

"If you have any queries about this document, you may consult issue manager or issuer."

Information Document for Direct Listing of

NAVANA CNG LIMIED

Islam Chamber (4th Floor),
125/A, Motijheel Commercial Area, Dhaka-1000
Phone – 88-02-9552212.Fax - 88-02-9566324,E-mail: navana@bangla.net.
Website: www.navanacng.com

Offloading of 18,150,000 Ordinary Shares of Tk.10 each

Listing Approval Date DSE : July 26, 2009
Listing Approval Date CSE : August 02, 2009

Manager to the Issue

ICB Capital Management Limited
(A Subsidiary of ICB)
BSB Building(14th Floor),
8, DIT Avenue, Dhaka-1000

Date of Information Document : July ----, 2009
The issue shall be placed in "N" category

Entity Rating of Navana CNG Limited

Long Term: AA₂
Date of Rating: 29th April 2009
Validity: One (1) year

"CONSENT OF THE DHAKA AND CHITTAGONG STOCK EXCHANGE LIMITED HAS BEEN OBTAINED TO THE ISSUE/OFFER OF THESE SECURITIES UNDER THE DHAKA/CHITTAGONG STOCK EXCHANGE (DIRECT LISTING) REGULATIONS, 2006. IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS CONSENT THE EXCHANGES DO NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE COMPANY, ANY OF ITS PROJECTS OR THE ISSUE PRICE OF ITS SHARES OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINION EXPRESSED WITH REGARD TO THEM. SUCH RESPONSIBILITY LIES WITH THE ISSUER, ITS DIRECTORS, CHIEF EXECUTIVE OFFICER/CHIEF FINANCIAL OFFICER, ISSUE MANAGER AND/OR AUDITOR."

Availability of Information Document

Information Document of the Company may be available at the following addresses:

Company	Contact Person	Contact Number
Navana CNG Limited	Tareq Enamur Rahim	Phone: 88-02-9552212
Islam Chamber (4 th Floor), 125/A,	Company Secretary	Fax:880-2-9566324
Motijheel Commercial Area,		E-mail:navana@bangla.net
Dhaka-1000		Website: www.navanacng.com

Issue Manager	Contact Person	Contact Number
ICB Capital Management Ltd.	Mr Md Abdur Rouf Chief Executive Officer	Tel : 02-7160422,7160326- 27, 9563455 EXT 196
BSB Building (14th Floor),		E-mail : ceocmcl@accesstel.net
8 DIT Avenue, Dhaka-1000		Website : www.icbcmcl.com.bd

Stock Exchanges	Available at	Contact Number
Dhaka Stock Exchange Ltd. 9/F Motijheel C/A, Dhaka-1000.	DSE Library	Phone :88-02-9564601,7175705-9 Fax :88-02-9564727 E-mail : dse@bol-online.com Website: www.dsebd.org
Chittagong Stock Exchange Ltd. CSE Building, 1080 Sheikh Mujib Road, Chittagong.	CSE Library	Phone :88-031-714632-3, 720871-3 Fax :88-031-714101 E-mail : cse@cse.com.bd Website: www.cse.com.bd

Information Document would also be available on the web site of SEC (www.secbd.org), DSE (www.dsebd.org), CSE (www.cse.com.bd and www.csebd.com), and Public Reference Room of the Securities and Exchange Commission (SEC) for reading and studying.

Table of Contents

Sl. No.	Item	Page No.
A	Disposal of Share:	6
B	Risk Factors and Management Perception:	11
C	Description of Business: Information about the Company: Principal products or services of the Company: Market for the products or services of the company: The relative contribution to sales and income of each product or service in case of more than one product or service: Name of associates, subsidiary/related holding company and their core areas of business: Distribution procedure of products or services: Competitive conditions in the business: Sources and availability of raw materials and the names of the principal suppliers: Sources of, and requirement for, power, gas and water: Names of customers who purchase 10% or more of the company's products: Description of any contract which the Company has with its principal suppliers or customers: Description of any material patents, trademarks, licenses or royalty agreements: Number of total employees and number of full-time employees: Production capacity and current utilization:	13
D	Description of Property: Location of the principal plants and other property and the condition thereof: Property owned by the company or taken on lease: Mortgage or other type of lien on the property owned by the company: Expiration date of the lease, if it is taken on lease:	20
E	Plan of Operation and Discussion on Financial Conditions: Internal and external sources of cash: Material commitments for capital expenditure and the expected sources of funds: Causes of any material changes in income, cost of goods sold, other operating expenses and net income: Seasonal Aspects: Known trends, events or uncertainties: Change in the assets used to pay off any liabilities: Loans taken from the holding/Subsidiary company or loans given to those companies: Future contractual liabilities: Sources of VAT, income tax, customs duty and other tax liabilities yet to be paid: Details of operating lease (if any) during last five years: Last five years Financial Commitment including Lease Commitment: Personnel related schemes to make provision in future years: Break down of all expenses including fee of issue manager: Revaluation of assets: Last five years' transactions between the issuer company and its subsidiary/holding company: Special report from the auditors regarding any allotment of shares to promoters or sponsors: Material information having an impact on the affairs of the company: Status of Loans:	22

F	<p>Directors and Officers:</p> <p>Name, age and position of all Directors, alternate Directors of the company: Date of first becoming Director and date of expiry of current term: Involvement of Directors with other companies: Involvement of Directors with listed company in terms of dividend and category: Family relationship among directors, alternate directors, nominees and officers: Short bio-data of each director: Holding of 5% or more shares in the paid-up capital by the directors or shareholders of the Issuer is loan defaulter in terms of the CIB report of the Bangladesh Bank: Description of Senior executives and officers:</p>	28
G	<p>Involvement of Officers and Directors in certain legal proceedings:</p>	35
H	<p>Certain Relationships And Related Transactions:</p> <p>Involvement of director or executive officer in the transaction with the issuer: Involvement of any Director or Officer: Involvement of any person in the transaction with the issuer owning 5% or more of the outstanding stock of the issuer : Involvement of any family members of the above persons in the transaction with the issuer: Involvement of any transaction between the issuing company and a director of the company or any of its subsidiary /holding company: Loans taken from, or given to, any director or any person connected with the director: Holding position of any director in any company, society, trust, organization or other firms: Pecuniary or non-pecuniary interests and facilities enjoyed by a director:</p>	36
I	<p>Executive Compensation:</p> <p>Name and designation with the amount of remuneration paid to the top ten salaried officers in the last accounting year: Aggregate amount of remuneration paid to all officers and directors in the last accounting year: Remuneration paid to any Director who was not an officer during the last accounting year: Contract with any officer or director for the payment of future compensation: Increment in the remuneration to the officers and directors of the company in the current year:</p>	38
J	<p>Options granted to Officers, Directors and Employees:</p> <p>Options held by the three top salaried officers, each director and all other officers: Options held by any persons other than the officers and directors:</p>	40
K	<p>Transaction with Promoters:</p>	41
L	<p>Tangible assets per share:</p> <p>Net Tangible assets per share of the securities being offered :</p>	42
M	<p>Ownership of the Company's Securities:</p> <p>Name and address of the persons owning 5% or more of the securities of the issuer: Number of shares owned by the top ten salaried officers, directors and all other officers:</p>	44
N	<p>Description of Securities Outstanding or Being Offered:</p> <p>Dividend, voting and preemption rights of the shares outstanding or being offered: Dividend, voting and conversion and liquidation rights of any preferred stock outstanding or being offered:</p>	45

Limitations on the payment of dividends to common or preferred stockholders:

Other material rights of common or preferred stockholders:

O	Debt Securities: Terms and conditions of debt securities that the company may have issued or to be issued: Principal amount, maturity date, interest rate and other features of all debt securities: All other material provisions giving or limiting the rights of the holders of debt: Trustees designated by the indenture for outstanding debt or for debt being offered:	47
P	Financial Statements: Auditors' Report: Selected Ratios: Comparative income statements and balance sheet for immediate preceding five accounting years:	48
Q	Credit Rating Report:	82
R	Financial Forecast:	89
S	Additional Disclosures:	92



A. Disposal of Shares:

Details of Offloading of Shares by the Existing Shareholders as per Regulation 5 of Dhaka/Chittagong Stock Exchange (Direct Listing) Regulations, 2006:

The existing shareholders of the Company offer to offload 18,150,000 ordinary shares of Tk.10 each with a minimum market lot of 100 (One hundred) shares following the Regulation 5 of Dhaka/Chittagong Stock Exchange (Direct Listing) Regulations, 2006, the Depository Act, 1999 and regulations issued there under:

1. As resolved in the Meeting of Board of Directors Navana CNG Limited and also as per resolution taken in the EGM of Navana CNG Limited, 50% of NCL's shares (i.e., 18,150,000 shares) to be sold to the general public/institutions at market price.
2. The Information Document as per Annexure B to Dhaka/Chittagong Stock Exchange (Direct Listing) Regulations, 2006, as vetted by DSE & CSE, shall be published in at least two widely circulated national dailies (One in English and one in Bengali) minimum 7 (Seven) days before commencement of trade upon listing by DSE & CSE along with an electronic copy for posting in the web page of DSE & CSE.
3. The Company shall simultaneously submit the vetted Information Document with all exhibits to SEC, to the stock Exchange(s) where it intends to list its securities.
4. The existing shareholders of the Company shall sell their shares through brokers of the Exchange upon listing.
5. No existing shareholder of the Company shall sell more than 50% of his existing shareholdings until the Company holds the annual general meeting after completion of one full accounting year of the Company upon listing with the Exchanges.
6. The conditions stated in clauses 4 and 5 are subject to the provision that the existing shareholders shall offer for sell at least 10% of the shareholdings in the company within 30 (thirty) working days from the date of listing.
7. The following declaration is made by the Company in the Information Document, namely:-

“Declaration about Listing of Shares with the Stock Exchange(s):

Applications have been made to the Dhaka and Chittagong Stock Exchanges for permission of the shares of the Company for dealing in both the said Stock Exchanges and for the quotation of the stock exchanges. After fulfillment of all requirements by the Company, the Exchanges shall list the Company's shares within three weeks from the date of Publication of the Information Document, as mentioned in regulation 4, under intimation to the Commission, provided there is no contrary opinion of the Commission in this respect.

In case of failure to fulfill the requirements by the Company, the Exchanges shall reject the application for listing showing reasons thereof, under intimation to the Securities and Exchange Commission within 60 (sixty) days from the date of application.”

Date: 25.05.2009

To
The Secretary
Dhaka Stock Exchange Limited
Dhaka.

Dear Sir,
UNDERTAKING

We undertake, unconditionally, to abide by the Listing Regulations of the Dhaka Stock Exchange Limited as well as other relevant securities laws which presently are, or hereinafter may be in force.

We further undertake:

(1) That our shares and securities shall be quoted on the Ready Quotation List and/or the Cleared List at the discretion of the Exchanges.

(2) That the Exchanges shall not be bound by our request to remove the shares or securities from the Ready Quotation List and/or the Cleared List.

(3) That the Exchanges shall have the right, at any time to suspend or remove the said shares or securities for any reason which the Exchanges considers sufficient in public interest.

(4) That such provisions in the Articles of Association of our Company or in any declaration or basis relating to any security as are or otherwise not deemed by the Exchanges to be in conformity with the Listing Regulations of the Exchanges shall, upon being called upon by the Exchanges, be amended to supersede the Articles of Association of our Company or the declaration or basis relating to any security; and

(5) That our Company and/or the security may de-listed by the Exchanges in the event of non-compliance and breach of the Regulations and/or other relevant securities laws of this undertaking after giving an opportunity of being heard to us.

Yours faithfully,

Sd/-
Shafiul Islam
Chairman
Navana CNG Limited.

25 May 2009

The Board of Directors
Chittagong Stock Exchange Limited
Chittagong.

UNDERTAKING

We undertake, unconditionally, to abide by the Listing Regulations of the Chittagong Stock Exchange (Guarantee) Limited as well as other relevant securities laws which presently are, or hereinafter, may be in force.

We further undertake:

- 1) That our Shares and Securities shall be quoted on the Ready Quotation board and / or the Cleared List at the discretion of the Exchange;
- 2) That the Exchange shall not be bound by our request to remove the Shares or Securities from the Ready Quotation and / or the Cleared List;
- 3) That the Exchange shall have the right, at any time to suspend or remove the said shares or securities for any reason which the Exchange considers sufficient in public interest;
- 4) That such provisions in the Articles of Association of our Company or in any declaration or agreement relating to any other security as are or otherwise not deemed by the Exchange to be on conformity with the Listing Regulations of the Exchange shall, upon being called upon by the Exchange, be amended to supersede the articles of association of our Company or the nominee relating to the other Securities to the extent indicated by the Exchange for purposes of amendment and we shall not raise any objection in relation to a direction by the Exchange for such amendment; and
- 5) That our Company and / or the Security may be de-listed by the Exchange in the event of non-compliance and breach of the Regulations and / or other relevant securities laws of this undertaking.

Yours faithfully,

Sd/-
Shafiul Islam
Chairman
Navana CNG Limited

STATEMENT REGARDING HOLDING OF ANNUAL GENERAL MEETINGS OF NAVANA CNG LIMITED:

No. of AGM	Date of Holding of AGM	Status
1 st	31.8.2005	Regular
2 nd	31.8.2006	Regular
3 rd	20.9.2007	Regular
4 th	27.11.2008	Regular
5 th	03.05.2009	Regular



B. Risk Factors and Management Perception:

Risk is always associated with any kind of investment. So before taking decision on investing in the shares of Navana CNG Limited, the investors should carefully analyze the following risks in addition to the information contained in the Information Document:

(a) Interest rate risk: Interest rate risk is concerned with borrowed funds of short term and long-term maturity. Volatility in money market and increased demand for loans/investment funds raise the rate of interest. High rate of interest enhances the cost of fund of a Company and squeezes the profit.

Management Perception: Since the NCL has not borrowed fund at flexible rate, hence, the interest rate risk does not arise.

b) Exchange rate risk: Exchange rate risk relates to the core business of NCL, since it imports most materials from abroad in foreign currency. The Company also imports equipment from abroad where foreign currency is involved and exchange rate can impact such imports.

Management Perception: As foreign currencies are available in money market, NCL can meet its foreign currency outflows.

c) Industry risk: Like other companies, NCL also suffers from industry risks arising out of changes in customer choices, fashion and design.

Management Perception: NCL continuously carries out research and development (R&D) to keep pace with the customer choices, fashion and design.

d) Market & Technology related risk: Technology for a CNG Conversion/Refuelling Company is being upgraded in the world. Emergence of new technology may cause obsolescence of existing technology/equipment. So embracing with new technology is essential for ensuring better services at lower costs.

Management Perception: NCL is aware of technological changes and has adopted new technology according to its needs. Further routine and proper maintenance of the equipment carried out by the NCL ensures longer service life for the existing equipment and facilities.

e) Potential or existing Government regulations: Like other companies, NCL operations are affected by potential or existing Government regulations relating to gas, import, foreign exchange, monetary and fiscal regimes.

Management Perception: Since NCL is a "Green" Company, the Government regulations are mostly investment-friendly.

f) Potential changes in global or national policies: The performance of the Company may be affected due to unavoidable circumstances both in Bangladesh and worldwide, such as war, terrorism, political unrest in the country or customer/supplier countries. Changes in global or national policies may also adversely affect the economy in general.

Management Perception: The risk due to changes in global or national policies is beyond control of any Company. Yet NCL has spreaded its import from various countries of the world to reduce the risk. Further, it adopted policies to meet the challenges from potential changes in global or national policies.

g) Non-Operating History: There is no history of non-operation in the case of NCL.

Management Perception: To overcome these uncertainties, the Company has its own power backup, scientific inventory management and continuous market promotion systems, which reduce the non-operating risk.

h) Operational Risk: Non-availability of imported materials may affect the smooth operational activities of NCL. On the other hand, the equipment may face operational and mechanical failures due to natural disasters, terrorist attacks, unforeseen events, lack of supervision and negligence, leading to severe accidents and losses.

Management Perception: The Company is equipped with power backup system, which reduces operational risk. Besides, the equipment is under insurance coverage in order to get reasonable compensation for any damages. Apart from these, routine check and proper maintenance of the equipment also reduce and eliminate the operational risk.

C. Description of Business :

Information about the Company:

Navana CNG Ltd. (NCL/the Company) a member of the NAVANA GROUP, was incorporated in Bangladesh on 19 April 2004 under the Companies Act, 1994 as a private company. NCL was converted into a public company on 8 March 2009.

The registered office of the Company is located at Islam Chamber (4th Floor), 125/A, Motijheel Commercial Area, Dhaka -1000, Bangladesh.

The Company renders its services through its nine CNG Conversion Centres located at Tejgaon I/A, Purana Paltan, Dipnagar (Kallyanpur), Gabtoli and Uttara in Dhaka; Noya Bazar and Chandgaon in Chittagong; Sylhet and Bogra and fifteen CNG Gas Stations situated at Motijheel C/A, Bakshi Bazar, Jurain, Ashulia, Baipal, Mirpur and Savar in Dhaka; Sonargaon in Narayangonj; Thanapara and Kalihati in Tangail; Dampara and Sitakunda in Chittagong; Bhairab in Kishoregonj; Sylhet; and Bogra. The Company has also four CNG Conversion Booking Centres at Jatrabari in Dhaka; Chowrasta in Gazipur; New Bus Stand in Tangail; and Sehda in Mymensingh.

