

Annual Report 2015



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 FCA

Head of Internal Audit

Muhammad Abidur Rahman ACA

Audit Committee

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

Main Bankers

IFIC Bank Limited
One Bank Limited
Standard Bank Limited
Shahjalal Islami Bank Limited

Registered Office

125/A, Motijheel Commercial Area
Dhaka, Bangladesh

Auditors

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

Legal Advisor

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



NAVANA CNG LIMITED

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

Notice of the 11th annual general meeting

Notice is hereby given that the 11th Annual General Meeting (AGM) of the shareholders of the Company shall be held on Wednesday, September 16, 2015 at 10:30 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 March 31, 2015 together with auditors' and directors' reports thereon.
2. To declare dividend.
3. To re-elect directors.
4. To appoint auditors and fix their remuneration.
5. Any other business :
To form a fully-owned subsidiary Company of Navana CNG Limited under the name & style of Navana LPG Limited.

By order of the Board

Sd/-

(Tareq Enamur Rahim)
Company Secretary

Dated: Dhaka
August 13, 2015

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., August 18, 2015 will be entitled to attend the AGM and receive dividend.
2. Attendance to the AGM will be on production of the Attendance Slip.
3. The Proxy Form affixed with requisite revenue stamp of Tk.20/- must be deposited at the Company's Registered Office at least 48 hours prior to the AGM.
4. The Attendance Slip and the Proxy Form will be available with Annual Report-2015 and in the Company's website www.navanacng.com.

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

Chairman's statement

Dear Shareholders,
Assalamualaikum,

It is my privilege to welcome you all at the 11th Annual General Meeting and place before you a summary of state of affairs of the Company for the year ended March 31, 2015.

You are aware that the Company has successfully completed its journey of eleven years from its incorporation. But during recent times, we have experienced scarcity of natural Gas, Govt. policy discouraging set-up of new CNG re-fueling stations and other related factors which affected the growth of CNG business of the country. However during this year, your company has been able to achieve growth at a sustainable level.

The sale proceeds from CNG re-fueling stations, CNG conversion workshops, servicing workshops and spare parts stood at Tk.140.60 crore which is 7.60 % higher than last year.

As regards performance of the subsidiary Company- “Navana Engineering Limited”, its sales stood at Tk. 29.61 crore which is 70.60% higher than last year. Your Board of Directors further intends to increase its production to meet the increasing market demand. Beside such, the Company have also taken initiative to expand its product line in the upcoming year and have already gone into test production of few items. I expect that after completion of the BMRE program at Kaliganj, Gazipur the total production capacity of the Company will be doubled. As a result, its revenue will also be increased accordingly.

The business of the other subsidiary Company – “Navana Welding Electrode Limited” is also expanding. Presently, the Company is manufacturing and selling various types of electrode products for civil and infrastructural works. In the meantime, an efficient R&D Lab has been established which is involved in research, development and diversification of product.

The sales of “Navana Welding Electrode Limited” has stood at Tk.24.85 crore which is 94.44% higher than last year.



| A view of Board of Directors at the 10th AGM |

Chairman's statement

As regards to the ongoing Liquefied Petroleum Gas (LPG) project, I am pleased to inform you that, after obtaining all licenses and permissions from the concerned Government Departments and Mongla Port Authority, its civil and structural works are going on in good pace being funded by its own sources; and already imported LPG grade steel pipes for construction of cross-road LPG pipe line.

Further, considering the size of the LPG Division, the Company plans to establish a fully-owned subsidiary company to take over the assets and liabilities of the LPG Division in order to implement the project more efficiently, effectively and timely. As regards funding of the LPG mega project, the Company is trying to obtain required project loan from local banks which is expected to be finalized soon and shall be communicated to you in due course.

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

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

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



View: Shareholders attended at the 10th AGM

চেয়ারম্যানের বিবৃতি

প্রিয় শেয়ারহোল্ডারবন্দ,
আসসালামু আলাইকুম।

আমি আপনাদের সবাইকে ১১তম বার্ষিক সাধারণ সভায় স্বাগত জানাচ্ছি এবং ৩১শে মার্চ, ২০১৫ তারিখে সমাপ্ত অর্থ বছরের উপর কোম্পানীর কার্যক্রমের একটি সংক্ষিপ্ত বিবরণী উপস্থাপন করছি।

আপনারা অবগত আছেন যে, কোম্পানী সাফল্যের সহিত তার ১১তম বছর সম্পন্ন করেছে। তবে সাম্প্রতিক কালে কিছু প্রতিকূলতার সম্মুখীন হয়েছে, উদাহরণ স্বরূপঃ প্রাকৃতিক গ্যাস স্বল্পতা ও নতুন সি.এন.জি. রিফুয়েলিং স্টেশন স্থাপনে সরকারী নিরুৎসাহী নীতি যার মধ্যে উল্লেখযোগ্য। ফলশ্রুতিতে, সি.এন.জি ব্যবসা আশানুরূপ প্রসার লাভ করতে পারে নাই। এতদসত্ত্বেও এ বছর আপনাদের কোম্পানী প্রবৃদ্ধি অর্জনে সক্ষম হয়েছে।

আলোচ্য বছরে সি.এন.জি রিফুয়েলিং স্টেশন, সি.এন.জি কনভারশন ওয়ার্কশপ, সার্ভিসিং ওয়ার্কশপ এবং খুচরা যন্ত্রাংশ বিক্রয় হতে ১৪০.৬০ কোটি টাকা কোম্পানীর বিক্রয় খাতে অবদান রেখেছে, যা গত বছরের তুলনায় ৭.৬০% বেশী।

সাবসিডিয়ারী কোম্পানী "নাবানা ইঞ্জিনিয়ারিং লিমিটেড" এর ব্যাপারে উল্লেখ করতে চাই যে, কোম্পানীটি চলতি বছরে ২৯.৬১ কোটি টাকা বিক্রয় করেছে, যা গত বছরের তুলনায় ৭০.৬০% বেশী। আপনাদের পরিচালনা পর্ষদ পণ্যের ক্রমবর্ধমান বাজার চাহিদা মেটানোর জন্য উৎপাদন বৃদ্ধির উদ্যোগ গ্রহণ করেছে। সেই লক্ষ্যে ইতোমধ্যে কিছু পণ্যের পরীক্ষামূলক উৎপাদনও শুরু করেছে। আমি আশা করছি যে, গাজীপুরের কালীগঞ্জে BMRE কার্যক্রমটি সম্পন্ন হলে কোম্পানীর মোট উৎপাদন ক্ষমতা বৃদ্ধি পেয়ে দ্বিগুণ হবে এবং যার ফলশ্রুতিতে কোম্পানীর আয়ও সমানুপাতিক ভাবে বৃদ্ধি পাবে।

অপর সাবসিডিয়ারী কোম্পানী- "নাবানা ওয়েল্ডিং ইলেকট্রোড লিমিটেড" এর ব্যবসাও প্রসার লাভ করেছে। কোম্পানীটি বর্তমানে civil and infrastructural কাজের জন্য বিভিন্ন প্রকারের ইলেকট্রোড পণ্য উৎপাদন ও বিক্রয় করে আসছে। ইতোমধ্যে, গবেষণা ও উন্নয়ন এবং পণ্যের বহুমুখীকরণ লক্ষ্যে একটি দক্ষ R&D Labও স্থাপন করা হয়েছে। নাবানা ওয়েল্ডিং ইলেকট্রোড লিমিটেড চলতি বছরে ২৪.৮৫ কোটি টাকা বিক্রয় করেছে, যা গত বছরের তুলনায় ৯৬.৪৪% বেশী।

View: Navana CNG Station at Asulia, Savar



চেয়ারম্যানের বিবৃতি

চলমান LPG Project এর বিষয়ে আমি আপনাদেরকে অবগত করতে চাই যে, সংশ্লিষ্ট সরকারী দপ্তর ও মংলা পোর্ট কর্তৃপক্ষের নিকট হতে সকল License ও অনুমতি পত্র প্রাপ্তির পর civil and structural কাজ নিজ অর্থায়নে দ্রুত গতিতে এগিয়ে চলছে এবং cross-road LPG pipe line বসানোর কাজ সম্পন্ন করার লক্ষ্যে ইতোমধ্যে LPG grade steel pipeও আমদানি করা হয়েছে। এখানে আরো উল্লেখ্য যে, LPG Division-এর ব্যবসার পরিধি বিবেচনা করে কোম্পানী এই Divisionটির সকল assets and liabilities গ্রহণের লক্ষ্যে Navana CNG Limited-এর সম্পূর্ণ মালিকানাধীন একটি subsidiary company গঠনের পরিকল্পনা নিয়েছে। এতে করে প্রকল্পটি দক্ষতার সাথে সময়মত বাস্তবায়ন করা সম্ভব হবে। অন্যদিকে আপনাদের কোম্পানী, প্রকল্পটির কাজ সম্পন্ন করার জন্য প্রয়োজনীয় তহবিল সংগ্রহের লক্ষ্যে স্থানীয় ব্যাংকগুলোর সাথে প্রচেষ্টা চালিয়ে যাচ্ছে, যা অল্প সময়ের মধ্যে চূড়ান্ত হবে বলে আশা করা যায় এবং তা যথাসময়ে আপনাদেরকে অবহিত করা হবে।

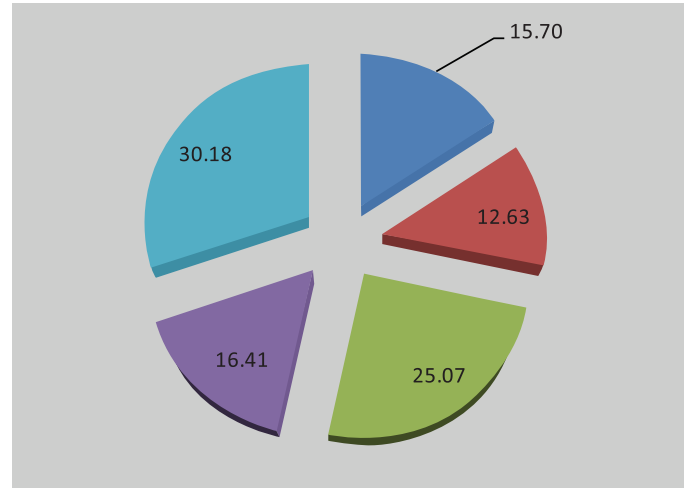
আমি আপনাদের আশ্বস্ত করতে চাই যে, কোম্পানীর পরিচালনা পর্ষদ আপনাদের বিনিয়োগকে সুরক্ষা ও বৃদ্ধির লক্ষ্যে সর্বদা সচেষ্ট।

পরিশেষে, সকল সন্মানীয় শেয়ারহোল্ডার, গ্রাহক, পৃষ্ঠপোষক, শুভাকাজী, রেলগেটরী কর্তৃপক্ষ ও কোম্পানীর কর্মকর্তা ও কর্মচারীদেরকে তাদের সহযোগিতার জন্য ধন্যবাদ জানাচ্ছি।

স্বাঃ/-
(শফিউল ইসলাম)
চেয়ারম্যান

| VALUE ADDED STATEMENT | | |
|---|---------------------|---------------|
| For the year ended March 31, 2015 | | |
| | Amount in '000 Taka | % |
| Sale | 1950670 | |
| Bought in- Material & Service | 1,324,372 | |
| Value Added | 626,298 | |
| Application to National Exchequer | 98,314 | 15.70 |
| to Providers of Loan as Interest & Charges | 79,122 | 12.63 |
| to Providers Emp. Salaries Wages & other benefits | 157,042 | 25.07 |
| to Providers of Capital- as Dividend | 102,792 | 16.41 |
| Reserve & Surplus | 189,028 | 30.18 |
| | 626,298 | 100.00 |

Value Added (%) Graph



Directors' report to the shareholders

Dear Shareholders

Assalamu Alaikum,

I, on behalf of the Board of Directors, have the pleasure to place herewith the Directors' Report and the Auditors' Report together with the Audited Financial Statements of the Company for the year ended March 31, 2015.

PERFORMANCE

REVENUE

The sale proceeds of 19 re-fueling stations has contributed an amount of Tk.98.20 crore to the sales of the Company and the sales from 10 CNG conversion workshops stood at Tk. 19.81 crore. Further, the vehicle workshop & service center contributed a revenue of Tk. 22.60 crore to Company's turn-over. The total revenue earned from all above stood at Tk.140.61 crore. On the otherhand, Navana Engineering Limited and Navana Welding Electrode Limited, the two subsidiary companies also contributed Tk. 29.61 crore and Tk. 24.85 crore respectively to Company's sales.

FUTURE PROSPECT

The Board of Directors has decided to fix-up a sales target of Tk. 178 crore for Navana CNG Limited for the next financial year, consisting of Tk. 98.20 crore from CNG Re-fueling Stations, Tk. 19.81 crore from CNG Conversion Workshop and Tk. 22.60 crore from vehicle workshops & service revenues.

In addition to above, the Company have plan to earn Tk. 60.00 crore as revenue from Navana Engineering Limited and Tk. 35.00 crore from Navana Welding Electrode Limited, totaling Tk. 95.00 crore. Thus total sales target for Navana CNG Limited alongwith its two fully owned subsidiary companies will be Tk. 273.00 crore.

Financial Result and Appropriation of Profit:

amount in taka

| Particulars | 2015 | 2014 |
|---|----------------------|--------------------|
| Retained Earnings Brought Forward | 798,438,986 | 671,557,427 |
| Add: Total Comprehensive year for the year | 230,581,399 | 229,674,447 |
| Profit available for appropriation | 1,029,020,385 | 901,231,874 |
| Recommended for appropriations: | | |
| Cash Dividend @ $\frac{2015}{15\%}$ $\frac{2014}{15\%}$ | 102,792,888 | 102,792,888 |
| Un appropriated profit carried forward | 9,262,27,497 | 798,438,986 |
| Total | 1,029,020,385 | 901,231,874 |

Segment-wise or product-wise performance

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

Industry outlook and possible future developments in the industry

Due to deficiency in gas reserve in our country and government policy CNG business is decreasing day by day. Your Board of Directors already has taken diversified business to get more financial benefit to the shareholders of the Company. Among two subsidiaries Company we are seeing the better prospect of Navana Engineering Limited and also doing better business by Navana Welding Electrode Limited.

Risks and concerns

As CNG is an alternative fuel for the clean environment so it can reduce air pollution which is the present demand of the globe. The conversion to CNG helped achieving the government's dual objectives of lowering air-pollution and improving the country's balance of payments. The prime raw-materials of the Company's business in CNG are presently in short supply. Exploration of new gas field can only improve the situation.

We are all aware that the risk and concern of the CNG business solely depends on the government's policy e.g. increase of CNG price, high tariff on CNG cylinder and kits etc. The government suspended permission for setting up any new CNG re-fueling station, low gas pressure in CNG re-fueling stations, shortage of power supply due to load shedding, rationing on operations etc. which is causing decreased of CNG conversion of vehicles.

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

| Particulars | March 31, 2015 | March 31, 2014 |
|-------------------------|-----------------------|---------------------|
| Cost of goods sold | 1,338,182,134 (68.60) | 881,680,272(67.50%) |
| Gross profit | 612,487,506 (31.40) | 424,488,766(32.49%) |
| Net profit for the year | 230,581,397 (11.82) | 229,674,447(17.58%) |

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 and note 29(a) of the notes to the financial statements.

DIRECTORS

In terms of Article 127 of the Articles of Association of the Company, Mr. Saiful Islam and Ms. Farhana Islam, Directors retire by rotation from the Board in the 11th Annual General Meeting. Being eligible under Article 128 of the Articles of Association of the Company, the retiring Directors have offered themselves for re-election.

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

Mr. Saiful Islam

Mr. Saiful Islam joined the Navana Group in 1996. In the early years, he gained valuable experience by being involved in the management of the business operations. He took various business related professional courses at home and abroad. He traveled almost all countries of the world.

At present, Mr. Saiful Islam is the Director & Chief Executive Officer (CEO) of Navana CNG Limited and Sr. Vice-chairman of Navana Group, involved amongst others, in vehicles assembling, bus-body fabrication; real estate; construction; CNG conversion and gas stations; electronics and renewable energy etc.

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

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

Ms. Farhana Islam

A BBA, Ms. Farhana Islam, a young enthusiastic entrepreneur of the country, joined the Navana Group in 1996. In the early years, she gained valuable experience by being involved in the management with business operations. She took various business related professional courses at home and abroad. She traveled many countries of the world.

At present, Ms. Farhana Islam is a Director of Navana Group and involved amongst others, in vehicles assembling, real estate; construction; CNG conversion and gas stations; electronics; IT; petroleum and renewable energy; etc.

Names of companies in which Ms. Farhana Islam also holds the directorship:

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

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

BOARD MEETINGS

The Board supervise, study and review the activities of the Company and make business decisions, etc. during the year, 7 (seven) Board Meetings were held.

Number of Board meetings and attendance by each director

| Name of Directors | Number of Board Meeting attended |
|--|----------------------------------|
| Mr. Shafiul Islam | 7 |
| Mrs. Khaleda Islam | 3 |
| Mr. Saiful Islam | 6 |
| Mr. Sajedul Islam | 5 |
| Ms. Farhana Islam | 3 |
| Mr. Syed Masud Hasan (Independent Director) | 3 |
| Mr. Md. Ekramul Haq (Independent Director) | 4 |

Remuneration to directors including independent directors

The Director of the Company including Independent Director are paid individually a sum of Taka 5,000/- (Five Thousand) as Board Meeting fee for each meeting.

