AUDITORS' REPORT
ON THE ACCOUNTS
OF
NAVANA CNG LTD.
AND ITS SUBSIDIARIES
FOR THE YEAR ENDED 30TH JUNE, 2020

এ, হক এন্ড কোং

A HOQUE & CO.

Chartered Accountants

KHAN MANSION, (5th Floor)
107, Motijheel Commercial Area
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REPORT AND ACCOUNTS

FOR THE YEAR/PERIOD ENDED

এ, হক এন্ড কোং
A. HOQUE & CO.
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF NAVANA CNG LIMITED AND IT'S SUBSIDIARIES

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Navana CNG Limited and it's Subsidiaries (the Group) which comprise the Consolidated Statement of Financial Position as at 30th June, 2020 the consolidated Statement of Profit or Loss and Other Comprehensive Income, consolidated Statement of Changes in Equity and consolidated Statement of Cash Flows for the year then ended and notes to the consolidated Financial Statements including a Summary of Significant Accounting Policies and other explanatory information disclosed in notes 1 to 48 and Annexure-A,B & C.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 30th June, 2020 and there consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and other applicable laws and regulations.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International *Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in jurisdiction and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We are required to report to you if we have conducted that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cost significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other Matter

The consolidated financial statements of Navana CNG Limited and its Subsidiaries for the year ended 30th June, 2019 was audited by another auditor and give fair opinion.

The financial statements of Navana Engineering Limited, Navana Welding Electrode Limited and Navana LPG Limited, all are subsidiary companies of Navana CNG Limited for the year ended 30th June, 2020 were audited by another auditor and give fair opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the basis for opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

A. HOQUE & CO. DHAKA CHARTERED ACCOUNTANTS

Key Audit Matters	How our audit addressed the key audit matters
Revenue The company has reported a revenue of Taka 5,928,052,849 for the year ended 30th June, 2020. Following the application of the revenue recognition standard (IFRS 15, Revenue from contracts with customers), the company adopted its accounting policies. Under IFRS 15 revenue is recognized when a performance obligation is satisfied by transferring control over a promised goods or services. Goods are considered as transferred when (or as) the customer obtains control of that goods. Revenue from sale of goods is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts, rebates and Vale Added Tax (VAT). The sales of the company are derived from a large number of distributors located over the country with relatively small amount of transactions. As a result, to obtain sufficient audit evidence, high magnitude of audit work and resource are required. We identified revenue recognition as a key audit matter because revenue is one of the key performance indicators of the Company and therefore there is an inherent risk of manipulation of the timing of recognition of revenue by management to meet specific targets or expectations. We focused on the proper cut-off of sales to the Company's customers due to the fact that the documents of confirmation of dispatch of goods were provided by numerous transporting agencies based on different locations. There is a risk of differences between the timing of invoicing of products and the dispatch of the products to the company distributors. Accordingly, there could be potential misstatements that these revenue transactions are not recognized in the proper reporting periods. See note no. 3.06 and 20 to the financial statements	Our procedures included obtaining an understanding of management's revenue recognition process. We tested a sample of transactions to verify whether the revenue was accounted for in accordance with the revenue accounting policy as disclosed in note 3.06 and 20 of the financial statements. In addition, we assessed whether the disclosed revenue accounting policy was in accordance with relevant accounting standards. For the revenue recognized throughout the year, we tested selected key controls, including results reviews by management, for their operating effectiveness and performed procedures to gain sufficient audit evidence on the accuracy of the accounting for customer contracts and related financial statement captions. With regard to the implementation of IFRS 15 we verified management's conclusion on assessing different types of contracts and the accuracy of the revised accounting policies in light of the industry specific circumstances and our understanding of the business. We tested the appropriateness of the accounting treatment on a sample basis. In addition, we verified the accuracy of IFRS 15 related disclosures. These procedures included reading significant new contracts to understand the terms and conditions and their impact on revenue recognition. We performed enquiries with management to understand their risk assessments and inspected meeting minutes to identify relevant changes in their assessments and estimates. Our audit approach was a combination of test of internal controls and substantive procedures which included the following: Evaluated the design of internal controls relating to recording of efforts incurred and estimation of efforts required to complete the performance obligations. We conducted substantive testing of revenue recorded over the year using sampling techniques by examining the relevant supporting documents including sales invoices and depot wise sales bank reconciliation report, bank statement and also, we confirmed selected customers' receivable balances at the balance sheet date, selected on a sample basis by considering the amount outstanding with those customers. We specifically put emphasis on those transactions occurring close before or after the balance sheet date to obtain sufficient evidence over the accuracy of cut-off.

A. HOQUE & CO. DHAKA CHARTERED ACCOUNTANTS

Key Audit Matters	How our audit addressed the key audit matters
	We tested the completeness of journal entries compared to financial statements; as well as if there any exception existed that the debit accounts of sales recognition were not related to cash and bank, trade receivable or advances from customers. Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.
Valuation of Inventory	**How our audit addressed the key audit matters**
The Company had inventory of Taka 2,214,595,794 at 30th June, 2020 held in different depot and warehouses. Inventories consisting of raw materials, working process, finished goods, spare parts, fuel and stock in transit are valued at lower of cost and net realizable value. Cost of inventories include expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Cost of inventories is determined by using the weighted average cost formula. Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying amount of inventories to the lower of cost and net realizable value. Net realizable value is based on estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. See note no. 3.07 and 9 to the financial statements. Moreover, the process of estimating provision for inventories is judgmental and complex. Due to high level of judgment involved and use of some manual process in estimating the provision and net realisable value of inventories, we considered this to be a key audit matter.	We tested the appropriateness of management's assumptions applied in calculating the value of the inventory provisions by: ◆ evaluating the design and implementation of key inventory controls operating across the company, including those at a sample of, factory production house, warehouse, and sales depots; ◆ evaluating internal controls to monitor or keep track of Inventory Movement; ◆ attending inventory count on 30th June, 2020 and reconciling the count results to the inventory listing to test the completeness of data; ◆ comparing the net realizable value, obtained through a detailed review of sales subsequent to the year-end, to the cost price of a sample of inventories; ◆ reviewing the historical accuracy of inventory provisioning, and the level of inventory write-offs during the year; ◆ challenging the completeness of inventory provisions through assessing actual and forecast sales of inventory lines to assess whether provisions for slow moving/obsolete stock are valid and complete; ◆ evaluating the correctness of the batch wise costing of final products; ◆ evaluating the correctness of the valuation of raw materials and packing material as per weighted average method; ◆ reviewing the calculation of standard labour hours and their regular comparison with actual labour hours of production; and reviewing the process of valuing work-in-process; ◆ We have also considered the adequacy of the Company's disclosure in respect of the levels of provisions against inventory.

A. HOQUE & CO. DHAKA CHARTERED ACCOUNTANTS

Current Tax Provisioning	How our audit addressed the key audit matters
Current Tax provision amounting Tk. 61,238,720. At the year end the company reported total income tax expense (Current Tax) of BDT. 62,345,315 the calculation of the tax expense is a complex process that involves subjective judgments and uncertainties and require specific knowledge and competencies. We have determined this to be a key audit matter, due to the complexity in income tax provisioning. See note no. 3.13 (a) and 25.01 to the Financial Statements.	Our audit procedure in this area included, among others: Use of own tax specialist to assess the company's tax computation. Our tax specialists were also taking into account the company's tax position and our knowledge and experience of the application of relevant tax legislation. To analysis and challenge the assumption used to determine tax provision based on our knowledge and experience of the application of the local legislation. Evaluating the adequacy of the financial statement disclosure, including disclosure of key assumption judgments and sensitive related to tax.
Measurement of Deferred Tax Assets	**How our audit addressed the key audit matters**
The Company reported net deferred tax asset totalling Tk. 147,797,623 as at 30th June, 2020. Significant judgement is required in relation to deferred tax assets as the asset is dependent on forecasts of future profitability over a number of years. See note no. 3.13 (b)	We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of Deferred Tax Assets and Liabilities and the assumptions used in estimating the future taxable income/expense of the company. We also assessed the completeness and accuracy of the data used for the estimations of future taxable expense/income. We evaluated the reasonableness of key assumptions, timing of reversal of temporary differences and expiration of tax loss carry forwards, recognition and measurement of Deferred Tax Asset. We assessed the adequacy of the company's disclosures setting out the basis of deferred tax asset balances and the level of estimation involved. We also assisted in evaluating the tax implications, the reasonableness of estimates and calculations determined by management. Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax.
Valuation of Defined Benefits Obligation	**How our audit addressed the key audit matters**
The company operates the defined benefit schemes which in total are significant in the context of the overall financial position. During the year under audit the company expended for gratuity purpose a sum of Tk. 29,777,956 and a sum of Tk. 5,715,679 for Workers Profit Participation Fund.	Our audit procedures included updating our understanding of the business processes followed by the company for accounting and valuing their defined benefit plan. We obtained sufficient audit evidence to conclude that the inputs and methodologies used to determine the liability for defined benefit plan.

HOQUE & CO. DHAKA CHARTERED ACCOUNTANTS

Valuation of Defined Benefits Obligation	How our audit addressed the key audit matters
	We assessed the design and operating effectiveness of the company's key controls supporting the identification, measurement and oversight of valuation of the defined benefits payable provision. We examined the basis on which gratuity is payable to the employee and is worked out the liability for gratuity on the presumption that employees retire on the balance sheet date. We examined the basis on which contribution to WPPF is payable to the employee. We ensured that the basis of computing gratuity is valid and we have also ensured that the basis of computing gratuity. Employees data used in calculating obligation is also tested and appropriateness and presentation of disclosures against IAS 19: Employee Benefits were assessed.

Other Information

Management is responsible for the other information. The other information comprises all the information included in the Annual Report but does not include the financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In March, as the Coronavirus Pandemic spread over the Bangladesh, the country meaningfully has increased social distancing and shelter-in-place mandates. In markets, the company subsequently saw the transport sector and all other business sector are effected of the country. The company expects the net effect of these pandemic to have a significant impact on last quarter results as well as year 2019-2020. For context, since the beginning of April, the company has experienced a volume decline of revenue. The ultimate impact on the last quarter and full year 2019-2020 is unknown at this time, as it will depend heavily on the duration of social distancing and lockdown situation of the country, as well as the substance and pace of macroeconomic recovery. However, the impact to the last quarter will be material. The company believes the pressure on the business is temporary and remains optimistic on seeing sequential improvement in the year of 2020-2021. The company, alongwith its subsidiary, is continuing to adapt quickly to the current environment, with a focus on mitigating the near-term impact while positioning for success coming out of the crisis.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

After going through the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.

A. HOQUE & CO. DHAKA CHARTERED ACCOUNTANTS

Responsibilities of Management and those charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of Financial Statements in accordance with IFRS's, The Companies Act, 1994, The Securities and Exchange Rules, 1987 and applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Companies Act, 1994 require the management to ensure effective internal audit, internal control and risk management functions of the Company.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations or has not realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISAs), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

HOQUE & CO. DHAKA CHARTERED ACCOUNTANTS

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

We have not come across any key audit issues for the year under audit and as such nothing is reportable.

Report on Other Legal and Regulatory Requirements:

In accordance with the Companies Act, 1994, International Standards on Auditing (ISAs) and the Securities and Exchange Rules, 1987, 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 law have been kept by the company so far as it appeared from our examination of those books adequate for the purposes of our audit;

(c) the company's Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income dealt with by the report are in agreement with the books of account.

(d) the expenditure incurred for the purposes of the company's business.

