



Annual Report 2019

Navana CNG Limited

LETTER OF TRANSMITTAL

To
Hon'ble Shareholders
Bangladesh Securities and Exchange Commission
Registrar of Joint Stock Companies and Firms Bangladesh
Dhaka Stock Exchange Limited
Chittagong Stock Exchange Limited

Sub : Annual Report for the year ended 30 June 2019.

Dear Sir(s),

We are pleased to enclose a copy of Annual Report of Navana CNG Limited together with the consolidated Audited Financial Statements comprising of Statement of Financial Position, Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended 30 June 2019 along with notes there on for your kind information.

Sincerely yours



Mohammad Fakrul Islam FCA
Company Secretary



Corporate Information

Chairman

Shafiul Islam

Chief Executive Officer

Sajedul Islam

Directors

Khaleda Islam

Saiful Islam

Farhana Islam

Independent Directors

M. Obaidur Rahman, FCA

Syed Masud Hasan

Company Secretary

Mohammad Fakrul Islam FCA

Chief Financial Officer

Md. Zahidul Haque FCA

Head of Internal Audit and Compliance

Md. Masud Rana

Principal Bankers

Mutual Trust Bank Limited

The City Bank Limited

Dutch Bangla Bank Limited

One Bank Limited

Shahjalal Islami Bank Limited

Plant

Navana Engineering Limited

Dipnagar, Mirpur, Dhaka & Kaliganj, Gazipur, Bangladesh

Navana Welding Electrode Limited

Mirzapur, Gazipur, Bangladesh

Navana LPG Limited

Mongla, Bagerhat, Bangladesh

Legal Advisor

Abdur Razzaque & Associates

Barristers & Advocates

Audit Committee

M. Obaidur Rahman, FCA- Chairman

Saiful Islam- Member

Syed Masud Hasan- Member

Nomination and Remuneration Committee

M. Obaidur Rahman, FCA - Chairman

Saiful Islam - Member

Syed Masud Hasan - Member

External Auditors

Ata Khan & Co.

Chartered Accountants

Corporate Governance Compliance Auditors

Atik Khaled Chowdhury

Chartered Accountants

Main CNG Conversion Centre

205-207, Tejgaon I/A, Dhaka, Bangladesh

Corporate Office

205-207, Tejgaon I/A

Dhaka, Bangladesh

Registered Office

125/A, Motijheel C/A,

Dhaka, Bangladesh

e-mail : share@navanacng.com

Website : www.navanacng.com

Table of Contents

AGM Notice	04
Message from the Chairman	05
Directors' Report	07
Highlights of Financial & Key Operating Data	13
Graphical Presentation	14
Statement of Corporate Governance	15
Declaration of CEO and CFO	17
Certificate of Compliance to the Shareholders	18
Report on Compliance on Corporate Governance Code	19
Audit Committee	28
Audit Committee Report	29
Nomination and Remuneration Committee	30
Auditors' Report [Navana CNG Limited (NCL) & it's subsidiaries]	33
Financial Statements [NCL & it's subsidiaries]	38
Notes to the Financial Statements [NCL & it's subsidiaries]	42
Auditors' Report [Navana CNG Limited (NCL)]	62
Financial Statements [NCL]	67
Notes to the Financial Statements (NCL)	71
Auditors' Report [Navana Engineering Limited (NEL)]	90
Financial Statements (NEL)	92
Notes to the Financial Statements (NEL)	96
Auditors' Report [Navana Welding Electrode Limited (NWEL)]	110
Financial Statements (NWEL)	112
Notes to the Financial Statements (NWEL)	116
Auditors' Report [Navana LPG Limited (NLL)]	127
Financial Statements (NLL)	129
Notes to the Financial Statements (NLL)	133
Attendance Slip & Proxy Form	145

Notice of the 15th Annual General Meeting

Notice is hereby given that the 15th Annual General Meeting (AGM) of the Shareholders of Navana CNG Limited will be held on Monday, 23 December 2019 at 11:00 AM at Senamalanca, Dhaka Cantonment (Western Side of Naval Headquarters), Airport Road, Dhaka to transact the following business:

1. To receive, consider and adopt the Audited Financial Statements for the year ended 30 June 2019 together with Auditors' Reports and Directors' Reports thereon.
2. To declare Dividend for the year ended 30 June 2019.
3. To re-elect Directors.
4. To approve the appointment of Independent Director.
5. To appoint External Auditors for the year ended 30 June 2020 and fix their remuneration.
6. To appoint Corporate Governance Compliance Auditors for the year ended 30 June 2020 and fix their remuneration.
7. Any other business with the permission of the Chair.

By Order of the Board



(Mohammad Fakrul Islam, FCA)
Company Secretary

Dated: Dhaka
26 October 2019

Notes:

- a) The Shareholders whose names will appear in the Share Register of the Company and/or Depository Register of CDBL as on record date, i.e. 25 November 2019 will be entitled to attend the AGM and receive dividend.
- b) Attendance to the AGM will be on production of the Attendance Slip.
- c) The Proxy Form affixed with requisite revenue stamp of Tk.20/- must be deposited at the Registered Office of the Company at least 48 hours prior to the AGM.
- d) The Annual Report 2019 of Navana CNG Limited will be sent to the respective Shareholders' email IDs available on Record Date. The copy of Annual Report 2019 will be available in the Company's website www.navanacng.com.

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



Message from the Chairman

**Dear Shareholders,
Assalamu Alaikum,**

I, on behalf of the Board of Directors, would like to welcome you all to the 15th Annual General Meeting of the Company and place before you a summarized statement of activities of the Company for the financial year ended on 30 June 2019.

The CNG business of the country has declined due to fall in reserve of natural gas and availability of LPG facility in the country. During the year under review the performance of the CNG business was not good as per our expectations. Your Board of Directors have plan to introduce additional facilities for conversion of vehicles into LPG (LPG conversion) which has increasing demand, in the existing CNG conversion workshops of the Company.

Steps have been taken to increase sale of the products of Navana Engineering Limited by changing product mix and introduction into new products. Therefore, it is expected that turnover will be significantly increased in the incoming financial year.

The performance of another subsidiary company Navana Welding Electrode Limited is encouraging compared to last year. The market share of its products is increasing day by day.

As far as the prime subsidiary of the Company - Navana LPG Limited is concerned, I would like to inform you that the LPG business is getting good response from the market and steps are being taken to expand our existing distribution network.

I would like to express deep appreciation to the shareholders, customers, patrons, all concerned and well-wishers for their continuous support and co-operation extended to the Company.

(Shafiul Islam)
Chairman

চেয়ারম্যান-এর বিবৃতি

প্রিয় শেয়ারহোল্ডারবৃন্দ,
আসসালামু আলাইকুম।

আমি পরিচালনা পর্ষদ এর পক্ষ থেকে কোম্পানীর ১৫তম বার্ষিক সাধারণ সভায় আপনাদের সবাইকে স্বাগত জানাচ্ছি এবং ৩০ জুন ২০১৯ তারিখে সমাপ্ত অর্থ বছরে কোম্পানীর কার্যক্রমের একটি সংক্ষিপ্ত বিবরণী পেশ করছি।

এল.পি.জি গ্যাস এর সহজ লভ্যতা ও দেশে সি.এন.জি গ্যাসের মওজুদ কমে যাওয়ায় সি.এন.জি ব্যবসা কমে যাচ্ছে। প্রত্যাশা অনুযায়ী আলোচ্য অর্থ বছরে সি.এন.জি এর ব্যবসা ভাল হয় নাই। আপনাদের পরিচালনা পর্ষদ বর্তমানে সি.এন.জি কনভারশন ওয়ার্কশপ ও গ্যাস সরবরাহ কেন্দ্রে একই সাথে এল.পি.জি ব্যবহারের সুবিধার জন্য পদক্ষেপ নিয়েছে।

নাভানা ইঞ্জিনিয়ারিং লিমিটেড নতুন পণ্য উৎপাদন এর মাধ্যমে ব্যবসা প্রসারের জন্য কাজ করে যাচ্ছে। আশা করা যাচ্ছে যে, আগামী অর্থ বছরে টার্নওভার আরো বৃদ্ধি পাবে।

সাবসিডিয়ারী কোম্পানী “নাভানা ওয়েলডিং ইলেক্ট্রোড লিমিটেড” এর ব্যবসা গত বছরের তুলনায় ভাল হয়েছে এবং প্রতিনিয়ত কোম্পানীর উৎপাদিত পণ্যের চাহিদাও বৃদ্ধি পাচ্ছে।

মূল সাবসিডিয়ারী কোম্পানী “নাভানা এল.পি.জি লিমিটেড” এর ব্যবসা বাজারে ভালো সাড়া পাচ্ছে এবং বর্তমান সরবরাহ নেটওয়ার্ক আরো বাড়ানোর জন্য পদক্ষেপ নেয়া হয়েছে।

আমি শেয়ারহোল্ডারবৃন্দ, গ্রাহক, শুভাকাজ্জী, পৃষ্ঠপোষকসহ সংশ্লিষ্ট সকলকে কোম্পানীতে তাদের অব্যাহত সহযোগিতার জন্য শুভ কামনা জানাচ্ছি।



(শফিউল ইসলাম)
চেয়ারম্যান

Directors' report to the shareholders

Dear Shareholders,
Assalamu Alaikum,

I, on behalf of the Board of Directors have the pleasure to place before you the Directors' Report and the Auditors' Report together with the consolidated audited financial statements of Navana CNG Limited for the year ended 30 June 2019.

PERFORMANCE

Revenue Earnings

The sales proceeds of 19 CNG re-fueling stations, 10 CNG conversion workshops and from modern service center are in operation in different strategic locations of the country. The total sales of the year from CNG refueling stations, CNG conversion workshops, servicing workshops and spare parts stood at Tk. 158 crore.

'Navana Engineering Limited' the subsidiary company has been contributed an amount of Tk. 78 crore during the year.

The sale of the subsidiary company 'Navana Welding Electrode Limited' during the year is Tk. 52 crore.

'Navana LPG Limited' another subsidiary company earned sale revenue of Tk. 301 crore during the year.

Financial Result and Appropriation of Profit:

Particulars	Amount in taka	
	June 30, 2019	June 30, 2018
Retained Earnings Brought Forward	1,513,465,471	1,393,966,136
Less: Last year adjustment	-	874,703
Add: Total Comprehensive income for the year	88,475,729	179,492,286
Less: Cash Dividend 12% for 2018	82,234,310	59,118,248
Profit available for appropriation	1,519,706,890	1,513,465,471
Recommended for appropriation:		
Cash Dividend 10% for 2019	39,412,165	82,234,310
Inappropriate profit carried forward	1,480,294,725	1,431,231,161
Total	1,519,706,890	1,513,465,471

Segment-wise or product-wise performance

The company is operating its business with its homogeneous products/services in a single economic and geographical segment within the territory of Bangladesh. However, segment report prepared and mentioned in notes 28 of the financial statements considering CNG re-fueling stations and CNG Conversion Workshop as two different segments.

Industry outlook and possible future developments in the industry

The Board of Directors already has taken diversified business to get more financial benefit to the shareholders of the Company. We are foreseeing the better prospect of the subsidiaries: Navana Engineering Limited, Navana Welding Electrode Limited and Navana LPG Limited.

Risks and concerns

The Conversion to CNG helped achieving the government's dual objectives of lowering air-pollution and improving the country balance of payments. The prime raw-materials of the Company's business in CNG are presently in short supply. Exploration of new gas field can only improve the situation. The risk and concern of the CNG business solely depends on the government's policy e.g., increase of CNG price, high tariff on CNG cylinder and kits etc.

A Discussion On Consolidated Cost Of Goods Sold, Gross Profit Margin And Net Profit Margin:

Amount in taka

Particulars	Jun 30, 2019	June 30, 2018
Cost of sales	4,592,915,543	3,009,141,464
Gross profit	1,293,703,173	1,036,228,649
Net profit for the year	88,473,588	179,489,013

Discussion on continuity of any Extra-Ordinary gain or loss

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

Related party transactions

During the year, the Company carried out a number of transactions with related parties in the normal course of business. The name of related parties, nature of transactions and total transaction value have been set out in accordance with the provisions of 'BAS 24: Related Party Disclosure' disclosed in the note 2.22 of the notes to the financial statements.

Variance with Quarterly and Annual the Financial Statements

There was no event of significant variance between quarterly financial performances during the year under review.

Fairness of Financial Statements

The financial statements fairly present the Company's state of affairs, the results of its operations, cash flow and changes in equity. In compliance with Bangladesh Securities and Exchange Commission (BSEC) Notification dated 3 June 2018. Chief Executive Officer and Chief Financial Officer have given the declaration about the fairness of the financial statements which is shown on page 23 of the report.

Books of Accounts

Proper books of accounts of the Company were maintained.

Accounting Policies

Appropriate accounting policies have been consistently applied in preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment.

Application of IAS and IFRS

International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) have been followed in preparation of the financial statements and any deviation there-from has been adequately disclosed.

Internal Control

The systems of internal controls were sound and implemented and monitored effectively. The Company has strong internal Audit Department to ensure effective internal control mechanism. The Audit Committee always gives their suggestion and recommendation for official accomplishment of their work as and when required.

Going Concern

There are no significant doubts about the Company's ability to continue as a going concern. The Board of Directors has reviewed the Company's business plan and is satisfied that the Company has adequate resources to continue its operations in the foreseeable future. Accordingly, the financial statements are prepared on the going concern basis.

Independent Directors

Mr. M. Obaidur Rahman FCA is existing as Independent Director. Mr. Syed Masud Hasan appointed as Independent Director by the Board subsequently approved by the shareholders in the 14th Annual General Meeting of Navana CNG Limited held on 09.12.2018.

Re-election by Rotation of Directors

In terms of Article 127 of the Articles of Association of the Company, Mr. Saiful Islam and Ms. Farhana Islam, Directors retire by rotation from the Board in the 15th Annual General Meeting. Being eligible under Article 128 of the Articles of Association of the Company, the retiring Directors have offered themselves for re-election.

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

Mr. Saiful Islam

Names of companies in which Mr. Saiful Islam also holds the directorship:
 Navana Limited., Aftab Automobiles Limited, Navana Real Estate Limited, Navana Construction Ltd., Navana Foods Ltd., Navana Building Products Ltd., Navana Interlinks Ltd., Navana Electronics Ltd., Navana Batteries Ltd., Navana Furniture Ltd., The Essential Industries Ltd., Eastern Printing Press Ltd., Kenhill Paper Mills Ltd., Biponon Ltd., Navana Logistics Ltd. and Navana Renewable Energy Ltd.

Ms. Farhana Islam

Names of companies in which Ms. Farhana Islam also holds the directorship:
 Navana Limited., Aftab Automobiles Limited, Navana Real Estate Limited, Navana Construction Ltd., Navana Foods Ltd., Navana Electronics Ltd., Navana Batteries Ltd., Navana Toyota Service Center Ltd., Navana Furniture Ltd., Navana Interlinks Ltd., The Essential Industries Ltd., Eastern Printing Press Ltd., Kenhill Paper Mills Ltd., Biponon Ltd., Navana Logistics Ltd., Navana Renewable Energy Ltd., Navana Building Products Ltd.

Board Directors Meetings

Total 10 (ten) meetings held by the Board of Directors during the year 30 June 2019.

<u>Name of Directors</u>	<u>Number of Board Meeting attended</u>
Mr. Shafiul Islam	12
Mrs. Khaleda Islam	05
Mr. Saiful Islam	09
Mr. Sajedul Islam	09
Ms. Farhana Islam	04
Mr. M. Obaidur Rahman (Independent Director)	05
Mr. Ekramul Haq (Independent Director) (upto 31.12.2018)	02
Mr. Syed Masud Hasan (Independent Director) (from 31.12.2018)	03

**Information Regarding Subsidiary Companies:
 i) Navana Engineering Limited**

Company earned an amount of Tk. 11.97 crore during the year from the sales of HDPE duct. Further from PVC Pipe earned an amount of Tk. 38.48 crore during the year from the sales. In addition, an amount of Tk. 27.34 crore during the year has been added by selling of HDPE coil, UPVC fittings, PPR pipe, fittings and others to the Company's turnover.

The operating results for the year ended 30 June 2019 as follows:

Amount in taka

Particulars	Jun 30, 2019	June 30, 2018
Turnover	777,913,306	1,403,614,715
Gross Profit	249,963,531	438,800,136
Net Profit After Tax	5,327,223	132,369,480
Earnings Per Share (EPS)	0.53	13.24
Net Assets Value Per Share (NAVPS)	51.28	51.09

Navana Engineering Limited started its full-scale production at Kaligong, Gazipur. Market demand of products of Navana Engineering Limited is increasing rapidly.

ii) Navana Welding Electrode Limited

The Company is manufacturing and selling around 20 types of electrode for construction, light engineering & ship building industries. During the year Tk. 52 crore added by selling welding electrodes.

The operating results for the year ended 30 June 2019 as follows:

Amount in taka

Particulars	Jun 30, 2019	June 30, 2018
Turnover	518,744,052	402,381,221
Gross Profit	128,305,199	94,493,063
Net Profit After Tax	40,734,797	29,313,236
Earnings Per Share (EPS)	4.07	2.93
Net Assets Value Per Share (NAVPS)	23.67	19.60

iii) Navana LPG Limited

Navana LPG Limited has started its commercial operation from November, 2017. Its products are getting good response in the market. During the year Navana LPG Limited added Tk. 301 crore by selling LPG.

The operating results for the year ended 30 June 2019 as follows

Particulars	Jun 30, 2019	June 30, 2018
Turnover	3,013,185,645	566,635,442
Gross Profit	531,010,489	93,259,846
Net Loss After Tax	43,285,288	67,073,275

Next Year Plan

The Board of Directors has expected to fix-up a sales target of Tk. 196 crore for Navana CNG Limited for the next financial year, consisting of Tk. 162 crore from CNG Re-fueling Stations and other services, Tk. 22 crore from CNG Conversion Workshop and Tk. 12 crore from vehicle workshops & service revenues.

In addition to above, the Company have planned to earn Tk. 100 crore as revenue from Navana Engineering Limited and Tk. 80 crore from Navana Welding Electrode Limited, and Tk. 400 crore from Navana LPG Limited. Thus total sales target for Navana CNG Limited along with its three fully owned subsidiary companies will be Tk. 776 crore.

Corporate Governance Compliance

The Company also complied with the requirements of Corporate Governance Code.

- A. Declaration by Chief Executive Officer and CFO in page no. 17: Annexure-A
- B. Compliance Certificate on Corporate Governance Code in page no. 18: Annexure-B
- C. Corporate Governance Compliance Report in page no. 19: Annexure-C
- D. Pattern of shareholding in page no. 11: Annexure-D
- E. Highlights of Financial key operating data in Page no. 12: Annexure-E

Dividend

The Board of Directors of Navana CNG Limited has recommended cash dividend @ 10% for the year ended 30 June 2019 to the shareholders of the Company (excluding Sponsors and Directors). The shareholders whose names will appear in the share register of the Company and/or Depository Register of CDBL as on Record Date, i.e., 25 November, 2019 will be entitled to the dividend, subject to approval in the Annual General Meeting of the Company scheduled to be held on 23 December 2019.

Explanation for reducing profit

Navana LPG Ltd. subsidiary of Navana CNG Ltd. is in operation having gross profit. Due to substantial amount of Loan the company has to incur significant amount of financial expenses. The beefed up financial expenses adversely affected the bottom line profitability and consequently resulted reduce profit of the company as well as the group.

Appointment of External Auditors

The Board of Directors in a meeting dated 18 November 2019 recommended A Hoque & Co., Chartered Accountants for conducting audit of Navana CNG Limited for the year 30 June 2020 subject to approval by the shareholders in the ensuing Annual General Meeting scheduled to be held on 23 December 2019. As existing auditors Ata Khan & Co. Chartered Accountants expressed their inability to continue as auditors of the Company

Appointment of Compliance Auditors

The Board of Directors in a meeting dated 18 November 2019 recommended to appoint Ahmed Zaker & Co. Chartered Accountants for conducting Audit on Compliance of Corporate Governance Code for the year 30 June 2020, subject to approval by the shareholders in the ensuing Annual General Meeting scheduled to be held on 23 December 2019.

Acknowledgement

The Board wishes to express its sincere appreciation to all employees of Navana CNG Limited for their contribution and at the same time, thanks to all the stakeholders and concerns for their continued support and confidence.