List of its centres and stations are as follows:-

Navana CNG Conversion Centres:

1. Tejgaon Branch, Dhaka

205-207, Tejgaon I/A, Dhaka
Phone: 8851211, 8810499

2. Dipnagar Branch, Dhaka

4, South Kallyanpur, Mirpur Road, Dhaka
Phone: 8011427, 8031622

3. Uttara Branch, Dhaka

Sonargaon Janapath Road, Uttara, Dhaka
Phone: 8931433, 8963271

4. Mirpur Branch, Dhaka

148/2, Kotbari, Gabtoli
(Beside Aftab Automobiles)
Phone: 9005035, 9005150

5. Paltan Branch, Dhaka

3/c, Purana Paltan, Dhaka
Phone: 9556840

6. Chittagong Branch

2759, Port Connecting Road
Noya Bazar, Chittagong
Phone: 815758, 2511847-8

7. Kalurghat Branch, Chittagong

Arakan road, Moulovi Pukur Par
Chadgaon, Chittagong
Phone: 2571714, 2571715

8. Sylhet Branch

Osmani Airport Road
Choukidekhi, Sylhet
Phone: 814424, 2830634

9. Bogra Branch

Ejaz Super Market, Banani, Bogra
Phone: 60320

Navana CNG Conversion Booking Centre:

1. Navana CNG Booking Centre

Gazipur Chowrasta, Dhaka
Phone: 01814-655421

2. Navana CNG Booking Centre

Dholairpar, Jatrabari, Dhaka
Phone: 01814-655420

3. Navana CNG Booking Centre

Jogajog Filling & CNG Station, Tangail
(Besides New Bus Stand of Tangail)
Phone:01814-655422

4. Navana CNG Booking Centre

Sehda, Mymensingh
(Opposite of Mymensingh Girls Cadet College)
Phone:01811-411899

Navana CNG Re-fuelling Stations:

1. Binimoy Service Station

132, Motijheel C/A, Dhaka

2. Denso Filling Station

1, Darussalam Road, Mirpur, Dhaka

3. Sonar Bangla Filling Station

15, Bakshibazar, Dhaka

4. Abdullah Filling Station

170, East Dholairpar, Jurain, Dhaka

5. United Filling Station

Katchpur, Sonargaon, Narayanganj

6. Kwaloty Service CNG Re-fueling Station

Ashulia EPZ Road, Madhabar Bari
Ashulia, Savar, Dhaka

7. Aziz Filling Station

Baipail, Nabinagar, Savar, Dhaka

8. Navana CNG Limited (Bhairab)

Bhairabpur, Bhairab, Kishoregonj

9. Jogajog Filling Station

New Bus Terminal, Thanapara, Tangail

10. M/s Partners Filling Station

Elenga, Kalihati, Tangail

11. Leguna Autos

Dhaka Aricha Road, Niribili, Savar, Dhaka

12. S. H. Khan & Sons CNG Re-fueling Station

277, M. M. Ali road, CDA Avenue

Dampara, Khulshi, Chittagong

13. Navana CNG Limited

Charmatha, Bogra

14. Navana CNG Limited

New Airport road, Chowkidekhi, Sylhet

15. Techno Filling Station

D. T. Road, Middle Mohadebpur

Shitakundo, Chittagong

Services of the company:

Service provided by Navana CNG:

- Petrol / Octane driven vehicle conversion into CNG.
- Diesel driven vehicle conversion into CNG.
- Diesel Generator conversion into Diesel Gas System.
- 4-stroke/3-Wheeler conversion into CNG.
- Selling gas through CNG re-fueling stations.
- Selling CNG re-fueling station on turn-key basis.
- Selling CNG conversion kit, cylinder, valve, re-fueling nozzle, receptacle and other CNG conversion spare parts.
- Offering package maintenance program for CNG re-fueling station.
- CNG cylinder Re-testing facility.
- Providing training on CNG conversion and re-fueling station.

Market for the products or services of the company:

NCL renders its services and sells its products throughout Bangladesh through its nine CNG Conversion Centres; and fifteen CNG Re-fuelling Stations. The centre/station-wise revenues are as below:

A. Conversion Charges	2009	2008
	<u>Taka</u>	<u>Taka</u>
Tejgaon CNG Conversion Center	244,647,052	246,375,363
Kallyanpur CNG Conversion Center	106,721,278	110,547,663
Dipnagar Diesel Conversion Center	69,932,916	71,043,772
Chittagong/Kalurghat CNG Conversion Center	81,686,820	108,259,353
Sylhet CNG Conversion Center	55,774,164	84,936,675
Uttara CNG Conversion Center	80,859,297	70,976,442
Bogra CNG Conversion Center	5,310,216	21,466,166
Palton CNG Conversion Center	48,115,370	3,126,609
Total	693,047,113	716,732,043
B. CNG Sales		
Denso CNG Station	26,612,066	17,719,160
Binimoy CNG Station	40,917,333	23,259,519
Sylhet CNG Station	30,685,175	19,563,151
Baipail CNG Station	27,565,750	25,328,356
Bogra CNG Station	43,350,904	37,336,126
Leguna CNG Station	46,370,261	35,985,414
Sitakundu CNG Station	29,597,394	22,000,657
S.H. Khan CNG Station	59,843,128	21,771,244
Kwality CNG Station	33,489,924	11,836,665
Abdullah CNG Station	53,498,110	27,576,877
Bhoirab CNG Station	58,295,994	24,855,432
Elenga Station CNG Station	22,416,780	-
United CNG Station	19,638,407	-
Jogajog CNG Station	3,025,098	-
Sonarbangla CNG Station	47,461,064	-
Total	542,767,388	267,232,601

The relative contribution to sales and income of each product or service in case of more than one product or service:

The relative contribution of NCL's two product segments is as below:-

Product segment	2009		2008	
	Taka	%	Taka	%
CNG Conversion Charges	693,047,113	56.08%	716,732,043	82.25%
CNG Sales	542,767,388	43.92%	267,232,601	17.75%
	1,235,814,501	100.00%	983,646,644	100.00%

Name of associates, subsidiary/related holding company and their core areas of business:

NCL has no subsidiary or associate-company. However, its 99.76% shares are owned by the Shafiul Islam Kamal family (84.76%); and Aftab Automobiles Limited (15%), a public-listed-company, controlled by the family.

Competitive conditions in the business:

Bangladesh has 140 CNG Conversion Workshops, 389 CNG Refueling Stations and 159,663 CNG Run Vehicles, of which 118,106 vehicles are converted into CNG in Bangladesh. There are eight major competitors in the areas of the CNG Services as follows:-

Navana CNG	CNG conversion, refueling station, cylinder retesting & others
Rahimafrooz CNG	CNG conversion, refueling station & others
Intraco CNG	CNG conversion, refueling station, cylinder retesting & others
Shohag Motors	CNG conversion, refueling station & others
Southern Automobiles	CNG conversion and retesting
Anudip CNG	CNG conversion and refueling station
Comet CNG	CNG conversion and others
Shanji Automobiles	CNG conversion and direct sell

NCL's market share is around 7% in CNG Vehicle Conversion; whereas around 4% in CNG Refueling.

Distribution of products or services:

NCL uses Workshops and/or Booking centre for distributing its CNG Conversion services; and CNG Stations for distributing its CNG gas.

Sources and availability of raw materials and the names of the principal suppliers:

About 75% of the Raw Materials, in addition to all the machineries, and major Spare Parts, are imported from overseas, mainly Italy, Brazil, USA, Argentina, India and Korea. These raw materials are readily available from their respective sources. The names of major suppliers of the company's raw materials during the year ended 31 March 2009 are as follows:-

Main Suppliers of CNG Conversion Products:

Sl. No.	Suppliers' Name	Country of Origin	Items Supplied	Amount in Taka
1	Landi Renzo	Italy	CNG Kits	156,788,595
2	White Martins Gases Ltd	Brazil	CNG Cylinder	109,376,277
3	Vanaz Engineers Ltd	India	CNG Kits	10,457,209
4	OMB Saleri	Italy	Light & Moon Valve	10,080,279
5	Jaksons Co Ltd.	India	Diesel Spares	4,421,291
6	Omnitek	U.S.A.	Diesel Kits	3,570,951
7	NGV Motori	Italy	Diesel Kits	3,266,743
8	BS Auto Distributors	India	Diesel Conversion Accessories	2,292,630
9	GNC Salustri	Argentina	Ulsis Plus	2,012,782
10	NK Co. Ltd	Korea	CNG Cylinder Valve	803,801
	Total			303,070,558
<u>Main Suppliers of Gas:</u>				
Sl No	Suppliers Name	Country of Origin	Items Supplied	Amount in Taka
1	Titas Gas T&D Co. Ltd	Bangladesh	Natural Gas	176,399,324
2	Jalalabad Gas T&D Co. Ltd	Bangladesh	Natural Gas	6,602,735
3	Bakhrabad Gas T&D Co. Ltd	Bangladesh	Natural Gas	46,631,329
4	Pashchimanchal Gas Co. Ltd	Bangladesh	Natural Gas	25,227,972
				254,861,360

Out of the suppliers, Landi Renzo and White Martins Gases Ltd supply more than 10% of the total purchases of CNG Conversion products; and Titas Gas T&D Co. Ltd and Bakhrabad Gas T&D Co. Ltd supply more than 10% of the total purchases of gas.

The Directors of the Company or associated companies have no relationship with suppliers.

Sources of, and requirement for, power, gas and water:

Sl. No.	Item	Sources	Requirements
1	Power (Electricity)	Own Generation & Electricity Companies/Board	24 MWH
2	Gas	Gas Transmission/Distribution Companies	92 MCM
3	Water	Own Deep Tube Well & WASA	29 Mil Litres

Names of customers who purchase 10% or more of the company's products:

The Company's products and services are sold to numerous customers throughout the country, mostly on COD basis. No single customer purchases 10% or more of the company's products and services.

Description of any contract which the company has with its principal suppliers or customers:

The Company has no "exclusive" contract with its suppliers and customers except in the normal course of business.

Description of any material patents, trademarks, licenses or royalty agreements:

There are no material patents, trademarks, licenses or royalty agreements with any third parties.

Number of total employees and number of full-time employees:

As on 31 March 2009, manpower position of the Company is as follows:

Sl. No.	Classes of Employees	Permanent	Daily Basis/Contract	Total
1	Managers	16	-	16
2	Officers	269	-	269
3	Staffs	593	-	593
	Total	878	-	878

Production capacity and current utilization:

Sl. No.	Production Description	Monthly Capacity(Approx)	Utilization in Percentage
1	Petrol Conversion	1200 nos.	60%
2	Diesel vehicle Conversion	35 nos.	57%
3	Station Gas Sell	47 Lac M3	57%
4	Cylinder re-testing	500 nos.	20%
4	Diesel genset conversion	4 nos	200%

D. Description of Property:

Information in respect of properties, plants and equipments :

The company itself owns the entire fixed assets except lease hold assets. The properties, plants and equipments owned by the company and written down value thereof are stated as follows:

SI No	Classes of Property, Plant and Equipment	WDV at 31-03-2009	WDV at 31-03-2008
1	Land and Land Development	51,000,000	51,000,000
2	Building and Other Construction	65,620,151	33,121,043
3	Plant and Machinery	431,243,041	146,710,733
4	Office Equipment	19,241,174	2,213,400
5	Furniture and Fixtures	6,555,218	4,512,862
6	Vehicles	13,586,681	5,348,563
	Total	587,246,265	242,906,601

Plant and Machinery includes leased equipment having WDV at Tk 109,494,797 as at 31 March 2009.

Location of the principal plants and other property and the condition thereof:

LAND:

Location	Mouza	R.S. Khatian	R.S Plot No.	Area in Decimal	Condition
Bogra Municipality, Bogra	Gandagram	453 & 62	1555, 1556, 1557	26.00	Freehold
South Surma, Sylhet	Pirijpur	691	2512 & 2513	25.00	Freehold
Total				51.00	

BUILDINGS:

SI No	Particulars	Area in Sft	Condition
1	Tejgaon CNG Conversion Center	9,000	Good
2	Kallyanpur CNG Conversion Center	9,120	Good
3	Dipnagar Diesel Conversion Center	30,000	Good
4	Chittagong CNG Conversion Center	6,850	Good
5	Sylhet CNG Conversion Center	5,206	Good
6	Uttara CNG Conversion Center	12,000	Good
7	Bogra CNG Conversion Center	4,500	Good
8	Palton CNG Conversion Center	6,091	Good
9	Denso CNG Station	6,160	Good
10	Binimoy CNG Station	4,500	Good
11	Sylhet CNG Station	5,540	Good
12	Baipail CNG Station	10,000	Good
13	Bogra CNG Station	9,700	Good
14	Leguna CNG Station	17,629	Good
15	Sitakundu CNG Station	11,300	Good
16	S.H. Khan CNG Station	6,400	Good
17	Kwality CNG Station	5,300	Good
18	Abdullah CNG Station	5,820	Good
19	Bhoirab CNG Station	9,100	Good
20	Elenga CNG Station	7,800	Good
21	United CNG Station	9,260	Good
22	Jogajog CNG Station	5,500	Good
23	Sonarbangla CNG Station	4,675	Good
	Total	196,776	

PLANT & MACHINERY:

Sl No	Location	Items	Country of Origin	Quantity	Condition
1		2	3	4	4
1	Denso CNG Station	CNG Refueling Station Equipment Set	Italy	2	Running
2	Binimoy CNG Station	CNG Refueling Station Equipment Set	Italy	1	Running
3	Sylhet CNG Station	CNG Refueling Station Equipment Set	Italy	1	Running
4	Baipail CNG Station	CNG Refueling Station Equipment Set	Italy	1	Running
5	Bogra CNG Station	CNG Refueling Station Equipment Set	Italy	1	Running
6	Leguna CNG Station	CNG Refueling Station Equipment Set	Italy	1	Running
7	Sitakundu CNG Station	CNG Refueling Station Equipment Set	Italy	1	Running
8	S.H. Khan CNG Station	CNG Refueling Station Equipment Set	Italy	1	Running
9	Kwality CNG Station	CNG Refueling Station Equipment Set	Italy	1	Running
10	Abdullah CNG Station	CNG Refueling Station Equipment Set	Italy	1	Running
11	Bhoirab CNG Station	CNG Refueling Station Equipment Set	Italy	1	Running
12	Elenga CNG Station	CNG Refueling Station Equipment Set	Italy	1	Running
13	United CNG Station	CNG Refueling Station Equipment Set	Italy	1	Running
14	Jogajog CNG Station	CNG Refueling Station Equipment Set	Italy	1	Running
15	Sonarbangla CNG Station	CNG Refueling Station Equipment Set	Italy	1	Running
Total				16	

Sl No	Location	Items	Quantity	Condition
1	Tejgaon CNG Conversion Center	CNG Conversion Equipment Set	1	Good
2	Kallyanpur CNG Conversion	CNG Conversion Equipment		Good

	Center	Set	1	
	Dipnagar Diesel Conversion	CNG Conversion Equipment		
3	Center	Set	1	Good
	Chittagong CNG Conversion	CNG Conversion Equipment		
4	Center	Set	1	Good
		CNG Conversion Equipment		
5	Sylhet CNG Conversion Center	Set	1	Good
		CNG Conversion Equipment		
6	Uttara CNG Conversion Center	Set	1	Good
		CNG Conversion Equipment		
7	Bogra CNG Conversion Center	Set	1	Good
		CNG Conversion Equipment		
8	Paltan CNG Conversion Center	Set	1	Good
Total			8	

Mortgage or other type of lien on the property owned by the company:

The Company itself owns the entire fixed assets other than the leased ones. There is no equitable mortgage over the immovable properties of the Company. However, its present and future moveable and immovable assets are charged in favour of the Debentureholders as a 1st Charge. Also, plant and machinery of the CNG Refuelling Stations are charged against the long-term loans provided for these stations. Further, the leased assets have “absolute and unconditional ownership” of the lessor, Investment Corporation of Bangladesh.

Expiration date of the lease, if it is taken on lease:

The lease against leased equipment of the CNG Refuelling Stations and CNG Conversion Centres of the Company under Lease Sanction Letter No 01.766/40/65 dated 30 June 2007 will expire within six years from the date of lease.



E. Plan of Operation and discussion of Financial Condition:

Internal and External sources of Fund:

Particulars	2009	2008	2007	2006	2005
Total Sources of Fund as at 31 March					
A. Internal Sources of Fund:					
Share Capital	300,000,000	100,000,000	51,000,000	51,000,000	26,000,000
Share Money Deposit	-	-	-	-	25,000,000
Tax Holiday Reserve	150,467,082	52,602,447	49,220,767	4,369,730	1,860,171
Retained Earnings	113,695,585	29,898,633	24,826,112	6,554,596	2,790,257
Proposed Bonus Shares	63,000,000	200,000,000	49,000,000	-	-
Depreciation	44,800,614	21,438,728	6,380,257	3,832,461	206,810
Networking Capital	269,615,438	498,603,426	233,605,195	258,128,615	232,267,071
Total	941,578,719	902,543,234	414,032,331	323,885,402	288,124,309
B. External Sources of Fund:					
Long term Loan	270,900,498	420,104,420	246,159,344	231,218,551	180,600,000
Short term Loan	162,287,424	27,054,001	178,796,961	49,636,741	38,997,750
Total	433,187,922	447,158,421	424,956,305	280,855,292	219,597,750
Total Sources of Fund during the Year:					
Internal Sources of Fund	941,578,719	902,543,234	414,032,331	323,885,402	288,124,309
External Sources of Fund	433,187,922	447,158,421	424,956,305	280,855,292	219,597,750
Total	1,374,766,641	1,349,701,655	838,988,636	604,740,694	507,722,059

Material commitments for capital expenditure and the expected Sources of Funds:

There are no material commitments for capital expenditure.