Information Regarding Subsidiary Companies:
i) Navana Engineering Limited

During the financial year ended on March 31, 2015, Navana Engineering Limited earns an amount of total revenue of Tk. 29.61 crore from sale of 1288283 meter HDPE Duct and 281686 feet of PVC Pipe thought this year. In addition an amount of Tk. 4.07 crore has been added by selling HDPE Coil, PPR Pipe and fittings. The company paid an amount of Tk. 4.44 crore Value Added Tax (VAT) during the year.

The operating results for the year ended March 31, 2015 as follows:

| | 2015 (Taka) | 2014 (Taka) |
|------------------------------------|----------------|----------------|
| Turnover | 29,60,84,262 | 1,735,15,862 |
| Gross Profit | 11,31,42,601 | 67,083,194 |
| Net Profit After Tax | 5,15,65,475 | 32,780,947 |
| Earnings Per Share (EPS) | 6.52 | 9.96 |
| Net Assets Value Per Share (NAVPS) | 31.62 | 55.77 |

Navana Engineering Limited started to set-up a factory in Kaligong at District Gazipur which will be able to continue its full operation at the end of this year. Market demand of products of Navana Engineering Limited is increasing rapidly.

The net profit of Navana Engineering Limited has been increased than last year. We hope you will be more benefited in the next year.

A sales target of total Tk. 60.00 crore has been set for the next financial year of the Company.

ii) Navana Welding Electrode Limited

During the financial year ended on March 31 2015, Navana Welding Electrode Limited earned total revenue of Tk. 24.85 crore.

The operating results for the year ended March 31, 2015 as follows:

| | 2015 (Taka) | 2014 (Taka) |
|------------------------------------|----------------|----------------|
| Turnover | 24,85,04,872 | 126,494,251 |
| Gross Profit | 6,42,33,142 | 33,379,034 |
| Net Profit After Tax | 1,76,76,748 | 14,317,272 |
| Earnings Per Share (EPS) | 1.77 | 1.43 |
| Net Assets Value Per Share (NAVPS) | 22.07 | 20.30 |

It may be noted that sale has been increased than last year. During the year Navana Welding Electrode Limited earns a net profit of Tk. 0.34 crore.

A sales target of total Tk. 35.00 crore has been set for the financial year 2015-16 for the Company.

DIVIDEND

The Board of Directors of your Company has recommended cash dividend @ 15% for the year ended March 31, 2015 (subject to approval in the forthcoming AGM) for the shareholders of the Company excluding the sponsor shareholders who have surrendered their portion of dividend. The sponsor shareholders surrendered their portion of dividend for utilizing the fund in LPG business and better growth of the Company.

The general shareholders whose names will appear in the share register of the Company and/or Depository Register of CDBL as on Record Date, i.e., August 18, 2015 will be entitled to the dividend subject to approval in the Annual General Meeting of the Company to be held on September 16, 2015.

REPORT OF THE 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 limit. 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 March 31, 2015 and placed its recommendation to the Board of Directors.

External Audit

Rahman Mostafa Alam & Co. a Chartered Accountants firm registered in Bangladesh acted as the external auditors to the company throughout the year. The external auditors are not engaged on any of the following services of the Company; namely:

- 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;
- Internal audit services; and
- Any other services that the Audit Committee determines.

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 auditors 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 the financial year March 31, 2015 to carry out the following tasks:

- The Audit Committee reviewed the financial statements for the year ended March 31, 2015;
- Reviewed and discussed the Management Letter, by external auditor Rahman Mostafa Alam & Co. for the year ended March 31, 2015 on the annual audit on financial statements of Navana CNG Limited;
- Reviewed various reports of Internal Control & Compliance on operational, financial procedures and activities of subsidiary Companies;
- 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: July 28, 2015

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 initiated by the auditors for the year ended March 31, 2015. 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 March 31, 2015 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 of the Company M/s. Rahman Mostafa Alam & Co., Chartered Accountants has completed their audit for three consecutive years. As per listing Regulation No. 15(2) & 15(3) of Dhaka Stock Exchange (Listing) Regulation, 2015, no auditors be eligible for performing the auditing of the financial statements of public listed company for a consecutive period exceeding three years. In this connection, 2 audit firms e.g. Khan Wahab Shafique Rahman & Co., Chartered Accountants and Malek Siddiki Wali, Chartered Accountants has expressed their willing to conduct audit for the year ending on March 31, 2016.

The Board has recommended to appoint Malek Siddiki Wali, Chartered Accountants to audit the financial statements of Navana CNG Limited for the financial year ending on March 31, 2016, subject to approval by the shareholders in the Annual General Meeting 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 and other related applicable laws etc.. These statements present fairly the Company's state of affairs, the result of its operations, cash flow and changes in equity.
- 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) | Parent/Subsidiary/Associated Companies and other related parties | |
| | Aftab Automobiles Limited | 1,05,404 |
| b) | Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouse and minor children: | |
| | 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 |
| | Chief Financial Officer, Company Secretary and Head of Internal Audit and their spouse and minor children: | |
| c) | Executives | Nil |
| d) | Shareholders holding ten percent (10%) or more voting interest in the Company: | Nil |
| | 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
July 28, 2015

The Key Operating and Financial Data

Annexure-1

The Key Operating and Financial Data:

Table: Financial Highlights

(Taka in million)

| Particulars | 2015 | 2014 | 2013 | 2012 | 2011 |
|-------------------------------|----------|-------|-------|-------|-------|
| Turnover (net) | 1,951.00 | 1,606 | 1,538 | 1,449 | 1,392 |
| Gross profit | 612.00 | 525 | 527 | 522 | 605 |
| Operating Profit | 299.00 | 300 | 299 | 309 | 403 |
| Net profit after tax | 230.00 | 226 | 231 | 248 | 301 |
| Earning per share | 3.54 | 3.46 | 3.41 | 5.09 | 6.91 |
| Net cash operating activities | 1.82 | 4.03 | 0.64 | 5.32 | 8.26 |

Table: Summary Balance Sheet

(Taka in million)

| Particulars | 2015 | 2014 | 2013 | 2012 | 2011 |
|---------------------------|--------|-------|-------|-------|-------|
| Authorized capital | 1500 | 1500 | 1500 | 1500 | 500 |
| Paid-up capital | 685 | 685 | 571 | 497 | 436 |
| Reserve and surplus | 1,240 | 1099 | 974 | 860 | 747 |
| Shareholders' Equity | 2,069 | 1785 | 1544 | 1357 | 1183 |
| Debentures | 250 | - | - | - | 34 |
| lease finance liabilities | - | - | 0 | 9 | 61 |
| Deferred tax liabilities | 73 | 68 | 55 | 41 | 28 |
| Non-current liabilities | 323 | 68 | 199 | 50 | 88 |
| Current Liabilities | 1,115 | 951 | 973 | 361 | 235 |
| Fixed Assets | 1,100 | 929 | 830 | 692 | 576 |
| Other Non-current Assets | 692 | 525 | 522 | 45 | 38 |
| Total Non-current Assets | 1,830 | 1492 | 1352 | 738 | 614 |
| Current Assets | 1,677 | 1456 | 1221 | 1029 | 892 |
| Book value per share | 30.19 | 28.14 | 27.04 | 27.32 | 27.15 |
| Dividend per share | 15% | 15% | 20% | 25% | 32% |
| Numbers of shareholders | 24,483 | 28580 | 28332 | 27252 | 27687 |

Table: Ratios

| Profitability Ratios | 2015 | 2014 | 2013 | 2012 | 2011 |
|------------------------------|--------|--------|--------|--------|--------|
| Debt to Equity Ratio | 41% | 36% | 43% | 23% | 21% |
| Current Ratio | 1.50 | 1.53 | 1.25 | 2.85 | 3.79 |
| Gross profit / Sales (%) | 31.37% | 32.69% | 34.27% | 36.02% | 43.44% |
| Operating profit / Sales (%) | 15.84% | 19.24% | 26.20% | 21.33% | 28.96% |
| Profit after tax / Sales (%) | 11.79% | 14.07% | 15.02% | 17.12% | 21.62% |
| Return on Asset (%) | 6.56% | 7.67% | 8.98% | 14.04% | 19.98% |
| Return on Equity (%) | 11.12% | 12.66% | 14.96% | 18.28% | 25.44% |

Annexure-2

Corporate Governance Compliance Report

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

| 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. | | Not applicable |
| 1.4 | The positions of the Chairman of the Board and the Chief Executive Officer of the companies shall be filled by different individuals. The Chairman of the company shall be elected from among the directors of the company. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the Chief Executive Officer. | Complied | |
| 1.5 | Additional statements in the Directors' Report prepared under section 184 of the Companies Act, 1994:- | Complied | |
| 1.5 (i) | (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. | Complied | |
| 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 | |
| 7 (ii) | The directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions. | Complied | |

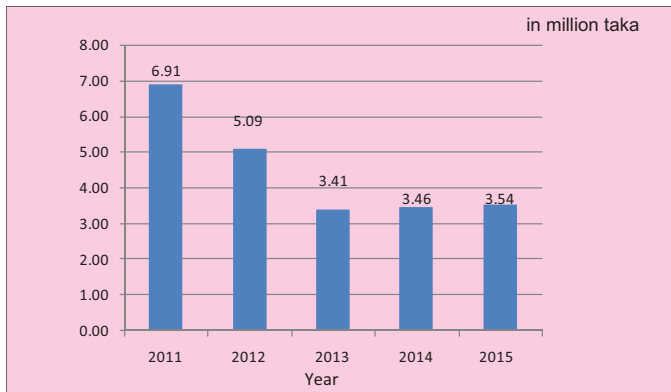


View: Product of Navana Engineering Limited

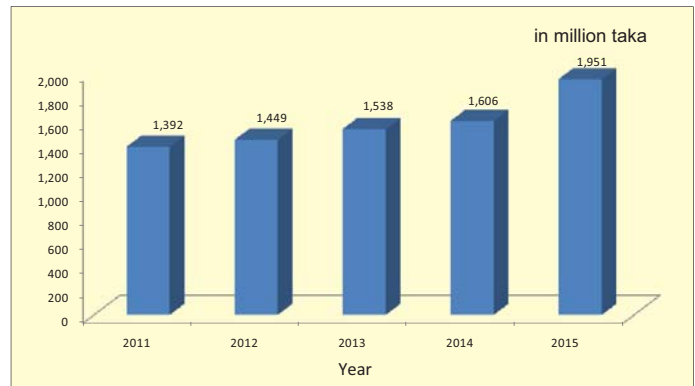
Graphical Presentation

value in million taka

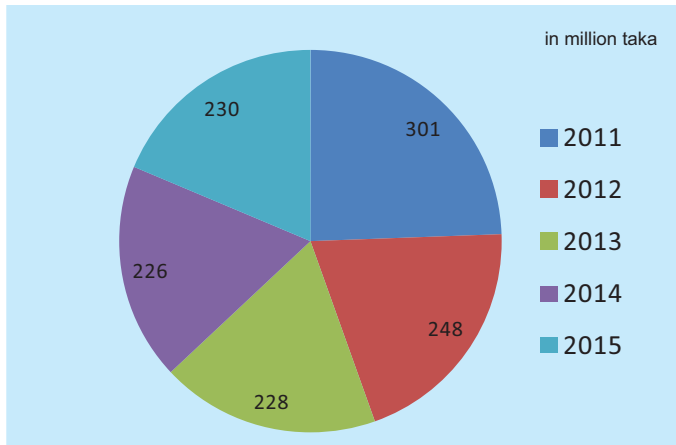
Earning Per Share



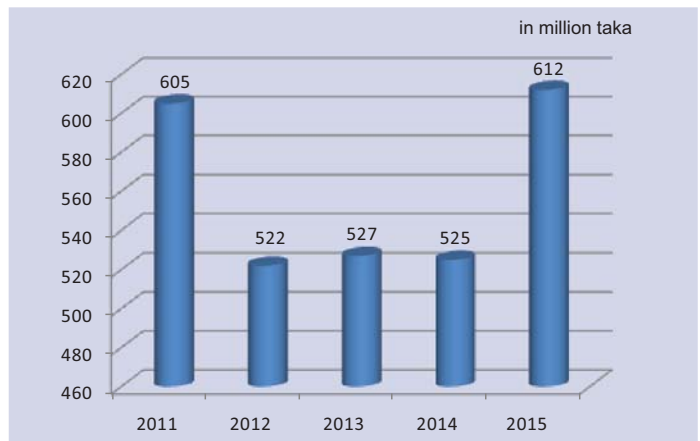
Turnover



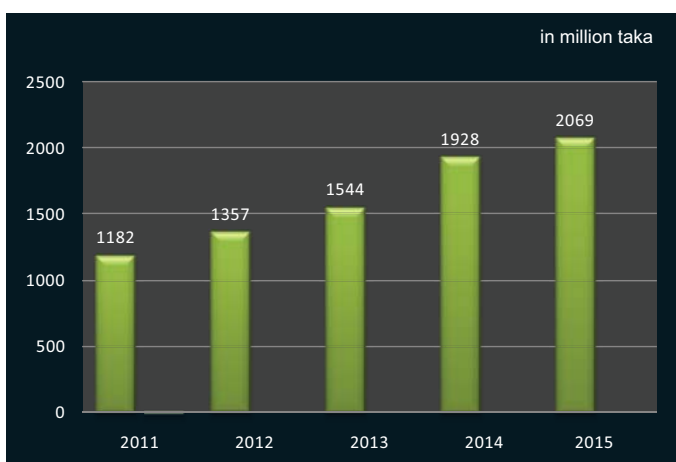
Net Profit After Tax



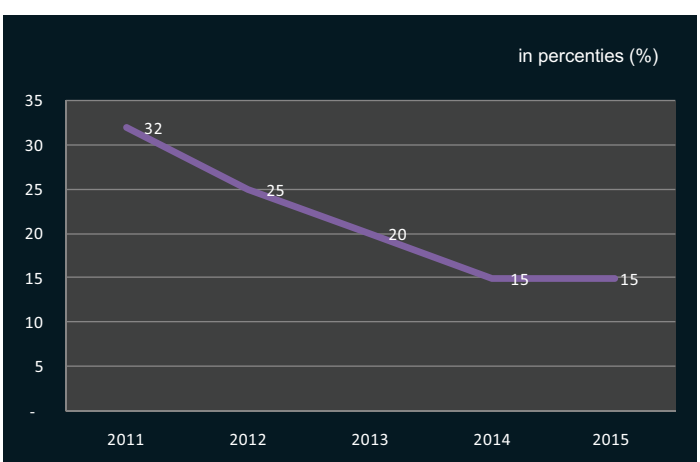
Gross Profit



Shareholders Equity



Dividend (Cash & Stock)



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

LANDMARK SENSATION, LEVEL-01
HOSSAIN HOUSING SOCIETY
17-18, MIRPUR ROAD, SHYAMOLI
DHAKA-1207, BANGLADESH
TEL: +880-2-8129737, CELL: 01775-889878
E-mail: rikhan@agni.com
m.mrahman58@yahoo.com

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 March 31, 2015. 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 Guidelines issued by BSEC.

Dated: Dhaka, July 28, 2015

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

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

July 28, 2015

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 August 07, 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 March 31, 2015 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 transaction 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 and its subsidiaries, which comprises the consolidated statement of financial position as at March 31, 2015 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes. We have also audited the attached separate financial statements of Navana CNG Limited (the Company), which comprises the statement of financial position as at March 31, 2015 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes. The financial statements of 2(two) subsidiaries as disclosed in note 5.00 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 and fair presentation 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 (BSAs). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Navana CNG Limited and its subsidiaries as of March 31, 2015 and its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS) and comply with the applicable sections of the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations.

We also report that:

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

Dated : Dhaka
July 28, 2015

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants

Navana CNG Limited and its Subsidiaries*Consolidated Statement of Financial Position*

As at March 31, 2015

| | Notes | 31/03/15 | 31/03/14 |
|---|--------|----------------------|----------------------|
| Assets: | | BD Taka | BD Taka |
| Non-current assets | | | |
| Property, plant & equipment | 3(a) | 1,100,141,358 | 928,602,097 |
| Capital Work-in-progress | 4(a) | 691,583,363 | 525,172,865 |
| Long-term security deposit | 6 | 37,940,300 | 37,940,300 |
| Total Non-current assets | | 1,829,665,021 | 1,491,715,262 |
| Current assets | | | |
| Inventories | 7(a) | 688,329,849 | 531,954,495 |
| Accounts receivable | 8(a) | 182,727,320 | 156,158,484 |
| Advances, deposits & pre-payments | 9(a) | 147,395,698 | 151,279,776 |
| Investment in shares | 10(a) | 12,123,490 | 9,664,878 |
| Cash & bank equivalent | 11(a) | 646,758,383 | 606,579,820 |
| Total Current assets | | 1,677,334,740 | 1,455,637,453 |
| Total assets | | 3,506,999,761 | 2,947,352,715 |
| Equity and liabilities | | | |
| Capital and reserves | | | |
| Share capital | 12 | 685,285,920 | 685,285,920 |
| Tax holiday reserve | | 210,543,141 | 197,998,233 |
| Retained earnings | 13(a) | 1,029,020,384 | 901,231,874 |
| Sub-Ordinate Capital | 25 | 144,112,526 | 144,112,526 |
| Equity attributable to owners of Company | | 2,068,961,971 | 1,928,628,553 |
| Non-controlling interest | | 185 | 150 |
| Total equity | | 2,068,962,156 | 1,928,628,703 |
| Non-current liabilities | | 323,203,947 | 67,508,292 |
| Deferred tax liabilities | | 73,203,947 | 67,508,292 |
| Debenture Loan | | 250,000,000 | - |
| Total Non-current liabilities | | 323,203,947 | 67,508,292 |
| Current liabilities | | | |
| Short-term loans | 14(a) | 920,595,226 | 743,822,530 |
| Provision for income tax | 15(a) | 62,145,246 | 81,961,060 |
| Payables and accruals | 16(a) | 132,093,186 | 125,432,130 |
| Total Current liabilities | | 1,114,833,658 | 951,215,720 |
| Total liabilities | | 1,438,037,605 | 1,018,724,012 |
| Total equity and liabilities | | 3,506,999,761 | 2,947,352,715 |
| Net assets value per share | 24(a) | 30.19 | 28.14 |

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

Sd/-
ChairmanSd/-
DirectorSd/-
Company Secretary

Signed in terms of our separate report of even date.