(A.K.M. Aminul Hoque, FCA)
Enrolment No. 407
A. Hoque & Co.
Chartered Accountants

Dated : 24.10.2020
Place : Dhaka, Bangladesh

NAVANA CNG LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2020

Particulars	Notes	Amount in Taka 30.06.2020	Amount in Taka 30.06.2019
Assets			
Non-Current Assets:			
Property, Plant & Equipment	4.00	6,737,120,036	6,696,346,320
Intangible Assets	5.00	23,775,675	17,936,289
Right of Use Asset		19,934,974	0
Capital Work-in-Progess	6.00	978,936,390	1,269,113,876
Long Term Security Deposit	7.00	44,377,166	47,556,185
Deferred Tax Assets		147,797,623	8,288,021
Investment in Shares	8.00	2,525,882	3,589,283
		7,954,467,746	**8,042,829,974**
Current Assets:			
Inventories	9.00	2,214,595,794	1,976,321,837
Accounts Receivables	10.00	861,651,071	720,883,777
Other Receivables		194,847,420	194,883,822
Advance against Land		15,000,000	15,000,000
Advances, Deposits & Pre-Payments	11.00	950,290,616	864,051,799
Cash and Cash Equivalents	12.00	160,250,107	235,022,470
		4,396,635,008	**4,006,163,705**
Total Assets		**12,351,102,754**	**12,048,993,679**
Shareholders' Equity and Liabilities:			
Authorized Capital:		**1,500,000,000**	**1,500,000,000**
150,000,000 Ordinary Shares of Tk. 10/- each.			
Shareholders' Equity:			
Share Capital	13.00	685,285,920	685,285,920
Tax Holiday Reserve		216,004,824	216,004,824
Fair Value Reserve		1,705,086	2,662,147
Retained Earnings	14.00	1,538,647,565	1,519,706,890
Equity Attributable to Owners of Company		**2,441,643,395**	**2,423,659,781**
Non-Controlling Interest		**(6,200)**	**(5,086)**
Non-Current Liabilities:			
Lease Liability		16,289,100	-
Security Retention Money		650,239,387	1,049,160,084
Loan from Others		50,000,000	50,000,000
Long Term Loan-Net of Current Portion	15.00	4,472,861,608	4,464,259,337
		5,189,390,095	**5,563,419,421**
Current Liabilities:			
Long Term Loan-Current Portion	16.00	1,238,620,849	829,125,800
Short Term Loan	17.00	2,426,210,433	2,076,782,742
Provision for Income Tax	18.00	271,316,851	219,808,563
Current Account with Group Companies		444,499,607	643,953,907
Payables & Accruals	19.00	339,427,724	292,248,551
		4,720,075,464	**4,061,919,563**
Total Liabilities		**9,909,465,559**	**9,625,338,984**
Total Shareholders' Equity & Liabilities		**12,351,102,754**	**12,048,993,679**
Net Assets Value (NAV) per Share	29.00	**35.63**	**35.37**

The annexed notes from 1 to 48 and Annexure-A, B & C form an integral part of these Financial Statements.

The financial statements were approved by the Board of Directors on the 24th October, 2020 and were signed on its behalf by:

Chief Executive Officer | Director | Director | Company Secretary | Q. Haque Chief Financial Officer

Signed in term of our separate report of even date annexed.

(A.K.M Aminul Hoque, FCA)
Enrolment No. 407
A. Hoque & Co.
Chartered Accountants

Dated: 24.10.2020
Place: Dhaka, Bangladesh

NAVANA CNG LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE, 2020

Particulars	Note	Amount in Taka	
		01.07.2019 to 30.06.2020	01.07.2018 to 30.06.2019
Revenue (Net)	20.00	5,928,052,849	5,886,618,716
Less: Cost of Goods Sold	21.00	4,676,102,307	4,592,915,543
Gross Profit		**1,251,950,542**	**1,293,703,173**
Less: Operating Expenses:			
Administrative & Selling Expenses	22.00	621,095,003	630,342,969
Interest Expenses	23.00	653,604,622	624,214,982
		1,274,699,625	1,254,557,951
Operating Profit		**(22,749,083)**	**39,145,221**
Add: Other Income	24.00	13,019,485	14,529,326
Less: Foreign Exchange Loss		846,244	506,643
Profit before Contribution to WPPF		**(10,575,842)**	**53,167,905**
Less: Contribution to WPPF		5,715,679	9,532,404
Net Profit before Tax		**(16,291,521)**	**43,635,501**
Less: Income Tax Expenses	25.00	**(78,164,541)**	**(44,838,087)**
Current Tax	25.01	61,238,720	70,971,861
Deferred Tax	25.02	(139,403,261)	(115,809,947)
Net Profit for the year attributable to Equity holder		**61,873,020**	**88,473,588**
Add: Other Comprehensive Income:			
Revaluation Gain/Loss on Investment in Share		(1,063,401)	(1,552,044)
Less: Deferred Tax Adjustment		106,340	155,204
		(957,061)	(1,396,840)
Total Comprehensive Income for the year		**60,915,959**	**87,076,748**
Profit Attributable to:			
Equity Holders of the Company		60,917,073	87,078,889
Non-Controlling Interests		(1,114)	(2,141)
		60,915,959	**87,076,748**
Number of Shares		68,528,592	68,528,592
Earnings per Share	26.00	**0.90**	**1.29**

The annexed notes from 1 to 48 and Annexure-A, B & C form an integral part of these Financial Statements. The financial statements were approved by the Board of Directors on the 24th October, 2020 and were signed on its behalf by:

Chief Executive Officer   Director   Director   Company Secretary   Chief Financial Officer

Signed in term of our separate report of even date annexed.

(A.K.M Aminul Hoque, FCA)
Enrolment No. 407
A. Hoque & Co.
Chartered Accountants

Dated: 24.10.2020
Place: Dhaka, Bangladesh

NAVANA CNG LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30TH JUNE, 2020

Particulars	Share capital	Tax Holiday Reserve	Fair Value Reserve	Retained Earnings	Attributable to Owners of the Company	Non-Controlling Interests	Total
Balance at 1st July, 2018	685,285,920	216,004,824	7,479,640	1,513,465,471	2,422,235,855	(2,945)	2,422,232,910
Adjustment for Sale of Marketable Securities	-	-	(3,420,653)	-	(3,420,653)	-	(3,420,653)
Fair Value Reserve	-	-	(1,396,840)	-	(1,396,840)	-	(1,396,840)
Net Profit for the year	-	-	-	88,475,729	88,475,729	(2,141)	88,473,588
Dividend	-	-	-	(82,234,310)	(82,234,310)	-	(82,234,310)
Balance at 30th June, 2019	**685,285,920**	**216,004,824**	**2,662,147**	**1,519,706,890**	**2,423,659,781**	**(5,086)**	**2,423,654,695**

Particulars	Share capital	Tax Holiday Reserve	Fair Value Reserve	Retained Earnings	Attributable to Owners of the Company	Non-Controlling Interests	Total
Balance at 1st July, 2019	685,285,920	216,004,824	2,662,147	1,519,706,890	2,423,659,781	(5,086)	2,423,654,695
(Lease)	-	-	-	(3,521,294)	(3,521,294)	-	(3,521,294)
Fair Value Reserve	-	-	(957,061)	-	(957,061)	-	(957,061)
Net Profit for the year	-	-	-	61,874,134	61,874,134	(1,114)	61,873,020
Dividend	-	-	-	(39,412,165)	(39,412,165)	-	(39,412,165)
Balance at 30th June, 2020	**685,285,920**	**216,004,824**	**1,705,086**	**1,538,647,565**	**2,441,643,395**	**(6,200)**	**2,441,637,195**

The annexed notes from 1 to 48 and Annexure-A, B & C form an integral part of these Financial Statements.
The financial statements were approved by the Board of Directors on the 24th October, 2020 and were signed on its behalf by:

Chief Executive Officer | Director | Director | Company Secretary | Chief Financial Officer

Signed in term of our separate report of even date annexed.

(A.K.M Aminul Hoque, FCA)
Enrolment No. 407
A. Hoque & Co.
Chartered Accountants

Dated: 24.10.2020
Place: Dhaka, Bangladesh

NAVANA CNG LIMITED AND ITS SUBSIDIARIES
CONSOLIDAED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE, 2020

Particulars	Note	Amount in Taka	
		01.07.2019 to 30.06.2020	01.07.2018 to 30.06.2019
Cash Flows from Operating Activities:			
Cash Receipts from Customers		5,787,285,555	5,593,470,544
Cash Reciepts of Other Income		13,019,485	5,841,972
Foreign Exchnage Loss		(846,244)	(506,643)
Payments for Materials, Services and Expenses		(5,061,815,483)	(4,895,669,999)
Cash Generated from Operations		**737,643,313**	**703,135,874**
Income Tax Paid		(69,300,758)	(126,549,948)
Net Cash Generated from Operating Activities	28.00	**668,342,555**	**576,585,926**
Cash Flows from Investing Activities:			
Acquisition of Property, Plant and Equipment		(285,846,306)	(517,086,526)
Acquisition of Intangible Assets		(8,037,900)	(707,500)
Capital Work-in-Progress		(39,679,620)	(726,726,042)
Proceeds from Sale of Shares		-	14,119,029
Advance for L/C Margin		114,107,187	(76,886,001)
Security Deposit to LP Gas Ltd.		-	1,200,000
Other Receivables		36,402	2,064,383
Long Term Security Deposits		3,179,019	1,212,207
Sale Proceed of Assets		-	15,114,909
Net Cash used in Investing Activities		**(216,241,218)**	**(1,287,695,541)**
Cash Flows from Financing Activities			
Payment to Group Companies		(199,454,300)	247,048,065
Bank Interest Paid		(653,604,622)	(624,214,982)
Short Term Loan		349,427,691	162,814,082
Security Retention Money		(398,920,697)	340,809,202
Dividend Paid		(42,419,092)	(68,316,741)
Long Term Loan		418,097,320	654,378,291
Net Cash Provided in Financing Activities		**(526,873,700)**	**712,517,917**
Net Changes in Cash and Cash Equivalents		(74,772,363)	1,408,302
Cash and Cash Equivalents at the Beginning of Year		235,022,470	233,614,168
Cash and Cash Equivalents at the End of Year		**160,250,107**	**235,022,470**
Net Operating Cash Flows Per Share	27.00	**9.75**	**8.41**

The annexed notes from 1 to 48 and Annexure-A, B & C form an integral part of these Financial Statements.
The financial statements were approved by the Board of Directors on the 24th October, 2020 and were signed on its behalf by:

Chief Executive Officer | Director | Director | Company Secretary | Chief Financial Officer

Signed in term of our separate report of even date annexed.

(A.K.M Aminul Hoque, FCA)
Enrolment No. 407
A. Hoque & Co.
Chartered Accountants

Dated: 24.10.2020
Place: Dhaka, Bangladesh

NAVANA CNG LIMITED AND IT'S SUBSIDIARIES

CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2020
FORMING AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

1.00 Reporting Entity

1.01 Corporate Information–Domicile, Legal Form and Country of Incorporation

Navana CNG Limited (the Company) was incorporated in Bangladesh as a private limited company on 19th April, 2004 vide Registration No. C-52512(2807)/2004 and subsequently converted into a public limited company on 8th March, 2009.

Registered Office

The Registered Office and Principal Place of Business of Navana CNG Limited is located at 125/A, Motijheel Commercial Area, Islam Chamber, 4th Floor, Dhaka-1000. The Company is listed with Dhaka Stock Exchange Ltd. and the Chittagong Stock Exchange Ltd.

1.02 Nature of Business

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

1.03 Subsidiaries

The company has a 3 (Three) subsidiary companies which are noted below:

(a) Navana Engineering Limited

Navana Engineering Limited is a public limited company which was incorporated in 2010 registered with the Registrar of Joint Stock Companies & Firms, Dhaka, Bangladesh under the Companies Act, 1994 as a subsidiary with 99.99% shares owned by Navana CNG Limited.

The principal activities of the company are manufacturing of polymer, plastic, PVC, poly eghylene, pipes, tubes, conduits, fittings for house hold, industrial and commercial use. The company started its commercial operations from 1st March, 2011.

(b) Navana Welding Electrode Limited

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

The principal activities of the company are manufacturing, importing, exporting, trading and marketing of all types of electrode rod, welding and cutting equipment, cutting rod, welding and cutting consumables. The company started its commercial operation from 1st January, 2013.

(c) Navana LPG Limited

Navana LPG Limited is a private limited company which was incorporated in 2015 registered with the vide registration no. C-125694 dated 13th September, 2015 with Registrar of Joint Stock Companies & Firms, Dhaka, Bangladesh under the Companies Act, 1994 as a subsidiary with 99.99% share owned by Navana LPG Limited. The company started its commercial production in November, 2017.

The main objective is to carry on the business of import, export, indenting and marketing of all types of gases also LPG, LNG, LPG, Propone, Oxygen, nitrogen, acetylene, nitrous, oxide, medical and commercial oxygen and other allied gases.

The Registered Office is situated at 214/D, Tejgaon Industrial Area, Dhaka, Bangladesh.

1.04 Presentation of Consolidated Financial Statements

The presentation of these financial statements is in accordance with the guidelines provided by IAS 1: Presentation of financial statements. The financial statements comprise of:

- Consolidated Statement of Financial Position as at 30th June, 2020;
- Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June, 2020;
- Consolidated Statement of Changes in Equity for the year ended 30th June, 2020;
- Consolidated Statement of Cash Flows for the year ended 30th June, 2020;
- Notes comprising summary of significant accounting policies and other explanatory information.

2.00 Basis of Preparation of Consolidated Financial Statements

2.01 Statement on Compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), International Accounting Standard (IAS) adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), the Companies Act, 1994, Securities and Exchange Rules, 1987 and other relevant laws as applicable.

