AUDITORS' REPORT ON THE ACCOUNTS OF NAVANA CNG LIMITED AND ITS SUBSIDIARIES FOR THE YEAR ENDED 30TH JUNE, 2021

এ, হক এন্ড কোং

A HOQUE & CO.

Chartered Accountants

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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
Since-1983

A Member Firm of
Worldwide Offices Associated (WOA) Ltd.

MANAGING PARTNER : A.K.M. AMINUL HOQUE, FCA
PARTNER : MD. IQBAL HOSSAIN, FCA

KHAN MANSION, (5th Floor) 107, Motijheel Com. Area, Dhaka-1000
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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, 2021 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 57 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, 2021 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.

Other Matter

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, 2021 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 financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatements of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

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Key Audit Matters	How our audit addressed the key audit matters
Revenue The company has reported a revenue of Taka **5,024,180,366** for the year ended 30th June, 2021. 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 good or service to a customer. 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 CNG stations 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's different CNG stations. Accordingly, there could be potential misstatements that these revenue transactions are not recognized in the proper reporting periods. See note no. 3.06 and 29.00 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 28 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.

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Key Audit Matters	How our audit addressed the key audit matters
	* 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. * 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 **2,511,747,923** at 30th June, 2021 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. 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. See note no. 3.07 and 11.00 to the financial statements.	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, 2021 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;

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Valuation of Inventory	How our audit addressed the key audit matters
	◆ we have also considered the adequacy of the Company's disclosure in respect of the levels of provisions against inventory.
Current Tax Provisioning	**How our audit addressed the key audit matters**
Current Tax provision amounting Tk. **65,396,946** At the year end the company reported total income tax expense (Current Tax) of BDT. **65,396,946**. 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 34.01 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. **294,184,804** as at 30th June, 2021. 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) and 9.00 to the financial statements.	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 different types of defined benefit schemes such as Contributory Provident Fund, Gratuity Fund	Our audit procedures included updating our understanding of the business processes followed by the company for accounting and valuing their defined benefit plan.

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Valuation of defined benefits obligation	How our audit addressed the key audit matters
And Workers Profit Participation Fund (WPPF) which in total are significant in the context over all financial position. At the year end the company reported a net defined benefit scheme liability of Tk. **85,575,382.**	We obtained sufficient audit evidence to conclude that the inputs and methodologies used to determined the liability for defined benefit plan.

Valuation of defined benefits obligation	How our audit addressed the key audit matters
Liability for the following funds is provided at the following rates: (i) CPF @ 10% of basic salary; (ii) GF @ 1 no. basic of salary; (iii) WPPF @ 5% on net profit after charging such charge; Therefore, valuation of benefits payable provision is considered as a key audit matter. See note no. 3.15 and 28.00 to the financial statements.	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 WPPF and Welfare expense are payable to the employees and is worked out the liability for WPPF and Welfare on the presumption that all employees are entitle to participate to WPPF and Welfare on the balance sheet date. We ensured that the basis of computing WPPF and Welfare is valid; verify the computation of liability on aggregate basis. Employee data used calculating obligation is also tested and appropriateness and presentation of disclosures against IAS 19: Employee Benefits were assessed.

Consolidation of the financial statements	How our audit addressed the key audit matters
The Company has prepared consolidated financial statements of the group as whole by taking consideration of three subsidiaries named Navana Engineering Ltd., Navana Welding Electrode Ltd. and Navana LPG Ltd. with 99.95% shares. The key risk is that whether the consolidated financial statements of the company are prepared in compliance with IFRS 10: Consolidated Financial Statements and IFRS 3: Business Combination and provide adequate disclosure required in this standards.	We have obtained a good understanding of the structure of the group, the significance (i.e. materiality) of each component of the group, the methodology of the consolidation process, and the risk of material misstatement presented by each of the company's financial statements. We have also established materiality level for the group in aggregate, and for the individually significant components. The types of audit procedures that was performed include: • checking of the figures taken into the consolidation have been accurately extracted from the financial statements of the components. • evaluating the classification of the components of the group for example, whether the components have been correctly identified and treated as subsidiaries, associates. • reviewing the disclosures necessary in the group financial statements, such as related party transactions and minority interests.

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Consolidation of the financial statements	How our audit addressed the key audit matters
	♦ gathering evidence appropriate to the specific consolidation adjustments made necessary by financial reporting standards, including, for example: ♦ the calculating of goodwill and its impairment review ♦ cancellation of inter-company balances and transactions ♦ provision for unrealized profits, if any, as a result of inter-company transactions ♦ fair value adjustments needed for assets and liabilities held by the component.

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 connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available 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.

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.

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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.

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.

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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:

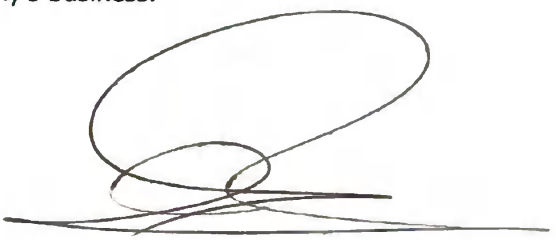
In accordance with the Companies Act, 1994, International Standards on Auditing (ISAs) and the Securities and Exchange Rules, 1987, we also report that:

(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
DVC-2111040407AS968237
A. Hoque & Co.
Chartered Accountants

Dated : 26.10.2021
Place : Dhaka, Bangladesh

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NAVANA CNG LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE, 2021

Particulars	Notes	Amount in Taka	
		30.06.2021	30.06.2020
Assets			
Non-Current Assets:			
Property, Plant & Equipment	4.00	6,249,649,132	6,737,120,036
Intangible Assets	5.00	21,605,274	23,775,675
Right of Use Asset	6.00	8,013,284	19,934,974
Capital Work-in-Progess	7.00	968,885,418	978,936,390
Long Term Security Deposit	8.00	43,197,516	44,377,166
Deferred Tax Assets	9.00	294,184,804	147,797,623
Investment in Shares	10.00	3,259,076	2,525,882
		7,588,794,504	**7,954,467,746**
Current Assets:			
Inventories	11.00	2,511,747,923	2,214,595,794
Accounts Receivables	12.00	1,097,184,386	861,651,071
Other Receivables	13.00	195,125,054	194,847,420
Advance against Land		15,000,000	15,000,000
Advances, Deposits & Pre-Payments	14.00	1,147,579,654	950,290,616
Cash and Cash Equivalents	15.00	185,936,814	160,250,107
		5,152,573,831	**4,396,635,008**
Total Assets		**12,741,368,335**	**12,351,102,754**
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	16.00	685,285,920	685,285,920
Tax Holiday Reserve		216,004,824	216,004,824
Fair Value Reserve	17.00	2,364,961	1,705,086
Retained Earnings	18.00	1,514,055,572	1,538,647,565
Equity Attributable to Owners of Company		**2,417,711,277**	**2,441,643,395**
Non-Controlling Interest		**(7,414)**	**(6,200)**
Non-Current Liabilities:			
Lease Liability	19.00	5,857,056	16,289,100
Security Retention Money	20.00	591,239,387	650,239,387
Loan from Others	21.00	50,000,000	50,000,000
Long Term Loan-Net of Non-Current Portion	22.00	4,837,599,450	4,472,861,608
		5,484,695,893	**5,189,390,095**
Current Liabilities:			
Long Term Loan-Current Portion	23.00	1,360,852,732	1,238,620,849
Short Term Loan	24.00	2,883,450,404	2,426,210,433
Provision for Income Tax	25.00	329,400,956	271,316,851
Current Account with Group Companies	26.00	-	444,499,607
Unclaimed Dividend Acocunt	27.00	42,554,496	45,798,322
Payables & Accruals	28.00	222,709,991	293,629,402
		4,838,968,579	**4,720,075,464**
Total Liabilities		**10,323,664,472**	**9,909,465,559**
Total Shareholders' Equity & Liabilities		**12,741,368,335**	**12,351,102,754**
Net Assets Value (NAV) per Share	38.00	**35.28**	**35.63**

The annexed notes from 1 to 57 and Annexure-A, B & C form an integral part of these Financial Statements.

This is the Statement of Financial Position referred to in our separate report of even date annexed.

The financial statements were approved by the Board of Directors on the 26th October, 2021 and were signed on its behalf by:

Managing Director | Director | Director | Company Secretary | Chief Financial Officer

(A.K.M Aminul Hoque, FCA)
Enrolment No. 407
DVC-2111040407AS968237
A. Hoque & Co.
Chartered Accountants

Dated: 26-10-2021
Place: Dhaka, Bangladesh

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NAVANA CNG LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30TH JUNE, 2021

Particulars	Notes	Amount in Taka	
		01.07.2020 to 30.06.2021	01.07.2019 to 30.06.2020
Revenue (Net)	29.00	5,024,180,366	5,928,052,849
Less: Cost of Goods Sold	30.00	4,042,074,992	4,676,102,307
Gross Profit		**982,105,374**	**1,251,950,542**
Less: Operating Expenses:			
Administrative & Selling Expenses	31.00	501,911,139	621,095,003
Financial Expenses	32.00	547,915,203	653,604,622
		1,049,826,342	1,274,699,625
Operating Profit		**(67,720,968)**	**(22,749,083)**
Add: Other Income	33.00	11,166,844	13,019,485
Less: Foreign Exchange Loss		1,669,160	846,244
Profit before Contribution to WPPF		**(58,223,284)**	**(10,575,842)**
Less: Contribution to WPPF		7,925,030	5,715,679
Net Profit before Tax		**(66,148,314)**	**(16,291,521)**
Less: Income Tax Expenses	34.00	**(81,063,554)**	**(78,164,541)**
Current Tax	34.01	65,396,946	61,238,720
Deferred Tax	34.02.1	(146,460,500)	(139,403,261)
Net Profit for the year attributable to Equity holder		**14,915,240**	**61,873,020**
Add: Other Comprehensive Income:			
Revaluation Gain/Loss on Investment in Share	39.00	733,194	(1,063,401)
Less: Deferred Tax Adjustment		(73,319)	106,340
		659,875	(957,061)
Total Comprehensive Income for the year		**15,575,115**	**60,915,959**
Profit Attributable to:			
Equity Holders of the Company		15,576,329	60,917,073
Non-Controlling Interests		(1,214)	(1,114)
		15,575,115	**60,915,959**
Number of Shares		68,528,592	68,528,592
Earnings per Share	35.00	**0.22**	**0.90**

The annexed notes from 1 to 57 and Annexure-A, B & C form an integral part of these Financial Statements.