Dated : Dhaka
July 28, 2015Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants

Navana CNG Limited and its Subsidiaries*Consolidated Statement of Comprehensive Income*

For the year ended March 31, 2015

| Particulars | Notes | 31/03/15 BD Taka | 31/03/14 BD Taka |
|--|-------|---------------------|---------------------|
| Revenues | 17(a) | 1,950,669,640 | 1,606,179,151 |
| Less: Cost of sales | 18(a) | 1,338,182,134 | 1,081,228,157 |
| Gross profit | | 612,487,506 | 524,950,994 |
| Less: Administrative & selling expenses | 19(a) | 233,576,803 | 208,557,860 |
| Less: Interest expenses | 20(a) | 79,121,518 | 16,284,513 |
| Operating profit | | 299,789,185 | 300,108,621 |
| Add: Other income | 21(a) | 29,855,238 | 34,334,950 |
| Profit before contribution to WPPF | | 329,644,423 | 334,443,571 |
| Less: Contribution to WPPF | | 15,697,354 | 14,290,886 |
| Net profit before tax holiday reserve | | 313,947,069 | 320,152,685 |
| Less: Tax holiday reserve | | 12,544,908 | 10,432,685 |
| Net profit after tax holiday reserve | | 301,402,161 | 309,720,000 |
| Less: Income tax expenses | 22(a) | 71,386,954 | 83,285,884 |
| Current tax | | 65,691,297 | 70,856,340 |
| Deferred tax | | 5,695,657 | 12,429,544 |
| Net profit after tax | | 230,015,207 | 226,434,116 |
| Revaluation Gain on investment in share | | 566,225 | 3,240,370 |
| Total comprehensive income for the year | | 230,581,432 | 229,674,486 |
| Profit attributable to: | | | |
| Equity holders of the Company | | 230,581,397 | 229,674,447 |
| Non-controlling interests | | 35 | 38 |
| | | 230,581,432 | 229,674,485 |
| Number of shares | | 68,528,592 | 68,528,592 |
| Earnings per share | 23(a) | 3.54 | 3.46 |

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

Sd/-
ChairmanSd/-
DirectorSd/-
Company Secretary

Signed in terms of our separate report of even date.

Dated : Dhaka
July 28, 2015Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants

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

For the year ended March 31, 2015

| | 31/03/15 | 31/03/14 |
|---|----------------------|----------------------|
| | BD Taka | BD Taka |
| Cash flows from operating activities | | |
| Receipts from customers | 1,924,100,804 | 1,595,253,845 |
| Receipts of other income | 29,855,238 | 34,334,950 |
| Payments for materials, services and expenses | (1,651,479,402) | (1,251,117,981) |
| Cash generated from operations | 302,476,640 | 378,470,814 |
| Interest paid | (79,121,518) | (16,284,513) |
| Income tax paid | (98,314,027) | (85,703,307) |
| Net cash generated by operating activities | 125,041,095 | 276,482,994 |
| Cash flows from investing activities | | |
| Acquisition of property, plant and equipment | (34,771,060) | (171,742,137) |
| Capital Work-in-progress | (375,327,003) | (41,468,092) |
| Payments for acquisition of property, plant & equipment | - | (42,926,847) |
| Investment in shares | (2,993,776) | (1,586,402) |
| Long-term security deposits | - | 1,846,927 |
| Net cash used in investing activities | (413,091,839) | (255,876,551) |
| Cash flows from financing activities | | |
| Proceeds from share money deposit | - | 100,000,000 |
| Intercompany Receivable | - | (3,833,744) |
| Repayment of finance lease | - | (18,168,847) |
| Proceeds from Deventure Loan | 250,000,000 | - |
| Paid to Navana CNG Ltd. | - | 3,833,744 |
| Proceeds from short term loan | 176,772,696 | 118,571,856 |
| Dividend paid | (98,543,388) | - |
| Net cash Provided in financing activities | 328,229,308 | 200,403,009 |
| Net changes in cash and cash equivalents | 40,178,564 | 221,009,452 |
| Cash and cash equivalents at the beginning of year | 606,579,820 | 385,570,368 |
| Cash and cash equivalents at the end of year | 646,758,383 | 606,579,820 |
| Net operating cash flows per share | 1.82 | 4.03 |

26(a)

Sd/-
ChairmanSd/-
DirectorSd/-
Company Secretary

Navana CNG Limited and its Subsidiaries

Consolidated Statement of Changes in Equity
For the year ended March 31, 2015

| Particulars | Share capital | Tax holiday Reserve | Sub-Ordinate Capital | Retained Earnings | Attributable to owners of the Company | Non-Controlling interests | Total |
|----------------------------------|--------------------|---------------------|----------------------|----------------------|---------------------------------------|---------------------------|----------------------|
| Balance at April 1, 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 March 31, 2014 | 685,285,920 | 197,998,233 | 144,112,526 | 901,231,874 | 1,928,628,553 | 150 | 1,928,628,703 |
| Balance at April 1, 2014 | 685,285,920 | 197,998,233 | 144,112,526 | 901,231,874 | 1,928,628,553 | 150 | 1,928,628,703 |
| Net profit for the year | - | - | - | 230,581,397 | 230,581,397 | 35 | 230,581,432 |
| Tax holiday reserve | - | 12,544,908 | - | - | 12,544,908 | - | 12,544,908 |
| Payment of Cash dividend | - | - | - | (102,792,888) | (102,792,888) | - | (102,792,888) |
| Balance at March 31, 2015 | 685,285,920 | 210,543,141 | 144,112,526 | 1,029,020,384 | 2,068,961,971 | 185 | 2,068,962,156 |

Sd/-
Chairman

Sd/-
Director

Sd/-
Company Secretary

View: Navana CNG Station at Chankhar Pool, Dhaka



Navana CNG Limited*Statement of Financial Position*

As at March 31, 2015

| | Notes | 31/03/15 | 31/03/14 |
|--------------------------------------|-------|----------------------|----------------------|
| Assets: | | BD Taka | BD Taka |
| Non-current assets | | | |
| Property, plant & equipment | 3 | 639,420,541 | 501,284,480 |
| Capital Work-in-progress | 4 | 236,894,568 | 345,298,318 |
| Investment in subsidiaries | 5 | 362,866,755 | 292,523,179 |
| Long-term security deposit | 6 | 37,940,300 | 37,940,300 |
| Total Non-current assets | | 1,277,122,164 | 1,177,046,276 |
| Current assets | | | |
| Inventories | 7 | 442,422,648 | 408,255,781 |
| Accounts receivable | 8 | 86,660,128 | 104,522,052 |
| Advances, deposits & pre-payments | 9 | 96,112,649 | 126,686,181 |
| Investment in shares | 10 | 6,609,204 | 7,144,368 |
| Cash & Cash equivalent | 11 | 410,200,508 | 406,824,446 |
| Total Current assets | | 1,042,005,137 | 1,053,432,828 |
| Total assets | | 2,319,127,301 | 2,230,479,105 |
| Equity and liabilities: | | | |
| Capital and reserves | | | |
| Share capital | 12 | 685,285,920 | 685,285,920 |
| Tax holiday reserve | | 180,618,848 | 180,618,848 |
| Retained earnings | 13 | 1,029,020,349 | 901,231,874 |
| Total Capital & Reserve | | 1,894,925,117 | 1,767,136,642 |
| Non Current Liabilities | | | |
| Deferred tax liabilities | | 42,135,985 | 43,513,614 |
| Total Non-current liabilities | | 42,135,985 | 43,513,614 |
| Current liabilities | | | |
| Short-term loans | 14 | 30,814,773 | 47,070,878 |
| Provision for income tax | 15 | 35,367,398 | 71,180,262 |
| Inter Company Payable | | 197,025,657 | 197,025,657 |
| Payables and accruals | 16 | 118,858,371 | 104,552,052 |
| Total Current liabilities | | 382,066,199 | 419,828,849 |
| Total liabilities | | 424,202,184 | 463,342,463 |
| Total equity and liabilities | | 2,319,127,301 | 2,230,479,105 |
| Net assets value per share | 24 | 27.65 | 25.79 |

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

Sd/-
ChairmanSd/-
DirectorSd/-
Company Secretary

Signed in terms of our separate report of even date.

Dated : Dhaka
July 28,2015Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants

Navana CNG Limited

Statement of Comprehensive Income
For the year ended March 31, 2015

| Particulars | Notes | 31/03/15 BD Taka | 31/03/14 BD Taka |
|--|-------|---------------------|---------------------|
| Revenue | 17 | 1,406,080,506 | 1,306,169,038 |
| Less: Cost of sales | 18 | 970,968,743 | 881,680,272 |
| Gross profit | | 435,111,763 | 424,488,766 |
| Less: Administration & selling expenses | 19 | 201,506,752 | 191,471,280 |
| Less: Interest expenses | 20 | 43,916,165 | 9,341,335 |
| Operating profit | | 189,688,846 | 223,676,151 |
| Add: Other income | 21 | 29,855,238 | 34,334,950 |
| Profit before contribution to WPPF | | 219,544,084 | 258,011,101 |
| Less: Contribution to WPPF | | 10,454,480 | 10,651,245 |
| Profit before tax | | 209,089,604 | 247,359,856 |
| Less: Income tax expenses | 22 | 48,316,618 | 68,023,960 |
| Current tax | | 49,694,247 | 63,284,593 |
| Deferred tax | | (1,377,629) | 4,739,367 |
| Net profit for the year | | 160,772,985 | 179,335,896 |
| Add: Other comprehensive income: | | | |
| Revaluation Gain/loss on investment in share | | (535,164) | 1,653,968 |
| Share of Profit from subsidiaries | | 70,343,541 | 48,684,583 |
| Total comprehensive income for the year | | 230,581,362 | 229,674,447 |
| Earnings per share (Operating) | 23 | 2.35 | 2.62 |

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
July 28, 2015

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants

Navana CNG Limited

Statement of Cash Flows

For the year ended March 31, 2015

| Particulars | 31/03/15 | 31/03/14 |
|---|----------------------|---------------------|
| | BD Taka | BD Taka |
| Cash flows from operating activities | | |
| Receipts from customers | 1,423,942,430 | 1,293,179,736 |
| Receipts of other income | 29,855,238 | 34,334,950 |
| Payments for materials, services and expenses | (1,133,683,238) | (1,109,862,947) |
| Cash generated from operations | 320,114,430 | 217,651,739 |
| Interest paid | (43,916,165) | (9,341,335) |
| Income tax paid | (85,507,111) | (80,503,666) |
| Net cash provided by operating activities | 190,691,154 | 127,806,738 |
| Cash flows from investing activities | | |
| Acquisition of property, plant and equipment | (20,910,561) | (24,062,785) |
| Capital Working Progress | (51,605,038) | (17,017,495) |
| Payments for acquisition of property, plant & equipment | - | (42,926,847) |
| Realization of/(Payments for) long-term security deposits | - | 1,846,927 |
| Net cash used in investing activities | (72,515,599) | (82,160,200) |
| Cash flows from financing activities | | |
| Received from Subsidiaries | - | 6,554,018 |
| Repayment of finance lease | - | (18,168,847) |
| Proceeds from Short-term loan | (16,256,105) | 6,666,554 |
| Dividend paid | (98,543,388) | - |
| Net cash used in financing activities | (114,799,493) | (4,948,275) |
| Net changes in cash and cash equivalents | 3,376,062 | 40,698,263 |
| Cash and cash equivalents at the beginning of year | 406,824,446 | 366,126,183 |
| Cash and cash equivalents at the end of year | 410,200,508 | 406,824,446 |
| Net operating cash flows per share | 2.78 | 1.87 |

26

Sd/-
Chairman

Sd/-
Director

Sd/-
Company Secretary

Navana CNG Limited

Statement of Changes in Equity

For the year ended March 31, 2015

| Particulars | Share Capital BD Taka | Tax Holiday Reserve BD Taka | Retained Earnings BD Taka | Total BD Taka |
|----------------------------------|--------------------------|-----------------------------------|---------------------------------|----------------------|
| Balance at April 1, 2013 | 571,071,600 | 180,618,848 | 785,771,747 | 1,537,462,195 |
| Net profit for the year | - | - | 229,674,447 | 229,674,447 |
| Payment of stock dividend | 114,214,320 | - | (114,214,320) | - |
| Balance at March 31, 2014 | 685,285,920 | 180,618,848 | 901,231,874 | 1,767,136,642 |
| Balance at April 1, 2014 | 685,285,920 | 180,618,848 | 901,231,874 | 1,767,136,642 |
| Net profit for the year | - | - | 230,581,362 | 230,581,362 |
| Payment of Cash dividend | - | - | (102,792,888) | (102,792,888) |
| Balance at March 31, 2015 | 685,285,920 | 180,618,848 | 1,029,020,349 | 1,894,925,117 |

Sd/-
Chairman

Sd/-
Director

Sd/-
Company Secretary

Navana CNG Limited and its Subsidiaries

Notes to the Financial Statements

For the year ended March 31, 2015

1. Corporate information

1.1 Reporting entity

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

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

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

1.2 Subsidiaries

Navana Engineering Limited

Navana Engineering Limited is a 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, 2015.

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% |
| Electrical Equipment | 10% |
| Office Equipment | 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

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

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

2.21 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.

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 2015 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 re-arranged in order to confirm to current year presentation.



View: Land in progress of Navana LPG Division at Mongla

Navana CNG Limited and its subsidiaries

Schedule of Property, plant and equipments

As at March 31, 2015

Annexure- A

| Particulars | Cost | | | Rate of Depreciation | Depreciation | | | Written Down Value as at 31.03.15 |
|------------------------|----------------------|--------------------------|----------------------|----------------------|--------------------|-------------------------|--------------------|-----------------------------------|
| | As at 01.04.2014 | Addition during the year | As at 31.03.2015 | | As at 01.04.2014 | Charged during the year | As at 31.03.2015 | |
| Land and land develop. | 235,017,386 | 160,008,788 | 395,026,174 | 0% | - | - | - | 395,026,174 |
| Building & Shed | 147,341,680 | 8,934,408 | 156,276,088 | 10% | 50,521,418 | 9,953,691 | 60,475,109 | 95,800,979 |
| Plant & Machinery | 726,827,979 | 47,590,446 | 774,418,425 | 10% | 268,772,151 | 46,322,431 | 315,094,582 | 459,323,843 |
| Tools & equipment | 73,142,820 | 14,534,663 | 87,677,483 | 10% | 21,731,887 | 5,880,487 | 27,612,374 | 60,065,109 |
| Furniture & fixtures | 16,506,253 | 1,432,487 | 17,938,740 | 10% | 6,022,885 | 1,191,587 | 7,214,472 | 10,724,269 |
| Electrical equipment | 38,090,335 | 159,714 | 38,250,049 | 10% | 4,059,646 | 3,419,040 | 7,478,686 | 30,771,363 |
| Office equipment | 5,188,723 | 1,241,885 | 6,430,608 | 10% | 267,690 | 616,292 | 883,982 | 5,546,626 |
| Vehicles | 53,110,707 | 9,785,174 | 62,895,881 | 10% | 15,248,109 | 4,764,777 | 20,012,886 | 42,882,995 |
| Total | 1,295,225,883 | 243,687,565 | 1,538,913,448 | | 366,623,786 | 72,148,305 | 438,772,090 | 1,100,141,358 |

Navana CNG Limited

Schedule of Property, plant and equipments

As at March 31, 2015

Annexure- A

| Particulars | Cost | | | Rate of Depreciation | Depreciation | | | Written Down Value as at 31.03.15 |
|------------------------|--------------------|--------------------------|----------------------|----------------------|--------------------|-------------------------|--------------------|-----------------------------------|
| | As at 01.04.2014 | Addition during the year | As at 31.03.2015 | | As at 01.04.2014 | Charged during the year | As at 31.03.2015 | |
| Land and land develop. | 94,362,167 | 160,008,788 | 254,370,955 | 0% | - | - | - | 254,370,955 |
| Building & Shed | 101,536,609 | 2,161,977 | 103,698,586 | 10% | 44,025,818 | 5,967,277 | 49,993,095 | 53,705,491 |
| Plant & Machinery | 525,912,550 | 2,189,061 | 528,101,611 | 10% | 240,600,712 | 28,750,090 | 269,350,802 | 258,750,809 |
| Tools & equipment | 46,161,029 | 7,354,598 | 53,515,627 | 10% | 16,036,167 | 3,747,946 | 19,784,113 | 33,731,514 |
| Furniture & fixtures | 13,165,197 | 1,080,405 | 14,245,602 | 10% | 5,652,566 | 859,304 | 6,511,870 | 7,733,732 |
| Vehicles | 40,613,073 | 8,124,520 | 48,737,593 | 10% | 14,150,882 | 3,458,671 | 17,609,553 | 31,128,040 |
| Total | 821,750,625 | 180,919,349 | 1,002,669,974 | | 320,466,145 | 42,783,287 | 363,249,433 | 639,420,541 |