Causes of any material changes in income, cost of goods sold, other operating expenses and net income:

Particulars	2009	2008	2007	2006	2005
Revenues	1,235,814,501	983,964,644	726,690,871	341,526,984	112,457,619
Change in Revenues	251,849,857	257,273,773	385,163,887	229,069,365	0
Direct Expenses	759,042,020	577,438,072	498,224,075	287,410,151	93,338,737
Change in Direct Expenses	181,603,948	79,213,997	210,813,924	194,071,414	0
Operating Expenses	232,110,894	198,080,939	116,372,803	47,842,935	14,468,454
Change in Operating Expenses	34,029,955	81,708,136	68,529,868	33,374,481	0
Net Profit	244,661,587	208,454,201	112,122,553	6,273,898	4,650,428
Change in Net Profit	36,207,386	96,331,648	105,848,655	1,623,470	0

There have been material changes in revenues, direct expenses, operating expenses and net profit in 2009 compared to 2008. Revenues, direct expenses, operating expenses and net profit increased in 2009 compared to 2008 due to increase in volume and price of the Company's products/services.

Seasonal Aspects:

Normally there is no seasonal impact on the business of the Company, as demand for products/services of the Company is almost stable in all seasons.

Known trends, events or uncertainties:

Natural disaster and social/political unrest are generally known events that may affect the Company's business.

Change in the assets used to pay off any liabilities:

No asset of the company has been used to pay off any liabilities.

Loans taken from the holding/subsidiary company or loans given to those companies:

The Company has no subsidiary company. It did not take any loan from its holding company or and also did not provide any loan to that company.

Future contractual liabilities :

The Company has no future contractual liabilities that may have impact on the Company's financial fundamentals.

Estimated future capital expenditure:

There was no capital expenditure contracted but not incurred or provided for as on 31.03.2009. There was no material capital expenditure authorised by the Company's Board of Directors but not contracted for as on 31.03.2009.

VAT, income tax, customs duty or other tax liabilities yet to be paid:

a. VAT:

There are no VAT liabilities of the Company.

b. Income-tax:

NCL has been enjoying tax holiday on its net profit until 31 March 2009. It has been paying tax at source on its dividend income. It has also made provision for income-tax on its dividend income. Therefore, there is no "unaccounted for" income-tax liability of the Company.

c. Customs duty or other liability:

There are no dues outstanding on account of Customs duty or other tax liabilities.

Sources of VAT, income tax, customs duty and other tax liabilities yet to be paid:

Unpaid liabilities, if any, on account of VAT, Income Tax, Customs Duty or Other Tax liabilities will be paid out from internal sources of the Company.

Details of operating lease (if any) during last five years:

The company did not obtain any operating lease during last five years.

Last five years financial commitments including lease commitment:

The Company did not have such commitments except lease finance liabilities at Tk 123,767,810 as at 31 March 2009.

Employee-related schemes to make provision in future years :

The following retirement benefit schemes for the employees of NCL have been introduced:

1. Provident Fund:

The company operates a Contributory Provident Fund (CPF) for its permanent employees. The fund is administered by a Board of Trustees and is funded by 10% contributions equally from the employee and the employer.

2. Gratuity:

The Company also maintains Gratuity Scheme for its permanent employees. An employee gets gratuity at one month's gross salary for each completed year's of service subject to a maximum of fifteen months' gross salaries.

3. Annual Bonus and other Incentives:

There is a provision for two festivals Bonus every year, at one month basic pay, for the permanent employees of the Company. Besides, the company provides earned leave encashment facilities as per guideline of the Company.

Break down of all expenses including fee of issue manager and underwriters :

Messrs ICB Capital Management Limited is the Manager to this offer of shares. The issue manager is to be paid a fee of Tk 500,000 for its services. There are no underwriters in relation to this offer of shares pursuant to the Dhaka/ Chittagong Stock Exchange (Direct Listing) Regulations, 2006.

Revaluation of assets:

The Company has not yet revalued its assets since acquisition thereof.

Special report from the auditors regarding any allotment of shares to promoters or Sponsors:

AUDITORS' CERTIFICATE ON ISSUE OF SHARE CAPITAL OF NAVANA CNG LIMITED

We certify that, based on our examination of Share Register and its underlying documents, the paid-up capital of Navana CNG Limited as at 20 May 2009 stands at Tk 363,000,000, consisting of 36,300,000 Ordinary Shares of Tk 10 each, as follows:-

<u>Issue of Share Capital</u>	<u>20.05.2009</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
5,100,000 Ordinary Shares of Tk 10 each fully paid-up in cash	51,000,000	51,000,000	51,000,000	51,000,000	51,000,000	26,000,000
31,200,000 Ordinary Shares of Tk 10 each issued as bonus shares	312,000,000	249,000,000	49,000,000	0	0	0
36,300,000 Ordinary Shares of Tk 10 each	363,000,000	300,000,000	100,000,000	51,000,000	51,000,000	26,000,000

Dhaka, 21 May 2009

Sd/-
Rahman Mostafa Alam & Co
Chartered Accountants

Last five years' transactions between the issuer company and its subsidiary/holding company:

The Company has no subsidiary company. There are accordingly no transactions between the issuer company and its holding company during the last five years.

Material information having an impact on the affairs of the Company:

There is no other material information that may have an impact on the affairs of the Company.

Status of Loans:

Long-term Loans:

SI No	Loan Type	Bank Name	Branch	Amount	Status
1	Project Loan	Prime Bank Ltd	Asad Gate, Dhaka	13,112,456	Regular
2	Project Loan	Bank Asia Ltd	Dilkusha, Dhaka	3,827,556	Regular
3	Project Loan	Jamuna Bank Ltd	Dilkusha, Dhaka	12,278,248	Regular
4	Project Loan	Mutual Trust Bank Ltd	Principal, Dhaka	17,697,822	Regular
5	Project Loan	Mutual Trust Bank Ltd	Principal, Dhaka	12,567,469	Regular
6	Project Loan	NCC Bank Ltd	Motijheel, Dhaka	18,452,875	Regular
7	Project Loan	Prime Bank Ltd	Asad Gate, Dhaka	14,976,016	Regular
8	Project Loan	Shah Jalal Islami Bank Ltd	Gulshan, Dhaka	15,084,311	Regular
9	Project Loan	Shah Jalal Islami Bank Ltd	Gulshan, Dhaka	11,176,948	Regular
Total				119,173,701	

Short-term Loans:

1	Standard Bank Ltd	Principal, Dhaka	17,257,471	Paid off
2	Standard Bank Ltd	Principal, Dhaka	11,507,008	Paid off
3	Standard Bank Ltd	Principal, Dhaka	1,269,365	Paid off
4	Jamuna Bank Ltd	Dilkusha, Dhaka	4,769,712	Paid off
5	Shah Jalal Islami Bank Ltd	Gulshan, Dhaka	4,560,796	Regular
6	Shah Jalal Islami Bank Ltd	Gulshan, Dhaka	16,487,058	Regular
			55,851,411	

F. Directors and Officers:

Name, age and position of all Directors, alternate Directors of the Company:

There are no alternate directors. The Board of Directors of NCL comprises of 8 (eight) Directors. The name, age and position of all Directors of the Company are as follows:-

SI No	Name and address of director	Age (Years)	Position
1	Mr. Shafiul Islam	60	Chairman
2	Mr. Saiful Islam	34	Director
3	Mr. Monwarul Islam	48	Director
4	Mr. Sajedul Islam	30	Director
5	Ms Farhana Islam	26	Director
6	Mr. Shahedul Islam	25	Director
7	Mrs Khaleda Islam	54	Director
8	Mr. Md Ekramul Haq	53	ICB Nominated Director

Date of first becoming Director and date of expiry of current term:

The date of first becoming Director and date of expiry of current term of all Directors of the Company are as follows:-

SI No	Name and address of director	Date of first becoming director	Date of expiry of current term
1	Mr. Shafiul Islam	19.04.2004	Continuing
2	Mr. Saiful Islam	19.04.2004	Continuing
3	Mr. Monwarul Islam	19.04.2004	Continuing
4	Mr. Sajedul Islam	19.04.2004	Continuing
5	Ms Farhana Islam	19.04.2004	Continuing
6	Mr. Shahedul Islam	19.04.2004	Continuing
7	Mrs Khaleda Islam	19.04.2004	Continuing
8	Mr. Md Ekramul Haq	23.06.2008	Continuing

Involvement of Directors with listed company in terms of dividend and category:

The involvement of all Directors with listed company in terms of dividend and category are as follows:-

Sl No	Name of director	Name of company where the director is involved	Position in that company	Listing category in DSE/CSE
1	Mr. Shafiul Islam	Aftab Automobiles Limited	Chairman	"A"
2	Mr. Saiful Islam	Aftab Automobiles Limited	Vice-Chairman	"A"
3	Mr. Monwarul Islam	Aftab Automobiles Limited	Director	"A"
4	Mr. Sajedul Islam	Aftab Automobiles Limited	Director	"A"
5	Ms Farhana Islam	Aftab Automobiles Limited	Director	"A"
6	Mr Shahedul Islam	Aftab Automobiles Limited	Director	"A"
7	Mrs Khaleda Islam	Aftab Automobiles Limited	Director	"A"
8	Mr Md Ekramul Haq	Investment Corporation of Bangladesh	ICB Nominated Director	"A"

Family relationship among directors, alternate directors, nominees and officers:

There are no alternate directors and nominees. There is family relationship amongst the Directors of the Company except in the case of Mr Md Ekramul Haq who is an ICB Nominated Director. Mr. Shafiul Islam is the husband of Mrs Khaleda Islam; father of Mr Saiful Islam, Mr Sajedul Islam, Ms Farhana Islam and Mr Shahedul Islam; and brother of Mr Monwarul Islam. Therefore, Mr. Shafiul Islam, Mrs Khaleda Islam, Mr Monwarul Islam, Mr Saiful Islam, Mr Sajedul Islam, Ms Farhana Islam and Mr Shahedul Islam are related to each other as husband, wife, father, mother, son, daughter, brother or sister.

Bio-data of each director:

A brief bio-data of the Directors of NCL Board is given below:

Mr. Shafiul Islam Kamal, Chairman, 1949:

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

He has a very good relationship with all the top politicians, bureaucrats, top military officials and other business key persons of the country.

Mr. Kamal is the Chairman of the Navana Group, consisting of sixteen companies, involved, amongst others, in vehicles assembling, body building and trading; real estate; construction; CNG conversion and gas stations; textiles; car rental; electronics; IT; petroleum and renewable energy.

Mr. Saiful Islam, Vice-Chairman, 1975:

An MBA, Mr. Saiful joined the Navana Group in 1997. In the early years, he gained valuable experience by being involved in the management of the Group's diverse business operations. He has been appointed as Managing Director & CEO of Aftab Automobiles Ltd in 2006. He took various business related professional courses at home and abroad. He traveled almost all the countries of the world.

At present, Mr. Saiful is the Vice Chairman of Navana Group, consisting of sixteen companies, involved, amongst others, in vehicles assembling, body building and trading; real estate; construction; CNG conversion and gas stations; textiles; car rental; electronics; IT; petroleum and renewable energy.

Mrs Khaleda Islam, Director, 1955:

Mrs Khaleda is the wife of Mr. Shafiul Islam Kamal, Chairman of the Navana Group.

Mrs Khaleda has experience in business for more than 30 years. She traveled many countries of the world.

At present, Mrs. Khaleda is a Director of Navana Group, consisting of sixteen companies, involved, amongst others, in vehicles assembling, body building and trading; real estate; construction; CNG conversion and gas stations; textiles; car rental; electronics; IT; petroleum and renewable energy.

Mr. Monwarul Islam, Director, 1961:

A graduate, Mr. Monwarul has vast experience in Automobile business. He is the key person of HINO Sales & Service Division and GOODYEAR Tyre Sales Division of the Navana Group.

At present, Mr. Monwarul is a Director of Navana Limited; Aftab Automobiles Limited; Navana Taxi Cab Co. Ltd; and Navana CNG Ltd.

Mr. Sajedul Islam, Director, 1979:

A BBA, Mr. Sajedul, a young enthusiastic entrepreneur of the country, joined the Navana Group in 1999. In the early years, he gained valuable experience by being involved in the management of the Group's diversified business operations. He is the Chief Executive of Navana Real Estate

Limited and Navana Construction Limited. He took various business related professional courses at home and abroad. He traveled many countries of the world.

At present, Mr. Sajedul is a Director of Navana Group, consisting of sixteen companies, involved, amongst others, in vehicles assembling, body building and trading; real estate; construction; CNG conversion and gas stations; textiles; car rental; electronics; IT; petroleum and renewable energy.

Ms Farhana Islam, Director, 1983:

A BBA, Ms Farhana, a young enthusiastic entrepreneur of the country, joined the Navana Group in 2004. In the early years, she gained valuable experience by being involved in the management of the Group's diversified business operations. She took various business related professional courses at home and abroad. She traveled many countries of the world.

At present, Ms Farhana is a Director of Navana Group, consisting of sixteen companies, involved, amongst others, in vehicles assembling, body building and trading; real estate; construction; CNG conversion and gas stations; textiles; car rental; electronics; IT; petroleum and renewable energy.

Mr. Shahedul Islam, Director, 1984:

A BBA, Mr. Shahedul, a young enthusiastic entrepreneur of the country, joined the Navana Group in 2001. In the early years, he gained valuable experience by being involved in the management of the Group's diversified business operations. He took various business related professional courses at home and abroad. He traveled many countries of the world.

At present, Mr. Shahedul is a Director of Navana Group, consisting of sixteen companies, involved, amongst others, in vehicles assembling, body building and trading; real estate; construction; CNG conversion and gas stations; textiles; car rental; electronics; IT; petroleum and renewable energy.

Mr Md Ekramul Haq, ICB Nominated Director:

Mr Md Ekramul Haq is an ICB Nominated Director who represents the Debenture Trustee and the Debentureholders.

At present, Mr Haq is a Deputy General Manager of the Investment Corporation of Bangladesh.

Whether the directors or shareholders holding of 5% or more shares in the paid-up capital of the Issuer is loan defaulters in terms of the CIB report of the Bangladesh Bank:

No director or shareholder holding of 5% or more shares in the paid-up capital of the Issuer is a loan defaulter in terms of the CIB report of the Bangladesh Bank.

Description of Senior Executives and Officers:

Mr. Saiful Islam, Chief Executive Officer (CEO), 1975:

An MBA, Mr. Saiful joined the Navana Group in 1997. In the early years, he gained valuable experience by being involved in the management of the Group's diverse business operations. He has been appointed as Managing Director & CEO of Aftab Automobiles Ltd in 2006. He took various business related professional courses at home and abroad. He traveled almost all the countries of the world.

At present, Mr. Saiful is the Vice Chairman of Navana Group, consisting of sixteen companies, involved, amongst others, in vehicles assembling, body building and trading; real estate; construction; CNG conversion and gas stations; textiles; car rental; electronics; IT; petroleum and renewable energy.

Mr Md Nurul Haque, Adviser, 1950:

Mr Haque is an Adviser of the Company, responsible for its technical affairs.

Mr Haque completed his Graduate in Chemical Engineering in 1970 from the Bangladesh University of Engineering & Technology, Dhaka. He also did Masters in Engineering from the University of Bradford, United Kingdom in 1978.

Mr Haque has experience for around forty years. He started his career in Natural Gas Company, Dhaka as Asstt Project Manager. Then, he worked in Burmah Eastern Ltd (now known as Padma Oil Company Ltd); Jalalabad Gas Transmission & Distribution Systems Ltd; Titas Gas Transmission & Distribution Systems Ltd; and PETROBANGLA.

After retiring from PETROBANGLA as a General Manager in 1992, he acted for a short period as a Director of Orion Engineering and Consultant Ltd until he joined Navana Group in 1992.

Mr Haque is a Chartered Professional Engineer, Australia; and a Member Institute of Engineers, Australia; a Member Institute of Engineers, Australia and Bangladesh; and an Associate, Institute of Petroleum, United Kingdom.

Mr. Asadul Islam FCS, FCA, Chief Finance Officer (CFO), 1969:

A Masters in Commerce, Mr Islam qualified Chartered Accountancy in 2001 and Chartered Secretary in 2002.

Mr Islam has more than 10 ten years' professional experience. He was the Deputy Controller of Accounts of Quasem Group. He then joined Abdul Monem Ltd as its Head of Finance. He joined Navana Group as its Sr. General Manager; and also acts as Chief Financial Officer of Aftab Automobiles Ltd.

In addition, Mr. Asadul Islam is Senior General Manager (Finance & Accounts) and the Chief Finance Officer (CFO) of the Company.

Mr Islam is a Fellow Chartered Accountant (FCA) of the Institute of Chartered Accountants of Bangladesh (ICAB); and a Fellow Chartered Secretary (FCS) of the Institute of Chartered Secretaries of Bangladesh (ICSB).

Mr Muhammad Shahidul Islam Khan ACA, Head of Internal Audit, 1973:

A Masters in Commerce of 1995 from Dhaka University, Mr Khan qualified Chartered Accountancy in 2008.

Mr Khan completed Chartered Accountancy Course from Ahmad & Ahmad, Chartered Accountants. After completing course, Mr Khan joined Navana Group as Head of its Internal Audit.

Mr Khan is an Associate Member of the Institute of Chartered Accountants of Bangladesh (ICAB).

Mr Sumit Kumar Saha, Deputy General Manager, 1977:

An MBA from the East-West University in 2006, Mr Sumon Saha completed his Graduation in Mechanical Engineering from the Bangladesh University of Engineering & Technology, Dhaka in 2001.

After completing Engineering, Mr Saha joined Doel Group as a Maintenance Engineer. Thereafter, Mr Saha joined Navana Limited as the Navana CNG Project Engineer; and got training in Italy and India.

At present, Mr Saha is the Deputy General Manger of the Company; and in charge of its overall day to day operations.

Mr Tareque Enamur Rahim, Company Secretary, 1955:

Mr Rahim is an Honours Graduate in Economics from Dhaka University in 1978.