This is the Statement of Profit or Loss and Other Comprehensive Income referred to in our separate report of even date annexed.

The financial statements were approved by the Board of Directors on the 26th October, 2021 and were signed on its behalf by:

Managing Director | Director | Director | Company Secretary | Chief Financial Officer

(A.K.M Aminul Hoque, FCA)
Enrolment No. 407
DVC-2111040407AS968237
A. Hoque & Co.
Chartered Accountants

Dated: 26-10-2021
Place: Dhaka, Bangladesh

NAVANA CNG LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30TH JUNE, 2021

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
Adjustment of IFRS-16 (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**
Balance at 1st July, 2020	685,285,920	216,004,824	1,705,086	1,538,647,565	2,441,643,395	(6,200)	2,441,637,195
Adjustment of IFRS-16 (Lease)	-	-	-	(96,282)	(96,282)	-	(96,282)
Fair Value Reserve	-	-	659,875	-	659,875	-	659,875
Net Profit for the year	-	-	-	14,916,454	14,916,454	(1,214)	14,915,240
Dividend	-	-	-	(39,412,165)	(39,412,165)	-	(39,412,165)
Balance at 30th June, 2021	**685,285,920**	**216,004,824**	**2,364,961**	**1,514,055,572**	**2,417,711,277**	**(7,414)**	**2,417,703,863**

The annexed notes from 1 to 57 and Annexure-A, B & C form an integral part of these Financial Statements.

This is the Statement of Changes in Equity referred to in our separate report of even date annexed.

The financial statements were approved by the Board of Directors on the 26th October, 2021 and were signed on its behalf by:

Managing Director | Director | Khaleda Islam, Director | Company Secretary | Chief Financial Officer

Dated: 26-10-2021
Place: Dhaka, Bangladesh

(A.K.M Aminul Hoque, FCA)
Enrolment No. 407
DVC-2111040407AS968237
A. Hoque & Co.
Chartered Accountants

A Member Firm of Worldwide Offices Associated (WOA) Ltd.

এ. হক এন্ড কোং
A. HOQUE & CO.
CHARTERED ACCOUNTANTS
Since-1983

A Member Firm of
Worldwide Offices Associated (WOA) Ltd.

MANAGING PARTNER : A.K.M. AMINUL HOQUE, FCA
PARTNER : MD. IQBAL HOSSAIN, FCA

KHAN MANSION, (5th Floor) 107, Motijheel Com. Area, Dhaka-1000
Tel : +880-2223382786, 9564295, E-mail : a.hoquecompany@gmail.com

NAVANA CNG LIMITED AND ITS SUBSIDIARIES
CONSOLIDAED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE, 2021

Particulars	Notes	Amount in Taka	
		01.07.2020 to 30.06.2021	01.07.2019 to 30.06.2020
Cash Flows from Operating Activities:			
Cash Receipts from Customers		4,788,647,050	5,787,285,555
Cash Reciepts of Other Income		11,166,844	13,019,485
Foreign Exchnage Loss		(1,669,160)	(846,244)
Payments for Materials, Services and Expenses		(4,567,355,710)	(5,061,815,483)
Cash Generated from Operations		**230,789,024**	**737,643,313**
Income Tax Paid		(68,909,863)	(69,300,758)
Net Cash Generated from Operating Activities	36.00	**161,879,161**	**668,342,555**
Cash Flows from Investing Activities:			
Acquisition of Property, Plant and Equipment		(24,240,919)	(285,846,306)
Acquisition of Intangible Assets		(220,000)	(8,037,900)
Capital Work-in-Progress		(34,987,278)	(39,679,620)
Advance for L/C Margin		72,214,832	114,107,187
Other Receivables		(277,634)	36,402
Long Term Security Deposits		1,179,650	3,179,019
Net Cash used in Investing Activities		**13,668,651**	**(216,241,218)**
Cash Flows from Financing Activities			
Payment to Group Companies		(444,499,607)	(199,454,300)
Bank Interest Paid		(547,915,203)	(653,604,622)
Short Term Loan		457,239,971	349,427,691
Security Retention Money		(59,000,000)	(398,920,697)
Dividend Paid		(42,655,991)	(42,419,092)
Long Term Loan		486,969,725	418,097,320
Net Cash Provided in Financing Activities		**(149,861,105)**	**(526,873,700)**
Net Changes in Cash and Cash Equivalents		25,686,707	(74,772,363)
Cash and Cash Equivalents at the Beginning of Year		160,250,107	235,022,470
Cash and Cash Equivalents at the End of Year		**185,936,814**	**160,250,107**
Net Operating Cash Flows Per Share (NOCFPS)	37.00	**2.36**	**9.75**

The annexed notes from 1 to 57 and Annexure-A, B & C form an integral part of these Financial Statements.

This is the Statement of Cash Flows referred to in our separate report of even date annexed.

The financial statements were approved by the Board of Directors on the 26th October, 2021 and were signed on its behalf by:

Managing Director | Director | Director | Company Secretary | Chief Financial Officer

(A.K.M. Aminul Hoque, FCA)
Enrolment No. 407
DVC-2111040407AS968237
A. Hoque & Co.
Chartered Accountants

Dated: 26-10-2021
Place: Dhaka, Bangladesh

NAVANA CNG LIMITED AND IT'S SUBSIDIARIES
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2021
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 Other Corporate Information

(i) Trade License No. : TRAD/DSCC/267649/2019, date: 06-08-2020
(ii) e-TIN No.: 892172367019, date: 30.06.2014
(iii) BIN No.: 000296477-0101, date: 01-07-2019

1.03 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.

1.04 Group Structure of Navana CNG Limited

Navana CNG Limited has a three subsidiary companies named Navana Engineering Limited, Navana Welding Electrode Limited and Navana LPG Limited of which holds controlling shares of its subsidiaries, the details of are given 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.

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(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 like 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.

1.05 **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, 2021;
- Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June, 2021;
- Consolidated Statement of Changes in Equity for the year ended 30th June, 2021;
- Consolidated Statement of Cash Flows for the year ended 30th June, 2021;
- 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, 2020 and other relevant laws as applicable.

Pursuant to recent amendment to the Companies Act, 1994 incorporating amendments, among others, is to change of the word 'Limited' by the word 'PLC' in case of Public Limited Companies including listed ones. Necessary formalities are in progress in implementing these changes.

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, 2016;
The Customs Act, 1969;
The Stamp Act, 1899;
The Bangladesh Securities and Exchange Commission Act, 1993;
The Securities and Exchange Rules, 2020;
The Securities and Exchange Ordinance, 1969;
Bangladesh Labour Act, 2006 (as amended to 2018)
DSE/CSE Rules;
Listing Regulations, 2015;

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2.03 Compliance with the Financial Reporting Standards as applicable in Bangladesh

As per para-14(2) of the Securities and Exchange Rule, 2020, the company 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
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	Complied
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

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Sl. No.	IFRS No.	IFRS Title	Compliance Status
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.

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.

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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.

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 2019-2020 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.

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2.13 **Reporting Period**

The reporting period of the Company covers one year from 1st day of July, 2020 to 30th June, 2021.

2.14 **Approval of Financial Statements**

The financial statements have been approved by the Board of Directors on the 26 day of October 2021.

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 1 : 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.

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.

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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.

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 **Capital Worn-in-Progress**

Property, Plant and Equipments under construction / acquisition have been accounted for as capital work-in-progress until construction/acquisition is completed and measured at cost.

3.01.8 **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.

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(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.

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:

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- 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.

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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**

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

The company initially recognises receivables on the date that they are originated. All other financial assets are recognized initially on the date at which the company becomes a party to the contractual provisions of the transaction.

The company derecognises a financial asset when the contractual rights or probabilities of receiving the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Financial assets include cash and cash equivalents, trade and other receivables and investment in subsidiary.

Cash and Cash Equivalents

Cash and cash equivalents comprises cash in hand, cash at bank and fixed deposits having maturity of less than three months which are available for use by the company without any restriction.

Trade and Other Receivables

Trade receivables represent the amounts due from customers for delivering goods or rendering services. Trade and other receivables are initially recognized at cost which is the fair value of the consideration given in return. After initial recognition these are carried at cost less impairment losses due to non-collectability of any amount so recognized.

Investment

Investment comprises of fixed deposit maturity of more than three months which are available for use by the company without any restriction. The company has positive intent and ability to hold investment in fixed deposit receipts-FDRs investment to maturity, and such financial assets are classified as held to maturity. These assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using effective interest method.

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Investment in Subsidiary

Investment in subsidiary represents investment in the equity of Navana Engineering Limited, Navana Welding Electrode Limited and Navana LPG Limited.

Financial Liabilities

A financial liability is recognized when its contractual obligations arising form post events are certain and the settlement of which is expected to result in an outflow from the company of resources embodying economic benefits. The company initially recognises financial liabilities on the transaction date at which the company becomes a party to the contractual provisions of the liability.

The company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

Financial liabilities include trade and other payables, and other non-current liabilities.

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.

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

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(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.

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.

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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.

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.

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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 provides a single leasee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset as a low value. 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.

Changes to the company's accounting policies have been made as required in accordance with the transitional provisions in the respective IFRS 16 Leases.

The Company adopted IFRS 16 : Leases using the modified retrospective method of adoption with the date of initial application of 1st January, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application. The company elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease 1st July, 2019. Instead, the Company applied the standard only to contracts that were previously identified as leases applying IAS 17 at the date of initial application.

