 31 March 2014 Navana Welding Electrode Limited earns a net profit of Tk.1.43 crore.

A sales target of total Tk.30 crore has been set for the financial year 2014-15 for the Company.

### DIVIDEND

The Board of Directors has recommended 15% cash dividend for the shareholders for the year ended 31 March 2014 (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., 10 August 2014.

## 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 Navana CNG Limited and its subsidiaries Company 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 2014 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:

- Appraisal or valuation services or fairness opinions;
- Financial information systems design and implementation;
- Book-keeping or other services related to the accounting records or financial statements;
- Broker-dealer services;
- Actuarial services; and
- 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 4 (four) times during last financial year 2013-14 to carry out the following tasks:

- The Audit Committee reviewed the financial statements for the year ended March 31, 2014;
- Reviewed and discussed the Management Letter, by external auditor Rahman Mostafa Alam & Co. for the year ended March 31, 2014 on the annual audit on financial statements of Navana CNG Limited;
- Reviewed various reports of Internal Control & Compliance Department on operational, financial procedures and branch activities;
- 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 2014

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 2014. 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, 2014 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, 2015 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 Bangladesh Securities and 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

Namewise details	No. of Shares held
a) <u>Parent/Subsidiary/Associated Companies and other related parties</u>	
Aftab Automobiles Limited	1,05,404
b) <u>Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouse and minor children:</u>	
Mr. Shafiul Islam-Chairman	1,72,03,878
Mr. Saiful Islam- Vice-Chairman & CEO	34,26,429
Mrs. Khaleda Islam-Director	35,01,910
Mr. Sajedul Islam- Director	34,01,792
Ms. Farhana Islam- Director	14,47,842
<u>Chief Financial Officer, Company Secretary and Head of Internal Audit and their spouse and minor children:</u>	Nil
c) Executives	Nil
d) <u>Shareholders holding ten percent (10%) or more voting interest in the Company:</u>	
Mr. Shafiul Islam	1,72,03,878

### 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 Bangladesh Securities and Exchange Commission, “Corporate Governance Compliance Report” is annexed (Annexure: 2).

On behalf of the Board of Directors

Sd/-  
(Shafiul Islam)  
Chairman  
22 July 2014

## The Key Operating and Financial Data

### Annexure-1

#### The Key Operating and Financial Data:

**Table: Financial Highlights**

(Taka in million)

Particulars	2014	2013	2012	2011	2010
Turnover (net)	1,606	1,538	1,449	1,392	1368
Gross profit	525	527	522	605	601
Net profit after tax	230	228	329	301	291
Net cash operating activities	4.03	0.64	5.32	8.26	10.82

**Table: Summary Balance Sheet**

(Taka in million)

Particulars	2014	2013	2012	2011	2010
Authorized capital	1500	1500	1500	500	500
Paid-up capital	685	571	497	436	363
Reserve and surplus	1099	974	860	747	555
Shareholders' Equity	1785	1544	1357	1183	918
Debentures	-	-	-	34	68
lease finance liabilities	-	18	9	61	76
Deferred tax liabilities	68	55	41	28	15
Non-current liabilities	68	199	50	88	125
Current Liabilities	949	829	361	235	192
Fixed Assets	929	830	692	576	548
Other Non-current Assets	561	522	45	38	37
Total Non-current Assets	1490	1352	738	614	585
Current Assets	1456	1221	1029	892	650
Book value per share	28.14	27.04	27.32	27.15	25.29
Earning per share	3.46	3.41	5.09	6.91	8.01
Dividend per share	15%	20%	25%	32%	30%
Numbers of shareholders	28580	28332	27252	27687	19800

**Table: Ratios**

Profitability Ratios	2014	2013	2012	2011	2010
Debt to Equity Ratio	36%	40%	23%	21%	26%
Current Ratio	1.53	1.47	2.85	3.79	3.39
Gross profit / Sales (%)	32.69%	34.27%	36.02%	43.44%	43.93%
Operating profit / Sales (%)	19.24%	26.20%	21.33%	28.96%	29.31%
Profit after tax / Sales (%)	14.32%	14.82%	22.71%	21.62%	21.27%
Return on Asset (%)	7.81%	8.86%	18.62%	19.98%	23.55%
Return on Equity (%)	12.89%	14.77%	24.24%	25.44%	31.70%

## Annexure-2

### Corporate Governance Compliance Report

Status of compliance with the conditions imposed by the Commission's Notification No.SEC/CMRRCD/2006-158/129/Admin/44 dated 07 August 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

Condition No.	Title	Compliance Status	Remarks (if any)
1.1	Board's Size	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.	Complied	
1.4	The positions of the Chairman of the Board and the Chief Executive Officer of the companies shall be filled by different individuals.		Not applicable
	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.
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	

Condition No.	Title	Compliance Status	Remarks (if any)
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	
	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:-		

Condition No.	Title	Compliance Status	Remarks (if any)
1.5 (xxii) a)	a brief resume of the director;	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	Appointment 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	Requirement to attend the Board Meetings 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	
	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	Complied	

Condition No.	Title	Compliance Status	Remarks (if any)
	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.		
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.		
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	Complied	
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	

Condition No.	Title	Compliance Status	Remarks (if any)
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 9 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	
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	

Condition No.	Title	Compliance Status	Remarks (if any)
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	

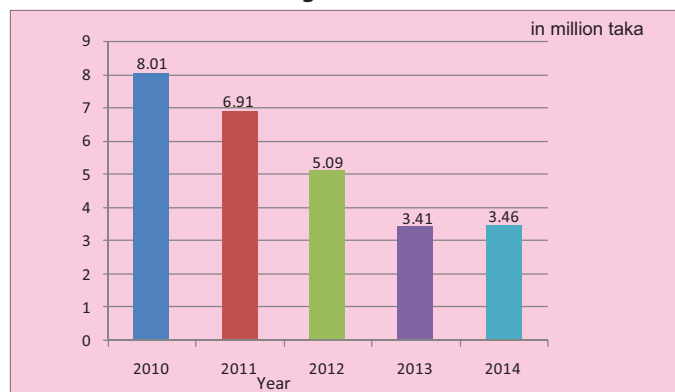


View: Re-checking after CNG conversion

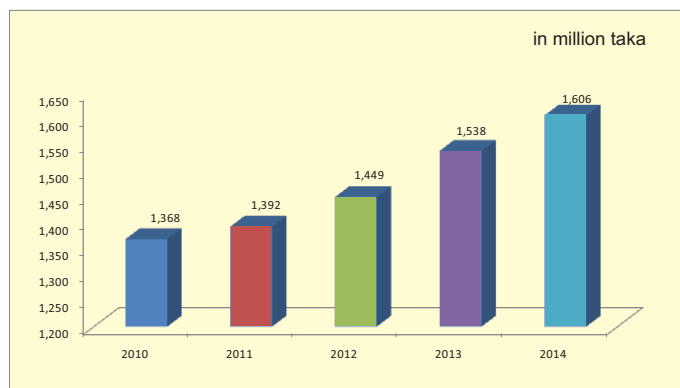
## Graphical Presentation

value in million taka

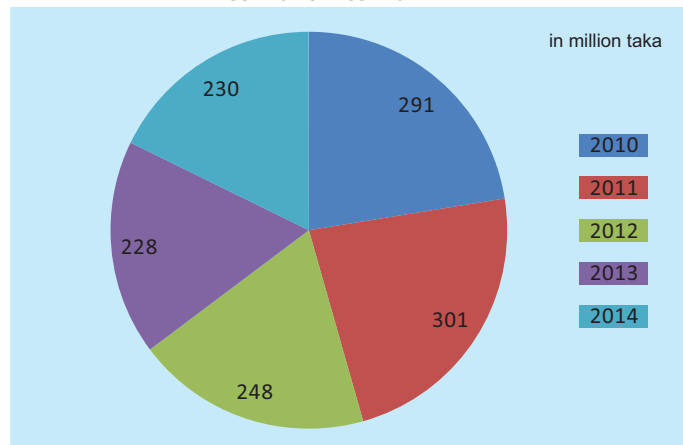
**Earning Per Share**



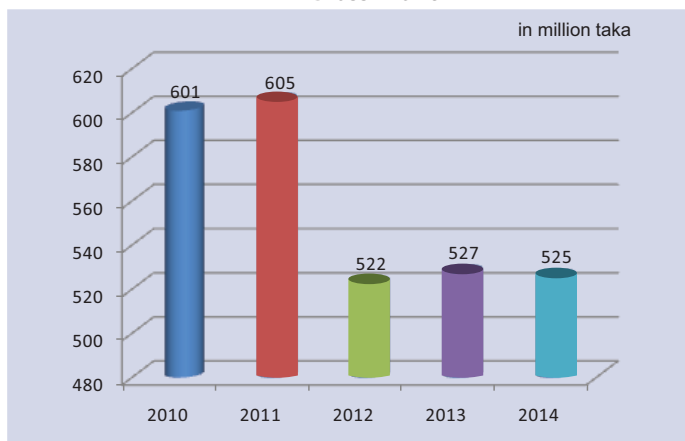
**Turnover**



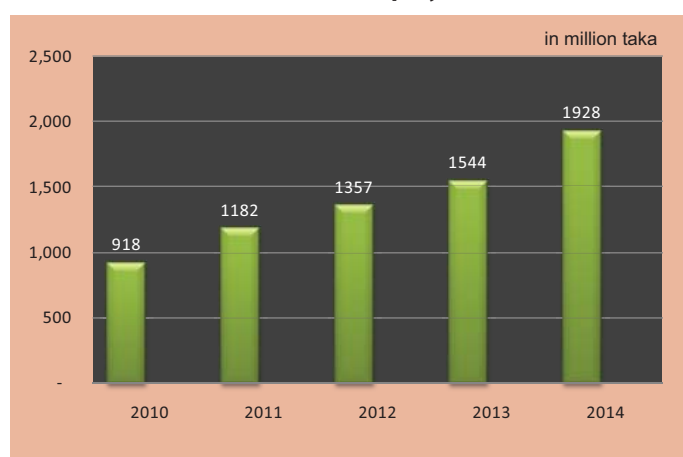
**Net Profit After Tax**



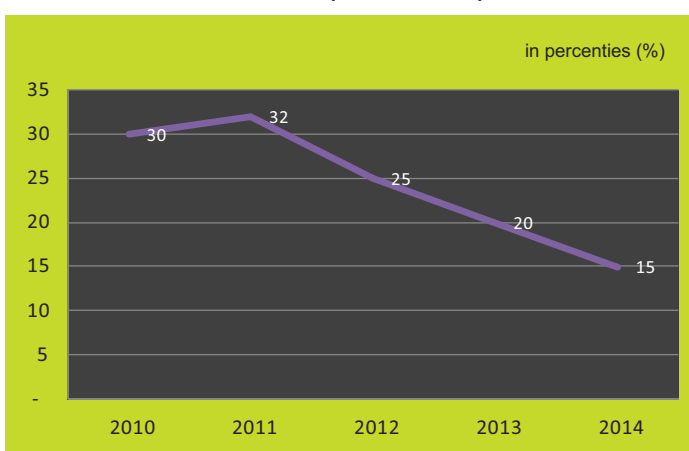
**Gross Profit**



**Shareholders Equity**



**Dividend (Cash & Stock)**



## **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 2014. 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 2014

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

## Certification of Chief Executive Officer and Chief Financial Officer to the Board

22 July 2014

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

**Subject: Certification of Chief Executive Officer (CEO) and Chief Financial Officer (CFO) to the Board.**

In terms of the Notification of Bangladesh Securities and Exchange Commission (BSEC) bearing No. SEC/CMRRCD/2006-158/134/Admin/44, dated 07 August 2012, we, the undersigned Chief Executive Officer (CEO) and Chief Financial Officer (CFO) do hereby certify that we have reviewed the financial statements for the year ended 31 March 2014 of Navana CNG Limited and to the best of our knowledge and belief:

- (i) (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
  - (b) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.