Mr Rahim joined Navana Group in 1982 and has worked in Administration, Corporate Affairs and Secretarial Departments.

At present, Mr Rahim is the Deputy General Manager and Company Secretary of the Company.

Mr Md. Atiur Rahman, Manager-Operation & Maintenance, 1978:

An MBA from the Victoria University of Bangladesh in 2008, Mr Md. Atiur Rahman completed his Graduation in Mechanical Engineering from the Bangladesh University Of Engineering & Technology, Dhaka in 2002.

After completing Engineering, Mr Rahman joined Tabani Beverage Company Limited. Thereafter, Mr Rahman joined Navana CNG Limited in 2003; and got training in India and Italy.

At present, Mr Rahman is the Manager of Operation & Maintenance of the Company.

Mr Sumon Saha, Manager-Sales & Marketing, 1979:

An MBA from the Victoria University of Bangladesh in 2008, Mr Sumon Saha completed his Graduation in Mechanical Engineering with First Class from the Bangladesh University Of Engineering & Technology, Dhaka in 2003.

After completing Engineering, Mr Saha joined Navana CNG Limited as Project Engineer; and got training in Italy.

At present, Mr Saha is the Manager Sales & Marketing of the Company.

Mr Saha is a Member, Institute of Engineers, Bangladesh.

G. Involvement of the Officers and Directors in certain legal proceedings:

No officer or Director of the company was involved in any of the following types of legal proceedings in the last 10 (Ten) years or for the period of commercial operation:

1. Any bankruptcy petition filed by or against any company of which any officer or Director or nominee of the company filing the prospectus was a Director, Officer or general partner at the time of bankruptcy or within 2 (two) years prior to that time;
2. Any conviction of an officer, director or nominee in the criminal proceedings or any criminal proceedings pending against him.
3. Any order, judgment or decree of any Court of competent jurisdiction against officer, director or nominee permanently or temporarily enjoying, barring, suspending or otherwise limiting the involvement of any officer or director or nominee in any type of business, securities or banking activities.
4. Any order of the Securities and Exchange Commission or other regulatory authority or foreign financial regulatory authority suspending or otherwise limiting the involvement of any officer or director or nominees in any type of business, securities or banking activities.

H. Certain Relationships and Related Transactions:

Transaction with related parties:

The Company has no proposed transaction nor had any transaction during the last 2 (two) years with following parties:

1. Any executive director or executive officer of the Company;
2. Any director or officer;
3. Any person owing 5% or more of the outstanding stock of the issuer;
4. Any members of the immediate family (including spouse, parents, brothers, sisters, children and in-laws) of any above persons;
5. Any transactions or arrangement entered into by the Company or its holding company (Navana Limited) for a person who is currently a director or in any way connected with a director of either the issuer company or any of its subsidiaries /sister concerns, or who was a director or connected in any way with a director at any time during the last two years prior to the publication of Information document; and
6. Any director holding any position, apart from being a director in the issuer company, in any company, society, trust, organization or proprietorship or partnership firm.

Loans taken or given from or to any director or any person connected with the director:

No such Loans taken or given from or to any Director or any person connected with the Director of NCL.

Holding position of any director in any company, society, trust, organization or other firms:

SI No	Name of director	Name of company where the director is involved	Position in that company
1	Mr. Shafiul Islam	Navana Group Companies	Chairman
2	Mr. Saiful Islam	Navana Group Companies	Vice-Chairman
3	Mr. Monwarul Islam	Navana Group Companies (SI 1,2,3 & 10)	Director
4	Mr. Sajedul Islam	Navana Group Companies	Director
5	Ms Farhana Islam	Navana Group Companies	Director
6	Mr Shahedul Islam	Navana Group Companies	Director
7	Mrs Khaleda Islam	Navana Group Companies	Director
8	Mr Md Ekramul Haq	Investment Corporation of Bangladesh	ICB Nominated Director

Navana Group Companies include the following companies:-

1. Navana Limited
2. Aftab Automobiles Limited
3. Navana Taxi Cab Co. Ltd
4. Navana Real Estate Ltd
5. Navana Construction Ltd
6. Navana Interlinks Limited
7. Biponon Limited
8. Navana Sweaters Ltd
9. Navana Electronics Ltd
10. Navana CNG Ltd
11. Navana Distributions Ltd
12. Navana Computers & Technologies Ltd
13. Navana Petroleum Ltd

14. Navana Logistics Ltd
15. Navana Power Company Ltd.
16. Navana Renewable Energy Ltd.

Pecuniary or non-pecuniary interests and facilities enjoyed by a director:

No interests and facilities, whether pecuniary or non-pecuniary, are enjoyed by the Directors of the Company.

I. Executive Compensation:

Name and designation with the amount of remuneration paid to the top ten salaried officers in the last accounting year ended 31 March 2009:

Sl No	Name of the Executive	Designation	Department	Gross Salary (Tk.)
1	Sumit Kumar Shaha	DGM	Navana CNG Limited	1,440,000
2	Md. Atiur Rahman	Manager	Operation & Maintenance	960,000
3	Sumun Saha	Manager	Sales & Marketing	960,000
4	Md. Masud Rana	Deputy Manager	Accounts & Finance	720,000
5	M. M. Rahman Muzumder	Deputy Manager	Sales, Marketing & Business Development	720,000
6	Md. Imran Hossain	Deputy Manager	Workshop	720,000
7	Md. Ainul Haq	Deputy Manager	Diesel Workshop	720,000
8	Mr. Mizanur Rahman	Deputy Manager	Workshop	720,000
9	Md. Kamrul Islam	Deputy Manager	Workshop	720,000
10	Md. Ashiqur Rahman	Assistant Manager	Sales & Marketing	600,000
				8,280,000

Aggregate amount of remuneration paid to all officers in the last accounting year ended 31 March 2009:

Sl No	Head of Remuneration	Amount in Taka
1	Basic Salary	40,169,240
2	Housing	28,135,392
3	Medical	4,016,924
4	Transport	2,410,154
5	Contribution to Provident Fund	803,385
6	Bonus	4,353,171
7	Leave Pay	450,214
	Total :	80,338,480

Remuneration paid to any Director who was not an officer during the last accounting year:

No remuneration/honorarium was paid to the directors who were not officers during the last accounting year.

Contract with any officer or director for the payment of future compensation:

No such contract was made with any officer or director for the payment of future compensation.

Increment of the remuneration to the officers and employees of the company in the current year:

NCL allows annual increment on the basis of rating and basic salary of permanent officers and employees.

J. Options granted to Officers, Directors and Employees:

No such options have been granted to Officers, Directors, and employee of NCL.

The expiration date of the option:

Not applicable for the Company.

Options held by any persons other than the officers and directors:

No such options held any persons (including Officers and Directors).

K. Transaction with Promoters:

No benefit, directly or indirectly, was received by the promoters or by any directors or any person connected with the promoters or directors.

L. Tangible Assets per Share:

Net Tangible Assets per Share:

Net Tangible Assets value is based on historical cost accounting (HCA) book value of shareholder's net tangible assets. This is determined on the basis of audited Balance Sheet as at 31 March 2009 as follows:

AUDITORS' CERTIFICATE ON THE NET TANGIBLE ASSET VALUE OF NAVANA CNG LIMITED

We have examined the Net Tangible Asset Value of Navana CNG Limited as at 31 March 2008 and 2009 which have been computed by the Management of the Company based on its financial Statements for the years ended 31 March 2008 and 2009. Based on our examination, we certify that the Net Tangible Asset Value of the Company has been properly computed by it based on its financial statements for or the years ended 31 March 2008 and 2009 audited, and reported upon, by us:

	31.03.2009	31.03.2008
A.1 Property, Plant and Equipment	587,246,265	287,255,093
A.2 Long term Security Deposits	38,729,767	14,275,286
A.3 Investment in Share	929,431	929,431
A.4 Current Assets	465,590,953	574,919,923
A.4 Total Assets (A.1+A.2+A.3)	1,092,496,416	877,379,733
B.1 Less: Current Liabilities	195,975,515	76,316,497
B.2 Less: Long term Liabilities	270,900,498	420,104,420
B.3 Total Liabilities (B.1+B.2)	466,876,013	496,420,917
C Net Assets (A.4-B.3)	625,620,403	380,958,816
D Re-stated Number of Shares	36,300,000	30,000,000
E Net Tangible Asset Value per share(C/D)	17.23	12.70

Sd/-
Md. Shafiu Islam
Chairman

Sd/-
Md. Saiful Islam
CEO

Sd/-
Sumit Kumar Saha
Deputy General Manager

Dhaka, 21 May 2009

Sd/-
Rahman Mostafa Alam & Co
Chartered Accountants

M. Ownership of the Company's Securities:

Name and address of the persons owning 5% or more of the securities of the issuer (as on 25.05.09):

Sl No	Name of the Owners of Securities	Position	No of Shares	Amount in Taka	Percentage of Ownership
1	Mr. Shafiul Islam	Chairman	19,617,282	196,172,820	54.04%
2	Mrs. Khaleda Islam	Director	3,709,969	37,099,690	10.22%
3	Mr. Saiful Islam	Director	3,630,000	36,300,000	10.00%
4	Mr. Sajedul Islam	Director	3,603,900	36,039,000	9.93%
5	Aftab Automobiles Limited	-	5,445,000	54,450,000	15.00%
			36,006,151	360,061,510	99.19%

Mailing address of owners of all securities is at Islam Chamber (4th Floor), 125A Motijheel Commercial Area, Dhaka-1000.

Note:

Subsequently the shareholding position has been changed. The shareholding position of the existing shareholders as on 05 July, 2009 is furnished in the additional disclosure in page no. 94, serial no.7.

Number of shares owned by the top ten salaried officers, directors and all other officers:

No share is owned by any salaried officers.

N. Description of Securities Outstanding or Being Offered:

Dividend, voting and preemption rights of the shares outstanding or being offered:

The share capital of the company is divided into ordinary shares carrying equal rights to vote and receive dividend in terms of the relevant provisions of the Companies Act, 1994 and the Articles of Association of the Company. Shareholders shall have the usual voting right in person or by proxy in connection with, among others, selection of Directors and Auditors and other usual agenda of General Meeting – Ordinary or Extra-Ordinary. On a show of hands, every shareholder present and every duly authorized representative of a shareholder present at a General Meeting shall have one vote and on a poll every shareholder present in person or by proxy shall have one vote for every share held by him/her.

In case of any additional issue of shares for raising further capital, the existing shareholders shall be entitled to rights issue of shares in terms of the Securities and Exchange Commission (Rights Issue) Rules, 2006 issued by the SEC.

Subject to the provisions of the Companies Act, 1994, Articles of Association of the Company and other relevant Rules in force, the shares, if any, of the Company are freely transferable. The Company shall not charge any fee for registering transfer of shares. No transfer shall be made to firms, minors or persons of unsound mind.

Dividend, voting and conversion and liquidation rights of any preferred stock outstanding or being offered:

If the Company at any time issues Convertible Preference Shares or Debentures or Bonds with the consent of SEC, such holders of securities shall be entitled to convert such securities into ordinary shares if it is so determined by the Company.

Subject to the provisions of the Companies Act, 1994, Articles of Association of the Company and other relevant Rules in force, the shares, if any, of the Company are freely transferable. The Company shall not charge any fee for registering transfer of shares. No transfer shall be made to firms, minors or persons of unsound mind.

Limitations on the Payment of dividends to common or preferred stockholders:

a) The profit of the Company, subject to any special right relating thereto created or authorized to be created by the Memorandum of Association and subject to the provisions of the Articles of Association, shall be divisible among the members in proportion to the capital paid up on the shares held by them respectively.

b) No higher dividend shall be declared than is recommended by the Directors, but the Company in its General Meeting may declare a smaller dividend. The declaration of Directors as to the amount of net profit of the Company shall be conclusive.

c) No dividend shall be payable except out of profits of the company or any other undistributed profits. Dividends shall not carry interest as against the Company.

d) The Directors may, from time to time, pay the members such interim dividend as in their judgment the financial position of the company may justify.

e) A transfer of shares shall not pass the right to any dividend declared thereon before the registration of transfer.

Other material rights of common or preferred stockholders:

The Shareholders shall have the right to receive all periodical reports and statements, audited as well as unaudited, published by the Company from time to time. The Directors shall present the financial statements as required under the Law and International Accounting Standards and International Financial Reporting Standards as adopted by the Institute of Chartered Accountants of Bangladesh. Financial Statements will be prepared in accordance with International Financial Reporting/Accounting Standards, consistently applied throughout the subsequent periods and present with the objective of providing maximum disclosure as per law and International Financial Reporting/Accounting Standard to the shareholders regarding the Financial and operational position of the company.

In case of any declaration of stock dividend by issue of bonus shares, all shareholders shall be entitled to it in proportion to their shareholdings on the date of book closure/record date for the purpose. The shareholders holding not less than 10% of the issued/fully paid up capital of the company shall have the right to requisition Extra-ordinary General Meeting (EGM) of the Company as provided under Section 84 of the Companies Act, 1994.

O. Debt Securities:

Terms and conditions of debt securities that the company may have issued or to be issued:

The Company issued debentures worth Tk 200,000,000 (Taka twenty crore) only. The debentures shall carry interest @11% from the date of disbursement on a half yearly basis. The debentures are repayable in 10 equal half-yearly instalments after a grace period of 2 years from the date of disbursement. The debentures are secured by-(a) 1st charge on the Company's present and future moveable and immovable assets in favour of the Debenture Trustee; and (b) directors' guarantee and undertaking in their personal capacity to ensure repayment of principal and interest to the debentureholders.

Principal amount, maturity date, interest rate and other features of all debt securities:

The Company issued debentures worth Tk 200,000,000 (Taka twenty crore) only. At 31 March 2009, outstanding debentures aggregate Tk 13,43,95,000 (Taka thirteen crore forty three lac ninety five thousand), broken-up as follows:-

Debentureholder's Name	Amount (Tk)	Status
ICB	53,350,000	Regular
ICB Asset Management Co Ltd	50,730,000	Regular
The City Bank Ltd	30,315,000	Regular
Total Debentures	134,395,000	

The debentures shall carry interest @11% from the date of disbursement on a half yearly basis. The debentures are repayable in 10 equal half-yearly instalments after a grace period of 2 years from the date of disbursement. The debentures are secured by-(a) 1st charge on the Company's present and future moveable and immovable assets in favour of the Debenture Trustee; and (b) directors' guarantee and undertaking in their personal capacity to ensure repayment of principal and interest to the debentureholders.

All other material provisions giving or limiting the rights of the holders of debt:

The Company is required to obtain permission from the debentureholders for issuance of "equity and debentures".

Trustees designated by the indenture for outstanding debt or for debt being offered:

Investment Corporation of Bangladesh acts as the Debenture Trustee to Debenture Issue.

P. Financial Statements:

Auditors' Report (with Financial Statements):

**AUDITORS' REPORT
TO
The Shareholders of Navana CNG Limited**

We have audited the accompanying balance sheet of the **Navana CNG Limited** as of March 31, 2009 and the related income statement, cash flow statement, statement of changes in shareholders equity and the explanatory notes to the financial statements for the year then ended. The preparation of these financial statements is the responsibility of the company's management. Our responsibility is to express an independent opinion on these financial statements based on our audit.

Scope :

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

Opinion :

In our opinion, the financial statements prepared in accordance with Bangladesh Accounting Standards (BAS), give a true and fair view of the state of the Company's affairs as of March 31, 2009 and of the results of its operations and its cash flows for the year then ended and comply with the applicable sections of the Companies Act, 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that :

- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b. in our opinion, proper books of account as required by the law have been kept by the company so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit have been received from branches not visited by us;
- c. the company's balance sheet and income statement dealt with by the report are in agreement with the books of account and returns;
- d. the expenditure were incurred for the purpose of the company's business;

Sd/-

Dated : Dhaka
April 15, 2009

Rahman Mostafa Alam & Co.
Chartered Accountants

Navana CNG Limited

Balance Sheet

As at March 31, 2009

	Note	Amount in Taka	
		2009	2008
Property and Assets			
Non-Current Assets			
		628,447,727	304,002,074
Fixed Assets at cost less depreciation	3.00	587,246,265	287,255,093
Long-term Security Deposit	4.00	38,729,767	14,275,286
Intangible Assets	5.00	1,542,264	1,542,264
Investment in Shares	6.00	929,431	929,431
Current Assets			
		465,590,953	574,919,923
Inventories	7.00	301,316,528	443,889,682
Accounts Receivables	8.00	21,863,925	13,903,312
Inter Company Current Account		-	30,117,676
Advances, Deposits and Prepayments	9.00	52,658,681	40,111,311
Cash and Bank Balances	10.00	89,751,819	46,897,942
Total Property and Assets		1,094,038,680	878,921,997
Equity and Liabilities			
Shareholders' Equity			
		627,162,667	382,501,080
Share Capital	11.00	300,000,000	100,000,000
Tax Holiday Reserve		150,467,082	52,602,447
Proposed Bonus Shares	22.00	63,000,000	200,000,000
Retained Earnings		113,695,585	29,898,633
Non-Current Liabilities			
		270,900,498	316,026,023
Debentures-net of current maturity	12.00	94,395,000	126,000,000
Lease Finance Liabilities-net of current maturity	13.00	102,285,470	115,483,753
Long term Bank borrowings-net of current maturity	14.00	74,220,028	74,542,270
Current Liabilities			
		195,975,515	180,394,894
Debentures-Current Maturity		40,000,000	40,000,000
Lease Finance Liabilities-Current Maturity		21,482,340	14,516,247
Long-term Liabilities-Current Maturity		44,953,673	49,562,150
Short Term Loan from banks	15.00	55,851,411	27,054,001
Payables and Accruals	16.00	33,688,091	49,262,496
Total Shareholders' Equity and Liabilities		1,094,038,680	878,921,997

The annexed notes from 1 to 22 and Annexure 1 & 2 form an integral part of these financial statements.