View: Navana CNG Station at Dampara, Chittagong



Navana CNG Limited and its subsidiaries

Notes to the Financial Statements

| | | 31/03/15 | 31/03/14 |
|-------------|--|-------------------------------|---------------------------|
| | | BD Taka | BD Taka |
| 3 | Property, plant and equipment net | | |
| | Land and Land Development | 254,370,955 | 94,362,167 |
| | Building & Shed | 53,705,491 | 57,510,791 |
| | Plant & Machinery | 258,750,809 | 285,311,838 |
| | Tools & equipment | 33,731,514 | 30,124,862 |
| | Furniture & fixtures | 7,733,732 | 7,512,631 |
| | Vehicles | 31,128,040 | 26,462,191 |
| | | 639,420,541 | 501,284,480 |
| | *An elaborate schedule of PPE are shown in annexure -A. | | |
| 3(a) | Consolidated Property, plant and equipment, net | | |
| | Land and land develop. | 395,026,174 | 235,017,386 |
| | Building & Shed | 95,800,979 | 96,820,262 |
| | Plant & Machinery | 459,323,843 | 458,055,828 |
| | Tools & equipment | 60,065,109 | 51,410,933 |
| | Furniture & fixtures | 10,724,269 | 10,483,368 |
| | Electrical equipment | 30,771,363 | 34,030,689 |
| | Office equipment | 5,546,626 | 4,921,033 |
| | Vehicles | 42,882,995 | 37,862,598 |
| | | 1,100,141,358 | 928,602,097 |
| | *An elaborate schedule of PPE are shown in annexure -A. | | |
| 4 | Capital work in progress | | |
| | Opening Balance | 345,298,318 | 328,280,823 |
| | Add: Addition during the year | 51,605,038 | 17,017,495 |
| | | 396,903,356 | 345,298,318 |
| | Less: Transfer to Property, plant and equipment | 160,008,788 | - |
| | Closing balance | 236,894,568 | 345,298,318 |
| | Capital Work in progress represents land and land development , civil construction, Plant and mechineries etc for LPG project. | | |
| 4(a) | Capital work in progress | | |
| | Opening Balance | 525,172,865 | 483,704,773 |
| | Add: Addition during the year | 310,374,974 | 36,472,682 |
| | Add: Borrowing Cost | 64,952,029 | 4,995,410 |
| | | 900,499,868 | 525,172,865 |
| | Less: Transfer to Property, plant and equipment | 208,916,505 | - |
| | Closing Balance | 691,583,363 | 525,172,865 |
| | Capital Work in progress represents land and land development , civil construction, Plant and mechineries etc for LPG project and land and land development, civil construction, Plant and mechineries etc for BMRE project of Navana Engineering Ltd. at Gabtoli and Baligoan at Kalligonj. | | |
| 5 | Investment in subsidiaries | | |
| | Navana Engineering Ltd. | 239,327,582 | 186,660,744 |
| | Navana Welding Electrode Ltd. | 123,539,173 | 105,862,435 |
| | | 362,866,755 | 292,523,179 |
| | | | |
| | Name of Subsidiary | Total number of shares | Ownership Interest |
| | Navana Engineering Ltd. | 10,000,000 | 5 |
| | Navana Welding Electrode Ltd. | 10,000,000 | 5 |
| | | 20,000,000 | 10 |

Navana CNG Limited and its subsidiaries

Notes to the Financial Statements

| | | 31/03/15 | 31/03/14 |
|-------------|--|--------------------|--------------------|
| | | BD Taka | BD Taka |
| 6 | Long-term security deposit | | |
| | PDBF | 5,056 | 5,056 |
| | Titas Gas T&D Co., Ltd. | 31,441,963 | 31,441,963 |
| | Pashchimanchal Gas Co. | 2,650,741 | 2,650,741 |
| | Dhaka Electricity Supply Co., Ltd.(DESCO) | 150,000 | 150,000 |
| | Dhaka Electricity Supply Authority (DESA) | 270,000 | 270,000 |
| | Jalalabad Gas Co., Ltd. | 1,299,297 | 1,299,297 |
| | Dhaka Palli Budyut Samity(PBS- 1) | 257,120 | 257,120 |
| | Delta life Insurance Co., Ltd | 10,000 | 10,000 |
| | Roads & Highway | 190,350 | 190,350 |
| | North South University | 16,143 | 16,143 |
| | Uttara Bank Limited | 39,130 | 39,130 |
| | Standard Bank Ltd. | 745,038 | 745,038 |
| | Bangladesh Telecommunication Co., Ltd (BTCL) | 10,000 | 10,000 |
| | UCEP | 338,000 | 338,000 |
| | Dhaka Metropolitan Police | 147,331 | 147,331 |
| | Mobile Com | 22,000 | 22,000 |
| | Road Cutting | 37,106 | 37,106 |
| | PDB | 311,025 | 311,025 |
| | | 37,940,300 | 37,940,300 |
| 7 | Inventories | | |
| | Stock & Stores | 435,412,256 | 404,943,111 |
| | Stock in transit | 7,010,392 | 3,312,670 |
| | | 442,422,648 | 408,255,781 |
| 7(a) | Consolidated Inventories | | |
| | Raw materials | 521,153,885 | 459,510,693 |
| | Work in Process | 13,070,732 | 6,810,397 |
| | Finished Goods | 79,847,868 | 55,159,509 |
| | Spare Parts | 5,748,919 | - |
| | Fuel | 325,795 | - |
| | Stock in transit | 68,182,650 | 10,473,896 |
| | | 688,329,849 | 531,954,495 |
| 8 | Accounts receivable | | |
| | Tejgaon CNG Conversion Center | 6,893,938 | 17,031,164 |
| | Kallyanpur CNG Conversion Center | 3,870,516 | 7,861,582 |
| | Dipnagar Diesel Conversion Center | 8,861,964 | 10,171,585 |
| | Chittagong CNG Conversion Center | 2,189,229 | 9,773,029 |
| | Sylhet CNG Conversion Center | 3,092,432 | 3,095,792 |
| | Cylinder Testing Unit | 552,002 | 558,967 |
| | Enginerring Workshop | 599,301 | 536,026 |
| | Kalurghst CNG Conversion Center | 1,512,220 | 745,375 |
| | Kalurghst CRT | 146,000 | 129,132 |
| | Station Office, Dhaka | - | 14,119,317 |
| | Uttara CNG Conversion Center | 1,115,599 | 491,035 |
| | Bogra CNG Conversion Center | 655,618 | 227,638 |
| | Palton CNG Conversion Center | 187,682 | 204,432 |
| | Auto repair & services- Kally-Dhaka | 9,793,776 | 8,747,236 |
| | Auto repair & services- Kalug-CTG | 192,670 | - |
| | Denso CNG Station | 1,917,973 | 2,516,967 |
| | Binimoy CNG Station | 8,257,520 | 7,825,122 |
| | Sylhet CNG Station | 504,726 | 537,225 |

Navana CNG Limited and its subsidiaries

Notes to the Financial Statements

| | 31/03/14 | 31/03/13 |
|---------------------------------------|-------------------|--------------------|
| | BD Taka | BD Taka |
| Sylhet CNG Station-2 | 11,351 | - |
| Station Technical Department Sylhet | 46,721 | 334,800 |
| Station Technical Department CTG | 8,753,196 | 7,078,024 |
| Station Technical Department Dhaka | 16,655,764 | 1,751,285 |
| Station Maintance Department Sylhet | 5,000 | 22,200 |
| Station Maintance Department -CTG | 52,992 | - |
| PRS Dep. | - | 1,496,175 |
| Engineering service dep. | 183,505 | 221,625 |
| Baipail CNG Station | 646,696 | 917,538 |
| Bogra CNG Station | 50,011 | 144,879 |
| Leguna CNG Station | 1,356,248 | 825,185 |
| Sitakundu CNG Station | 481,059 | 457,780 |
| S.H. Khan CNG Station | 180,265 | 244,268 |
| B.O.C CNG Station | 11,059 | 13,497 |
| Kwality CNG Station | 262,194 | 998,421 |
| Abdullah CNG Station | 315,518 | 389,679 |
| Bhoirab CNG Station | 103,397 | 261,572 |
| Elenga Station CNG Station | 720,969 | 486,282 |
| United CNG Station | 173,462 | 256,560 |
| Jogajog CNG Station | 1,088,438 | 692,548 |
| Sonarbangla CNG Station | 5,219,117 | 3,358,110 |
| | 86,660,128 | 104,522,052 |
| 8(a) Consolidated Accounts receivable | | |
| Tejgaon CNG Conversion Center | 6,893,938 | 17,031,164 |
| Kallyanpur CNG Conversion Center | 3,870,516 | 7,861,582 |
| Dipnagar Diesel Conversion Center | 8,861,964 | 10,171,585 |
| Chittagong CNG Conversion Center | 2,189,229 | 9,773,029 |
| Sylhet CNG Conversion Center | 3,092,432 | 3,095,792 |
| Cylinder Testing Unit | 552,002 | 558,967 |
| Enginerring Workshop | 599,301 | 536,026 |
| Kalurghst CNG Conversion Center | 1,512,220 | 745,375 |
| Kalurghat CRT | 146,000 | 129,132 |
| Station Office, Dhaka | - | 14,119,317 |
| Uttara CNG Conversion Center | 1,115,599 | 491,035 |
| Bogra CNG Conversion Center | 655,618 | 227,638 |
| Palton CNG Conversion Center | 187,682 | 204,432 |
| Auto repair & services- Kally-Dhaka | 9,793,776 | 8,747,236 |
| Auto repair & services- Kalurghat-CTG | 192,670 | - |
| Denso CNG Station | 1,917,973 | 2,516,967 |
| Binimoy CNG Station | 8,257,520 | 7,825,122 |
| Sylhet CNG Station | 504,726 | 537,225 |
| Sylhet CNG Station-2 | 11,351 | - |
| Station Technical Department Sylhet | 46,721 | 334,800 |
| Station Technical Department CTG | 8,753,196 | 7,078,024 |
| Station Technical Department Dhaka | 16,655,764 | 1,751,285 |
| Station Maintance Department Sylhet | 5,000 | 22,200 |
| Station Maintance Department -CTG | 52,992 | - |
| PRS Dep. | - | 1,496,175 |
| Engineering service dep. | 183,505 | 221,625 |
| Baipail CNG Station | 646,696 | 917,538 |
| Bogra CNG Station | 50,011 | 144,879 |
| Leguna CNG Station | 1,356,248 | 825,185 |
| Sitakundu CNG Station | 481,059 | 457,780 |
| S.H. Khan CNG Station | 180,265 | 244,268 |
| B.O.C CNG Station | 11,059 | 13,497 |

Navana CNG Limited and its subsidiaries

Notes to the Financial Statements

| | 31/03/15 | 31/03/14 |
|--|--------------------|--------------------|
| | BD Taka | BD Taka |
| Kwality CNG Station | 262,194 | 998,421 |
| Abdullah CNG Station | 315,518 | 389,679 |
| Bhoirab CNG Station | 103,397 | 261,572 |
| Elenga Station CNG Station | 720,969 | 486,282 |
| United CNG Station | 173,462 | 256,560 |
| Jogajog CNG Station | 1,088,438 | 692,548 |
| Sonarbangla CNG Station | 5,219,117 | 3,358,110 |
| M/S Hamida Traders | 15,106,481 | 13,852,166 |
| Md. Kamrul Islam (AM-1060) | 240,948 | - |
| Shahjalal Enterprise NREL(TRN-00277) | 241,228 | 841,829 |
| Md.Kamal Hossain(AM)1028 | 15,053,755 | 5,752,436 |
| MD.Nurul Hassain(AM)1001 | 13,900,893 | 15,039,639 |
| Md. Rajib Rahgr (1002) | 7,256,494 | - |
| Md. Sohed Ahmed (OS) | - | 1,686,230 |
| Md.Rezaul Islam(S.C.) 1009 PRS | 9,760,426 | - |
| Md. Zahid Hasan 1043(Tender) | 311,351 | - |
| Tender sales | 3,674,438 | - |
| Reduan Hossen (Mixer Operation) | 10,998 | - |
| Eng.Orbindu | 97,100 | - |
| Huda Sanetery | 5,000 | - |
| MD. Ibrahim Aman | 8,198 | - |
| Navana Construction Ltd. | 3,642,375 | - |
| Navana Elenga Station | 1,282 | - |
| Navana Welding Project | 1,887 | - |
| Navana Real State Ltd. | 1,110,495 | - |
| Others | - | 2,207,477 |
| Sylhet Zone | 576,485 | 104,590 |
| Jessore Zone | 2,667,218 | 854,214 |
| Dhaka South zone | 6,841,071 | 3,872,014 |
| Dhaka North zone | 6,835,611 | 2,272,816 |
| Rajshahi Zone | 1,952,262 | 1,131,387 |
| Rangpur Zone | 874,831 | 456,319 |
| Chitta. South Zone | 2,815,120 | 1,578,145 |
| Chitta. North Zone | 1,993,105 | 1,236,570 |
| Barishal Zone | 1,088,140 | 750,600 |
| | 182,727,320 | 156,158,484 |
| 9 Advances, deposits & pre-payments | | |
| Advance against leasehold land | 18,283,624 | 15,843,624 |
| Advance against local procurement | 53,341,935 | 84,327,998 |
| Bank guarantee margin | 18,224,203 | 18,897,803 |
| Security deposit | 1,762,887 | 3,116,756 |
| Pre-payments | 4,500,000 | 4,500,000 |
| | 96,112,649 | 126,686,181 |

| Notes to the Financial Statements | | | 31/03/15 | 31/03/14 | | |
|-----------------------------------|--|---------------------------|----------------------|-----------------------------|-----------------------------|-----------------------------|
| 9(a) | Consolidated Advances, deposits & pre-payments | | BD Taka | BD Taka | | |
| | Advance against leasehold land | | 18,283,624 | 15,843,624 | | |
| | Advance against local procurement | | 53,341,935 | 86,728,564 | | |
| | Bank guarantee margin | | 21,641,459 | 19,951,603 | | |
| | Security deposit | | 1,762,887 | 3,116,756 | | |
| | Pre-payments | | 4,500,000 | 4,500,000 | | |
| | Advance Income Tax | | 25,354,770 | 12,547,854 | | |
| | Advance Trade Vat | | 37,766 | 550,681 | | |
| | Jakshon international Ltd. | | 251,031 | 251,031 | | |
| | Vat Current Account | | 4,929,539 | 3,334,862 | | |
| | Advance for Fixed Assets | | 836,713 | 833,801 | | |
| | Advance House Rent | | 3,340,000 | 2,480,000 | | |
| | Advance Trander | | 220,730 | 215,000 | | |
| | Earnest Money & Security Deposit | | 926,000 | 926,000 | | |
| | Clearing & forwarding agent | | 1,351,065 | - | | |
| | Dunhill Corporation | | 2,897,775 | - | | |
| | IMB International BD | | 5,800 | - | | |
| | Mr. Biplop shaha | | 2,960,823 | - | | |
| | Rose vally International | | 78,500 | - | | |
| | Advance to Suppliers | | 4,121,476 | - | | |
| | Security Deposit Bangladesh Railway | | 547,805 | - | | |
| | Advance against Salary | | 6,000 | - | | |
| | | | 147,395,698 | 151,279,776 | | |
| | 10 | Investment in shares | | | | |
| | | Lafarge Surma Cement Ltd. | | 2,404,500 | 1,362,900 | |
| | | Aftab Automobiles Ltd. | | 4,204,704 | 5,781,468 | |
| | | 6,609,204 | 7,144,368 | | | |
| | | | | | | |
| | | Face value per share | Number of share held | Market value as on 31/03/15 | Market value as on 31/03/14 | |
| | Lafarge Surma Cement Ltd. | 10 | 21,000 | 2,404,500 | 1,362,900 | |
| | Aftab Automobiles Ltd. | 10 | 75,084 | 4,204,704 | 5,781,468 | |
| | | | 96,084 | 6,609,204 | 7,144,368 | |
| | | | | | | |
| 10(a) | Consolidated Investment in shares | | Face value per share | Number of share held | Market value as on 31/03/15 | Market value as on 31/03/14 |
| | Lafarge Surma Cement Ltd. | | 10 | 21,000 | 2,404,500 | 1,362,900 |
| | Aftab Automobiles Ltd. | | 10 | 75,084 | 4,204,704 | 5,781,468 |
| | National Bank Ltd. | | 10 | 8,470 | 85,547 | 92,400 |
| | Square pharmaceuticals Ltd. | | 10 | 14,317 | 3,766,803 | 2,117,310 |
| | Titas Gas | | 10 | 14,500 | 1,059,950 | 310,800 |
| | Jamuna Oil | | 10 | 1,540 | 328,636 | - |
| | Padma Oil | | 10 | 1,100 | 273,350 | - |
| | | | | 136,011 | 12,123,490 | 9,664,878 |