2.02 Other Regulatory Compliances

The Company is also required to comply with the following major legal provisions in addition to Companies Act, 1994 and other applicable laws and regulations:

The Income Tax Ordinance, 1984;
The Income Tax Rules, 1984;
The Value Added Tax and Supplementary Duty Act, 2012;
The Value Added Tax Rules, 1991;
The Stamp Act, 1899;
DSE/CSE Rules;
Listing Regulations, 2015;
The Bangladesh Securities and Exchange Commission Act, 1993;
The Bangladesh Securities and Exchange Rules, 1987;
The Securities and Exchange Ordinance, 1969;
Bangladesh Labour Act, 2006 (as amended to 2013)

2.03 Compliance with the Financial Reporting Standards as applicable in Bangladesh

The Company as per para-12 of Securities & Exchange Rule, 1987, has followed the International Accounting Standards (IAS's) and International Financial Reporting Standards (IFRS's) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB) in preparing the financial statements.

Sl. No.	IAS No.	IAS Title	Compliance Status
1	1	Presentation of Financial Statements	Complied
2	2	Inventories	Complied
3	7	Statement of Cash Flows	Complied
4	8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
5	10	Events after the Reporting Period	Complied
6	11	Construction Contracts	N/A
7	12	Income Taxes	Complied
8	16	Property, Plant and Equipment	Complied
9	19	Employee Benefits	Complied
10	20	Accounting for Govt. Grants and Disclosure of Govt. Assistance	N/A
11	21	The Effects of Changes in Foreign Exchange Rates	Complied
12	23	Borrowing Costs	Complied

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Sl. No.	IAS No.	IAS Title	Compliance Status
13	24	Related Party Disclosures	Complied
14	26	Accounting and Reporting by Retirement Benefit Plan	Complied
15	27	Separate Financial Statements	Complied
16	28	Investment in Associated and Joint Venture	N/A
17	29	Financial Reporting in Hyperinflationary Economics	N/A
18	31	Interest in Joint Ventures	N/A
19	32	Financial Instruments : Presentation	Complied
20	33	Earnings per Share	Complied
21	34	Interim Financial Reporting	Complied
22	36	Impairment of Assets	Complied
23	37	Provisions, Contingent Liabilities and Contingent Assets	Complied
24	38	Intangible Assets	Complied
25	40	Investment Property	N/A
26	41	Agriculture	N/A

Sl. No.	IFRS No.	IFRS Title	Compliance Status
1	1	First-time adoption of International Financial Reporting Standards	Complied
2	2	Share based Payment	N/A
3	3	Business Combinations	N/A
4	4	Insurance Contracts	N/A
5	5	Non-current Assets held for Sale and Discontinued Operations	N/A
6	6	Exploration for and Evaluation of Mineral Resources	N/A
7	7	Financial Instruments : Disclosures	Complied
8	8	Operating Segments	N/A
9	9	Financial Instrument	Complied
10	10	Consolidated Financial Statements	Complied
11	11	Joint Arrangements	N/A
12	12	Disclosure of Interests in Other Entities	Complied
13	13	Fair Value Measurement	Complied
14	14	Regulatory Deferral Accounts	N/A
15	15	Revenue from Contracts with Customers	Complied
16	16	Leases	Complied

2.04 Basis of Measurement

The financial statements have been prepared based on the accrual basis of accounting and prepare under the historical cost convention except for the revaluation of certain non current assets which are stated either at revaluated amount or fair market value as explained in the accompanying notes.

2.05 Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the group.

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Non-Controlling Interests are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do no result in a loss of control are accounted for as equity transactions.

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

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

The consolidated financial statements have been prepared in accordance with IFRS 10: consolidated financial statements.

2.06 Accrual basis of Accounting

The Company prepares its consolidated financial statements, except for cash flow information, using the accrual basis of accounting. Since the accrual basis of accounting is used, the company recognizes items as assets, liabilities, equity, income and expenses (the elements of financial statements) when they satisfy the definitions and recognition criteria for those elements in the IFRS conceptual Framework.

2.07 Functional and Presentation Currency

Functional and presentation currency items included in these financial statements are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). These financial statements are presented in Bangladesh Taka ("BDT") which is also the functional currency of the company. The amounts in these financial statements have been rounded off to the nearest BDT except otherwise indicated.

2.08 Key Accounting Estimates and Judgments in Applying Accounting Policies

The preparation of consolidated financial statements in conformity with International Financial Reporting Standards including IAS's requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and for contingent assets and liabilities that require disclosure during and at the date of the financial statements. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected as required by IAS 8: "Accounting Policies, Changes in Accounting Estimates and Errors".

In particular, the key areas of estimation, uncertainly and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include accrued expenses, inventory valuation and other payables.

HOQUE & CO. DHAKA CHARTERED ACCOUNTANTS

2.09 Materiality, Aggregation and Off Setting

Each material item as considered by management significant has been displayed separately in the financial statements. No amount has been set off unless the Company has legal right to set off the amounts and intends to settle on net basis. Income and expenses are presented on a net basis only when permitted by the relevant accounting standards. The values of assets or liabilities as shown in the statement of financial position are not off-set by way of deduction from another liability or asset unless there exist a legal right, therefore no such incident existed during the year.

2.10 Going Concern Assumption

The consolidated financial statements are prepared on the basis of going concern assumption. As per management assessment there is no material uncertainties related to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern.

2.11 Comparative Information

Comparative information has been disclosed in respect of 2018-2019 in accordance with IAS-1 "Presentation of Financial Statements" for all numeric information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current periods of financial statements. Prior year figure has been re-arranged wherever considered necessary to ensure comparability with the current period.

2.12 Responsibility for Preparation and Presentation of Financial Statements

The Board of Directors is responsible for the preparation and presentation of the financial statements as per requirements of Companies Act, 1994.

2.13 Reporting Period

The reporting period of the Company covers one year from 1st day of July, 2019 to 30th June, 2020.

2.14 Approval of Financial Statements

The financial statements have been approved by the Board of Directors on the 24th day of October, 2020.

3.00 Significant Accounting Principles and Policies selected and applied for significant transactions and events

For significant transactions and events that have material effect, the Company's Directors selected and applied significant accounting principles and policies within the framework of IAS-1 Presentation of Financial Statements in preparation and presentation of financial statements that have been consistently applied throughout the year and were also consistent with those use in earlier years.

For proper understanding of the financial statements, accounting policies set out below in one place as prescribed by the IAS Presentation of Financial Statements:

Assets and Basis of their Valuation

3.01 Property, Plant and Equipments

3.01.1 Recognition and Measurements

These are capitalized at cost of acquisition and subsequently stated at cost less accumulated depreciation in compliance with the benchmark treatment of *IAS 16 "Property, Plant and Equipment*". The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes.

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In a situation where it can clearly be demonstrated that expenditure has resulted in an increase in future economic benefit expected to be obtained from the use of the fixed assets, the expenditure is capitalized as an additional cost of the assets.

Cost also includes initial estimate of the costs of dismantling, removing the item and restoring this site (generally called asset retirement obligation) are recognized and measured in accordance with IAS 37: Provision, Contingent Liabilities and Contingent Assets.

On retirement or otherwise disposal of fixed assets, the cost and accumulated depreciation are eliminated and any gain or loss on such disposal is reflected in the statement of comprehensive income which is determined with reference to the net book value of assets and the net sales proceeds.

3.01.2 Maintenance Activities

Expenditure incurred after the assets have been put into operation, such as repairs & maintenance is normally charged off as revenue expenditure in the year in which it is incurred.

3.01.3 Subsequent Cost

The Cost of replacing part of an item of property, plant & equipment is recognized in the carrying amount of the item if it is possible that the future economic benefits embodied within the part will flow to the company and its cost measured reliably. The cost of the day to day servicing of properly and equipment are recognized in the Statement of Profit or Loss and Other Comprehensive Income as repairs and maintenance where it is incurred.

3.01.4 Depreciation on Tangible Fixed Assets

As required in Paragraph 43 of IAS-16 Property and Equipments, depreciation in respect of all fixed assets is provided to amortize the cost of the assets after commissioning, over their expected useful economic lives in accordance with the provision of IAS 16 "Property, Plant and Equipment".

Depreciation on all other assets except land and land development is computed using diminishing balance method in amount sufficient to write-off depreciable assets over their estimated useful life. Depreciation has been charged on additions and when it is used. Expenditure for maintenance and repairs are expenses; major replacements, renewals and betterment are capitalized.

The cost and accumulated depreciation of depreciable assets retired or otherwise disposed off are eliminated from the assets and accumulated depreciation and any gain or loss on such disposal is reflected in the Statement of Profit or Loss Account for the year ended. The annual depreciation rates applicable to the principal categories are:

Category of Fixed Assets	Rate of Depreciation
Land & Land Development	--
Building & Shed	10%
Plant & Machinery	10%
Cylinder	10%
Tools & Equipment	10%
Furniture & Fixtures	10%
Electric Equipment	10%
Office Equipments	10%
Vehicles	10%

3.01.5 Impairment

The carrying amounts of property, plant and equipment are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, recoverable amount is estimated to determine the extent of the impairment loss, if any, impairment loss is recorded on judgmental basis, for which provision may differ in the future years based on the actual experience.

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3.01.6 Disposal of Property, Plant and Equipment

An item of Property, Plant and Equipment is removed from the statement of financial position when it is dispose off or when no future economic benefits are expected from its use or disposal. The gain or loss on the disposal of an item of Property, Plant and Equipment is included in the statement of income of the period in which the de-recognition occurs.

3.01.7 Intangible Assets

(i) Recognition and Measurement

Intangible assets are measured at cost less accumulated amortization and accumulated impairment loss, if any. Intangible asset is recognized when all the conditions for recognition as per IAS 38: Intangible assets are met. The cost of the intangible assets comprises its purchase price, import duties and non-refundable taxes and any directly attributable cost of preparing the asset for its intended use.

(ii) Subsequent Expenditure

Subsequent expenditure is capitalized only when it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. All other expenditures are recognized in profit or loss, when incurred.

(iii) Amortization

Amortization is recognized in profit or loss on a diminishing balance method over the estimated useful lives of the intangible assets, from the month they are available for use. Software is amortized @ 10%.

3.02 Investment in FDR and Shares

Investment is shares and FDR's is stated at its market price and cost price respectively. The statement of profit or loss reflects the income on account of interest on investment in FDR and unrealized gain or loss from investment in shares are recognized as other comprehensive income. It may be mentioned here that a fluctuation reserve / fair value reserve has been created in order to equalize the price go down below the cost price of the shares and during the year under audit unrealised gain / (loss) on investment in shares for price go down below the cost price of the shares has been charged directly to statement of other comprehensive income.

3.03 Recognition of Investment in Subsidiary in a separate Financial Statement

The investments in subsidiary is being accounted for using equity method in the company's separate financial statements as directed by para 10 (c) of IAS 27 separate Financial Statements, "under the equity method, on initial recognition the investment in an associate or a joint venture is recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The investor's share of the investee's profit or loss is recognized in the investor's profit or loss. Distributions received from an investee reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the investor's proportionate interest in the investee arising from changes in the investee's other comprehensive income."

3.04 Sundry Debtors (Including Advance, Deposits and Pre-Payments)

These are carried at original invoice amounts, which represent net realizable value.

3.05 Other Current Assets

Other current assets have a value on realization in the ordinary course of the company's business which is at least equal to the amount at which they are stated in the Statement of Financial Position.

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3.06 Revenue Recognition

In compliance with the requirements of IFRS 15 "Revenue" is recognized to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. Revenue is measured at the fair value of consolidation received or receivable. Revenue recognized when the policies are made.

The Company recognizes as revenue the amount that reflects the consideration to which the Company expects to be entitled in exchange for goods or services when (or as) it transfers control to the customer. To achieve that core principle, this standard establishes a five-step model as follows:

- Identify the contract with a customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract; and
- Recognize revenue when (or as) the entity satisfies a performance obligation.

Considering the five steps model, the company recognizes revenue when (or as) the Company satisfies a performance obligation by transferring a promised goods to a customer. Goods is considered as transferred when (or as) the customer obtains control of that goods. Revenue from sale of goods is measured at the fair value of the consideration received or receivable net of returns and allowances, trade discounts, rebates and Value Added Tax (VAT).

(a) Petrol and Diesel Vehicle Conversion Services

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

(b) Sale of CNG

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

(c) Dividend

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

(d) Other Revenues

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

3.07 Inventories

In compliance with the requirement of **IAS 2 "Inventories"**, inventories are stated at the lower of cost and net realizable value.

Inventories consisting of raw materials, work in progress, finished goods, spare parts, fuel and stock in transit are valued at a lower of cost and net realized value. Cost of inventories include expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Cost of inventories is determined by using the following basis:

Raw materials:
Purchase costs on a weighted average basis;
Finished goods and work-in-progress:
Costs of direct materials and labour 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.

3.08 **Foreign Currency Transactions**

Transaction in Foreign Currencies are measured in the functional currency of the company and are recorded on initial recognition in the functional currency at the spot exchange rate ruling at the transaction date.