Sd/-
Chairman

Sd/-
Director

Signed in terms of our separate report of even date.

Dated : Dhaka
April 15,2009

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants

Navana CNG Limited

Income Statement

For the year ended March 31, 2009

Particulars	Note	Amount in Taka	
		2009	2008
Turnover	17.00	1,235,814,501	983,964,644
CNG Conversion Charges		693,047,113	716,732,043
CNG Sales		542,767,388	267,232,601
Less: Direct Expenses	18.00	759,042,020	577,438,072
Cost of CNG Conversion		435,281,693	459,215,619
Cost of CNG Sales		323,760,327	118,222,453
Gross Profit		476,772,481	406,526,572
Less: Operating Expenses		232,110,894	198,080,939
Administrative & Selling Expenses	19.00	170,171,480	133,888,598
Interest Expenses	20.00	61,939,414	64,192,341
Operating Profit		244,661,587	208,445,633
Add: Other Income-net		-	8,568
Net Profit transferred to Statement of Changes in Equity		244,661,587	208,454,201
Earnings Per Share	21.00	8.16	6.95

The annexed notes from 1 to 22 and Annexure 1 & 2 form an integral part of these financial statements.

Sd/-
Chairman
Signed in terms of our separate report of even date.

Sd/-
Director

Dated : Dhaka
April 15,2009

Sd/-
Rahman Mostafa Alam & Co.
Chartered Accountants

Navana CNG Limited

Statement of Changes in Equity

For the year ended March 31, 2009

Amount in Taka

Particulars	Share Capital	Tax Holiday Reserve	Bonus Share	Retained Earnings	Total
Balance at 01.04.07	51,000,000	49,220,767	49,000,000	24,826,112	174,046,879
Net Profit for the year	-	-	-	208,454,201	208,454,201
Issue of Bonus Shares	49,000,000	-	(49,000,000)	-	-
Tax Holiday Reserve made for the year	-	83,381,680	-	(83,381,680)	-
Inter-Transfer for Stock Dividend	-	(80,000,000)	-	80,000,000	-
Proposed Bonus Shares	-	-	200,000,000	(200,000,000)	-
Balance at 31.03.08	100,000,000	52,602,447	200,000,000	29,898,633	382,501,080
Balance at 01.04.08	100,000,000	52,602,447	200,000,000	29,898,633	382,501,080
Net Profit for the year	-	-	-	244,661,587	244,661,587
Issue of Bonus Shares	200,000,000	-	(200,000,000)	-	-
Tax Holiday Reserve made for the year	-	97,864,635	-	(97,864,635)	-
Proposed Bonus Shares (Note: 21)	-	-	63,000,000	(63,000,000)	-
Balance at 31.03.09	300,000,000	150,467,082	63,000,000	113,695,585	627,162,667

Sd/-

Chairman

Signed in terms of our separate report of even date.

Sd/-

Director

Sd/-

Rahman Mostafa Alam & Co.
Chartered Accountants

Dated : Dhaka
April 15, 2009

Navana CNG Limited

Cash Flow Statement

For the year ended March 31, 2009

Particulars	Amount in Taka	
	2009	2008
<i>Cash Flows from Operating Activities</i>		
Collections from Customers	1,227,853,888	970,061,332
Payments for Costs & Expenses	(737,847,306)	(933,484,777)
Interest paid	(85,133,914)	(66,997,841)
Tax Deducted at Source	-	(1,512)
<i>Net Cash generated / (used) from Operating Activities</i>	404,872,669	(30,422,798)
<i>Cash Flows from Investing Activities</i>		
Acquisitions of Fixed Assets	(324,914,078)	(122,937,487)
Long-term Security Deposits	(24,454,481)	(14,275,286)
Deferred Revenue Expenses	-	(1,488,305)
Dividend Received	-	10,080
<i>Net Cash used in Investing Activities</i>	(349,368,559)	(138,690,998)
<i>Cash Flows from Financing Activities</i>		
Redemption of Debenture	(31,605,000)	(34,000,000)
Lease Finance from/ (repaid to) ICB	(6,232,190)	130,000,000
Borrowings from/ (Repayments to) Banks	(4,930,719)	77,945,076
Receipts from Inter-Company	30,117,676	21,998,021
<i>Net cash (used in) / provided by financing activities</i>	(12,650,233)	195,943,097
<i>Net changes in cash and cash equivalents</i>	42,853,877	26,829,301
<i>Cash and cash equivalents at the beginning of the year</i>	46,897,942	20,068,641
<i>Cash and cash equivalents at the end of the year</i>	89,751,819	46,897,942

Sd/-

Chairman

Signed in terms of our separate report of even date.

Dated : Dhaka

April 15, 2009

Sd/-

Director

Sd/-

Rahman Mostafa Alam & Co.

Chartered Accountants

Navana CNG Limited

Notes to the Financial Statements

For the year ended March 31, 2009

1. Corporate information

Navana CNG Limited (the company) was incorporated in Bangladesh as a private company on 19.04.2004 vide registration no. C525/2(2807)/2004 and converted into a public company on 08.03.09.

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

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

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the company have been prepared assuming going concern basis in accordance with Bangladesh Accounting Standards (“BAS”) on the historical cost convention.

The financial statements are presented in Bangladeshi Taka (BDT).

2.2 Changes in accounting policies

The accounting policies have been consistently applied by the company and are consistent with those used in the previous financial year.

2.3 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 balance sheet 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 is now enjoying tax holiday.

(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.

2.4 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 balance sheet date. 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.

2.5 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 balance sheet 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 regular way 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.

2.6 Impairment of financial assets

The company assesses at each balance sheet date whether there is any objective evidence that a financial asset or the group of financial assets is impaired.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset. To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. If, in a subsequent period, the

amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortized cost at the reversal date. The amount of reversal is recognized in the income statement.

2.7 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.

2.8 Revenue recognition

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

I. Petrol and Diesel vehicle conversion services

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

II. 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.

III. Dividend

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

IV. Other revenues

Other revenues are recognized when services are rendered.

2.9 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. Depreciation is calculated on straight-line method to write off the cost of the assets over their estimated useful lives. Land has an unlimited useful life and therefore is not depreciated. Depreciation of an asset begins when it is available for use and is computed on a reducing balance method over the estimated useful life of the asset as follows :

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

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

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

2.10 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.

2.11 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at bank and demand deposits. These also include bank overdrafts that form an integral part of the company's cash management.

2.12 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 balance sheet date.

(ii) Deferred tax

Deferred income tax is provided using the liability method on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. 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.

The carrying amount of deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. Deferred taxes are recognized in the income statement except that deferred tax relating to items

recognized directly in equity is recognized directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(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 balance sheet.

2.13 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 balance sheet 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.

2.14 Financial liabilities

Financial liabilities are recognized on the balance sheet 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.

2.15 Borrowing costs

Borrowing costs are recognized as expenses in the period in which they are incurred.

2.16 Leases

As lessee

Finance leases, which transfer to the company substantially all the risks and rewards incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are

also added to the amount capitalized. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the income statement. Contingent rents, if any, are charged as expenses in the periods in which they are incurred. Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term.

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

2.17 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 balance sheet date.

Termination benefits

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

2.18 Share capital and share issue expenses

Proceeds from issuance of ordinary shares are recognized as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.19 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 balance sheet of the Company.

2.20 Earnings per share

Basic earning per share

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

In computing the basic earning per share of 2008, the total number of shares including the bonus shares has been considered as the weighted average number of shares outstanding during the year 2008 as per BAS-33 "Earning per Share".

Diluted earnings per share

No diluted earning per share is required to be calculated for the year as

there was no scope for dilution during the year under review.

2.21 Events after the reporting period

Events after the reporting period that provide additional information about the company's position at the balance sheet date are reflected in the financial statement. Events after the reporting period are not adjusting event are disclose when material.

2.22 Comparative figure

Comparative information has been disclosed in respect of the year 2008 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.

2.23 General

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

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

Note	Particulars	2009	2008
3.00	Fixed Assets at cost less depreciation: Tk. 587,246,265		
3.01	Property, Plant and Equipment	587,246,265	243,948,554
3.02	Capital Work in Progress	-	43,306,539
	Total	587,246,265	287,255,093
3.01	Schedule of fixed assets and depreciation thereon for the year is presented in Annex 1.		
3.02	Capital Work in Progress is arrived at as follows:		
	Opening Balance	43,306,539	95,035,500
	Addition during the year	-	71,208,528
	Total	43,306,539	166,244,028
	Transferred to Property, Plant & Equipment	43,306,539	122,937,489
	Closing Balance	-	43,306,539
4.00	Long-term Security Deposits: Tk . 38,729,767		
	This consists of:		
	Bank Guarantee Margin	14,254,293	4,011,126
	Care Bangladesh	12,053	-
	Delta Life Insurance Co. Ltd	118,918	-
	Dhaka Metropolitan Police	147,331	750,000
	Grameen Phone	22,000	22,000
	North South University	16,143	-
	PDBF	5,056	-
	Roads & Highway Division	190,350	150,000
	BT&TB	10,000	10,000
	Titas Gas T&D Co	21,849,488	7,846,520
	DESCO	90,000	90,000
	DESA	120,000	120,000
	Jalabad Gas Co. Ltd	1,299,297	875,640
	Power Development Board	311,025	250,000
	R&H (Road Cutting)	26,693	-

	Dhaka PBS 1	257,120	150,000
	Total	38,729,767	14,275,286
5.00	Intangible Assets: Tk. 1,542,264		
	This consists of:		
	Deferred Revenue Expenses	1,488,305	1,488,305
	Preliminary Expenses	18,325	18,325
	Unallocated Revenue Expenses	35,634	35,634
	Total	1,542,264	1,542,264
6.00	Investment in Shares: Tk. 929,431		
	This consists of:		
	Investment in the shares of Lafarge Surma Cement Ltd.	468,071	468,071
6.01	Investment in the shares of Aftab Automobiles Ltd.	461,360	461,360
	Total	929,431	929,431
6.01	Investment in the shares of Aftab Automobiles Ltd.		
	Particulars	No. of Shares	Value
	Opening	1,856	461,360
	Add : Bonus shares received (25%)	464	-
	Total	2,320	461,360
7.00	Inventories: Tk. 301,316,528		
	This consists of:		
7.01	Stock & Stores	282,647,384	377,029,552
7.02	Stock- Machineries	18,669,144	38,546,852
	Goods in Transit	-	28,313,278
	Total	301,316,528	443,889,682

7.01 Stock & Stores

This arrived at as follows:

Opening Balance	377,029,552	295,726,594
Add: Purchase during the year	<u>340,899,525</u>	<u>540,518,577</u>
Available for Consumption	717,929,077	836,245,171
Raw Materials Consumed	<u>435,281,693</u>	<u>459,215,619</u>
Closing Balance	<u>282,647,384</u>	<u>377,029,552</u>

Item wise details: See Annexure 2

7.02 Stock of Machineries

This arrived at as follows:

Opening Balance	38,546,852	29,512,568
Add: Purchase during the year	<u>52,974,128</u>	<u>9,034,284</u>
Total	91,520,980	38,546,852
Less: Transferred to Property, Plant & Equipment	<u>72,851,836</u>	<u>-</u>
Closing Balance	<u>18,669,144</u>	<u>38,546,852</u>

8.00 Accounts Receivable: Tk. 21,863,925

This consists of:

Tejgaon CNG Conversion Center	4,852,248	1,543,540
Kallyanpur CNG Conversion Center	3,055,897	2,546,581
Dipnagar Diesel Conversion Center	2,214,732	845,610
Chittagong CNG Conversion Center	1,525,545	854,621
Sylhet CNG Conversion Center	670,932	925,461
Uttara CNG Conversion Center	1,238,548	1,032,123
Bogra CNG Conversion Center	849,458	541,215
Palton CNG Conversion Center	3,025,850	2,521,542
Denso CNG Station	180,384	150,320
Binimoy CNG Station	330,038	275,032

Sylhet CNG Station	667,784	556,487
Baipail CNG Station	462,554	385,462
Bogra CNG Station	282,769	235,641
Leguna CNG Station	390,553	325,461
Sitakundu CNG Station	510,821	425,684
S.H. Khan CNG Station	307,694	256,412
Kwality CNG Station	150,553	125,461
Abdullah CNG Station	258,492	215,410
Bhoirab CNG Station	169,499	141,249
Elenga Station CNG Station	124,512	-
United CNG Station	125,432	-
Jogajog CNG Station	215,412	-
Sonarbangla CNG Station	254,215	-
Total	21,863,925	13,903,312

9.00 Advances, Deposits & Prepayments: Tk. 52,658,681

This consists of:

Advances:

Leasehold Land	20,476,949	23,861,323
CNG Association	350,633	350,633
Booking Center	100,000	100,000
Advances to Employees	546,214	324,998
Advance against local procurement	16,812,000	9,550,000
Other Advances	12,279,566	3,430,682

50,565,362 37,617,636

Deposits:

Earnest Money	2,093,319	2,493,675
---------------	-----------	-----------

Total **52,658,681** **40,111,311**

Cash at bank	62,135,846	41,385,754
Cash in Hand	27,615,973	5,512,188
Total	89,751,819	46,897,942

10.01 Cash at bank

This consists of:

Arab Bangladesh Bank Ltd. Bhairab Br.	3,092,693	829,176
Arab Bangladesh Bank Ltd. Sitakunda Br.	1,014,399	675,654
Bank Alfalah Ltd. Main Br.	15,488	15,776
Bank Asia Ltd. MCB Dilkusha Br.	113,961	80,771
Brac Bank Ltd. Gulshan Br.	89,450	43,394
Brac Bank Ltd. Zindabazar Br	2,104,700	29,276
Brac Bank Ltd. Zindabazar Br	1,925,843	3,720,819
Dhaka Bank Ltd. Gulshan Br.	3,919,842	5,870,204
Dhaka Bank Ltd. Bogra Br.	328,668	165,075
Dhaka Bank Ltd. Bogra Br.	118,584	510,675
Dhaka Bank Ltd. Fantasy Br. Savar.	1,709,369	937,401
Dutch Bangla Bank Ltd.	1,430,300	-
Dutch Bangla Bank Ltd.	1,335,650	-
Dutch Bangla Bank Ltd. Bogra Br.	2,438,445	855,900
IFIC Bank Ltd. Motijheel Br.	4,480	176,975
IFIC Bank Ltd.	638	-
Jamuna Bank Ltd. Dilkusha Br.	66,908	50,586
Jamuna Bank Ltd.	22,925	-
Mutual Trust Bank Ltd. CDA Avenue Br. Ctg	768,710	
Mutual Trust Bank Ltd. Agrabad Br.	1,152,760	4,004,227
Mutual Trust Bank Ltd. Dilkusha Br.	237,255	5,357
Mutual Trust Bank Ltd. GEC More Br.	2,121,536	1,531,500

Mutual Trust Bank Ltd. Principal Br.	73,959	308,271
Mutual Trust Bank Ltd. Motijheel Br.	288,815	
Mutual Trust Bank Ltd. Uttara Br.	811,196	1,108,325
National Bank Ltd. Bus Stand Br. Tangail	1,996,996	-
NCC Bank Ltd. Motijheel. Br.	38,574	5,365
Prime Bank Ltd. Asad Gate Br.	9,823	52,783
Prime Bank Ltd. Shimrail Br. Ngonj	2,342,372	-
Prime Bank Ltd. Bijoy Nagar Br.	673,300	1,121,900
Pubali Bank Ltd. Nazimuddin Rd. Br	2,818,751	-
Rupali Bank Ltd. Elenga Br. Tangail	2,982,319	-
Shahjalal Islami Bank Ltd. EPZ. Br.	991,450	1,724,824
Shahjalal Islami Bank Ltd. EPZ. Br.	1,507,134	1,862,860
Shahjalal Islami Bank Ltd. Gulshan. Br.	37,759	36,068
Social Investment Bank Ltd. Pr. Br.	50,000	-
Southeast Bank Ltd. Shamoly Br.	1,393,629	-
Standard Bank Ltd. Principal Br.	5,764,686	547,002
Standard Chartered Bank. Main Br.	364,268	982,526
Standard Chartered Bank. Main Br.	297,522	1,133,942
Standard Chartered Bank. Main Br.	164,475	408,097
Standard Chartered Bank. Main Br.	1,491,890	518,468
Uttara Bank Ltd. Motijheel. Br.	6,377,305	3,096,539
Uttara Bank Ltd. Postagola Br.	2,954,890	1,291,942
Uttara Bank Ltd. Shayamoli Br.	3,580,083	5,746,422
	62,135,846	41,385,754

11.00 Share Capital

11.01 Authorized Capital: Tk. 500,000,000

50,000,000 Ordinary Shares of Tk. 10 each	500,000,000	200,000,000
Total	500,000,000	200,000,000

11.02 Issued, Subscribed and Paid up Capital: Tk. 300,000,000

5,100,000 Ordinary Shares of Tk. 10 each issued for cash	51,000,000	51,000,000
24,900,000 Ordinary Shares of Tk. 10 each issued as bonus shares	249,000,000	49,000,000
Total: 30,000,000 Ordinary Shares of Tk. 10 each	300,000,000	100,000,000

11.03 Shareholding Pattern

Detailed break-up of shareholding is shown below:

Name of the Sponsors	No. of Shares	No. of Shares
Mr. Shafiul Islam	16,212,630	6,904,210
Mrs. Khaleda Islam	3,066,090	1,022,030
Mr. Monwarul Islam	51,240	17,080
Mr. Saiful Islam	3,000,000	1,000,000
Mr. Sajedul Islam	2,978,430	992,810
Ms. Farhana Islam	59,400	19,800
Mr. Shahedul Islam	59,400	19,800
Late Suraiya Begum	21,570	7,190
Mr. Anwarul Islam	51,240	17,080
Aftab Automobiles Limited	4,500,000	-
Total	30,000,000	10,000,000