The IFRS 16 requires to recognise the present value of minimum lease payment under the agreement as assets and liability namely "Right to Use of Asset" and "Lease Liability" respectively. The Right to Use of Asset is added by the balance of advance payment at initial application of IFRS 16, which was 1st January, 2019. However, IFRS 16 also allows the Company to recognise the lease payment as expenses in respect of short term lease agreement and lease for which the underlying asset is of short term (temporary) lease and low value. One lease agreement of the company are fallen in second category. As such, lease (rental) payment was recognised as expenses in the Profit or Loss Statement, when they incurred, for short term (temporary) lease and low value lease agreement.

Subsequent Measurement:

The Lease Liability:

Upon initial recognition, the lease liability is being accounted for using amortised cost. Meaning that the initial liability is added by finance charge at company's incremental borrowing cost less subsequent rental payment on monthly basis.

Right to Use of Assets:

The leased assets (Right to Use Asset) are depreciated over its useful life on monthly basis using straight line depreciation method.

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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 22.50% 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 2020.

3.15 **Cost of Post Employment Benefits**

The company maintains the following benefits plans:

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(a) **Defined Contribution Plan (Provident Fund)**

The company operates a contributory provident fund scheme for its permanent employees. The company's contribution to the fund is charged off as revenue expenditure during the year to which the contribution relates. The fund is operated by a Board of Trustees consisting 5 (Five) members. All confirmed employees of the company are contributing 10% of their basic salary as subscription to the fund. The company also contributes equal amount of the employees' contribution. Interest earned from the investments is credited to the members account on yearly basis.

(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 2018) for their service with the company.

(c) **Workers Profit Participation Fund (WPPF)**

Provision for Workers Profit Participation Fund (WPPF) has been made @ 5% on net profit after charging such charge as per provision of The Bangladesh Law, 2006 (amended 2018) 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.

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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**

Basis for Segmentation

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 40.**

The following summary describes the operation of each reportable segment:

Reportable Segments	Operations
Conversion Workshop	The principle activities of the company are conversion of petrol and diesel driven vehicles to compressed natural gas (CNG) driven vehicles.
CNG Station	CNG re-fuelling stations and other related services.

These two reportable segments are the strategic business units of the company and are managed separately based on the Company's management and internal structure. For each of the strategic business units, the management reviews internal management report on at least quarterly basis. Performance is measured based on segment profit from operation, as included in the internal management reports. Segment revenue and operating profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to their entities that operate within these industries.

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.

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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.

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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.

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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 41**.

3.25 **General**

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

		Amount in Taka	
		30.06.2021	30.06.2020
4.00	**Consolidated Property, Plant & Equipment's**	**6,249,649,132**	**6,737,120,036**
	This is made up as follows:		
	Land and Land Development	1,180,687,289	1,180,087,289
	Building & Shed	881,555,441	978,536,140
	Plant & Machinery	2,058,080,253	2,224,151,252
	Cylinder	1,809,150,997	2,010,167,774
	Tools & Equipment	99,025,965	108,503,360
	Furniture & Fixture	17,993,017	18,666,616
	Electrical Equipment	17,672,426	19,552,609
	Office Equipment	6,122,066	5,938,435
	Vehicles	179,361,678	191,516,561
		6,249,649,132	6,737,120,036
	An eleborate Schedule of PPE is shown in **Annexure - A.**		
5.00	**Consolidated Intangible Assets**	**21,605,274**	**23,775,675**
	This is made up as follows:		
	Software System	21,605,274	23,775,675
		21,605,274	23,775,675
	An eleborate Schedule of Intangible Assets is shown in **Annexure -B.**		
6.00	**Consolidated Right of Use Assets**	**8,013,284**	**19,934,974**
	This is made up as follows:		
	At Cost:		
	Opening Balance	23,932,006	23,932,006
	Addition during the year	-	-
	Disposal / Adjustement during the year	-	-
		23,932,006	23,932,006
	Less: Accumulated Depreciation:		
	Opening Balance	3,997,033	-
	Add: Charged during the year	11,263,429	3,997,033
	Disposal / Adjustement during the year	658,261	-
		15,918,723	3,997,033
	Written Down Value (WDV)	8,013,284	19,934,974
	The details of which have been shown in **Annexure -C**		
7.00	**Consolidated Capital Work-In-Progress**	**968,885,418**	**978,936,390**
	This is made up as follows:		
	Opening Balance	978,936,390	1,269,113,876
	Add: Addition during the year	34,987,278	39,679,620
		1,013,923,668	1,308,793,496
	Less: Transfer to Property, Plant and Equipment	45,038,250	329,857,106
		968,885,418	978,936,390

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.

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		Amount in Taka	
		30.06.2021	30.06.2020
8.00	**Consolidated Long Term Security Deposit**	**43,197,516**	**44,377,166**
	This is made up as follows:		
	PDBF	5,056	5,056
	Titas Gas T&D Co. Ltd.	20,656,944	21,836,594
	Karnaphuly Gas	3,044,690	3,044,690
	Pashchimanchal Gas Co.	2,650,741	2,650,741
	Dhaka Electricity Supply Co. Ltd.	58,752	58,752
	Dhaka Electricity Supply Authority	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
	Road Cutting	10,413	10,413
	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
		43,197,516	44,377,166
9.00	**Consolidated Deferred Tax Assets**	**294,184,804**	**147,797,623**
	This is made up as follows:		
	Defferred tax for temporary difference	(284,765,212)	(141,137,212)
	Defferred tax for gratuity provision	(9,735,000)	(6,902,500)
	Defferred tax on Unrealized Gain/(loss)	315,408	242,089
	Consolidated Deferred tax (assets)/Liabilities	(294,184,804)	(147,797,623)
10.00	**Consolidated Investment in Share**	**3,259,076**	**2,525,882**

This is made up as follows:

Name of the Share	No. of Shares	Market Value as on 30.06.2021	Market Value as on 30.06.2020
Lafarge Surma Cement Ltd.	21,000	1,224,300	753,900
Aftab Automobiles Ltd.	119,834	2,034,776	1,771,982
	140,834	**3,259,076**	**2,525,882**

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.

11.00	**Consolidated Inventories**	**2,511,747,923**	**2,214,595,794**
	This is made up as follows:		
	Raw Materials	791,142,634	720,532,328
	Work in Process	167,128,675	128,128,675
	Finished Goods	1,197,194,155	1,097,344,162
	Spare Parts	9,523,658	10,718,440
	Fuel	-	165,333
	Stock in Transit	346,758,801	257,706,856
		2,511,747,923	2,214,595,794

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		Amount in Taka	
		30.06.2021	30.06.2020
12.00	**Consolidated Accounts Receivables**	**1,097,184,386**	**861,651,071**
	This is made up as follows:		
	Tejgaon CNG Conversion Center	7,965,725	8,734,242
	Kallayanpur CNG Conversion Center	5,271,029	4,502,524
	Dipnagar Diesel Conversion Center	12,438,618	12,438,618
	Chittagong CNG Conversion Center	2,057,717	2,057,717
	Sylhet CNG Conversion Center	3,550,517	3,322,406
	Cylinder Testing Unit	1,318,395	1,328,193
	Kalurghat CNG Conversion Center	1,417,048	839,939
	Kalurghat CRT	423,118	345,589
	Uttara CNG Conversion Center	1,262,861	1,115,485
	Uttara CRT	68,791	4,000
	Bogra CNG Conversion Center	376,240	510,384
	Paltan CNG Conversion Center	1,382,952	1,036,543
	Auto Repair & Services - Paltan-Dhaka	4,401,668	2,676,042
	Paltan CRT	241,925	7,800
	Kalyanpur CRT	90,328	-
	Auto Repair & Services-Kally-Dhaka	29,403,594	22,854,163
	Auto Repair & Services-Kalurghat - Chitagong	1,070,429	976,542
	Denso CNG Station	3,829,496	4,756,026
	Binimoy CNG Station	11,792,681	10,500,774
	Sylhet CNG Station	520,052	617,870
	Sylhet CNG Station-2	81,827	15,398
	Station Technical Department Sylhet	3,471,954	3,658,120
	Station Technical Department Chittagong	13,124,728	13,449,103
	Station Technical Department Dhaka	46,992,205	49,283,889
	Station Maintenance Department-Chittagong	52,992	52,992
	Station Maintenance Department-Dhaka	-	712,941
	Station Maintenance Department-Sylhet	81,510	-
	PRS Department	2,273,697	2,273,747
	Engineering Service Department	529,505	599,505
	Baipail CNG Station	585,491	1,394,997
	Bogra CNG Station	7,257	41,638
	Leguna CNG Station	116,892	1,214,123
	Sitakunda CNG Station	138,171	277,519
	BOC CNG Station	18,887	3,638
	Kwality CNG Station	499,381	430,491
	Bhoirab CNG Station	42,760	156,183
	Elenga CNG Station	173,257	165,073
	United CNG Station	204,426	33,640
	Jagajog CNG Station	1,272,868	1,272,868
	Sonarbangla CNG Station	8,495,155	7,134,891
	Cox's Bazar Station	-	915
	Chokoria Station	-	759
	Mymensingh Zone	50,991,105	51,307,167
	Chittagong Zone	52,191,926	39,794,434
	Khulna Zone	37,481,773	32,063,534
	Gazipur Zone	39,395,217	26,206,975
	Sylhet Zone	32,160,448	29,623,201
	Dhaka Zone	60,288,745	41,952,042
	HDPE	53,183,165	33,174,730
	PPR	-	26,496,707
	Tender	3,150,158	3,255,558

A. HOQUE & CO. DHAKA CHARTERED ACCOUNTANTS

		Amount in Taka	
		30.06.2021	30.06.2020
	Navana Real Estate Ltd.	2,398,538	8,549,240
	Navana Construction Ltd.	7,911,318	10,921,071
	Navana Batteries Ltd.	1,356,886	5,027,475
	Sylhet Zone	631,807	1,003,938
	Jessore Zone	1,509,932	1,695,924
	Kushtia Zone	1,736,800	1,828,777
	Dhaka South Zone	10,704,050	13,414,607
	Dhaka North Zone	4,731,563	5,689,994
	Rajshahi Zone	42,348,772	31,351,969
	Rangpur Zone	850,564	483,195
	Chittagong South Zone	4,333,719	6,565,677
	Chittagong North Zone	2,531,751	4,215,394
	Barishal Zone	52,741,164	41,165,540
	Corporate Customer	182,770,785	95,542,774
	Channel Partners & Distribution	248,456,831	168,456,831
	Other Customer	33,674,380	18,460,188
	Receivable from Employees' Provident Fund	2,606,842	2,606,842
		1,097,184,386	861,651,071
	Ageing schedule of Accounts Receivables:		
	Duration		
	1-30 days	5,852,329	1,756,890
	31-60 days	234,221,897	173,201,550
	61-90 days	248,392,263	217,782,118
	91-180 days	304,578,386	247,380,022
	181-365 days	175,330,065	131,401,788
	Over 365 days	128,809,447	90,128,702
		1,097,184,386	861,651,070

(i) Net receivables are considered good. The company holds no security other than debtors' personal security in the form of work orders etc.