On behalf of the Board of Directors



(Sajedul Islam)
Chief Executive Officer

Annexure-D

The pattern of shareholdings of the Directors and others as on 30 June 2019 are as follows:

	Namewise Details	No. of Shares held
i.	<u>Parent/Subsidiery/Associated Companies and other related parties</u>	
ii.	Directors, Chief Executive Officer(CEO), Company Secretary, Chief Financial Officer, Head of Internal Audit & Compliance <u>and their spouse and minor children:</u>	
	Directors, Chief Executive Officer :	
	Mr. Shafiul Islam - Chairman	17,203,878
	Mr. Sajedul Islam - Chief Executive Officer	3,401,792
	Mrs. Khaleda Islam - Director	3,568,644
	Mr. Saiful Islam - Director	3,426,429
	Ms. Farhana Islam - Director	1,447,842
	M. ObaidurRahman - Independent Director	Nil
	Syed Masud Hasan - Independent Director	Nil
	Chief Financial Officer, Company Secretary and Head of Internal Audit & Compliance <u>and their spouse and minor children:</u>	Nil
iii.	Executives	Nil
iv.	Shareholders holding ten percent (10 %) <u>or more voting interest in the company :</u>	
	Mr. Shafiul Islam	17,203,878

HIGHLIGHTS of FINANCIAL and KEY OPERATING DATA

[Consolidated]

(Amount in million Taka)

Particulars	2019	2018	2017	2016	2015
Turnover (net)	5,887	4,045	2,597	3,230	1,951
Gross profit	1,294	1,036	779	1,002	612
Operating Profit	39	282	304	400	299
Net profit after tax	88	179	208	281	230
Earning Per Share	1.29	2.62	3.03	4.18	3.54
Net cash operating activities	8.41	0.88	1.43	(2.02)	1.82

Table: Summary Balance Sheet

Particulars	2019	2018	2017	2016	2015
Authorized capital	1,500	1,500	1,500	1,500	1,500
Paid-up capital	685	685	685	685	685
Reserve and surplus	1,739	1,737	1,618	1,467	1,240
Shareholders' Equity	2,424	2,422	2,304	2,152	1,925
Debentures	-	-	-	-	250
Deferred tax Income/liabilities	8	108	103	88	73
Non-current liabilities	5,563	4,900	3,170	1,345	323
Current Liabilities	4,062	3,430	2,170	934	1,115
Fixed Assets	6,696	5,613	1,733	1,201	1,100
Other Non-current Assets	1,347	1,696	3,528	1,249	730
Total Non-current Assets	8,043	7,309	5,262	2,450	1,830
Current Assets	4,006	3,443	2,382	1,981	1,677
Book value per share	35.37	35.35	33.62	30.57	28.09
Dividend per share(%)	10%	12%	15%	15%	15%
Numbers of shareholders	12,422	12,692	14,454	21,435	24,483

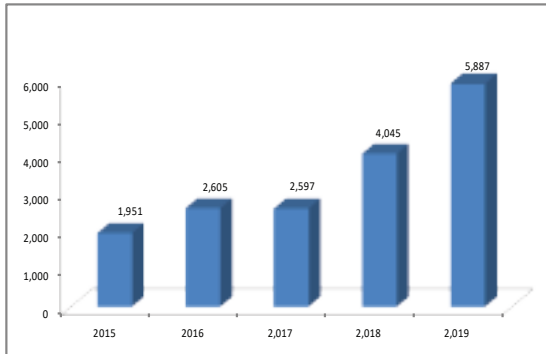
Table: Ratios

(Amount in million Taka)

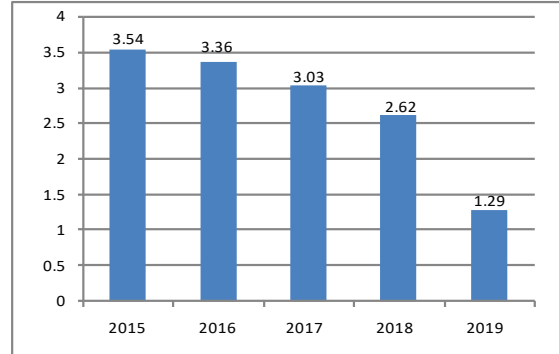
Particulars	2019	2018	2017	2016	2015
Debt to Equity Ratio	80%	77%	70%	51%	43%
Current Ratio	0.99	1.00	1.10	2.12	1.50
Gross profit / Sales (%)	21.98%	25.61%	29.99%	31.02%	31.37%
Operating profit / Sales (%)	0.66%	6.97%	11.71%	12.38%	15.84%
Profit after tax / Sales (%)	1.49%	4.43%	8.00%	8.70%	11.79%
Return on Asset (%)	1.00%	2.00%	2.72%	6.34%	6.56%
Return on Equity (%)	4.00%	7.00%	9.02%	13.06%	11.95%

Graphical Presentation

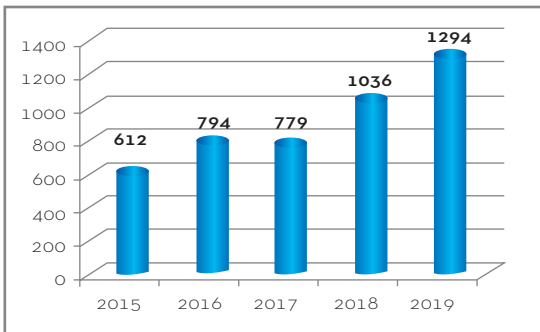
Turnover In million Taka



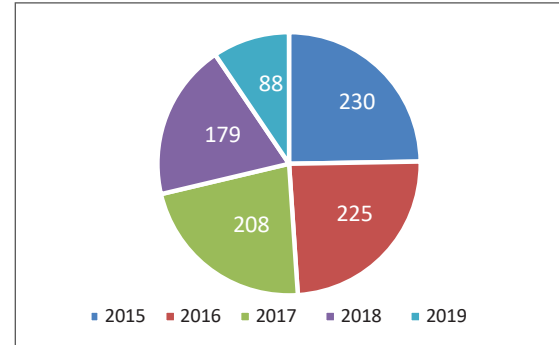
Earnings per share In million Taka



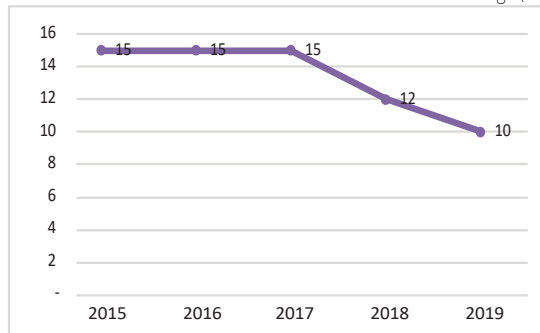
Gross Profit In million Taka



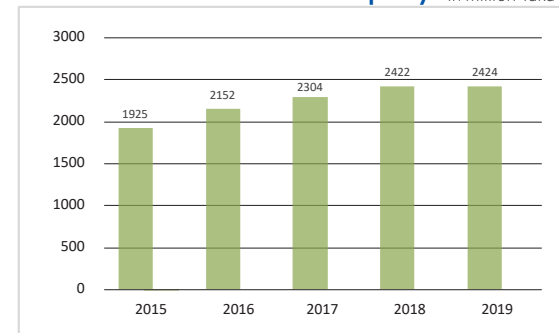
Net Profit After Tax In million Taka



Cash Dividend In Percentage (%)



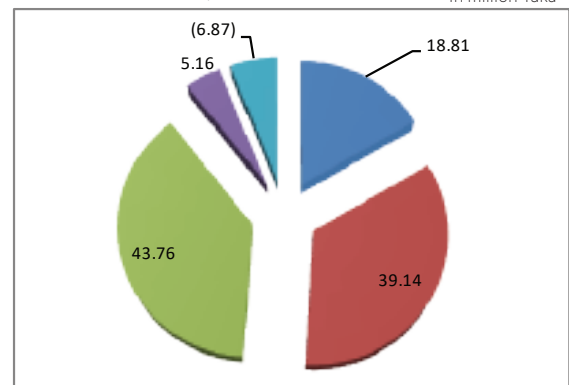
Shareholders Equity In million Taka



VALUE ADDED STATEMENT
For the year ended June 30, 2019

	Amount in '000' Taka	%
Gross Sale	6,115,633	
Other income	14,529	
Bought in- Material & Service	4,535,383	
Value Added	<u>1,594,779</u>	
Application		
to National Exchequer	299,986	18.81
to Providers of Loan as Interest & Charges	624,215	39.14
to Providers Emp. Salaries Wages & other benefits	697,915	43.76
to Providers of Capital- as Dividend	82,234	5.16
Reserve & Surplus including deferred tax	(109,571)	(6.87)
	<u>1,594,779</u>	<u>100.00</u>

VALUE ADDED GRAPH
For the year ended June 30, 2019 In million Taka



Statement of Corporate Governance

Corporate Governance is the system by which companies are directed and controlled by the management to the best interest of the stakeholders. Corporate Governance also clearly defines the rights and responsibilities of the Board of Directors, Management, Shareholders and other Stakeholders. A good corporate reputation is the most valuable asset of a company. The Board of Directors of Navana CNG Limited is committed to maintaining effective corporate governance through a culture of accountability and transparency.

Board of Directors

The Board of Directors comprises of 07 (Seven) members including two Independent Directors. All Directors have sound knowledge in the area of related business, managerial expertise and sound academic and professional knowledge. They are well conversant with corporate governance code.

Appointment of Independent Directors

The Board of Directors appointed two Independent Directors. Among them appointment of Mr. Syed Masud Hasan, Independent Director subsequently approved by the Shareholders in the 15th Annual General Meeting held on 09 December 2018. In selecting Independent Directors, the Company always look for individuals who possess experience; strong inter personal skill and independence. The Board believes that their experience and knowledge assist in providing both effective and constructive contribution to the Board.

The Role of the Chairman and Chief Executive Officer

The position of the Chairman and the Chief Executive Officer (CEO) are clearly defined. The responsibility of the Chairman is to provide leadership to the Board and ensure that the Board works effectively & efficiently and discharges its responsibilities as directors of the Company.

The Chief Executive Officer has the overall responsibility for the performance of the Company's business. He is also responsible for establishing and executing the Company's overall operating plan that is necessary to achieve the Company's objectives.

Audit Committee

The Audit Committee is a sub-committee of the Board of Navana CNG Limited. The Audit Committee is comprised of three members of the Board including two Independent Directors one of them is the Chairman of the Committee. The Committee assists the Board to ensure that the financial statements reflect true and fair view of the state of affairs of the Company an ensuring a good monitoring system within the business.

Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee is a sub-committee of the Board of Navana CNG Limited. The Nomination and Remuneration Committee is comprised of three members of the board including two Independent Directors one of them is the Chairman of the Committee. The Nomination and Remuneration Committee is responsible to the Board and to the Shareholders.

Company Secretary

Mohammad Fakrul Islam FCA has been appointed as the Company Secretary of Navana CNG Limited. He is responsible for dealing with corporate & various matters, making bridge between the Board and other Stakeholders, custodian of the Shareholders and also conducts the statutory functions pursuant to the applicable laws and regulations. The Board of Directors clearly defined the respective roles, responsibilities and duties of the Company Secretary in compliance with the corporate governance code issued by Bangladesh Securities and Exchange Commission (BSEC).

Chief Financial Officer

Zahidul Haque FCA has been appointed as the Chief Financial Officer of Navana CNG Limited. He is responsible for accounts and finance activities of the Company. The Board of Directors clearly defined the respective roles, responsibilities and duties of the Chief Financial Officer in compliance with the corporate governance code of BSEC.

Financial Reporting and Transparency

Financial Statements have been prepared in line with the International Accounting Standards, Bangladesh Accounting Standards and other legislations as applicable in Bangladesh. Timely publication of quarterly and annual financial statements with comprehensive details as per legal requirements.

Statutory Audit

Statutory Audit of the Company is governed by the Companies Act, 1994. The Act provides guidelines for the appointment, scope of work, retirement of auditors and fix their remuneration in the Annual General Meeting.

Internal Audit

Internal Audit support the Company to achieve its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of its risk management and control. Internal Audit activity is governed by the Internal Audit Team.

Internal Control

The Company has an Internal Audit department and headed by the Head of Internal Audit and Compliance. The Internal control system is maintained and reviewed by an internal audit function that reports to Management and the Audit Committee. Internal Control mechanism is built by the Company's systems and procedures to reduce the risk of error and fraud. It may be able to reduce the risk that financial statements contain. The Board of Directors ensures sound internal control to provide reasonable assurance regarding the achievement of the Company's objectives.

Declaration by Chief Executive Officer and Chief Financial Officer

26 October 2019

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

Subject : Declaration on Financial Statements for the year ended on 30 June 2019.

Dear Sirs,

Pursuant to the Condition No 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, Dated 3 June, 2018 under section 2CC of the Securities and Exchange Ordinance, 1969 we do hereby declare that:

- (1) The Financial Statements of Navana CNG Limited for the year ended on 30 June 2019 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statement;
- (4) To ensure above, the company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:-

- (i) We have reviewed the financial statements for the year ended on 30 June 2019 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the Company's Board of Directors or its members.

Sincerely yours,


(Sajedul Islam)
Chief Executive Officer


(Zahidul Haque, FCA)
Chief Financial Officer

ATIK KHALED CHOWDHURY
Chartered Accountants

Hasan Court (1st Floor)
23/1 Motijheel C/A,
Dhaka-1000, Bangladesh
Tel : 9553407, 9564972
Fax : +88-02-7124940
e-mail : atik.khaled@gmail.com
website: www.atikkhaled.com

Report to the Shareholders of Navana CNG Limited on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by Navana CNG Limited for the year ended on 30 June 2019. This Code relates to the Notification No.BSEC/CMRRCD/2006-158/207/Admin/80, dated: 03 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our Examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission ;
- (b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- (d) The governance of the company is satisfactory.

Dated : Dhaka
05 November 2019



Atik Khaled Chowdhury
Chartered Accountants

COMPLIANCE REPORT ON CORPORATE GOVERNANCE CODE

Status of Compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission, pursuant to the Notification No.BSEC/CMRRD/2006-158/207/Admin/80, dated; 03 June 2018 issued under section 2CC of the Bangladesh Securities and Exchange Ordinance, 1969:

(Report under Condition No. 9)

Condition No.	Title	Compliance Status (Put <input checked="" type="checkbox"/> in the appropriate column)		Remarks (If any)
		Complied	Not complied	
1.	BOARD OF DIRECTORS (BOD):			
1.1	Board's Size [The total number of members of a Company's Board of Directors (herein after referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty)].	<input checked="" type="checkbox"/>		
1.2	Independent Directors:			
1.2(a)	At least one fifth (1/5) of the total number of Directors shall be Independent Directors	<input checked="" type="checkbox"/>		
1.2(b)	Independent Director means a director:			
1.2(b) (i)	Who either does not hold any share in the Company or holds not less than one percent (1%) shares of the total paid-up shares of the Company	<input checked="" type="checkbox"/>		
1.2(b) (ii)	Who is not a sponsor of the Company and is not connected with the Company's any sponsor or Director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the Company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the Company	<input checked="" type="checkbox"/>		
1.2(b) (iii)	Who has not been executive of the Company in immediately preceding 2 (two) financial years.	<input checked="" type="checkbox"/>		
1.2(b) (iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the Company or its subsidiary/associated companies	<input checked="" type="checkbox"/>		
1.2(b) (v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder director or officer of any stock exchange	<input checked="" type="checkbox"/>		
1.2(b) (vi)	Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market	<input checked="" type="checkbox"/>		
1.2(b) (vii)	Who is not a partner or executive or was not a partner or an executive during the preceding 3 (three) years of the concerned Company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this code	<input checked="" type="checkbox"/>		
1.2(b) (viii)	Who shall not independent director in more than 5 (Five) listed companies	<input checked="" type="checkbox"/>		
1.2(b) (ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or advance to a bank or Non-Bank Financial Institution (NBF)	<input checked="" type="checkbox"/>		
1.2(b) (x)	Who has not been convicted for a criminal offence involving moral turpitude	<input checked="" type="checkbox"/>		
1.2 (c)	Independent Director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM)	<input checked="" type="checkbox"/>		
1.2 (d)	The post of Independent director(s) cannot remain vacant for more than 90 (ninety) days	<input checked="" type="checkbox"/>		
1.2 (e)	The tenure of office of an Independent Director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only. Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e. six years]:	<input checked="" type="checkbox"/>		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
1.3	Qualification of Independent Director (ID)			
1.3(a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws regulatory requirements and corporate laws and can make meaningful contribution to business.	√		
1.3(b) 1.3(b)(i)	Independent director shall have following qualifications: Business Leader who is or was a promoter or director of an unlisted Company having minimum paid-up capital of Tk.100.00 million or any listed Company or a member of any national or international chamber of commerce or business association.	√		
1.3(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Chief Financial Officer or Head of Finance Or Accounts or Company Secretary or Head of internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted Company having minimum paid up capital of TK 100.00 million or of a listed Company.	√		
1.3(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, Who has at least educational background of bachelor degree in economics or commerce or business or Law.			N/A
1.3(b)(iv)	University teacher who has educational background in Economics or Commerce or Business Studies or Law.			N/A
1.3(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification.	√		
1.3(c)	The independent director shall have at least 10 (ten) years of experience in any filed mentioned in clause (b)	√		
1.3(d)	In special cases, the above qualification or experiences may be relaxed subject to prior approval of the Commission.			N/A
1.4	Duality of Chairperson of the Board of Directors and Managing Directors or Chief Executive Officer :-			
1.4(a)	The position of the Chairperson of the Board and the Managing Director (MD) and /or Chief Executive Officer (CEO) of the Company shall be filled by different individuals.	√		
1.4(b)	The managing Director (MD) and/or Chief Executive Officer (CEO) of a listed Company shall not hold the same position in another listed Company.	√		
1.4 (c)	The Chairperson of the Board shall be elected from among the non-executive directors of the Company.	√		
1.4 (d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and /or Chief Executive Officer.	√		
1.4 (e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Boards meeting the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			No Such Incident
1.5	The Directors' Report to Shareholders			
1.5(i)	Industry outlook & possible future development in the industry	√		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
1.5(ii)	Segment- wise or product- wise performance	√		
1.5(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any.	√		
1.5(iv)	A discussion on Cost of Goods sold, Gross Profit and Net Profit Margin and Net profit Margin, Where applicable	√		
1.5(v)	Discussion on continuity of any Extra-Ordinary activities and their implication (gain or loss)	√		
1.5(vi)	A detailed discussion on related party transactions alongwith a statement showing amount, nature of related party,nature of transactions and basis of transactions of all relatedparty transactions;	√		
1.5(vii)	A statement of utilization of proceeds raised through publicissues, rights issues and/or any other instruments;			N/A
1.5(viii)	An explanation if the financial results deteriorate after the Company goes for IPO, RPO, Rights offer, Direct listing etc.			N/A
1.5(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	√		
1.5(x)	A statement of Remuneration paid to directors including independent directors	√		
1.5(xi)	A statement that The financial statements present fairly its state of affairs, the result of its operations, cash flows and changes in equity	√		
1.5(xii)	Proper books of accounts have been maintained	√		
1.5(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment	√		
-1.5(xiv)	IAS/BAS/IFRS/BFRS, as applicable in Bangladesh, have been followed and adequate disclosure for any departure	√		
1.5(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored	√		
1.5(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress.	√		
1.5(xvii)	A statement that there is no significant doubt upon the issuer Company's ability to continue as a going concern, if the issuer Company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	√		
1.5(xviii)	An explanation that significant deviations from the last year's operating results of the issuer Company shall be highlighted and the reasons thereof shall be explained;	√		
1.5(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized.	√		
1.5(xx)	An explanation on the reasons if the issuer Company has not declared dividend (cash or stock) for the year			N/A
1.5(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend	√		
1.5(xxii)	The total number of Board meetings held during the year and attendance by each director	√		
1.5(xxiii)	Pattern of shareholding and name wise details (disclosing aggregate number of shares):			
1.5(xxiii) (a)	Parent/Subsidiary/Associated Companies and other related parties (Name wise details)	√		
1.5(xxiii) (b)	Directors, Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO), Head of Internal Audit (HIA) and their spouses and minor children (Name wise details)	√		