Navana CNG Limited and its subsidiaries

Notes to the Financial Statements

11 Cash & Cash equivalent

| | |
|----------------|-------|
| Cash in hand | |
| Cash at bank : | 11.01 |
| FDR | |
| Bank Balance | |

| 31/03/15 | 31/03/14 |
|--------------------|--------------------|
| BD Taka | BD Taka |
| 21,343,756 | 22,690,460 |
| 334,798,979 | 304,369,998 |
| 54,057,773 | 79,763,988 |
| 410,200,508 | 406,824,446 |

11.01 The bank balance consists of:

Mercantile Bank Ltd. (FDR)
Mutual Trust Bank Ltd. (FDR)
NCC Bank Ltd.(FDR)
One Bank Ltd.(FDR)
Standard Bank Ltd. (FDR)
Jumana Bank Ltd. (FDR)

| | |
|--------------------|--------------------|
| 91,281,957 | 83,785,814 |
| 3,711,100 | - |
| 59,895,058 | 55,421,324 |
| 79,778,344 | 73,397,433 |
| 96,571,884 | 88,508,849 |
| 3,560,636 | 3,256,578 |
| 334,798,979 | 304,369,998 |

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.

| | |
|-------------------|-------------------|
| 2,384,488 | 2,833,452 |
| 9,163 | - |
| 5,777 | - |
| 388,614 | 389,539 |
| 859,424 | 342,848 |
| 1,119,189 | 7,405,676 |
| 7,819,253 | 13,703,767 |
| 1,635,390 | 1,556,678 |
| 2,435,088 | 2,361,629 |
| 11,034,036 | 13,419,083 |
| 2,298,996 | 8,559,467 |
| 715,386 | 1,085,113 |
| 1,715,568 | 1,611,275 |
| 3,497,995 | 1,726,352 |
| 8,496,973 | 8,088,578 |
| 3,455,377 | 4,292,795 |
| 43,387 | 44,427 |
| 393,910 | 2,135,181 |
| 371,577 | 3,285,602 |
| 198,419 | 227,621 |
| 5,179,763 | 6,694,905 |
| 54,057,773 | 79,763,988 |

| | |
|--------------------|--------------------|
| 388,856,752 | 384,133,986 |
|--------------------|--------------------|

11(a) Consolidated Cash & bank equivalent

| | |
|----------------|----------|
| Cash in hand | |
| Cash at bank : | 11.01(a) |
| FDR | |
| Bank Balance | |

| | |
|--------------------|--------------------|
| 26,060,919 | 26,757,941 |
| 334,798,979 | 304,369,998 |
| 285,898,485 | 275,451,881 |
| 646,758,383 | 606,579,820 |

Navana CNG Limited and its subsidiaries

Notes to the Financial Statements

11.01(a) The bank balance consists of:

Mercantile Bank Ltd. (FDR)
Mutual Trust Bank Ltd. (FDR)
NCC Bank Ltd.(FDR)
One Bank Ltd.(FDR)
Standard Bank Ltd. (FDR)
Jumana Bank Ltd. (FDR)

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
Modhumoti Bank Ltd.
Sonali Bank Ltd.

| 31/03/15 | 31/03/14 |
|--------------------|--------------------|
| BD Taka | BD Taka |
| 91,281,957 | 83,785,814 |
| 3,711,100 | - |
| 59,895,058 | 55,421,324 |
| 79,778,344 | 73,397,433 |
| 96,571,884 | 88,508,849 |
| 3,560,636 | 3,256,578 |
| 334,798,979 | 304,369,998 |
| 2,384,488 | 2,833,452 |
| 9,163 | - |
| 17,331 | 15,004 |
| 4,634,554 | 4,156,228 |
| 859,424 | 342,848 |
| 1,119,189 | 7,405,676 |
| 41,333,654 | 47,108,279 |
| 1,635,390 | 1,556,678 |
| 2,438,952 | 2,368,943 |
| 17,156,072 | 15,989,487 |
| 2,298,996 | 8,559,467 |
| 715,386 | 1,085,113 |
| 1,760,465 | 3,190,927 |
| 3,497,995 | 1,726,352 |
| 8,496,973 | 8,088,578 |
| 4,137,830 | 4,931,652 |
| 43,387 | 44,427 |
| 2,773,063 | 18,307,078 |
| 10,428,335 | 17,775,716 |
| 198,419 | 227,621 |
| 5,179,763 | 6,694,905 |
| 1,056,498 | 1,242,743 |
| 21,665,786 | 50,939,112 |
| 150,007,174 | 70,009,940 |
| 960,985 | 851,655 |
| 1,022,346 | - |
| 66,867 | - |
| 285,898,485 | 275,451,881 |
| 620,697,464 | 579,821,879 |

12 Share capital

Authorized capital:

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

Issued, Subscribed and Paid-up Capital:

(68528592 Ordinary Shares @ Tk. 10 each)

| | Number of Shares | Face Value | Share capital on 31/03/15 | Share capital on 31/03/14 |
|-------------------------------|-------------------|--------------|---------------------------|---------------------------|
| | | | BD Taka | BD Taka |
| Balance at beginning of year | 68,528,592 | 10.00 | 685,285,920 | 571,071,600 |
| Issue of bonus shares | - | - | - | 114,214,320 |
| Balance at end of year | 68,528,592 | 10.00 | 685,285,920 | 685,285,920 |

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 % 31-03-2015 | Shares Holding % 31-03-2014 |
|-------------------------|---------------------|-----------------------|--------------------------------|--------------------------------|
| Sponsors | 10 | 29,230,041 | 42.65% | 42.65% |
| General public | 24,207 | 27,580,426 | 40.25% | 37.59% |
| Institutional investors | 266 | 11,718,125 | 17.10% | 19.76% |
| Total | 24,483 | 68,528,592 | 100% | 100% |

Classification of shareholders:

| Particulars | Number of Investors | Number of Shares | % of Shares Holding 31-03-2015 | % of Shares Holding 31-03-2014 |
|-------------------|---------------------|-------------------|-----------------------------------|-----------------------------------|
| 1 to 500 | 16,829 | 2,855,892 | 4.17% | 6.13% |
| 501 to 5000 | 6,784 | 10,085,513 | 14.72% | 15.66% |
| 5001 to 10000 | 479 | 3,469,451 | 5.06% | 3.98% |
| 10001 to 20000 | 180 | 2,557,742 | 3.73% | 3.03% |
| 20001 to 30000 | 70 | 1,733,992 | 2.53% | 1.52% |
| 30001 to 40000 | 33 | 1,159,612 | 1.69% | 1.32% |
| 40001 to 50000 | 17 | 833,788 | 1.22% | 1.33% |
| 50001 to 100000 | 35 | 2,567,078 | 3.75% | 3.46% |
| 100001 to 1000000 | 49 | 13,149,015 | 19.19% | 19.27% |
| 1000000 above | 7 | 30,116,509 | 43.95% | 44.30% |
| Total | 24,483 | 68,528,592 | 100% | 100% |

| | 31/03/15 | 31/03/14 |
|---|----------------------|----------------------|
| 13 Retained earnings | BD Taka | BD Taka |
| Opening balance | 901,231,874 | 785,771,747 |
| Add: Total Comprehensive Income for the year | 160,772,985 | 179,335,896 |
| | 1,062,004,860 | 965,107,643 |
| Share of Profit from subsidiaries | 70,343,541 | 48,684,583 |
| Revaluation Gain on investment in share | (535,164) | 1,653,968 |
| unrealised profit on investment in share | 1,131,813,236 | 1,015,446,194 |
| Less: payment cash/Stock dividend | (102,792,888) | (114,214,320) |
| Closing balance | 1,029,020,349 | 901,231,874 |
| 13(a) Consolidated Retained earnings | | |
| Opening balance | 901,231,874 | 785,771,747 |
| Add: Total Comprehensive Income for the year | 230,581,397 | 229,674,447 |
| | 1,131,813,272 | 1,015,446,194 |
| Less: payment cash/Stock dividend | (102,792,888) | (114,214,320) |
| Closing balance | 1,029,020,384 | 901,231,874 |
| 14 Short-term loans | | |
| Shahjalal Islami Bank Ltd. | 14,155,106 | 10,074,846 |
| Standard Bank Ltd. | 16,659,667 | 36,996,032 |
| | 30,814,773 | 47,070,878 |

Navana CNG Limited and its subsidiaries

Notes to the Financial Statements

| | 31/03/15 | 31/03/14 |
|--|----------------------|----------------------|
| | BD Taka | BD Taka |
| 14(a) Consolidated Short-term loans | | |
| Shahjalal Islami Bank Ltd. | 27,235,155 | 12,592,314 |
| Standard Bank Ltd. | 89,610,735 | 36,996,083 |
| One Bank Ltd. | 98,747,661 | 10,798,459 |
| Mercantile Bank Ltd. (LTR) | 28,930,581 | 7,902,095 |
| IFIC Bank Ltd. | 676,071,094 | 675,533,579 |
| | 920,595,226 | 743,822,530 |
| 15 Provision for income tax | | |
| Opening balance | 71,180,262 | 88,399,335 |
| Add: Current tax expenses for the year | 49,694,247 | 63,284,593 |
| | 120,874,509 | 151,683,928 |
| Less: Tax paid/adjusted in current year | (85,507,111) | (80,503,666) |
| Closing balance | 35,367,398 | 71,180,262 |
| 15(a) Consolidated Provision for income tax | | |
| Navana CNG Limited | 35,367,398 | 71,180,262 |
| Navana Welding Electrode Limited | 8,660,725 | 4,594,973 |
| Navana Engineering Limited | 18,117,123 | 6,185,825 |
| | 62,145,246 | 81,961,060 |
| 16 Payables and accruals | | |
| Account payables | 14,312,200 | 15,168,038 |
| Liabilities for Expenses | 65,276,392 | 62,879,744 |
| Workers profit participation fund | 12,584,729 | 10,651,245 |
| Sundry payables | 12,181,950 | 5,599,425 |
| Unclaim Dividend | 14,503,100 | 10,253,600 |
| | 118,858,371 | 104,552,052 |
| 16(a) Consolidated Payables and accruals | | |
| Navana CNG Limited | 118,858,371 | 104,552,052 |
| Navana Engineering Limited | 5,049,330 | 4,807,777 |
| Navana Welding Electrode Limited | 8,185,485 | 16,072,301 |
| | 132,093,186 | 125,432,130 |
| 17 Revenue-net | | |
| CNG conversion-net | 198,121,188 | 172,504,696 |
| CNG sales | 981,978,599 | 850,519,880 |
| Service revenue-net | 225,980,719 | 283,144,462 |
| | 1,406,080,506 | 1,306,169,038 |
| 17(a) Consolidated Revenue-net | | |
| CNG conversion-net | 198,121,188 | 172,504,696 |
| CNG sales | 981,978,599 | 850,519,880 |
| Service revenue-net | 225,980,719 | 283,144,462 |
| HDP.PPR.up VC Pipe | 296,084,262 | 173,515,862 |
| Welding Electrode | 248,504,872 | 126,494,251 |
| | 1,950,669,640 | 1,606,179,151 |

Navana CNG Limited and its subsidiaries

Notes to the Financial Statements

| | | 31/03/15 | 31/03/14 |
|--|----------|----------------------|----------------------|
| | | BD Taka | BD Taka |
| 18 Cost of sales | | | |
| Cost of CNG conversion | 18.01 | 112,754,128 | 142,175,800 |
| Cost of CNG sales | 18.02 | 858,214,615 | 739,504,472 |
| | | 970,968,743 | 881,680,272 |
| 18.01 Cost of CNG conversion | | | |
| Opening balance of conversion materials | | 404,943,111 | 397,928,958 |
| Add : Purchase during the year | | 143,223,273 | 149,189,953 |
| Available for consumption | | 548,166,384 | 547,118,911 |
| Less: Closing balance of conversion materials | | 435,412,256 | 404,943,111 |
| Conversion materials consumed | | 112,754,128 | 142,175,800 |
| 18.02 Cost of CNG sales | | | |
| Gas | | 744,392,212 | 649,384,988 |
| Electricity | | 75,060,757 | 58,615,041 |
| Land rent | | 2,545,000 | 2,820,000 |
| Station Commission | | 36,216,646 | 28,684,443 |
| | | 858,214,615 | 739,504,472 |
| 18(a) Consolidated Cost of sales | | | |
| Raw materials Consumed | 18.01(a) | 1,308,405,114 | 1,079,566,453 |
| Add : Direct cost | | 3,523,014 | 2,905,205 |
| Add: Factory overhead | | 57,202,700 | 39,023,955 |
| Cost of Production | | 1,369,130,828 | 1,121,495,613 |
| Add: Opening WIP | | 6,810,397 | 7,495,511 |
| | | 1,375,941,225 | 1,128,991,124 |
| Less: Closing WIP | | 13,070,732 | 6,810,397 |
| Cost of goods manufacture | | 1,362,870,493 | 1,122,180,727 |
| Add: opening stock of finished goods | | 55,159,509 | 14,206,939 |
| | | 1,418,030,002 | 1,136,387,666 |
| Less: Closing stock of finished goods | | 79,847,868 | 55,159,509 |
| Cost of Goods sold | | 1,338,182,134 | 1,081,228,157 |
| 18.01(a) Opening stock of raw materials | | 459,510,693 | 504,994,538 |
| Add: Purchase for the year | | 511,833,691 | 294,578,136 |
| Add: Cost of CNG sales | | 858,214,615 | 739,504,472 |
| | | 1,829,558,999 | 1,539,077,146 |
| Less: Closing stock of raw materials | | 521,153,885 | 459,510,693 |
| Raw material consumed | | 1,308,405,114 | 1,079,566,453 |

Navana CNG Limited and its subsidiaries

Notes to the Financial Statements

| | 31/03/15 | 31/03/14 |
|--|--------------------|--------------------|
| | BD Taka | BD Taka |
| 19 Administration and selling expense | | |
| Salary & allowances | 132,490,843 | 114,671,098 |
| Overtime allowance | 1,022,492 | 5,245,670 |
| Vehicle maintenance | 1,986,354 | 1,868,570 |
| Electricity bill | 3,655,692 | 2,540,853 |
| Rental expense | 3,238,186 | 6,062,446 |
| Telephone & mobile expense | 2,329,347 | 2,522,843 |
| Conveyance | 1,047,083 | 976,855 |
| Electrical expense | 763,142 | 79,442 |
| Entertainment | 2,451,207 | 1,223,777 |
| Labor charge | 650,203 | 1,939,182 |
| Board meeting attendance fee | 125,000 | 155,000 |
| Medical expense | 165,074 | 63,468 |
| Carrying charge | 540,305 | 920,172 |
| Mineral water | 473,606 | 516,508 |
| Annual general meeting expenses | 420,000 | 2,646,544 |
| Misc. exps | 78,962 | 149,390 |
| Newspaper & periodicals | 232,112 | 202,599 |
| Office maintenance | 187,102 | 267,000 |
| Audit fees | 120,000 | 100,000 |
| Oil & lubricants | 2,105,800 | 1,882,200 |
| Photocopy expense | 64,088 | 45,978 |
| Postage & stamp | 374,185 | 312,320 |
| Uniform & liveries | 577,615 | 548,720 |
| Printing expense | 1,772,001 | 1,202,442 |
| Stationary expense | 445,690 | 220,000 |
| Registration & renewals | 1,053,942 | 939,076 |
| Travelling expense | 353,434 | 225,398 |
| Depreciation | 42,783,287 | 43,943,729 |
| | 201,506,752 | 191,471,280 |
| 19(a) Consolidated Administration and selling expense | | |
| Salary & allowances | 147,696,216 | 120,272,086 |
| Overtime allowance | 1,330,195 | 6,020,685 |
| Vehicle maintenance | 2,247,552 | 1,978,570 |
| Electricity bill | 3,740,732 | 2,589,442 |
| Rental expense | 4,056,250 | 6,409,446 |
| Telephone & mobile expense | 2,755,270 | 2,702,513 |
| Conveyance | 1,688,067 | 1,299,386 |
| Electrical expense | 1,421,457 | 97,447 |
| Entertainment | 4,144,407 | 1,629,427 |
| Labor charge | 831,383 | 2,026,782 |
| Board meeting attendance fee | 125,000 | 155,000 |
| Medical expense | 165,074 | 131,548 |
| Carrying charge | 723,676 | 920,172 |
| Mineral water | 473,606 | 516,508 |
| Annual general meeting expenses | 420,000 | 2,646,544 |
| Miscellaneous expense | 78,962 | 149,390 |
| Newspaper & periodicals | 254,689 | 213,205 |
| Office maintenance | 1,566,842 | 1,190,652 |
| Audit fees | 170,000 | 150,000 |
| Oil & lubricants | 2,920,382 | 2,290,152 |
| Photocopy expense | 66,276 | 48,725 |
| Postage & stamp | 468,346 | 416,412 |
| Uniform & liveries | 577,615 | 548,720 |
| Printing expense | 2,937,018 | 1,309,858 |
| Stationary expense | 732,990 | 373,041 |
| Registration & renewals | 1,632,292 | 1,301,478 |
| Travelling expense | 1,295,565 | 799,344 |
| Bank charge | 253,854 | 196,037 |
| ISO Exps | - | 14,000 |
| Gas Bill | 8,100 | 4,950 |
| Service Charges | 61,800 | 54,000 |
| Marketing Expense | - | 345,488 |
| Transport Expenses | 76,896 | - |
| Depreciation | 48,656,291 | 49,756,852 |
| | 233,576,803 | 208,557,860 |