**Sd/-**  
**Kazi Ehsanul Huq FCA**  
Chief Financial Officer (CFO)

**Sd/-**  
**Saiful Islam**  
Chief Executive Officer (CEO)

## **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, 2014, 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 information disclosed in Notes 1 to 33 and Annexure A. 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, 2014, and consolidated statements 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 of the company is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' responsibility**

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

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

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

### **Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of Navana CNG Limited and its subsidiaries as of March 31, 2014, 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  
22.07.2014

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

## Navana CNG Limited and its Subsidiaries

Consolidated Statement of Financial Position

As at March 31, 2014

	Notes	31/03/14 BD Taka	31/03/13 BD Taka
<b>Assets:</b>			
<b>Non-current assets</b>			
Property, plant & equipment	3(a)	928,602,097	829,869,306
Capital Work - in - progress		525,172,865	483,704,773
Long-term security deposit		36,093,373	37,940,300
<b>Total current assets</b>		<b>1,489,868,335</b>	<b>1,351,514,379</b>
<b>Current assets</b>			
Inventories	6(a)	531,954,495	540,298,075
Accounts receivable	7(a)	156,158,484	145,233,178
Advances, deposits & pre-payments	8(a)	151,279,776	143,255,815
Investment in shares	9(a)	9,664,878	6,424,508
Cash & bank balances	10(a)	606,579,820	385,570,368
<b>Total Current assets</b>		<b>1,455,637,453</b>	<b>1,220,781,944</b>
<b>Total assets</b>		<b>2,945,505,788</b>	<b>2,572,296,323</b>
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Share capital	11	685,285,920	571,071,600
Tax holiday reserve		197,998,233	187,565,548
Retained earnings	12(a)	901,231,874	785,771,747
Sub-Ordinate Capital	25	144,112,526	-
<b>Equity attributable to owners of Company</b>		<b>1,928,628,553</b>	<b>1,544,408,895</b>
Non-controlling interest		150	112
<b>Total equity</b>		<b>1,928,628,703</b>	<b>1,544,409,007</b>
<b>Non-current liabilities</b>		<b>67,508,292</b>	<b>199,191,274</b>
Deferred tax liabilities		67,508,292	55,078,748
Loan from Director (Unsecured & interest free)		-	144,112,526
<b>Current liabilities</b>			
Finance lease, current portion	13(a)	-	18,168,847
Short-term loans	14(a)	741,975,603	623,403,747
Provision for income tax	15(a)	81,961,060	91,608,386
Payables and accruals	16(a)	125,432,130	95,515,062
<b>Total Current liabilities</b>		<b>949,368,793</b>	<b>828,696,042</b>
<b>Total liabilities</b>		<b>1,016,877,084</b>	<b>1,027,887,316</b>
<b>Total equity and liabilities</b>		<b>2,945,505,788</b>	<b>2,572,296,323</b>
<b>Net assets value per share</b>	24 (a )	<b>28.14</b>	<b>27.04</b>

The annexed notes 1 to 33 & annexure-A form an integral part of these financial statements.

Sd/-  
Chairman

Sd/-  
Director

Sd/-  
Company Secretary

Signed in terms of our separate report of even date.

Dated : Dhaka  
22.07.2014

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

## Navana CNG Limited and its Subsidiaries

Consolidated Statement of Comprehensive Income

For the year ended March 31, 2014

Particulars	Notes	31/03/14 BD Taka	31/03/13 BD Taka
<b>Revenues</b>	17(a)	1,606,179,151	1,538,100,495
Less: Cost of sales	18(a)	1,081,228,157	1,011,327,215
<b>Gross profit</b>		<b>524,950,994</b>	<b>526,773,280</b>
Less: Administrative & selling expenses	19(a)	208,557,860	208,798,603
Less: Interest expenses	20(a)	16,284,513	18,523,648
<b>Operating profit</b>		<b>300,108,621</b>	<b>299,451,028</b>
Add: Other income	21(a)	34,334,950	42,846,253
<b>Profit before contribution to WPPF</b>		<b>334,443,571</b>	<b>342,297,281</b>
Less: Contribution to WPPF		14,290,886	14,256,385
<b>Net profit before tax holiday reserve</b>		<b>320,152,685</b>	<b>328,040,897</b>
Less: Tax holiday reserve		10,432,685	2,661,603
<b>Net profit after tax holiday reserve</b>		<b>309,720,000</b>	<b>325,379,293</b>
<b>Less: Income tax expenses</b>	22(a)	<b>83,285,884</b>	<b>94,435,332</b>
Current tax		70,856,340	79,898,862
Deferred tax		12,429,544	14,536,470
<b>Net profit after tax</b>		<b>226,434,116</b>	<b>230,943,961</b>
Revaluation Gain on investment in share		3,240,370	(2,846,594)
<b>Total comprehensive income for the year</b>		<b>229,674,486</b>	<b>228,097,367</b>
<b>Profit attributable to:</b>			
Equity holders of the Company		229,674,447	228,097,368
Non-controlling interests		38	(1)
		<b>229,674,485</b>	<b>228,097,367</b>
<b>Number of shares</b>		<b>68,528,592</b>	<b>68,528,592</b>
<b>Earnings per share</b>	23(a)	<b>3.46</b>	<b>3.41</b>

The annexed notes 1 to 33 & annexure-A form an integral part of these financial statements.

Sd/-  
Chairman

Sd/-  
Director

Sd/-  
Company Secretary

Signed in terms of our separate report of even date.

Dated : Dhaka  
22.07.2014

Sd/-  
Rahman Mostafa Alam & Co.  
Chartered Accountants

## Navana CNG Limited and its Subsidiaries

Consolidated Statement of Cash Flows

For the year ended March 31, 2014

	31/03/14	31/03/13
	BD Taka	BD Taka
<b>Cash flows from operating activities</b>		
Receipts from customers	1,595,253,845	1,485,926,565
Receipts of other income	34,334,950	42,846,253
Payments for materials, services and expenses	(1,251,117,981)	(1,403,356,996)
<b>Cash generated from operations</b>	<b>378,470,814</b>	<b>125,415,822</b>
Interest paid	(16,284,513)	(18,523,648)
Income tax paid	(85,703,307)	(62,764,176)
<b>Net cash generated by operating activities</b>	<b>276,482,994</b>	<b>44,127,998</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(171,742,137)	(197,151,741)
Capital Work -in- Progress	(41,468,092)	(483,704,773)
Payments for acquisition of property, plant & equipment	(42,926,847)	-
Investment in shares	(1,586,402)	(1,051,000)
Long-term security deposits	1,846,927	6,238,228
<b>Net cash used in investing activities</b>	<b>(255,876,551)</b>	<b>(675,669,286)</b>
<b>Cash flows from financing activities</b>		
Proceeds from share money deposit	100,000,000	-
Intercompany Receivable	(3,833,744.00)	-
Repayment of finance lease	(18,168,847)	(30,571,107)
Paid to Navana CNG Ltd.	3,833,744	-
Proceeds from short term loan	118,571,856	617,775,661
Dividend paid	-	(49,658,400)
	-	-
<b>Net cash used in financing activities</b>	<b>200,403,009</b>	<b>537,546,154</b>
<b>Net changes in cash and cash equivalents</b>	<b>221,009,452</b>	<b>(93,995,134)</b>
Cash and cash equivalents at the beginning of year	385,570,368	479,565,502
<b>Cash and cash equivalents at the end of year</b>	<b>606,579,820</b>	<b>385,570,368</b>
<b>Net operating cash flows per share</b>	<b>4.03</b>	<b>0.64</b>

Sd/-  
Chairman

Sd/-  
Director

Sd/-  
Company Secretary

## Navana CNG Limited and its Subsidiaries

Consolidated Statement of Changes in Equity

For the year ended March 31, 2014

Particulars	Share capital	Tax holiday Reserve	Sub-Ordinate Capital	Retained Earnings	Attributable to owners of the Company	Non-Controlling interests	Total
Balance at 1 April 2012	496,584,000	184,903,945	-	681,820,381	1,363,308,336	113	1,363,308,449
Net profit for the year	-	-	-	228,097,366	228,097,366	(1)	228,097,365
Tax holiday reserve	-	2,661,593	-	-	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 31 March 2013	571,071,600	187,565,548	-	785,771,747	1,544,408,895	112	1,544,409,007
Balance at 1 April 2013	571,071,600	187,565,548	-	785,771,747	1,544,408,895	112	1,544,409,007
Net profit for the year	-	-	-	229,674,447	229,674,447	38	229,674,485
Tax holiday reserve	-	10,432,685	-	-	10,432,685	-	10,432,685
Payment of stock dividend	114,214,320	-	-	(114,214,320)	-	-	-
Sub-Ordinate Capital	-	-	144,112,526	-	144,112,526	-	144,112,526
Balance at 31 March 2014	685,285,920	197,998,233	144,112,526	901,231,874	1,928,628,553	150	1,928,628,703

Sd/-  
Chairman

Sd/-  
Director

Sd/-  
Company Secretary



## Navana CNG Limited

### Statement of Financial Position

As at March 31, 2014

	Notes	31/03/14	31/03/13
		BD Taka	BD Taka
<b>Assets:</b>			
<b>Non-current assets</b>			
Property, plant & equipment	3	501,284,480	521,165,424
Capital Work-in-progress		345,298,318	328,280,823
Investment in subsidiaries	4	292,523,179	143,838,595
Long-term security deposit	5	36,093,373	37,940,300
<b>Total Non-current assets</b>		<b>1,175,199,350</b>	<b>1,031,225,141</b>
<b>Current assets</b>			
Inventories	6	408,255,781	399,663,973
Accounts receivable	7	104,522,052	91,532,750
Advances, deposits & pre-payments	8	126,686,181	104,315,891
Investment in shares	9	7,144,368	5,490,400
Cash & Cash equivalent	10	406,824,446	366,126,183
<b>Total Current assets</b>		<b>1,053,432,828</b>	<b>967,129,197</b>
<b>Total assets</b>		<b>2,228,632,178</b>	<b>1,998,354,339</b>
<b>Equity and liabilities:</b>			
<b>Capital and reserves</b>			
Share capital	11	685,285,920	571,071,600
Tax holiday reserve		180,618,848	180,618,848
Retained earnings	12	901,231,874	785,771,747
<b>Total Capital &amp; Reserve</b>		<b>1,767,136,642</b>	<b>1,537,462,195</b>
<b>Non Current Liabilities</b>			
Deferred tax liabilities		43,513,614	38,774,247
<b>Total Non-current liabilities</b>		<b>43,513,614</b>	<b>38,774,247</b>
<b>Current liabilities</b>			
Finance lease, current portion	13	-	18,168,847
Short-term loans	14	45,223,951	38,557,397
Provision for income tax	15	71,180,262	88,399,335
Inter Company Payable		197,025,657	190,471,639
Payables and accruals	16	104,552,052	86,520,679
<b>Total Current liabilities</b>		<b>417,981,922</b>	<b>422,117,897</b>
<b>Total liabilities</b>		<b>461,495,536</b>	<b>460,892,144</b>
<b>Total equity and liabilities</b>		<b>2,228,632,178</b>	<b>1,998,354,339</b>
<b>Net assets value per share</b>	24	<b>25.79</b>	<b>26.92</b>

The annexed notes 1 to 33 & annexure-A form an integral part of these financial statements.

Sd/-  
Chairman

Sd/-  
Director

Sd/-  
Company Secretary

Signed in terms of our separate report of even date.

Dated : Dhaka  
22.07.2014

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

## Navana CNG Limited

Statement of Comprehensive Income  
For the year ended March 31, 2014

Particulars	Notes	31/03/14 BD Taka	31/03/13 BD Taka
Revenue	17	1,306,169,038	1,423,591,157
Less: Cost of sales	18	881,680,272	920,356,258
<b>Gross profit</b>		<b>424,488,766</b>	<b>503,234,899</b>
Less: Administrative & selling expenses	19	191,471,280	196,052,111
Less: Interest expenses	20	9,341,335	15,089,193
<b>Operating profit</b>		<b>223,676,151</b>	<b>292,093,595</b>
Add: Other income	21	34,334,950	40,413,415
<b>Profit before contribution to WPPF</b>		<b>258,011,101</b>	<b>332,507,010</b>
Less: Contribution to WPPF		10,651,245	13,909,219
<b>Profit before tax</b>		<b>247,359,856</b>	<b>318,597,791</b>
<b>Less: Income tax expenses</b>	22	<b>68,023,960</b>	<b>77,084,922</b>
Current tax		63,284,593	78,852,953
Deferred tax		4,739,367	(1,768,031)
<b>Net profit for the year</b>		<b>179,335,896</b>	<b>241,512,869</b>
<b>Add: Other comprehensive income:</b>			
Revaluation Gain on investment in share		1,653,968	(2,731,453)
Share of Profit from subsidiaries		48,684,583	(10,684,044)
<b>Total comprehensive income for the year</b>		<b>229,674,447</b>	<b>228,097,372</b>
<b>Earnings per share</b>	23	<b>2.62</b>	<b>3.52</b>

The annexed notes 1 to 33 & annexure-A form an integral part of these financial statements.

Sd/-  
Chairman

Sd/-  
Director

Sd/-  
Company Secretary

Signed in terms of our separate report of even date.