Condition No.	Title	Compliance Status (Put \checkmark in the appropriate column)		Remarks (If any)
		Complied	Not complied	
1.5(xxiii) (c)	Executives	\checkmark		
1.5(xxiii) (d)	Shareholders holding ten percent (10%) or more voting interest in the Company (Name wise details)	\checkmark		
1.5(xxiii)	Pattern of shareholding and name wise details (disclosing aggregate number of shares):			
1.5(xxiv)(a)	A brief resume of the Director	\checkmark		
1.5(xxiv)(b)	Nature of his /her expertise in specific functional areas	\checkmark		
1.5(xxiv)(c)	Name of companies in which the person also holds the directorship and the membership of committees of that Board.	\checkmark		
1.5(xxv)	Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the Company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
1.5(xxv)(a)	Accounting policies and estimation for preparation of financial statements	\checkmark		
1.5(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes	\checkmark		
1.5(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof	\checkmark		
1.5(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario	\checkmark		
1.5(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe	\checkmark		
1.5(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the Company	\checkmark		
1.5(xxv)(g)	Future plan or projection or forecast for Company's operation, performance and financial position, with justification thereof i.e., actual position shall be explained to the shareholders in the next AGM	\checkmark		
1.5(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A	\checkmark		
1.5(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C .	\checkmark		
1.6	Meetings of the Board of Directors			
1.7	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1.7(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the Company	\checkmark		
1.7(b)	The code of conduct as determined by the NRC shall be posted on the website of the Company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency	\checkmark		
2	Governance of Board of Directors of Subsidiary Company.			
2(a)	Provisions relating to the composition of the Board of the holding Company shall be made applicable to the composition of the Board of the subsidiary Company	\checkmark		
2(b)	At least 1 (one) independent director on the Board of the holding Company shall be a director on the Board of the subsidiary Company	\checkmark		
2(c)	The minutes of the Board meeting of the subsidiary Company shall be placed for review at the following Board meeting of the holding Company	\checkmark		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
2(d)	The minutes of the respective Board meeting of the holding Company shall state that they have reviewed the affairs of the subsidiary Company also.	√		
2(e)	The Audit Committee of the holding Company shall also review the financial statements, in particular the investments made by the subsidiary Company.	√		
3.	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS):			
3.1	Appointment			
3.1(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC)	√		
3.1(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals	√		
3.1(c)	The MD or CEO, CS, CFO and HIAC of a listed Company shall not hold any executive position in any other Company at the same time	√		
3.1(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS	√		
3.1(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s)	√		
3.2	Requirement to attend Board of Directors' Meetings	√		
3.3	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3.3(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief.	√		
3.3(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	√		
3.3(a)(ii)	These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws	√		
3.3(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the Company's Board or its members;	√		
3.3(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		
4	Board of Directors' Committee.			
4.i	Audit Committee	√		
4.ii	Nomination and Remuneration Committee.	√		
5	AUDIT COMMITTEE:			
5(i)	Responsibility to the Board of Directors	√		
5.1(a)	The Company shall have an Audit Committee as a sub-committee of the Board of Directors	√		
5.1(b)	The Audit Committee shall assist the BOD in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company and in ensuring a good monitoring system within the business	√		
5.1(c)	The Audit Committee shall responsible to the BOD. The duties of the Audit Committee shall be clearly set forth in writing	√		
5.2	Constitution of the Audit Committee			
5.2(a)	The Audit Committee shall be composed of at least 3 (three) members	√		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
5.2(b)	The BOD shall appoint members of the Audit Committee who shall be directors of the Company and shall include at least 1 (one) independent director.	✓		
5.2(c)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience	✓		
5.2(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee	✓		
5.2(e)	The Company Secretary shall act as the Secretary of the Audit Committee	✓		
5.2(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director	✓		
5.3	Chairperson of the Audit Committee			
5.3 (a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director	✓		
5.3 (b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes	✓		
5.3 (c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM):	✓		
5.4	Meeting of the Audit Committee			
5.4(a)	The Audit Committee shall conduct at least its four meetings in a financial year	✓		
5.4(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must	✓		
5.5	Role of Audit Committee			
5.5(a)	Oversee the financial reporting process	✓		
5.5(b)	Monitor choice of accounting policies and principles	✓		
5.5(c)	Monitor Internal Control Risk management process	✓		
5.5(d)	Oversee hiring and performance of external auditors	✓		
5.5(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		
5.5(f)	Review along with the management, the annual financial statements before submission to the Board for approval;	✓		
5.5(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	✓		
5.5(h)	Review the adequacy of internal audit function;	✓		
5.5(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		
5.5(j)	Review statement of all related party transactions submitted by the management;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
5.5(k)	Review Management Letters or Letter of Internal Control Weakness issued by statutory auditors.	✓		
5.5(L)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;	✓		
5.5(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:			N/A
5.6	Reporting of the Audit Committee	✓		
5.6(a)	Reporting to the Board of Directors	✓		
5.6 (a) (i)	The Audit Committee shall report on its activities to the Board	✓		
5.6 (a) (ii)	The Audit Committee shall immediately report to the Board on the following findings, if any			No Such Incident
5.6 (a) (ii)(a)	Report on conflicts of interests			N/A
5.6 (a) (ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements			N/A
5.6 (a) (ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations			No Such Incident
5.6 (a) (ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately			No Such Incident
5.6(b)	Reporting to the Authorities			No Such Incident
5.7	Reporting to the Shareholders and General Investors	✓		
6	Nomination and Remuneration Committee (NRC).			
6.a	Responsibility to the Board of Directors	✓		
6.1(a)	The Company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board	✓		
6.1(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive	✓		
6.1(c)	The Terms of Reference (TOR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).	✓		
6.2	Constitution of the NRC	✓		
6.2(a)	The Committee shall comprise of at least three members including an independent director	✓		
6.2(b)	All members of the Committee shall be non-executive directors	✓		
6.2(c)	Members of the Committee shall be nominated and appointed by the Board	✓		
6.2(d)	The Board shall have authority to remove and appoint any member of the Committee	✓		
6.2(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee	✓		N/A
6.2(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee			N/A

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
6.2(g)	The Company Secretary shall act as the secretary of the Committee	✓		
6.2(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director	✓		
6.2(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the Company			N/A
6.3	Chairperson of the NRC			
6.3(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director	✓		
6.3(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes			No Such Incident
6.3(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders:	✓		
6.4	Meeting of the NRC			
6.4(a)	The NRC shall conduct at least one meeting in a financial year	✓		
6.4(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC			N/A
6.4(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required undercondition No. 6(2)(h)	✓		
6.4(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC	✓		
6.5	Role of the NRC			
6.5(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders	✓		
6.5(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:	✓		
6.5(b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following	✓		
6.5(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the Company successfully	✓		
6.5(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks	✓		
6.5(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals	✓		
6.5(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality	✓		
6.5(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
6.5(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board	✓		
6.5(b)(v)	Identifying the Company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria	✓		
6.5(b)(vi)	Developing, recommending and reviewing annually the Company's human resources and training policies	✓		
6.5(c)	The Company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report	✓		
7.	EXTERNAL / STATUTORY AUDITORS:			
7.1	The issuer Company shall not engage its external or statutory auditors to perform the following services of the Company, namely	✓		
7.1(i)	Appraisal or valuation services or fairness opinions	✓		
7.1(ii)	Financial information systems design and implementation	✓		
7.1(iii)	Book-keeping or other services related to the accounting records or financial statements	✓		
7.1(iv)	Broker-dealer services	✓		
7.1(v)	Actuarial services	✓		
7.1(vi)	Internal audit services or special audit services	✓		
7.1(vii)	Any service that the Audit Committee determines	✓		
7.1(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1)	✓		
7.1(ix)	Any other service that creates conflict of interest	✓		
7.2	No partner or employees of the external audit firms shall possess any share of the Company they audit at least during the tenure of their audit assignment of that Company; his or her family members also shall not hold any shares in the said Company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members	✓		
7.3	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders	✓		
8.	Maintaining a website by the Company			
8.1	The Company shall have an official website linked with the website of the stock exchange	✓		
8.2	The Company shall keep the website functional from the date of listing	✓		
8.3	The Company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	✓		
9.	REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE:			
9.1	The Company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	✓		
9.2	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	✓		
9.3	The directors of the Company shall state, in accordance with the Annexure-C attached, in the directors' report whether the Company has complied with these conditions or not.	✓		

Audit Committee

The Audit Committee of Navana CNG Limited is a sub-committee of the Board of Directors. In compliance with the BSEC Notification the Board appointed 3(three) members of the Audit Committee among them 2 (two)are Independent Directors.

The Audit Committee shall assist the Board to ensure that the financial statements reflect true and fair view of the state of affairs of the Company and to ensure a good monitoring system within the business and they shall be responsible to the Board.

Members of the Audit Committee :

Mr. M. Obaidur Rahman FCA : Chairman
Mr. Saiful Islam, Director : Member
Mr. Syed Masud Hasan : Member

The Audit committee met four times during the Financial Year ended 30 June 2019. The Company Secretary acts as the secretary of the Committee.

Role of Audit Committee

Role of audit committee shall include the following :

- Oversee the financial reporting process.
- Monitor choice of accounting policies and principles.
- Monitor internal control risk management` .
- Performance of external auditors.
- Review alongwith the management, the annual financial statements before submission to the Board for approval.
- Review the adequacy of internal audit function etc.
- Review the quarterly and annual audited financial statements.
- Review statement of significant related party transaction submitted by the management.
- Audit committee shall submit their recommendation to the Board regarding the change or addition of any accounting principle if they think necessary.
- Audit committee will examine the implementation / existence of practice of the acts, rules and regulations imposed by the regulatory authorities and other organization and also adopted by the Board of Directors of the Company on regular basis.

Audit Committee Report to the Board

26 October 2019

The Board of Directors
Navana CNG Limited

Audit Committee Report

The Committee reviewed and discussed the procedure and task of the internal audit, financial report preparation and the external auditors' observations in their reports on the consolidated financial statements for the year ended 30 June 2019. The Committee found adequate arrangement to present a true and fair view of the financial statements of the Company and did not find any material deviation, discrepancies or any adverse finding/observation in the areas of reporting.

The Committee also reviewed the financial statements of 'Navana Engineering Limited', Navana Welding Electrode Limited and Navana LPG Limited subsidiary Companies of Navana CNG Limited for the year ended 30 June 2019 and also found adequate arrangement to present a true and fair view of the financial statements of the Companies.



(M. Obaidur Rahman FCA)

Chairman
Audit Committee

Nomination and Remuneration Committee(NRC)

The Board of Directors of Navana CNG Limited has duly constituted a Nomination and Remuneration Committee (NRC) as per Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC). The Committee consists of three members including an Independent Director. Independent Director is the Chairman of the Nomination and Remuneration Committee.

The Nomination and Remuneration committee (NRC) is the sub-committee of the Board. The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive. Nomination and Remuneration policy has been approved by the Board of Directors of Navana CNG Limited.

The Nomination and Remuneration Committee consists of the following members:

1. Mr. M. Obaidur Rahman FCA - Chairman
2. Mr. Saiful Islam - Member
3. Mr. Syed Masud Hasan - Member
4. Mr. Mohammad Fakrul Islam FCA - Secretary

Role of the NRC:

NRC shall be independent and responsible to the Board and to the shareholders of the company. NRC shall oversee and formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:

- (i) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;
- (ii) the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- (iii) remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
- (iv) devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;
- (v) identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;
- (vi) formulating the criteria for evaluation of performance of independent directors and the Board;
- (vii) identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; developing, recommending and reviewing annually the company's human resources and training policies and any other services that the Board of Directors determines time to time.

Glimpses of 14th Annual General Meeting



Product of Navana Engineering Limited



Plant of Navana LPG Limited



Independent Auditors' Report

To

The Shareholders of Navana CNG Limited and Its Subsidiaries

Report on the Audit of the Financial Statements:

Opinion

We have audited the consolidated financial statements of Navana CNG Limited and Its Subsidiaries which comprise the consolidated statement of financial position as at 30 June 2019, 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.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, of the consolidated financial position of the Navana CNG Limited and Its Subsidiaries as at 30 June 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and other applicable rules and regulation.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (IASs). Our responsibilities under those standards are further described in the auditors' 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 ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for audit opinion.

Matter of Emphasis

The company has not been applied IFRS 9 "financial Instrument" though this IFRS is applicable for the company.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements for the year ended 30 June 2019. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the basis for opinion section, each matter mentioned below our description of how our audit addressed the matter is provided in the context.

Key Audit Matter	How our audit addressed the key audit matters
<p>Revenue The company has reported a revenue of Taka 5,886,618,716 for the year ended 30 June 2019.</p> <p>Refer to note no. 18 of the financial statements.</p> <p>Revenue recognition has significant and wide influence on financial statements. Revenue is recognised when the amounts and the related costs are reliably measured,</p> <p>Revenue continued: and the performance obligation is complete through passing of control to the customers. Revenue from the sale of goods is recognised at the time when the goods are dispatched for delivery to the distributor. The sales of the</p>	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> • We understood, evaluated and validated the key controls related to the Company's sales process from end to end, from contracts approval and signoff, recording of sales, all the way through to cash receipts and customers' outstanding balances. • 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. <p>We conducted substantive testing of revenue recorded over the year using sampling techniques, by examining the relevant supporting documents including sales invoices and truck challans. In addition, we confirmed customer balances at the statement of financial position date</p>

Key Audit Matter	How our audit addressed the key audit matters
<p>Company are derived from a large number of distributors located over the country with relatively small amount of transactions. As a result, to obtain sufficient audit evidence, high magnitude of audit work and resource are required.</p> <p>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.</p> <p>We focused on the proper cut-off of sales to the Company's customers due to the fact that the documents of confirmation of dispatch of goods were provided by numerous transporting agencies based on different locations. There is a risk of differences between the timing of invoicing of products and the dispatch of the products to the company distributors. Accordingly, there could be potential misstatements that these revenue transactions are not recognised in the proper reporting periods.</p>	<ul style="list-style-type: none"> We conducted substantive testing of revenue recorded over the year using sampling techniques, by examining the relevant supporting documents including sales invoices and truck challans. In addition, we confirmed customer balances at the statement of financial position date. Furthermore, we tested the sales transactions recognised shortly before and after the statement of financial position date, including the sales returns recorded after that date, to test whether sales transactions were recorded in the correct reporting periods.
<p>Inventories As of the reporting date the company reports Stock and Stores amounting to Taka 1,976,321,837</p> <p>Refer to note no. 08 to the Financial Statements</p> <p>Inventory is carried in the statement of financial position at the lower of cost and net realisable value. Sales in the manufacturing industry can be extremely volatile based on significant changes in consumer demand. As a result, there is a risk that the carrying value of inventory exceeds its net realisable value.</p> <p>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.</p>	<p>Our audit procedures were designed to challenge the adequacy of the Company's provisions against inventory included:</p> <ul style="list-style-type: none"> Corroborating on a sample basis that items on the stock ageing by items were classified in the appropriate ageing bracket; Assessing the appropriateness of the provision percentages applied to each item and challenged the assumptions made by the management on the extent to which old inventory can be sold through various channels; Considering the historical accuracy of provisioning and using the information obtained as evidence for evaluating the appropriateness of the assumptions made in the current period; and We have also considered the adequacy of the Company's disclosures in respect of the levels of provisions against inventory.
<p>Current Tax provisioning Current Tax provision amounting Taka 70,971,861 Refer to note no. 23.01 to the Financial Statements</p> <p>At year end the company reported total income tax expense (Current tax) of BDT 70,971,861. The calculation of the tax expense is a complex process that involves subjective judgments and uncertainties and require specific knowledge and competencies.</p>	<p>Our audit procedure in this area included ,among others :</p> <p>Use of our own tax specialist to assess the company's tax computation. Our tax specialist were also taking into account the company's tax position and our knowledge and experience of the application of relevant tax legislation.</p> <p>To analysis and challenge the assumption used to determine tax provision based on our knowledge and experience of the application of the local legislation.</p>

Key Audit Matter	How our audit addressed the key audit matters
We have determined this to be a key audit matter , due to the complexity in income tax provisioning.	Evaluating the adequacy of the financial statement disclosure ,including disclosure of key assumption judgments and sensitive related to tax.
<p>Measurement of deferred tax Asset Company reported net deferred tax asset totaling Taka 8,288,021 as at 30 June 2019 . significant judgments is required in relation to deferred tax liability as their liability is dependent on forecast of future probability over a number of years .</p>	<p>we obtained and understanding ,evaluated the design and tested the operational effectiveness of the company's key controls over the recognition and measurement of Deferred Tax Asset/liability and taxable income/expense of the company.</p> <p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable expenses/income.</p> <p>we evaluated the reasonableness of key assumption, timing of reversal of temporary difference and expiration of tax loss carry forwards ,recognition and measurement of deferred tax liability/asset .</p> <p>We assessed the adequacy of the company's disclosures setting out the basis of deferred tax liability/asset balances and the level of estimation involved.</p> <p>we also assessed in evaluating the tax implications , the reasonableness of estimate and calculations determined by the management .</p>

Other Matter

The financial statements of Navana CNG Limited and Its Subsidiaries for the year ended 30 June 2018 was audited by another auditor and give fair opinion.

The financial statements of Navana Engineering Limited & Navana Welding Electrode Limited and Navana LPG Limited subsidiary companies of Navana CNG Limited for the year ended 30 June 2019 was audited by another auditor and give fair opinion.

Going Concern

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

Other Information

Management is responsible for other information. The other information comprises all of the information in the Annual report other than the financial statements and our auditors' report thereon. The directors are responsible for those other information. 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 these other information and we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to communicate the matter to those charged with governance.

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 the financial statements in accordance with International Financial Reporting Standards and other applicable rules 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.

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 no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements:

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 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 material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's 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.
- Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, Supervision and performance of the company audit. We remain solely responsible for our audit opinion.

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 auditor's 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.

Report on other Legal and Regulatory Requirements:

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, we also report the following:

- (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; and
- (c) the company's consolidated financial statements dealt with by the report are in agreement with the books of account.
- (d) the expenditure incurred was for the purpose of company's business for the year.

Dated: Dhaka
26 October 2019


ATA KHAN & CO.
Chartered Accountants

Navana CNG Limited and its subsidiaries

Consolidated Statement of Financial Position

As at June 30, 2019

	Notes	Amount in Taka	
		June 30, 2019	June 30, 2018
Assets			
Non-current assets			
Property, plant & equipment	3	6,696,346,320	5,613,262,035
Intangible Assets	4	17,936,289	19,189,021
Capital Work-in-progress	5	1,269,113,876	1,607,886,756
Long-term security deposit	6	47,556,185	48,768,392
Deferred tax assets		8,288,021	-
Investment in shares	7	3,589,283	20,366,498
Total Non-current assets		8,042,829,974	7,309,472,702
Current assets			
Inventories	8	1,976,321,837	1,905,049,152
Accounts receivable	9	720,883,777	427,735,605
Others Receivable		194,883,822	196,948,207
Advance against land		15,000,000	15,000,000
Advances, deposits & pre-payments	10	864,051,799	664,254,803
Cash & bank balances	11	235,022,470	233,614,168
Total Current assets		4,006,163,705	3,442,601,935
Total assets		12,048,993,679	10,752,074,637
Equity and liabilities			
Capital and reserves			
Share capital	12	685,285,920	685,285,920
Tax holiday reserve		216,004,824	216,004,824
Fair Value Reserve		2,662,147	7,479,640
Retained earnings	13	1,519,706,890	1,513,465,471
Equity attributable to owners of Company		2,423,659,781	2,422,235,855
Non-controlling interest		(5,086)	(2,945)
Total equity		2,423,654,695	2,422,232,910
Non-current liabilities			
Deferred tax liabilities		-	108,057,251
Security Retention Money		1,049,160,084	708,350,882
Loan from Others		50,000,000	50,000,000
Long Term Loan- Net of current portion	14	4,464,259,337	4,033,196,192
Total Non-current liabilities		5,563,419,421	4,899,604,325
Current liabilities			
Long Term Loan- Current portion	14	829,125,800	605,810,654
Short-term loans	15	2,076,782,742	1,913,968,660
Provision for income tax	16	219,808,563	170,953,073
Current account with Group Companies		643,953,907	396,905,842
Payables and accruals	17	292,248,551	342,599,173
Total Current liabilities		4,061,919,563	3,430,237,402
Total liabilities		9,625,338,984	8,329,841,727
Total equity and liabilities		12,048,993,679	10,752,074,637
Net assets value per share	25	35.37	35.35

The annexed notes 1 to 28 & annexure-A & B form an integral part of these financial statements.


Chairman


Chief Executive Officer


Director


Company Secretary


Chief Financial Officer

Signed in term of our separate report of even date

Dated: Dhaka
October 26, 2019


ATA KHAN & CO.
Chartered Accountants

Navana CNG Limited and its subsidiaries
Consolidated Statement of Profit or loss and other comprehensive Income
For the year ended June 30, 2019

	Notes	Amount in Taka	
		2018 - 2019	2017 - 2018
Revenues	18	5,886,618,716	4,045,370,113
Less: Cost of sales	19	4,592,915,543	3,009,141,464
Gross profit		1,293,703,173	1,036,228,649
Less: Administrative & selling expenses	20	630,342,969	485,103,764
Less: Interest expenses	21	624,214,982	269,621,157
Operating profit		39,145,222	281,503,728
Add: Other income	22	14,529,326	4,988,363
Less: Foreign exchange loss		506,643	278,792
Profit before contribution to WPPF		53,167,905	286,213,299
Less: Contribution to WPPF		9,532,404	18,304,914
Net profit before tax		43,635,501	267,908,385
Less: Income tax expenses	23	(44,838,087)	88,419,372
Current tax	23.01	70,971,861	83,352,901
Deferred tax	23.02	(115,809,947)	5,066,471
Net profit after tax		88,473,588	179,489,013
Revaluation Gain/Loss on investment in share		(1,552,044)	(1,418,014)
Less : Deferred tax adjustment		155,204	141,801
		(1,396,840)	(1,276,213)
Total comprehensive income for the year		87,076,748	178,212,800
Profit attributable to:			
Equity holders of the Company		87,078,889	178,216,073
Non-controlling interests		(2,141)	(3,273)
		87,076,748	178,212,800
Number of shares		68,528,592	68,528,592
Earnings per share	24	1.29	2.62

The annexed notes 1 to 28 & annexure-A & B form an integral part of these financial statements.