Navana CNG Limited and its subsidiaries

Notes to the Financial Statements

| | | 31/03/15 | 31/03/14 |
|--------------|--|--------------------|-------------------|
| | | BD Taka | BD Taka |
| 20 | Interest expenses | | |
| | Interest on lease finance | - | 1,543,166 |
| | Interest on short-term loans | 43,916,165 | 7,798,169 |
| | | 43,916,165 | 9,341,335 |
| 20(a) | Consolidated Interest expenses | | |
| | Navana CNG Limited | 43,916,165 | 9,341,335 |
| | Navana Engineering Limited | 14,962,578 | 3,009,208 |
| | Navana Welding Electrode Limited | 20,242,775 | 3,933,970 |
| | | 79,121,518 | 16,284,513 |
| 21 | Other income | | |
| | Interest income on FDR | 29,847,179 | 34,326,830 |
| | Interest income on STD Account | 8,059 | 8,120 |
| | | 29,855,238 | 34,334,950 |
| 21(a) | Consolidated Other income | | |
| | Navana CNG Limited | 29,855,238 | 34,334,950 |
| | Navana Welding Electrode Limited | - | - |
| | | 29,855,238 | 34,334,950 |
| 22 | Income tax expense | | |
| | Current tax | 49,694,247 | 63,284,593 |
| | Deferred tax | (1,377,629) | 4,739,367 |
| | | 48,316,618 | 68,023,960 |
| 22.01 | Current tax: | 85,507,111 | 20,003,666 |
| | Tax deducted at source (import stage) | 9,021,041 | 4,347,954 |
| | Tax deducted from FDR interest income | 3,113,298 | 3,421,465 |
| | Tax deducted by Customer | 309,466 | 167,935 |
| | Tax deducted from STD interest income | 806 | 812 |
| | Tax paid in advance | 73,000,000 | 12,000,000 |
| | Tax deducted at source (Vehicle) | 62,500 | 65,500 |
| | Tax provision | (35,812,864) | 43,280,927 |
| | | 49,694,247 | 63,284,593 |
| 22.02 | Deferred tax: | | |
| | Taxable temporary difference | 168,543,939 | 158,231,325 |
| | Tax rate | 25.00% | 27.5% |
| | Provision for deferred tax liabilities | 42,135,985 | 43,513,614 |
| | Opening balance | 43,513,614 | 38,774,247 |
| | | (1,377,629) | 4,739,367 |
| 22(a) | Consolidated Income tax expense | | |
| | Current tax | 65,691,297 | 70,856,340 |
| | Deferred tax | 5,695,657 | 12,429,544 |
| | | 71,386,954 | 83,285,884 |
| | Current tax: | 104,221,770 | 25,203,307 |
| | Tax deducted at source (import stage) | 21,827,957 | 9,547,595 |
| | Tax deducted from FDR interest income | 9,021,041 | 3,421,465 |
| | Tax deducted from Customer | 309,466 | 167,935 |
| | Tax deducted from STD interest income | 806 | 812 |
| | Tax paid in advance | 73,000,000 | 12,000,000 |
| | Tax deducted at source (Vehicle) | 62,500 | 65,500 |
| | Tax provision | (38,530,473) | 45,653,033 |
| | | 65,691,297 | 70,856,340 |

Navana CNG Limited and its subsidiaries

Notes to the Financial Statements

| | | 31/03/15 | 31/03/14 |
|--|--|--------------------|--------------------|
| | | BD Taka | |
| 23 Earnings per share (EPS) | | | |
| Profit attributable to ordinary shareholders | | 160,772,985 | 179,335,896 |
| Number of ordinary shares used to compute earnings per share | | 68,528,592 | 68,528,592 |
| Earnings per share | | 2.35 | 2.62 |
| 23(a) Earnings per share (EPS) | | | |
| Profit attributable to ordinary shareholders | | 242,560,115 | 236,866,801 |
| Number of ordinary shares used to compute earnings per share | | 68,528,592 | 68,528,592 |
| Earnings per share | | 3.54 | 3.46 |
| 24 Net assets value per share (NAVPS) | | | |
| Net assets value | | 1,894,925,117 | 1,767,136,642 |
| Number of ordinary shares used to compute NAVPS | | 68,528,592 | 68,528,592 |
| Net assets value per share | | 27.65 | 25.79 |
| 24(a) Net assets value per share (NAVPS) | | | |
| Net assets value | | 2,068,962,156 | 1,928,628,703 |
| Number of ordinary shares used to compute NAVPS | | 68,528,592 | 68,528,592 |
| | | 30.19 | 28.14 |
| 25 Sub-Ordinate Capital | | | |
| Navana Engineering Limited | | 46,933,137 | 46,933,137 |
| Navana Welding Electrode Limited | | 97,179,389 | 97,179,389 |
| | | 144,112,526 | 144,112,526 |
| 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. | | | |
| 26 Net operating cash flows per share (NOCFPS) | | | |
| Net operating cash flows | | 190,691,154 | 127,806,738 |
| Number of ordinary shares used to compute NOCFPS | | 68,528,592 | 68,528,592 |
| Net operating cash flows per share | | 2.78 | 1.87 |
| 26(a) Net operating cash flows per share (NOCFPS) | | | |
| Net operating cash flows | | 125,041,095 | 276,482,994 |
| Number of ordinary shares used to compute NOCFPS | | 68,528,592 | 68,528,592 |
| Net operating cash flows per share | | 1.82 | 4.03 |

Navana CNG Limited and its subsidiaries

Notes to the Financial Statements

27 Segment Report

| Particulars | Conversion | CNG Station | Total |
|--------------------------------------|----------------------|--------------------|----------------------|
| Non-current assets | | | |
| Property, plant & equipment | 191,826,162 | 447,594,379 | 639,420,541 |
| Capital Working process | 236,894,568 | - | 236,894,568 |
| Investment in subsidiaries | 362,866,755 | - | 362,866,755 |
| Long-term security deposit | 7,588,060 | 30,352,240 | 37,940,300 |
| Total non-current assets | 799,175,545 | 477,946,619 | 1,277,122,164 |
| Current assets | | | |
| Inventories | 442,422,648 | - | 442,422,648 |
| Accounts receivable | 34,664,051 | 51,996,077 | 86,660,128 |
| Advances, deposits & pre-payments | 77,214,846 | 18,897,803 | 96,112,649 |
| Investment in shares | 6,609,204 | - | 6,609,204 |
| Cash & Cash equivalent | 164,080,203 | 246,120,305 | 410,200,508 |
| Total current assets | 724,990,952 | 317,014,185 | 1,042,005,137 |
| Total assets | 1,524,166,498 | 794,960,803 | 2,319,127,301 |
| Equity and liabilities | | | |
| Capital and reserves | | | |
| Share capital | 685,285,920 | - | 685,285,920 |
| Tax holiday reserve | 180,618,848 | - | 180,618,848 |
| Retained earnings | 205,804,070 | 823,216,279 | 1,029,020,349 |
| Inter Unit Balance | 226,918,636 | (226,918,636) | - |
| Total equity | 1,298,627,474 | 596,297,643 | 1,894,925,117 |
| Non-current liabilities | | | |
| Deferred tax liabilities | 16,854,394 | 25,281,591 | 42,135,985 |
| Total non-current liabilities | 16,854,394 | 25,281,591 | 42,135,985 |
| Current liabilities | | | |
| Short-term loans | 30,814,773 | - | 30,814,773 |
| Provision for income tax | 14,146,959 | 21,220,439 | 35,367,398 |
| Inter company payable | 197,025,657 | - | 197,025,657 |
| Payables and accruals | 71,315,023 | 47,543,348 | 118,858,371 |
| Total current liabilities | 313,302,412 | 68,763,787 | 382,066,199 |
| Total liabilities | 330,156,806 | 94,045,378 | 424,202,184 |
| Total equity and liabilities | 1,628,784,280 | 690,343,021 | 2,319,127,301 |

Navana CNG Limited and its subsidiaries

Notes to the Financial Statements

| Particulars | Conversion Workshop | CNG Station | Total |
|--|---------------------|--------------------|--------------------|
| Revenue | 424,101,907 | 981,978,599 | 1,406,080,506 |
| Less: Cost of sales | 112,754,128 | 858,214,615 | 970,968,743 |
| Gross profit | 311,347,779 | 123,763,984 | 435,111,763 |
| Less: Administration & selling expenses | 120,904,051 | 80,602,701 | 201,506,752 |
| Less: Interest expenses | 43,916,165 | - | 43,916,165 |
| Operating profit | 146,527,563 | 43,161,283 | 189,688,846 |
| Add: Other income | 29,855,238 | - | 29,855,238 |
| Profit before contribution to WPPF | 176,382,801 | 43,161,283 | 219,544,084 |
| Less: Contribution to WPPF | - | 10,454,480 | 10,454,480 |
| Profit before tax | 176,382,801 | 32,706,803 | 209,089,604 |
| Less: Income tax expenses | 19,326,647 | 28,989,971 | 48,316,618 |
| Current tax | 19,877,699 | 29,816,548 | 49,694,247 |
| Deferred tax | (551,052) | (826,577) | (1,377,629) |
| Net profit for the year | 157,056,153 | 3,716,832 | 160,772,985 |
| Other comprehensive income: | | | |
| Unrealised profit on investment in share | (535,164) | - | (535,164) |
| Share of Profit from subsidiaries | 28,137,416 | 42,206,124 | 70,343,541 |
| Total comprehensive income for the year | 184,658,406 | 45,922,956 | 230,581,362 |

28. Event after the Reporting Period

The Directors in the meeting held on July 28, 2015, 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 16, 2015.

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

29. Related party disclosures

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

| Name of related party | Relationship | Nature of transactions | Transaction value BD Taka | Outstanding receivable/ (payable) BD Taka |
|------------------------------|--------------|------------------------|------------------------------|---|
| Navana Engineering Ltd. | Subsidiary | working capital | 52,666,838 | 239,327,582 |
| Navana Welding Electrode Ltd | Subsidiary | working capital | 17,676,738 | 123,539,173 |

Navana CNG Limited and its subsidiaries

Notes to the Financial Statements

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.

| Name of related party | Relationship | Nature of transactions | Transaction value BD Taka | Outstanding receivable/ (payable) BD Taka |
|-------------------------------|-----------------|------------------------|------------------------------|--|
| Navana Engineering Ltd. | Subsidiary | working capital | 3,833,744 | 239,327,582 |
| Navana Welding Electrode Ltd. | Subsidiary | working capital | 114,589,720 | 123,539,173 |
| Loan from Director | Director | Interest free Loan | 144,112,526 | 144,112,526 |
| Navana Real State Ltd. | Common Director | - | 1,934,362 | 3,642,375 |
| Navana Construction Ltd. | Common Director | - | 471,970 | 1,110,495 |

30. Amount due by directors

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

31. Claims against the company

There is no known claim against the Company

32. Employee position of the Company

The number of employees drawing Tk. 3,000 or more per month was 925 (2014:897) during the year

33. Payment / Perquisites to Directors and officers :

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

| Particulars | Amount |
|--|------------------|
| Board meeting attendance fee | 125,000 |
| Managerial remuneration | 2,071,870 |
| Managerial Benefits: | |
| Bonus | 345,312 |
| Gratuity | 621,561 |
| Perquisites | 2,609,504 |
| Company's contribution to provident fund | 207,187 |
| | 5,980,434 |

during the year under review :

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

ii) the rate at which Directors have drawn Board meeting attendance fees @ Tk.5,000/- per Director per meeting.
The total Board meeting attendance fee incurred during the year under review was Tk. 1,25,000/- and

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

Independent Auditors' Report To the Shareholders of Navana Engineering Limited

We have audited the accompanying financial statements of Navana Engineering Limited (the company), which comprise the statement of Financial Position as at March 31, 2015, 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 20 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, 2015, 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 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; and
- 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.

Dated : Dhaka
July 13, 2015

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants

Navana Engineering Limited*Statement of Financial Position*

As at March 31, 2015

| Assets | Notes | 31/03/15 | 31/03/14 |
|--|-------|----------------------|--------------------|
| Non-current assets | | BD Taka | BD Taka |
| Property, plant and equipment | 3 | 233,513,303 | 185,538,328 |
| Capital Work-in- progress | 4 | 348,170,738 | 121,529,273 |
| Investment in shares | 5 | 5,514,286 | 2,520,510 |
| Total Non-current assets | | 587,198,327 | 309,588,111 |
| Current assets | | | |
| Inventories | 6 | 170,669,848 | 46,994,800 |
| Account receivables | 7 | 70,423,349 | 39,379,777 |
| Advances, deposits & prepayments | 8 | 36,166,943 | 14,531,802 |
| Inter-company receivable | | 174,037,895 | 174,037,895 |
| Cash & Cash equivalent | 9 | 201,929,820 | 161,452,740 |
| Total Current assets | | 653,227,855 | 436,397,014 |
| Total assets | | 1,240,426,182 | 745,985,125 |
| Equity and liabilities | | | |
| Share capital | 10 | 100,000,000 | 45,000,000 |
| Share money deposit Navana CNG Limited | | 45,000,000 | 100,000,000 |
| Tax holiday reserve | 11 | 29,924,293 | 17,379,385 |
| Retained earnings | 12 | 94,327,698 | 41,660,833 |
| Sub-Ordinate Capital | 13 | 46,933,137 | 46,933,137 |
| Total equity | | 316,185,128 | 250,973,355 |
| Non Current liabilities | | 261,256,870 | 5,554,569 |
| Deferred tax liability | 14 | 11,256,870 | 5,554,569 |
| Debenture Loan | | 250,000,000 | - |
| Current liabilities | | | |
| Short-term loan | 15 | 639,817,731 | 478,463,599 |
| Provision for income Tax | | 18,117,123 | 6,185,825 |
| Payables & accruals | | 5,049,330 | 4,807,777 |
| Total Current liabilities | | 662,984,184 | 489,457,201 |
| Total Liabilities | | 924,241,054 | 495,011,770 |
| Total Equity & Liabilities | | 1,240,426,182 | 745,985,125 |
| Net assets value per share | | 31.62 | 55.77 |

The annexed notes 1 to 20 & annexure-A form an integral part of these financial statements.

Sd/-
ChairmanSd/-
DirectorSd/-
Company Secretary

Signed in terms of our separate report of even date.

Dated : Dhaka
July 13, 2015Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants

Navana Engineering Limited

Statement of comprehensive income

As at March 31, 2015

| | Notes | 31/03/15 | 31/03/14 |
|--|-----------|--------------------|-------------------|
| | | BD Taka | BD Taka |
| Revenue (net) | 16 | 296,084,262 | 173,515,862 |
| Less: Cost of goods sold | 17 | 182,941,661 | 106,432,668 |
| Gross profit | | 113,142,601 | 67,083,194 |
| Less: Admininration & selling expenses | 18 | 12,348,841 | 9,302,390 |
| Less: Interest expenses | | 14,962,578 | 3,009,208 |
| Profit before contribution to WPPF | | 85,831,182 | 54,771,596 |
| Less: Contribution to WPPF | | 4,087,199 | 2,608,171 |
| Net profit before tax holiday reserve | | 81,743,983 | 52,163,425 |
| Less: Tax holiday reserve | 19 | 12,544,908 | 10,432,685 |
| Net profit after tax holiday reserve | | 69,199,075 | 41,730,740 |
| Less: Income Tax Expenses | 20 | 17,633,599 | 8,949,793 |
| Current tax | | 11,931,298 | 6,077,336 |
| Deferred tax | | 5,702,301 | 2,872,457 |
| Profit after Tax | | 51,565,476 | 32,780,947 |
| Add : Other comprehensive income | | 1,101,389 | 1,586,402 |
| Total Comprehensive Income for the year | | 52,666,865 | 34,367,349 |
| Earnings per share (Restated) | | 6.52 | 9.96 |

The annexed notes 1 to 20 & 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 13,2015

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants

Navana Engineering Limited

Statement of Cash Flows

For the year ended March 31, 2015

| | 31/03/15 | 31/03/14 |
|---|----------------------|----------------------|
| | BD Taka | BD Taka |
| Cash flows from operating activities | | |
| Receipts from customers | 265,040,690 | 173,000,831 |
| Payments for materials, services and expenses | (324,723,569) | (92,214,935) |
| | (59,682,879) | 80,785,896 |
| Interest paid | (14,962,578) | (3,009,208) |
| Income tax paid | (10,258,809) | (3,661,898) |
| Net cash Provided by operating activities | (84,904,266) | 74,114,790 |
| Cash flows from investing activities | | |
| Payments for property, plant and equipment | (7,429,827) | (126,894,665) |
| Capital Work-in- progress | (275,549,182) | (18,285,715) |
| Investment in Shares | (2,993,776) | (1,586,402) |
| Net cash used in investing activities | (285,972,785) | (146,766,782) |
| Cash flows from financing activities | | |
| Proceeds from share money deposit | - | 100,000,000 |
| Proceeds from Debenture Loan | 250,000,000 | - |
| Proceeds from short term loan | 161,354,132 | 119,727,658 |
| Paid to Navana CNG | - | 3,833,744 |
| Net cash inflows from financing activities | 411,354,132 | 223,561,402 |
| Net changes in cash and cash equivalents | 40,477,080 | 150,909,410 |
| Cash and cash equivalents at the beginning of year | 161,452,740 | 10,543,330 |
| Cash and cash equivalents at the end of year | 201,929,820 | 161,452,740 |

Sd/-
Chairman

Sd/-
Director

Sd/-
Company Secretary

Navana Engineering Limited

Statement of Changes in Equity

For the year ended March 31, 2015

| Particulars | Share capital | Share money Deposit | Tax holiday reserve | Retained Earnings | Sub-Ordinate Capital | Total |
|----------------------------------|--------------------|---------------------|---------------------|-------------------|----------------------|--------------------|
| Balance at April 1,2013 | 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 March 31, 2014 | 45,000,000 | 100,000,000 | 17,379,385 | 41,660,833 | 46,933,137 | 250,973,355 |
| Balance at April 1,2014 | 45,000,000 | 100,000,000 | 17,379,385 | 41,660,833 | 46,933,137 | 250,973,355 |
| Net profit for the year | - | - | - | 52,666,865 | - | 52,666,865 |
| Tax holiday reserve | - | | 12,544,908 | - | - | 12,544,908 |
| Transfer to Share Capital | 55,000,000 | (55,000,000) | - | - | - | - |
| Balance at March 31, 2015 | 100,000,000 | 45,000,000 | 29,924,293 | 94,327,698 | 46,933,137 | 316,185,127 |

Sd/-
Chairman

Sd/-
Director

Sd/-
Company Secretary

Navana Engineering Limited

Notes to the Financial Statements

For the year ended March 31, 2015

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, 2015.