12.00	Debentures: Tk. 94,395,000		
	This is arrived at as follows:		
	Opening Balance	166,000,000	200,000,000
	Add: Interest charged during the year	19,890,000	-
		<u>185,890,000</u>	<u>200,000,000</u>
	Less: Repayment	51,495,000	34,000,000
	Total	134,395,000	166,000,000
	Less: Current Maturity	40,000,000	40,000,000
	Closing Balance	<u>94,395,000</u>	<u>126,000,000</u>
13.00	Lease Finance Liabilities: Tk. 102,285,470		
	This is arrived at as follows:		
	Opening Balance	130,000,000	130,000,000
	Add: Interest charged during the year	13,161,690	-
		<u>143,161,690</u>	<u>130,000,000</u>
	Less Payment during the year	19,393,880	-
	Total	123,767,810	130,000,000
	Less: Current Maturity	21,482,340	14,516,247
	Closing Balance	<u>102,285,470</u>	<u>115,483,753</u>
14.00	Long-term Liabilities: Tk. 74,220,028		
	These represents balance of loan from the following banks:		
	Bank Asia Ltd., Dilkusha Branch	3,827,556	6,803,123
	Shahjalal Islami Bank Ltd., Gulshan Branch	26,261,259	32,845,066
	NCC Bank Ltd., Motijheel Branch	18,452,875	23,611,377
	Jamuna Bank Ltd., Dilkusha Branch	12,278,248	21,092,476
	Mutual Trust Bank Ltd., Principal Branch	30,265,291	39,752,378
	Prime Bank Ltd, Asad Gate Branch	28,088,472	-
	Total	119,173,701	124,104,420
	Less: Current Maturity	44,953,673	49,562,150
	Closing Balance	<u>74,220,028</u>	<u>74,542,270</u>

15.00 Short Term Loans from banks: Tk. 55,851,411

Loan Against Trust Receipts from the following Banks:

Shahjalal Islami Bank Ltd., Gulshan Branch	21,047,855	17,446,787
Standard Bank Ltd., Principal Branch	30,033,844	4,842,201
Prime Bank Ltd., Principal Branch	-	3,309,251
Jamuna Bank Ltd., Dilkusha Branch	4,769,712	1,455,762
Total	55,851,411	27,054,001

16.00 Payables and Accruals: Tk. 33,688,091

This consists of:

Accounts Payables	7,183,722	9,455,596
Accrued Expenses	19,943,001	9,844,955
Sundry Creditors	6,561,368	6,767,445
Accrued Interest on Debentures	-	23,194,500
Total	33,688,091	49,262,496

17.00 Turnover: Tk. 1,235,814,501

This consists of:

17.01 CNG Conversion Charges	693,047,113	716,732,043
17.02 CNG Sales	542,767,388	267,232,601
Total	1,235,814,501	983,964,644

17.01 Conversion Charges

This consists of:

Tejgaon CNG Conversion Center	244,647,052	246,375,363
Kallyanpur CNG Conversion Center	106,721,278	110,547,663
Dipnagar Diesel Conversion Center	69,932,916	71,043,772
Chittagong CNG Conversion Center	81,686,820	108,259,353
Sylhet CNG Conversion Center	55,774,164	84,936,675
Uttara CNG Conversion Center	80,859,297	70,976,442
Bogra CNG Conversion Center	5,310,216	21,466,166
Palton CNG Conversion Center	48,115,370	3,126,609
Total	<u>693,047,113</u>	<u>716,732,043</u>

17.02 CNG Sales

This consists of:

Denso CNG Station	26,612,066	17,719,160
Binimoy CNG Station	40,917,333	23,259,519
Sylhet CNG Station	30,685,175	19,563,151
Baipail CNG Station	27,565,750	25,328,356
Bogra CNG Station	43,350,904	37,336,126
Leguna CNG Station	46,370,261	35,985,414
Sitakundu CNG Station	29,597,394	22,000,657
S.H. Khan CNG Station	59,843,128	21,771,244
Kwality CNG Station	33,489,924	11,836,665
Abdullah CNG Station	53,498,110	27,576,877
Bhoirab CNG Station	58,295,994	24,855,432

	Elenga Station CNG Station	22,416,780	-
	United CNG Station	19,638,407	-
	Jogajog CNG Station	3,025,098	-
	Sonarbangla CNG Station	47,461,064	-
	Total	<u>542,767,388</u>	<u>267,232,601</u>
18.00	Direct Expenses: Tk. 759,042,020		
	This consists of:		
18.01	Cost of CNG Conversion	435,281,693	459,215,619
18.02	Cost of CNG Sales	323,760,327	118,222,453
	Total	<u>759,042,020</u>	<u>577,438,072</u>
18.01	Cost of CNG Conversion		
	This is arrived at as follows:		
	Opening Balance of Raw Materials	377,029,552	295,726,594
	Add: Purchase during the year	<u>340,899,525</u>	<u>540,518,577</u>
	Available for Consumption	717,929,077	836,245,171
	Closing Balance of Raw Materials	<u>282,647,384</u>	<u>377,029,552</u>
	Total	<u>435,281,693</u>	<u>459,215,619</u>
18.02	Cost of CNG Sales		
	This consists of:		
	Gas	254,861,360	69,472,545
	Electricity	43,970,420	34,240,011
	Land Rent	<u>24,928,547</u>	<u>14,509,897</u>
	Total	<u>323,760,327</u>	<u>118,222,453</u>

19.00 Administrative & Selling Expenses: Tk. 170,171,480

This consists of:

Salary & Allowances	80,338,480	77,118,948
Overtime Allowance	5,550,332	4,500,302
Repair & Maintenance	6,505,704	5,732,459
Electricity Bill	3,397,277	1,747,634
Rental Expense	3,549,120	2,499,200
Telephone & Mobile Expense	956,007	778,189
Conveyance	2,277,554	2,070,504
Electrical Expenses	1,913,196	1,466,542
Entertainment	1,215,712	832,466
Labor Charges	1,950,515	1,500,469
Medical Expenses	1,649,697	1,408,816
Carrying Charges	2,848,860	2,226,237
Mineral Water	827,101	570,092
Miscellaneous Expenses	1,625,460	1,023,145
Newspaper & Periodicals	271,762	156,147
Office Maintenance	1,541,951	1,219,955
Audit Fees	95,000	95,000
Oil & Lubricants	2,635,782	2,577,984
Photocopy Expenses	875,502	795,911
Postage & Stamp	990,348	988,498
Uniform & Liveries	768,097	516,452
Printing & Stationery	1,076,885	888,078
Registration & Renewal	1,060,230	872,937
Traveling Expenses	1,450,296	863,905
Depreciation	44,800,614	21,438,728
Total	170,171,480	133,888,598

20.00 Interest Expense: Tk. 61,939,414

This consists of:

Interest on Debentures	19,890,000	23,194,500
Interest on Long-term Loan & Lease Finance Liabilities	25,753,573	31,057,341
Interest on Short-term Loan	16,295,841	9,940,500
Total	<u>61,939,414</u>	<u>64,192,341</u>

21.00 Earning per share (EPS) :

Net profit after tax	<u>244,661,587</u>	<u>208,454,201</u>
Number of shares outstanding	<u>30,000,000</u>	<u>*30,000,000</u>
Earning per share (EPS)	<u>8.16</u>	<u>*6.95</u>

*Re-adjusted for the sake of comparison with 2009.

22.00 Post Balance Sheet Events

The Board of Directors of the Company in their meeting held on 13.04.09 proposed stock dividend for the shareholder at 21% amounting in Tk. 63,000,000 subject to approval of the shareholders in their next AGM and consent of the Securities and Exchange Commission under the Securities and Exchange Commission (Issue of Capital) Rules, 2001.

Annexure: 1

Fixed Assets Schedule

For the year ended March 31, 2009

Figures in Taka

Particulars	Land & Land Development	Building & Shed	Plant & Machinery	Other Equipment	Furniture & Fixture	Vehicles	Total
Original Cost as on 01.04.08	51,000,000	37,878,540	172,742,069	2,598,902	5,141,414	6,445,886	275,806,811
Addition during the year		39,693,272	316,790,184	19,153,121	2,759,273	9,702,475	388,098,325
Total Cost as on 31.03.09	51,000,000	77,571,812	489,532,253	21,752,023	7,900,687	16,148,361	663,905,136
WDV before charging Depreciation	51,000,000	33,218,007	147,586,446	2,225,961	4,524,303	5,393,837	243,948,554
Accumulated Depreciation as on 01.04.08	-	4,660,533	25,155,623	372,941	617,111	1,052,049	31,858,257
Depreciation charged during the year	-	7,291,128	33,133,589	2,137,908	728,358	1,509,631	44,800,614
Accumulated Depreciation as on 31.03.09	-	11,951,661	58,289,212	2,510,849	1,345,469	2,561,680	76,658,871
WDV as on 31.03.09	51,000,000	65,620,151	431,243,041	19,241,174	6,555,218	13,586,681	587,246,265
Rate of Depreciation	Nil	10%	10%	10%	10%	10%	

Selected Ratios:

AUDITORS' CERTIFICATE ON THE SELECTED RATIOS OF NAVANA CNG LIMITED

We have examined the following Ratios of Navana CNG Limited for the years ended 31 March 2005 through 2009 which have been computed by the Management of the Company based on its financial statements for those years. Based on our examination, we certify that the following Ratios have been properly computed by the Company based on its financial statements for the years ended 31 March 2005 through 2009 audited, and reported upon, by us:

<u>Ratios</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<u>Liquidity Ratios:</u>					
(i) Current Ratio	2.38	3.19	2.13	4.55	6.82
(ii) Quick Ratio	0.84	0.73	0.44	2.55	5.71
<u>Operating Ratios:</u>					
(iii) Accounts Receivable Turnover Ratio	56.52	70.77	-	-	-
(iv) Inventory Turnover Ratio	4.10	2.22	2.09	2.35	2.53
(v) Asset Turnover Ratio	1.13	1.12	1.16	0.93	0.41
<u>Profitability Ratios:</u>					
(vi) Gross Margin Ratio	39%	41%	31%	16%	17%
(vii) Operating Income Ratio	20%	21%	15%	2%	4%
(viii) Net Income Ratio	20%	21%	15%	2%	4%
(ix) Return on Assets Ratio	22%	24%	18%	2%	2%
(x) Return on Equity Ratio	39%	54%	64%	10%	8%
(xi) Earnings-per-Share (EPS)	8.16	6.95	3.74	0.21	0.16
<u>Solvency Ratios:</u>					
(xii) Times Interest Earned Ratio	4.95	4.25	2.87	1.19	2.40
(xiii) Debt to Equity Ratio	0.43	0.83	1.41	3.73	3.25
(xiv) Bad Debt Ratio	0	0	0	0	0

Sd/-
Md. Shafiul Islam
Chairman

Sd/-
Md. Saiful Islam
CEO

Sd/-
Sumit Kumar Saha
Deputy General Manager

Dhaka, 21 May 2009

Sd/-
Rahman Mostafa Alam & Co
Chartered Accountants

Comparative Balance Sheet, Profit & Loss Account, Statement in Changes in Equity and Cash Flow Statement for immediate preceding five accounting years (31 March 2005 through 2009):

AUDITORS' CERTIFICATE ON COMPARATIVE FINANCIAL STATEMENTS OF NAVANA CNG LIMITED

We have examined the comparative financial statements of Navana CNG Limited for the years ended 31 March 2005 through 2009 which have been extracted by the Management of the Company from its financial statements for those years. Based on our examination, we certify that the comparative financial statements have been properly extracted by the Company from its financial statements for the years ended 31 March 2005 through 2009 audited, and reported upon, by us:

Balance Sheet as at 31 March

Equity and Liabilities	2009	2008	2007	2006	2005
Shareholders' Equity	627,162,667	382,501,080	174,046,879	61,924,326	55,650,428
Share Capital	300,000,000	100,000,000	51,000,000	51,000,000	26,000,000
Share Money Deposit	-	-	-	-	25,000,000
Tax Holiday Reserve	150,467,082	52,602,447	49,220,767	4,369,730	1,860,171
Proposed Bonus Shares	63,000,000	200,000,000	49,000,000	-	-
Retained Earnings	113,695,585	29,898,633	24,826,112	6,554,596	2,790,257
Non-Current Liabilities	270,900,498	316,026,023	246,159,344	231,218,551	180,600,000
Debentures	94,395,000	126,000,000	200,000,000	200,000,000	170,000,000
Lease Finance Liabilities	102,285,470	115,483,753	-	-	-
Long-term Bank Borrowings	74,220,028	74,542,270	46,159,344	31,218,551	10,600,000
Current Liabilities	195,975,515	180,394,894	206,282,709	72,806,209	39,914,448
Debentures-Current Maturity	40,000,000	40,000,000	-	-	-
Lease Finance Liabilities-Current Maturity	21,482,340	14,516,247	-	-	-
Long-term Liabilities-Current Maturity	44,953,673	49,562,150	-	-	-
Short Term Loan	55,851,411	27,054,001	178,796,961	49,636,741	38,997,750
Payables and Accruals	33,688,091	49,262,496	27,485,748	23,169,468	916,698
Total Liabilities and Shareholders' Equity	1,094,038,680	878,921,997	626,488,932	365,949,086	276,164,876

Property and Assets

	628,447,727	304,002,074	186,601,028	35,014,262	3,983,357
Non-Current Assets					
Fixed Assets at cost less depreciation	587,246,265	287,255,093	185,617,638	34,492,232	3,929,398
Long-term Security Deposit	38,729,767	14,275,286	-	-	-
Intangible Assets	1,542,264	1,542,264	53,959	53,959	53,959
Investment in Shares	929,431	929,431	929,431	468,071	-
Current Assets	465,590,953	574,919,923	439,887,904	330,934,824	272,181,519
Inventories	301,316,528	443,889,682	348,499,045	145,577,621	44,408,743
Accounts Receivables	21,863,925	13,903,312	-	-	-
Inter Company Current Account	-	30,117,676	52,115,697	163,500,000	198,500,000
Advances, Deposits and Prepayments	52,658,681	40,111,311	19,204,521	2,959,749	2,424,399
Cash and Bank Balances	89,751,819	46,897,942	20,068,641	18,897,454	26,848,377
Total Property and Assets	1,094,038,680	878,921,997	626,488,932	365,949,086	276,164,876

Income Statement for the year ended 31 March

	2009	2008	2007	2006	2005
Turnover	1,235,814,501	983,964,644	726,690,871	341,526,984	112,457,619
CNG Conversion Charges	693,047,113	716,732,043	597,715,041	312,972,760	112,457,619
CNG Sales	542,767,388	267,232,601	128,975,830	28,554,223	-
Less: Direct Expenses	759,042,020	577,438,072	498,224,075	287,410,151	93,338,737
Cost of CNG Conversion	435,281,693	459,215,619	455,683,272	272,150,966	93,338,737
Cost of CNG Sales	323,760,327	118,222,453	42,540,803	15,259,185	-
Gross Profit	476,772,481	406,526,572	228,466,796	54,116,833	19,118,882
Less: Operating Expenses	232,110,894	198,080,939	116,372,803	47,842,935	14,468,454
Administrative & Selling Expenses	170,171,480	133,888,598	56,284,640	15,500,743	11,137,538
Interest Expenses	61,939,414	64,192,341	60,088,163	32,342,192	3,330,916
Net Profit before Dividend Income	244,661,587	208,445,633	112,093,993	6,273,898	4,650,428
Add: Dividend Income	-	10,080	33,600	-	-
Less: Tax Deducted at Source	-	1,512	5,040	-	-
Net Profit	244,661,587	208,454,201	112,122,553	6,273,898	4,650,428

Cash Flow Statement

For the year ended 31 March,

Cash Flows from Operating Activities

Collections from Customers	1,227,853,888	970,061,332	726,690,871	341,526,984	112,457,619
Payments for Costs & Expenses	(737,847,306)	(933,484,777)	(637,788,051)	(390,358,971)	(85,958,292)
Interest paid	(85,133,914)	(66,997,841)	(56,088,163)	(10,342,192)	(3,330,916)
Tax Deducted at Source	-	(1,512)	(5,040)	-	-
Net Cash generated/(used) from Operating Activities	404,872,669	(30,422,798)	32,809,617	(59,174,179)	23,168,411

Cash Flows from Investing Activities

Acquisitions of Fixed Assets	(324,914,078)	(122,937,487)	(157,505,663)	(34,395,295)	(2,941,349)
Long-term Security Deposits	(24,454,481)	(14,275,286)	-	-	-
Deferred Revenue Expenses	-	(1,488,305)	-	-	-
Investment in Shares	-	-	(461,360)	-	-
Dividend Received	-	10,080	33,600	-	-
Net Cash used in Investing Activities	(349,368,559)	(138,690,998)	(157,933,423)	(34,395,295)	(2,941,349)

Cash Flows from Financing Activities

Receipts against Share Capital	-	-	-	-	22,000,000
Receipts against/(Redemption) of Debenture	(31,605,000)	(34,000,000)	-	30,000,000	170,000,000
Lease Finance from/(repaid to) ICB	(6,232,190)	130,000,000	-	-	-
Borrowings from/(Repayments to) Banks	(4,930,719)	77,945,076	14,940,793	20,618,551	10,600,000
Receipts from/(Payments to) Related Companies	30,117,676	21,998,021	111,354,200	35,000,000	(198,500,000)
Net cash (used in)/provided by financing activities	(12,650,233)	195,943,097	126,294,993	85,618,551	4,100,000

Net changes in cash and cash equivalents	42,853,877	26,829,301	1,171,187	(7,950,923)	24,327,062
---	-------------------	-------------------	------------------	--------------------	-------------------