Chairman



Chief Executive Officer



Director



Company Secretary



Chief Financial Officer

Signed in term of our separate report of even date



ATA KHAN & CO.
Chartered Accountants

Dated: Dhaka
October 26, 2019

Navana CNG Limited and its subsidiaries

Consolidated Statement of Changes in Equity
For the year ended June 30, 2019

Particulars	Share capital	Tax holiday Reserve	Fair value Reserve	Retained Earnings	Attributable to owners of the Company	Non-Controlling interests	Total
Balance at July 01, 2017	685,285,920	216,004,824	7,881,150	1,593,966,136	2,303,138,030	328	2,303,138,358
Transferred from retained earnings	-	-	874,703	(874,703)	-	-	-
Transfer from other Comprehensive Income	-	-	(1,276,213)	-	(1,276,213)	-	(1,276,213)
Net profit for the year	-	-	-	179,492,286	179,492,286	(3,273)	179,489,013
Dividend	-	-	-	(59,118,248)	(59,118,248)	-	(59,118,248)
Balance at June 30, 2018	685,285,920	216,004,824	7,479,640	1,513,465,471	2,422,235,855	(2,945)	2,422,232,910
Balance at July 01, 2018	685,285,920	216,004,824	7,479,640	1,513,465,471	2,422,235,855	(2,945)	2,422,232,910
Adjustment for sale of Marketable securities	-	-	(3,420,653)	-	(3,420,653)	-	(3,420,653)
Fair Value Reserve	-	-	(1,396,840)	-	(1,396,840)	-	(1,396,840)
Net profit for the year	-	-	-	88,475,729	88,475,729	(2,141)	88,473,588
Dividend	-	-	-	(82,234,310)	(82,234,310)	-	(82,234,310)
Balance at June 30, 2019	685,285,920	216,004,824	2,662,147	1,519,706,890	2,423,659,781	(5,086)	2,423,654,695


Chairman


Chief Executive Officer


Director


Company Secretary


Chief Financial Officer

Dated: Dhaka
October 26, 2019

Navana CNG Limited and its subsidiaries

Consolidated Statement of Cash Flows
For the year ended June 30, 2019

	Notes	Amount in Taka	
		2018-2019	2017-2018
Cash flows from operating activities			
Receipts from customers		5,593,470,544	3,948,752,024
Receipts of other income		5,841,972	4,988,363
Foreign exchange loss		(506,643)	-
Payments for materials, services and expenses		(4,895,669,999)	(3,769,138,434)
Cash generated from operations		703,135,874	184,601,953
Income tax paid		(126,549,948)	(124,388,027)
Net cash generated by operating activities	27	576,585,926	60,213,926
Cash flows from investing activities			
Acquisition of property, plant and equipment		(517,086,526)	(706,977,040)
Acquisition of intangible assets		(707,500)	-
Capital Work-in-progress		(726,726,042)	(1,575,958,974)
Proceeds from sale of share		14,119,029	-
Advance for LC margin		(76,886,001)	(109,850,636)
Security deposit to LP Gas Ltd		1,200,000	-
Other Receivables		2,064,383	533,894
Long-term security deposits		1,212,207	(748,028)
Sale proceed of assets		15,114,909	-
Net cash used in investing activities		(1,287,695,541)	(2,393,000,784)
Cash flows from financing activities			
Received from group companies		247,048,065	(100,587,448)
Bank Interest paid		(624,214,982)	(269,621,157)
Loan received from others		-	50,000,000
Short term loan		162,814,082	510,261,947
Received from others receivable		-	43,697,408
Security Retention money		340,809,202	622,373,431
Dividend paid		(68,316,741)	(49,817,006)
Long Term Loan		654,378,291	1,438,257,805
Net cash Provided in financing activities		712,517,917	2,244,564,980
Net changes in cash and cash equivalents		1,408,302	(88,221,878)
Cash and cash equivalents at the beginning of the year		233,614,168	321,836,046
Cash and cash equivalents at the end of the year		235,022,470	233,614,168
Net operating cash flows per share	26	8.41	0.88



Chairman



Chief Executive Officer



Director



Company Secretary



Chief Financial Officer

Signed in term of our separate report of even date

Dated: Dhaka
October 26, 2019

Navana CNG Limited and its subsidiaries

Consolidated Notes to the financial statements
For the Year ended June 30, 2019

1. Corporate information

1.1 Reporting entity

Navana CNG Limited (the Company) was incorporated in Bangladesh as private company on April 19, 2004 vide registration no. C52512(2807)/2004 and converted into a public company on March 08, 2009. The registered office and principal place of business of Navana CNG Limited is located at 125/A Motijheel C/A, Islam Chamber (4th floor), Dhaka-1000

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

1.2 Subsidiaries

Navana Engineering Limited

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

The principal activities of the Company is to manufacture polymer, plastic, PVC, Poly Ethylene, pipes, tubes, conduits, fittings for house hold, industrial and commercial use. The company started its commercial operation from March 01, 2011.

Navana Welding Electrode Limited

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

The principal activities of the Company is to produce welding electrode rod, welding and cutting equipment, cutting rod, welding and cutting consumables etc. The company started its commercial operation from January 01, 2013.

Navana LPG Limited

Navana LPG Limited is a private Limited company which is incorporated Vide # C-125694 dated September 13, 2015 with registrar of Join Stocks Companies & Firms, Dhaka, Bangladesh under the Companies Act 1994, as a subsidiary with 99.99% share owned by Navana LPG Limited. The company started its commercial production in November 2017. The main objective is to carry on the business of import, export, indenting and marketing of all types of gases also LPG, LNG, LPG, Propone, Oxygen, nitrogen, acetylene, nitrous, Oxide, Medical and commercial Oxygen and other allied gases. The register office is situated at 214/D Tejgaon I/A, Dhaka, Bangladesh.

2. Significant accounting policies and basis of preparation of the financial statements

2.1 Corporate financial statements and reporting

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

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

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

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

2.2 Reporting period

The period of the financial statements covers from July 01, 2018 to June 30, 2019.

2.3 Functional and presentational (reporting) currency

The financial statements are prepared and presented in Bangladesh Currency (Taka), which is the Company's functional currency.

2.4 Basis of consolidation

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

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation. The consolidated financial statements comprise consolidated statement of financial position, consolidated statement of comprehensive income, consolidated statement of cash flows, consolidated statement of changes in equity and consolidated notes and explanatory materials covering accounting policies.

2.5 Principal accounting policies

The specific accounting policies selected and applied by the Company's directors for significant transactions and events that have material effect within the framework of IAS-1 "Presentation of Financial Statements", in preparation and presentation of financial statements have been consistently applied throughout the year and were also consistent with those used in earlier years.

For a proper understanding of the financial statements, these accounting policies are set out below in one place as prescribed by the IAS-1 "Presentation of Financial Statements". The recommendations of IAS-1 relating the format of financial statements were also taken into full consideration for fair presentation.

2.6 Significant accounting estimates and judgments

Estimates, assumptions concerning the future and judgments are made in the preparation of the financial statements. They affect the application of the Company's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key assumptions concerning the future and other key sources of estimation or uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Income taxes

The Company has exposure to income taxes in Bangladesh. Significant judgment is involved in determining the Company-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for expected tax issues based on estimates of additional taxes that might be due. Where the final tax outcome of these matters is different from the amounts that were initially recognized, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The Company has enjoyed tax holiday up to April 2009 and accordingly necessary provisions has been made for Tax holiday period.

(ii) Depreciation of machinery and equipment

The costs of machinery and equipment for the manufacturing activities are depreciated on a written down value basis over the useful lives of the machinery. Management estimates the useful lives of the plant and equipment. These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

2.7 Regulatory and legal compliance

The Company complied with requirement of the following regulatory and legal authorities:

The Companies Act, 1994;

The Securities and Exchange Rules, 1987;

The Securities and Exchange Ordinance, 1969;

The Income Tax Ordinance, 1984;

The Value Added Tax Act, 1991; and

The rules and regulations of Dhaka Stock Exchange Ltd., Chittagong Stock Exchange Ltd., and Central Depository Ltd.

2.8 Foreign currency

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the date of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

2.9 Financial assets

Financial assets are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. Financial assets are recognized on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. When financial assets are recognized initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs. The Company determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

A financial asset is derecognized where the contractual rights to receive cash flows from the asset have expired. On de-recognition of a financial asset, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognized directly in equity is recognized in the income statement.

All Purchases and sales of financial assets are recognized or derecognized on the trade date, i.e. the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concern.

2.10 Impairment of financial assets

The Company assesses at each date of statement of financial position whether there is any objective evidence that a financial asset or the group of financial assets is impaired.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset. To determine whether there is objective evidence that an impairment loss on financial assets has been incurred; the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortized cost at the reversal date. The amount of reversal is recognized in the income statement.

2.11 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment assessment for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations are recognized in the income statement as 'impairment losses'.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses recognized for an asset other than goodwill may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Reversal of an impairment loss is recognized in the income statement. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

2.12 Revenue recognition

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

(a) Petrol and diesel vehicle conversion services

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

(b) Sale of CNG

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

(c) Dividend

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

(d) Other revenues

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

2.13 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Land has an unlimited useful life and therefore is not depreciated. Depreciation of an asset is computed on a reducing balance method over the estimated useful life of the asset as follows:

Items	Rate of depreciation
Land and land development	Nil
Buildings & Shed	10%
Plant and machinery	10%
Cylinder	10%
Tools & Equipment	10%
Furniture & Fixtures	10%
Electrical equipment	10%
Office equipment	10%
Vehicles	10%

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

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arises on de-recognition of the asset is included in the income statement in the year the asset is derecognized.

2.14 Inventories

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

Raw materials: purchase costs on a weighted average basis;

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

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Provision is made if necessary, for obsolete and slow-moving item.

2.15 Cash and cash equivalents

Cash in hand and cash at banks have been considered as cash and cash equivalents for the preparation of these financial statements, which were held and available for use by Company without any restriction and there was insignificant risk of changes in value of the same.

2.16 Income taxes

(i) Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the date of statement of financial position.

(ii) Deferred tax

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

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

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

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

(iii) Value added tax

Revenues, expenses and assets are recognized net of the amount of Value Added Tax except:

Where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

Receivables and payables that are stated with the amount of value added tax included.

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.17 Provisions

Provisions are recognized when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

2.18 Financial liabilities

Financial liabilities are recognized on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. Financial liabilities are recognized initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs. Subsequent to initial recognition, all financial liabilities are measured at amortized cost using the effective interest method, except for derivatives, which are measured at fair value.

A financial liability is derecognized when the obligation under the liability is extinguished. For financial liabilities other than derivatives, gains and losses are recognized in the income statement when the liabilities are derecognized or impaired, and through the amortization process. Any gains or losses arising from changes in fair value of derivatives are recognized in the income statement. Net gains or losses on derivatives include exchange differences.

2.19 Borrowing costs

In compliance with the requirements of IAS 23 “Borrowing Costs” borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Borrowing costs are recognized as expenses in the period in which they incurred and capitalized the same that incurred before commencement of commercial operation.

2.20 Leases

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

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

2.21 Employees’ benefits

Employee leave entitlement

Employee entitlements to annual leave are recognized as a liability when they accrue to employees. The estimated liability for leave is recognized for services rendered by employees up to the date of statement of financial position.

Termination benefits

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

Workers Profit Participation Fund

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

2.22 Related Party Disclosure

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

Sl	Name of related Party	Relationship	Nature of Transaction	Outstanding Receivable / (Payable)
01	Loan from Chairman	Director	Interest free loan	(325,117,526)
02	Aftab Automobiles Limited	Alliance Companies	Interest free loan	(28,000,230)
03	Navana Limited	Alliance Companies	Interest free loan	(299,499,677)
04	Navana Construction	Alliance Companies	Interest free loan	(38,884,000)
05	Navana Furniture Ltd.	Alliance Companies	Interest free loan	5,000,000
06	Navana Electronics Ltd.	Alliance Companies	Interest free loan	10,000,000
07	Navana Real estate Limited	Alliance Companies	Interest free Loan	(292,570,000)
08	Board meeting fee	Director	Fee	784,000

2.23 Contingencies

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

2.24 Earnings per share

Basic earnings per share

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

Diluted earnings per share

No diluted earnings per share are required to be calculated for the year as there was no scope for dilution during the year under review.

2.25 Events after the reporting period

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

2.26 Comparative figure

Comparative information has been disclosed in respect of the year June 30, 2018 for all numerical data in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current year's financial statements presentation.

2.27 Reclassification

As per the decision made by Board of directorsthe subordinate capital is reclassified as dues to Director.

2.28 General

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

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

2.29 Corporate Accounting Standards Practiced

The following IASs are applicable to the financial statements for the year under review:

- IAS 1 Presentation of Financial Statements
- IAS 2 Inventories
- IAS 7 Statement of Cash Flows
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- IAS 10 Events after the Reporting Period
- IAS 12 Income Taxes
- IAS 16 Property, Plant And Equipment
- IAS 19 Employee Benefits
- IAS 21 The Effects of Changes in Foreign Exchange Rates
- IAS 23 Borrowing Costs
- IAS 24 Related Party Disclosures
- IAS 32 Financial Instruments: Presentation
- IAS 33 Earnings Per Share
- IAS 34 Interim Financial Reporting
- IAS 36 Impairment of Assets
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets
- IAS 39 Financial Instruments: Recognition and Measurement
- IFRS 1 International Financial Reporting Standards
- IFRS 7 Financial Instruments: Disclosures
- IFRS 8 Operating Segments
- IFRS 15 Revenue from Contracts with Customers
- IFRS 10 Consolidated Financial Statements

Navana CNG Limited and its subsidiaries

Notes to the financial statements

	Amount in Taka	
	June 30, 2019	June 30, 2018
3 Consolidated Property, plant and equipment, net		
Land and land develop.	1,119,098,289	1,119,098,289
Building & Shed	1,058,825,286	1,095,540,763
Plant & Machinery	2,119,209,036	1,837,081,311
Cylinder	2,090,242,614	1,273,872,391
Tools & equipment	115,476,170	111,999,529
Furniture & fixtures	16,983,734	17,986,757
Electrical equipment	20,349,972	22,195,233
Office equipment	5,629,296	5,813,214
Vehicles	150,531,923	129,674,548
	6,696,346,320	5,613,262,035
*An elaborate schedule of PPE are shown in annexure -A.		
4 Intangible Assets		
Software Syatem	17,936,289	19,189,021
	17,936,289	19,189,021
*An elaborate schedule of PPE are shown in annexure -B.		
5 Capital work in progress		
Opening Balance	1,607,886,756	3,455,262,078
Add: Addition during the year	726,726,042	1,575,958,974
	2,334,612,798	5,031,221,052
Less: Transfer to Property, plant and equipment	1,065,498,922	3,423,334,296
Closing Balance	1,269,113,876	1,607,886,756
Capital Work in progress represents land and land development , civil construction, plant and mechineries etc for LPG project and land and land development, civil construction, Plant and mechineries etc for BMRE project of Navana Engineering Ltd. Baligoan at Kalligonj.		
6 Long-term security deposit		
PDBF	5,056	5,056
Titas Gas T&D Co., Ltd.	27,943,610	31,441,963
Pashchimanchal Gas Co.	2,650,741	2,650,741
Dhaka Electricity Supply Co., Ltd.(DESCO)	148,752	150,000
Dhaka Electricity Supply Authority (DESA)	270,000	270,000
Jalalabad Gas Co., Ltd.	1,299,297	1,299,297
Dhaka Palli Budyut Samity(PBS- 1)	658,444	257,120
Delta life Insurance Co., Ltd	10,000	10,000
Roads & Highway	190,350	190,350
North South University	16,143	16,143
Uttara Bank Limited	-	39,130
Standard Bank Ltd.	745,038	745,038
Bangladesh Telecommu	10,000	10,000
UCEP	338,000	338,000

	Amount in Taka	
	June 30, 2019	June 30, 2018
Dhaka Metropolitan Police	147,331	147,331
Mobile Com	22,000	22,000
Road Cutting	37,106	37,106
PDB	1,104,225	311,025
DPDC Limited	240,000	-
Narayangonj Palli Bidut samity-02	500,000	-
Cox's Bazar Polly Biddut samity	392,000	-
Polli-Bidyut Somity-Bagerhat	5,028,094	5,028,094
Mongla port authority	5,399,998	5,399,998
Desco- Nikunja	400,000	400,000
	47,556,185	48,768,392

7 Consolidated Investment in shares

Particulars	Number of shares held	Market value as on 30/06/19	Market value as on 30/06/18
Lafarge Surma Cement Ltd.	21,000	833,700	1,184,400
Aftab Automobiles Ltd.	119,834	2,755,583	6,315,252
National Bank Ltd.	10,714	-	141,100
Square	33,840	-	10,662,392
Titas Gas	38,105	-	1,524,200
Jamuna Oil	1,540	-	286,594
Padma Oil	1,100	-	252,560
Total	226,133	3,589,283	20,366,498

The above Investment in Marketable Securities that are designated as available for sale by the management. These are measured at fair Value and presented as non-current asset and unrealized gain/ (loss) from the above investment are recognized as other comprehensive income.

8 Consolidated Inventories

Raw materials	722,223,142	907,428,392
Work in process	68,186,804	45,563,140
Finished Goods	1,044,022,816	774,154,583
Spare Parts	3,334,765	1,163,309
Fuel	374,016	307,589
Stock in transit	138,180,294	176,432,139
	1,976,321,837	1,905,049,152

09 Consolidated Accounts receivable

Tejgaon CNG Conversion Center	9,165,836	11,918,777
Kallyanpur CNG Conversion Center	5,669,139	3,992,256

	Amount in Taka	
	June 30, 2019	June 30, 2018
Dipnagar Diesel Conversion Center	10,680,099	7,572,692
Chittagong CNG Conversion Center	2,057,717	2,193,089
Sylhet CNG Conversion Center	3,193,643	3,167,089
Cylinder Testing Unit	905,180	483,546
Enginerring Workshop	-	759,701
Kalurghat CNG Conversion Center	848,061	1,349,074
Kalurghat CRT	147,913	169,136
Uttara CNG Conversion Center	1,839,053	1,604,708
Bogra CNG Conversion Center	240,638	240,638
Palton CNG Conversion Center	1,875,012	1,025,329
Auto repair & services- Kally-Dhaka	19,285,616	18,895,615
Auto repair & services- Kalurghat-CTG	897,942	1,428,349
Denso CNG Station	6,812,850	6,059,399
Binimoy CNG Station	11,254,050	11,212,591
Sylhet CNG Station	699,999	690,413
Sylhet CNG Station-2	26,344	31,162
Station Technical Department Sylhet	2,143,997	1,058,979
Station Technical Department CTG	11,574,738	12,759,978
Station Technical Department Dhaka	41,263,485	35,343,836
Station Maintance Department -CTG	(161,198)	52,992
PRS Departmrnt	1,584,265	10,500,804
Engineering service department	566,105	549,505
Baipail CNG Station	1,300,846	861,867
Bogra CNG Station	7,357	41,991
Leguna CNG Station	23,176	34,911
Sitakundu CNG Station	106,261	319,956
S.H. Khan CNG Station	-	84,158
B.O.C CNG Station	16,686	17,621
Kwality CNG Station	315,667	584,008
Abdullah CNG Station	-	(104,608)
Bhoirab CNG Station	38,855	116,916
Elenga Station CNG Station	259,248	400,182
United CNG Station	8,684	10,365
Jogajog CNG Station	899,965	1,653,573
Sonarbangla CNG Station	5,675,839	4,954,901
Cox's Bazar station	5,259	-
Chokoria Station	2,605	-
Mymensing Zone	42,587,031	7,980,984
Chittagonj Zone	24,826,212	22,167,419
Khulna Zone	27,848,194	9,400,922
Gazipur Zone	20,334,302	12,357,897
Sylhet Zone	20,025,803	9,031,768
Dhaka Zone	35,088,095	22,205,246
HDPE	37,891,740	61,848,851
PPR	14,789,552	17,590,727
Tender	1,863,973	2,837,770
Navana Real state ltd.	20,364,347	8,029,017

		Amount in Taka	
		June 30, 2019	June 30, 2018
	Navana Construction limited	11,861,269	-
	Navana Batteries limited	6,211,200	-
	Sylhet Zone	1,617,729	1,329,359
	Jessore Zone	4,863,140	5,716,243
	Dhaka South zone	10,420,610	11,046,446
	Dhaka North zone	5,780,548	5,202,281
	Rajshahi Zone	22,269,475	8,972,086
	Rangpur Zone	698,672	1,254,416
	Chitta. South Zone	4,666,488	6,092,922
	Chitta. North Zone	3,550,796	4,781,266
	Barishal Zone	34,502,482	19,324,155
	Corporate Customer	88,216,027	48,530,331
	Channel Partners & Distribution	122,069,053	-
	Customers for Scrap & Painting service	1,400,921	-
	Others Customer	15,905,186	-
		720,883,777	427,735,605
10	Consolidated Advances, deposits & pre-payments		
	Advance against leasehold land	23,201,624	15,943,624
	Advance against local procurement	52,261,899	54,509,097
	Bank guarantee margin	36,937,291	38,167,575
	Security deposit	1,906,792	2,154,887
	Advance Income Tax	276,205,115	171,771,539
	Jakshon international Ltd.	251,031	251,031
	Vat Current Account	14,090,462	20,220,689
	Advance for Rent	21,132,274	19,021,318
	Advance for Tender	1,045,410	1,045,410
	Earnest Money & Security Deposit	1,580,300	1,380,300
	Clearing & forwarding agent	1,351,023	1,351,023
	Rose vally International	340,470	340,470
	Advance to Suppliers	79,113,439	59,467,727
	Security Deposit Bangladesh Railway	892,985	892,985
	Advance against Employee	3,371,676	7,752,514
	LC Margin for machinery	238,758,239	161,872,238
	Advance to others	73,799,418	106,912,375
	LP Gas Ltd.	-	1,200,000
	Advance against civil construction	37,812,350	-
		864,051,799	664,254,803
11	Consolidated Cash & bank balances		
	Cash in hand	17,356,185	59,187,933
	Cash at banks :	11.01	
	Fixed deposit receipt (FDR)	96,212,429	92,839,203
	Bank Balances	121,453,856	81,587,032
		235,022,470	233,614,168