2.5 Functional and Presentation Currency

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

2.6 Recognition of Property, Plant and Equipment

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

Depreciation

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

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

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.

View: Product Campaign of Navana Engineering Ltd.



Navana Engineering Limited

Notes to the Financial Statements

Schedule of Property, plant and equipment

As at 31 March 2015

Annexure-A

| Particulars | | | | Rate of Depreciation | | | | Written Down Value as at 31.03.15 |
|---------------------------|--------------------|-------------------------------|--------------------|----------------------|-------------------------------|-------------------------|-------------------|-----------------------------------|
| | As at 01.04.2014 | Cost Addition during the year | As at 31.03.2015 | | Depreciation As at 01.04.2014 | Charged during the year | As at 31.03.2015 | |
| Land and land development | 102,469,719 | - | 102,469,719 | 0% | - | - | - | 102,469,719 |
| Building & Shed | 9,837,036 | 6,252,021 | 16,089,057 | 10% | 2,259,745 | 761,155 | 3,020,900 | 13,068,157 |
| Plant & Machinery | 61,907,741 | 42,655,696 | 104,563,437 | 10% | 11,354,711 | 5,078,676 | 16,433,387 | 88,130,050 |
| Tools & equipment | 26,981,791 | 7,180,065 | 34,161,856 | 10% | 5,695,720 | 2,132,541 | 7,828,261 | 26,333,595 |
| Furniture & fixtures | 338,349 | 232,262 | 570,611 | 10% | 28,207 | 54,240 | 82,447 | 488,164 |
| Motor vehicle | 3,910,500 | 17,500 | 3,928,000 | 10% | 568,425 | 335,958 | 904,383 | 3,023,618 |
| | | | | | | | | |
| Total | 205,445,136 | 56,337,544 | 261,782,680 | | 19,906,808 | 8,362,570 | 28,269,378 | 233,513,303 |

Depreciation Charged to :

TK

Cost of good sold 6,690,056
Administrative & selling Expenses 1,672,514

8,362,570


PVC Pipe

View: Product of Navana Engineering Ltd.

Notes to the Financial Statements

| | | | 31/03/15 | 31/03/14 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--------------------------------------|------------------|-----------------------------|-----------------------------|-------------------|-----------------|------------|-----------------------------|-----------------------------|--------------------|-------|---------|--------|--------|-----------------------------|--------|-----------|-----------|-----------|-----------|--------|-----------|-----------|---------|------------|-------|---------|---------|---|-----------|-------|---------|---------|---|--|---------------|------------------|------------------|------------------|
| | | | BD Taka | BD Taka | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | Property, plant and equipment | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Land and land development | | 102,469,719 | 102,469,719 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Building & Shed | | 13,068,157 | 7,577,291 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Plant & Machinery | | 88,130,050 | 50,553,030 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Tools & equipment | | 26,333,595 | 21,286,071 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Furniture & fixtures | | 488,164 | 310,142 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Motor vehicle | | 3,023,618 | 3,342,075 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | 233,513,303 | 185,538,328 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| *An elaborate schedule of PPE are shown in annexure -A. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | Capital work in progress | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Opening Balance | | 121,529,273 | 103,243,558 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Addition:During the year | | 210,597,153 | 13,290,305 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Borrowing Cost | | 64,952,029 | 4,995,410 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | 397,078,455 | 121,529,273 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Transfer to PPE | | 48,907,717 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Closing Balance | | 348,170,738 | 121,529,273 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Capital Work in progress represents land and land development, civil construction, Plant and mechneries etc for BMRE project at Gabtoli and Baligoan, Kalligonj. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | Investment in shares | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | National Bank Ltd. | | 85,547 | 92,400 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Square pharmaceuticals Ltd. | | 3,766,803 | 2,117,310 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Titas Gas | | 1,059,950 | 310,800 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Jamuna Oil | | 328,636 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Padma Oil | | 273,350 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | 5,514,286 | 2,520,510 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table border="1"> <thead> <tr> <th>Name of the share</th> <th>Number of Share</th> <th>Cost Price</th> <th>Market value as on 31/03/15</th> <th>Market value as on 31/03/14</th> </tr> </thead> <tbody> <tr> <td>National Bank Ltd.</td> <td>8,470</td> <td>222,205</td> <td>85,547</td> <td>92,400</td> </tr> <tr> <td>Square pharmaceuticals Ltd.</td> <td>14,317</td> <td>2,401,051</td> <td>3,766,803</td> <td>2,117,310</td> </tr> <tr> <td>Titas Gas</td> <td>14,500</td> <td>1,128,674</td> <td>1,059,950</td> <td>310,800</td> </tr> <tr> <td>Jamuna Oil</td> <td>1,540</td> <td>299,287</td> <td>328,636</td> <td>-</td> </tr> <tr> <td>Padma Oil</td> <td>1,100</td> <td>361,678</td> <td>273,350</td> <td>-</td> </tr> <tr> <td></td> <td>39,927</td> <td>4,412,895</td> <td>5,514,286</td> <td>2,520,510</td> </tr> </tbody> </table> | | | | | Name of the share | Number of Share | Cost Price | Market value as on 31/03/15 | Market value as on 31/03/14 | National Bank Ltd. | 8,470 | 222,205 | 85,547 | 92,400 | Square pharmaceuticals Ltd. | 14,317 | 2,401,051 | 3,766,803 | 2,117,310 | Titas Gas | 14,500 | 1,128,674 | 1,059,950 | 310,800 | Jamuna Oil | 1,540 | 299,287 | 328,636 | - | Padma Oil | 1,100 | 361,678 | 273,350 | - | | 39,927 | 4,412,895 | 5,514,286 | 2,520,510 |
| Name of the share | Number of Share | Cost Price | Market value as on 31/03/15 | Market value as on 31/03/14 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| National Bank Ltd. | 8,470 | 222,205 | 85,547 | 92,400 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Square pharmaceuticals Ltd. | 14,317 | 2,401,051 | 3,766,803 | 2,117,310 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Titas Gas | 14,500 | 1,128,674 | 1,059,950 | 310,800 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jamuna Oil | 1,540 | 299,287 | 328,636 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Padma Oil | 1,100 | 361,678 | 273,350 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 39,927 | 4,412,895 | 5,514,286 | 2,520,510 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | Inventories | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Stock in raw materials | | 57,600,679 | 26,476,081 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Stock In Transit | | 55,721,526 | 7,161,226 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Closing finished goods | | 57,347,643 | 13,357,493 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | 170,669,848 | 46,994,800 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Navana Engineering Limited

Notes to the Financial Statements

| | | 31/03/15 | 31/03/14 |
|-------------|---|--------------------|--------------------|
| | | BD Taka | BD Taka |
| 7 | Account receivables | | |
| | M/S Hamida Traders | 15,106,481 | 13,852,166 |
| | Md. Kamrul Islam (AM-1060) | 240,948 | - |
| | Shahjalal Enterprise NREL(TRN-00277) | 241,228 | 841,829 |
| | Md.Kamal Hossain(AM)1028 | 15,053,755 | 5,752,436 |
| | MD.Nurul Hassain(AM)1001 | 13,900,893 | 15,039,639 |
| | Md. Rajib Rahgr (1002) | 7,256,494 | - |
| | Md.Rezaul Islam(S.C.) 1009 PRS | 9,760,426 | - |
| | Md. Zahid Hasan 1043(Tender) | 311,351 | - |
| | Tender sales | 3,674,438 | 1,686,230 |
| | Reduan Hossen (Mixer Operation) | 10,998 | - |
| | Eng.Orbindu | 97,100 | - |
| | Huda Sanetery | 5,000 | - |
| | MD. Ibrahim Aman | 8,198 | - |
| | Navana Construction Ltd. | 3,642,375 | - |
| | Navana Elenga Station | 1,282 | - |
| | Navana Welding Project | 1,887 | - |
| | Navana Real State Ltd. | 1,110,495 | - |
| | Others | - | 2,207,477 |
| | | 70,423,349 | 39,379,777 |
| 8 | Advances, deposits & prepayments | | |
| | Advance for rent | 2,800,000 | 2,300,000 |
| | Advance for Tender | 220,730 | 215,000 |
| | Advance Income Tax | 17,598,152 | 7,339,343 |
| | Advance Trade Vat | 37,766 | 37,766 |
| | Advance Bank Guarantee | 3,417,256 | 1,053,800 |
| | Clearing & forwarding agent | 1,351,023 | - |
| | Dunhill Corporation | 2,897,775 | - |
| | IMB International BD | 5,800 | - |
| | Advance against local procurement | 2,960,823 | - |
| | Jakshon international Ltd. | 251,031 | 251,031 |
| | Vat Current Account | 4,548,087 | 3,334,862 |
| | Rose vally International | 78,500 | - |
| | | 36,166,943 | 14,531,802 |
| 9 | Cash & Cash Equivalent | | |
| | Cash in hand | 1,166,207 | 3,414,379 |
| | Cash at Bank | 200,763,613 | 158,038,361 |
| | | 201,929,820 | 161,452,740 |
| 9.01 | Cash at bank | | |
| | Al- Arafah Islami Bank | 5,777 | 6,927 |
| | Islami Bank Ltd. | 797,770 | - |
| | Jamuna Bank Ltd | 3,302 | 4,452 |
| | Shahjalal islami Bank Ltd. | 45,395 | 46,665 |
| | Southeast Bank Ltd | 2,379,153 | 16,171,897 |
| | Standard Bank Limited | 858,964 | 14,128,570 |
| | Dutch Bangla Bank Ltd. | 23,971,563 | 26,735,738 |
| | One Bank Ltd. | 21,665,786 | 50,939,112 |
| | Mutual Trust Bank Ltd. | 10,000 | - |
| | Trust Bank Ltd. | 150,003,557 | 50,005,000 |
| | Modhumoti Bank Ltd. | 1,022,346 | - |
| | | 200,763,613 | 158,038,361 |

Navana Engineering Limited

Notes to the Financial Statements

| | 31/03/15 | 31/03/14 |
|--|--------------------|--------------------|
| | BD Taka | BD Taka |
| 10 Authorized Capital: | | |
| 10,000,000 Ordinary Shares @ Tk. 10 each | 100,000,000 | 100,000,000 |
| Issued, Subscribed and Paid-up Capital | 100,000,000 | 45,000,000 |
| 10,000,000 Ordinary Shares @ Tk. 10 each | 50 | 50 |
| Non -controlling interest (Sponsors) | 99,999,950 | 44,999,950 |
| Navana CNG Limited | 100,000,000 | 45,000,000 |
| 11 Tax holiday reserve | | |
| Opining balance | 17,379,385 | 6,946,700 |
| Add: addition during the year | 12,544,908 | 10,432,685 |
| | 29,924,293 | 17,379,385 |
| 12 Retained earnings | | |
| Opening balance | 41,660,833 | 7,293,484 |
| Add: Total Comprehensive Income for the year | 52,666,865 | 34,367,349 |
| Closing balance | 94,327,698 | 41,660,833 |
| 13 Sub-Ordinate Capital | 46,933,137 | 46,933,137 |
| 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. | | |
| 14 Calculation of Deferred tax: | | |
| Taxable temporary difference | 32,162,487 | 15,870,196 |
| Tax rate | 35.0% | 35.0% |
| Deferred tax liabilities | 11,256,870 | 5,554,569 |
| Less: opening balance | 5,554,569 | (2,682,112) |
| Provision made during the year | 5,702,301 | 2,872,456 |
| 15 Short-term loan | | |
| IFIC Bank Ltd. (CC loan) | 468,119,002 | 467,665,089 |
| One Bank Ltd. (LTR AC) | 98,747,661 | 10,798,510 |
| Standard Bank Limited (Upas) | 72,951,068 | - |
| | 639,817,731 | 478,463,599 |
| 16 Revenue (net) | | |
| HDPE Coil Pipe | 4,013,914 | 9,445,188 |
| HDPE Coil(Wash) | - | 1,982,000 |
| HDPE Duct Pipe | 111,592,000 | 69,292,935 |
| PPR Pipe Fittings | 6,009,052 | 3,981,021 |
| PPR Pipe | 36,756,262 | 37,570,210 |
| uP V C Pipe | 178,697,979 | 66,296,111 |
| uP V C Pipe Fitting | 3,429,635 | 2,765,688 |
| Less: VAT | (44,414,580) | (17,817,291) |
| | 296,084,262 | 173,515,862 |

Navana Engineering Limited

Notes to the Financial Statements

| | | 31/03/15 | 31/03/14 |
|--------------|---|--------------------|--------------------|
| | | BD Taka | BD Taka |
| 17 | Cost of goods sold | | |
| | Raw materials Consumed | 17.01 202,685,023 | 100,280,036 |
| | Add: Factory overhead | 17.02 24,246,788 | 12,946,742 |
| | | 226,931,811 | 113,226,778 |
| | Add: Opening finished goods | 13,357,493 | 6,563,383 |
| | | 240,289,304 | 119,790,161 |
| | Less: Closing finished goods | 57,347,643 | 13,357,493 |
| | | 182,941,661 | 106,432,668 |
| 17.01 | Raw materials | | |
| | Opening stock of raw materials | 26,476,081 | 56,175,858 |
| | Add: Purchased during the year | 233,809,621 | 70,580,259 |
| | | 260,285,702 | 126,756,117 |
| | Less: Closing stock of raw material | 57,600,679 | 26,476,081 |
| | | 202,685,023 | 100,280,036 |
| 17.02 | Factory overhead | | |
| | Wages & Salary | 7,462,937 | 1,601,246 |
| | Gas for Generator | 18,000 | - |
| | Electricity | 9,915,052 | 4,912,470 |
| | Factory Machine Repair | 160,743 | - |
| | Depreciation | 6,690,056 | 6,433,026 |
| | | 24,246,788 | 12,946,742 |
| 18 | Administration and selling expense | | |
| | Salary & allowances | 4,462,176 | 4,356,094 |
| | Audit Fee | 25,000 | 25,000 |
| | Bank charge | 111,517 | 49,035 |
| | Telephone & mobile expense | 84,729 | 64,912 |
| | Conveyance | 364,399 | 591,929 |
| | Electrical expense | 658,315 | 18,005 |
| | Entertainment | 1,554,344 | 385,650 |
| | Internet bill | 126,360 | 18,200 |
| | Transport Expenses | 76,896 | 106,720 |
| | Newspaper & periodicals | 10,932 | 1,540 |
| | Office maintenance | 798,499 | 866,461 |
| | Carrying Charge | 183,371 | - |
| | Photocopy expense | 2,188 | 2,747 |
| | Postage & stamp | 84,433 | 39,139 |
| | Printing expense | 184,867 | 50,671 |
| | Stationary expense | 202,201 | 74,376 |
| | Registration & renewals | 353,482 | 225,614 |
| | Gas & Diesel | 504,290 | 351,943 |
| | Vehicle Expense | 261,198 | 110,000 |
| | Travelling Expense | 627,130 | 356,098 |
| | Depreciation | 1,672,514 | 1,608,256 |
| | | 12,348,841 | 9,302,390 |

Navana Engineering Limited

Notes to the Financial Statements

- 19 Tax Holiday Reserve**
Taxable Operating profit
 50% on 11 Month operating profit
 25% on 1 Month operating profit
Tax Holiday Reserve 40%

 50% on 11 Month operating profit
 75% on 1 Month operating profit
Current Tax 35%

- 20 Income tax Expense**
 Current tax
 Deferred tax

| | 31/03/15 | 31/03/14 |
|--|-------------------|-------------------|
| | BD Taka | BD Taka |
| | 65,451,693 | |
| | 29,998,693 | 26,081,713 |
| | 1,363,577 | - |
| | 12,544,908 | 10,432,685 |
| | | |
| | 29,998,693 | - |
| | 4,090,731 | - |
| | 11,931,298 | - |
| | | |
| | 17,633,599 | 8,949,792 |
| | 11,931,298 | 6,077,336 |
| | 5,702,301 | 2,872,456 |



View: Work-in progress at Kaligoni Project (Navana Engineering Ltd.)



**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, 2015, 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 15 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, 2015, 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 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; and
- 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.