At the end of each reporting period in compliance with the provision of IAS 21: The Effect of Changes in Foreign Exchange Rates-

(a) Foreign currency monetary items are translated using the closing rate;

(b) Non-monetary items that are measured in terms of historical costs in a foreign currency are translated using the exchange rate at the date of the transaction;

(c) Non-monetary items that are measured at fair value in a foreign currency is translated using the exchange rate at the date when the fair value is determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rate different from those at which they were translated on initial recognition during the period or in previous financial statements is recognized in profit or loss in the period in which they arise.

Amount in FCAD ERQ Account and any other foreign currency balance have been translated into taka at the reporting date at the exchange rate prevailing on that date and gain/(loss) have been accounted for as other income / (loss) in statement of profit or loss and comprehensive income.

3.09 **Financial Instruments**

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below.

Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets held to maturity, loans and receivables and available for sale.

The adoption of IFRS 9 has not had a significant effect on the company's accounting policies related to financial liabilities. The impact of IFRS 9 on the classification and measurement of financial assets is set out below.

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost: Fair value through Other Comprehensive Income (FVOCI)-debt investment; Fair Value through Other Comprehensive Income (FVOCI) - equity investment; or Fair Value Through Profit or Loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

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A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

(a) it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

(b) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

(a) it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

(b) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment by investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets.

Financial Assts at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognition in profit or loss.

Financial Assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest Income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss. Trade receivables are classified as financial assets measured at amortized cost.

Debt Investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On de-recognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity Investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Impairment of Financial Assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.

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The financial assets at amortised cost consist of trade receivables, cash and cash equivalents, and corporate debt securities. The company measures loss allowances at an amount equal to ECL from trade receivables.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward looking information.

The company considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the company in full, without recourse by The company to actions such as realizing security (if any is held).

Measurement of Expected Credit Losses (ECL)

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Presentation of Impairment

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is recognised in OCI, instead of reducing the carrying amount of the asset.

Impairment losses related to trade receivables and others, including contract assets, are presented separately in the notes to the financial statement.

3.10 Impairment

i) **Financial Assets**

The company recognizes loss allowances for Expected Credit Losses ECLs on:

◈ financial assets measured at amortised cost;

◈ debt investments measured at FVOCI; and

◈ contract assets.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. Loss allowances measured at an amount equal to lifetime ECLs, except for the following, which are measured at 12 months ECLs:

◈ debt securities that are determined to have low credit risk at the reporting date; and

◈ other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and including forward-looking information.

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ii) **Non-Financial Assets**

The carrying amounts of the company's non-financial assets (other than inventories) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of impairment loss (if any). Where it is not possible to determine the recoverable amount of an individual asset, the company estimates the recoverable amount of the Cash Generating Unit (CGU) to which the asset belongs. An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 of CGU.

Impairment losses are recognised in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

3.11 **Derivatives**

The company is not a party to any derivative contract at the statement of financial position date, such as forward exchange contract, currency swap agreement or interest rate option contract to hedge currency exposure related to import of raw materials and others or principal and interest obligations of foreign currency loans.

3.12 **Leases**

IFRS 16 introduces a single, on balance sheet lease accounting model for leases. A leassee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemption for short-term leases and leases of low value items.

Leasseor accounting remains similar to the current standard-i.e. leassors continue to classify leases as finance or operating leases.

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

IFRS 16 replaces existing leases guidelines, including **IAS 17** Leases, **IFRIC 4** Determining whether an Arrangement contents a lease, **SIC 15** Operating Leases - incentive and **SIC -27** Evaluating the Substance of Transactions Involving the Legal Form of a lease.

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.

The most significant impact identified is that, the company will recognized new assets and liabilities for its finance leases of corporate office and sales depot. In addition, the nature of expenses related to those leases will now charge as **IFRS 16** replaces the straight line finance lease expense with a depreciation charge for right-of-use asset and interest expense on the lease liability.

Previously the company recognized finance lease expense on a straight line basis over the term of lease, and recognized liabilities only to the extend that there was a timing difference between the actual lease payments and the expense recognized.

A. HOQUE & CO. DHAKA CHARTERED ACCOUNTANTS

The company has no operating leases.

As a leasee the company plans to apply **IFRS 16** initially on 1st July, 2019 using the modified retrospective approach. Therefore, the cumulative effect of adopting **IFRS 16** will be recognized as an adjustment to the opening balance of retained earnings at 1st July, 2019 with no restatement of comparative information.

The company is currently assessing the impact of initially applying the standard on the elements of financial statements.

3.13 **Taxation**

Income Tax expense comprises current and deferred taxes. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity in accordance with IAS 12: Income Tax.

(a) **Current Tax:**

Current Tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods. The tax rate used for the reporting period was 25% as a publicly traded company.

The company enjoyed the tax holiday up to April, 2009 and accordingly necessary provision has been made for tax holiday period.

(b) **Deferred Tax:**

Deferred income tax is provided using the deferred method on temporary differences. Deferred tax assets and liabilities are recognized for all temporary differences, except:

Where the deferred tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction affects neither the accounting profit nor taxable profit or loss;

In respect of temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled by the company and it is probable that the temporary differences will not reverse in the foreseeable future; and

In respect of deductible temporary differences and carry-forward of unused tax credits and unused tax losses, if it is not probable that taxable profit will be available against which the deductible temporary differences and carry forward of unused tax credits and unused tax losses can be utilized.

(c) **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

Receivable 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, taxation authority is included as part of receivables or payables in the statement of financial position.

3.14 Proposed Dividend

10% Cash Dividend has been paid for the year 2019.

3.15 Cost of Post Employment Benefits

The company maintains the following benefits plans:

(a) 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.

(b) Defined Benefit Plan (Gratuity)

A defined benefit is a post-employment plan other than a defined contribution plan. The employee gratuity plan is considered as defined benefit plan as it meets the recognition criteria. The company's obligation is to provide the agreed benefits to current and former employees. The net defined benefit liability / (asset) in respect of a defined benefit plan is recognized in the statement of financial position.

Current service cost, past service cost and gain/loss on settlement and net interest on the net defined benefit liability/(asset) are recognized in profit or loss.

Service cost and gain/loss on settlement are classified as personnel expense and net interest on the net defined benefit liability (asset) is classified as financial expense.

The gratuity is calculated for all the employees prescribed by the rates as per labour Act, 2006 (as amended to 2013) for their service with the company.

(c) Workers Profit Participation Fund (WPPF)

Provision for Workers Profit Participation Fund (WPPF) and Worker Welfare Fund (WWF) has been made @ 5% on net profit as per provision of The Bangladesh Law, 2006 (amended 2013) and payable to workers as defined in the said law.

3.16 Capitalization of Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds as per IAS 23: Borrowing Costs.

3.17 Accruals, Provisions and Contingencies

(a) Accruals

Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amounts due to employees. Accruals are reported as part of trade and other payables.

(b) Provisions

A provision is recognised in the statement of financial position when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

A. HOQUE & CO. DHAKA CHARTERED ACCOUNTANTS

Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the reporting date. Where the company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. 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. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. During the reporting year the company has made sufficient provisions where applicable.

(c) **Contingencies**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company; or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. At the reporting date the company does not have any contingent asset.

Contingent liabilities and assets are not recognized in the statement of financial position of the company.

3.18 Operating Segments

A business segment is a distinguishable component of an entity that is engaged in providing an individual product or service or a group of related products or services and that is subject to risk and returns that are different from those of other business segment. The company has two distinguishable operating segments vide conversion workshop and CNG station in case of Navana CNG Ltd. which are disclosed in **note 31.**

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

3.19 Cash and Cash Equivalents

For the purposes of the Statement of Financial Position and Cash Flows, cash in hand and bank balances represents cash and cash equivalents considering the *IAS 1 "Presentation of Financial Statements*" and *IAS 7 "Cash Flow Statement*" which provide, that cash and cash equivalents are readily convertible to known amounts of cash and are subject to an in significant risks of changes in value and are not restricted as to use.

3.20 Statement of Cash Flows

The Statement of Cash Flow has been prepared in accordance with the requirements *IAS 7*: Statement of Cash Flows. The cash generated from operating activities has been reported using the Direct Method as prescribed by the Securities and Exchange Rules, 1987 and considering the provisions of *Paragraph 19* of *IAS* 7 which provided that "*Enterprises are Encouraged to Report Cash Flow From Operating Activities Using the Direct Method*".

3.21 Earnings per Share (EPS)

Earnings Per Share (EPS) are calculated in accordance with the International Accounting Standard IAS-33 "Earnings Per Share".

Basic Earnings Per Share

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary equity holders of the entity by the weighted average number of ordinary shares outstanding during the year. The Basic EPS of previous year has been restated to adjust the effect of bonus issue of shares during the year.

Diluted Earnings Per Share

For the purpose of calculating diluted earnings per shares, an entity adjusts profit or loss attributable to each ordinary equity holders of the entity, and weighted average number of shares outstanding, for the effects of all dilutive potential ordinary shares.
Diluted EPS is only calculated where the company has commitment to issue ordinary shares in future at reporting date. No such commitment is hold by company at reporting date.

3.22 **Risk Exposure**

Interest Rate Risk

Interest rate risk is the risk that company faces due to unfavourable movements in the interest rates. Changes in the government's monetary policy, alongwith increased demand for loans/investments tend to increase the interest rates. Such rises in interest rates mostly affect companies having floating rate loans or companies investing in debt securities.

Management Perception

The management of the company prefers procuring the long term fund with minimum fixed interest rate and the short term fund with reasonable competitive rate. The company maintains low debt/equity ratio; and accordingly, adverse impact of interest rate fluctuation is insignificant.

Exchange Rate Risk

Exchange rate risk occurs due to changes in exchange rates. As the company imports materials and equipment from abroad and also earns revenue in foreign currency, unfavourably volatility or currency fluctuation may affect the profitability of the company. If exchange rate increases against local currency, opportunity arises for generating more profit.

Management Perception

The products of the company are sold mostly in local currency. Therefore, volatility of exchange rate will have no impact on profitability of the company.

Industry Risks

Industry risk refers to the risk of increased competition by an entries of new competitors from foreign and domestic sources leading to lower prices, revenues, profit margin, and market share which could have an adverse impact on the business, financial condition and results of operation.

Management Perception

Management is optimistic about growth opportunity in CNG sector in Bangladesh.

Market Risk

Market risk refers to the risk of adverse market conditions affecting the sales and profitability of the company. Mostly, the risk arises from falling demand for the product or service which would harm the performance of the company. On the other hand, strong marketing and brand management would help the company increase their customer base.

Management Perception
Management is fully aware of the market risk, and act accordingly. Market for CNG sector in Bangladesh is growing at an exponential rate. Moreover, the company has a strong marketing and brand management to increase the customer base and customer loyalty.

Operational Risks

Non-availabilities of materials/equipment/services may affect the smooth operational activities of the company. 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 perceives that allocation of its resources properly can reduce this risk factor to great extent. The company hedges such risks in costs and prices and also takes preventive measures therefore.

Liquidity Risk

Liquidity risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at a reasonable price.

Management Perception

The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. Typically, management ensures that it has sufficient cash and cash equivalent to meet expected operational expenses, including the servicing of financial obligation through preparation of the cash forecast, prepared based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity/fund to make the expected payment within due date.

Labour Unrest Risk

Smooth production is dependant on good relationship with factory workers and their ability to provide high quality services. In the event of disagreement with workers the company may face adverse impact.

Management Perception

The management personnel both in head office and production premises maintains a good atmosphere at the working place and provides with all necessary facilities to the workers like healthy remuneration, employee leave entitlement, termination benefits and workers profit participation fund for its employees which reduces the risk of labour unrest.

3.23 Events after the Reporting Period

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

3.24 Related Party Disclosure

As per International Accounting Standard, IAS-24: 'Related Party Disclosures', parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties. Related party disclosures have been given in **Note 32**.

3.25 General

These notes form an integral part of the financial statements and accordingly are to be read in conjunction therewith.

HOQUE & CO. DHAKA CHARTERED ACCOUNTANTS

		Amount in Taka	
		30.06.2020	30.06.2019
4.00	**Consolidated Property, Plant & Equipment's**	**6,737,120,036**	**6,696,346,320**
	This is made up as follows:		
	Land and Land Development	1,180,087,289	1,119,098,289
	Building & Shed	978,536,140	1,058,825,286
	Plant & Machinery	2,224,151,252	2,119,209,036
	Cylinder	2,010,167,774	2,090,242,614
	Tools & Equipment	108,503,360	115,476,170
	Furniture & Fixture	18,666,616	16,983,734
	Electrical Equipment	19,552,609	20,349,972
	Office Equipment	5,938,435	5,629,296
	Vehicles	191,516,561	150,531,923
		6,737,120,036	6,696,346,320

An eleborate Schedule of PPE is shown in **Annexure - A.**

5.00	**Consolidated Intangible Assets**	**23,775,675**	**17,936,289**
	This is made up as follows:		
	Software System	23,775,675	17,936,289
		23,775,675	17,936,289

An eleborate Schedule of Intangible Assets is shown in **Annexure -B.**

6.00	**Consolidated Capital Work-In-Progress**	**978,936,390**	**1,269,113,876**
	This is made up as follows:		
	Opening Balance	1,269,113,876	1,607,886,756
	Add: Addition during the year	39,679,620	726,726,042
		1,308,793,496	2,334,612,798
	Less: Transfer to Property, Plant and Equipment	329,857,106	1,065,498,922
		978,936,390	1,269,113,876

Capital Work-In-Progress represents land and land development, civil construction, plant and machineries etc. for LPG project and land and land development, civil construction, plant and machineries for BMRE project of Navana Engineering Ltd, Baligaon at Kaligonj.