Dated : Dhaka  
22.07.2014

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

## Navana CNG Limited

### Statement of Cash Flows

For the year ended March 31, 2014

Particulars	31/03/14 BD Taka	31/03/13 BD Taka
<b>Cash flows from operating activities</b>		
Receipts from customers	1,293,179,736	1,413,497,603
Receipts of other income	34,334,950	40,413,415
Payments for materials, services and expenses	(1,109,862,947)	(1,198,762,316)
<b>Cash generated from operations</b>	<b>217,651,739</b>	<b>255,148,702</b>
Interest paid	(9,341,335)	(15,089,193)
Income tax paid	(80,503,666)	(59,185,224)
<b>Net cash generated by operating activities</b>	<b>127,806,738</b>	<b>180,874,285</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(24,062,785)	(43,269,036)
Capital Working Progress	(17,017,495)	(328,280,823)
Payments for acquisition of property, plant & equipment	(42,926,847)	-
Realization of/(Payments for) long-term security deposits	1,846,927	6,238,228
<b>Net cash used in investing activities</b>	<b>(82,160,200)</b>	<b>(365,311,631)</b>
<b>Cash flows from financing activities</b>		
Received from Subsidiaries	6,554,018	188,162,165
Repayment of finance lease	(18,168,847)	(30,571,107)
Proceeds from Short-term loan	6,666,554	38,557,397
Dividend paid	-	(49,658,400)
<b>Net cash used in financing activities</b>	<b>(4,948,275)</b>	<b>146,490,055</b>
<b>Net changes in cash and cash equivalents</b>	<b>40,698,263</b>	<b>(37,947,291)</b>
Cash and cash equivalents at the beginning of year	366,126,183	404,073,474
<b>Cash and cash equivalents at the end of year</b>	<b>406,824,446</b>	<b>366,126,183</b>
<b>Net operating cash flows per share</b>	<b>1.87</b>	<b>2.64</b>

Sd/-  
Chairman

Sd/-  
Director

Sd/-  
Company Secretary

## Navana CNG Limited

Statement of Changes in Equity

For the year ended March 31, 2014

Particulars	Share Capital BD Taka	Tax Holiday Reserve BD Taka	Retained Earnings BD Taka	Total BD Taka
<b>Balance at April 01, 2012</b>	<b>496,584,000</b>	<b>180,618,848</b>	<b>681,820,375</b>	<b>1,359,023,223</b>
Net profit for the year	-	-	228,097,372	228,097,372
Payment of stock dividend	74,487,600	-	(74,487,600)	-
Payment of cash dividend	-	-	(49,658,400)	(49,658,400)
<b>Balance at March 31, 2013</b>	<b>571,071,600</b>	<b>180,618,848</b>	<b>785,771,747</b>	<b>1,537,462,195</b>
<b>Balance at 01 April 2013</b>	<b>571,071,600</b>	<b>180,618,848</b>	<b>785,771,747</b>	<b>1,537,462,195</b>
Net profit for the year	-	-	229,674,447	229,674,447
Payment of stock dividend	114,214,320	-	(114,214,320)	-
<b>Balance at 31 March 2014</b>	<b>685,285,920</b>	<b>180,618,848</b>	<b>901,231,874</b>	<b>1,767,136,642</b>

Sd/-  
Chairman

Sd/-  
Director

Sd/-  
Company Secretary

View: Navana CNG conversion workshop at Uttara



## Navana CNG Limited and its Subsidiaries

*Notes to the Financial Statements*

For the year ended March 31, 2014

### 1. Corporate information

#### 1.1 Reporting entity

Navana CNG Limited (the Company) was incorporated in Bangladesh as private company on April 19, 2004 vide registration no. C-52512(2807)/2004 and converted into a public company on March 08, 2009. The registered office of Navana CNG Limited is located at 125/A Motijheel C/A, Islam Chamber (4th floor), Dhaka-1000

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

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

#### 1.2 Subsidiaries

##### Navana Engineering Limited

Navana Engineering Limited is a 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

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

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

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

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

#### 2.2 Reporting period

The period of the financial statements covers from April 01 to March 31 consistently. These financial statements have been prepared for the year ended March 31, 2014.

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

##### (a) Petrol and diesel vehicle conversion services

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

##### (b) Sale of CNG

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

##### (c) Dividend

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

##### (d) Other revenues

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

## 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:

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

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

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

### 2.14 Inventories

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

Raw materials: purchase costs on a weighted average basis;

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

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.

#### 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.

### 2.22 Segment Reporting

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

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

### 2.23 Contingencies

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

### 2.24 Earnings per share

#### Basic earnings per share

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

In computing the basic earnings per share of 2013, 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 2014 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 General

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

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

View: Navana CNG re-fueling station at Charmatha, Bogra



## Navana CNG Limited and its subsidiaries

Schedule of Property, plant and equipments

As at March 31, 2014

Annexure- A

Particulars	Cost			Rate of Depreciation	Depreciation			Written Down Value as at 31.03.14
	As at 01.04.2013	Addition during the year	As at 31.03.2014		As at 01.04.2013	Charged during the year	As at 31.03.2014	
Land and land develop.	134,763,064	100,254,322	235,017,386	0%	-	-	-	235,017,386
Building & Shed	141,796,781	5,544,899	147,341,680	10%	40,287,296	10,234,122	50,521,418	96,820,262
Plant & Machinery	687,594,179	39,233,800	726,827,979	10%	219,719,255	49,052,896	268,772,151	458,055,828
Tools & equipment	67,612,025	5,530,795	73,142,820	10%	16,307,689	5,424,198	21,731,887	51,410,933
Furniture & fixtures	15,357,537	1,148,716	16,506,253	10%	4,908,956	1,113,930	6,022,885	10,483,368
Electrical equipment	29,725,915	8,364,420	38,090,335	10%	743,148	3,316,498	4,059,646	34,030,689
Office equipment	1,599,178	3,589,545	5,188,723	10%	39,979	227,711	267,690	4,921,033
Vehicles	45,035,067	8,075,640	53,110,707	10%	11,608,117	3,639,992	15,248,109	37,862,598
<b>Total</b>	<b>1,123,483,746</b>	<b>171,742,137</b>	<b>1,295,225,883</b>		<b>293,614,440</b>	<b>73,009,346</b>	<b>366,623,786</b>	<b>928,602,097</b>

## Navana CNG Limited

Schedule of Property, plant and equipments

As at March 31, 2014

Annexure- A

Particulars	Cost			Rate of Depreciation	Depreciation			Written Down Value as at 31.03.14
	As at 01.04.2013	Addition during the year	As at 31.03.2014		As at 01.04.2013	Charged during the year	As at 31.03.2014	
Land and land develop.	94,362,167	-	94,362,167	0%	-	-	-	94,362,167
Building & Shed	98,146,981	3,389,628	101,536,609	10%	37,955,861	6,069,956	44,025,818	57,510,791
Plant & Machinery	511,182,788	14,729,762	525,912,550	10%	209,554,053	31,046,659	240,600,712	285,311,838
Tools & equipment	42,352,677	3,808,352	46,161,029	10%	12,900,535	3,135,632	16,036,167	30,124,862
Furniture & fixtures	12,652,544	512,653	13,165,197	10%	4,829,222	823,344	5,652,566	7,512,631
Vehicles	38,990,683	1,622,390	40,613,073	10%	11,282,745	2,868,137	14,150,882	26,462,191
<b>Total</b>	<b>797,687,840</b>	<b>24,062,785</b>	<b>821,750,625</b>		<b>276,522,416</b>	<b>43,943,729</b>	<b>320,466,145</b>	<b>501,284,480</b>

View: Newly established car fitness testing centre |



## Navana CNG Limited and its subsidiaries

### Notes to the Financial Statements

#### 3 Property, plant and equipment net

Land and land development  
Building & Shed  
Plant & Machinery  
Tools & equipment  
Furniture & fixtures  
Vehicles

\*An elaborate schedule of property, plant and equipments are shown in annexure -A.

#### 3(a) Consolidated Property, plant and equipment, net

Land and land develop.  
Building & Shed  
Plant & Machinery  
Tools & equipment  
Furniture & fixtures  
Electrical equipment  
Office equipment  
Vehicles

\*An elaborate schedule of property, plant and equipments are shown in annexure -A.

#### 4 Investment in subsidiaries

Navana Engineering Ltd.  
Navana Welding Electrode Ltd.

#### Name of Subsidiary

#### Total number of shares

Navana Engineering Limited  
Navana Welding Electrode Limited

4,500,000  
10,000,000  
**14,500,000**

#### Total number of shares held

4,499,995  
9,999,995  
**14,499,990**

#### Ownership Interest

5  
5  
**10**

#### 5 Long-term security deposit

Power Development Board (PDB)  
Titas Gas T&D Co., Ltd.  
Pashchimanchal Gas Co., Ltd.  
Dhaka Electricity Supply Co., Ltd.  
Dhaka Electricity Supply Authority  
Jalalabad Gas Co., Ltd.  
Dhaka Palli Budyut Samity-1  
Delta life Insurance Co., Ltd  
Bangladesh Roads & Highway Deptt.  
North South University  
Uttara Bank Limited  
Standard Bank Ltd.  
Bangladesh Telecommunication Co., Ltd (BTCL)  
UCEP  
Dhaka Metropolitan Police  
Bakhrabad Gas Co., Ltd.  
Mobile Companies

31/03/14

31/03/13

BD Taka

BD Taka

94,362,167  
57,510,791  
285,311,838  
30,124,862  
7,512,631  
26,462,191  
**501,284,480**

94,362,167  
60,191,120  
301,628,735  
29,452,142  
7,823,322  
27,707,938  
**521,165,424**

235,017,386  
96,820,262  
458,055,828  
51,410,933  
10,483,368  
34,030,689  
4,921,033  
37,862,598  
**928,602,097**

134,763,064  
101,509,485  
467,874,924  
52,863,534  
10,448,581  
28,982,767  
-  
33,426,951  
**829,869,306**

186,660,744  
105,862,435  
**292,523,179**

52,293,426  
91,545,169  
**143,838,595**

316,081  
22,795,286  
2,650,741  
150,000  
210,000  
1,299,297  
257,120  
10,000  
227,456  
16,143  
39,130  
745,038  
10,000  
338,000  
147,331  
6,859,750  
22,000  
**36,093,373**

316,081  
24,642,213  
2,650,741  
150,000  
210,000  
1,299,297  
257,120  
10,000  
227,456  
16,143  
39,130  
745,038  
10,000  
338,000  
147,331  
6,859,750  
22,000  
**37,940,300**

## Navana CNG Limited and its subsidiaries

### Notes to the Financial Statements

		31/03/14	31/03/13
		BD Taka	BD Taka
<b>6 Inventories</b>			
Stock & stores		404,943,111	397,928,958
Stock in transit		3,312,670	1,735,015
		<b>408,255,781</b>	<b>399,663,973</b>
<b>6(a) Consolidated Inventories</b>			
Stock & stores		521,480,599	538,563,060
Stock in transit		10,473,896	1,735,015
		<b>531,954,495</b>	<b>540,298,075</b>
<b>7 Accounts receivable</b>			
Tejgaon CNG Conversion Center		17,031,164	14,728,447
Kallyanpur CNG Conversion Center		7,861,582	7,540,744
Dipnagar Diesel Conversion Center		10,171,585	7,396,554
Chittagong CNG Conversion Center		9,773,029	7,566,086
Sylhet CNG Conversion Center		3,095,792	3,394,469
Cylinder Testing Unit		558,967	4,063,132
Enginerring Workshop		536,026	500,104
Kalurghst CNG Conversion Center		745,375	277,162
Kalurghst CRT		129,132	31,500
Station Office, Dhaka		14,119,317	13,498,919
Uttara CNG Conversion Center		491,035	203,648
Bogra CNG Conversion Center		227,638	227,638
Palton CNG Conversion Center		204,432	178,020
Auto repair & services		8,747,236	7,827,616
Denso CNG Station		2,516,967	1,864,866
Binimoy CNG Station		7,825,122	6,678,889
Sylhet CNG Station		537,225	593,753
Station Technical Department Sylhet		334,800	-
Station Technical Department Ctg.		7,078,024	4,727,370
Station Technical Department Dhaka		1,751,285	748,661
Station Maintance Department Sylhet		22,200	-
PRS Dept.		1,496,175	-
Engineering service dept.		221,625	-
Baipail CNG Station		917,538	870,042
Bogra CNG Station		144,879	1,504,203
Laguna CNG Station		825,185	548,319
Sitakundu CNG Station		457,780	343,979
S.H. Khan CNG Station		244,268	889,650
B.O.C CNG Station		13,497	-
Kwality CNG Station		998,421	454,674
Abdullah CNG Station		389,679	136,968
Bhoirab CNG Station		261,572	253,145
Elenga Station CNG Station		486,282	241,911
United CNG Station		256,560	155,718
Jogajog CNG Station		692,548	324,083
Sonarbangla CNG Station		3,358,110	3,762,480
		<b>104,522,052</b>	<b>91,532,750</b>