(ii) No amount was due by the directors (including the Managing Director and Chairman), managers and other officers of the company or any of them either severally or jointly with any other person.

13.00	**Consolidated Other Receivables**	**195,125,054**	**194,847,420**

It represents the total balance of Consolidated Other Receivables as on 30th June, 2021.

(i) Net receivables are considered good. The company holds no security other than debtors' personal security in the form of work orders etc.

(ii) No amount was due by the directors (including the Managing Director and Chairman), managers and other officers of the company or any of them either severally or jointly with any other person.

14.00	**Consolidated Advance, Deposit & Pre-payments**	**1,147,579,654**	**950,290,616**

This is made up as follows:

Advance against Land Rent	24,493,624	26,994,124
Advance against Local Procurement	39,963,650	55,055,169
Bank Guarantee Margin	36,189,089	33,510,577
Security Deposit	3,160,453	1,759,815
Advance Income Tax	397,372,464	335,775,441
Jakshon International Ltd.	251,031	251,031
VAT Account	15,295,348	17,909,904
Advance for Rent	19,077,478	20,787,801

A. HOQUE & CO. DHAKA CHARTERED ACCOUNTANTS

		Amount in Taka	
		30.06.2021	30.06.2020
Advance for Tender		1,138,560	1,138,560
Earnest Money & Security Deposit		1,503,375	1,560,300
Clearing & Forwarding Agent		1,351,023	1,351,023
Rose Valley International		340,470	340,470
Advance to Suppliers		254,267,102	142,369,409
Security Deposit Bangladesh Railway		125,000	125,000
Advance against Employee		12,970,961	14,565,737
L/C Margin for Machinery		52,436,220	124,651,052
Advance to Others		236,241,704	140,997,788
Advance against Civil Construction		51,402,101	31,147,414
		1,147,579,654	950,290,616

Advance paid to suppliers against work orders are considered good. Advance to employees against expenses, salary etc. which are realizable on production of documents and monthly salary respectively are considered good. Deposits consist of utility deposits, bangladesh railway etc. security money against tender and bank guarantee are considered good.

15.00	**Consolidated Cash and Cash Equivalent**		**185,936,814**	**160,250,107**
	This is made up as follows:			
	Cash in Hand		7,451,041	7,638,700
	Cash at Banks:			
	Fixed Deposit Receipt (FDR)	15.01	108,931,276	103,439,201
	Bank Balances	15.02	69,554,497	49,172,206
			185,936,814	160,250,107
15.01	**Consolidated Fixed Deposit Receipt (FDR)**		**108,931,276**	**103,439,201**
	This is made up as follows:			
	Mercantile Bank Ltd.		37,913,690	36,094,198
	Standard Bank Ltd.		8,170,341	7,389,602
	Shahjalal Islami Bank Ltd.		39,235,363	37,432,509
	State Bank of India		23,611,882	22,522,892
			108,931,276	103,439,201
15.02	**Consolidated Bank Balances**		**69,554,497**	**49,172,206**
	This is made up as follows:			
	AB Bank Ltd.		722,920	146,391
	Bank Alfalah Ltd.		7,563	7,563
	Al-Arafah Islami Bank Ltd.		43,613	41,081
	Bank Asia Ltd.		3,729,684	4,160,157
	BRAC Bank Ltd.		540,000	201,492
	Dhaka Bank Ltd.		862,660	503,822
	Dutch-Bangla Ltd.		22,709,506	14,695,181
	IFIC Bank Ltd.		497,856	434,101
	Jamuna Bank Ltd.		130,811	124,424
	Mutual Trust Bank Ltd.		15,771,159	7,074,841
	National Bank Ltd.		904,128	267,552
	NCC Bank Ltd.		604,947	604,465
	Prime Bank Ltd.		648,731	211,850
	Pubali Bank Ltd.		940,405	1,239,041

A. HOQUE & CO. DHAKA CHARTERED ACCOUNTANTS

	Amount in Taka	
	30.06.2021	30.06.2020
Rupali Bank Ltd.	17,611	17,611
Shahjalal Islami Bank Ltd.	3,884,818	4,968,744
Social Investment Bank Ltd.	40,912	40,912
Southeast Bank Ltd.	744,703	306,254
Standard Bank Limited	3,555,146	4,224,165
Standard Chartered Bank	174,902	205,862
Uttara Bank Ltd.	1,225,066	1,257,875
Mercantile Bank Ltd.	804,416	482,360
One Bank Ltd.	-	513
Trust Bank Ltd.	763,759	45,622
Islami Bank Bangladesh Ltd.	1,094,716	1,979,221
Sonali Bank Ltd.	961,668	915,617
United Commercial Bank Ltd.	417,132	214,884
City Bank Ltd.	3,038,687	895,053
State Bank of India	701,805	3,095,768
Agrani Bank Ltd.	3,937,106	17,022
Bangladesh Commerce Bank Ltd.	17,680	18,485
First Security Islami Bank Ltd.	3,623	5,233
The Premier Bank Ltd.	16,724	755,107
Community Bank Ltd.	13,936	13,936
Janata Bank Ltd.	26,104	-
	69,554,497	49,172,206

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, 2021.

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

Equity and Liabilities

16.00 **Share Capital :**

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

This is made up as follows:

Date	No. of Shares	Particulars	Share Capital 30.06.2021	Share Capital 30.06.2020
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 @ Tk. 10 each Issued as Bonus	200,000,000	200,000,000
20.05.2009	6,300,000	Ordinary Shares @ Tk. 10 each Issued as Bonus	63,000,000	63,000,000
26.07.2010	7,260,000	Ordinary Shares @ Tk. 10 each Issued as Bonus	72,600,000	72,600,000
09.10.2011	6,098,400	Ordinary Shares @ Tk. 10 each Issued as Bonus	60,984,000	60,984,000
07.10.2012	7,448,760	Ordinary Shares @ Tk. 10 each Issued as Bonus	74,487,600	74,487,600
06.10.2013	11,421,432	Ordinary Shares @ Tk. 10 each Issued as Bonus	114,214,320	114,214,320
	59,528,592		**685,285,920**	**685,285,920**

A. HOQUE & CO. DHAKA CHARTERED ACCOUNTANTS

	Amount in Taka	
	30.06.2021	30.06.2020

Shareholding Position:

Class of Shareholders	Number of Investors	Number of Share Hold	Shareholding % 2021	Shareholding % 2020
Sponsors	6	29,116,427	42.49%	42.49%
General Public	10631	20,728,016	30.25%	28.72%
Institutional Investors	162	18,684,149	27.26%	28.79%
Total	**10799**	**68,528,592**	**100.00%**	**100.00%**

Classification of Shareholders:

Particulars	Number of Investors	Number of Shares	% of Shares Holding 2021	% of Shares Holding 2020
1 to 500	6,854	1,230,105	1.80%	1.95%
501 to 5000	3,373	5,263,772	7.68%	8.23%
5001 to 10000	288	2,148,935	3.14%	3.15%
10001 to 20000	136	1,986,674	2.90%	3.20%
200001 to 30000	26	646,306	0.94%	1.27%
300001 to 40000	24	865,281	1.26%	1.57%
400001 to 50000	19	874,819	1.28%	1.93%
500001 to 100000	29	1,992,112	2.91%	2.60%
1000001 to 1000000	39	13,754,987	20.07%	20.96%
Above 10000000	11	39,765,601	58.03%	55.13%
Total	**10,799**	**68,528,592**	**100%**	**100%**

17.00	**Consolidated Fair Value Reserve**	**2,364,961**	**1,705,086**

It represents the total balance of Consolidated Fair Value Reserve as on 30th June, 2021.

18.00	**Consolidated Retained Earnings**	**1,514,055,572**	**1,538,647,565**
	This is made up as follows:		
	Opening Balance	1,538,647,565	1,519,706,890
	Adjustment for the application of IFRS-16 (lease)	(96,282)	(3,521,294)
	Add: Total Comprehensive Income for the year	14,916,454	61,874,134
		1,553,467,737	1,578,059,730
	Less: Payment of Cash Dividend	(39,412,165)	(39,412,165)
		1,514,055,572	1,538,647,565
19.00	**Lease Liability /Lease Obligation -Leases as Lessee**	**5,857,056**	**16,289,100**
	At Cost:		
	Opening Balance	16,289,100	27,453,300
	Additon during the year	-	-
	Finance Charge during the year	1,223,007	1,418,788
	Closing Balance	17,512,107	28,872,088
	Less: Transferred to Current Maturity	11,093,073	12,582,988
	Less: Adjustment of lease	561,979	-
		5,857,056	16,289,100
20.00	**Consolidated Security Retention Money**	**591,239,387**	**650,239,387**

It represents the total balance of Consolidated Security Retention Money as on 30th June, 2021.