	Amount in Taka	
	June 30, 2019	June 30, 2018
11.01 Cash at bank balances consists of:		
Fixed deposit receipt (FDR) :		
Mercantile Bank Ltd. (FDR)	34,209,158	32,279,244
Mutual Trust Bank Ltd. (FDR)	-	4,861,497
Standard Bank Ltd. (FDR)	7,163,208	6,945,133
Shahjala Islami Bank Ltd. (FDR)	33,448,097	28,388,783
State Bank of India (FDR)	21,391,966	20,364,546
	96,212,429	92,839,203
Cash at bank balances consists of:		
Bank Balances :		
AB Bank Ltd.	639,460	961,735
Bank Alfalah Ltd.	7,563	8,713
Al-Arafah Bank Ltd.	109,788	109,238
Bank Asia Ltd.	11,091,592	4,586,306
Brac Bank Ltd.	852,746	594,037
Dhaka Bank Ltd.	275,957	1,160,598
Dutch Bangla Bank Ltd.	34,734,757	16,283,980
IFIC Bank Ltd.	398,244	842,946
Jamuna Bank Ltd.	77,749	363,558
Mutual Trust Bank Ltd.	14,675,858	16,370,417
National Bank Ltd.	939,151	690,472
NCC Bank Ltd.	105,372	571,328
Prime Bank Ltd.	73,339	1,161,391
Pubali Bank Ltd.	2,053,385	3,076,981
Rupali Bank Ltd.	1,160	421,031
Shahjalal Islami Bank Ltd.	11,986,016	7,221,760
Social Investment Bank Ltd.	40,912	42,062
Southeast Bank Ltd.	300,307	2,866,138
Standard Bank Ltd.	1,041,264	131,638
Standard Chartered Bank	180,193	184,218
Uttara Bank Ltd.	604,968	2,188,641
Mercantile Bank Ltd.	421,695	1,699,455
One Bank Ltd.	53,030	292,599
Trust Bank Ltd.	2,368,170	367,291
Islami bank Bd.ltd	3,182,364	7,224,275
Modhumoti Bank Ltd.	976,679	978,329
Sonali Bank Ltd.	1,704,993	1,502,627
United Commercial Bank Ltd	1,622,976	891,863
City Bank Ltd.	29,118,453	8,355,482
State Bank of India	1,168,746	437,923
NCC Bank Ltd.	98,870	-
Rupali Bank Ltd.	30,000	-
Agrani bank ltd.	488,099	-
Bangladesh Commerce Bank Ltd.	20,000	-
First Security islami Bank Ltd.	10,000	-
	121,453,856	81,587,032

12 Share capital
Authorized capital:

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

Issued, Subscribed and Paid-up Capital:

(68,528,592 Ordinary Shares @ Tk. 10 each)

Amount in Taka	
June 30, 2019	June 30, 2018
1,500,000,000	1,500,000,000
685,285,920	685,285,920

Date	No. of Shares	Particulars	Share capital 30.06.2019	Share capital 30.06.2018
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
			685,285,920	685,285,920

Shareholding position:

Class of shareholders	Number of share hold	Share holding %	
		30.06.19	30.06.18
Sponsors	29,116,427	42.49%	42.49%
General public	20,154,481	29.41%	36.48%
Institutional investors	19,257,684	28.10%	21.03%
Total	68,528,592	100%	100%

Classification of shareholders:

Particulars	Number of Shares	% of Share Holdings 30.06.19	% of Share Holdings 30.06.18
1 to 500	1,428,538	2.08%	2.14%
501 to 5000	6,081,749	8.87%	8.17%
5001 to 10000	2,324,448	3.39%	3.38%
10001 to 20000	2,007,983	2.93%	3.15%
20001 to 30000	1,042,903	1.52%	2.33%
30001 to 40000	826,229	1.21%	2.34%
40001 to 50000	887,294	1.29%	1.72%
50001 to 100000	1,970,951	2.88%	4.31%
100001 to 1000000	14,952,695	21.82%	20.45%
Above 1000000	37,005,802	54.00%	52.01%
Total	68,528,592	100%	100%

		Amount in Taka	
		June 30, 2019	June 30, 2018
13	Consolidated Retained earnings		
	Opening balance	1,513,465,471	1,393,966,136
	Less: Adjustment for AFS Reserve	-	(874,703)
	Add: Total Comprehensive Income for the year	88,475,729	179,492,286
		1,601,941,200	1,572,583,719
	Less: payment cash/Stock dividend	(82,234,310)	(59,118,248)
	Closing balance	1,519,706,890	1,513,465,471
14	Consolidated Long Term Loan		
	City Bank Limited, Gulshan Avenue Br.	2,977,697,541	2,853,692,623
	Shahjalal Islami Bank Ltd.	868,199,420	713,086,786
	One Bank Limited, Gulshan Br.	1,005,117,720	747,109,911
	Mutual Trust Bank limited	19,558,285	-
	Standard Bank Limited	97,694,645	-
	Dues to Director (Mr.Shafiul Islam, Chairman)	325,117,526	325,117,526
		5,293,385,137	4,639,006,846
	Less: Long Term Loan- Current portion	829,125,800	605,810,654
	Long Term Loan-Net of current portion	4,464,259,337	4,033,196,192
15	Consolidated Short-term loans		
	Shahjalal Islami Bank Ltd.	939,280,317	570,728,529
	Standard Bank Ltd.	-	124,513,544
	One Bank Ltd.	668,182,797	854,747,006
	State Bank of India	6,553,616	-
	City Bank Ltd.	462,766,012	331,094,456
	Mutual Trust Bank Limited, Principal Br.	-	32,885,125
		2,076,782,742	1,913,968,660
16	Consolidated Provision for income tax		
	Navana CNG Limited	22,224,480	17,173,833
	Navana Welding Electrode Limited	58,392,153	37,717,536
	Navana Engineering Limited	117,713,003	112,661,892
	Navana LPG Limited	21,478,927	3,399,813
		219,808,563	170,953,073
17	Consolidated Payables and accruals		
	Navana CNG Limited	145,544,229	239,613,080
	Navana Engineering Limited	51,268,342	39,628,986
	Navana Welding Electrode Limited	13,558,430	10,423,873
	Navana LPG Limited	81,877,550	52,933,234
		292,248,551	342,599,173
18	Consolidated Revenue-net		
		2018-2019	2017-2018
	Navana CNG Limited	1,576,775,713	1,672,738,735
	Navana Engineering Ltd.	777,913,306	1,403,614,715
	Navana Welding Electrode Ltd.	518,744,052	402,381,221
	Navana LPG Limited	3,013,185,645	566,635,442
		5,886,618,716	4,045,370,113

The total sales revenue of the CNG and its subsidiaries increased significantly. Out of which 51.19% of sales revenue from LPG business.

		Amount in Taka	
		2018-2019	2017-2018
19	Consolidated Cost of sales		
	Navana CNG Limited	1,192,351,760	1,263,063,130
	Navana Engineering Limited	527,949,775	964,814,579
	Navana Welding Electrode Limited	390,438,853	307,888,158
	Navana LPG Limited	2,482,175,156	473,375,596
		4,592,915,543	3,009,141,464
	Raw materials Consumed	4,358,051,052	3,050,002,870
	Add : Direct cost	19,900,652	22,731,415
	Add: Factory overhead	507,455,736	313,692,801
	Cost of Production	4,885,407,440	3,386,427,086
	Add: Opening WIP	45,563,140	64,435,702
		4,930,970,580	3,450,862,788
	Less: Closing WIP	68,186,804	45,563,140
	Cost of goods manufacture	4,862,783,776	3,405,299,648
	Add: opening stock of finished goods	774,154,583	377,996,399
		5,636,938,359	3,783,296,047
	Less: Closing stock of finished goods	1,044,022,816	774,154,583
	Cost of Goods sold	4,592,915,543	3,009,141,464
19.01	Opening stock of raw materials	907,428,392	708,385,526
	Opening stock of raw Cylinder	-	57,836,423
	Add: Purchase for the year	3,103,036,722	2,003,512,992
	Add: Cost of CNG sales	1,069,809,080	1,187,696,321
		5,080,274,194	3,957,431,262
	Less: Closing stock of raw materials	722,223,142	907,428,392
	Raw material consumed	4,358,051,052	3,050,002,870
20	Consolidated Administration and selling expense		
	Salary & allowances	279,735,531	289,953,518
	Vehicle maintenance	3,944,666	5,001,102
	Electricity bill	4,328,079	4,542,835
	Rental expense	9,674,850	5,566,020
	Telephone & mobile expense	5,602,456	5,669,549
	Conveyance	7,305,268	9,499,822
	CDBL & Annual listing fee	791,286	791,286
	Electrical expense	85,731	1,242,964
	Entertainment	6,494,417	8,644,126
	Labor charge	2,587,145	1,987,506
	Board meeting attendance fee	784,000	415,000
	Medical expense	187,103	142,490
	Carrying charge	1,799,439	184,649
	Distribution expenses	63,599,323	4,877,260
	Mineral water	635,643	597,205
	Annual general meeting expenses	115,375	212,000
	Miscellaneous expense	1,041,648	706,345
	Newspaper & periodicals	253,605	324,825
	Office maintenance	3,421,125	4,436,763
	Audit fees	460,000	402,500
	Oil , Gas & lubricants	11,437,297	11,282,792
	Photocopy expense	91,150	55,697

		Amount in Taka	
		2018-2019	2017-2018
	Postage , Courier & stamp	475,366	489,296
	Security guard exp.	4,701,808	4,666,400
	Uniform & liveries	53,939	186,232
	Printing expense	2,110,358	5,785,009
	Stationary expense	1,688,471	1,817,951
	Registration & renewals	10,699,372	5,949,797
	Travelling expense	5,941,765	3,871,339
	Bank charge	4,443,519	3,334,932
	Internet bill	2,733,200	2,884,780
	Gas Bill	28,800	29,700
	Utility & service charge	1,704,650	590,131
	Transport Expenses	2,993,191	4,832,222
	Advertisement	18,043,868	1,510,000
	Repair & Maintenance	5,391,215	3,989,593
	Fuel, gas & Toll Expenses for mobile lorry	8,854,768	9,125,490
	Bad debts	312,215	214,461
	Missing of cash fund	16,052,478	-
	Other interest expenses	2,622,279	-
	Insurance	1,472,768	-
	Business promotional expenses	6,556,814	-
	Depreciation	128,694,941	78,947,581
	Amortization	392,046	342,597
		630,342,969	485,103,764
21	Consolidated Interest expenses		
	Navana CNG Limited	9,239,195	8,045,190
	Navana Engineering Limited	158,842,847	134,985,653
	Navana Welding Electrode Limited	11,603,155	6,585,468
	Navana LPG Limited	444,529,785	120,004,846
		624,214,982	269,621,157
22	Consolidated Other income		
	Navana CNG Limited	7,663,601	1,458,627
	Navana Engineering Limited	2,694,630	302,910
	Navana Welding Electrode Limited	4,171,095	3,226,826
	Navana LPG Limited	-	-
		14,529,326	4,988,363
23	Consolidated Income tax expense		
	Current tax	70,971,861	83,352,901
	Deferred tax	(115,809,947)	5,066,471
		(44,838,087)	88,419,372
23.01	Current tax		
A.	Income Tax on Regular Tax		
	Profit Before Tax	190,648,075	366,098,281
	Add. Disallowable Depreciation	144,320,922	135,809,741
		334,968,998	501,908,022
	Less: Allowable Depreciation	233,540,802	242,655,640
		101,428,196	259,252,382

	Amount in Taka	
	2018-2019	2017-2018
Less: Gain on disposal of assets separation	5,992,724	-
Less: capital Gain on sale of Share	2,694,630	-
Add: Unabsorved Depreciation	71,401,932	-
	164,142,774	259,252,382
Current tax	46,942,727	79,953,088
Gain on disposal of assets	5,992,724	-
Tax @15% On Gain on disposal	898,909	-
Current tax	47,841,636	79,953,088
B. Minimum Tax (which is higher)	23,130,225	3,399,813
Total Current Tax (A+B)	70,971,861	83,352,901
23.02 Deferred tax		
Deferred tax for temporary difference of PPE		
Accounting Base WDV	6,714,282,607	5,437,975,163
Tax Base WDV	6,611,171,790	5,076,065,938
Temporary difference	103,110,816	361,909,225
Less: Unabsorbed Depreciation	(71,401,932)	-
Taxable temporary difference	31,708,884	361,909,225
Tax rate 25% & 35% respectively	-	-
Closing Deferred tax liabilities	(8,636,310)	107,173,638
Opening Deferred tax liabilities	107,173,638	102,107,167
Current deferred tax income during the year	(115,809,947)	5,066,471
24 Earnings per share (EPS)		
	Profit Attributable to shareholders	
	Number of ordinary shares	
Profit attributable to ordinary shareholders	88,473,588	179,489,013
Number of ordinary shares used to compute earnings per share	68,528,592	68,528,592
Earnings per share	1.29	2.62
The total sales revenue of the CNG and its subsidiaries increased significantly. Out of which 51.19% of the sales revenue from LPG operation, at present which is running at loss due to initial operational stages. This result is decrease in EPS compare to Last year's.		
25 Net assets value per share (NAVPS)		
	Total Asset - Total Liabilities	
	Number of ordinary shares	
Net asset value	2,423,659,781	2,422,235,855
Number of ordinary shares used to compute NAVPS	68,528,592	68,528,592
	35.37	35.35
26 Net operating cash flows per share (NOCFPS)		
	Net operating cash flow	
	Number of ordinary shares	
Net operating cash flows	576,585,926	60,213,926
Number of ordinary shares used to compute NOCFPS	68,528,592	68,528,592
Net operating cash flows per share	8.41	0.88
Signification difference in NOCFPS in between current year's and last year's is due to increase of revenue collection from of LPG business.		

	Amount in Taka	
	2018-2019	2017-2018
27 Reconciliation of cash flows from operating activities under indirect method:		
Net profit/Loss before interest & income tax during the year	671,317,812	
Adjustment to recocile net income to net cash provided by operating activities:		
Depreciation	492,339,211	
Income tax paid	(126,549,948)	
Changes in current assets and liabilities:		
Decrease/ (increase) in inventories	(71,272,685)	
Decrease/ (increase) in advance and prepayments	(19,677,419)	
(Decrease)/ increase in payables & accruals	(76,422,872)	
Decrease/ (increase) in trade receivable	(293,148,172)	
Net cash flow from operating activities	576,585,926	

28 Re-arrangement/reclassification

The bills payable was previously shown as bills payable under "current liability". But the nature of transaction that it should be shown as short term loan under "current liability". As such, this figure has been rearranged reclassified from bills payable to short term loan.

Navana CNG Limited and its subsidiaries

Schedule of Property, plant and equipment

As at 30 June 2019

Particulars	Cost			Rate of Dep.	Depreciation			Written Down Value at 30.06.2019
	As at 01.07.2018	Addition dur. the Year	Adjustment / Disposal during the year		As at 30.06.2019	Charged dur. the Year	Adjustment / Disposal during the year	
Land and landdevelop.	1,119,098,289	-	-	0%	1,119,098,289	-	-	1,119,098,289
Building & Shed	1,258,670,786	73,163,850	2,067,643	10%	1,329,766,993	109,652,650	1,840,966	1,058,825,286
Plant & Machinery	2,372,213,808	477,771,643	16,181,723	10%	2,833,803,728	190,981,531	11,519,336	2,119,209,036
Cylinder	1,318,367,288	976,721,823	-	10%	2,295,089,111	160,351,601	-	2,090,242,614
Tools & equipment	170,634,259	15,441,081	2,751,046	10%	183,324,294	11,392,062	2,178,668	115,476,170
Furniture & fixtures	30,002,399	849,002	1,06,501	10%	30,744,900	1,820,481	74,957	16,983,734
Electrical equipment	38,671,383	408,286	-	10%	39,079,669	2,253,547	-	20,349,972
Office equipment	8,830,952	430,207	-	10%	9,261,159	614,125	-	5,629,296
Vehicles	177,389,174	37,799,556	8,000,000	10%	207,188,730	13,312,981	4,370,801	150,531,923
Total	6,493,878,338	1,582,585,448	29,106,913		8,047,356,873	490,378,979	19,984,728	6,696,346,320

Particulars	Cost			Rate of Dep.	Depreciation			Written Down Value at 30.06.2019
	As at 01.07.2018	Addition dur. the Year	Adjustment / Disposal during the year		As at 30.06.2019	Charged dur. the Year	Adjustment / Disposal during the year	
Software System	21,583,632	707,500	-	10%	22,291,132	1,960,232	-	17,936,289
Total	21,583,632	707,500			22,291,132	1,960,232		17,936,289

Independent Auditors' Report

To
The Shareholders of Navana CNG Limited

Report on the Audit of the Financial Statements:

Opinion

We have audited the financial statements of Navana CNG Limited which comprise the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, of the financial position of the Navana CNG Limited as at 30 June 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and other applicable rules and regulation.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (IASs). Our responsibilities under those standards are further described in the auditors' 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 ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements for the year ended 30 June 2019. These matters were addressed in the context of the 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. In addition to the matter described in the basis for opinion section, each matter mentioned below our description of how our audit addressed the matter is provided in the context.

Matter of Emphasis

The company has not been applied IFRS 9 "financial Instrument" though this IFRS is applicable for the company.

Key Audit Matter	How our audit addressed the key audit matters
<p>Revenue</p> <p>The company has reported a revenue of Taka 1,576,775,713 for the year ended 30 June 2019.</p> <p>Refer to note no. 17 of the financial statements.</p> <p>Revenue recognition has significant and wide influence on financial statements. Revenue is recognised when the amounts and the related costs are reliably measured, and the performance obligation is complete</p>	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> • We understood, evaluated and validated the key controls related to the Company's sales process from end to end, from contracts approval and signoff, recording of sales, all the way through to cash receipts and customers' outstanding balances. • 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. c We conducted substantive testing of revenue recorded over the year using sampling techniques,

<p>Revenue continued: through passing of control to the customers. Revenue from the sale of goods is recognised at the time when the goods are dispatched for delivery to the distributor. The sales of the Company are derived from a large number of distributors located over the country with relatively small amount of transactions. As a result, to obtain sufficient audit evidence, high magnitude of audit work and resource are required.</p> <p>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.</p> <p>We focused on the proper cut-off of sales to the Company's customers due to the fact that the documents of confirmation of dispatch of goods were provided by numerous transporting agencies based on different locations. There is a risk of differences between the timing of invoicing of products and the dispatch of the products to the company distributors. Accordingly, there could be potential misstatements that these revenue transactions are not recognised in the proper reporting periods.</p>	<p>by examining the relevant supporting documents including sales invoices and truck challans. In addition, we confirmed customer balances at the statement of financial position date</p> <ul style="list-style-type: none"> • We conducted substantive testing of revenue recorded over the year using sampling techniques, by examining the relevant supporting documents including sales invoices and truck challans. In addition, we confirmed customer balances at the statement of financial position date. • Furthermore, we tested the sales transactions recognised shortly before and after the statement of financial position date, including the sales returns recorded after that date, to test whether sales transactions were recorded in the correct reporting periods.
<p>Inventories As of the reporting date the company reports Stock and Stores amounting to Taka 571,007,662 Refer to note no. 07 to the Financial Statements</p> <p>Inventory is carried in the statement of financial position at the lower of cost and net realisable value. Sales in the manufacturing industry can be extremely volatile based on significant changes in consumer demand. As a result, there is a risk that the carrying value of inventory exceeds its net realisable value.</p> <p>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.</p>	<p>Our audit procedures were designed to challenge the adequacy of the Company's provisions against inventory included:</p> <ul style="list-style-type: none"> • Corroborating on a sample basis that items on the stock ageing by items were classified in the appropriate ageing bracket; • Assessing the appropriateness of the provision percentages applied to each item and challenged the assumptions made by the management on the extent to which old inventory can be sold through various channels; • Considering the historical accuracy of provisioning and using the information obtained as evidence for evaluating the appropriateness of the assumptions made in the current period; and • We have also considered the adequacy of the Company's disclosures in respect of the levels of provisions against inventory.
<p>Current Tax provisioning Current Tax provision amounting Taka 27,167,019 Refer to note no. 22.01 to the Financial Statements</p> <p>At year end the company reported total income tax expense (Current tax) of BDT 27,167,019 The calculation of the tax expense is a complex process that involves subjective judgments and uncertainties and require specific knowledge and competencies.</p>	<p>Our audit procedure in this area included ,among others : Use of our own tax specialist to assess the company's tax computation. Our tax specialist were also taking into account the company's tax position and our knowledge and experience of the application of relevant tax legislation.</p> <p>To analysis and challenge the assumption used to determine tax provision based on our knowledge and experience of the application of the local legislation.</p>

<p>We have determined this to be a key audit matter , due to the complexity in income tax provisioning.</p>	<p>Evaluating the adequacy of the financial statement disclosure ,including disclosure of key assumption judgments and sensitive related to tax.</p>
<p>Measurement of deferred tax Liability Company reported net deferred tax liability totaling Taka 49,684,477 as at 30 June 2019 . significant judgments is required in relation to deferred tax liability as their liability is dependent on forecast of future probability over a number of years . see note no.23 to the financial statements</p>	<p>we obtained and understanding ,evaluated the design and tested the operational effectiveness of the company's key controls over the recognition and measurement of Deferred Tax Asset/liability and taxable income/expense of the company. We also assessed the completeness and accuracy of the data used for the estimations of future taxable expenses/income. we evaluated the reasonableness of key assumption, timing of reversal of temporary difference and expiration of tax loss carry forwards, recognition and measurement of deferred tax liability/asset . We assessed the adequacy of the company's disclosures setting out the basis of deferred tax liability/asset balances and the level of estimation involved. we also assessed in evaluating the tax implications , the reasonableness of estimate and calculations determined by the management . finally assessed the appropriateness and presentation of disclosure against IAS -12 income Tax</p>

Other Matter

The financial statements of Navana CNG Limited for the year ended 30 June 2018 was audited by another auditor and give fair opinion.

The financial statements of Navana Engineering Limited & Navana Welding Electrode Limited and Navana LPG Limited subsidiary companies of Navana CNG Limited for the year ended 30 June 2019 was audited by another auditor and give fair opinion.

Going Concern

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

Other Information

Management is responsible for other information. The other information comprises all of the information in the Annual report other than the financial statements and our auditors' report thereon. The directors are responsible for those other information. 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 these other information and we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to communicate the matter to those charged with governance.

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 the financial statements in accordance with International Financial Reporting Standards and other applicable rules 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.