# Navana CNG Limited and its subsidiaries

## Notes to the Financial Statements

7(a)	Consolidated Accounts receivable		BD Taka	BD Taka		
	Navana CNG Limited		104,522,052	91,532,750		
	Navana Welding Electrode Limited		12,256,655	14,835,682		
	Navana Engineering Limited		39,379,777	38,864,746		
			156,158,484	145,233,178		
8	Advances, deposits & pre-payments					
	Advance against leasehold land		15,843,624	11,686,324		
	Advance against local procurement		84,327,998	66,427,339		
	Bank guarantee margin		18,897,803	19,315,650		
	Security deposit		3,116,756	1,865,509		
	Pre-payments		4,500,000	5,021,069		
			126,686,181	104,315,891		
8(a)	Consolidated Advances, deposits & pre-payments					
	Advance against leasehold land		15,843,624	11,686,324		
	Advance against local procurement		86,728,564	86,384,720		
	Bank guarantee margin		19,951,603	19,315,650		
	Security deposit		3,116,756	7,031,391		
	Pre-payments		4,500,000	5,021,069		
	Advance Income Tax		12,547,854	7,348,213		
	Advance Trade Vat		550,681	963,766		
	Jakshon international Ltd.		251,031	251,031		
	Vat Current Account		3,334,862	4,365,559		
	Advance for Fixed Assets		833,801	623,092		
	Advance House Rent		2,480,000	265,000		
	Advance Trander		215,000	-		
	Earnest Money & Security Deposit		926,000	-		
				151,279,776	143,255,815	
9	Investment in shares					
	Lafarge Surma Cement Ltd.		1,362,900	630,000		
	Aftab Automobiles Ltd.		5,781,468	4,860,400		
			7,144,368	5,490,400		
		Face value per share	Number of share held	Market value as on 31/03/14	Market value as on 31/03/13	
	Lafarge Surma Cement Ltd.	10	21,000	1,362,900	630,000	
	Aftab Automobiles Ltd.	10	75,084	5,781,468	4,860,400	
			96,084	7,144,368	5,490,400	
9(a)	Consolidated Investment in shares					
			Face value per share	Number of share held	Market value as on 31/03/14	Market value as on 31/03/13
	Lafarge Surma Cement Ltd.	10	21,000	1,362,900	630,000	
	Aftab Automobiles Ltd.	10	75,084	5,781,468	4,860,400	
	National Bank Ltd.	10	8,470	92,400	133,980	
	Square pharmaceuticals Ltd.	10	10,460	2,117,310	800,128	
	Titas Gas Ltd.	10	8,000	310,800	-	
			123,014	9,664,878	6,424,508	

## Navana CNG Limited and its subsidiaries

### Notes to the Financial Statements

		31/03/14	31/03/13
		BD Taka	BD Taka
<b>10</b>	<b>Cash &amp; Cash equivalent</b>		
	Cash in hand	22,690,460	29,341,679
	Cash at bank	384,133,986	336,784,504
		<b>406,824,446</b>	<b>366,126,183</b>
<b>10.1</b>	<b>The bank balance consists of:</b>		
	AB Bank Ltd.	2,833,452	4,171,698
	Bank Alfalah Ltd.	-	11,463
	Al-Arafah Bank Ltd.	-	8,077
	Bank Asia Ltd.	389,539	391,039
	Brac Bank Ltd.	342,848	70,451
	Dhaka Bank Ltd.	7,405,676	4,725,209
	Dutch Bangla Bank Ltd.	13,703,767	16,781,805
	IFIC Bank Ltd.	1,556,678	997,964
	Jamuna Bank Ltd.	2,361,629	366,771
	Mutual Trust Bank Ltd.	13,419,083	8,446,637
	National Bank Ltd.	8,559,467	5,378,588
	NCC Bank Ltd.	1,085,113	787,034
	Prime Bank Ltd.	1,611,275	1,217,194
	Pubali Bank Ltd.	1,726,352	2,590,841
	Rupali Bank Ltd.	8,088,578	3,056,500
	Shahjalal Islami Bank Ltd.	4,292,795	4,609,265
	Social Investment Bank Ltd.	44,427	45,237
	Southeast Bank Ltd.	2,135,181	1,368,242
	Standard Bank Ltd.	3,285,602	11,511
	Standard Chartered Bank	227,621	260,814
	Uttara Bank Ltd.	6,694,905	7,781,641
	Mercantile Bank Ltd. (FDR)	83,785,814	75,316,347
	NCC Bank Ltd.(FDR)	55,421,324	49,873,766
	One Bank Ltd.(FDR)	73,397,433	66,275,314
	Standard Bank Ltd. (FDR)	88,508,849	79,314,410
	Jumana Bank Ltd. (FDR)	3,256,578	2,926,686
		<b>384,133,986</b>	<b>336,784,504</b>

# Navana CNG Limited and its subsidiaries

## Notes to the Financial Statements

### 10(a) Consolidated Cash & bank balances

Cash in hand  
Cash at bank

The bank balance consists of:

AB Bank Ltd.

Bank Alfalah Ltd.

Al-Arafah Bank Ltd.

Bank Asia Ltd.

Brac Bank Ltd.

Dhaka Bank Ltd.

Dutch Bangla Bank Ltd.

IFIC Bank Ltd.

Jamuna Bank Ltd.

Mutual Trust Bank Ltd.

National Bank Ltd.

NCC Bank Ltd.

Prime Bank Ltd.

Pubali Bank Ltd.

Rupali Bank Ltd.

Shahjalal Islami Bank Ltd.

Social Investment Bank Ltd.

Southeast Bank Ltd.

Standard Bank Ltd.

Standard Chartered Bank

Uttara Bank Ltd.

Mercantile Bank Ltd.

One Bank Ltd.

Trust Bank Ltd.

Islami bank Bd.ltd

Mercantile Bank Ltd. (FDR)

NCC Bank Ltd.(FDR)

One Bank Ltd.(FDR)

Standard Bank Ltd. (FDR)

Jumana Bank Ltd. (FDR)

31/03/14	31/03/13
BD Taka	BD Taka
26,757,941	31,819,125
579,821,879	353,751,243
<b>606,579,820</b>	<b>385,570,368</b>
2,833,452	4,171,698
-	11,463
15,004	24,231
4,156,228	391,039
342,848	70,451
7,405,676	4,725,209
47,108,279	25,180,848
1,556,678	997,964
2,368,943	375,695
15,989,487	9,624,705
8,559,467	5,378,588
1,085,113	787,034
3,190,927	1,217,194
1,726,352	3,405,183
8,088,578	3,056,500
4,931,652	5,586,457
44,427	45,237
18,307,078	3,685,200
17,775,716	2,129,315
227,621	260,814
6,694,905	7,781,641
1,242,743	279,207
50,939,112	-
70,009,940	-
851,655	275,752
83,785,814	75,316,347
55,421,324	49,873,766
73,397,433	66,858,609
88,508,849	79,314,410
3,256,578	2,926,686
<b>579,821,879</b>	<b>353,751,243</b>

### 11 Share capital

#### Authorized capital:

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

#### Issued, Subscribed and Paid-up Capital:

(68528592 Ordinary Shares @ Tk. 10 each)

<b>1,500,000,000</b>	<b>1,500,000,000</b>
<b>685,285,920</b>	<b>571,071,600</b>

	Number of Shares	Face Value	Share capital on 31/03/14 BD Taka	Share capital on 31/03/13 BD Taka
Balance at beginning of year	57,107,160	10	571,071,600	496,584,000
Issue of bonus shares	11,421,432	10	114,214,320	74,487,600
	<b>68,528,592</b>		<b>685,285,920</b>	<b>571,071,600</b>

## Navana CNG Limited and its subsidiaries

### Notes to the Financial Statements

#### Shareholding position:

Class of shareholders	Number of Investors	Number of Shares hold	Shares Holding % 31-03-2014	Shares Holding % 31-03-2013
Sponsors	10	29,230,041	42.65%	42.65%
General public	28,248	25,757,312	37.59%	40.77%
Institutional investors	322	13,541,239	19.76%	16.57%
<b>Total</b>	<b>28,580</b>	<b>68,528,592</b>	<b>100%</b>	<b>100%</b>

#### Classification of shareholders:

Particulars	Number of Investors	Number of Shares	% of Shares Holding 31-03-2014	% of Shares Holding 31-03-2013
1 to 500	20,343	4,200,458	6.13%	5.64%
501 to 5000	7,522	10,728,610	15.66%	16.32%
5001 to 10000	392	2,729,380	3.98%	3.43%
10001 to 20000	145	2,077,842	3.03%	3.15%
20001 to 30000	42	1,040,760	1.52%	1.99%
30001 to 40000	25	905,146	1.32%	1.24%
40001 to 50000	19	913,327	1.33%	1.34%
50001 to 100000	35	2,368,126	3.46%	5.25%
100001 to 1000000	50	13,204,993	19.27%	18.44%
1000000 above	7	30,359,950	44.30%	43.19%
<b>Total</b>	<b>28,580</b>	<b>68,528,592</b>	<b>100%</b>	<b>100%</b>

	31/03/14	31/03/13
<b>12 Retained earnings</b>	<b>BD Taka</b>	<b>BD Taka</b>
Opening balance	785,771,747	681,820,375
Add: Total Comprehensive Income for the year	179,335,896	241,512,869
	<b>965,107,643</b>	<b>923,333,244</b>
Share of Profit from subsidiaries	48,684,583	(10,684,044)
Revaluation Gain on investment in share	1,653,968	(2,731,453)
<b>unrealised profit on investment in share</b>	<b>1,015,446,194</b>	<b>909,917,747</b>
Less: payment stock dividend	(114,214,320)	(74,487,600)
Less: payment cash dividend	-	(49,658,400)
<b>Closing balance</b>	<b>901,231,874</b>	<b>785,771,747</b>
<b>12(a) Consolidated Retained earnings</b>		
Opening balance	785,771,747	681,820,381
Add: Total Comprehensive Income for the year	229,674,447	228,097,366
	<b>1,015,446,194</b>	<b>909,917,747</b>
Less: payment stock dividend	(114,214,320)	(74,487,600)
Less: payment cash dividend	-	(49,658,400)
<b>Closing balance</b>	<b>901,231,874</b>	<b>785,771,747</b>
<b>13 Finance lease</b>		
Opening balance	18,168,847	48,739,954
Interest charged during the year	1,543,166	9,243,250
<b>Total</b>	<b>19,712,013</b>	<b>57,983,204</b>
Repayment during the year	19,712,013	39,814,357
<b>Closing balance</b>	<b>-</b>	<b>18,168,847</b>
Non-current portion of finance lease	-	18,168,847
<b>Current portion of finance lease</b>	<b>-</b>	<b>18,168,847</b>

# Navana CNG Limited and its subsidiaries

## Notes to the Financial Statements

	31/03/14	31/03/13
	BD Taka	BD Taka
<b>13(a) Consolidated Finance lease</b>		
Opening balance	18,168,847	48,739,954
Interest charged during the year	1,543,166	9,243,250
	<b>19,712,013</b>	<b>57,983,204</b>
Repayment during the year	19,712,013	39,814,357
<b>Closing balance</b>	<b>-</b>	<b>18,168,847</b>
	-	-
Non-current portion of finance lease	-	18,168,847
<b>Current portion of finance lease</b>	<b>-</b>	<b>18,168,847</b>
<b>14 Short-term loans</b>		
Shahjalal Islami Bank Ltd.	8,227,919	26,370,972
Standard Bank Ltd.	36,996,032	12,186,425
	<b>45,223,951</b>	<b>38,557,397</b>
<b>14(a) Consolidated Short-term loans</b>		
Shahjalal Islami Bank Ltd.	10,745,387	26,370,972
Standard Bank Ltd.	36,996,083	12,186,425
One Bank Ltd.	10,798,459	
Mercantile Bank Ltd. ( LTR)	7,902,095	
Social Islami Bank Ltd.	-	28,700,278
IFIC Bank Ltd.	675,533,579	556,146,072
	<b>741,975,603</b>	<b>623,403,747</b>
<b>15 Provision for income tax</b>		
Opening balance	88,399,335	68,731,606
Add: Current tax expenses for the year	63,284,593	78,852,953
	<b>151,683,928</b>	<b>147,584,559</b>
Less: Tax paid/adjusted in current year	(80,503,666)	(59,185,224)
<b>Closing balance</b>	<b>71,180,262</b>	<b>88,399,335</b>
<b>15(a) Consolidated Provision for income tax</b>		
Navana CNG Limited	71,180,262	88,399,335
Navana Welding Electrode Limited	4,594,973	3,100,562
Navana Engineering Limited	6,185,825	108,489
	<b>81,961,060</b>	<b>91,608,386</b>
<b>16 Payables and accruals</b>		
Account payables	25,421,638	27,353,775
Provisions & accruals	62,879,744	42,461,367
Workers profit participation fund	10,651,245	13,909,219
Sundry payables	5,599,425	2,796,318
	<b>104,552,052</b>	<b>86,520,679</b>
<b>16(a) Consolidated Payables and accruals</b>		
Navana CNG Limited	104,552,052	86,520,679
Navana Engineering Limited	4,807,777	4,946,051
Navana Welding Electrode Limited	16,072,301	4,048,332
	<b>125,432,130</b>	<b>95,515,062</b>