7.00	**Consolidated Long Term Security Deposit**	**44,377,166**	**47,556,185**
	This is made up as follows:		
	PDBF	5,056	5,056
	Titas Gas T&D Co. Ltd.	21,836,594	24,898,920
	Karnaphuly Gas Co.	3,044,690	3,044,690
	Pashchimanchal Gas Co.	2,650,741	2,650,741
	Dhaka Electricity Supply Co. Ltd. (DESCO)	58,752	148,752
	Dhaka Electricity Supply Authority (DESA)	270,000	270,000
	Jalalabad Gas Co. Ltd.	1,299,297	1,299,297
	Dhaka Palli Bidyut Samity (PBS-1)	658,444	658,444
	Delta Life Insurance Co. Ltd.	10,000	10,000
	Roads & Highway	190,350	190,350
	North South University	16,143	16,143
	Standard Bank Ltd.	745,038	745,038
	Bangladesh Telecommunication Co. Ltd. (BTCL)	10,000	10,000
	UCEP	338,000	338,000
	Dhaka Metropolitan Police	147,331	147,331
	Mobile Com	22,000	22,000

	Amount in Taka	
	30.06.2020	30.06.2019
Road Cutting	10,413	37,106
PDB	1,104,225	1,104,225
DPDC Limited	240,000	240,000
Narayangonj Palli Bidyut Samity-2	500,000	500,000
Cox's Bazar Pally Bidyut Samity	392,000	392,000
Pally Bidyut Samity-Bagerhat	5,028,094	5,028,094
Mongla Port Authority	5,399,998	5,399,998
Desco-Nikunja	400,000	400,000
	44,377,166	47,556,185

8.00	**Consolidated Investment in Share**	**2,525,882**	**3,589,283**

This is made up as follows:

Name of the Share	No. of Shares	Market Value as on 30.06.2020	Market Value as on 30.06.2019
Lafarge Surma Cement Ltd.	21,000	753,900	833,700
Aftab Automobiles Ltd.	75,084	1,771,982	2,755,583
	96,084	**2,525,882**	**3,589,283**

The above investment in Marketable Securities are designated as Fair Value through OCI (FVTOCI) by the management. These are measured at fair value and presented as non-current assets. Urealized gain/(loss) from the above investment were recognized as other comprehensive income.

9.00	**Consolidated Inventories**	**2,214,595,794**	**1,976,321,837**

This is made up as follows:

Raw Materials	720,532,328	722,223,142
Work in Process	128,128,675	68,186,804
Finished Goods	1,097,344,162	1,044,022,816
Spare Parts	10,718,440	3,334,765
Fuel	165,333	374,016
Stock in Transit	257,706,856	138,180,294
	2,214,595,794	1,976,321,837

10.00	**Consolidated Accounts Receivables**	**861,651,071**	**720,883,777**

This is made up as follows:

Tejgaon CNG Conversion Center	8,734,242	9,165,836
Kallayanpur CNG Conversion Center	4,502,524	5,669,139
Dipnagar Diesel Conversion Center	12,438,618	10,680,099
Chittagong CNG Conversion Center	2,057,717	2,057,717
Sylhet CNG Conversion Center	3,322,406	3,193,643
Cylinder Testing Unit	1,328,193	905,180
Kalurghat CNG Conversion Center	839,939	848,061
Kalurghat CRT	345,589	147,913

	Amount in Taka	
	30.06.2020	30.06.2019
Uttara CNG Conversion Center	1,115,485	1,839,053
Uttara CRT	4,000	-
Bogra CNG Conversion Center	510,384	240,638
Paltan CNG Conversion Center	1,036,543	1,875,012
Auto Repair & Services - Paltan-Dhaka	2,676,042	-
Paltan CRT	7,800	-
Auto Repair & Services-Kally-Dhaka	22,854,163	19,285,616
Auto Repair & Services-Kalurghat - Chitagong	976,542	897,942
Denso CNG Station	4,756,026	6,812,850
Binimoy CNG Station	10,500,774	11,254,050
Sylhet CNG Station	617,870	699,999
Sylhet CNG Station-2	15,398	26,344
Station Technical Department Sylhet	3,658,120	2,143,997
Station Technical Department Chittagong	13,449,103	11,574,738
Station Technical Department Dhaka	49,283,889	41,263,485
Station Maintenance Department-Chittagong	52,992	(161,198)
Station Maintenance Department-Dhaka	712,941	-
PRS Department	2,273,747	1,584,265
Engineering Service Department	599,505	566,105
Baipail CNG Station	1,394,997	1,300,846
Bogra CNG Station	41,638	7,357
Leguna CNG Station	1,214,123	23,176
Sitakunda CNG Station	277,519	106,261
BOC CNG Station	3,638	16,686
Kwality CNG Station	430,491	315,667
Bhoirab CNG Station	156,183	38,855
Elenga CNG Station	165,073	259,248
United CNG Station	33,640	8,684
Jagajog CNG Station	1,272,868	899,965
Sonarbangla CNG Station	7,134,891	5,675,839
Cox's Bazar Station	915	5,259
Chokoria Station	759	2,605
Mymensingh Zone	51,307,167	42,587,031
Chittagong Zone	39,794,434	24,826,212
Khulna Zone	32,063,534	27,848,194
Gazipur Zone	26,206,975	20,334,302
Sylhet Zone	29,623,201	20,025,803
Dhaka Zone	41,952,042	35,088,095
HDPE	33,174,730	37,891,740
PPR	26,496,707	14,789,552
Tender	3,255,558	1,863,973
Navana Real Estate Ltd.	8,549,240	20,364,347
Navana Construction Ltd.	10,921,071	11,861,269
Navana Batteries Ltd.	5,027,475	6,211,200
Sylhet Zone	1,003,938	1,617,729
Jessore Zone	1,695,924	4,863,140
Kushtia Zone	1,828,777	-
Dhaka South Zone	13,414,607	10,420,610
Dhaka North Zone	5,689,994	5,780,548
Rajshahi Zone	31,351,969	22,269,475
Rangpur Zone	483,195	698,672

		Amount in Taka	
		30.06.2020	30.06.2019
Chittagong South Zone		6,565,677	4,666,488
Chittagong North Zone		4,215,394	3,550,796
Barishal Zone		41,165,540	34,502,482
Corporate Customer		95,542,774	88,216,027
Channel Partners & Distribution		168,456,831	122,069,053
Customers for Scrap & Painting Service		-	1,400,921
Other Customer		18,460,188	15,905,186
Receivable from Employees' Provident Fund		2,606,842	-
		861,651,071	720,883,777

11.00	**Consolidated Advance, Deposit & Pre-payment**		**950,290,616**	**864,051,799**
	This is made up as follows:			
	Advance against Land		26,994,124	23,201,624
	Advance against Local Procurement		55,055,169	52,261,899
	Bank Guarantee Margin		33,510,577	36,937,291
	Security Deposit		1,759,815	1,906,792
	Advance Income Tax		335,775,441	276,205,115
	Jakshon International Ltd.		251,031	251,031
	VAT Current Account		17,909,904	14,090,462
	Advance for Rent		20,787,801	21,132,274
	Advance for Tender		1,138,560	1,045,410
	Earnest Money & Security Deposit		1,560,300	1,580,300
	Clearing & Forwarding Agent		1,351,023	1,351,023
	Rose Valley International		340,470	340,470
	Advance to Suppliers		142,369,409	79,113,439
	Security Deposit Bangladesh Railway		125,000	892,985
	Advance against Employee		14,565,737	3,371,676
	L/C Margin for Machinery		124,651,052	238,758,239
	Advance to Others		140,997,788	73,799,419
	Advance against Civil Construction		31,147,414	37,812,350
			950,290,616	864,051,799
12.00	**Consolidated Cash and Cash Equivalent**		**160,250,107**	**235,022,470**
	This is made up as follows:			
	Cash in Hand		7,638,700	17,356,185
	Cash at Banks:			
	Fixed Deposit Receipt (FDR)	12.01	103,439,201	96,212,429
	Bank Balances	12.02	49,172,206	121,453,856
			160,250,107	235,022,470
12.01	**Consolidated Fixed Deposit Receipt (FDR)**		**103,439,201**	**96,212,429**
	This is made up as follows:			
	Mercantile Bank Ltd.		36,094,198	34,209,158
	Standard Bank Ltd.		7,389,602	7,163,208
	Shahjalal Islami Bank Ltd.		37,432,509	33,448,097
	State Bank of India		22,522,892	21,391,966
			103,439,201	96,212,429

HOQUE & CO. DHAKA CHARTERED ACCOUNTANTS

		Amount in Taka	
		30.06.2020	30.06.2019
12.02	**Consolidated Bank Balances**	**49,172,206**	**121,453,856**
	This is made up as follows:		
	AB Bank Ltd.	146,391	639,460
	Bank Alfalah Ltd.	7,563	7,563
	Al-Arafah Islami Bank Ltd.	41,081	109,788
	Bank Asia Ltd.	4,160,157	11,091,592
	BRAC Bank Ltd.	201,492	852,746
	Dhaka Bank Ltd.	503,822	275,957
	Dutch-Bangla Ltd.	14,695,181	34,734,757
	IFIC Bank Ltd.	434,101	398,244
	Jamuna Bank Ltd.	124,424	77,749
	Mutual Trust Bank Ltd.	7,074,841	14,675,858
	National Bank Ltd.	267,552	939,151
	NCC Bank Ltd.	604,465	105,372
	Prime Bank Ltd.	211,850	73,339
	Pubali Bank Ltd.	1,239,041	2,053,385
	Rupali Bank Ltd.	1,176	1,160
	Shahjalal Islami Bank Ltd.	4,968,744	11,986,016
	Social Investment Bank Ltd.	40,912	40,912
	Southeast Bank Ltd.	306,254	300,307
	Standard Bank Limited	4,224,165	1,041,264
	Standard Chartered Bank	205,862	180,193
	Uttara Bank Ltd.	1,257,875	604,968
	Mercantile Bank Ltd.	482,360	421,695
	One Bank Ltd.	513	53,030
	Trust Bank Ltd.	45,622	2,368,170
	Islami Bank Bangladesh Ltd.	1,979,221	3,182,364
	Modhumoti Bank Ltd.	0	976,679
	Sonali Bank Ltd.	915,617	1,704,993
	United Commercial Bank Ltd.	214,884	1,622,976
	City Bank Ltd.	895,053	29,118,453
	State Bank of India	3,095,768	1,168,746
	NCC Bank Ltd.	0	98,870
	Rupali Bank Ltd.	16,435	30,000
	Agrani Bank Ltd.	17,022	488,099
	Bangladesh Commerce Bank Ltd.	18,485	20,000
	First Security Islami Bank Ltd.	5,233	10,000
	The Premier Bank Ltd.	755,107	0
	Community Bank Ltd.	13,936	0
		49,172,206	121,453,856

The cash at bank balances represents the balance as per cash book. The above balances are yet to be reconciled with the balances as per bank statement as on 30th June, 2020.

We obtained the cash custody certificate from the concerned authority in support of the cash in hand.

A. HOQUE & CO. DHAKA CHARTERED ACCOUNTANTS

	Amount in Taka	
	30.06.2020	30.06.2019

Equity and Liabilities

13.00 **Share Capital :**

Authorized Capital	**1,500,000,000**	**1,500,000,000**
150,000,000 Ordinary Shares of Tk. 10/- each.		
Issued, Subscribed and Paid up Capital:	**685,285,920**	**685,285,920**
68,528,592 Ordinary Shares @ Tk. 10/- each.		