A. HOQUE & CO. DHAKA CHARTERED ACCOUNTANTS

		Amount in Taka	
		30.06.2021	30.06.2020
21.00	**Consolidated Loan from Others**	**50,000,000**	**50,000,000**
	This is as per last account.		
22.00	**Consolidated Long Term Loan-Net of Non-Current Portion**	**4,837,599,450**	**4,472,861,608**
	This is made up as follows:		
	City Bank Ltd., Gulshan Avenue Branch	3,397,729,859	3,127,063,433
	Shahjalal Islami Bank Ltd.	998,539,349	922,714,790
	One Bank Ltd., Gulshan Branch	1,396,152,550	1,259,741,868
	Mutual Trust Bank Ltd.	-	2,698,555
	Standard Bank Ltd.	80,912,898	74,146,285
	Dues to Director (Mr. Shafiul Islam, Chairman)	325,117,526	325,117,526
		6,198,452,182	5,711,482,457
	Less: Long Term Loan-Non-Current Portion	1,360,852,732	1,238,620,849
	Long Term Loan-Net of Current Portion	4,837,599,450	4,472,861,608

Brief Terms & Condition of above Loan:

(i) Non-current pertion of Loan amount represent the amounts which would be due for repayment after 12 (twelve) months from the date of statement of financial position.

(ii) The loan was taken from the above mentioned banks and financial inistitutions against mortgage of 5548.59 Decimals of land including 227,500 Square feet factory building located there on to import capital machinery and other purpose.

23.00	**Consolidated Long Term Loan-Current Portion**	**1,360,852,732**	**1,238,620,849**
	This is made up as follows:		
	City Bank Ltd., Gulshan Avenue	3,397,729,859	3,127,063,433
	Shahjalal Islami Bank Ltd.	998,539,349	922,714,790
	One Bank Ltd., Gulshan Branch	1,396,152,550	1,259,741,868
	Mutual Trust Bank Ltd.	-	2,698,555
	Standard Bank Ltd.	80,912,898	74,146,285
	Dues to Director (Mr. Shafiul Islam, Chairman)	325,117,526	325,117,526
		6,198,452,182	5,711,482,457
	Less: Long Term Loan-Current Portion	1,360,852,732	1,238,620,849
	Long Term Loan-Net of Current Portion	4,837,599,450	4,472,861,608

The amounts represent current maturity of long term finance of obtained from the above noted banks and director which are repayable within next 12 (twelve) months from the date of statement of finacial position.

24.00	**Consolidated Short Term Loan**	**2,883,450,404**	**2,426,210,433**
	This is made up as follows:		
	Sahjalal Islami Bank Ltd.	1,415,508,761	1,272,148,242
	One Bank Ltd.	625,434,328	556,526,993
	State Bank of India	10,752,381	-
	City Bank Ltd.	629,478,851	597,535,198
	Janata Bank Ltd.	202,276,083	-
		2,883,450,404	2,426,210,433

i) Security are as satated in note no. 22.

ii) short term loan is repayable within twelve months other than any revolving credit.

25.00	**Consolidated Provision for Income Tax**	**329,400,956**	**271,316,851**
	This is made up as follows:		
	Navana CNG Ltd.	30,921,059	26,901,878
	Navana Welding Electrode Ltd.	116,061,040	80,808,457
	Navana Engineering Ltd.	123,966,622	121,895,394
	Navana LPG Ltd.	58,452,236	41,711,122
		329,400,956	271,316,851
26.00	**Consolidated Current Account with Group Companies**	**-**	**444,499,607**

It represents the total balance of Consolidated Current Account with Group Companies as on 30th June, 2021.

A. HOQUE & CO. DHAKA CHARTERED ACCOUNTANTS

			Amount in Taka	
			30.06.2021	30.06.2020
27.00	**Unclaimed Dividend Account**		**42,554,496**	**45,798,322**
	This is made up as follows:			
	Opening Balance		45,798,322	48,805,249
	Add: Cash Dividend for the year 30.06.2020		39,412,165	39,412,165
			85,210,487	88,217,414
	Less: Dividend Paid during the year		42,655,991	42,419,092
	Closing Balance		42,554,496	45,798,322
28.00	**Consolidated Payables & Accruals**		**222,709,991**	**293,629,402**
	This is made up as follows:			
	Navana CNG Ltd.		121,261,872	175,679,498
	Navana Engineering Ltd.		39,108,720	43,701,439
	Navana Welding Electrode Ltd.		32,688,687	28,534,830
	Navana LPG Ltd.		29,650,712	45,713,635
			222,709,991	293,629,402
29.00	**Consolidated Revenue (Net)**		**5,024,180,366**	**5,928,052,849**
	This is made up as follows:			
	Navana CNG Ltd.		1,195,610,428	1,347,104,986
	Navana Engineering Ltd.		345,204,712	696,863,366
	Navana Welding Electrode Ltd.		693,179,581	512,051,960
	Navana LPG Ltd.		2,790,185,645	3,372,032,537
			5,024,180,366	5,928,052,849
30.00	**Consolidated Cost of Goods Sold**		**4,042,074,992**	**4,676,102,307**
	This is made up as follows:			
	Navana CNG Ltd.		978,366,356	1,049,015,763
	Navana Engineering Ltd.		253,391,694	465,629,657
	Navana Welding Electrode Ltd.		510,330,387	382,246,765
	Navana LPG Ltd.		2,299,986,554	2,779,210,122
			4,042,074,992	4,676,102,307
	Raw Material Consumed	30.01	3,589,566,981	4,190,551,478
	Add: Direct Cost		16,871,967	16,496,055
	Add: Factory Overhead		574,486,037	582,317,991
	Cost of Production		4,180,924,985	4,789,365,524
	Add: Opening Work in Progress		128,128,675	68,186,804
			4,309,053,660	4,857,552,328
	Less: Closing Work in Progress		167,128,675	128,128,675
	Cost of Goods Manufacture		4,141,924,985	4,729,423,653
	Add: Opening Finished Goods		1,097,344,162	1,044,022,816
			5,239,269,147	5,773,446,469
	Less: Closing Finished Goods		1,197,194,155	1,097,344,162
	Cost of Goods Sold		4,042,074,992	4,676,102,307
30.01	**Consolidated Raw Material Consumed**		**3,589,566,981**	**4,190,551,478**
	This is made up as follows:			
	Opening Stock of Raw Materials		720,532,328	722,223,142
	Add: Purchased during the year		2,771,366,818	3,234,695,908
	Add: Cost of CNG Sales		888,810,469	954,164,756
			4,380,709,615	4,911,083,806
	Less: Closing Stock of Raw Materials		791,142,634	720,532,328
	Raw Materials Consumed		3,589,566,981	4,190,551,478

A. HOQUE & CO. DHAKA CHARTERED ACCOUNTANTS

		Amount in Taka	
		30.06.2021	30.06.2020
31.00	**Consolidated Administrative and Selling Expenses**	**501,911,139**	**621,095,003**
	This is made up as follows:		
	Salary & Allowances	163,840,068	255,151,067
	Gratuity Expenses	23,812,213	29,777,956
	Vehicle Maintenance	2,007,157	2,391,385
	Electricity Bill	3,460,117	3,235,909
	Rental Expenses	3,295,395	3,573,783
	Telephone & Mobile Bill	4,343,624	4,874,831
	Conveyance	6,434,174	7,655,624
	CDBL & Annual Listing Fee	791,286	685,286
	Electrical Expenses	227,049	128,899
	Entertainment	2,598,856	4,285,955
	Labour Charge	2,335,256	2,410,285
	Board Meeting Attendance Fee	470,000	510,000
	Medical Expenses	198,716	218,930
	Carrying Charge	3,302,653	3,864,466
	Consultancy Fees	1,126,364	390,000
	Distribution Expenses	69,514,189	81,037,163
	Mineral Water	629,064	525,032
	Annual General Meeting Expenses	80,000	70,680
	Miscellaneous Expenses	1,423,251	1,212,437
	Newspaper & Periodicals	107,095	159,217
	Office Maintenance	3,701,463	3,538,910
	Audit Fees	517,500	517,500
	ISO Audit Fee	50,000	134,400
	Oil, Gas & Lubricants	7,424,676	8,374,063
	Photocopy Expenses	18,204	50,621
	Postage, Courier & Stamp	481,152	407,769
	Security Guard Expenses	4,605,791	2,322,328
	Uniform & Liveries	163,800	97,235
	Printing Expenses	2,904,364	2,364,506
	Stationery Expenses	1,765,502	2,116,548
	Registration & Renewals	8,911,257	6,881,941
	TA/DA Expenses	5,415,965	5,612,080
	Bank Charge	2,201,403	3,120,421
	Internet Bill	2,585,450	3,077,291
	Gas Bill	6,825	20,925
	Utility & Service Charge	3,186,477	2,329,376
	Transport Expenses	1,911,295	809,160
	Advertisement	2,854,375	2,965,664
	Repair & Maintenance	5,555,680	5,840,059
	Station fuel, Gas & Toll Expenses for Mobile Lorry	-	7,541,132
	Bad Debts	-	455,287
	Other Interest Expenses	3,942,317	4,080,841
	Insurance	697,096	1,095,475
	Software Maintenance Fee	96,000	2,050,500
	Business Promotional Expenses	3,250,742	4,869,766
	Depreciation of Right of Use Asset	11,263,429	3,997,033
	Depreciation	137,925,769	143,825,563
	Amortization	478,080	439,703
		501,911,139	621,095,003