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 no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements:

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 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 material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's 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.
- Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, Supervision and performance of the company audit. We remain solely responsible for our audit opinion.

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 auditor's 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.

Report on other Legal and Regulatory Requirements:

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, we also report the following:

- (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; and
- (c) the company's financial statements dealt with by the report are in agreement with the books of account.
- (d) the expenditure incurred was for the purpose of company's business for the year.

Dated: Dhaka,
26 October 2019


ATA KHAN & CO.
Chartered Accountants

Navana CNG Limited

Statement of Financial Position
As at June 30, 2019

	Notes	Amount in Taka	
		June 30, 2019	June 30, 2018
Assets:			
Non-current assets			
Property, plant & equipment	3	803,341,386	831,014,884
Investment in subsidiaries	4	852,994,327	850,215,452
Long-term security deposit	5	36,728,093	37,940,300
Investment in shares	6	3,589,283	5,141,327
Total Non-current assets		1,696,653,089	1,724,311,963
Current assets			
Inventories	7	571,007,662	589,332,466
Accounts receivable	8	141,230,932	142,035,499
Advances, deposits & pre-payments	9	125,604,748	118,667,258
Inter Company Balances to LPG		749,064,319	749,064,319
Inter-company receivable		191,434,343	196,384,343
Cash & Cash equivalent	10	37,594,366	76,384,725
Total Current assets		1,815,936,370	1,871,868,610
Total assets		3,512,589,459	3,596,180,573
Equity and liabilities:			
Capital and reserves			
Share capital	11	685,285,920	685,285,920
Tax holiday reserve		180,618,848	180,618,848
Fair Value Reserve		3,135,854	4,532,694
Other Reserve		2,072,243	2,072,243
Retained earnings	12	1,520,424,073	1,514,182,654
Total Capital & Reserve		2,391,536,938	2,386,692,359
Non Current Liabilities			
Deferred tax liabilities	23	49,684,477	49,240,111
Long term Loan	13	138,500,000	138,500,000
Total Non-current liabilities		188,184,477	187,740,111
Current liabilities			
Short-term loans	14	64,986,524	66,718,155
Provision for income tax	15	22,224,480	17,173,833
Inter Company Payable		700,112,811	698,243,036
Payables and accruals	16	145,544,229	239,613,080
Total Current liabilities		932,868,044	1,021,748,103
Total liabilities		1,121,052,521	1,209,488,214
Total equity and liabilities		3,512,589,459	3,596,180,573
Net assets value per share	25	34.90	34.83

The annexed notes 1 to 36 & annexure-A form an integral part of these financial statements.


Chairman


Chief Executive Officer


Director


Company Secretary


Chief Financial Officer

Signed in term of our separate report of even date

Dated: Dhaka
October 26, 2019


ATA KHAN & CO.
Chartered Accountants

Navana CNG Limited
Statement of Profit or Loss and other comprehensive Income
For the year ended June 30, 2019

	Notes	Amount in Taka	
		2018-2019	2017-2018
Revenue	17	1,576,775,713	1,672,738,735
Less: Cost of sales	18	1,192,351,760	1,263,063,130
Gross profit		384,423,953	409,675,605
Less: Administration & selling expenses	19	263,230,139	283,992,776
Less: Interest expenses	20	9,239,195	8,045,190
Operating profit		111,954,619	117,637,639
Add: Other income	21	7,663,601	1,458,627
Less: Foreign exchange loss		481,605	264,866
Profit before contribution to WPPF		119,136,615	118,831,400
Less: Contribution to WPPF		5,673,172	5,658,638
Profit before tax		113,463,443	113,172,762
Add: Share of profit from subsidiaries		2,778,875	94,391,894
Less: Income tax expenses	22	27,766,589	28,293,190
Current tax	22.01	27,167,019	26,963,114
Deferred tax	23.01	599,569	1,330,077
Net profit for the year		88,475,729	179,271,466
Add: Other comprehensive income:			
Revaluation Gain/loss on investment in share		(1,552,044)	(1,172,659)
Less: Deferred tax adjustment	23.02	155,204	117,266
		(1,396,840)	(1,055,393)
Share of Other comprehensive income from subsidiaries		-	(220,820)
Total comprehensive income for the year		87,078,889	177,995,253
Earnings per share (Operating)	24	1.29	2.62

The annexed notes 1 to 36 & annexure-A form an integral part of these financial statements.



Chairman



Chief Executive Officer



Director



Company Secretary



Chief Financial Officer

Signed in term of our separate report of even date



ATA KHAN & CO.
Chartered Accountants

Dated: Dhaka
October 26, 2019

Navana CNG Limited

Statement of Changes in Equity
For the year ended June 30, 2019

Particulars	Share capital BD Taka	Tax holiday reserve BD Taka	Fair Value Reserve BD Taka	Other Reserve BD Taka	Retained earnings BD Taka	Total BD Taka
Balance at July 01, 2017	685,285,920	180,618,848	5,588,087	2,293,063	1,394,029,436	2,267,815,354
Other Comprehensive income			(1,055,393)	(220,820)	-	(1,276,213)
Net profit for the year	-	-	-	-	179,271,466	179,271,466
Dividend	-	-	-	-	(59,118,248)	(59,118,248)
Balance at June 30, 2018	685,285,920	180,618,848	4,532,694	2,072,243	1,514,182,654	2,386,692,359
Balance at July 01, 2018	685,285,920	180,618,848	4,532,694	2,072,243	1,514,182,654	2,386,692,359
Other Comprehensive income			(1,396,840)		-	(1,396,840)
Net profit for the year	-	-	-	-	88,475,729	88,475,729
Dividend	-	-	-	-	(82,234,310)	(82,234,310)
Balance at June 30, 2019	685,285,920	180,618,848	3,135,854	2,072,243	1,520,424,073	2,391,536,938



Chairman



Chief Executive Officer



Director



Company Secretary



Chief Financial Officer

Navana CNG Limited

Statement of Cash Flows

As at June 30, 2019

	Notes	Amount in Taka	
		2018-2019	2017-2018
Cash flows from operating activities			
Receipts from customers		1,577,580,280	1,654,257,549
Receipts of other income		1,670,877	1,458,627
Foreign exchange loss		(481,605)	-
Payments for materials, services and expenses		(1,519,580,244)	(1,705,653,327)
Cash generated from operations		59,189,308	(49,937,151)
Income tax paid		(22,116,372)	(54,542,812)
Net cash provided by operating activities	27	37,072,936	(104,479,963)
Cash flows from investing activities			
Acquisition of property, plant and equipment		(19,722,619)	(23,390,874)
Long-term security deposits		1,212,207	-
Sale proceed of assets		15,114,909	-
Investment in Susidiaries Company		-	(200,000,000)
Net cash used in investing activities		(3,395,503)	(223,390,874)
Cash flows from financing activities			
Inter company receivable		4,950,000	(38,000,000)
Interest paid		(9,239,195)	(8,045,190)
Short-term loan		(1,731,631)	4,033,501
Investment with LPG		-	(67,575,110)
Dividend paid		(68,316,741)	(49,817,006)
Inter company Payable		1,869,775	399,117,843
Net cash used in financing activities		(72,467,792)	239,714,038
Net changes in cash and cash equivalents		(38,790,359)	(88,156,799)
Cash and cash equivalents at the beginning of the year		76,384,725	164,541,524
Cash and cash equivalents at the end of the year		37,594,366	76,384,725
Net operating cash flows per share	26	0.54	(1.52)



Chairman



Chief Executive Officer



Director



Company Secretary



Chief Financial Officer

Dated: Dhaka
October 26, 2019

Navana CNG Limited

Notes to the financial statements
As at and for the year ended June 30, 2019

1. Corporate information

1.1 Reporting entity

Navana CNG Limited (the Company) was incorporated in Bangladesh as private company on April 19, 2004 vide registration no. C52512(2807)/2004 and converted into a public company on March 08, 2009. The registered office and principal place of business of Navana CNG Limited is located at 125/A Motijheel C/A, Islam Chamber (4th floor), Dhaka-1000.

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

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

2. Significant accounting policies and basis of preparation of the financial statements

2.1 Corporate financial statements and reporting

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

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

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

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

2.2 Reporting period

The period of the financial statements covers from July 01, 2018 to June 30, 2019.

2.3 Functional and presentational (reporting) currency

The financial statements are prepared and presented in Bangladesh Currency (Taka), which is the Company's functional currency.

2.4 Basis of consolidation

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

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

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

2.5 Principal accounting policies

The specific accounting policies selected and applied by the Company's directors for significant transactions and events that have material effect within the framework of IAS-1 "Presentation of Financial Statements", in preparation and presentation of financial statements have been consistently applied throughout the year and were also consistent with those used in earlier years.

For a proper understanding of the financial statements, these accounting policies are set out below in one place as prescribed by the IAS-1 "Presentation of Financial Statements". The recommendations of IAS-1 relating the format of financial statements were also taken into full consideration for fair presentation.

2.6 Significant accounting estimates and judgments

Estimates, assumptions concerning the future and judgments are made in the preparation of the financial statements. They affect the application of the Company's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key assumptions concerning the future and other key sources of estimation or uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Income taxes

The Company has exposure to income taxes in Bangladesh. Significant judgment is involved in determining the Company-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for expected tax issues based on estimates of additional taxes that might be due. Where the final tax outcome of these matters is different from the amounts that were initially recognized, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The Company has enjoyed tax holiday up to April 2009 and accordingly necessary provisions has been made for Tax holiday period.

(ii) Depreciation of machinery and equipment

The costs of machinery and equipment for the manufacturing activities are depreciated on a written down value basis over the useful lives of the machinery. Management estimates the useful lives of the plant and equipment. These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

2.7 Regulatory and legal compliance

The Company complied with requirement of the following regulatory and legal authorities:

The Companies Act, 1994;

The Securities and Exchange Rules, 1987;

The Securities and Exchange Ordinance, 1969;

The Income Tax Ordinance, 1984;

The Value Added Tax Act, 1991; and

The rules and regulations of Dhaka Stock Exchange Ltd., Chittagong Stock Exchange Ltd., and Central Depository Ltd.

2.8 Foreign currency

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the date of financial position. Non-monetary items that are measured in terms of historical cost in a foreign currency are

translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

2.9 Financial assets

Financial assets are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. Financial assets are recognized on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. When financial assets are recognized initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs. The Company determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

A financial asset is derecognized where the contractual rights to receive cash flows from the asset have expired. On de-recognition of a financial asset, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognized directly in equity is recognized in the income statement.

All Purchases and sales of financial assets are recognized or derecognized on the trade date, i.e. the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concern.

2.10 Impairment of financial assets

The Company assesses at each date of statement of financial position whether there is any objective evidence that a financial asset or the group of financial assets is impaired.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset. To determine whether there is objective evidence that an impairment loss on financial assets has been incurred; the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortized cost at the reversal date. The amount of reversal is recognized in the income statement.

2.11 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment assessment for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses of continuing operations are recognized in the income statement as 'impairment losses'.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses recognized for an asset other than goodwill may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Reversal of an impairment loss is recognized in the income statement. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

2.12 Revenue recognition

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

(a) Petrol and diesel vehicle conversion services

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

(b) Sale of CNG

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

(c) Dividend

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

(d) Other revenues

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

2.13 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. Land has an unlimited useful life and therefore is not depreciated. Depreciation of an asset is computed on a reducing balance method over the estimated useful life of the asset as

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

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

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arises on de-recognition of the asset is included in the income statement in the year the asset is derecognized.

2.14 Inventories

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

Raw materials: purchase costs on a weighted average basis;

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

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Provision is made if necessary, for obsolete and slow-moving item.

2.15 Cash and cash equivalents

Cash in hand and cash at banks have been considered as cash and cash equivalents for the preparation of these financial statements, which were held and available for use by Company without any restriction and there was insignificant risk of changes in value of the same.

2.16 Income taxes

(i) Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the date of statement of financial position.

(ii) Deferred tax

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

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

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

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

(iii) Value added tax

Revenues, expenses and assets are recognized net of the amount of Value Added Tax except:

Where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

Receivables and payables that are stated with the amount of value added tax included.

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.17 Provisions

Provisions are recognized when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

2.18 Financial liabilities

Financial liabilities are recognized on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. Financial liabilities are recognized initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transaction costs. Subsequent to initial recognition, all financial liabilities are measured at amortized cost using the effective interest method, except for derivatives, which are measured at fair value.

A financial liability is derecognized when the obligation under the liability is extinguished. For financial liabilities other than derivatives, gains and losses are recognized in the income statement when the liabilities are derecognized or impaired, and through the amortization process. Any gains or losses arising from changes in fair value of derivatives are recognized in the income statement. Net gains or losses on derivatives include exchange differences.

2.19 Borrowing costs

In compliance with the requirements of IAS 23 “Borrowing Costs” borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Borrowing costs are recognized as expenses in the period in which they incurred and capitalized the same that incurred before commencement of commercial operation.

2.20 Leases

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

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

2.21 Employees’ benefits

Employee leave entitlement

Employee entitlements to annual leave are recognized as a liability when they accrue to employees. The estimated liability for leave is recognized for services rendered by employees up to the date of statement of financial position.

Termination benefits

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

Workers Profit Participation Fund

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

2.22 Segment Reporting

A business segment is a distinguishable component of an entity that is engaged in providing an individual product or service or a group of related products or services and that is subject to risk and returns that are different from those of other business segment. The company has two distinguishable operating segments which are disclosed in note # 28

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

2.23 Contingencies

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

2.24 Earnings per share

Basic earnings per share

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

Diluted earnings per share

No diluted earnings per share are required to be calculated for the year as there was no scope for dilution during the year under review.

2.25 Events after the reporting period

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

2.26 Comparative figure

Comparative information has been disclosed in respect of the year June 30, 2018 for all numerical data in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current year's financial statements presentation.

2.27 Reclassification

As per the decision made by Board of directorsthe subordinate capital is reclassified as dues to Director.

2.28 Related Party Disclosure

As per International Accounting Standard (IAS-24) the parties are consider to be related if one of the party 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 with its related parties.

2.29 General

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

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

2.30 Corporate Accounting Standards Practiced

The following IASs are applicable to the financial statements for the year under review:

- IAS 1 Presentation of Financial Statements
- IAS 2 Inventories
- IAS 7 Statement of Cash Flows
- IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- IAS 10 Events after the Reporting Period
- IAS 12 Income Taxes
- IAS 16 Property, Plant And Equipment
- IAS 19 Employee Benefits
- IAS 21 The Effects of Changes in Foreign Exchange Rates
- IAS 23 Borrowing Costs
- IAS 24 Related Party Disclosures
- IAS 32 Financial Instruments: Presentation
- IAS 33 Earnings Per Share
- IAS 34 Interim Financial Reporting
- IAS 36 Impairment of Assets
- IAS 37 Provisions, Contingent Liabilities and Contingent Assets
- IAS 39 Financial Instruments: Recognition and Measurement
- IFRS 1 International Financial Reporting Standards
- IFRS 7 Financial Instruments: Disclosures
- IFRS 8 Operating Segments
- IFRS 15 Revenue from Contracts with Customers

Navana CNG Limited

Notes to the financial statements

		Amount in Taka	
		June 30, 2019	June 30, 2018
3	Property, plant and equipment net		
	Land and land development	449,042,715	449,042,715
	Building & Shed	51,679,412	50,103,901
	Plant & Machinery	199,893,492	220,489,555
	Tools & equipment	47,297,812	45,807,091
	Furniture & fixtures	6,329,196	6,985,002
	Vehicles	49,098,759	58,586,620
		803,341,386	831,014,884
	*An elaborate schedule of PPE are shown in annexure -A.		
4	Investment in subsidiaries		
	Navana Engineering Ltd.	725,609,772	720,282,552
	Navana Welding Electrode Ltd.	236,737,649	196,002,871
	Navana LPG Limited	(109,353,094)	(66,069,971)
		852,994,327	850,215,452
4.1	Navana Engineering Ltd.		
	Opening balance of profit accrued	375,282,602	243,354,829
	Add: Profit accrued under equity method during the year	5,327,220	131,927,773
		380,609,822	375,282,602
	Cost value of investment share	99,999,950	99,999,950
	Balance of last year additional investment	45,000,000	45,000,000
	Add additional investment during the year	200,000,000	200,000,000
		725,609,772	720,282,552
4.2	Navana Welding Electrode Ltd.		
	Opening balance of profit accrued	96,002,920	66,689,699
	Add: Profit accrued under equity method during the year	40,734,779	29,313,221
		136,737,699	96,002,920
	Cost value of share	99,999,950	99,999,950
		236,737,649	196,002,871
4.3	Navana LPG Ltd.		
	Opening balance of profit accrued	(67,069,921)	-
	Add: Profit accrued under equity method during the year	(43,283,123)	(67,069,921)
		(110,353,044)	(67,069,921)
	Cost value of share	999,950	999,950
		(109,353,094)	(66,069,971)

Name of Subsidiaries	face value	Total number of shares	Number of shares held	Ownership Interest
Navana Engineering Ltd.	10	10,000,000	9,999,995	5
Navana Welding Electrode Ltd.	10	10,000,000	9,999,995	5
Navana LPG Limited	10	1,000,000	999,995	5
		21,000,000	20,999,985	15

	Amount in Taka	
	June 30, 2019	June 30, 2018
5 Long-term security deposit		
PDBF	5,056	5,056
Titas Gas T&D Co., Ltd.	27,943,610	31,441,963
Pashchimanchal Gas Co.	2,650,741	2,650,741
Dhaka Electricity Supply Co., Ltd.(DESCO)	148,752	150,000
Dhaka Electricity Supply Authority (DESA)	270,000	270,000
Jalalabad Gas Co., Ltd.	1,299,297	1,299,297
Dhaka Palli Budyut Samity(PBS- 1)	658,444	257,120
Delta life Insurance Co., Ltd	10,000	10,000
Roads & Highway	190,350	190,350
North South University	16,143	16,143
Uttara Bank Limited	-	39,130
Standard Bank Ltd.	745,038	745,038
Bangladesh Telecommunication Co., Ltd (BTCL)	10,000	10,000
UCEP	338,000	338,000
Dhaka Metropolitan Police	147,331	147,331
Mobile Com	22,000	22,000
Road Cutting	37,106	37,106
PDB	1,104,225	311,025
DPDC Limited	240,000	-
Narayangonj Palli Bidut samity-02	500,000	-
Cox's Bazar Polly Biddut samity	392,000	-
	36,728,093	37,940,300
6 Investment in shares		
Lafarge Surma Cement Ltd.	833,700	1,184,400
Aftab Automobiles Ltd.	2,755,583	3,956,927
	3,589,283	5,141,327

Particulars	Face value per share	Total Cost value	Number of share held	Market value as on 30/06/19	Market value as on 30/06/18
Lafarge Surma Cement Ltd.	10	-	21,000	833,700	1,184,400
Aftab Automobiles Ltd.	10	105,000	75,084	2,755,583	3,956,927
		105,000	96,084	3,589,283	5,141,327

The above Investment in Marketable Securities that are designated as available for sale by the management. These are measured at fair Value and presented as non-current asset and unrealized gain/ (loss) from the above investment are recognized as other comprehensive income.