This is made up as follows:

Date	No. of Shares	Particulars	Share Capital 30.06.2020	Share Capital 30.06.20196
19.04.2004	10,000	Subscription @Tk. 100/- each	1,000,000	1,000,000
10.11.2004	250,000	Cash Allotment @ Tk. 100/-each	25,000,000	25,000,000
25.04.2005	250,000	Cash Allotment @ Tk. 100/-each	25,000,000	25,000,000
30.12.2007	490,000	Cash Allotment @ Tk. 100/-each	49,000,000	49,000,000
08.02.2009	20,000,000	Ordinary Shares of @Tk. 10/- each Issued as Bonus	200,000,000	200,000,000
20.05.2009	6,300,000	Ordinary Shares of @Tk. 10/- each Issued as Bonus	63,000,000	63,000,000
26.07.2010	7,260,000	Ordinary Shares of @Tk. 10/- each Issued as Bonus	72,600,000	72,600,000
09.10.2011	6,098,400	Ordinary Shares of @Tk. 10/- each Issued as Bonus	60,984,000	60,984,000
07.10.2012	7,448,760	Ordinary Shares of @Tk. 10/- each Issued as Bonus	74,487,600	74,487,600
06.10.2013	11,421,432	Ordinary Shares of @Tk. 10/- each Issued as Bonus	114,214,320	114,214,320
	59,528,592		**685,285,920**	**685,285,920**

Shareholding Position:

Class of Shareholders	Number of Share Hold	Shareholding % 2020	Shareholding % 2019
Sponsors	29,116,427	42.49%	42.49%
General Public	19,684,146	28.72%	29.41%
Institutional Investors	19,728,019	28.79%	28.10%
Total	**68,528,592**	**100.00%**	**100.00%**

Classification of Shareholders:

Particulars	Number of Shares	% of Shares Holding 2020	% of Shares Holding 2019
1 to 500	1,339,275	1.95%	2.08%
501 to 5000	5,639,503	8.23%	8.87%
5001 to 10000	2,157,176	3.15%	3.39%
10001 to 20000	2,195,197	3.20%	2.93%
200001 to 30000	869,785	1.27%	1.52%
300001 to 40000	1,077,632	1.57%	1.21%
400001 to 50000	1,320,588	1.93%	1.29%
500001 to 100000	1,784,931	2.60%	2.88%
1000001 to 1000000	14,361,839	20.96%	21.82%
Above 10000000	37,782,666	55.13%	54.00%
Total	**68,528,592**	**100%**	**100%**

		Amount in Taka	
		30.06.2020	30.06.2019
14.00	**Consolidaetd Retained Earnings**	**1,538,647,565**	**1,519,706,890**
	This is made up as follows:		
	Opening Balance	1,519,706,890	1,513,465,471
	Adjustment for the application of IFRS-16 (lease)	(3,521,294)	
	Add: Total Comprehensive Income for the year	61,874,134	88,475,729
		1,578,059,730	1,601,941,200
	Less: Payment Cash/Stock Dividend	(39,412,165)	(82,234,310)
		1,538,647,565	1,519,706,890
15.00	**Consolidated Long Term Loan-Net of Current Portion**	**4,472,861,608**	**4,464,259,337**
	This is made up as follows:		
	City Bank Ltd., Gulshan Avenue Branch	3,127,063,433	2,977,697,541
	Shahjalal Islami Bank Ltd.	922,714,790	868,199,420
	One Bank Ltd., Gulshan Branch	1,259,741,868	1,005,117,720
	Mutual Trust Bank Ltd.	2,698,555	19,558,285
	Standard Bank Ltd.	74,146,285	97,694,645
	Dues to Director (Mr. Shafiul Islam, Chairman)	325,117,526	325,117,526
		5,711,482,457	5,293,385,137
	Less: Long Term Loan-Current Portion	1,238,620,849	829,125,800
	Long Term Loan-Net of Current Portion	4,472,861,608	4,464,259,337
16.00	**Consolidated Long Term Loan-Current Portion**	**1,238,620,849**	**829,125,800**
	This is made up as follows:		
	City Bank Ltd., Gulshan Avenue Branch	3,127,063,433	2,977,697,541
	Shahjalal Islami Bank Ltd.	922,714,790	868,199,420
	One Bank Ltd., Gulshan Branch	1,259,741,868	1,005,117,720
	Mutual Trust Bank Ltd.	2,698,555	19,558,285
	Standard Bank Ltd.	74,146,285	97,694,645
	Dues to Director (Mr. Shafiul Islam, Chairman)	325,117,526	325,117,526
		5,711,482,457	5,293,385,137
	Less: Long Term Loan-Current Portion	1,238,620,849	829,125,800
	Long Term Loan-Net of Current Portion	4,472,861,608	4,464,259,337
17.00	**Consolidated Short Term Loan**	**2,426,210,433**	**2,076,782,742**
	This is made up as follows:		
	Sahjalal Islami Bank Ltd.	1,272,148,242	939,280,317
	One Bank Ltd.	556,526,993	668,182,797
	State Bank of India	-	6,553,616
	City Bank Ltd.	597,535,198	462,766,012
		2,426,210,433	2,076,782,742

A. HOQUE & CO. DHAKA CHARTERED ACCOUNTANTS

			Amount in Taka	
			30.06.2020	30.06.2019
18.00	**Consolidated Provision for Income Tax**		**271,316,851**	**219,808,563**
	This is made up as follows:			
	Navana CNG Ltd.		26,901,878	22,224,480
	Navana Welding Electrode Ltd.		80,808,457	58,392,153
	Navana Engineering Ltd.		121,895,394	117,713,003
	Navana LPG Ltd.		41,711,122	21,478,927
			271,316,851	219,808,563
19.00	**Consolidated Payable & Accrual**		**339,427,724**	**292,248,551**
	This is made up as follows:			
	Navana CNG Ltd.		221,477,820	145,544,229
	Navana Engineering Ltd.		43,701,439	51,268,342
	Navana Welding Electrode Ltd.		28,534,830	13,558,430
	Navana LPG Ltd.		45,713,635	81,877,550
			339,427,724	292,248,551
20.00	**Consolidated Revenue (Net)**		**5,928,052,849**	**5,886,618,716**
	This is made up as follows:			
	Navana CNG Ltd.		1,347,104,986	1,576,775,713
	Navana Engineering Ltd.		696,863,366	777,913,306
	Navana Welding Electrode Ltd.		512,051,960	518,744,052
	Navana LPG Ltd.		3,372,032,537	3,013,185,645
			5,928,052,849	5,886,618,716
21.00	**Consolidated Cost of Sales**		**4,676,102,307**	**4,592,915,543**
	This is made up as follows:			
	Navana CNG Ltd.		1,049,015,763	1,192,351,760
	Navana Engineering Ltd.		465,629,657	527,949,775
	Navana Welding Electrode Ltd.		382,246,765	390,438,855
	Navana LPG Ltd.		2,779,210,122	3,482,175,156
			4,676,102,307	5,592,915,546
	Raw Material Consumed	21.01	4,190,551,478	4,358,051,052
	Add: Direct Cost		16,496,055	19,900,652
	Add: Factory Overhead		582,317,991	507,455,736
	Cost of Production		4,789,365,524	4,885,407,440
	Add: Opening Work in Progress		68,186,804	45,563,140
			4,857,552,328	4,930,970,580
	Less: Closing Work in Progress		128,128,675	68,186,804
	Cost of Goods Manufacture		4,729,423,653	4,862,783,776
	Add: Opening Finished Goods		1,044,022,816	774,154,583
			5,773,446,469	5,636,938,359
	Less: Closing Finished Goods		1,097,344,162	1,044,022,816
	Cost of Goods Sold		4,676,102,307	4,592,915,543

		Amount in Taka	
		30.06.2020	30.06.2019
21.01	**Consolidated Raw Material Consumed**	**4,190,551,478**	**4,358,051,052**
	This is made up as follows:		
	Opening Stock of Raw Materials	722,223,142	907,428,392
	Add: Purchased during the year	3,234,695,908	3,103,036,722
	Add: Cost of CNG Sales	954,164,756	1,069,809,080
		4,911,083,806	5,080,274,194
	Less: Closing Stock of Raw Materials	720,532,328	722,223,142
	Raw Materials Consumed	4,190,551,478	4,358,051,052
22.00	**Consolidated Administrative and Selling Expenses**	**621,095,003**	**630,342,969**
	This is made up as follows:		
	Salary & Allowances	255,151,067	279,735,531
	Gratuity Expenses	29,777,956	-
	Vehicle Maintenance	2,391,385	3,944,666
	Electricity Bill	3,235,909	4,328,079
	Rental Expenses	3,573,783	9,674,850
	Telephone & Mobile Bill	4,874,831	5,602,456
	Conveyance	7,655,624	7,305,268
	CDBL & Annual Listing Fee	685,286	791,286
	Electrical Expenses	128,899	85,731
	Entertainment	4,285,955	6,494,417
	Labour Charge	2,410,285	2,587,145
	Board Meeting Attendance Fee	510,000	784,000
	Medical Expenses	218,930	187,103
	Carrying Charge	3,864,466	1,799,439
	Consultancy Fees	390,000	-
	Distribution Expenses	81,037,163	63,599,323
	Mineral Water	525,032	635,643
	Annual General Meeting Expenses	70,680	115,375
	Miscellaneous Expenses	1,212,437	1,041,648
	Newspaper & Periodicals	159,217	253,605
	Office Maintenance	3,538,910	3,421,125
	Audit Fees	517,500	460,000
	ISO Audit Fee	134,400	-
	Oil, Gas & Lubricants	8,374,063	11,437,297
	Photocopy Expenses	50,621	91,150
	Postage, Courier & Stamp	407,769	475,366
	Security Guard Expenses	2,322,328	4,701,808
	Uniform & Liveries	97,235	53,939
	Pringing Expenses	2,364,506	2,110,358

A. HOQUE & CO. DHAKA CHARTERED ACCOUNTANTS

			Amount in Taka	
			30.06.2020	30.06.2019
	Stationery Expenses		2,116,548	1,688,471
	Registration & Renewals		6,881,941	10,699,372
	TA/DA Expenses		5,612,080	5,941,765
	Bank Charge		3,120,421	4,443,519
	Internet Bill		3,077,291	2,733,200
	Gas Bill		20,925	28,800
	Utility & Service Charge		2,329,376	1,704,650
	Transport Expenses		809,160	2,993,191
	Advertisement		2,965,664	18,043,868
	Repair & Maintenance		5,840,059	5,391,215
	Station fuel, Gas & Toll Expenses for Mobile Lorry		7,541,132	8,854,768
	Bad Debts		455,287	312,215
	Missing of Cash Fund		-	16,052,478
	Other Interest Expenses		4,080,841	2,622,279
	Insurance		1,095,475	1,472,768
	Software Maintenance Fee		2,050,500	-
	Business Promotional Expenses		4,869,766	6,556,814
	Depreciation of Right of Use Asset		3,997,033	-
	Depreciation		143,825,563	128,694,941
	Amortization		439,703	392,046
			621,095,003	630,342,969
23.00	**Consolidated Interest Expenses**		**653,604,622**	**624,214,982**
	This is made up as follows:			
	Navana CNG Ltd.		7,320,594	9,239,195
	Navana Engineering Ltd.		159,949,135	158,842,847
	Navana Welding Electrode Ltd.		9,617,201	11,603,155
	Navana LPG Ltd.		476,717,691	444,529,785
			653,604,622	624,214,982
24.00	**Consolidated Other Income**		**13,019,485**	**14,529,326**
	This is made up as follows:			
	Navana CNG Ltd.		8,230,095	7,663,601
	Navana Engineering Ltd.		201,800	2,694,630
	Navana Welding Electrode Ltd.		4,519,432	4,171,095
	Navana LPG Ltd.		68,158	-
			13,019,485	14,529,326
25.00	**Consolidated Income Tax Expenses**		**(78,164,541)**	**(44,838,087)**
	This is made up as follows:			
	Current Tax	25.01	61,238,720	70,971,861
	Deferred Tax	25.02	(139,403,261)	(115,809,947)
			(78,164,541)	(44,838,087)

A. HOQUE & CO. DHAKA CHARTERED ACCOUNTANTS

		Amount in Taka	
		30.06.2020	30.06.2019
25.01	**Calculation of Consolidated Current Tax**	**61,238,720**	**70,971,861**
	Current Tax Expenses (Higher of A & B)		
	A. Income Tax on Regular Rate		
	Profit Before Tax	114,313,576	190,648,075
	Add: Disallowable Depreciation	148,738,129	144,320,922
	Add: Gratuity Provision	24,700,000	-
		287,751,705	334,968,998
	Less: Allowable Depreciation	197,269,890	233,540,802
	Less: Gratuity Paid	5,077,956	-
		85,403,860	101,428,196
	Less: Gain on Disposal of Assets Seperation	-	5,992,724
	Less: Capital on Sale of Share	-	2,694,630
	Add: Unabsorved Depreciation	41,200,701	71,401,932
		126,604,561	164,142,774
	Current Tax	36,824,134	46,942,727
	Gain on Disposal of Assets	-	5,992,724
	Tax @ 15% on Gain on Disposal	-	898,909
	Current Tax	36,824,134	47,841,636
	B. Minimum Tax (Which is Higher)	24,414,586	23,130,225
	Total Current Tax (A+B)	61,238,720	70,971,861
25.02	**Calculation of Consolidated Deferred Tax**	**(132,500,761)**	**(115,809,947)**
	This is made up as follows:		
	A. Deferred Tax for Assets		
	Deferred Tax for Temporary Difference of PPE		
	Accounting Base WDV	6,760,895,709	6,714,282,607
	Tax Base WDV	7,037,643,213	6,611,171,790
	Temporary Difference	(276,747,504)	103,110,816
	Less: Unabsorbed Depreciation	(112,602,633)	(71,401,932)
	Taxable Temporary Difference	(389,350,136)	31,708,884
	Tax Rate 25% & 35% respectively	-	-
	Closing Deferred Tax Liabilities	(141,137,071)	(8,636,310)
	Opening Deferred Tax Liabilities	(8,636,310)	107,173,638
	Current Deferred Tax Income during the year	(132,500,761)	(115,809,947)
	B. Deferred Tax for Gratuity		
	Deferred Tax Expenses/(Income) for the year	(6,902,500)	-
		(139,403,261)	(115,809,947)

A. HOQUE & CO. DHAKA CHARTERED ACCOUNTANTS

		Amount in Taka	
		30.06.2020	30.06.2019
26.00	**Consolidated Earning Per Share (EPS)**	**0.90**	**1.29**

This is made up as follows:

Basic Earnings Per Share (EPS)

$$\text{Basic EPS} = \frac{\text{Net Profit after Tax}}{\text{No. of Shares during the}}$$

	30.06.2020	30.06.2019
Profit Attributable to Ordinary Shareholders	61,873,020	88,473,588
Number of Ordinary Shares used to Compute Earning Per Share	68,528,592	68,528,592
Earning Per Share	0.90	1.29

The total sales revenue of the CNG and its subsidiary has been increased slightly but the expenses have been increased compared with that of previous year and due to which EPS has been decreased.