Cash and cash equivalents at beginning of the year	46,897,942	20,068,641	18,897,454	26,848,377	2,521,315
---	-------------------	-------------------	-------------------	-------------------	------------------

Cash and cash equivalents at end of the					
--	--	--	--	--	--

year	89,751,819	46,897,942	20,068,641	18,897,454	26,848,377
------	-------------------	-------------------	-------------------	-------------------	-------------------

Statement of Changes in Shareholders' Equity

For the year ended March 31, 2009

Amount in Taka

Particulars	<u>Share Capital</u>	<u>Tax Holiday Reserve</u>	<u>Bonus Share</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance at 01.04.04	1,000,000	-	-	-	1,000,000
Further issue of Shares	25,000,000	-	-	-	25,000,000
Share Money Deposit	-	-	-	-	-
Net Profit for the year	-	-	-	4,650,428	4,650,428
Tax Holiday Reserve made for the year	-	1,860,171	-	(1,860,171)	-
Balance at 31.03.05	26,000,000	1,860,171	-	2,790,257	30,650,428
Balance at 01.04.05	26,000,000	1,860,171	-	2,790,257	30,650,428
Further issue of shares	25,000,000	-	-	-	25,000,000
Net Profit for the year	-	-	-	6,273,898	6,273,898
Tax Holiday Reserve made for the year	-	2,509,559	-	(2,509,559)	-
Balance at 31.03.06	51,000,000	4,369,730	-	6,554,596	61,924,326
Balance at 01.04.06	51,000,000	4,369,730	-	6,554,596	61,924,326
Net Profit for the year	-	-	-	112,122,553	112,122,553
Tax Holiday Reserve made for the year	-	44,851,037	-	(44,851,037)	-
Proposed Bonus Share	-	-	49,000,000	(49,000,000)	-
Balance at 31.03.07	51,000,000	49,220,767	49,000,000	24,826,112	174,046,879
Balance at 01.04.07	51,000,000	49,220,767	49,000,000	24,826,112	174,046,879
Net Profit for the year	-	-	-	208,454,201	208,454,201
Issue of Bonus Shares	49,000,000	-	(49,000,000)	-	-
Tax Holiday Reserve made for the year	-	83,381,680	-	(83,381,680)	-
Inter-Transfer for Stock Dividend	-	(80,000,000)	-	80,000,000	-
Proposed Bonus Shares	-	-	200,000,000	(200,000,000)	-
Balance at 31.03.08	100,000,000	52,602,447	200,000,000	29,898,633	382,501,080
Balance at 01.04.08	100,000,000	52,602,447	200,000,000	29,898,633	382,501,080
Net Profit for the year	-	-	-	244,661,587	244,661,587
Issue of Bonus Shares	200,000,000	-	(200,000,000)	-	-

Tax Holiday Reserve made for the year	-	97,864,635	-	(97,864,635)	-
Proposed Bonus Shares	-	-	63,000,000	(63,000,000)	-
Balance at 31.03.09	300,000,000	150,467,082	63,000,000	113,695,585	627,162,667

Sd/-
Md. Shafiul Islam
Chairman

Sd/-
Md. Saiful Islam
CEO

Sd/-
Sumit Kumar Saha
Deputy General Manager
Sd/
Rahman Mostafa Alam & Co
Chartered Accountants

Dhaka, 21 May 2009

Q. Credit Rating Report:

ENTITY RATING of

NAVANA CNG LIMITED

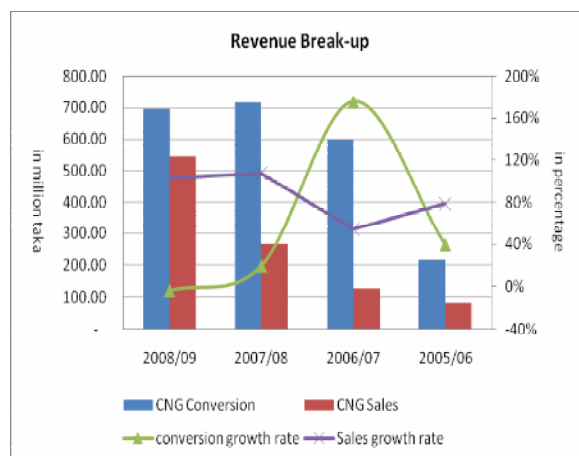
Ratings

Long Term: AA₂
Date of Rating: 29th April 2009
Validity: One (1) year

Analyst

Enam Al Quddus
Senior Financial Analyst

	2008/ 09	2007/ 08	2006/ 07
Turnover	1,235.81	983.96	726.68
Net Profit	244.66	208.45	112.13
Return on Asset (%)	22.36%	23.72%	17.90%
Return on Equity (%)	39.01%	54.50%	64.42%
Debt /Total Asset (%)	39.60%	50.88%	67.83%



1. RATIONALE

CRAB has assigned "AA₂" (pronounced Double A Two) rating to Navana CNG Limited. Companies rated 'AA₂' have very strong capacity to meet its financial commitments. It differs from the highest-rated obligors only to a small degree. AA₂ is judged to be of very high quality and is subject to very low credit risk.

Key Rating Issues

Navana CNG is the leader in CNG conversion and refueling services in Bangladesh. Established in 2004, it has grown rapidly over the years along with growth of CNG driven vehicles in Bangladesh.

The company enjoys high profitability as a result of favorable market reputation for its services. The company is part of Navana Group, a reputed business group of the country.

Leverage ratios have been improving steadily over the years. Debt/Equity ratio improved significantly from 76:24 in 2004-05 to 40:60 in 2008-09.

2. INDUSTRY OVERVIEW

CNG Technology

CNG stands for Compressed Natural Gas. It is one of the most viable alternatives to traditional fuel energy for automotive industry. CNG is low in pollutants, high in calorific value and heat yield, economical and available in abundance in Bangladesh.

CNG Dual Fuel System

Under the CNG dual fuel system, a compressed natural gas conversion kit is added to a vehicle with no major modification to the vehicle system. In fact, the capability of the vehicle is enhanced to include CNG as operating fuel.

CNG Kit

The kit, required for conversion from petrol to CNG, generally contains various valves, connectors, gauges. These kits are available in different conversion workshops. Landi Renzo, Italy is a leading supplier of CNG kits for various types of cars. Other manufacturers include:

Transport Fuel System, New Zealand	EKC, India
Tomasseto, Italy	Bedini, Italy
Autogas, Holland	Altenergy, India
Inflex, Argentina	

Fuel Characteristics

	CNG	Petrol	Diesel
Toxic to skin	No	Moderate	Moderate
Toxic to lung	No	Moderate	Moderate
Specific Gravity lighter or heavier than air (air = 1.00)	0.55 (lighter)	3.4	4.0
Source/feedstock	Natural Gas	Petroleum	Petroleum

Comparative Prices

	Unit	Price (TK)
CNG	m ³	16.75
Petrol	Litre	74
Octane	Litre	77
Diesel	Litre	44

1 m³ CNG = 1.14 liter of petrol. Practically, vehicle will run the same distance as it goes with 1 liter of petrol. From the above table, we can see that for going the same distance, it costs less than 1/4th to use CNG rather than petrol or octane.

Advantages of using CNG

- Economic benefit: the cost of CNG is almost a fourth of the cost of petrol in terms of calorific value resulting in substantial savings in fuel cost. Investment on the CNG kit is paid back in a short period.
- Environment friendly: the use of CNG as a fuel reduces vehicular exhaust emissions significantly. Carbon monoxide emissions are reduced 70% to 90% and hydrocarbon emissions by 40% to 60% compared to petrol.
- Flexibility and ease of use: the basic engine characteristics of a vehicle are retained while converting to CNG run vehicle. The vehicle is capable of running either on petrol or CNG at the flick of a switch on its dashboard.

Disadvantages of CNG

- Among its disadvantages, the loss of luggage space is a prime consideration. CNG cylinders take up a lot of storage space and generally have to be placed in the boot of the car. The body of the cylinder has to be made of good grade steel capable of handling the roughs and toughs of traveling.
- The cost of conversion is another major determining factor. The conversion kit can cost from TK 70,000.00 to TK 90,000.00. However, this cost can be recovered from fuel savings.
- Based on its characteristics, CNG usage may hamper vehicle performance in the long run.

CNG Sector – at a glance

Table: Industry at a glance*

Year	CNG Refueling Station	CNG Conversion Workshop	Converted Vehicle	CNG Run Vehicle
2008-2009 (up to February)	139	19	20,408	21,676
2007-2008	85	13	22,718	24,042
2006-2007	42	28	25,974	38,454
2005-2006	23	31	23,374	38,353
2004-2005	41	22	10,135	10,525
2003-2004	41	19	8,575	9,308
2002-2003	6	3	188	10,571
2001-2002	3	3	4,516	4,516
2000-2001	2	1	839	839
1983-2000	7	1	1,379	1,379
Total	389	140	118,106	159,663

* Source: Rupantorito Prakritik Gas Company Ltd (RPGCL)

Table: Number of CNG run vehicles as on February 2009

Jeep/Car/Minibus/Three-wheeler	Auto-rickshaw	Taxicab	Bus
115,888	25,773	12,000	3,784

Major Players of the Sector

Navana CNG	CNG conversion, refueling station, cylinder retesting & others
Rahimafrooz CNG	CNG conversion, refueling station & others
Intraco CNG	CNG conversion, refueling station, cylinder retesting & others
Shohag Motors	CNG conversion, refueling station & others
Southern Automobiles	CNG conversion and retesting
Anudip CNG	CNG conversion and refueling station
Comet CNG	CNG conversion and others
Shanji Automobiles	CNG conversion and direct sell

3. COMPANY BACKGROUND

Navana CNG Limited is the leading CNG service provider of Bangladesh. The company provides the following services:

- ✓ vehicle conversion to CNG
- ✓ selling gas through CNG Refueling Station
- ✓ Setting CNG Refueling Station on turnkey basis
- ✓ selling of CNG conversion kit and cylinder
- ✓ providing training on CNG conversion and refueling station

As of March 2009, Navana CNG Ltd is operating 9 conversion units and 15 refueling stations. A list of conversion units and refueling stations is given below:

Table: Existing Facilities

Conversion Units	Refueling Stations
Tejgaon, Dhaka	Denso
Dipnagar, Dhaka	Binimoy
Uttara, Dhaka	Sonar Bangla
Mirpur, Dhaka	Abdullah
Paltan, Dhaka	United
Chittagong	Kwality
Kalurghat, Chittagong	Aziz
Sylhet	Bhairab
Bogra	Jogajog
	Partners
	Leguna
	S H Khan & Sons
	Bogra
	Sylhet
	Techno

Table: Production Capacity and Utilization

Production Description	Monthly Capacity (approx.)	Utilization in percentage*
Petrol Conversion	1200 no.	60%
Diesel Conversion	35 no.	57%
Station Gas sale	47 lac M ³	57%
Cylinder re-testing	500 no.	20%
Diesel genset conversion	4 no.	100%

* Information provided by Management of Navana CNG Ltd

Ownership Structure

Navana CNG Ltd., a member of Navana Group, was incorporated in April, 2004 as a private limited company. The registered office of the company is at Islam Chamber (4th floor), 125/A, Motijheel C/A, Dhaka-1000. The company owns and operates CNG Conversion Workshops and CNG refueling Stations in the country.

Navana Group is one of the largest business group Bangladesh. Aftab Automobiles Ltd, the flagship company of the group is the largest private sector automobile assembling company in the country. Navana Group is also involved in battery manufacturing, UPS and IPS manufacturing, Furniture manufacturing, real estate, taxi cab service etc.

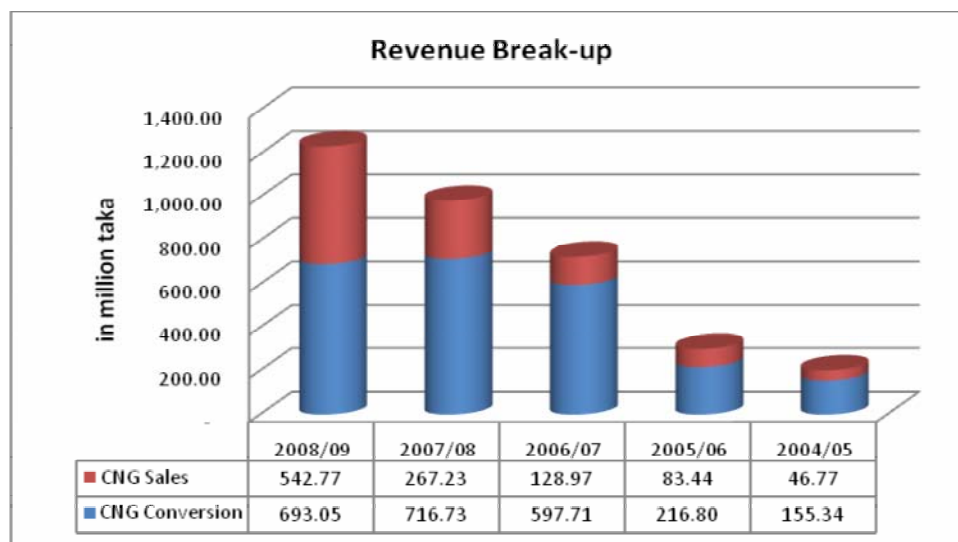
Table: Shareholding Pattern of Navana CNG Ltd

Name of Shareholder	No. of Shares	% of total
Mr. Shafiul Islam	16,212,630	54.04%
Mrs. Khaleda Islam	3,066,090	10.22%
Mr. Monwarul Islam	51,240	0.17%
Mr. Saiful Islam	3,000,000	10.00%
Mr. Sajedul Islam	2,978,430	9.93%
Ms. Farhana Islam	59,400	0.20%
Mr. Shahedul Islam	59,400	0.20%
Late Surayia Begum	21,570	0.07%
Mr. Anwarul Islam	51,240	0.17%
Aftab Automobiles	4,500,000	15.00%
Total	30,000,000	100.00%

Table: Directors of Navana CNG Ltd

Mr. Shafiul Islam	Chairman
Mrs. Khaleda Islam	Director
Mr. Monwarul Islam	Director
Mr. Saiful Islam	Director
Mr. Sajedul Islam	Director
Ms. Farhana Islam	Director
Mr. Shahedul Islam	Director
Mr. Md. Ekramul Haq	ICB nominated Director

4. OPERATIONAL AND FINANCIAL ANALYSIS



* Accounting year of the company is April-March

Both CNG conversion business and direct CNG sales has been expanding rapidly. Contribution from CNG sales to total sales has been increasing over the last five years. In the period ending March 2005, CNG sales was TK 46.77 million having just 23% of the total sales. However, in the period ending March 2009, CNG sales grew to TK 542.77 million with 44% contribution to total sales. Conversion revenue decreased slightly to TK 693.05 million in the year ending March 2009. After having rapid growth during 2004-2006 period, growth appears to stagnate in the last two years.

Table: Summary Income Statement

(Taka in million)

INCOME STATEMENT	2008/09	Growth %	2007/08	Growth %	2006/07	Growth %	2005/06
Turnover	1,235.81	26%	983.96	35%	726.68	142%	300.24
CNG conversion charges	693.05	-3%	716.73	20%	597.71	176%	216.80
CNG sales	542.77	103%	267.23	107%	128.97	55%	83.44
Less: Direct expenses	759.04	31%	577.44	35%	429.20	141%	178.22
cost of CNG conversion	435.28	-5%	459.22	19%	386.66	117%	178.22
cost of CNG sales	323.76	174%	118.22	178%	42.54		
gross profit	476.77	17%	406.53	37%	297.48	144%	122.02
Less: administrative and selling exp.	170.17	27%	133.89	7%	125.30	100%	62.53
Less: interest expense	61.94	-4%	64.19	7%	60.08	149%	24.13
Net profit before tax	244.66	17%	208.45	86%	112.13	217%	35.36
Less: tax deducted at source					0.01	-100%	14.14
Net profit after tax	244.66	17%	208.45	86%	112.12	428%	21.22

* Accounting year of the company is April-March

* Navana CNG Ltd has been enjoying tax holiday status from May 2004 to April 2009. This status will expire from May 2009.

Table: Profitability Ratios

Profitability Ratios	2008/09	2007/08	2006/07	2005/06	2004/05
Gross profit / Sales (%)	38.58%	41.32%	40.94%	40.64%	37.96%
Operating profit / Sales (%)	19.80%	21.18%	15.43%	11.78%	13.09%
Profit after tax / Sales (%)	19.80%	21.18%	15.43%	7.07%	7.86%
Return on Asset (%)	22.36%	23.72%	17.90%	5.81%	4.69%
Return on Equity (%)	39.01%	54.50%	64.42%	18.81%	20.50%

Table: Summary Balance Sheet

(Taka in million)

	31.03.2009	31.03.2008	31.03.2007	31.03.2006	31.03.2005
Paid-up capital	300.00	100.00	51.00	51.00	51.00
Reserve and surplus	327.16	282.49	123.04	61.81	26.45
Total Shareholders' Equity	627.16	382.49	174.04	112.81	77.45
Debentures	94.40	166.00	200.00	-	-
lease finance liabilities	102.29	130.00	-	-	-
long term bank borrowings	74.22	124.10	46.15	200.00	170.00
Directors' loan	-	-	-	12.85	48.36
Total Long term Liabilities	270.90	420.10	246.15	212.85	218.36
Current Liabilities	195.97	76.31	206.27	39.56	42.46
Total Equity and Liabilities	1,094.04	878.90	626.46	365.22	338.27
Fixed Assets	587.25	287.25	185.62	218.39	162.52
Other Non-current Assets	41.20	16.74	0.98	2.38	2.62
Total Non-current Assets	628.45	303.99	186.60	220.77	165.14
Current Assets	465.59	574.91	439.86	144.44	173.10
Total Assets	1,094.03	878.90	626.46	365.21	338.24

Table: Leverage and Liquidity Ratios

Debt to Total Asset Ratio	39.60%	50.88%	67.83%	67.79%	76.08%
Current Ratio	2.38	7.53	2.13	3.65	4.08

5.0 RATING ANALYSIS

CRAB's analytical framework for Issuer Rating takes into accounts the issuer's ability and willingness to meet its financial commitments. In the following sections, the assessment of credit quality covers the four broad areas of business risk, management risk and financial risk.