7 Inventories		
Stock & Stores	566,979,997	585,054,650
Goods in transit	4,027,665	4,277,816
	571,007,662	589,332,466

8 Accounts receivable

Tejgaon CNG Conversion Center
Kallyanpur CNG Conversion Center
Dipnagar Diesel Conversion Center
Chittagong CNG Conversion Center
Sylhet CNG Conversion Center
Cylinder Testing Unit
Engineering Workshop
Kalurghat CNG Conversion Center
Kalurghat CRT
Uttara CNG Conversion Center
Bogra CNG Conversion Center
Palton CNG Conversion Center
Auto repair & services- Kally-Dhaka
Auto repair & services- Kalug-CTG
Denso CNG Station
Binimoy CNG Station
Sylhet CNG Station
Sylhet CNG Station-2
Station Technical Department Sylhet
Station Technical Department CTG
Station Technical Department Dhaka
Station Maintenance Department -CTG
PRS Department
Engineering service department
Baipail CNG Station
Bogra CNG Station
Leguna CNG Station
Sitakundu CNG Station
S.H. Khan CNG Station
B.O.C CNG Station
Kwality CNG Station
Abdullah CNG Station
Bhoirab CNG Station
Elega Station CNG Station
United CNG Station
Jogajog CNG Station
Sonarbangla CNG Station
Cox's Bazar station
Chokoria Station

Amount in Taka

June 30, 2019

June 30, 2018

9,165,836	11,918,777
5,669,139	3,992,256
10,680,099	7,572,692
2,057,717	2,193,089
3,193,643	3,167,089
905,180	483,546
-	759,701
848,061	1,349,074
147,913	169,136
1,839,053	1,604,708
240,638	240,638
1,875,012	1,025,329
19,285,616	18,895,615
897,942	1,428,349
6,812,850	6,059,399
11,254,050	11,212,591
699,999	690,413
26,344	31,162
2,143,997	1,058,979
11,574,738	12,759,978
41,263,485	35,343,836
(161,198)	52,992
1,584,265	10,500,804
566,105	549,505
1,300,846	861,867
7,357	41,991
23,176	34,911
106,261	319,956
-	84,158
16,686	17,621
315,667	584,008
-	(104,608)
38,855	116,916
259,248	400,182
8,684	10,365
899,965	1,653,573
5,675,839	4,954,901
5,259	-
2,605	-
141,230,932	142,035,499
60,658,685	63,915,975
31,141,421	28,407,100
19,461,622	21,305,325
15,846,111	14,203,550
12,244,722	12,783,195
1,878,371	1,420,355
141,230,932	142,035,499
23,201,624	15,943,624
50,446,078	51,588,460
31,657,467	32,887,751
1,906,792	2,154,887
18,392,787	16,092,536
125,604,748	118,667,258
118,667,258	210,266,867
-	99,702,159
118,667,258	110,564,708
116,591,155	117,163,122
235,258,413	227,727,830
109,653,665	109,060,572
125,604,748	118,667,258

The ageing of accounts receivable are as follows:

0 to 1 months
more than 1 months to 3 months
more than 3 months to 6 months
more than 6 months to 9 months
more than 9 months to 12 months
above 12 months

9 Advances, deposits & pre-payments

Advance against rent
Advance against Suppliers
Bank guarantee margin
Security deposit
Advance to others

Opening Balance
Less: Transfer to LPG limited

Add : payment during the year

Adjusted during the year

Closing Balance

		Amount in Taka	
		June 30, 2019	June 30, 2018
10	Cash & Cash equivalent		
	Cash in hand	4,857,667	28,569,216
	Cash at banks : 10.01		
	Fixed deposit receipt (FDR)	21,085,175	21,537,253
	Bank Balances	11,651,524	26,278,256
		37,594,366	76,384,725
10.01	The bank balances consists of:		
	Fixed deposit receipt (FDR) :		
	Mutual Trust Bank Ltd. (FDR)	-	4,861,497
	Shahjala Islami Bank Ltd. (FDR)	21,085,175	16,675,756
		21,085,175	21,537,253
	Bank Balances :		
	AB Bank Ltd.	639,460	961,735
	Bank Alfalah Ltd.	7,563	8,713
	Al-Arafah Bank Ltd.	3,602	4,752
	Bank Asia Ltd.	393,794	396,244
	Brac Bank Ltd.	852,746	594,037
	Dhaka Bank Ltd.	275,957	1,160,598
	Dutch Bangla Bank Ltd.	707,751	3,939,903
	IFIC Bank Ltd.	132,395	574,497
	Jamuna Bank Ltd.	25,572	318,081
	Mutual Trust Bank Ltd.	1,082,438	9,657,624
	National Bank Ltd.	939,151	690,472
	NCC Bank Ltd.	105,372	571,328
	Prime Bank Ltd.	35,713	1,121,969
	Pubali Bank Ltd.	99,296	412,493
	Rupali Bank Ltd.	1,160	421,031
	Shahjalal Islami Bank Ltd.	164,939	241,433
	Social Investment Bank Ltd.	40,912	42,062
	Southeast Bank Ltd.	1,499	583,971
	Standard Bank Ltd.	1,017,515	115,725
	Standard Chartered Bank	180,193	184,218
	Uttara Bank Ltd.	604,968	2,188,641
	United Commercial Bank Ltd.	112,026	890,456
	City Bank Ltd.	1,920,604	603,040
	Trust Bank Ltd.	2,284,938	282,909
	Mercantile Bank Ltd.	21,960	312,324
		11,651,524	26,278,256
11	Share capital		
	Authorized capital:		
	(150,000,000 Ordinary Shares @ Tk. 10 each)	1,500,000,000	1,500,000,000
	Issued, Subscribed and Paid up:		
	(68,528,592 Ordinary Shares @ Tk. 10 each)	685,285,920	685,285,920
		685,285,920	685,285,920
		685,285,920	685,285,920

Date	No. of Shares	Particulars	Share capital 30.06.2019	Share capital 30.06.2018
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
			685,285,920	685,285,920

Shareholding position:

Class of shareholders	Number of Investors	Number of share hold
Sponsors	6	29,116,427
General public	12,245	20,154,481
Institutional investors	171	19,257,684
Total	12,422	68,528,592

Classification of shareholders:

Particulars	Number of Investors	Number of Shares
1 to 500	8,016	1,428,538
501 to 5000	3,793	6,081,749
5001 to 10000	310	2,324,448
10001 to 20000	140	2,007,983
20001 to 30000	42	1,042,903
30001 to 40000	23	826,229
40001 to 50000	19	887,294
50001 to 100000	28	1,970,951
100001 to 1000000	42	14,952,695
Above 1000000	9	37,005,802
Total	12,422	68,528,592

Amount in Taka

	June 30, 2019	June 30, 2018
--	---------------	---------------

Share holding % 2019	Share holding % 2018
42.49%	42.49%
29.41%	36.48%
28.10%	21.03%
100%	100%

% of Share Holdings 30.06.19	% of Share Holdings 30.06.18
2.08%	2.14%
8.87%	8.17%
3.39%	3.38%
2.93%	3.15%
1.52%	2.33%
1.21%	2.34%
1.29%	1.72%
2.88%	4.31%
21.82%	20.45%
54.00%	52.01%
100%	100%

12 Retained earnings

Opening balance
Add: Net profit after tax

1,514,182,654	1,394,029,436
88,475,729	179,271,466
1,602,658,383	1,573,300,902
(82,234,310)	(59,118,248)
1,520,424,073	1,514,182,654

Less: payment cash/Stock dividend
Closing balance

13 Long Term Loan

Due to Director (13.01)

138,500,000	138,500,000
138,500,000	138,500,000

13.01 Due to Director (Mr.Shafiu Islam, chairman)

Opening Balance
Add: during the year

138,500,000	138,500,000
-	-
138,500,000	138,500,000

This represents un-secured and Interest free loan from Mr.Shafiu Islam, chairman.

14 Short-term loans

Shahjalal Islami Bank Ltd.

64,986,524	66,718,155
64,986,524	66,718,155

Related information for loan

The above short term loan consist of LTR and OD facility @ the rate of 11%-13%. The initial limit of sanction amount 13 crore for a period of 6 months. There is no security against the above loan.

15 Provision for income tax

Opening balance
Add: Current tax expenses for the year

17,173,833	44,753,531
27,167,019	26,963,114
44,340,852	71,716,645
(22,116,372)	(54,542,812)
22,224,480	17,173,833

Less: Tax paid/adjusted in current year
Closing balance

16 Payables and accruals

Account payables
Liabilities for Expenses
Workers profit participation fund
Sundry payables
Unclaim Dividend

29,854,382	35,175,470
47,860,696	158,796,733
14,365,140	7,760,686
4,658,762	2,992,511
48,805,249	34,887,680
145,544,229	239,613,080

17 Revenue-net

CNG conversion
CNG sales
Service revenue

91,177,965	132,749,549
1,281,275,167	1,347,508,939
204,322,581	192,480,247
1,576,775,713	1,672,738,735

		Amount in Taka	
		2018-2019	2017-2018
18	Cost of sales		
	Cost of CNG conversion	122,542,680	75,366,809
	Cost of CNG sales	1,069,809,080	1,187,696,321
		1,192,351,760	1,263,063,130
18.01	Cost of CNG conversion		
	Opening balance of conversion materials	585,054,650	542,054,650
	Add : Purchase during the year	93,485,827	101,240,904
	Add : Lpg Raw materials Purchases	-	849,884,102
		678,540,477	1,493,179,656
	Less: Lpg Raw Materials Transfer	-	849,884,102
	Available for consumption	678,540,477	643,295,554
	Less: Closing balance of conversion materials	566,979,997	585,054,650
	Conversion materials consumed	111,560,480	58,240,904
	Add wages and salaries	10,982,200	17,125,905
	Cost of CNG conversion	122,542,680	75,366,809
18.02	Cost of CNG sales		
	Gas	947,035,825	1,061,361,022
	Electricity & Fuel	72,090,716	72,579,819
	Land rent	5,540,000	4,680,000
	Station Commission	45,142,539	49,075,480
		1,069,809,080	1,187,696,321
19	Administration and selling expense		
	Salary & allowances	154,561,258	178,739,123
	Vehicle maintenance	2,040,668	2,585,418
	Electricity bill	3,872,723	4,366,016
	Rental expense	4,017,000	3,962,400
	Telephone & mobile expense	1,683,290	2,187,778
	Conveyance	2,397,133	5,230,514
	CDBL & Annual listing fee	791,286	791,286
	Electrical expense	65,142	246,057
	Entertainment	3,497,035	5,228,173
	Labor charge	1,106,968	1,127,049
	Board meeting attendance fee	245,000	235,000
	Medical expense	31,746	106,375
	Carrying charge	174,525	184,649
	Mineral water	635,643	597,205
	Annual general meeting expenses	115,375	212,000
	Miscellaneous expense	579,773	706,345
	Newspaper & periodicals	192,585	257,106
	Office maintenance	2,012,502	2,549,973
	Audit fees	287,500	230,000
	Oil & lubricants	6,416,080	8,527,993
	Photocopy expense	49,976	42,082
	Postage & stamp	212,014	211,439
	Uniform & liveries	53,939	186,232
	Printing expense	1,627,982	2,270,700
	Stationary expense	692,335	835,607
	Registration & renewals	2,065,689	2,488,032
	Travelling expense	906,386	1,316,662
	Security guard	3,598,067	3,932,200
	Bank Charge	1,111,525	1,155,119
	Internet Expense	1,260,712	1,305,700
	Repair & maintenace	2,143,847	2,547,362
	Fuel, gas & Toll Expenses for mobile lory	8,854,768	9,125,490
	Advertisement	671,975	-
	Other interest expenses	931,282	-
	Missing of cash fund	16,052,478	-
	Depreciation	38,273,932	40,505,691
		263,230,139	283,992,776

		Amount in Taka	
		2018-2019	2017-2018
20	Interest expenses		
	Interest on short-term loans	9,239,195	8,045,190
		9,239,195	8,045,190
21	Other income		
	Interest income on FDR	1,554,080	1,325,194
	Interest income on STD Account	5,697	2,799
	Dividend income	111,100	130,634
	Gain on Disposal of assets	5,992,724	-
		7,663,601	1,458,627
22	Income tax expense		
	Current tax	27,167,019	26,963,114
	Deferred tax	599,569	1,330,077
		27,766,589	28,293,190
22.01	Calculation of Current tax :		
	Profit Before Tax	113,463,443	-
	Add. Disallowable Depreciation	38,273,932	-
		151,737,375	-
	Less: Allowable Depreciation	40,672,209	-
		111,065,166	-
	Less: Gain on disposal of assets separation	5,992,724	-
		105,072,442	-
	Current tax	26,268,111	-
	Gain on disposal of assets	5,992,724	-
	Tax @15% On Gain on disposal	898,909	-
	Total Current tax	27,167,019	-
23.00	Deferred tax:		
	Deferred tax for temporary difference	49,336,048	48,736,478
	DeferreTax on Unrealized Gain/Loss	348,429	503,633
		49,684,477	49,240,111
23.01	Taxable temporary difference	197,344,190	194,945,915
	Tax rate	25.00%	25.00%
	Provision for deferred tax liabilities	49,336,048	48,736,478
	Opening balance	48,736,478	47,406,401
		599,569	1,330,077
23.02	Deferred tax on unrealized gain		
	Opneing Balance	503,633	620,899
	Add: For the year	(155,204)	(117,266)
		348,429	503,633
24	Earnings per share	<u>Profit attributable to Shareholders</u> Number of Ordinary shares	
	Profit attributable to ordinary shareholders	88,475,729	179,271,466
	Number of ordinary shares used to compute earnings per share	68,528,592	68,528,592
	Earnings per share	1.29	2.62
25	Net assets value per share (NAVPS)	<u>Total Asset- Total Liabilities</u> Number of Ordinary shares	
	Net assets value	2,391,536,938	2,386,692,359
	Number of ordinary shares used to compute NAVPS	68,528,592	68,528,592
	Net assets value per share	34.90	34.83

Amount in Taka	
2018-2019	2017-2018

26 **Net operating cash flows per share (NOCFPS)** $\frac{\text{Net operating cash flows}}{\text{Number of Ordinary shares}}$

Net operating cash flows	37,072,936	(104,479,963)
Number of ordinary shares used to compute NOCFPS	68,528,592	68,528,592
Net operating cash flows per share	0.54	(1.52)

27 **Reconciliation of Cash Flows from operating activities under indirect method:**

Net profit/(loss) before interest, income tax & WPPF during the year

123,314,368

Adjustments to reconcile net income to net cash provided by operating activities:

Depreciation

38,273,932

Income tax paid during the year

(22,116,372)

Changes in current assets and liabilities :

Decrease/increase in inventories

18,324,804

Increase/ Decrease in trade receivable

804,567

Increase/Decrease in advance and prepayments

(6,937,490)

Increase/Decrease in payable & accrual

(114,590,873)

37,072,936

28. Segment wise financial position- As at June 30, 2019

Particulars	Conversion Workshop	CNG Station	Total
Assets			
Non-current assets			
Property, plant & equipment	241,002,416	562,338,970	803,341,386
Investment in subsidiaries	852,994,327		852,994,327
Long-term security deposit	7,345,619	29,382,474	36,728,093
Investment in shares	3,589,283		3,589,283
Total non-current assets	1,104,931,644	591,721,444	1,696,653,089
Current assets			
Inventories	571,007,662	-	571,007,662
Accounts receivable	56,492,373	84,738,559	141,230,932
Advances, deposits & pre-payments	106,706,945	18,897,803	125,604,748
Inter company Balances	749,064,319	-	749,064,319
Inter-company receivable	191,434,343	-	191,434,343
Inter unit Balances		737,164,375	-
Cash & Cash equivalent	15,037,746	22,556,620	37,594,366
Total current assets	1,689,743,388	863,357,357	1,815,936,370
Total assets	2,794,675,032	1,455,078,801	3,512,589,459
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	3,135,854	-	3,135,854
Other reserve	828,897	1,243,346	2,072,243
Retained earnings	304,084,815	1,216,339,258	1,520,424,073
Total equity	1,173,954,334	1,217,582,604	2,391,536,938
Deferred tax liabilities	19,873,791	29,810,686	49,684,477
Long term Loan	138,500,000	-	138,500,000
Total non-current liabilities	158,373,791	29,810,686	188,184,477
Current liabilities			
Short-term loans	64,986,524	-	64,986,524
Provision for income tax	8,889,792	13,334,688	22,224,480
Inter company payable	700,112,811	-	700,112,811
Inter unit Balances	737,164,375	-	-
Payables and accruals	87,326,538	58,217,692	145,544,229
Total current liabilities	1,598,480,040	71,552,380	932,868,044
Total liabilities	1,756,853,830	101,363,066	1,121,052,521
Total equity and liabilities	2,930,808,164	1,318,945,670	3,512,589,459

Segment wise Statement of profit or loss and other comprehensive income for the year ended June 30, 2019

Particulars	Conversion Workshop	CNG Station	Total
Revenue	295,500,546	1,281,275,167	1,576,775,713
Less: Cost of sales	122,542,680	1,069,809,080	1,192,351,760
Gross profit	172,957,866	211,466,087	384,423,953
Less: Administration & selling expenses	157,938,084	105,292,056	263,230,139
Less: Interest expenses	9,239,195	-	9,239,195
Operating profit	5,780,587	106,174,031	111,954,619
Add: Other income	7,663,601	-	7,663,601
Less: Foreign exchange loss	481,605	-	481,605
Profit before contribution to WPPF	12,962,583	106,174,031	119,136,615
Less: Contribution to WPPF	-	5,673,172	5,673,172
Profit before tax	12,962,583	100,500,859	113,463,443
Add: Share of profit from subsidiaries	1,111,550	1,667,325	2,778,875
Less: Income tax expenses	11,106,635	16,659,953	27,766,589
Current tax	10,866,808	16,300,212	27,167,019
Deferred tax	239,828	359,742	599,569
Net profit for the year	2,967,498	85,508,231	88,475,729
Other comprehensive income:			
Unrealised profit/loss on investment in share	(1,552,044)	-	(1,552,044)
Deferred tax adjustment	155,204	-	155,204
	(1,396,840)	-	(1,396,840)
Share of Profit from subsidiaries	-	-	-
Total comprehensive income for the year	1,570,658	85,508,231	87,078,889

29 Event after the Reporting Period

The Directors in the meeting held on October 26, 2019, recommended 10% cash dividend for the shareholders (excluding Sponsors Shareholder) whose name will be appeared in the shareholders' registers at the date of book closure which is subject to shareholders' approval at the forthcoming annual general meeting to be held on December 23, 2019.

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

30 Amount due by directors

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

31 Claims against the company

There is no known claim against the Company

32 Employee position of the Company

As per schedule XI part-II, Note 5 of para 3 of companies Act. 1994, the total number of employees was 715 who drawing Tk. 3,000 or more per month.

33 Payment / Perquisites to Directors and officers :

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

Particulars	Amount
Board meeting attendance fee	245,000

during the year under review :

- no compensation was allowed by the company to the Chief executive officer of the company who is also a Director.
- the rate at which Directors have drawn Board meeting attendance fees @ Tk.5,000/- per Director per meeting. The total Board meeting attendance fee incurred during the year under review was Tk. 245,000/- and
- no amount of money was spent by the company for compensating any member of the board for special services rendered.

34 Contingent assets / liabilities :

The company does not hold any claim that meets definition of contingent liability in accordance with IAS 37 Provision, Contingent Liability and Contingent Asset exists at reporting date.

35 Auditors fees for service rendered:

As per schedule XI, part II , para 6 of companies Act. 1994 , auditors are only paid audit fees (including VAT) of taka 287,500. No other service has been taken from auditor hence other then this no other fees given to auditor.

36 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

Name of the Related Party	Nature of Relationship	Nature of Transaction	Transactions during the year		Receivables / (Payables)	
			Dr. Taka	Cr. Taka	30.06.2019 Taka	30.06.2018 Taka
Navana Engineering Ltd.	Subsidiaries	Working Capital	-	4,900,000	21,062,105	25,962,105
Navana Engineering Ltd.	Subsidiaries	Working Capital	-	-	(238,000,000)	(238,000,000)
Navana Welding Electrode Ltd.	Subsidiaries	Working Capital	-	-	107,012,238	107,012,238
Navana Welding Electrode Ltd.	Subsidiaries	Working Capital	-	(3,000,000)	(33,000,000)	(30,000,000)
Navana LPG Limited	Subsidiaries	Interest free Loan	-	50,000.00	35,760,000	35,810,000
Navana LPG Limited	Subsidiaries	Working Capital	-	-	749,064,319	749,064,319
Navana LPG Limited	Subsidiaries	Working Capital	1,130,225	-	-	(1,130,225)
Loan from Chairman	Director	Interest free Loan	-	-	138,000,000	138,000,000
Navana Limited	Alliance Companies	Interest free Loan	-	-	(416,112,811)	(416,112,811)
Navana Limited	Alliance Companies	Interest free Loan	-	-	27,600,000	27,600,000
Navana Construction	Alliance Companies	Interest free Loan	-	-	(13,000,000)	(13,000,000)
Board meeting fee	Director	Fee	245,000	-	245,000	235,000

Navana CNG Limited

Schedule of Property, plant and equipment
As at June 30, 2019

Annexure-A

Particulars	Cost			Rate of Dep.	Depreciation			Written Down Value at 30.06.2019
	As at 01.07.2018	Addition dur. the Year	Adjustment / Disposal during the year		As at 30.06.2019	Charged dur. the Year	Adjustment / Disposal during the year	
Land and land development	449,042,715	-	-	0%	449,042,715	-	-	449,042,715
Building & Shed	118,064,908	6,821,105	2,067,643	10%	122,818,370	5,018,916	1,840,966	51,679,412
Plant & Machinery	571,610,036	6,117,828	16,181,723	10%	561,546,141	22,051,505	11,519,336	199,893,492
Tools & equipment	81,027,722	6,708,094	2,751,046	10%	84,984,770	4,644,995	2,178,668	47,297,812
Furniture & fixtures	16,075,546	75,592	106,501	10%	16,044,637	699,855	74,957	6,329,196
Vehicles	93,565,384	-	8,000,000	10%	85,565,384	5,858,662	4,370,801	49,098,759
Total	1,329,386,311	19,722,619	29,106,913		1,320,002,017	38,273,932	19,984,728	803,341,386

Note: The factory land consists of a land of Taka 194,475,891 which is under process of the Navana LPG Limited title deed of the same is in the name of Navana CNG Limited transfer of the said land is under process.

INDEPENDENT AUDITORS' REPORT

To

The Shareholders of Navana Engineering Limited

Opinion

We have audited the accompanying financial statements of Navana Engineering Limited which comprise the Statement of Financial Position as at 30th June, 2019 and the related Statement of Profit or Loss and Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year ended 30th June, 2019 and notes to the Financial Statements including a Summary of Significant Accounting Policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 30th June, 2019 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and other applicable laws and regulations.

Basis of 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.

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.

Other Information

Management is responsible for the other information. 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 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 financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs) 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.

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.

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.