A. HOQUE & CO. DHAKA CHARTERED ACCOUNTANTS

			Amount in Taka	
			30.06.2021	30.06.2020
32.00	**Consolidated Financial Expenses**		**547,915,203**	**653,604,622**
	This is made up as follows:			
	Navana CNG Ltd.		7,048,429	7,320,594
	Navana Engineering Ltd.		146,117,128	159,949,135
	Navana Welding Electrode Ltd.		6,432,283	9,617,201
	Navana LPG Ltd.		388,317,362	476,717,691
			547,915,203	653,604,622
33.00	**Consolidated Other Income**		**11,166,844**	**13,019,485**
	This is made up as follows:			
	Navana CNG Ltd.		7,117,629	8,230,095
	Navana Engineering Ltd.		-	201,800
	Navana Welding Electrode Ltd.		4,049,215	4,519,432
	Navana LPG Ltd.		-	68,158
			11,166,844	13,019,485
34.00	**Consolidated Income Tax**		**(81,063,554)**	**(78,164,541)**
	This is made up as follows:			
	Current Tax	34.01	65,396,946	61,238,720
	Deferred Tax	34.02.01	(146,460,500)	(139,403,261)
			(81,063,554)	(78,164,541)
34.01	**Calculation of Consolidated Current Tax**		**65,396,946**	**61,238,720**
	This is made up as follows:			
	Current Tax Expenses (Higher of A & B)			
	A. Income Tax on Regular Rate			
	Profit Before Tax		(66,148,313)	(16,291,521)
	Add: Adjustment for admisible and inadmisible expenses		224,648,914	130,605,095
	Taxable profit/(loss)		158,500,601	114,313,576
	Tax expenses based on applicable tax rate as per ITO 1984		46,584,603	36,824,134
	B. Minimum Tax (Which is Higher)		18,812,342	24,414,586
	Total Current Tax (A+B)		65,396,946	61,238,720
34.02	**Consolidated Deferred tax (assets)/Liabilities**		**(294,184,804)**	**(147,797,623)**
	This is made up as follows:			
	Defferred tax for temporary difference	34.02.1	(284,765,212)	(141,137,212)
	Defferred tax for gratuity provision	34.02.2	(9,735,000)	(6,902,500)
	Defferred tax on Unrealized Gain/(loss)	34.02.3	315,408	242,089
			(294,184,804)	(147,797,623)

A. HOQUE & CO. DHAKA CHARTERED ACCOUNTANTS

		Amount in Taka	
		30.06.2021	30.06.2020
34.02.1	**Calculation of Consolidated Deferred Tax**	**(146,460,500)**	**(139,403,261)**
	This is made up as follows:		
	A. Deferred Tax for Assets		
	Deferred Tax for Temporary Difference of PPE		
	Accounting Base WDV	6,271,254,405	6,760,895,709
	Tax Base WDV	6,947,568,448	7,037,643,213
	Temporary Difference	(676,314,043)	(276,747,504)
	Less: Unabsorbed Depreciation	(225,520,798)	(112,602,633)
	Taxable Temporary Difference	(901,834,841)	(389,350,136)
	Tax Rate 22.5% & 30% respectively	-	-
	Closing Deferred Tax Liabilities	(284,765,212)	(141,137,212)
	Opening Deferred Tax Liabilities	(141,137,212)	(8,636,310)
	Deferred Tax enpenses/(income) forTemporary Difference	(143,628,000)	(132,500,761)
	Deferred Tax Expenses/(Income) for the year for gratuty (34.02.2)	(2,832,500)	(6,902,500)
	Total deferred Tax Expenses/(Income) for the year	(146,460,500)	(139,403,261)
34.02.2	**Consolidated Deferred tax for gratuity provision**	**(2,832,500)**	**(6,902,500)**
	This is made up as follows:		
	Opening Provision	24,700,000	-
	Add: During the year	14,000,000	24,700,000
	Closing Provision	38,700,000	24,700,000
	Applicable Tax rate @22.5% and 30% respectively		
	Closing deferred tax for gratuity	(9,735,000)	(6,902,500)
	Less: Opening Deferred Tax for gratuity	(6,902,500)	-
	Deferred Tax expense/(income) for the period	(2,832,500)	(6,902,500)
34.02.3	**Consolidated Defferred tax on Unrealized Gain/(loss)**	**315,408**	**242,089**
	This is made up as follows:		
	Opening Balance	242,089	348,429
	Add: During the yaer	73,319	(106,340)
	Closing Balance	315,408	242,089
35.00	**Consolidated Earning Per Share (EPS)**	**0.22**	**0.90**
	This is made up as follows:		
	Basic Earnings Per Share (EPS)		
	Basic EPS = Net Profit after Tax / No. of Shares during the year		
	Profit Attributable to Ordinary Shareholders	14,915,240	61,873,020
	Number of Ordinary Shares used to Compute Earning Per Share	68,528,592	68,528,592
	Earning Per Share	0.22	0.90

The total sales revenue of the CNG and its subsidiary has been decreased significantly during the year COVIN-19 pandamic in the country and due to which the results is EPS decreased to previous year's result.

A. HOQUE & CO. DHAKA CHARTERED ACCOUNTANTS

		Amount in Taka	
		30.06.2021	30.06.2020
36.00	**Reconcilliation of Consolidated Cash Flows from Operating Activities under Indirect Method:**	**161,879,161**	**668,342,555**
	Net Profit/(Loss) before Interest & Income Tax during the year	493,634,238	647,109,621
	Adjustments to reconcile Net Income to Net Cash provided by Operating Activities:		
	Interest on Lease	1,223,007	1,418,788
	Payment of Lease Liability	(11,093,073)	(12,582,988)
	Depreciation	570,403,902	581,125,243
	Income Tax Paid during the year	(68,909,863)	(69,300,758)
	Changes in Current Assets and Liabilities:		
	Decrease/(Increase) in Inventories	(297,152,128)	(238,273,957)
	Decrease/(Increase) in Advance and Pre-payments	(207,906,846)	(140,775,679)
	Decrease/(Increase) in Payables & Accruals	(82,786,759)	40,389,580
	Decrease/(Increase) in Trade Receivables	(235,533,316)	(140,767,294)
	Consolidatd Net Cash Flow from Operating Activities	161,879,161	668,342,555
	Total Cash Flow from Operating Activities-Indirect Method	161,879,161	668,342,555
	Total Cash Flow from Operating Activities-Direct Method	161,879,161	668,342,555
	Difference	-	-
	* Details in the Statement of Cash Flow		
37.00	**Consolidated Net Operating Cash Flows Per Share (NOCFPS)**	**2.36**	**9.75**
		Net Operating Cash Flows	
		Number of Ordinary Shares	
	Net Operating Cash Flows	161,879,161	668,342,555
	Number of Ordinary Shares used to Compute	68,528,592	68,528,592
	Net Operating Cash Flows Per Share	2.36	9.75

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

38.00	**Consolidated Net Assets Value Per Share**	**35.28**	**35.63**

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

Particulars	Amount (Tk.) 30.06.2021	Amount (Tk.) 30.06.2020
A. Assets:		
Property, Plant & Equipment	6,249,649,132	6,737,120,036
Intangible Assets	21,605,274	23,775,675
Right of Use Asset	8,013,284	19,934,974
Capital Work-in-Progress	968,885,418	978,936,390
Long Term Security Deposit	43,197,516	44,377,166
Deferred Tax Assets	294,184,804	147,797,623
Investment in Shares	3,259,076	2,525,882
Inventories	2,511,747,923	2,214,595,794
Accounts Receivables	1,097,184,386	861,651,071
Other Receivables	195,125,054	194,847,420
Advance against Land	15,000,000	15,000,000
Advances, Deposits & Pre-Payments	1,147,579,654	950,290,616
Cash & Cash Equivalents	185,936,814	160,250,107
Total Assets	**12,741,368,335**	**12,351,102,754**

A. HOQUE & CO. DHAKA CHARTERED ACCOUNTANTS

Particulars	Amount (Tk.) 30.06.2021	Amount (Tk.) 30.06.2020
B. Liabilities:		
Non Controlling Interest	(7,414)	(6,200)
Lease Liability	5,857,056	16,289,100
Security Retention Money	591,239,387	650,239,387
Loan from Others	50,000,000	50,000,000
Long Term Loan Net of Current Portion	4,837,599,450	4,472,861,608
Long Term Loan of Current Portion	1,360,852,732	1,238,620,849
Short Term Loan	2,883,450,404	2,426,210,433
Provision for Income Tax	329,400,956	271,316,851
Current Account with Group Companies	-	444,499,607
Unclaimed dividend account	42,554,496	45,798,322
Payables & Accruals	222,709,991	293,629,402
Total Liabilities	**10,323,657,058**	**9,909,459,359**
Net Assets (A-B)	2,417,711,277	2,441,643,395
No. of Shares	68,528,592	68,528,592
Intrinsic Value/Net Assets Value Per Share	**35.28**	**35.63**

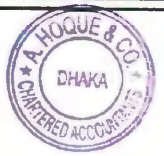
39.00	**Reveluation Gain/(Loss) on Investment in Share (Change in Fair Value of Marketable Securities)**	**733,194**	**(1,063,401)**
	Closing Balance of Marketable Securities	3,259,076	2,525,882
	Opening Balance of Marketable Securities	2,525,882	3,589,283
		733,194	(1,063,401)

40.00 **Information about Reportable Segments**

Information related to each repotable segment is setout below:

40.01 **Segment wise Financial Position as at 30th June, 2021**

Particulars	Conversion Workshop	CNG Station	Total
Assets			
Non-Current Assets			
Property, Plant & Equipments	226,155,498	527,696,159	753,851,657
Right of use asset	1,720,625	4,014,791	5,735,416
Investment in Subsidiaries	854,983,298	-	854,983,298
Long Term Security Deposit	6,473,885	25,895,539	32,369,424
Investment in Shars	3,259,076	-	3,259,076
Total Non-Current Assets	**1,092,592,381**	**557,606,489**	**1,650,198,871**
Current Assets			
Inventories	531,960,252	-	531,960,252
Accounts Receivables	67,704,587	101,556,881	169,261,468
Advances, Deposits & Pre-payments	92,571,162	18,897,803	111,468,965
Inter Company Receivables	653,606,422	-	653,606,422
Inter Unit Balances	-	607,039,478	-
Cash & Cash Equivalents	25,072,561	37,608,841	62,681,402
Total Current Assets	**1,370,914,984**	**765,103,003**	**1,528,978,509**
Total Assets	**2,463,507,365**	**1,322,709,492**	**3,179,177,380**
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	2,838,668	-	2,838,668
Other Reserve	828,897	1,243,346	2,072,243
Retained Earnings	303,112,995	1,212,451,980	1,515,564,975
Total Equity	**1,172,685,328**	**1,213,695,326**	**2,386,380,654**
Non-Current Liabilities			
Deferred Tax Liabilities	14,933,706	22,400,558	37,334,264
Lease Liability	1,033,209	2,410,821	3,444,029
Long Term Loan	138,500,000	-	138,500,000
Total Non-Current Liabilities	**154,466,914**	**24,811,379**	**179,278,293**
Current Liabilities			
Short Term Loans	63,237,802	-	63,237,802
Provision for Income Tax	12,368,424	18,552,635	30,921,059
Inter Company Payables	355,543,204	-	355,543,204
Inter Unit Balances	607,039,478	-	-
Unclaimed Dividend Acocunt	42,554,496	-	42,554,496
Payables and Accruals	72,757,123	48,504,749	121,261,872
Total Current Liabilities	**1,110,946,030**	**67,057,384**	**613,518,433**
Total Liabilities	**1,265,412,945**	**91,868,763**	**792,796,726**
Total Equity and Liabilities	**2,438,098,273**	**1,305,564,089**	**3,179,177,380**



	Amount in Taka	
	30.06.2021	30.06.2020

40.02 Segment profit from operation is used to measure performance because management believes that this informatio is the most relevant in evaluating the results of the respective segments relative to other entities that operate in th same industries.