5.1 Business Risk

Demand volatility: CNG is widely used in Bangladesh as a fuel to run cars, buses, auto-rickshaws, taxi-cabs etc. As most existing vehicles have already been converted, demand for conversion may stabilize in the future. However, refueling demand is likely to increase with the increase of CNG run vehicles in the country.

Price Sensitiveness: Presently, one cubic meter of CNG cost about one fifth of one liter (equivalent of one cubic meter) petrol/octane. As a result, CNG is not price sensitive.

Foreign Exchange Risk: Since cost of conversion kit can be passed on the customer, there is low foreign exchange fluctuation risk. However, there is risk of fluctuation in cost of refueling station and other equipments. As competitors also face same risk, this additional cost can also be passed on to customer.

5.2 Management Risk

Role of Corporate Governance: The ownership structure of Navana CNG Ltd indicates that majority of shares are held by the controlling family. Management decision and internal control is vested in the board of directors. However, executive and oversight functions are combined in one board. Family ownership can be beneficial in the way of providing stability and consistency in strategic direction. It can also provide leadership to stabilize the company. However, concentrated ownership and control can create potential tensions between the owner's interest and those of creditors.

Technical expertise: Navana CNG Ltd has adequate and competent personnel familiar with the operations processes of its services. Introduction of new services like diesel engine conversion, diesel genset conversion and cylinder re-testing services demonstrates company's leadership in research and development.

Technology Risk: Conversion and refueling technology used by Navana CNG Ltd is latest available in Bangladesh. The Company has exclusive distribution rights with **Landi renzo** of Italy for its conversion technology. The company also has exclusive distribution rights with **Safe**, Italy for refueling technology.

5.3 Financial Risk

The company has a moderate level of leverage. Debt to equity ratio has been reduced from a high of 68:32 on March 2007 to 40:60 on March 2009. However, this level of leverage poses some financial risk. Adequate level of profit margin and cash flow generation mitigates this risk.

5.4 Risk Matrix

Based on the analysis all the risk factors, the corresponding risks are summarized in the following table.

Table: Summary of Risks

RISK FACTOR	COMMENTS	DEGREE OF RISK
Business Risks		
Regulatory Risk	Government has given high priority to the development of CNG industry and policies.	Very Low
Product Risk	Mostly essential commodity	Low
Demand Volatility	Demand for conversion may stabilize in the future. Refueling demand is likely to increase.	Below moderate
Price Sensitiveness	Local market is very competitive in terms of price as there are a number of suppliers exist in the market.	Moderate
Foreign Exchange Fluctuation	The project faces modest degree of foreign exchange rate fluctuation risk.	Low
Location	Ideally located in various parts of the country.	Low
Management Risks		
Management Failure Risk	The company is pioneer in CNG conversion and refueling in Bangladesh and has the largest market share in both areas.	Low
Experience of Sponsors	The sponsors are highly experienced in running a diversified group of companies.	Low
Technology Risk	The technology used by the company for CNG conversion and refueling is latest available.	Low
Financial Risks		
Profitability	The company can attain sufficient profitability level with efficient utilization of resources and favorable economic condition.	Low
Liquidity	Comparatively low inventory requirement can help generate sufficient cash flow under different stress situation.	Below Moderate
Leverage	The company is likely to generate sufficient operating cash flow to service all of its debt obligations on time.	Below Moderate

LONG TERM CREDIT RATING

RATING	DEFINITION
AAA Triple A (Extremely Strong Capacity & Highest Quality)	Obligors rated 'AAA' have extremely strong capacity to meet their financial commitments. 'AAA' is the highest issuer credit rating assigned by CRAB. AAA is judged to be of the highest quality, with minimal credit risk.
AA₁, AA₂, AA₃* Double A (Very Strong Capacity & Very High Quality)	Obligors rated 'AA' have very strong capacity to meet its financial commitments. It differs from the highest-rated obligors only to a small degree. AA is judged to be of very high quality and is subject to very low credit risk.
A₁, A₂, A₃ Single A (Strong Capacity & High Quality)	Obligors rated 'A' has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories. A is judged to be of high quality and are subject to low credit risk.
BBB₁, BBB₂, BBB₃ Triple B (Adequate Capacity & Medium Quality)	Obligors rated 'BBB' have adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligors to meet its financial commitments. BBB is subject to moderate credit risk. They are considered medium-grade and as such may possess certain speculative characteristics.
BB₁, BB₂, BB₃ Double B (Inadequate Capacity & Substantial Credit Risk)	Obligors rated 'BB' are less vulnerable in the near term than other lower-rated obligors. However, it faces major ongoing uncertainties and exposure to adverse business, financial, or economic conditions, which could lead to the obligors' inadequate capacity to meet its financial commitments. BB is judged to have speculative elements and is subject to substantial credit risk.
B₁, B₂, B₃ Single B (Weak Capacity & High Credit Risk)	Obligors rated 'B' are more vulnerable than the obligors rated 'BB', but the obligors currently have the capacity to meet its financial commitments. Adverse business, financial, or economic conditions will likely impair the obligors' capacity or willingness to meet its financial commitments. B is considered speculative and weak capacity and is subject to high credit risk.
CCC₁, CCC₂, CCC₃ Triple C (Very Weak Capacity & Very High Credit Risk)	Obligors rated 'CCC' are currently vulnerable, and dependent upon favorable business, financial, and economic conditions to meet its financial commitments. CCC is judged to be of very weak standing and is subject to very high credit risk.
CC Double C (Extremely Weak Capacity & Extremely High Credit Risk)	Obligors rated 'CC' are currently highly vulnerable. CC is highly speculative and is likely in, or very near, default, with some prospect of recovery of principal and interest.
C Single C (Near to Default)	A 'C' rating is assigned that is currently highly vulnerable to nonpayment, obligations that have payment arrearages allowed by the terms of the documents, or obligations of an issuer that is the subject of a bankruptcy petition or similar action which have not experienced a payment default. Among others, the 'C' rating may be assigned to subordinated debt, preferred stock or other obligations on which cash payments have been suspended in accordance with the instrument's terms. C is typically in default, with little prospect for recovery of principal or interest.
D (Default)	'D' is in default. The 'D' rating also will be used upon the filing of a bankruptcy petition or the taking of a similar action if payments on an obligation are jeopardized.

***Note:** CRAB appends numerical modifiers 1, 2, and 3 to each generic rating classification from AA through CCC. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

R. Financial Forecast for the succeeding five accounting years:

Navana CNG Limited

Forecast Balance Sheet as at
March 31,

Amount in
Taka

Equity and Liabilities	2010	2011	2012	2013	2014
Shareholders' Equity	791,271,428	892,749,660	1,025,895,425	1,188,663,885	1,377,541,537
Share Capital	363,000,000	363,000,000	363,000,000	363,000,000	363,000,000
Tax Holiday Reserve	150,467,082	150,467,082	150,467,082	150,467,082	150,467,082
Proposed Dividend	90,750,000	90,750,000	90,750,000	90,750,000	90,750,000
Retained Earnings	187,054,346	288,532,577	421,678,343	584,446,803	773,324,455
Non-Current Liabilities	246,510,448	172,557,313	160,231,790	135,580,745	110,929,701
Debentures	87,655,500	61,358,850	56,976,075	48,210,525	39,444,975
Lease Finance Liabilities	92,056,923	64,439,846	59,836,999	50,631,307	41,425,615
Long-term Bank Borrowings	66,798,025	46,758,617	43,418,716	36,738,913	30,059,111
Current Liabilities	77,323,170	73,667,111	70,014,758	70,392,776	66,747,946
Short Term Loan	40,266,270	36,239,642	32,213,015	32,213,015	28,186,388
Payables and Accruals	37,056,900	37,427,469	37,801,743	38,179,761	38,561,558
Total Shareholders' Equity and Liabilities	1,115,105,046	1,138,974,084	1,256,141,973	1,394,637,406	1,555,219,184
Property and Assets					
Non-Current Assets	636,987,610	616,903,402	654,747,267	762,935,493	851,946,916
Fixed Assets at cost less depreciation	599,445,456	584,786,338	623,242,905	732,386,773	822,667,959
Long-term Security Deposit	37,542,154	32,117,064	31,504,362	30,548,720	29,278,957
Current Assets	478,117,436	522,070,682	601,394,705	631,701,913	703,272,268
Inventories	305,524,658	316,514,007	353,839,707	352,031,692	361,133,277
Accounts Receivables Advances, Deposits and Prepayments	20,542,151	24,050,317	26,455,349	29,100,884	32,010,972
Cash and Bank Balances	108,860,210	131,996,900	171,163,772	206,245,002	266,938,817
Total Property and Assets	1,115,105,046	1,138,974,083	1,256,141,973	1,394,637,406	1,555,219,184
Net Asset Value Per Share	21.80	24.59	28.26	32.75	37.95

Navana CNG Limited Forecast Income Statement

For the year ended March
31,

Amount in Taka

Particulars	2010	2011	2012	2013	2014
Turnover	1,682,786,400	1,939,278,600	2,219,582,400	2,507,894,760	2,800,093,901
Less: Direct Expenses	1,317,845,088	1,528,622,592	1,757,971,354	1,997,785,359	2,245,950,383
Gross Profit	364,941,312	410,656,008	461,611,046	510,109,401	554,143,517
Less: Operating Expenses	138,584,400	145,513,620	152,789,301	160,428,766	168,450,204
Administrative Expenses	97,009,080	101,859,534	106,952,510	112,300,136	117,915,143
Selling Expenses	27,716,880	29,102,724	30,557,860	32,085,753	33,690,040
Financial Charges	13,858,440	14,551,362	15,278,930	16,042,876	16,845,020
Net Profit before Tax	226,356,912	265,142,388	308,821,745	349,680,635	385,693,313
Less: Income-tax @ 27.50%	62,248,151	72,914,157	84,925,980	96,162,175	106,065,661
Net Profit for the year	164,108,761	192,228,231	223,895,765	253,518,460	279,627,652
Less: Proposed Dividend	90,750,000	90,750,000	90,750,000	90,750,000	90,750,000
Surplus for the year	73,358,761	101,478,231	133,145,765	162,768,460	188,877,652
Balance brought forward	113,695,585	187,054,346	288,532,577	421,678,343	584,446,803
Balance carried forward	187,054,346	288,532,577	421,678,343	584,446,803	773,324,455
Earning Per Share (EPS)	4.52	5.30	6.17	6.98	7.70

Navana CNG Limited
Cash Flow Statement

For the year ended March 31,

Particulars	2010	2011	2012	2013	2014
Cash Flows from Operating Activities					
Collections from Customers	1,684,108,174	1,935,770,434	2,217,177,368	2,505,249,225	2,797,183,813
Payments for Costs & Expenses	(1,450,579,075)	(1,693,518,910)	(1,963,333,542)	(2,168,211,559)	(2,441,993,833)
Interest Paid	(13,858,440)	(14,551,362)	(15,278,930)	(16,042,876)	(16,845,020)
Net Cash generated from Operating Activities	219,670,659	227,700,162	238,564,896	320,994,790	338,344,959
Cash Flows from Investing Activities					
Acquisitions of Fixed Assets	(70,923,818)	(45,285,427)	(96,935,202)	(171,468,158)	(163,519,863)
Long-term Security Deposits Received	1,187,613	5,425,090	612,702	955,642	1,269,763
Net Cash used in Investing Activities	(69,736,205)	(39,860,337)	(96,322,500)	(170,512,516)	(162,250,100)
Cash Flows from Financing Activities					
Redemption of Debenture	(46,739,500)	(26,296,650)	(4,382,775)	(8,765,550)	(8,765,550)
Repayment of Lease Finance to ICB	(31,710,887)	(27,617,077)	(4,602,847)	(9,205,692)	(9,205,692)
Borrowings from/(Repayments to) Banks	(52,375,676)	(20,039,408)	(3,339,901)	(6,679,803)	(6,679,802)
Dividend Paid	-	(90,750,000)	(90,750,000)	(90,750,000)	(90,750,000)
Net cash used in by financing activities	(130,826,063)	(164,703,135)	(103,075,523)	(115,401,045)	(115,401,044)
Net changes in cash and cash equivalents	19,108,391	23,136,690	39,166,873	35,081,229	60,693,815
Cash and cash equivalents at beginning of the year	89,751,819	108,860,210	131,996,900	171,163,772	206,245,002
Cash and cash equivalents at end of the year	108,860,210	131,996,900	171,163,772	206,245,002	266,938,817

Operating Cash Inflow Per Share	6.05	6.27	6.57	8.84	9.32
---------------------------------	------	------	------	------	------

S. Additional Disclosures:

SEC's Observations on Requirements in the Information Document:

SEC's Observation 1:

Disclosure regarding paid-up capital increased after the accounts date to be furnished along with diluted EPS, NAV and Net Tangible Assets Per Share.

Company's Response:

Navana CNG Limited (NCL) increased its capital by Tk. 6,30,00,000 after the accounts date by issuing 63,00,000 bonus shares of Tk 10 each, being 21% stock dividend for the year ended 31 March 2009. For such increase, the diluted EPS, NAV and Net Tangible Assets Per Share for the year ended 31 March 2009 becomes as follows:

	<u>After dilution</u>	<u>Before dilution</u>
Earning Per Share (EPS)	6.74	8.16
NAV Per Share	17.28	20.91
Net Tangible Asset Per Share	17.23	20.85

SEC's Observation 2:

Existing shareholders shall offload the shares, not the Company.

Company's Response:

Existing shareholders shall offload 1,81,50,000 shares of Tk 10 each in the Company, not the Company shall offload/issue any shares.

SEC's Observation 3:

Number of shares to be offloaded by each of the shareholders .

Company's Response:

<u>Name of the Shareholders</u>	<u>No. of Shares to be offloaded</u>
Mr. Shafiul Islam	9,843,991
Mrs. Khaleda Islam	1,854,985
Mr. Monwarul Islam	35,350
Mr. Saiful Islam	1,815,000
Mr. Sajedul Islam	1,801,950
Ms. Farhana Islam	35,937
Mr. Shahedul Islam	35,937
Mrs .Sumaiya Yasmin	2,175
Mrs .Mafia Yasmin	2,175
Aftab Automobiles Ltd.	2,722,500
Total	18,150,000

SEC's Observation 4:

Details of lease contracts.

Company's Response:

Navana CNG Limited (NCL) obtained Lease Finance from Investment Corporation of Bangladesh (ICB) for acquisition of Equipment for CNG Refueling Stations at Tk 16 crore Vide ICB's Sanction Letter No 01.766/48/65 dated 30 June 2007. The Lease Finance shall carry an interest at 14.00%. The Lease Finance shall be repayable, after a grace period of one year, in 5 years in 20 quarterly installments. All Directors shall give personal guarantee against the Lease Finance; in addition to collateral security of 671 decimals of land of Orion Complex in Kathaldia Miuza under P.S. Gulshan of District Dhaka.

SEC's Observation 5:

Expenses related to the direct listing.

Company's Response:

<u>Particulars</u>	<u>Basis of Calculation</u>	<u>Amount in Tk</u>
Manager to the Issue Fee	ICB Capital Management Ltd	500,000
<u>Fees related to the Stock Exchanges:</u>		
Application Fee DSE and CSE	At Tk 10,000 each for DSE & CSE	20,000
Annual Fee for DSE and CSE	At Tk 70,000 each for DSE & CSE	140,000
Listing Fees for Stock Exchanges	At 0.25% on first Tk 10 crore; and 0.15% on the balance	1,289,000
<u>CDBL Fees and Expenses:</u>		
Security Deposit	As per CDBL By-laws	400,000
Documentation Fee	As per CDBL By-laws	2,500
Annual Fee	As per CDBL By-laws	100,000
Connection Fee	As per CDBL By-laws	6,000
<u>Expenses related to Printing/Publication:</u>		
Publication of Information Document	(Estimated; to be paid at actual)	500,000
Design, Printing of Information Document	(Estimated; to be paid at actual)	150,000
Other Expenses	(Estimated; to be paid at actual)	100,000
		3,207,500

SEC's Observation 6:

Disclosures regarding shares held by each of the directors.

Company's Response:

<u>Name of the Directors</u>	<u>No. of Shares held</u>
Mr. Shafiul Islam	19,687,982
Mrs. Khaleda Islam	3,709,969
Mr. Monwarul Islam	70,701
Mr. Saiful Islam	3,630,000

Mr. Sajedul Islam	3,603,900
Ms. Farhana Islam	71,874
Mr. Shahedul Islam	71,874
Total	30,846,300

7 : One of the sponsor Mr. Anwarul Islam transferred his =70,800= shares to another sponsor Mr. Shafiul Islam on 05 July, 2009 after which the shareholding position of the existing shareholders stood as under:

Name of the Directors	No. of Shares held
Mr. Shafiul Islam	19,687,982
Mrs. Khaleda Islam	3,709,969
Mr. Monwarul Islam	70,701
Mr. Saiful Islam	3,630,000
Mr. Sajedul Islam	3,603,900
Ms. Farhana Islam	71,874
Mr. Shahedul Islam	71,874
Mrs .Sumaiya Yasmin	4,350
Mrs .Mafia Yasmin	4,350
Aftab Automobiles Ltd.	5,445,000
Total	36,300,000