		30.06.2020	30.06.2019
27.00	**Consolidated Net Operating Cash Flows Per Share (NOCFPS)**	**9.75**	**8.41**

$$\frac{\text{Net Operating Cash Flows}}{\text{Number of Ordinary Shares}}$$

	30.06.2020	30.06.2019
Net Operating Cash Flows	668,342,555	576,585,926
Number of Ordinary Shares used to Compute NOCFPS	68,528,592	68,528,592
Net Operating Cash Flows Per Share	9.75	8.41

Significant difference in NOCFPS in between current year's and last year's is due to increase of revenue collection from LPG business

		30.06.2020	30.06.2019
28.00	**Reconcilliation of Consolidated Cash Flows from Operating Activities under Indirect Method:**	**668,342,555**	**576,585,926**
	Net Profit/(Loss) before Interest & Income Tax during the year	647,109,621	671,317,812
	Adjustments to reconcile Net Income to Net Cash provided by Operating Activities:		
	Interest on Lease	1,418,788	-
	Payment of Lease Liability	(12,582,988)	-
	Depreciation	581,125,243	492,339,211
	Income Tax Paid during the year	(69,300,758)	(126,549,948)
	Changes in Current Assets and Liabilities:		
	Decrease/(Increase) in Inventories	(238,273,957)	(71,272,685)
	Decrease/(Increase) in Advance and Pre-payments	(140,775,679)	(19,677,419)
	Decrease/(Increase) in Payables & Accruals	40,389,580	(76,422,872)
	Decrease/(Increase) in Trade Receivables	(140,767,294)	(293,148,172)
	Consolidatd Net Cash Flow from Operating Activities	668,342,555	576,585,926

A. HOQUE & CO. DHAKA CHARTERED ACCOUNTANTS

		Amount in Taka	
		30.06.2020	30.06.2019
29.00	**Consolidated Net Assets Value Per Share**	**35.63**	**35.37**

The break up of the Intrinsic Value/Net Asset Value Per Share is given below:

Particulars	Amount (Tk.) 30.06.2020	Amount (Tk.) 30.06.2019
A. Assets:		
Property, Plant & Equipment	6,737,120,036	6,696,346,320
Intangible Assets	23,775,675	17,936,289
Right of Use Asset	19,934,974	-
Capital Work-in-Progress	978,936,390	1,269,113,876
Long Term Security Deposit	44,377,166	47,556,185
Deferred Tax Assets	147,797,623	8,288,021
Investment in Shares	2,525,882	3,589,283
Inventories	2,214,595,794	1,976,321,837
Accounts Receivables	861,651,071	720,883,777
Other Receivables	194,847,420	194,883,822
Advance against Land	15,000,000	15,000,000
Advances, Deposits & Pre-Payments	950,290,616	864,051,799
Cash & Cash Equivalents	160,250,107	235,022,470
Total Assets	**12,351,102,754**	**12,048,993,679**
B. Liabilities:		
Non Controlling Interest	(6,200)	(5,086)
Lease Liability	16,289,100	-
Security Retention Money	650,239,387	1,049,160,084
Loan from Others	50,000,000	50,000,000
Long Term Loan Net of Current Portion	4,472,861,608	4,464,259,337
Long Term Loan of Current Portion	1,238,620,849	829,125,800
Short Term Loan	2,426,210,433	2,076,782,742
Provision for Income Tax	271,316,851	219,808,563
Current Account with Group Companies	444,499,607	643,953,907
Payables & Accruals	339,427,724	292,248,551
Total Liabilities	**9,909,459,359**	**9,625,333,898**
Net Assets (A-B)	2,441,643,395	2,423,659,781
No. of Shares	68,528,592	68,528,592
Intrinsic Value/Net Assets Value Per Share	**35.63**	**35.37**

30.00 Change in Fair Value of Marketable Securities

Closing Balance of Marketable Securities	2,525,882	3,589,283
Opening Balance of Marketable Securities	3,589,283	5,141,327
	(1,063,401)	(1,552,044)

A. HOQUE & CO. DHAKA CHARTERED ACCOUNTANTS

31.00 Segment wise Financial Position as at 30th June, 2020

Particulars	Conversion Workshop	CNG Station	Total
Assets			
Non-Current Assets			
Property, Plant & Equipments	234,075,609	546,176,421	780,252,030
Right of use asset	4,240,978	9,895,615	14,136,593
Investment in Subsidiaries	880,991,059	-	880,991,059
Long Term Security Deposit	6,709,815	26,839,259	33,549,074
Investment in Shars	2,525,882	-	2,525,882
Total Non-Current Assets	**1,128,543,343**	**582,911,295**	**1,711,454,638**
Current Assets			
Inventories	555,277,813	-	555,277,813
Accounts Receivables	65,205,043	97,807,565	163,012,608
Advances, Deposits & Pre-payments	120,717,093	18,897,803	139,614,896
Inter Company Balances	749,064,319	-	749,064,319
Inter Company Receivables	191,434,343	-	191,434,343
Inter Unit Balances	-	645,566,676	-
Cash & Cash Equivalents	18,072,863	27,109,295	45,182,158
Total Current Assets	**1,699,771,474**	**789,381,339**	**1,843,586,137**
Total Assets	**2,828,314,817**	**1,372,292,634**	**3,555,040,775**
Equity and Liabilities			
Capital and Reserves			
Share Capital	685,285,920	-	685,285,920
Tax Holiday Reserve	180,618,848	-	180,618,848
Fair Value Reserve	2,178,793	-	2,178,793
Other Reserve	828,897	1,243,346	2,072,243
Retained Earnings	308,012,137	1,232,048,549	1,540,060,686
Total Equity	**1,176,924,595**	**1,233,291,895**	**2,410,216,490**
Non-Current Liabilities			
Deferred Tax Liabilites	18,061,204	27,091,806	45,153,010
Lease Liability	3,075,719	7,176,679	10,252,398
Long Term Loan	138,500,000	-	138,500,000
Total Non-Current Liabilities	**159,636,923**	**34,268,485**	**193,905,408**
Current Liabilities			
Short Term Loans	59,926,368	-	59,926,368
Provision for Income Tax	10,760,751	16,141,127	26,901,878
Inter Company Payables	642,612,811	-	642,612,811
Inter Unit Balances	737,164,375	-	-
Payables and Accruals	132,886,692	88,591,128	221,477,820
Total Current Liabilities	**1,583,350,997**	**104,732,255**	**950,918,877**
Total Liabilities	**1,742,987,920**	**139,000,740**	**1,144,824,285**
Total Equity and Liabilities	**2,919,912,515**	**1,372,292,635**	**3,555,040,775**

A. HOQUE & CO. DHAKA CHARTERED ACCOUNTANTS

Segment wise Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June, 2020

Particulars	Conversion Workshop	CNG Station	Total
Revenue	216,632,891	1,130,472,095	1,347,104,986
Less: Cost of Sales	94,851,007	954,164,756	1,049,015,763
Gross Profit	**121,781,884**	**176,307,339**	**298,089,223**
Less: Administrative & Selling Exp.	151,259,622	100,839,748	252,099,369
Less: Interest Expenses	7,320,594	-	7,320,594
Operating Profit	**(36,798,332)**	**75,467,591**	**38,669,260**
Add: Other Income	8,230,095	-	8,230,095
Less: Foreign Exchange Loss	846,244	-	846,244
Profit before Contribution to WPPF	**(29,414,481)**	**75,467,591**	**46,053,111**
Less: Contribution to WPPF	0	2,193,005	2,193,005
Profit before Tax	**(29,414,481)**	**73,274,586**	**43,860,106**
Add: Share of Profit from Subsidiaries	11,198,693	16,798,039	27,996,732
Less: Income Tax Expenses	**3,993,082**	**5,989,622**	**9,982,704**
Current Tax	5,763,132	8,644,698	14,407,830
Deferred Tax	(1,770,050)	(2,655,076)	(4,425,126)
Net Profit for year	**(22,208,870)**	**84,083,003**	**61,874,134**
Other Comprehensive Income:			
Unrealized Profit/Loss on Investment in Share	(1,063,401)	-	(1,063,401)
Deferred Tax Adjustment	106,340	-	106,340
	(957,061)	**-**	**(957,061)**
Total Comprehensive Income for the year	**(23,165,931)**	**84,083,003**	**60,917,073**

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32.00 Related Party Transactions

During the period, The company carried out a number of transactions with related parties in the normal course of business. The name of the related parties, Nature of transaction and transaction value have been set out in accordance with the provisions of IAS 24: Related Party Disclosure are as follows:

Sl.	Name of Related Party	Relationship	Nature of Transaction	Outstanding / Receivable
1	Loan from Chairman	Director	Interest free loan	(325,117,526)
2	Aftab Automobiles Limited	Alliance Companies	Interest free loan	28,149,770
3	Navana Limited	Alliance Companies	Interest free loan	(247,195,377)
4	Navana Construction Ltd.	Alliance Companies	Interest free loan	(28,884,000)
5	Navana Furniture Ltd.	Alliance Companies	Interest free loan	5,000,000
6	Navana Electronics Ltd.	Alliance Companies	Interest free loan	10,000,000
7	Navana Reale Estate Ltd.	Alliance Companies	Interest free loan	(213,570,000)
8	Navana Toyota 3s centre	Alliance Companies	Interest free loan	2,000,000
12	Board Meeting Fee	Director	Fee	510,000

33.00 Payment / Perquisites to Directors

No amount of money was spent by the Company for compensating any member of the Board for services rendered other than Board Meeting Fee.

34.00 Capital Expenditure Commitment

There was no commitment for capital expenditure and also not incurred or provided for the year ended 30th June, 2020.

35.00 Contingent Assets

There was no contingent assets as on 30th June, 2020.

36.00 Contingent Liabilities

The company does not hold any claim that meets denition of contingent liability in accordance with IAS 37 provision, contingent liability exists at reporting date.

37.00 Foreign Earnings/Loss or Gain

During the year the company incurred a foreign exchange loss / gain a sum of Tk. 846,244 the break up of the above is as follows:

L/C Number	Euro Rate		Euro Value	L/C Margin
296518020091	Costing Rate Final Payment	94.57 99.1	186454.82	0
		(4.54)	**186454.82**	0
Rest Margin	**At the time value of Costing**		**At the time value of deferred L/C Final Payment**	**Foreign Exchange Loss/Gain**
	15,794,457.27		16,640,701.12	(846,243.85)
	15,794,457.27		**16,640,701.12**	**(846,243.85)**

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38.00 Brokerage or Commission

No brokerage or discount other than usual trade discount against sales was paid during the year. As there was no sales agent, commission therefor was not paid.

39.00 Remittance of Dividend

As there were no non-resident shareholders, no dividend was remitted to or received from abroad.

40.00 Credit Facility not Availed

There was no credit facility available to the Company under any contract and also not availed as on 30th June, 2020 other than trade credit available in the ordinary course of business.