## Navana CNG Limited and its subsidiaries

### Notes to the Financial Statements

		31/03/14	31/03/13
<b>17</b>	<b>Revenue-net</b>	<b>BD Taka</b>	<b>BD Taka</b>
	CNG conversion-net	172,504,696	146,676,896
	CNG sales	850,519,880	1,001,348,180
	Service revenue-net	283,144,462	275,566,081
		<b>1,306,169,038</b>	<b>1,423,591,157</b>
<b>17(a)</b>	<b>Consolidated Revenue-net</b>		
	Navana CNG Limited	1,306,169,038	1,423,591,157
	Navana Engineering Limited	173,515,862	76,742,936
	Navana Welding Electrode Limited	126,494,251	37,766,402
		<b>1,606,179,151</b>	<b>1,538,100,495</b>
<b>18</b>	<b>Cost of sales</b>		
	Cost of CNG conversion	18.01 142,175,800	140,991,484
	Cost of CNG sales	18.02 737,579,063	775,317,063
	Direct overhead	1,925,409	4,047,711
		<b>881,680,272</b>	<b>920,356,258</b>
<b>18.01</b>	<b>Cost of CNG conversion</b>		
	Opening balance of conversion materials	397,928,958	339,698,037
	Add : Purchase during the year	149,189,953	199,222,405
	<b>Available for consumption</b>	<b>547,118,911</b>	<b>538,920,442</b>
	Less: Closing balance of conversion materials	404,943,111	397,928,958
	<b>Conversion materials consumed</b>	<b>142,175,800</b>	<b>140,991,484</b>
<b>18.02</b>	<b>Cost of CNG sales</b>		
	Gas	647,459,579	686,236,381
	Electricity	58,615,041	57,301,983
	Land rent	31,504,443	31,778,699
		<b>737,579,063</b>	<b>775,317,063</b>
<b>18(a)</b>	<b>Consolidated Cost of sales</b>		
	Navana CNG Limited	881,680,272	920,356,258
	Navana Engineering Limited	106,432,668	61,412,446
	Navana Welding Electrode Limited	93,115,217	29,558,512
		<b>1,081,228,157</b>	<b>1,011,327,215</b>
<b>19</b>	<b>Administrative and selling expense</b>		
	Salary & allowances	114,671,098	110,417,613
	Overtime allowance	5,245,670	6,557,185
	Vehicle maintenance	1,868,570	2,203,015
	Electricity bill	2,540,853	2,730,919
	Rental expense	6,062,446	8,498,804
	Telephone & mobile expense	2,522,843	2,830,890
	Conveyance	976,855	1,373,396
	Electrical expense	79,442	156,086
	Entertainment	1,223,777	1,500,060
	Labor charge	1,939,182	922,160
	Board meeting attendance fee	155,000	115,000
	Medical expense	63,468	152,000
	Carrying charge	920,172	812,736
	Mineral water	516,508	617,177
	Annual general meeting expenses	2,646,544	2,546,520
	Misc. exps	149,390	609,960
	Newspaper & periodicals	202,599	190,212
	Office maintenance	267,000	232,792
	Audit fees	100,000	80,000
	Oil & lubricants	1,882,200	2,208,790
	Photocopy expense	45,978	45,416
	Postage & stamp	312,320	212,007
	Uniform & liveries	548,720	185,816
	Printing expense	1,202,442	1,115,500
	Stationary expense	220,000	644,548
	Registration & renewals	939,076	1,209,923
	Travelling expense	225,398	461,002
	Depreciation	43,943,729	47,422,584
		<b>191,471,280</b>	<b>196,052,111</b>

# Navana CNG Limited and its subsidiaries

## Notes to the Financial Statements

### 19(a) Consolidated Administrative and selling expenses

	31/03/14	31/03/13
	BD Taka	BD Taka
Salary & allowances	120,272,086	114,631,279
Overtime allowance	6,020,685	7,628,574
Vehicle maintenance	1,978,570	2,872,114
Electricity bill	2,589,442	2,741,798
Rental expense	6,409,446	8,767,304
Telephone & mobile expense	2,653,315	3,617,981
Conveyance	1,299,386	1,826,209
Electrical expense	97,447	252,343
Entertainment	1,629,427	1,750,163
Labor charge	2,026,782	989,040
Board meeting attendance fee	155,000	255,000
Medical expense	131,548	173,250
Carrying charge	920,172	873,417
Mineral water	516,508	641,777
Annual general meeting expenses	2,646,544	2,546,520
Miscellaneous expense	149,390	656,808
Newspaper & periodicals	213,205	207,360
Office maintenance	1,190,652	1,067,635
Audit fees	150,000	107,250
Oil & lubricants	2,290,152	2,341,862
Photocopy expense	48,725	49,976
Postage & stamp	416,412	343,545
Uniform & liveries	548,720	316,024
Printing expense	1,309,858	1,159,672
Stationary expense	373,041	1,035,490
Registration & renewals	1,301,478	1,424,188
Travelling expense	384,168	621,484
Bank charge	196,037	-
Internet bill	49,198	-
ISO Exps	14,000	-
Ta & Da	415,176	-
Gas Bill	4,950	-
Service Charges	54,000	-
Marketing Expenses	345,488	-
Depreciation	49,756,852	49,900,540
	<b>208,557,860</b>	<b>208,798,603</b>

### 20 Interest expenses

Interest on lease finance	1,543,166	9,243,250
Interest on short-term loans	7,798,169	5,845,943
	<b>9,341,335</b>	<b>15,089,193</b>

### 20(a) Consolidated Interest expenses

Interest on lease finance	1,543,166	9,243,250
Interest on short-term loans	14,741,347	9,280,398
	<b>16,284,513</b>	<b>18,523,648</b>

### 21 Other income

Interest income on FDR	34,326,830	33,491,327
Interest income on STD Account	8,120	7,827
Other income	-	6,914,261
	<b>34,334,950</b>	<b>40,413,415</b>

# Navana CNG Limited and its subsidiaries

## Notes to the Financial Statements

		31/03/14	31/03/13
		BD Taka	BD Taka
<b>21(a) Consolidated Other income</b>			
Navana CNG Limited		34,334,950	40,413,415
Navana Welding Electrode Limited		-	2,432,838
		<b>34,334,950</b>	<b>42,846,253</b>
<b>22 Income tax expense</b>			
Current tax	22.01	63,284,593	78,852,953
Deferred tax	22.02	4,739,367	(1,768,031)
		<b>68,023,960</b>	<b>77,084,922</b>
<b>22.01 Current tax:</b>		<b>20,003,666</b>	<b>8,590,881</b>
Tax deducted at source (import stage)		4,347,954	4,897,623
Tax deducted from FDR interest income		3,421,465	3,415,485
Tax deducted from Customer		167,935	197,387
Tax deducted from STD interest income		812	386
Tax paid in advance		12,000,000	-
Tax deducted at source (Vehicle)		65,500	80,000
Tax provision		43,280,927	70,262,072
		<b>63,284,593</b>	<b>78,852,953</b>
<b>22.02 Deferred tax:</b>			
Taxable temporary difference		158,231,325	140,997,262
Tax rate		27.50%	27.5%
<b>Provision for deferred tax liabilities</b>		<b>43,513,614</b>	<b>38,774,247</b>
Opening balance		38,774,247	40,542,278
		<b>4,739,367</b>	<b>(1,768,031)</b>
<b>22(a) Consolidated Income tax expense</b>			
Current tax		70,856,340	79,898,862
Deferred tax		12,429,544	14,536,470
		<b>83,285,884</b>	<b>94,435,332</b>
<b>Current tax:</b>		<b>25,203,307</b>	<b>8,590,881</b>
Tax deducted at source (import stage)		9,547,595	4,897,623
Tax deducted from FDR interest income		3,421,465	3,415,485
Tax deducted from Customer		167,935	197,387
Tax deducted from STD interest income		812	386
Tax paid in advance		12,000,000	-
Tax deducted at source (Vehicle)		65,500	80,000
Tax provision		45,653,033	71,307,985
		<b>70,856,340</b>	<b>79,898,866</b>
<b>23 Earnings per share (EPS)</b>			
Profit attributable to ordinary shareholders		179,335,896	241,512,869
Number of ordinary shares used to compute earnings per share		68,528,592	68,528,592
<b>Earnings per share</b>		<b>2.62</b>	<b>3.52</b>
<b>23.(a) Earnings per share (EPS)</b>			
Profit attributable to ordinary shareholders		236,866,801	233,605,564
Number of ordinary shares used to compute earnings per share		68,528,592	68,528,592
<b>Earnings per share</b>		<b>3.46</b>	<b>3.41</b>
<b>24 Net assets value per share (NAVPS)</b>			
Net assets value		1,767,136,642	1,537,462,195
Number of ordinary shares used to compute NAVPS		68,528,592	57,107,160
<b>Net assets value per share</b>		<b>25.79</b>	<b>26.92</b>

# Navana CNG Limited and its subsidiaries

## Notes to the Financial Statements

### 24.(a) Net assets value per share (NAVPS)

Net assets value

Number of ordinary shares used to compute NAVPS

31/03/14	31/03/13
BD Taka	BD Taka
1,928,628,553	1,544,408,887
68,528,592	57,107,160
<b>28.14</b>	<b>27.04</b>

### 25 Sub-Ordinate Capital

Navana Engineering Limited

Navana Welding Electrode Limited

<b>144,112,526</b>	-
46,933,137	-
97,179,389	-

This represents un-secured and Interest free loan from Mr.Shafiul Islam, chairman in terms of the Meeting of the Board of Directors of the Company held on 22 February,2011; and is non-refundable untill otherwise decided by the Company.

### 26 Net operating cash flows per share (NOCFPS)

Net operating cash flows

Number of ordinary shares used to compute NOCFPS

127,806,738	180,874,285
68,528,592	68,528,592
<b>1.87</b>	<b>2.64</b>

Net operating cash flows per share

### 26(a) Net operating cash flows per share (NOCFPS)

Net operating cash flows

Number of ordinary shares used to compute NOCFPS

276,482,994	44,127,998
68,528,592	68,528,592
<b>4.03</b>	<b>0.64</b>

Net operating cash flows per share

### 27 Segment Report

Particulars	Conversion	CNG Station	Total
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant & equipment	150,385,344	350,899,136	501,284,480
Capital Working process	345,298,318	-	345,298,318
Investment in subsidiaries	292,523,179	-	292,523,179
Long-term security deposit	7,218,675	28,874,698	36,093,373
<b>Total non-current assets</b>	<b>795,425,516</b>	<b>379,773,834</b>	<b>1,175,199,350</b>
<b>Current assets</b>			
Inventories	408,255,781	-	408,255,781
Accounts receivable	41,808,821	62,713,231	104,522,052
Advances, deposits & pre-payments	107,788,378	18,897,803	126,686,181
Investment in shares	7,144,368	-	7,144,368
Cash & Cash equivalent	162,729,778	244,094,668	406,824,446
<b>Total current assets</b>	<b>727,727,126</b>	<b>325,705,702</b>	<b>1,053,432,828</b>
<b>Total assets</b>	<b>1,523,152,642</b>	<b>705,479,536</b>	<b>2,228,632,178</b>
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Share capital	685,285,920	-	685,285,920
Tax holiday reserve	180,618,848	-	180,618,848
Retained earnings	180,246,375	720,985,500	901,231,874
Inter Unit Balance	226,918,636	(226,918,636)	-
<b>Total equity</b>	<b>1,273,069,779</b>	<b>494,066,864</b>	<b>1,767,136,642</b>

## Navana CNG Limited and its subsidiaries

### Notes to the Financial Statements

Particulars	Conversion	CNG Station	Total
<b>Non-current liabilities</b>			
Deferred tax liabilities	17,405,446	26,108,168	43,513,614
<b>Total non-current liabilities</b>	<b>17,405,446</b>	<b>26,108,168</b>	<b>43,513,614</b>
<b>Current liabilities</b>			
Finance lease, current portion	-	-	-
Short-term loans	45,223,951	-	45,223,951
Provision for income tax	28,472,105	42,708,157	71,180,262
Inter company payable	197,025,657	-	197,025,657
Payables and accruals	62,731,231	41,820,821	104,552,052
<b>Total current liabilities</b>	<b>333,452,944</b>	<b>84,528,978</b>	<b>417,981,922</b>
<b>Total liabilities</b>	<b>350,858,390</b>	<b>110,637,146</b>	<b>461,495,536</b>
<b>Total equity and liabilities</b>	<b>1,623,928,168</b>	<b>604,704,010</b>	<b>2,228,632,178</b>

Particulars	Conversion Workshop	CNG Station	Total
<b>Revenue</b>	455,649,158	850,519,880	1,306,169,038
Less: Cost of sales	144,101,209	737,579,063	881,680,272
<b>Gross profit</b>	<b>311,547,949</b>	<b>112,940,817</b>	<b>424,488,766</b>
Less: Administration & selling expenses	114,882,768	76,588,512	191,471,280
Less: Interest expenses	9,341,335	-	9,341,335
<b>Operating profit</b>	<b>187,323,846</b>	<b>36,352,305</b>	<b>223,676,151</b>
Add: Other income	34,334,950	-	34,334,950
<b>Profit before contribution to WPPF</b>	<b>221,658,796</b>	<b>36,352,305</b>	<b>258,011,101</b>
Less: Contribution to WPPF	-	10,651,245	10,651,245
<b>Profit before tax</b>	<b>221,658,796</b>	<b>25,701,060</b>	<b>247,359,856</b>
<b>Less: Income tax expenses</b>	<b>27,209,584</b>	<b>40,814,376</b>	<b>68,023,960</b>
Current tax	25,313,837	37,970,756	63,284,593
Deferred tax	1,895,747	2,843,620	4,739,367
<b>Net profit for the year</b>	<b>194,449,212</b>	<b>(15,113,316)</b>	<b>179,335,896</b>
<b>Other comprehensive income:</b>	-	-	-
Unrealised profit on investment in share	1,653,968	29,210,750	1,653,968
Share of Profit from subsidiaries	19,473,833	-	48,684,583
<b>Total comprehensive income for the year</b>	<b>215,577,013</b>	<b>14,097,434</b>	<b>229,674,447</b>

#### 28.0 Event after the Reporting Period

The Directors in the meeting held on July 22, 2014, recommended 15% cash dividend for the shareholders whose name will be appeared in the shareholders' registers at the date of book closure which is subject to shareholders' approval at the forthcoming annual general meeting to be held on September 25, 2014.