Dated : Dhaka
July 13, 2015

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants

Navana Welding Electrode Limited

Statement of Financial Position

As at March 31, 2015

| | Notes | 31/03/15 | 31/03/14 |
|---------------------------------------|-------|--------------------|--------------------|
| | | BD Taka | BD Taka |
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3 | 227,207,514 | 241,779,289 |
| Capital Work-in- Progress | 4 | 106,518,057 | 58,345,274 |
| Total Non-Current assets | | 333,725,571 | 300,124,563 |
| Current assets | | | |
| Inventories | 5 | 75,237,353 | 76,703,914 |
| Trade receivables | | 25,643,843 | 12,256,655 |
| Intercompany Receivable | | 22,987,762 | 22,987,762 |
| Advances, deposits & prepayments | 7 | 15,116,064 | 10,061,785 |
| Cash & Cash equivalent | 8 | 34,628,055 | 38,302,634 |
| Total current assets | | 173,613,077 | 160,312,750 |
| Total assets | | 507,338,648 | 460,437,313 |
| Equity and liabilities | | | |
| Equity | | | |
| Share capital | 9 | 100,000,000 | 100,000,000 |
| Retained earnings | 10 | 23,539,233 | 5,862,487 |
| Sub-Ordinate Capital | 11 | 97,179,389 | 97,179,389 |
| Total equity | | 220,718,622 | 203,041,876 |
| Non-current liabilities | | | |
| Deferred tax liabilities | 12 | 19,811,094 | 18,440,109 |
| Current liabilities | | | |
| Short-term loan | 13 | 249,962,722 | 218,288,053 |
| Provision for income tax | | 8,660,725 | 4,594,973 |
| Payables & accruals | | 8,185,485 | 16,072,301 |
| Total current liabilities | | 266,808,932 | 238,955,327 |
| Total Liabilities | | 286,620,026 | 257,395,436 |
| Total equity & liabilities | | 507,338,648 | 460,437,313 |

The annexed notes 1 to 15 & annexure-A form an integral part of these financial statements.

Sd/-
ChairmanSd/-
DirectorSd/-
Company Secretary

Signed in terms of our separate report of even date.

Dated : Dhaka
July 13, 2015Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants

Navana Welding Electrode Limited

Statement of comprehensive income

As at March 31, 2015

| | Notes | 31/03/15 | 31/03/13 |
|--|-------|-------------------|-------------------|
| | | BD Taka | BD Taka |
| Revenue (net) | | 248,504,872 | 126,494,251 |
| Less: Cost of sales | 14 | 184,271,730 | 93,115,217 |
| Gross profit | | 64,233,142 | 33,379,034 |
| Less: Administrative and selling expenses | 15 | 19,721,210 | 7,784,190 |
| Less: Interest expenses | | 20,242,775 | 3,933,970 |
| Operating profit | | 24,269,157 | 21,660,874 |
| Add: Other income | | - | - |
| Profit before contribution to WPPF | | 24,269,157 | 21,660,874 |
| Less: Contribution to WPPF | | 1,155,674 | 1,031,470 |
| Profit before tax | | 23,113,483 | 20,629,404 |
| Less: Income tax expenses | | 5,436,737 | 6,312,132 |
| Current tax | | 4,065,752 | 1,494,411 |
| Deferred tax liabilities | | 1,370,985 | 4,817,721 |
| Total Comprehensive Income for the year | | 17,676,746 | 14,317,272 |
| Earnings per share | | 1.77 | 1.43 |

The annexed notes 1 to 15 & 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 13,2015

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants

Navana Welding Electrode Limited

Statement of Cash Flows

For the year ended March 31, 2015

| | 31/03/15 | 31/03/14 |
|--|---------------------|---------------------|
| | BD Taka | BD Taka |
| A. Cash flows from operating activities | | |
| Receipts from customers | 235,117,684 | 129,073,278 |
| Receipts of other income | - | - |
| Payments for materials, services and expenses | (193,072,595) | (49,040,099) |
| | 42,045,089 | 80,033,179 |
| Income tax paid | (2,548,107) | (1,537,743) |
| Interest paid | (20,242,775) | (3,933,970) |
| Net cash Inflow by operating activities | 19,254,207 | 74,561,466 |
| B. Cash flows from investing activities | | |
| Acquisition of property, plant and equipment | (6,430,672) | (20,784,687) |
| Capital Work-in-progress | (48,172,783) | (6,164,882) |
| Net cash used by investing activities | (54,603,455) | (26,949,569) |
| C. Cash flows from financing activities | | |
| Inter Company receivable | - | (10,387,762) |
| Proceeds from Short-term loan | 31,674,669 | (7,822,356) |
| Net cash inflows from financing activities | 31,674,669 | (18,210,118) |
| D. Net changes in cash and cash equivalents (A+B+C) | (3,674,579) | 29,401,779 |
| Cash and cash equivalents at the beginning of year | 38,302,634 | 8,900,855 |
| E. Cash and cash equivalents at the end of year | 34,628,055 | 38,302,634 |

Sd/-
Chairman

Sd/-
Director

Sd/-
Company Secretary

Navana Welding Electrode Limited

Statement of Changes in Equity

For the year ended March 31, 2015

| Particulars | Share capital | Retained Earnings | Sub-Ordinate Capital | Total |
|----------------------------------|--------------------|-------------------|----------------------|--------------------|
| Balance at April 1, 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 March 31, 2014 | 100,000,000 | 5,862,487 | 97,179,389 | 203,041,876 |
| Balance at April 1, 2014 | 100,000,000 | 5,862,487 | 97,179,389 | 203,041,876 |
| Net profit for the year | - | 17,676,746 | - | 17,676,746 |
| Balance at March 31, 2015 | 100,000,000 | 23,539,233 | 97,179,389 | 220,718,622 |

Sd/-
Chairman

Sd/-
Director

Sd/-
Company Secretary



View: Navana Welding Electrode Ltd. Factory at Mirzapur, Gazipur

Navana Welding Electrode Limited

Notes to the Financial Statements

For the year ended March 31, 2015

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 31 consistently. These financial statements have been prepared for the year ended March 31, 2015.

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.

View: Product of Navana Engineering Limited |



Navana Welding Electrode Limited

Notes to the Financial Statements

Schedule of Property, plant and equipment

As at 31 March 2015

Annexure-A

| Particulars | Cost | | | Rate of Depreciation | Depreciation | | | Written Down Value at 31.03.15 |
|-------------------------------|--------------------|--------------------------|--------------------|----------------------|-------------------|-------------------------|-------------------|--------------------------------|
| | As at 01.04.2014 | Addition during the year | As at 31.03.2015 | | As at 01.04.2014 | Charged during the year | As at 31.03.2015 | |
| Land and land development | 38,185,500 | - | 38,185,500 | 0% | - | - | - | 38,185,500 |
| Building & civil construction | 35,968,035 | 520,410 | 36,488,445 | 10% | 4,235,855 | 3,225,259 | 7,461,114 | 29,027,331 |
| Plant & machinery | 139,007,688 | 2,745,689 | 141,753,377 | 10% | 16,816,728 | 12,493,665 | 29,310,393 | 112,442,984 |
| Office equipment | 5,188,723 | 1,241,885 | 6,430,608 | 10% | 267,690 | 616,292 | 883,982 | 5,546,626 |
| Furniture & fittings | 3,002,707 | 119,820 | 3,122,527 | 10% | 342,112 | 278,043 | 620,155 | 2,502,373 |
| Electrical equipment | 38,090,335 | 159,714 | 38,250,049 | 10% | 4,059,646 | 3,419,040 | 7,478,686 | 30,771,363 |
| Vehicles | 8,587,134 | 1,643,154 | 10,230,288 | 10% | 528,802 | 970,149 | 1,498,951 | 8,731,337 |
| Total | 268,030,122 | 6,430,672 | 274,460,794 | | 26,250,833 | 21,002,447 | 47,253,280 | 227,207,514 |

Depreciation Charged to :

TK

Cost of good sold 16,801,958
Administrative & selling Expenses 4,200,490

21,002,448

View: Product of Navana Welding Electrode Ltd.



Navana Welding Electrode Limited

Notes to the Financial Statements

| | | 31/03/15 | 31/03/14 |
|----------|---|--------------------|--------------------|
| | | BD Taka | BD Taka |
| 3 | Property, plant and equipment net | | |
| | Land and land development | 38,185,500 | 38,185,500 |
| | Building & civil construction | 29,027,331 | 31,732,180 |
| | Plant & machinery | 112,442,984 | 122,190,960 |
| | Office equipment | 5,546,626 | 4,921,033 |
| | Furniture & fittings | 2,502,373 | 2,660,595 |
| | Electrical equipment | 30,771,363 | 34,030,689 |
| | Vehicles | 8,731,337 | 8,058,332 |
| | | 227,207,514 | 241,779,289 |
| | *An elaborate schedule of PPE are shown in annexure -A. | | |
| 4 | Capital work in progress | | |
| | Opening Balance | 58,345,274 | 52,180,392 |
| | Addition: during the year | 48,172,783 | 6,164,882 |
| | Closing Balance | 106,518,057 | 58,345,274 |
| 5 | Inventories | | |
| | Raw materials | 28,140,950 | 28,091,501 |
| | Work-in-process | 13,070,732 | 6,810,397 |
| | Finished goods | 22,500,225 | 41,802,016 |
| | Stock In Transit | 5,450,732 | - |
| | Spare parts | 5,748,919 | - |
| | Fuel | 325,795 | - |
| | | 75,237,353 | 76,703,914 |
| 6 | Trade receivables | | |
| | Sylhet Zone | 576,485 | 104,590 |
| | Jessore Zone | 2,667,218 | 854,214 |
| | Dhaka South zone | 6,841,071 | 3,872,014 |
| | Dhaka North zone | 6,835,611 | 2,272,816 |
| | Rajshahi Zone | 1,952,262 | 1,131,387 |
| | Rangpur Zone | 874,831 | 456,319 |
| | Chitta. South Zone | 2,815,120 | 1,578,145 |
| | Chitta. North Zone | 1,993,105 | 1,236,570 |
| | Barishal Zone | 1,088,140 | 750,600 |
| | | 25,643,843 | 12,256,655 |
| 7 | Advances, deposits & prepayments | | |
| | Advance for Fixed Assets | 836,713 | 833,793 |
| | Advance Income Tax | 7,756,618 | 5,208,511 |
| | Advance to Suppliers | 4,121,476 | 2,400,566 |
| | Advance Trade Vat | - | 512,915 |
| | Earnest Money & Security Deposit | 926,000 | 926,000 |
| | Security Deposit Bangladesh Railway | 547,805 | - |
| | Advance House Rent | 540,000 | 180,000 |
| | Vat Current Account | 381,452 | - |
| | Advance against Salary | 6,000 | - |
| | | 15,116,064 | 10,061,784 |
| 8 | Cash & Cash equivalent | | |
| | Cash in hand | 3,550,956 | 653,102 |
| | Cash at bank | 31,077,099 | 37,649,532 |
| | | 34,628,055 | 38,302,634 |

8.01

Navana Welding Electrode Limited

Notes to the Financial Statements

| | 31/03/15 | 31/03/14 |
|--|--------------------|--------------------|
| | BD Taka | BD Taka |
| 8.01 Cash at bank | | |
| Al-Arafah Bank Ltd. | 5,777 | 8,077 |
| Dutch Bangla Bank Ltd. | 9,542,838 | 6,668,774 |
| Jamuna Bank Ltd. | 562 | 2,862 |
| Mercantile Bank Ltd. | 1,056,498 | 1,242,743 |
| Prime Bank Ltd. | 44,897 | 1,579,652 |
| Mutual Trust Bank Ltd. | 6,112,036 | 2,570,404 |
| Tust Bank Ltd. | 3,617 | 20,004,940 |
| Asia Bank | 4,245,940 | 3,766,689 |
| Shahjalal Islami Bank Ltd. | 637,058 | 592,192 |
| Standard Bank Ltd. | 9,197,794 | 361,544 |
| Islami Bank Ltd. | 163,215 | 851,655 |
| Sonali Bank Ltd. | 66,867 | - |
| | 31,077,099 | 37,649,532 |
| 9 Authorized Capital: | | |
| 50,000,000 Ordinary Shares @ Tk. 10 each | 500,000,000 | 500,000,000 |
| Issued, Subscribed and Paid-up Capital | | |
| 10,000,000 Ordinary Shares @ Tk. 10 each | 100,000,000 | 100,000,000 |
| Non -controlling interest (Sponsors) | 50 | 50 |
| Navana CNG Limited | 99,999,950 | 99,999,950 |
| | 100,000,000 | 100,000,000 |
| 10 Retained earnings | | |
| Opening balance | 5,862,487 | (8,454,785) |
| Add: Total Comprehensive Income for the year | 17,676,746 | 14,317,272 |
| Closing balance | 23,539,233 | 5,862,487 |
| 11 Sub-Ordinate Capital | 97,179,389 | 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 until otherwise decided by the Company. | | |
| 12 Calculation of Deferred tax: | | |
| Taxable temporary difference | 62,892,362 | 52,686,027 |
| Tax rate | 31.5% | 35.0% |
| Deferred tax liabilities | 19,811,094 | 18,440,109 |
| Less: opening balance | 18,440,109 | 13,622,389 |
| Provision made during the year | 1,370,985 | 4,817,720 |
| 13 Short-term loan | | |
| IFIC Bank Ltd. A/C No. | 207,952,092 | 207,868,490 |
| Shahjalal Islami bank Ltd. (LTR) | 13,080,049 | 2,517,468 |
| Mercantile Bank Ltd. (LTR) | 7,353,764 | 7,902,095 |
| Standard Bank Limited(Upas Loan) | 21,576,817 | - |
| | 249,962,722 | 218,288,053 |

Navana Welding Electrode Limited

Notes to the Financial Statements

| | | 31/03/15 | 31/03/14 |
|--------------|---------------------------------------|--------------------|--------------------|
| | | BD Taka | BD Taka |
| 14 | Cost of goods sold | | |
| | Raw materials | 134,751,348 | 97,606,145 |
| | Factory overhead | 32,955,912 | 26,077,213 |
| | Direct Cost | 3,523,014 | 2,905,205 |
| | | 171,230,274 | 126,588,563 |
| | Add: Opening Work in Process | 6,810,397 | 7,495,511 |
| | | 178,040,671 | 134,084,074 |
| | Less: Closing Work in Process | 13,070,732 | 6,810,397 |
| | | 164,969,939 | 127,273,677 |
| | Add: opening stock of finished goods | 41,802,016 | 7,643,556 |
| | | 206,771,955 | 134,917,233 |
| | Less: Closing stock of finished goods | 22,500,225 | 41,802,016 |
| | | 184,271,730 | 93,115,217 |
| 14.01 | Raw materials | | |
| | Opening stock of raw materials | 28,091,501 | 50,889,722 |
| | Add: Purchase for the year | 134,800,797 | 74,807,924 |
| | | 162,892,298 | 125,697,646 |
| | Less: Closing stock of raw materials | 28,140,950 | 28,091,501 |
| | | 134,751,348 | 97,606,145 |
| 14.02 | Factory overhead | | |
| | Salary & Wages | 5,820,038 | 2,506,599 |
| | Festival Bonus | 749,242 | 352,010 |
| | Chemical Exp | 23,805 | 31,056 |
| | Cleaning & Washing Exp | 12,500 | 800 |
| | Carrying charge | 254,534 | 34,250 |
| | Conveyance | 53,816 | 52,334 |
| | Daily Allowance | 78,677 | 209,977 |
| | Dress & Uniform | 3,700 | 67,860 |
| | Earn leave Allowance | 223,058 | 93,000 |
| | Electrical Expenses | 212,445 | 255,448 |
| | Entertainment exp | 919,564 | 463,370 |
| | Fuel Exp | 2,721,156 | 2,309,574 |
| | Internet exp | 95,550 | 68,562 |
| | Labour Chg | 116,350 | 99,360 |
| | Medical Exp | 9,399 | 19,210 |
| | Oil & Lubricant exp | 340,200 | 415,700 |
| | Paper & Periodical | 5,350 | 3,656 |
| | Stationary | 75,945 | 165,555 |
| | Spare Parts | 988,101 | - |
| | TA/DA Expenses | - | 122,631 |
| | Repair Maintenance | 1,000,981 | 952,672 |
| | Insurance Expense | 62,370 | - |
| | Telephone & Mobile Bill | 98,582 | 108,082 |
| | Electricity bill | 1,659,552 | 926,039 |
| | Security gard bill | 629,039 | - |
| | Depreciation | 16,801,958 | 16,819,468 |
| | | 32,955,912 | 26,077,213 |

Navana Welding Electrode Limited

Notes to the Financial Statements

15 Administration and selling expense

Salary & Allowance

Festival Bonus

Conveyance

Daily Allowance

Electricity bill

Entertainment

Gas Bill

Internet bill

Labor bill

Telephone & Mobile Bill

News Papers

Office Rent

Repair and Maintenance

Fuel Expenses

Postage & Courier

Printing

Stationery

Registration & Renewal Exp

Service Charges

TA/DA Allowances

Audit Fee

Bank Charges

Depreciation

31/03/15

31/03/14

BD Taka

BD Taka

10,025,999

1,913,286

717,198

-

276,585

76,090

307,703

106,623

85,040

48,589

138,856

20,000

8,100

4,950

78,332

30,998

181,180

87,600

136,502

65,560

11,645

9,066

818,064

347,000

581,241

139,271

310,292

56,009

9,728

64,953

980,150

56,745

85,099

78,665

224,868

136,788

61,800

54,000

315,001

111,128

25,000

25,000

142,337

147,002

4,200,490

4,204,867

19,721,210

7,784,190

View: Working in the factory of Navana Welding Electrode Ltd.



Navana CNG Limited

Registered Office :

Islam Chamber

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