Segment wise Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June, 2021

	Conversion Workshop	CNG Station	Total
Revenue	225,761,242	969,849,186	1,195,610,428
Less: Cost of Sales	89,555,887	888,810,469	978,366,356
Gross Profit	**136,205,355**	**81,038,717**	**217,244,072**
Less: Administrative & Selling Exp.	101,437,039	67,624,694	169,061,733
Less: Financial Expenses	7,048,429	-	7,048,429
Operating Profit	**27,719,887**	**13,414,023**	**41,133,910**
Add: Other Income	7,117,629	-	7,117,629
Less: Foreign Exchange Loss	1,669,160	-	1,669,160
Profit before Contribution to WPPF	**33,168,355**	**13,414,023**	**46,582,379**
Less: Contribution to WPPF	-	2,218,209	2,218,209
Profit before Tax	**33,168,355**	**11,195,814**	**44,364,170**
Add: Share of Profit from Subsidiaries	(10,403,104)	(15,604,655)	(26,007,759)
Less: Income Tax Expenses	**1,375,983**	**2,063,974**	**3,439,957**
Current Tax	4,532,808	6,799,213	11,332,021
Deferred Tax	(3,156,826)	(4,735,239)	(7,892,065)
Net Profit for year	**21,389,267**	**(6,472,815)**	**14,916,454**
Other Comprehensive Income:			
Unrealized Profit/Loss on Investment in Share	733,194	-	733,194
Deferred Tax Adjustment	(73,319)	-	(73,319)
	659,875	**-**	**659,875**
Total Comprehensive Income for the year	**22,049,142**	**(6,472,815)**	**15,576,329**

41.00 **Related Party Transactions**

In accordance with paragraph 19 of IAS 24 Related Party Disclosures, the following matters has been disclosed in the following sequential order:

(i) **Parent and Ultimate Controlling Party**
There is no such parent company as well as ultimate holding company/controlling party of the company.

(ii) **Entities with joint control of, or significant influence over**
There is no joint control of, or significant influence over the Company.

(iii) **Subsidiareis**
There are three subsidiary companies namely Navana Engineering Limited, Navana Welding Electrode Limited and Navana LPG Limited of which 99.99% shares owned by the entity (company).

(iv) **Associates**
There is no Associate Company of the entity (company).

(v) **Joint Venture in which the Entity is a Joint Venturer**
The Company has not entered into Joint Venture Agreement in which the company is a Joint Venturer.

(vi) **Transactions with key management personnel and their compensation**

(a) Loans to Director
During the year, no loan was given to the directors of Company

(b) Key Management Personnel and their Compensation

There is no compensation, except the board meeting fees, paid to the chairman and directors other then the managing director. Managers and above designated personnel of the companies are considered as key management personnel and compensaton of that personnel is disclosed below as required by paragraph 17 of IAS 24: Related Party Disclosures:

Particulars	Amount (Tk.) 30.06.2021	Amount (Tk.) 30.06.2020
Salary	163,840,068	255,151,067
Gratuity	23,812,213	29,777,956
Board Meeting Attendance Fee	470,000	510,000
Short Term Employee Benefits	-	-
Provision for Post Employment Benefits	39,047,205	37,211,256
Other Long Term Benefits	-	-
Termination Benefits	-	-
	227,169,486	322,650,279

Compensation includes salary, non-cash benefits and contributions to a post employment defined benefits plan.

(vii) **Other 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:

Name of Related Party	Relationship	Nature of Transaction	Transaction for the year		Outstanding (Receivable/payable)	
			Dr.	Cr.	2021	2020
Loan from Chairman	Director	Interest free loan	-	-	(325,117,526)	(325,117,526)
Aftab Automobiles Limited	Alliance Companies	Interest free loan	3,930,000	2,500,000	29,579,770	28,149,770
Navana Limited	Alliance Companies	Interest free loan	516,569,607	79,500,000	189,874,230	(247,195,377)
Navana Construction Ltd.	Alliance Companies	Interest free loan	15,000,000	-	(13,884,000)	(28,884,000)
Navana Furniture Ltd.	Alliance Companies	Interest free loan	-	-	5,000,000	50,000,000
Navana Electronics Ltd.	Alliance Companies	Interest free loan	-	-	10,000,000	100,000,000
Navana Reale Estate Ltd.	Alliance Companies	Interest free loan	4,500,000	14,500,000	(223,570,000)	(213,570,000)
Navana Toyota 3s centre	Alliance Companies	Interest free loan	4,000,000	3,000,000	3,000,000	2,000,000
board meeting fee	Director	fee	470,000	-	470,000	510,000

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42.00 **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.

43.00 **Capital Expenditure Commitment**

There was no commitment for capital expenditure and also not incurred or provided for the year ended 30th June, 2021.

44.00 **Contingent Assets**

There was no contingent assets as on 30th June, 2021.

45.00 **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.

46.00 **Foreign Exchange Loss or Gain**

During the year the company incurred a foreign exchange loss / gain a sum of Tk. (1,669,161) the break up of the above is as follows:

L/C Number	Euro Rate		Euro Value	L/C Margin
296519020158	Costing Rate	95.167	65,721	646,073
	Final Payment Rate	104.047		
		-8.880	**65,721**	**646,073**
296519020159	Costing Rate	93.743	105,353	1,035,679
	Final Payment Rate	104.047		
		-10.304	**105,353**	**1,035,679**

Rest Margin	At the time value of Costing	At the time value of deferred L/C Final Payment	Foreign Exchange Loss/Gain
296519020158	6,254,470	6,838,073	(583,603)
296519020159	9,876,106	10,961,664	(1,085,558)
	16,130,576	**17,799,737**	**(1,669,161)**

47.00 **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.

48.00 **Remittance of Dividend**

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

49.00 **Credit Facility not Availed**

There was no credit facility available to the Company under any contract and also not availed as on 30th June, 2021 other than trade credit available in the ordinary course of business.

50.00 **Attendance Status of Board Meeting of Directors**

During the year there was 21 Board Meetings were held. The attendance status of all the meetings is as follows:

Name of the Directors	Position	Duration Period	Meeting Held	Meeting Attended
Shafiul Islam	Chairman	July, 2020 to June, 2021	21	16
Khaleda Islam	Director		21	21
Saiful Islam	Director		21	19
Sajedul Islam	Managing Director		21	20
Farhana Islam	Director		21	17
Syed Masud Hasan	Independent Director		21	1
Md. Kausar Alam FCMA	Independent Director		21	-
Dr. Melita Mahjebeen	Independent Director		21	-

* Syed Masud Hasan, Independent Director has resigned on 03.01.2021
* Md. Kausar Alam FCMA and Dr. Melita Mahjabeen appointed as Indepdend Director on 04.01.2021. But they did not attend in the Board Meeting during the above period.

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51.00 **Disclosures as per Requirement of Schedule XI, Part II of the Companies Act, 1994 (Employee Position as on 30th June, 2021)**

(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	71	536	607
Below 3000	-	-	-

(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	80,000
Khaleda Islam	Director	5,000	105,000
Saiful Islam	Director	5,000	95,000
Sajedul Islam	Managing Director	5,000	100,000
Farhana Islam	Director	5,000	85,000
Syed Masud Hasan	Independent Director	5,000	5,000
Md. Kausar Alam FCMA	Independent Director	5000	-
Dr. Melita Mahjabeen	Independent Director	5000	-
	Total		**470,000**

* Syed Masud Hasan, Independent Director has resigned on 03.01.2021
* Md. Kausar Alam FCMA and Dr. Melita Mahjabeen appointed as Indepdend Director on 04.01.2021. But they did not attend in the Board Meeting during the above period.

During the year under review:

(i) An amount of Tk. 350,000 per month has been paid to Managing Director of the Company as his remuneration.

(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. 470,000/-;

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

52.00 **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.) 30.06.2021	Amount (Tk.) 30.06.2020
1	Within 3 Months	488,466,489	392,740,558
2	Within 6 Months	304,578,386	247,380,022
3	Within 12 Months	175,330,065	131,401,788
4	More then 12 Months	128,809,447	90,128,702

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

There are no debts outstanding in this respect.

53.00 **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**

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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.

54.00 **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.