"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."

## Navana CNG Limited and its subsidiaries

### Notes to the Financial Statements

#### 29.0 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.

<u>Name of related party</u>	<u>Relationship</u>	<u>Nature of transactions</u>	<u>Transaction value</u> BD Taka	<u>Outstanding receivable/ (payable)</u> BD Taka
Navana Engineering Limited	Subsidiary	working capital	3,833,744	174,037,895
Navana Welding Electrode Ltd	Subsidiary	working capital	114,589,720	2,300,000

#### 29 (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.

<u>Name of related party</u>	<u>Relationship</u>	<u>Nature of transactions</u>	<u>Transaction value</u> BD Taka	<u>Outstanding receivable/ (payable)</u> BD Taka
Navana Engineering Limited	Subsidiary	working capital	3,833,744	-
Navana Welding Electrode Ltd	Subsidiary	working capital	114,589,720	-
Loan from Director	Director	Intt. free Loan	144,112,526	-
Navana Real State Ltd.	Common Director		1,708,013	-
Navana Construction Ltd.	Common Director		638,525	-

#### 30.0 Amount due by directors

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

#### 31.0 Claims against the company

There is no known claim against the Company

#### 32.0 Employee position of the Company

The number of employees drawing Tk. 3,000 or more per month was 839 (2013:842) during the year

#### 33.0 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 :

<u>Particulars</u>	<u>Amount</u>
Board meeting attendance fee	155,000
Managerial remuneration	1,927,321
<b>Managerial Benefits:</b>	
Bonus	321,220
Gratuity	578,196
Perquisites	2,609,504
Company's contribution to provident fund	192,732
	<b>5,783,974</b>

#### during the year under review :

- no compensation was allowed by the company to the Chief executive officer of the company who is also a Director;
- 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. 1,55,000/- and
- 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 of Navana Engineering Limited (the company), which comprise the statement of Financial Position as at March 31, 2014, and the statement of Comprehensive Income, Statement of Cash Flows and statement of changes in equity for the year then ended and a summary of significant accounting policies and other explanatory information disclosed in Notes 1 to 19 and annexure A.

### **Management's responsibility for the financial statements**

Management of Navana Engineering Limited is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### **Opinion**

In our opinion, the financial statements present fairly give a true and fair view of the financial position of Navana Engineering Limited as at March 31, 2014, 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 purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c) the company's Financial Position and the Comprehensive Income Statements dealt with by the report are in agreement with the books of accounts and returns; and
- d) the expenditure incurred was for the purpose of the company's business.

Dated : Dhaka  
July 06, 2014

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

## Navana Engineering Limited

### Statement of Financial Position

As at 31 March 2014

Assets	Notes	31/03/14	31/03/13
		BD Taka	BD Taka
<b>Non-current assets</b>			
Property, plant and equipment	3	185,538,328	66,684,946
Capital Work-in- progress		121,529,273	103,243,558
Investment in shares	4	2,520,510	934,108
<b>Total Non-current assets</b>		<b>309,588,111</b>	<b>170,862,612</b>
<b>Current assets</b>			
Inventories	5	46,994,800	66,171,786
Account receivables	6	39,379,777	38,864,746
Advances, deposits & prepayments	7	14,531,802	8,331,801
Inter-company receivable		174,037,895	177,871,639
Cash & Cash equivalent	8	161,452,740	10,543,330
<b>Total Current assets</b>		<b>436,397,014</b>	<b>301,783,302</b>
<b>Total assets</b>		<b>745,985,125</b>	<b>472,645,914</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	9	45,000,000	45,000,000
Share money deposit (Navana CNG Limited)		100,000,000	-
Tax holiday reserve	10	17,379,385	6,946,700
Retained earnings	11	41,660,833	7,293,484
Sub-Ordinate Capital	12	46,933,137	-
<b>Equity</b>		<b>250,973,355</b>	<b>59,240,184</b>
<b>Non Current liabilities</b>		<b>5,554,569</b>	<b>49,615,249</b>
Deferred tax liability	13	5,554,569	2,682,112
Loan from Director (Unsecured & interest free)		-	46,933,137
<b>Current liabilities</b>			
Short-term loan	14	478,463,599	358,735,941
Provision for income Tax		6,185,825	108,489
Payables & accruals		4,807,777	4,946,051
<b>Total Current liabilities</b>		<b>489,457,201</b>	<b>363,790,481</b>
<b>Total Liability</b>		<b>495,011,770</b>	<b>413,405,731</b>
<b>Total Equity &amp; Liabilities</b>		<b>745,985,125</b>	<b>472,645,914</b>

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

Sd/-  
Chairman

Sd/-  
Director

Sd/-  
Company Secretary

Signed in terms of our separate report of even date.

Dated : Dhaka  
July 06,2014

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

## Navana Engineering Limited

Statement of comprehensive income

As at 31 March 2014

	Notes	31/03/14	31/03/13
		<b>BD Taka</b>	<b>BD Taka</b>
Revenue (net )	15	173,515,862	76,742,936
Less: Cost of goods sold	16	106,432,668	61,412,446
<b>Gross profit</b>		<b>67,083,194</b>	<b>15,330,490</b>
Less: Administrative & selling expenses	17	9,302,390	6,212,721
Less: Interest expenses		3,009,208	1,827,291
<b>Profit before contribution to WPPF</b>		<b>54,771,596</b>	<b>7,290,478</b>
Less: Contribution to WPPF		2,608,171	347,166
<b>Net profit before tax holiday reserve</b>		<b>52,163,425</b>	<b>6,943,312</b>
Less: Tax holiday reserve	18	10,432,685	2,661,603
<b>Net profit after tax holiday reserve</b>		<b>41,730,740</b>	<b>4,281,709</b>
<b>Less: Income Tax Expenses</b>	19	<b>8,949,793</b>	<b>2,790,600</b>
Current tax		6,077,336	108,489
Deferred tax	13	2,872,457	2,682,111
<b>Profit after Tax</b>		<b>32,780,947</b>	<b>1,491,109</b>
Add : Other comprehensive income		1,586,402	(115,140)
<b>Total Comprehensive Income for the year</b>		<b>34,367,349</b>	<b>1,375,969</b>
<b>Earnings per share</b>		<b>9.96</b>	<b>0.90</b>

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

Sd/-  
Chairman

Sd/-  
Director

Sd/-  
Company Secretary

Signed in terms of our separate report of even date.

Dated : Dhaka  
July 06,2014

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

View: Lab Equipment of Navana Engineering Ltd.



## Navana Engineering Limited

### Statement of Cash Flows

For the year ended 31 March 2014

	31/03/14	31/03/13
	BD Taka	BD Taka
<b>Cash flows from operating activities</b>		
Receipts from customers	173,000,831	49,498,242
Payments for materials, services and expenses	(92,214,935)	(91,166,837)
	<b>80,785,896</b>	<b>(41,668,595)</b>
Interest paid	(3,009,208)	(1,827,291)
Income tax paid	(3,661,898)	(2,302,988)
<b>Net cash Provided by operating activities</b>	<b>74,114,790</b>	<b>(45,798,874)</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(126,894,665)	(29,312,638)
Capital Work-in- progress	(18,285,715)	(103,243,558)
Investment in Shares	(1,586,402)	(1,051,000)
<b>Net cash used in investing activities</b>	<b>(146,766,782)</b>	<b>(133,607,196)</b>
<b>Cash flows from financing activities</b>		
Proceeds from share money deposit	100,000,000	-
Proceeds from short term loan	119,727,658	358,735,941
Paid to Navana CNG	3,833,744	(176,398,574)
<b>Net cash inflows from financing activities</b>	<b>223,561,402</b>	<b>182,337,367</b>
<b>Net changes in cash and cash equivalents</b>	<b>150,909,410</b>	<b>2,931,297</b>
Cash and cash equivalents at the beginning of year	10,543,330	7,612,033
<b>Cash and cash equivalents at the end of year</b>	<b>161,452,740</b>	<b>10,543,330</b>

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

Sd/-  
Chairman

Sd/-  
Director

Sd/-  
Company Secretary



View: Promotional campaign of Navana

## Navana Engineering Limited

Statement of Changes in Equity  
For the year ended 31 March 2014

Particulars	Share capital	Share money Deposit	Tax holiday reserve	Retained Earnings	Sub-Ordinate Capital	Total
Balance at 1 April 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
Balance at 31 March 2013	<u>45,000,000</u>	<u>-</u>	<u>6,946,700</u>	<u>7,293,484</u>	<u>-</u>	<u>59,240,184</u>
Balance at 1 April 2013	45,000,000	-	6,946,700	7,293,484	-	59,240,184
Net profit for the year	-	-	-	34,367,349	-	34,367,349
Share money deposits		100,000,000				100,000,000
Tax holiday reserve	-		10,432,685	-	-	10,432,685
Sub-Ordinate Capital					46,933,137	46,933,137
Balance at 31 March 2014	<u>45,000,000</u>	<u>100,000,000</u>	<u>17,379,385</u>	<u>41,660,833</u>	<u>46,933,137</u>	<u>250,973,355</u>

Sd/-  
Chairman

Sd/-  
Director

Sd/-  
Company Secretary



Engineering's product on pohela boishakh |



## Navana Engineering Limited

Notes to the Financial Statements

For the year ended March 31, 2014

### 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 April 01 to March 31 consistently. These financial statements have been prepared for the year ended March 31, 2014.

#### 2.5 Functional and Presentation Currency

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

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

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

#### Depreciation

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

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

## 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 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.

#### **Borrowing costs:**

Borrowing cost has been capitalized as per BAS -23.

#### **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 Engineering Limited

Notes to the Financial Statements

### Schedule of Property, plant and equipment

As at 31 March 2014

Annexure-A

Particulars	Cost			Rate of Depreciation	Depreciation			Written Down Value as at 31.03.14
	As at 01.04.2013	Addition during the year	As at 31.03.2014		As at 01.04.2013	Charged during the year	As at 31.03.2014	
Land and land development	2,215,397	100,254,322	102,469,719	0%	-	-	-	102,469,719
Building & Shed	9,265,291	571,745	9,837,036	10%	1,471,822	787,923	2,259,745	7,577,291
Plant & Machinery	39,373,131	22,534,610	61,907,741	10%	6,739,246	4,615,465	11,354,711	50,553,030
Tools & equipment	25,259,348	1,722,443	26,981,791	10%	3,407,154	2,288,566	5,695,720	21,286,071
Furniture & fixtures	113,804	224,545	338,349	10%	14,954	13,253	28,207	310,142
Motor vehicle	2,323,500	1,587,000	3,910,500	10%	232,350	336,075	568,425	3,342,075
<b>Total</b>	<b>78,550,471</b>	<b>126,894,665</b>	<b>205,445,136</b>		<b>11,865,525</b>	<b>8,041,282</b>	<b>19,906,808</b>	<b>185,538,328</b>

#### Depreciation Charged to :

TK

Cost of good sold 6,433,026

Administrative & selling Expenses 1,608,256

**8,041,282**



View: Lay out plan of Kaligoni project



View: Kaligoni project under construction

## Navana Engineering Limited

Notes to the Financial Statements

Notes to the Financial Statements

			31/03/14	31/03/13	
			BD Taka	BD Taka	
3	Property, plant and equipment				
	Land and land development		102,469,719	2,215,397	
	Building & Shed		7,577,291	7,793,469	
	Plant & Machinery		50,553,030	32,633,885	
	Tools & equipment		21,286,071	21,852,194	
	Furniture & fixtures		310,142	98,850	
	Motor vehicle		3,342,075	2,091,150	
			185,538,328	66,684,946	
	*An elaborate schedule of PPE are shown in annexure -A				
4	Investment in shares				
	National Bank Ltd.		92,400	133,980	
	Square pharmaceuticals Ltd.		2,117,310	800,128	
	Titas Gas Ltd.		310,800	-	
			2,520,510	934,108	
	Name of the share	Number of Share	Cost Price	Market value as on 31/03/14	Market value as on 31/03/13
	National Bank Ltd.	7,700	222,205	92,400	133,980
	Square pharmaceuticals Ltd.	7,930	1,194,853	2,117,310	800,128
	Titas Gas	4,000	337,446	310,800	-
		19,630	1,754,504	2,520,510	934,108
4.01	Investment in shares				
	Name of the share	Number of Share	Cost Price	Market value as on 31/03/14	Market value as on 31/03/13
	National Bank Ltd.	7,700	222,205	92,400	133,980
	Square pharmaceuticals Ltd.	4,480	827,043	800,128	800,128
		12,180	1,049,248	892,528	934,108
	Invesment in Current year				
	Square pharmaceuticals Ltd.	3,450	367,810	1,317,182	-
	Titas Gas Ltd.	4,000	337,446	310,800	-
		19,630	1,754,504	2,520,510	-
5	Inventories				
	Stock in raw materials			26,476,081	56,175,858
	Stock In Transit			7,161,226	3,432,545
	Closing finished goods			13,357,493	6,563,383
				46,994,800	66,171,786
6	Account receivables				
	M/S Hamida Traders			13,852,166	18,054,268
	Md. Abu Tiafur(Area Manager)			-	196,595
	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
	Tender sale			1,686,230	-
	Shahjalal Enterprise NREL(TRN-00277)			841,829	-
	Md.Kamal Hossain(AM)1028			5,752,436	-
	MD.Nurul Hassain(AM)1001			15,039,639	-
	Others			2,207,477	2,863,189
				39,379,777	38,864,746