41.00 Attendance Status of Board Meeting of Directors

During the year there was 10 Board Meetings were held. The attendance status of all the meetings is as follows:

Name of the Directors	Position	Duration Period	Meeting Held	Meeting Held
Shafiul Islam	Chairman			8
Khaleda Islam	Director			4
Saiful Islam	Director	July 2019 to June, 2020	10	10
Sajedul Islam	Chief Executive Officer			6
Farhana Islam	Director			3
M. Obaidur Rahman	Independent Director			5
Syed Masud Hasan	Independent Director			2

42.00 Disclosures as per Requirement of Schedule XI, Part II of the Companies Act, 1994 (Employee Position as on 31st December, 2020)

(A) Disclosure as per requirement of Schedule XI, Part II, Notes 5 of Para 3

Monthly Salary Range	Head Office	Factory	No. of Employee
Above 3000	67	566	633
Below 3000	0	0	0

(B) Disclosure as per requirement of Schedule XI, Part II, Para 4

Payment/Perquisites to Directors and Officers

Name	Position	Meeting Attendance Fee	Allowance
Shafiul Islam	Chairman	5,000	40,000
Khaleda Islam	Director	5,000	20,000
Saiful Islam	Director	5,000	50,000
Sajedul Islam	Chief Executive Officer	5,000	30,000
Farhana Islam	Director	5,000	15,000
M. Obaidur Rahman	Independent Director	5,000	25,000
Syed Masud Hasan	Independent Director	5,000	10,000

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During the year under review:

(i) no compensation was allowed by the company to the Chief Executive Officer of the company who is also a Director.

(ii) the rate at which Directors have drawn Board Meeting attendance fees @ Tk. 5,000/- per Director per meeting. The total Board Meeting attendance fee incurred during the year under review was Tk. 190,000/-;

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

43.00 Information regarding Accounts Receivables, Advance in line with Schedule XI

i. Disclosure in line with 4(a) of part I of Schedule XI

The details of trade receivable are given below:

Sl. No.	Particulars	Amount (Tk.) 30.06.2020	Amount (Tk.) 30.06.2019
1	Within 3 Months	392,740,558	327,064,970
2	Within 6 Months	247,380,022	204,586,816
3	Within 12 Months	131,401,788	128,677,754
4	More than 12 Months	90,128,702	60,554,237

ii. Disclosure in line with 4(b) of part I of Schedule XI

There are no debts outstanding in this respect.

44.00 Disclosure in line with Instruction of Part of Schedule XI

In regard to sundry debtors the following particulars shall be given separately:

(I) Debt considered good in respect of which the company is fully secured

Within six months trade debtors occurred in the ordinary course of business are considered good but no security given by the debtors.

(II) Debt considered good for which the company holds no security other than the debtors' personal security

Within six months trade debtors have arisen in the ordinary course of business in good faith as well as market reputation of the company for the above mentioned reasons no personal security taken from debtors.

(III) Debt considered doubtful or bad

The company considered more than one year good and no provision has been made drawing the under audit.

(IV) Debt due by directos or other officers of the Company

There is no debt due by directors or other officers of the company.

(V) Debt due by common management

There is no debt under common management.

(VI) The maximum amount due by directors or other officers of the Company

There is no such debt in this respect.

45.00 Schedule XI, Part II, Para 8(b) & Para 8(d) Foreign Currencies remitted during the year

During the year under review the company did not remit any amount as dividend, technical know-how, royalty, professional consultation fees, interest and other matters either its shareholder or others.

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46.00 Financial Instrument-Fair Values and Risk Management

46.01 Accounting Classifications and Fair Values

The following table shows the carrying amounts of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value as the carrying amount is a reasonable approximate of fair value.

Reconciliation of Carrying Amount	Carrying Amount Tk. '000								
	Note	Held for Trading	Designated at Fair Value	Fair Value Hedging Instruments	Held to Maturity	Loans and Receivables	Available for Sale	Other Financial Liabilities	Total Amount
30.06.2020		0	0	0	0	0	0	0	0
Financial Assets not measured at Fair Value		0	0	0	0	0	0	0	0
Trade and Other Receivables		0	0	0	0	1,056,498	0	0	1,056,498
Investment		0	0	0	0	0	0	0	0
Cash and Cash Equivalents		0	0	0	0	160,250	0	0	160,250
Investment in Subsidiaries		0	0	0	0	0	0	0	0
		0	0	0	0	1,216,748	0	0	1,216,748
Financial Liabilities not measured at fair value		0	0	0	0	0	0	0	0
Trade and other payables		0	0	0	0	0	0	339,427	339,427
Other Non-Current Liabilities		0	0	0	0	0	0	5,189,390	5,189,390
		0	0	0	0	0	0	5,528,817	5,528,817
30.06.2019									
Financial Assets not measured at Fair Value		0	0	0	0	0	0	0	0
Trade and Other Receivables	9	0	0	0	0	915,767	0	0	915,767
Investment		0	0	0	0	0	0	0	0
Cash and Cash Equivalents	11	0	0	0	0	235,022	0	0	235,022
Investment in Subsidiaries		0	0	0	0	0	0	0	0
		0	0	0	0	1,150,789	0	0	1,150,789
Financial Liabilities not measured at fair value									
Trade and other payables	17	0	0	0	0	0	0	292,249	292,249
Other Non-Current Liabilities		0	0	0	0	0	0	5,563,419	5,563,419
		0	0	0	0	0	0	5,855,668	5,855,668

Advances, deposits and prepayments are not included in the financial assets.

The company has not disclosed the fair values for financial instruments such as trade and other receivables, cash and cash equivalents, investment in subsidiaries, trade and other payables, and other non-current liabilities because their carrying amounts are a reasonable approximation of fair values.

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46.02 **Financial Risk Management**

The Company's management has overall responsibility for the establishment and oversight of the company's risk management framework. Risk management policies, procedures and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The company has exposure to the following risks from its use of financial instruments.

46.02.1 Credit Risk, 46.02.2 Liquidity Risk 46.02.3 Market Risk.

46.02.1 **Credit Risk**

Credit risk is the risk of a financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivable.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of customer, including the default risk of the industry and financial strength of the customer, as these factors may have an influence on credit risk. Geographically there is no concentration of credit risk.

The debtors management review committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the company's payment and delivery terms and conditions are offered. Credit limits are established for each customer, which represents the maximum outstanding amount of credit sale without requiring approval from the committee; these limits are reviewed as per guideline of Nava CNG Limited in each quarter. Customers that fail to meet the company's benchmark creditworthiness may transact with the company only on a cash / deposit scheme basis.

Management has a credit policy in place and the exposure to credit risk is monitor on an ongoing basis. As at 30th June, 2020, substantial part of the receivables are as follows and subject to insignificant credit risk. Risk exposure from other financial assets, i.e. Cash at bank and other external receivables are also nominal.

(i) Exposure to Credit Risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting data was:

	Amount in Taka	
	30.06.2020	**30.06.2019**
Non-Derivative Financial Assets:		
Accounts Receivables	861,651,071	720,883,777
Other Receivables	194,847,420	194,883,822
Earnest Money and Security Deposits	3,445,115	4,380,077
Advance to Suppliers	142,369,409	79,113,439
Advance to Employees and Others	155,563,525	77,171,094
FDR	103,439,201	96,212,429
Cash at Bank	49,172,206	121,453,856
Cash in Hand	7,638,700	17,356,185
	1,518,126,647	1,311,454,679

To mitigate the credit risk against accounts receivables and other, the company has a system of specific credit line period to the customers. This outstanding period and amount are regularly monitored. The company endeavors to cover the credit risks on all other receivables, where possible, by restricting credit facility and stringent monitoring.

46.02.2 **Liquidity Risk**

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity (cash and cash equivalents) is to ensure, as far possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. Typically, the company ensures that it has sufficient cash and cash equivalents to meet expected operational expenses, including financial obligations through preparation of the cash flow forecast, prepaid based on time line of payment of the financial obligation and accordingly arrange for sufficient liquidity / fund to make the expected payment within due date.

The carrying amount of financial liabilities represent the maximum exposure to liquidity risk. The maximum exposure to liquidity risk as at 30th June, 2020 was:

	Amount in Taka	
	30.06.2020	30.06.2019
Non-Derivative Financial Liabilities:		
Payable & Accruals	339,427,724	292,248,551
Inter Company Payables	444,499,607	643,953,907
Non-Current Liabilites	5,189,390,095	5,563,419,421
	5,973,317,426	6,499,621,879

46.02.3 **Market Risk**

Market risk is the risk that any change in market price, such as foreign exchange rates and interest rates will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

(i) **Interest Rate Risk**

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. Exposure to fair value movement relates to fixed rate instrument subject to fair value accounting and exposure to cash flow fluctuation relates to variable rate instruments. The compan is primarily exposed to cash flow fluctuation arising from variable rate borrowings. The objective of interest rate management for the Navana CNG Ltd. and its subsidiaries is to reduce financial cost and ensure predictability.

(ii) **Currency Risk**

The company is exposed to currency risk on certain revenues and purchases such as revenue from foreign customers and import of raw material, machineries and equipment. Majority of the company's foreign currency transactions are denominated in USD and relate to procurement of raw materials, machineries and equipment from abroad.

47.00 Capital Management

Capital management refers to implementing policies and measures to maintain sufficient capital, assessing company's internal capital adequacy to ensure company's operation as a going concern. Capital consists of share capital, general reserve and revaluation reserve. All major investment and operational decisions with exposure to certain amount are evaluated and approved by the board. The board of directors monitors the level of dividends to ordinary shareholders.

48.00 Subsequent Events-Disclosures under IAS 10 "Events after Reporting Period"

The directors in the meeting held on 24th day of October, 2020 Recommended 10% cash dividend for the Shareholders excluding sponsor Shareholders whose name will be apperead in the Shareholders registers at the date of book closure which is subject to Shareholders approval at the forthcoming annual general meeting to be held on 29th day of December, 2020.

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

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Annexure-A

NAVANA CNG LIMITED AND ITS SUBSIDIARIES
SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT AS ON 30TH JUNE, 2020

Particulars	Cost				Rate	Depreciation				Written
	Opening Balance 01.07.2019	Addition during the year	Adjustment/ Disposal during the year	Total as on 30.06.2020	of Dep.	Opening Balance 01.07.2019	Charged during the year	Adjustment/ Disposal during the year	Total as on 30.06.2020	Down Value as on 30.06.2020
Land and Land Development	1,119,098,289	60,989,000	-	1,180,087,289	0%	-	-	-	0	1,180,087,289
Building & Shed	1,329,766,993	25,988,160	-	1,355,755,153	10%	270,941,706	106,277,307	-	377,219,013	978,536,140
Plant & Machinery	2,833,803,728	323,854,790	-	3,157,658,518	10%	714,594,692	218,912,573	-	933,507,265	2,224,151,252
Cylinder	2,295,089,111	136,334,190	-	2,431,423,301	10%	204,846,497	216,409,030	-	421,255,527	2,010,167,774
Tools & Equipment	183,324,294	4,853,693	-	188,177,987	10%	67,848,124	11,826,502	-	79,674,626	108,503,360
Furniture & Fixtures	30,744,900	3,611,703	-	34,356,603	10%	13,761,166	1,928,821	-	15,689,987	18,666,616
Electrical Equipment	39,079,669	1,326,037	-	40,405,706	10%	18,729,697	2,123,400	-	20,853,097	19,552,609
Office Equipment	9,261,159	942,777	-	10,203,936	10%	3,631,863	633,638	-	4,265,501	5,938,435
Vehicles	207,188,730	57,803,062	-	264,991,792	10%	56,656,806	16,818,425	-	73,475,231	191,516,561
Total	**8,047,356,873**	**615,703,412**		**8,663,060,285**		**1,351,010,551**	**574,929,697**		**1,925,940,248**	**6,737,120,036**

Annexure-B

SCHEDULE OF INTANGIBLE ASSETS AS ON 30TH JUNE, 2020

Particulars	Cost				Rate	Amortization				Written
	Opening Balance 01.07.2019	Addition during the year	Adjustment/ Disposal during the year	Total as on 30.06.2020	of Dep.	Opening Balance 01.07.2019	Charged during the year	Adjustment/ Disposal during the year	Total as on 30.06.2020	Down Value as on 30.06.2020
Software System	22,291,132	8,037,900	-	30,329,032	10%	4,354,844	2,198,514		6,553,358	23,775,675
Total	**22,291,132**	**8,037,900**	**-**	**30,329,032**		**4,354,844**	**2,198,514**		**6,553,358**	**23,775,675**

SCHEDULE OF RIGHT OF USE ASSETS AS ON 30TH JUNE, 2020

Annexure-C

Particulars	Cost				Rate	Depreciation				Written
	Opening Balance 01.07.2019	Addition during the year	Adjustment/ Disposal during the year	Total as on 30.06.2020	of Dep.	Opening Balance 01.07.2019	Charged during the year	Adjustment/ Disposal during the year	Total as on 30.06.2020	Down Value as on 30.06.2020
Right of Use Assets	-	23,932,006	-	23,932,006	0%	-	3,997,033	-	3,997,033	19,934,974
Total	**-**	**23,932,006**	**-**	**23,932,006**		**-**	**3,997,033**	**-**	**3,997,033**	**19,934,974**

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