55.00 Financial Instrument-Fair Values and Risk Management

55.01 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
30.06.2021		-	-	-	-	-	-	-	-
Financial Assets measured at Fair Value:		-	-	-	-	-	-	-	-
Equity Securities									
Financial Assets not measured at Fair Value:									
Trade and Other Receivables		-	-	-	-	1,292,309	-	-	1,292,309
Investment in FDR		-	-	-	-	108,931	-	-	108,931
Tender/Security Deposit						3,160			3,160
Cash and Cash Equivalents		-	-	-	-	185,936	-	-	185,936
Investment in Subsidiaries		-	-	-	-	-	-	-	-
Total		-	-	-	-	**1,590,336**	-	-	**1,590,336**
Financial Liabilities measured at fair value:		-	-	-	-	-	-	-	-
Financial Liabilities not measured at fair value:									
Employment Benefit									
Short Term interest bearing loans								2,883,450	2,883,450
Long Term interest bearing loans								6,198,451	6,198,451
Finance Lease Liabilities								5,857	5,857
Trade and other payables		-	-	-	-	-	-	265,264	265,264
Other Non-Current Liabilities		-	-	-	-	-	-	5,484,695	5,484,695
Bank Overdraft									
Total		-	-	-	-	-	-	**14,837,717**	**14,837,717**
30.06.2020									
Financial Assets measured at Fair Value:		-	-	-	-	-	-	-	-
Equity Securities									
Financial Assets not measured at Fair Value:									
Trade and Other Receivables		-	-	-	-	1,056,498	-	-	1,056,498
Investment in FDR		-	-	-	-	103,439	-	-	103,439
Tender/Security Deposit						1,759			1,759
Cash and Cash Equivalents		-	-	-	-	160,250	-	-	160,250
Investment in Subsidiaries		-	-	-	-	-	-	-	-
Total		-	-	-	-	**1,321,946**	-	-	**1,321,946**
Financial Liabilities measured at fair value:		-	-	-	-	-	-	-	-
Financial Liabilities not measured at fair value:									
Employment Benefit									
Short Term interest bearing loans								2,426,210	2,426,210
Long Term interest bearing loans								3,664,830	3,664,830
Finance Lease Liabilities								16,289	16,289
Trade and other payables		-	-	-	-	-	-	339,427	339,427
Other Non-Current Liabilities		-	-	-	-	-	-	5,189,390	5,189,390
Bank Overdraft									
Total		-	-	-	-	-	-	**11,636,146**	**11,636,146**

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, investment, trade/security deposit, employment benefits, short term interest bearing loans, long term interest bearing loans, financial lease liabilities, bank overdraft and other payables, and other non-current liabilities because their carrying amounts are a reasonable approximation of fair values.

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55.02 **Financial Risk Management Framework**

The Company's management has overall responsibility for the establishment and oversight of the company's risk management framework. The Company's Risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflact changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The Company has exposure to the following risks from its use of financial instruments:

55.02.1 Credit Risk, 55.02.2 Liquidity Risk 55.02.3 Market Risk.

55.2.1 **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, 2021, 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	
	30.06.2021	**30.06.2020**
Non-Derivative Financial Assets:		
Accounts Receivables	1,097,184,386	861,651,071
Other Receivables	195,125,054	194,847,420
Earnest Money and Security Deposits	1,503,375	3,445,115
Advance to Suppliers	254,267,102	142,369,409
Advance to Employees and Others	249,212,665	155,563,525
FDR	108,931,276	103,439,201
Cash at Bank	69,554,497	49,172,206
Cash in Hand	7,451,041	7,638,700
	1,983,229,396	1,518,126,647

At 30th June, the maximum exposure to credit risk for trade and other receivables by geographic regions was as follows:

	Amount in Taka	
	30.06.2021	**30.06.2020**
Domestic	1,292,309,441	1,056,498,491
Foreign Receivable	0	0
	1,292,309,441	1,056,498,491

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Ageing Schedule of Receivables:	**1,097,184,386**	**861,651,070**
Duration		
1-30 days	5,852,329	1,756,890
31-60 days	234,221,897	173,201,550
61-90 days	248,392,263	217,782,118
91-180 days	304,578,386	247,380,022
181-365 days	175,330,065	131,401,768
Over 365 days	128,809,447	90,128,702
	1,097,184,386	861,651,070

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.

55.2.2 **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.

Exposure to Liquitty Risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements. The carring amount of financial liabilities represent teh maximum exposure to liquidity risk. The maximum exposure to liquidity risk as at 30th June, 2021 was:

30th June, 2021

In Taka	Note	Carrying Amount	Total	Contractual Cash Flows			
				2 months or less	2-12 months	1-5 years	More than 5 years
Non-derivative financial liabilities:							
Short Term interest bearing loans	24	2,883,450,404	2,883,450,404	1,297,552,682	1,585,897,722	-	-
Long Term interest bearing loans	23	6,198,452,182	6,198,452,182	476,298,456	884,554,276	2,176,919,753	2,660,679,698
20% Convertible Zero Coupon Bonds		-	-	-	-	-	-
Finance lease liabilities	19	5,857,056	5,857,056		-	5,857,056	-
Trade and other payables	28	222,709,991	222,709,991	48,996,198.02	106,900,795.68	37,860,698.47	28,952,298.83
Inter Company Payables		-	-	-	-	-	-
Bank Overdraft		-	-	-	-	-	-
Non-Current Liabilities	-	5,484,695,893	5,484,695,893	1,096,939,178.60	1,919,643,562.55	1,645,408,767.90	822,704,383.95
		14,795,165,526	**14,795,165,526**	**2,919,786,515**	**4,496,996,356**	**3,866,046,275**	**3,512,336,380**
Derivative financial liabilities		-	-	-	-	-	-
		14,795,165,526	**14,795,165,526**	**2,919,786,515**	**4,496,996,356**	**3,866,046,275**	**3,512,336,380**

30th June, 2020

In Taka	Note	Carrying Amount	Total	Contractual Cash Flows			
				2 months or less	2-12 months	1-5 years	More than 5 years
Non-derivative financial liabilities:							
Long Term interest bearing loans-Non-Current Portion	22	4,472,861,608	4,472,861,608	-	-	1,565,501,562.80	2,907,360,045.20
Long Term interest bearing loans-Current Portion	23	1,238,620,849	1,238,620,849	334,427,629.23	904,193,219.77		
Finance lease liabilities	19	16,289,100	16,289,100	-	-	16,289,100	-
Security Retention Money	20	650,239,387	650,239,387	78,028,726.44	240,588,573.19	266,598,148.67	65,023,938.70
Loan from Others	21	50,000,000	50,000,000			50,000,000	
Short Term Loan	24	2,426,210,433	2,426,210,433	897,697,860.21	1,528,512,572.79		
Trade and other payables	27	339,427,724	339,427,724	74,674,099	149,348,199	91,645,485	23,759,941
Inter Company Payables	26	444,499,607	444,499,607	-	-	444,499,607	-
Bank Overdraft		-	-	-	-	-	-
		9,638,148,708	**9,638,148,708**	**1,384,828,315**	**2,822,642,564**	**2,434,533,904**	**2,996,143,925**
Derivative financial liabilities		-	-	-	-	-	-
		9,638,148,708	**9,638,148,708**	**1,384,828,315**	**2,822,642,564**	**2,434,533,904**	**2,996,143,925**

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55.2.3 **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 company 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.

56.00 **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.

57.00 **Subsequent Events-Disclosures under IAS 10 "Events after Reporting Period"**

The directors in the meeting held on 26th day of October, 2021 recommended 5% cash dividend for the general Shareholders only excluding sponsors & directors and 5% stock dividend for all shareholders including sponsors & directors 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 30th day of December, 2021.

"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.

Annexure-A

NAVANA CNG LIMITED AND ITS SUBSIDIARIES
SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT AS ON 30TH JUNE, 2021

Particulars	Cost				Rate of Dep.	Depreciation				Written Down Value as on 30.06.2021
	Opening Balance 01.07.2020	Addition during the year	Adjustment/ Disposal during the year	Total as on 30.06.2021		Opening Balance 01.07.2020	Charged during the year	Adjustment/ Disposal during the year	Total as on 30.06.2021	
Land and Land Development	1,180,087,289	600,000	-	1,180,687,289	0%	0	-	-	0	1,180,687,289
Building & Shed	1,355,755,153	921,888	-	1,356,677,041	10%	377,219,013	97,902,587	-	475,121,600	881,555,441
Plant & Machinery	3,157,658,518	57,072,067	-	3,214,730,585	10%	933,507,265	223,143,065	-	1,156,650,330	2,058,080,253
Cylinder	2,431,423,301	-	-	2,431,423,301	10%	421,255,527	201,016,777	-	622,272,304	1,809,150,997
Tools & Equipment	188,177,987	1,416,596	-	189,594,583	10%	79,674,626	10,893,991	-	90,568,617	99,025,965
Furniture & Fixtures	34,356,603	1,257,565	-	35,614,168	10%	15,689,987	1,931,164	-	17,621,151	17,993,017
Electrical Equipment	40,405,706	80,441	-	40,486,147	10%	20,853,097	1,960,624	-	22,813,721	17,672,426
Office Equipment	10,203,936	840,512	-	11,044,448	10%	4,265,501	656,882	-	4,922,383	6,122,066
Vehicles	264,991,792	7,090,100	-	272,081,892	10%	73,475,231	19,244,982	-	92,720,213	179,361,678
Total	**8,663,060,285**	**69,279,169**		**8,732,339,454**		**1,925,940,248**	**556,750,072**		**2,482,690,320**	**6,249,649,132**

Annexure-B

SCHEDULE OF INTANGIBLE ASSETS AS ON 30TH JUNE, 2021

Particulars	Cost				Rate of Dep.	Amortization				Written Down Value as on 30.06.2021
	Opening Balance 01.07.2020	Addition during the year	Adjustment/ Disposal during the year	Total as on 30.06.2021		Opening Balance 01.07.2020	Charged during the year	Adjustment/ Disposal during the year	Total as on 30.06.2021	
Software System	30,329,032	220,000	-	30,549,032	10%	6,553,358	2,390,401		8,943,759	21,605,274
Total	**30,329,032**	**220,000**	-	**30,549,032**		**6,553,358**	**2,390,401**		**8,943,759**	**21,605,274**

SCHEDULE OF RIGHT OF USE ASSETS AS ON 30TH JUNE, 2021

Annexure-C

Particulars	Cost				Rate of Dep.	Depreciation				Written Down Value as on 30.06.2021
	Opening Balance 01.07.2020	Addition during the year	Adjustment/ Disposal during the year	Total as on 30.06.2021		Opening Balance 01.07.2020	Charged during the year	Adjustment/ Disposal during the year	Total as on 30.06.2021	
Right of Use Assets	23,932,006	-	658,261	23,273,745	0%	3,997,033	11,263,429	-	15,260,462	8,013,284
Total	**23,932,006**	-	**658,261**	**23,273,745**		**3,997,033**	**11,263,429**	-	**15,260,462**	**8,013,284**

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