## Navana Engineering Limited

Notes to the Financial Statements

		31/03/14	31/03/13
		BD Taka	BD Taka
<b>7</b>	<b>Advances, deposits &amp; prepayments</b>		
	Advance for rent	2,300,000	-
	Advance for Tender	215,000	-
	Advance Income Tax	7,339,343	3,677,445
	Advance Trade Vat	37,766	37,766
	Advance Bank Guarantee	1,053,800	-
	Jakshon international Ltd.	251,031	251,031
	Vat Current Account	3,334,862	4,365,559
		<b>14,531,802</b>	<b>8,331,801</b>
<b>8</b>	<b>Cash &amp; Cash Equivalent</b>		
	Cash in hand	3,414,379	1,824,344
	Cash at Bank	158,038,361	8,718,986
		<b>161,452,740</b>	<b>10,543,330</b>
<b>8.01</b>	<b>Cash at bank</b>		
	Al- Arafah Islami Bank	6,927	8,077
	Jamuna Bank Ltd	4,452	6,062
	Shahjalal islami Bank Ltd.	46,665	150,742
	Southeast Bank Ltd	16,171,897	2,316,958
	Standard Bank Limited	14,128,570	2,117,266
	Dutch Bangla Bank Ltd.	26,735,738	3,536,585
	One Bank Ltd.	50,939,112	583,295
	Trust Bank Ltd.	50,005,000	-
		<b>158,038,361</b>	<b>8,718,985</b>
<b>9</b>	<b>Authorized Capital:</b>		
	10,000,000 Ordinary Shares @ Tk. 10 each	100,000,000	100,000,000
	Issued, Subscribed and Paid-up Capital	45,000,000	45,000,000
	4,500,000 Ordinary Shares @ Tk. 10 each		
	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</b>	<b>Tax holiday reserve</b>		
	Opining balance	6,946,700	4,285,097
	Add: addition during the year	10,432,685	2,661,603
		<b>17,379,385</b>	<b>6,946,700</b>
<b>11</b>	<b>Retained earnings</b>		
	Opening balance	7,293,484	5,917,515
	Add: Total Comprehensive Income for the year	34,367,349	1,375,969
	<b>Closing balance</b>	<b>41,660,833</b>	<b>7,293,484</b>
<b>12</b>	<b>Sub-Ordinate Capital</b>	<b>46,933,137</b>	-

This represents un-secured and Interest free loan from Mr.Shafiul Islam, chairman in terms of the Meeting of the Board of Directors of the Company held on 22 February,2011; and is non-refundable until otherwise decided by the Company.

## Navana Engineering Limited

Notes to the Financial Statements

			31/03/14	31/03/13
			BD Taka	BD Taka
<b>13</b>	<b>Calculation of Deferred tax:</b>			
	Taxable temporary difference		15,870,196	7,152,300
	Tax rate		35%	37.5%
	Deferred tax liabilities		5,554,569	2,682,112
	Opening balance		(2,682,112)	-
	<b>Provision for deferred tax</b>		<b>2,872,456</b>	<b>2,682,112</b>
<b>14</b>	<b>Short-term loan</b>			
	IFIC Bank Ltd. (CC loan)		467,665,089	358,735,941
	One Bank Ltd. (LTR AC)		10,798,510	-
			<b>478,463,599</b>	<b>358,735,941</b>
<b>15</b>	<b>Revenue (net )</b>			
	HDPE Coil Pipe		9,445,188	7,284,012
	HDPE Coil( Wash)		1,982,000	1,034,100
	HDPE Duct Pipe		69,292,935	30,406,703
	PPR Pipe Fittings		3,981,021	27,675,789
	PPR Pipe		37,570,210	-
	P V C Pipe		66,296,111	10,342,332
	P V C Pipe Fitting		2,765,688	-
	Less VAT		(17,817,291)	-
			<b>173,515,862</b>	<b>76,742,936</b>
<b>16</b>	<b>Cost of goods sold</b>			
	Raw materials Consumed	16.01	100,280,036	55,966,459
	Add: Factory overhead	16.02	12,946,742	9,608,235
			<b>113,226,778</b>	<b>65,574,694</b>
	Add: opening finished goods		6,563,383	2,401,135
			<b>119,790,161</b>	<b>67,975,829</b>
	Less: Closing finished goods		13,357,493	6,563,383
			<b>106,432,668</b>	<b>61,412,446</b>
<b>16.01</b>	<b>Raw materials</b>			
	Opening stock raw materials		56,175,858	19,851,316
	Add: Purchase for the year		70,580,259	92,291,001
			<b>126,756,117</b>	<b>112,142,317</b>
	Less: Closing stock		26,476,081	56,175,858
			<b>100,280,036</b>	<b>55,966,459</b>
<b>16.02</b>	<b>Factory overhead</b>			
	Wages & Salary		1,601,246	872,000
	Diesel		-	6,100
	Electricity		4,912,470	2,999,509
	Depreciation		6,433,026	5,730,626
			<b>12,946,742</b>	<b>9,608,235</b>

# Navana Engineering Limited

Notes to the Financial Statements

## 17 Administrative and selling expense

	31/03/14	31/03/13
	BD Taka	BD Taka
Salary & allowances	3,219,789	1,184,611
Leave encashment	175,575	68,542
Festival Bonus	498,901	256,225
Audit Fee	25,000	25,000
Overtime allowance	461,829	519,092
Bank charge	49,035	28,846
Telephone & mobile expense	64,912	89,968
Conveyance	246,441	68,577
Electrical expense	18,005	69,330
Entertainment	385,650	225,129
Internet bill	18,200	14,600
Transport Expenses	106,720	60,681
Newspaper & periodicals	1,540	590
Office maintenance	852,461	900,069
ISO Exps	14,000	48,055
Photocopy expense	2,747	1,060
Postage & stamp	39,139	116,197
Printing expense	50,671	217,572
Stationary expense	74,376	27,855
Registration & renewals	225,614	157,715
Gas & Diesel	351,943	267,160
Vehicle Expense	110,000	60,000
Marketing Expenses	345,488	94,508
Ta & Da	356,098	278,683
Depreciation	1,608,256	1,432,656
	<b>9,302,390</b>	<b>6,212,721</b>

## 18 Tax Holiday Reserve

	31/03/14	31/03/13
Operating profit	52,163,425	2,545,881
50% of operating profit	26,081,713	115,722
<b>Tax Holiday Reserve 40%</b>	<b>10,432,685</b>	<b>2,661,603</b>

## 19 Income tax Expense

	31/03/14	31/03/13
Current tax	6,077,336	108,489
Deferred tax	2,872,456	2,682,111
	<b>8,949,792</b>	<b>2,790,600</b>
Profit before tax	26,081,713	-
Add. Disallowable Depreciation	8,041,282	-
	34,122,995	-
Less: Allowable Depreciation	16,759,178	-
	17,363,817	-
<b>Current Tax</b>	<b>6,077,336</b>	-

13

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

We have audited the accompanying financial statements of Navana Welding Electrode Limited (the company), which comprise the statement of Financial Position as at March 31, 2014, and the statement of Comprehensive Income, Statement of Cash Flows and statement of changes in equity for the year then ended and a summary of significant accounting policies and other explanatory information disclosed in Notes 1 to 14 and annexure A.

**Management's Responsibility for the Financial Statements**

Management of Navana Welding Electrode Limited is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRS), and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

**Opinion:**

In our opinion, the financial statements present fairly give a true and fair view of the financial position of Navana Welding Electrode Limited as at March 31, 2014, 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 purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c) the company's Financial Position and the Comprehensive Income Statements dealt with by the report are in agreement with the books of accounts and returns; and
- d) the expenditure incurred was for the purpose of the company's business.

Dated : Dhaka  
July 06, 2014

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

## Navana Welding Electrode Limited

Statement of Financial Position

As at 31 March 2014

	Notes	31/03/14	31/03/13
		BD Taka	BD Taka
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	241,779,289	242,018,937
Capital Work-in- Progress		58,345,274	52,180,392
<b>Total Non-Current assets</b>		<b>300,124,563</b>	<b>294,199,329</b>
<b>Current assets</b>			
Inventories	4	76,703,914	74,462,316
Trade receivables	5	12,256,655	14,835,682
Intercompany Receivable		22,987,762	12,600,000
Advances, deposits & prepayments	6	10,061,785	30,608,114
Cash & Cash equivalent	7	38,302,634	8,900,855
<b>Total current assets</b>		<b>160,312,750</b>	<b>141,406,967</b>
<b>Total assets</b>		<b>460,437,313</b>	<b>435,606,296</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	8	100,000,000	100,000,000
Retained earnings	9	5,862,487	(8,454,785)
Sub-Ordinate Capital	10	97,179,389	-
<b>Total equity</b>		<b>203,041,876</b>	<b>91,545,215</b>
<b>Non-current liabilities</b>		<b>18,440,109</b>	<b>110,801,778</b>
Deferred tax liabilities	11	18,440,109	13,622,389
Loan from Director (Unsecured & interest free)		-	97,179,389
<b>Current liabilities</b>			
Short-term loan	12	218,288,053	226,110,409
Provision for income tax		4,594,973	3,100,562
Payables & accruals		16,072,301	4,048,332
<b>Total current liabilities</b>		<b>238,955,327</b>	<b>233,259,303</b>
<b>Total Liabilities</b>		<b>257,395,436</b>	<b>344,061,081</b>
<b>Total equity &amp; liabilities</b>		<b>460,437,313</b>	<b>435,606,296</b>

The annexed notes 1 to 14 & annexure-A form an integral part of these financial statements.

Sd/-  
Chairman

Sd/-  
Director

Sd/-  
Company Secretary

Signed in terms of our separate report of even date.

Dated : Dhaka  
July 06, 2014

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

## Navana Welding Electrode Limited

Statement of comprehensive income

As at 31 March 2014

	Notes	31/03/14	31/03/13
		BD Taka	BD Taka
Revenue (net )		126,494,251	37,766,402
Less: Cost of sales	13	93,115,217	29,558,512
<b>Gross profit</b>		<b>33,379,034</b>	<b>8,207,890</b>
Less: Administrative and selling expenses	14	7,784,190	6,533,771
Less: Interest expenses		3,933,970	1,607,164
<b>Operating profit</b>		<b>21,660,874</b>	<b>66,956</b>
Add: Other income		-	2,432,838
<b>Profit before contribution to WPPF</b>		<b>21,660,874</b>	<b>2,499,794</b>
Less: Contribution to WPPF		1,031,470	-
<b>Profit before tax</b>		<b>20,629,404</b>	<b>2,499,794</b>
<b>Less: Income tax expenses</b>		<b>6,312,132</b>	<b>14,559,812</b>
Current tax		1,494,411	937,424
Deferred tax	11	4,817,721	13,622,389
<b>Total Comprehensive Income for the year</b>		<b>14,317,272</b>	<b>(12,060,018)</b>
<b>Earnings per share</b>		<b>1.43</b>	<b>-1.21</b>

The annexed notes 1 to 14 & annexure-A form an integral part of these financial statements.

Sd/-  
Chairman

Sd/-  
Director

Sd/-  
Company Secretary

Signed in terms of our separate report of even date.

Dated : Dhaka  
July 06,2014

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

## Navana Welding Electrode Limited

### Statement of Cash Flows

For the year ended 31 March 2014

	31/03/14	31/03/13
	BD Taka	BD Taka
<b>A. Cash flows from operating activities</b>		
Receipts from customers	129,073,278	22,930,720
Receipts of other income	-	2,432,838
Payments for materials, services and expenses	(49,040,099)	(113,427,843)
	<b>80,033,179</b>	<b>(88,064,285)</b>
Income tax paid	(1,537,743)	(1,275,964)
Interest paid	(3,933,970)	(1,607,164)
<b>Net cash Inflow by operating activities</b>	<b>74,561,466</b>	<b>(90,947,413)</b>
<b>B. Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(20,784,687)	(124,570,067)
Capital Work- in- Progress	(6,164,882)	(52,180,392)
<b>Net cash used by investing activities</b>	<b>(26,949,569)</b>	<b>(176,750,459)</b>
<b>C. Cash flows from financing activities</b>		
Intercompany Receivable	(10,387,762)	(11,763,591)
Proceeds from Short-term loan	(7,822,356)	220,482,323
<b>Net cash inflows from financing activities</b>	<b>(18,210,118)</b>	<b>208,718,732</b>
<b>D. Net changes in cash and cash equivalents (A+B+C)</b>	<b>29,401,779</b>	<b>(58,979,140)</b>
Cash and cash equivalents at the beginning of year	8,900,855	67,879,995
<b>E. Cash and cash equivalents at the end of year</b>	<b>38,302,634</b>	<b>8,900,855</b>

Sd/-  
Chairman

Sd/-  
Director

Sd/-  
Company Secretary

## Navana Welding Electrode Limited

Statement of Changes in Equity  
For the year ended 31 March 2014

Particulars	Share capital	Retained Earnings	Sub-Ordinate Capital	Total
Balance at 1 April 2012	100,000,000	3,605,232	-	103,605,232
Net profit for the year	-	(12,060,017)	-	(12,060,017)
Balance at 31 March 2013	<u>100,000,000</u>	<u>(8,454,785)</u>	<u>-</u>	<u>91,545,215</u>
Balance at 1 April 2013	100,000,000	(8,454,785)	-	91,545,215
Net profit for the year	-	14,317,272	-	14,317,272
Sub-Ordinate Capital			97,179,389	97,179,389
Balance at 31 March 2014	<u>100,000,000</u>	<u>5,862,487</u>	<u>97,179,389</u>	<u>203,041,876</u>

Sd/-  
Chairman

Sd/-  
Director

Sd/-  
Company Secretary

## Navana Welding Electrode Limited

Notes to the Financial Statements

For the year ended March 31, 2014

### 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 April 01 to March 30 consistently. These financial statements have been prepared for the year ended March 31, 2014.

#### 2.5 Functional and Presentation Currency

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

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

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

#### Depreciation

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

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

## Navana Welding Electrode Limited

*Notes to the Financial Statements*

### 2.7 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

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

## Navana Welding Electrode Limited

Notes to the Financial Statements

### Schedule of Property, plant and equipment

As at 31 March 2014

Annexure-A

Particulars	Cost			Rate of Depreciation	Depreciation			Written Down Value at 31.03.14
	As at 01.04.2013	Addition during the year	As at 31.03.2014		As at 01.04.2013	Charged during the year	As at 31.03.2014	
Land and land development	38,185,500	-	38,185,500	0%	-	-	-	38,185,500
Building & civil construction	34,384,509	1,583,526	35,968,035	10%	859,613	3,376,243	4,235,855	31,732,180
Plant & machinery	137,038,260	1,969,428	139,007,688	10%	3,425,957	13,390,772	16,816,728	122,190,960
Office equipment	1,599,178	3,589,545	5,188,723	10%	39,979	227,711	267,690	4,921,033
Furniture & fittings	2,591,189	411,518	3,002,707	10%	64,780	277,332	342,112	2,660,595
Electrical equipment	29,725,915	8,364,420	38,090,335	10%	743,148	3,316,498	4,059,646	34,030,689
Vehicles	3,720,884	4,866,250	8,587,134	10%	93,022	435,780	528,802	8,058,332
<b>Total</b>	<b>247,245,435</b>	<b>20,784,687</b>	<b>268,030,122</b>		<b>5,226,498</b>	<b>21,024,335</b>	<b>26,250,833</b>	<b>241,779,289</b>

#### Depreciation Charged to :

TK

Cost of good sold

16,819,468

Administrative & selling Expenses

4,204,867

**21,024,335**



| View: Products of Navana Welding Electrode Limited |

## Navana Welding Electrode Limited

Notes to the Financial Statements

		31/03/14	31/03/13
		BD Taka	BD Taka
<b>3</b>	<b>Property, plant and equipment net</b>		
	Land and land development	38,185,500	38,185,500
	Building & civil construction	31,732,180	33,524,896
	Plant & machinery	122,190,960	133,612,304
	Office equipment	4,921,033	1,559,199
	Furniture & fittings	2,660,595	2,526,409
	Electrical equipment	34,030,689	28,982,767
	Vehicles	8,058,332	3,627,862
		<b>241,779,289</b>	<b>242,018,937</b>
	*An elaborate schedule of PPE are shown in annexure -A.		
<b>4</b>	<b>Inventories</b>		
	Raw materials	28,091,501	50,889,722
	Work-in-process	6,810,397	7,495,511
	Finished goods	41,802,016	7,643,556
	Spare parts	-	8,296,849
	Fuel	-	136,678
		<b>76,703,914</b>	<b>74,462,316</b>
<b>5</b>	<b>Trade receivables</b>		
	Sylhet Zone	104,590	52,020
	Jessore Zone	854,214	424,120
	Dhaka South zone	3,872,014	4,742,580
	Dhaka North zone	2,272,816	2,523,240
	Rajshahi Zone	1,131,387	1,224,990
	Rangpur Zone	456,319	1,256,030
	Chittagong South Zone	1,578,145	1,722,117
	Chittagong North Zone	1,236,570	1,356,845
	Barishal Zone	750,600	1,533,740
		<b>12,256,655</b>	<b>14,835,682</b>
<b>6</b>	<b>Advances, deposits &amp; prepayments</b>		
	Advance for Fixed Assets	833,793	623,084
	Advance Income Tax	5,208,511	3,670,768
	Advance to Suppliers	2,400,566	19,957,381
	Advance Trade Vat	512,915	926,000
	Earnest Money & Security Deposit	926,000	5,165,882
	Advance House Rent	180,000	265,000
		<b>10,061,785</b>	<b>30,608,114</b>
<b>7</b>	<b>Cash &amp; Cash equivalent</b>		
	Cash in hand	653,102	653,102
	Cash at bank	37,649,532	8,247,753
		<b>38,302,634</b>	<b>8,900,855</b>

7.01

## Navana Welding Electrode Limited

Notes to the Financial Statements

	31/03/14	31/03/13
	BD Taka	BD Taka
<b>7.01 Cash at bank</b>		
Al-Arafah Bank Ltd.	8,077	8,077
Dutch Bangla Bank Ltd.	6,668,774	4,862,458
Jamuna Bank Ltd.	2,862	2,862
Mercantile Bank Ltd.	1,242,743	279,207
Prime Bank Ltd.	1,579,652	-
Mutual Trust Bank Ltd.	2,570,404	1,178,068
Pubali Bank Ltd.	-	814,342
Tust Bank Ltd.	20,004,940	-
Asia Bank	3,766,689	-
Shahjalal Islami Bank Ltd.	592,192	826,450
Standard Bank Ltd.	361,544	538
Islami Bank Ltd.	851,655	275,751
	<b>37,649,532</b>	<b>8,247,753</b>
<b>8 Authorized Capital:</b>		
50,000,000 Ordinary Shares @ Tk. 10 each	<b>500,000,000</b>	<b>500,000,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>		
10,000,000 Ordinary Shares @ Tk. 10 each	<b>100,000,000</b>	<b>100,000,000</b>
Non -controlling interest ( Sponsors )	50	50
Navana CNG Limited	99,999,950	99,999,950
	<b>100,000,000</b>	<b>100,000,000</b>
<b>9 Retained earnings</b>		
Opening balance	(8,454,785)	3,605,232
Add: Total Comprehensive Income for the year	14,317,272	(12,060,017)
<b>Closing balance</b>	<b>5,862,487</b>	<b>(8,454,785)</b>
<b>10 Sub-Ordinate Capital</b>	<b>97,179,389</b>	<b>-</b>
This represents un-secured and Interest free loan from Mr.Shafiul Islam, chairman in terms of the Meeting of the Board of Directors of the Company held on 22 February,2011; and is non-refundable until otherwise decided by the Company.		
<b>11 Calculation of Deferred tax:</b>		
Taxable temporary difference	52,686,027	36,326,370
Tax rate	35.0%	37.5%
<b>Deferred tax liabilities</b>	<b>18,440,109</b>	<b>13,622,389</b>
Opening balance	13,622,389	-
<b>Provision for deferred tax</b>	<b>4,817,721</b>	<b>13,622,389</b>
<b>12 Short-term loan</b>		
IFIC Bank Ltd. A/C No.	207,868,490	197,410,131
Shahjalal Islami bank Ltd. (LTR)	2,517,468	28,700,278
Mercantile Bank Ltd. ( LTR)	7,902,095	-
	<b>218,288,053</b>	<b>226,110,409</b>

## Navana Welding Electrode Limited

Notes to the Financial Statements

		31/03/14	31/03/13
		BD Taka	BD Taka
<b>13 Cost of goods sold</b>			
Raw materials	13.01	97,606,145	35,357,615
Factory overhead	13.02	26,077,213	8,285,135
Direct Cost		2,905,205	1,054,829
		<b>126,588,563</b>	<b>44,697,579</b>
Add: Opening Work in Process		7,495,511	-
		<b>134,084,074</b>	<b>44,697,579</b>
Less: Closing Work in Process		6,810,397	7,495,511
		<b>127,273,677</b>	<b>37,202,068</b>
Add: opening stock of finished goods		7,643,556	-
		<b>134,917,233</b>	<b>37,202,068</b>
Less: Closing stock of finished goods		41,802,016	7,643,556
		<b>93,115,217</b>	<b>29,558,512</b>
<b>13.01 Raw materials</b>			
Opening stock of raw materials		50,889,722	-
Add: Purchase for the year		74,807,924	86,247,337
		<b>125,697,646</b>	<b>86,247,337</b>
Less: Closing stock of raw materials		28,091,501	50,889,722
		<b>97,606,145</b>	<b>35,357,615</b>
<b>13.02 Factory overhead</b>			
Salary & Allowance		2,506,599	1,837,455
Festival Bonus		352,010	-
Chemical Exp		31,056	4,450
Cleaning & Washing Exp		800	505
Carrying charge		34,250	48,375
Conveyance		52,334	14,795
Daily Allowance		209,977	1,800
Dish bill		7,200	3,600
Dress & Uniform		67,860	4,320
Earn leave Allowance		93,000	69,727
Electrical Expenses		255,448	170,797
Entertainment exp		353,330	139,008
Fuel Exp		2,309,574	1,379,971
Internet exp		68,562	2,680
Labour Chg		99,360	2,300
Medical Exp		19,210	11,088
Misc. Expenses		110,040	12,737
Office maintainance		595,907	201,782
Oil & Lubricant exp		415,700	70,730
Paper & Periodical		3,656	1,088
Postage & Courier		81,420	3,550
Stationary		76,935	27,720
TA/DA Expenses		122,631	4,600
Telephone & Mobile Bill		108,082	35,752
Translator Exp		356,765	30,000
Electricity bill		926,039	25,106
Depreciation		16,819,468	4,181,199
		<b>26,077,213</b>	<b>8,285,135</b>

## Navana Welding Electrode Limited

Notes to the Financial Statements

### 14 Administrative and selling expense

Salary & Allowance

Overtime Exp

Conveyance

Daily Allowance

Electricity bill

Entertainment

Gas Bill

Internet bill

Labor bill

License Fee

Leave Allowance

Mobile bill

Medical Expenses

News Papers

Office Rent

Office Maintenance

Fuel Expenses

Postage & Courier

Printing

Stationery

Registration & Renewal Exp

Service Charges

TA/DA Allowances

Transport Exp

Audit Fee

Distribution Exp

Bank Charges

Depreciation

	31/03/14	31/03/13
	BD Taka	BD Taka
Salary & Allowance	1,882,298	2,086,399
Overtime Exp	45,643	32,820
Conveyance	76,090	588,649
Daily Allowance	60,980	210,500
Electricity bill	48,589	10,879
Entertainment	20,000	24,974
Gas Bill	4,950	1,350
Internet bill	30,998	31,228
Labor bill	87,600	18,505
License Fee	78,900	42,500
Leave Allowance	30,988	13,840
Mobile bill	65,560	46,135
Medical Expenses	68,080	4,000
News Papers	9,066	1,958
Office Rent	347,000	268,500
Office Maintenance	71,191	22,325
Fuel Expenses	56,009	33,783
Postage & Courier	64,953	15,341
Printing	56,745	26,600
Stationery	78,665	46,890
Registration & Renewal Exp	57,888	14,050
Service Charges	54,000	20,000
TA/DA Allowances	59,078	168,153
Transport Exp	52,050	58,776
Audit Fee	25,000	25,000
Distribution Exp	-	1,618,141
Bank Charges	147,002	57,175
Depreciation	4,204,867	1,045,300
	<b>7,784,190</b>	<b>6,533,771</b>



View: Safety training at NWE's factory

**Navana CNG Limited**  
**Registered Office :**  
Islam Chamber  
125/A, Motijheel C/A, Dhaka, Bangladesh