Dated : 16th October, 2019
Place : Dhaka, Bangladesh


A. Hoque & Co.
Chartered Accountants

NAVANA ENGINEERING LIMITED

Statement of Financial Position As at 30th June, 2019

	Notes	Amount in Taka	
		June 30, 2019	June 30, 2018
Assets			
Non-Current Assets:	4.00	1,705,577,993	1,637,325,521
Property, Plant & Equipment	4.01	1,360,424,723	1,282,149,233
Intangible Assets	4.02	16,031,701	17,813,001
Capital Work-in-Progress	4.03	329,121,569	322,138,116
Investment in Shares	4.04	-	15,225,171
Current Assets:	5.00	1,972,188,656	1,660,312,925
Inventories	5.01	964,757,390	809,494,186
Trade Receivables	5.02	347,886,134	242,013,125
Advances, Deposits & Pre-Payments	5.03	322,909,881	254,096,077
Inter Company Receivables	5.04	320,000,000	320,000,000
Cash and Cash Equivalents	5.05	16,635,251	34,709,537
Total Assets		3,677,766,649	3,297,638,446
Equity and Liabilities			
Authorized Capital	6.00	500,000,000	500,000,000
50,000,000 Ordinary Shares of Tk. 10/- each			
Equity:	7.00	512,796,174	510,889,604
Share Capital	7.01	100,000,000	100,000,000
Tax Holiday Reserve	7.02	35,385,976	35,385,976
AFS Reserve	7.03	-	3,420,653
Retained Earnings	7.04	377,410,198	372,082,975
Non-Current Liabilities:	8.00	1,277,130,350	1,040,802,226
Deferred Tax Liability	8.01	66,526,829	62,769,569
Long Term Loan-Net of Current Portion	8.02	915,603,521	683,032,657
Loan from Others	8.03	50,000,000	50,000,000
Share Money Deposit	8.04	245,000,000	245,000,000
Current Liabilities:	9.00	1,887,840,125	1,745,946,616
Long Term Loan-Current Portion	9.01	293,700,266	151,010,391
Short Term Loan	9.02	842,820,203	1,134,207,036
Current Account with Aftab Automobiles Ltd.	9.03	60,000,230	60,000,230
Inter Company Payables	9.04	522,338,081	248,438,081
Provision for Income Tax	9.05	117,713,003	112,661,892
Payables & Accruals	9.06	51,268,342	39,628,986
Total Liabilities		3,164,970,475	2,786,748,842
Total Equity & Liabilities		3,677,766,649	3,297,638,446
Net Assets Value as per Share		51.28	51.09

The annexed notes from 1 to 14 and Annexure-A & B form an integral part of these Financial Statements.


Chairman


Director


Company Secretary

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

Dated : 16th October, 2019
Place : Dhaka, Bangladesh


A. Hoque & Co.
Chartered Accountants

NAVANA ENGINEERING LIMITED

Statement of Profit or Loss and other Comprehensive Income As at 30th June, 2019

	Notes	Amount in Taka	
		2018 - 2019	2017 - 2018
Revenue (Net)	10.00	777,913,306	1,403,614,715
Less: Cost of Goods Sold	11.00	527,949,775	964,814,579
Gross Profit		249,963,531	438,800,136
Less: Administrative & Selling Expenses	12.00	78,573,815	90,289,772
Less: Interest Expenses		158,842,847	134,985,653
Operating Profit		12,546,869	213,524,710
Add: Other Income		2,694,630	302,910
Profit before Contribution to WPPF		15,241,499	213,827,620
Less: Contribution to WPPF		725,786	10,182,268
Net Profit before Tax		14,515,714	203,645,353
Less: Income Tax Expenses	13.00	9,188,490	71,275,873
Current Tax	13.01	5,051,111	39,117,336
Deferred Tax	13.02	4,137,379	32,158,537
Profit after Tax		5,327,223	132,369,480
Add: Other Comprehensive Income/ (Loss)		-	(245,355)
Add/Less: Deferred Tax Adjustment		-	24,535
		-	(220,821)
Total Comprehensive Income for the year		5,327,223	132,148,659
Earnings per Share		0.53	13.24

The annexed notes from 1 to 14 and Annexure-A & B form an integral part of these Financial Statements.


Chairman


Director


Company Secretary

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

Dated : 16th October, 2019
Place : Dhaka, Bangladesh


A. Hoque & Co.
Chartered Accountants

NAVANA ENGINEERING LIMITED

Statement of Changes In Equity
For the year ended 30th June, 2019

Particulars	Share capital	Tax holiday reserve	AFS Reserve	Retained Earnings	Total
Balance at July 01,2017	100,000,000	35,385,976	2,293,063	241,061,906	378,740,945
Transferred from Retained Earnings	-	-	1,348,410	(1,348,410)	-
Total Comprehensive Income	-	-	(220,820)	132,369,479	132,148,659
Balance at June 30, 2018	100,000,000	35,385,976	3,420,653	372,082,975	510,889,604
Balance at July 01,2018	100,000,000	35,385,976	3,420,653	372,082,975	510,889,604
Adjustment of AFS Reserve	-	-	(3,420,653)	-	(3,420,653)
Net Profit for the year	-	-	-	5,327,223	5,327,223
Balance at June 30, 2019	100,000,000	35,385,976	-	377,410,198	512,796,174

The annexed notes from 1 to 14 and Annexure-A & B form an integral part of these Financial Statements.



Chairman



Director



Company Secretary

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

Dated : 16th October, 2019

Place : Dhaka, Bangladesh



A. Hoque & Co.
Chartered Accountants

NAVANA ENGINEERING LIMITED

Statement of Cash Flows for the year ended 30th June, 2019

	Notes	Amount in Taka	
		2018 - 2019	2017 - 2018
Cash Flows from Operating Activities:			
Cash Receipts from Customers		672,040,297	1,329,877,246
Cash Receipts of Other Income		-	302,910
Payments for Materials, Services and Expenses		(705,842,226)	(1,229,085,745)
Cash Generated from Operations		(33,801,929)	101,094,411
Income Tax Paid		(29,072,275)	(46,963,465)
Net Cash Generated from Operating Activities	14	(62,874,204)	54,130,946
Cash Flows from Investing Activities:			
Payments for Property, Plant and Equipment		(6,742,538)	(27,656,537)
Capital Work-in-Progress		(161,507,632)	(290,210,334)
Proceeds from Sale of Shares		14,119,029	-
Net Cash used in Investing Activities		(154,131,141)	(317,866,871)
Cash Flows from Financing Activities			
Share Money Deposit		-	200,000,000
Interest Paid		(158,842,847)	(134,985,653)
Current Account with Aftab Automobiles Limited		-	(60,000,000)
Loan Received from Others		-	50,000,000
Short Term Loan		(291,386,833)	207,965,354
Inter Company Receivables		-	(250,000,000)
Received from Other Receivables		-	43,697,408
Received from Subsidiaries & Alliance Companies		273,900,000	152,475,976
Term Loan		375,260,739	75,744,459
Net Cash Generated / (Used) in Financing Activities		198,931,059	284,897,544
Net Increase/(Decrease) in Cash and Cash Equivalents		(18,074,286)	21,161,619
Cash and Cash Equivalents at the beginning of the year		34,709,537	13,547,918
Cash and Cash Equivalents at the end of the year		16,635,251	34,709,537

The annexed notes from 1 to 14 and Annexure-A & B form an integral part of these Financial Statements.


Chairman


Director


Company Secretary

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

Dated : 16th October, 2019
Place : Dhaka, Bangladesh


A. Hoque & Co.
Chartered Accountants

NAVANA ENGINEERING LIMITED

Notes to the Financial Statements for the year ended 30th June, 2019 Forming an Integral Part of the Financial Statements

1.00 Reporting Entity

1.01 Company Profile

Navana Engineering Limited is a public limited company which was incorporated in 2010 with Registrar of Joint Stock Companies & Firms, Dhaka, Bangladesh under the Companies Act 1994 as a subsidiary with 99.99% shares owned by Navana CNG Limited. The company started its commercial operation from 1st day of March, 2011.

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

The Corporate Office of the Company is located at 205-207, Tejgaon Industrial Area, Dhaka-1208.

1.02 Nature of Business

The principal activities of the company are manufacturing of polymer, plastic, PVC, poly ethylene, pipes, tubes, conduits, fittings etc, and all sorts of finished products for house hold, industrial and commercial use.

1.03 Components of Financial Statements

- Statement of Financial Position as at 30th June, 2019;
- Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June, 2019;
- Statement of Changes in Equity for the year ended 30th June, 2019;
- Statement of Cash Flows for the year ended 30th June, 2019;
- Accounting Policies and Explanatory Notes.

1.04 Operating Segments

No operating segment is applicable for the Company as required by IFRS 8: Operating Segments as the Company has only one operating segments and the operation of Company is within the geographical territory in Bangladesh.

2.00 Basis of Presentation of Financial Statements

2.01 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.

2.02 The financial statements are prepared and presented for external users by the enterprise in accordance with identified reporting framework. Presentation has been made in compliance with the standards adopted by the ICAB for reporting, IAS-1 Presentation of Financial Statements.

2.03 Statement of Compliance

The financial statements have been prepared in accordance with the requirements of the Companies Act, 1994 and other relevant local laws as applicable and in accordance with the International Financial Reporting Standards (IFRS's) including International Accounting Standards (IAS's).

2.04 Going Concern

The Company has adequate resources to continue in operation for the foreseeable future. For the reason the Directors continue to adopt going concern basis in preparing the accounts.

2.05 Reporting Currency

The financial statements are prepared and presented in Bangladesh Currency (Taka) which is Company's functional currency.

2.06 Key Accounting Estimates and Judgments in Applying Accounting Policies

The preparation of financial statements in conformity with IFRS's including IAS's requires managements to make the judgments, estimates and assumption that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses and for contingent assets and liabilities that require disclosures during and at the date of the financial statements. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed as on going concern basis. Revisions of accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

In particular, the key areas of estimation, uncertainty 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.

2.07 Responsibility for Preparation and Presentation of Financial Statements

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

2.08 Comparative Figures

Comparative figure and account titles in the financial statements have been re-arranged and classified, where necessary, to conform with changes in presentation in the current year.

2.09 Events after the Reporting Period

Where necessary all the material events after the reporting period have been considered and appropriate adjustment/disclosure have been made in the financial statements.

2.10 Reporting Period

The reporting period of the Company covers one year from 1st day of July, 2018 to 30th June, 2019.

2.11 Approval of Financial Statements

The financial statements have been approved by the Board of Directors on the 16th day of October, 2019.

3.00 Accounting Principles and Policies

The accounting principles and policies in respect of material items of financial statements set out below have been applied consistently to all periods presented in these 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.

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 of day servicing of property and equipment are recognized in the Statement of Comprehensive Income as incurred.

3.01.4 Depreciation on Tangible Fixed Assets

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

No depreciation has been charged on land and land development. Depreciation on all other fixed assets 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 comprehensive income statement for the year ended. The annual depreciation rates applicable to the principal categories are:

<u>Category of Fixed Assets</u>	<u>Rate of Depreciation</u>
Land and Land Development	--
Building & Shed	10%
Plant & Machinery	10%
Tools & Equipment	10%
Furniture & Fixture	10%
Motor Vehicles	10%

Depreciation has been allocated to factory overhead and administrative overhead.

3.01.5 Software: Intangible Asset

Recognition and measurement Intangible Assets that are acquired by the Company and have finite useful lives are measured at cost less any accumulated amortization and any accumulated impairment losses, if any. Intangible Assets are recognized when all the conditions for recognition as per IAS 38 Intangible Assets are met.

Amortization

Amortization is recognized in statement of profit or loss and other comprehensive income; rate of amortization is 10%.

3.02 Revenue Recognition

Revenue represents invoiced value of sales. Revenue is recognized when sales are made. Invoices were made after satisfying the following conditions as prescribed by IAS 18 "Revenue Recognition":

- (i) the significant risks and rewards of ownership of the sales have been transferred to the buyer;
- (ii) the amount of revenue was measured reliably;
- (iii) it was probable that the economic benefits relating to the transactions will flow to the Company;
- (iv) neither continuing managerial involvement nor effective control usually associated with ownership of the policy was retained by the Company; and
- (v) cost relating to the transactions was measured reliably.

3.03 Inventories

Inventories comprise of Raw Materials, Work-in-process and Finished Goods. They are stated at the lower of cost or net realizable value in accordance with IAS-2 "Inventories" after making due allowance for any obsolete or slow moving items. The cost of inventories is assigned by using weighted average cost. Net realizable value represents the estimated selling price for the inventories less all estimated cost of completion and cost necessary to make the sale.

<u>Category of Inventories</u>	<u>Basis of Valuation</u>
Raw Materials	Weighted Average Cost Method
Work-in-progress	Weighted Average Cost Method
Finished Goods	Weighted Average Cost Method

3.04 Accounts Receivables

Accounts receivable are created at original invoice amount less any provision for doubtful debts. Provisions are made where there is evidence of a risk of non-payment, taking into account ageing, previous experience and general economic conditions. When an accounts receivable is determined to be uncollectible it is written off, firstly against any provision available and then to the statement of profit or loss and other comprehensive income. Subsequent recoveries of amounts previously provided for are credited to the statement of profit or loss and other comprehensive income.

3.05 Advance, Deposits and Prepayments

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads. Deposits are measured at payment value. Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to Profit or Loss Account and Other Comprehensive Income.

3.06 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 significant risks of changes in value and are not restricted as to use.

3.07 Liabilities and Basis of their Valuation

3.07.1 Liabilities for Expenses and Finance

Liabilities are recognized for amounts to be paid in future for goods and services received, whether or not billed by the supplier.

3.07.2 Financial Liability

All other financial liabilities are recognized initially on the transaction date at the Company becomes a party to the contractual provision of the liability.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial liabilities include loans and borrowing, accounts payables and other payables.

(a) Loans and Borrowings

Principal amounts of the loans and borrowings are stated at their amortized amount. Borrowings repayable after twelve months from the date of statement of financial position are classified as non-current liabilities whereas the portion of borrowings repayable within twelve months from the date of statement of financial position, unpaid interest and other charges are classified as current liabilities.

(b) Payables

The Company recognizes a financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.

3.07.3 Provisions

A provision is recognized on the statement of financial position date if, as a result of past events, the Company has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.08 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".

3.09 Income Tax Expenses

Income tax expenses comprise current and deferred tax. Income tax expense is recognized in the comprehensive income statement except to the extent that it relates to items recognize directly in equity, in which case it is recognized in equity.

(a) Current Tax

Income tax is calculated and provision has been made in accordance with IAS -37 on taxable income.

(b) Deferred Tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that the taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor accounting profit.

Considering the practices generally followed in Bangladesh the company have been reserved deferred tax assets or deferred tax liabilities in accordance with IAS 12 "Income Tax".

3.10 Related Party Disclosure

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 has been set out in accordance with the provisions of IAS 24: Related Party Disclosure:

Name of Related Party	Relationship	Nature of Transaction	Outstanding Receivable / (Payable)
Navana CNG Ltd.	Subsidiary	Working Capital	(21,062,105)
Navana Real Estate Ltd.	Alliance Companies	Interest Free Loan	(303,800,000)
Navana Welding Electrode Ltd.	Sister Concern	Interest Free Loan	70,000,000
Loan from Chairman	Director	Interest Free Loan	86,933,137
Navana Real Estate Ltd.	Alliance Companies	Interest Free Loan	20,364,347
Navana LPG Ltd.	Sister Concern	Interest Free Loan	(164,091,976)
Navana Construction Ltd.	Alliance Companies	Interest Free Loan	(33,384,000)
Navana Construction Ltd.	Alliance Companies	Interest Free Loan	11,861,269
Navana CNG Ltd.	Subsidiary	Working Capital	238,000,000
Navana Limited	Alliance Companies	Interest Free Loan	400,000
Aftab Automobiles Ltd.	Alliance Companies	Interest Free Loan	11,600,000
Navana Batteries Ltd.	Alliance Companies	Interest Free Loan	6,211,200
Board Meeting Fee	Director	Fee	172,000

In compliance with the requirements of IAS 23 “Borrowing Costs” borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Borrowing costs are recognized as expenses in the period in which they incurred and capitalized the same that incurred before commencement of commercial operation.

3.12 Contingencies

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

3.13 General

Figures shown in the accounts have been rounded off to the nearest Bangladeshi Taka.

Comprehensive figures and account titles in the financial statements have been re-arranged/re-classified where necessary to conform to changes in presentation in the current period.

		Amount in Taka																																												
		June 30, 2019	June 30, 2018																																											
4.00	Non-Current Assets	1,705,577,993	1,637,325,521																																											
This is made up as follows:																																														
4.01	Property, Plant and Equipments	1,360,424,723	1,282,149,233																																											
4.02	Intangible Assets	16,031,701	17,813,001																																											
4.03	Capital Work-In-Progress	329,121,569	322,138,116																																											
4.04	Investment in Shares	-	15,225,171																																											
		1,705,577,993	1,637,325,521																																											
4.01	Property, Plant & Equipment's	1,360,424,723	1,282,149,233																																											
This is made up as follows:																																														
	Land and Land Development	454,894,508	454,894,508																																											
	Building & Shed	338,212,164	303,117,259																																											
	Plant & Machinery	502,177,249	458,248,244																																											
	Tools & Equipment	55,088,914	55,407,997																																											
	Furniture & Fixture	2,668,271	2,507,617																																											
	Motor Vehicles	7,383,617	7,973,608																																											
		1,360,424,723	1,282,149,233																																											
An elaborate Schedule of PPE are shown in Annexure - A.																																														
4.02	Intangible Assets	16,031,701	17,813,001																																											
This is made up as follows:																																														
	Software System	16,031,701	17,813,001																																											
		16,031,701	17,813,001																																											
An elaborate Schedule of Intangible Assets are shown in Annexure -B.																																														
4.03	Capital Work-In-Progress	329,121,569	322,138,116																																											
This is made up as follows:																																														
	Opening Balance	322,138,116	795,993,949																																											
	Add: Addition during the year	161,507,632	290,210,334																																											
		483,645,748	1,086,204,283																																											
	Less: Transfer to PPF	154,524,179	764,066,167																																											
		329,121,569	322,138,116																																											
Capital Work-In-Progress represents land and land development, civil construction, plant and machineries etc. for BMRE project at Gabtoli and Baligaon, Kaligonj.																																														
4.04	Investment in Share	-	15,225,171																																											
This is made up as follows:																																														
<table border="1"> <thead> <tr> <th>Name of the Share</th> <th>No. of Shares</th> <th>Cost Price</th> </tr> </thead> <tbody> <tr> <td>Aftab Automobiles Ltd.</td> <td>44,750</td> <td>2,502,091</td> </tr> <tr> <td>National Bank Ltd.</td> <td>10,714</td> <td>222,205</td> </tr> <tr> <td>Square Pharmaceuticals Ltd.</td> <td>33,840</td> <td>5,904,363</td> </tr> <tr> <td>Titas Gas</td> <td>38,105</td> <td>2,134,819</td> </tr> <tr> <td>Jamuna Oil</td> <td>1,540</td> <td>299,287</td> </tr> <tr> <td>Padma Oil</td> <td>1,100</td> <td>361,678</td> </tr> <tr> <td colspan="2"></td> <td>130,049</td> </tr> <tr> <td colspan="2"></td> <td>11,424,443</td> </tr> </tbody> </table>			Name of the Share	No. of Shares	Cost Price	Aftab Automobiles Ltd.	44,750	2,502,091	National Bank Ltd.	10,714	222,205	Square Pharmaceuticals Ltd.	33,840	5,904,363	Titas Gas	38,105	2,134,819	Jamuna Oil	1,540	299,287	Padma Oil	1,100	361,678			130,049			11,424,443	<table border="1"> <thead> <tr> <th>Market Value as on 30.06.2019</th> <th>Market Value as on 30.06.2018</th> </tr> </thead> <tbody> <tr> <td></td> <td>2,358,325</td> </tr> <tr> <td></td> <td>141,100</td> </tr> <tr> <td></td> <td>10,662,392</td> </tr> <tr> <td></td> <td>1,524,200</td> </tr> <tr> <td></td> <td>286,594</td> </tr> <tr> <td></td> <td>252,560</td> </tr> <tr> <td></td> <td>15,225,171</td> </tr> </tbody> </table>	Market Value as on 30.06.2019	Market Value as on 30.06.2018		2,358,325		141,100		10,662,392		1,524,200		286,594		252,560		15,225,171
Name of the Share	No. of Shares	Cost Price																																												
Aftab Automobiles Ltd.	44,750	2,502,091																																												
National Bank Ltd.	10,714	222,205																																												
Square Pharmaceuticals Ltd.	33,840	5,904,363																																												
Titas Gas	38,105	2,134,819																																												
Jamuna Oil	1,540	299,287																																												
Padma Oil	1,100	361,678																																												
		130,049																																												
		11,424,443																																												
Market Value as on 30.06.2019	Market Value as on 30.06.2018																																													
	2,358,325																																													
	141,100																																													
	10,662,392																																													
	1,524,200																																													
	286,594																																													
	252,560																																													
	15,225,171																																													
			-																																											
			15,225,171																																											

		Amount in Taka	
		June 30, 2019	June 30, 2018
5.00	Current Assets	1,972,188,656	1,660,312,925
	This is made up as follows:		
5.01	Inventories	964,757,390	809,494,186
5.02	Trade Receivables	347,886,134	242,013,125
5.03	Advances, Deposits & Pre-payments	322,909,881	254,096,077
5.04	Inter Company Receivables	320,000,000	320,000,000
5.05	Cash & Cash Equivalentents	16,635,251	34,709,537
		1,972,188,656	1,660,312,925
5.01	Inventories	964,757,390	809,494,186
	This is made up as follows:		
	Raw Materials	93,419,828	51,700,688
	Stock in Transit	113,266,934	171,291,950
	Work in Process	55,522,587	33,642,717
	Finished Stock	702,548,041	552,858,831
		964,757,390	809,494,186
5.02	Trade Receivable	347,886,134	242,013,125
	This is made up as follows:		
	Mymensingh Zone	42,587,031	7,980,984
	Chittagong Zone	24,826,212	22,167,419
	Khulna Zone	27,848,194	9,400,922
	Rajshahi Zone	21,030,225	6,663,693
	Gazipur Zone	20,334,302	12,357,897
	Sylhet Zone	20,025,803	9,031,768
	Dhaka Zone	35,088,095	22,205,246
	Barishal Zone	33,327,983	17,422,599
	HDPE	37,891,740	61,848,851
	PPR	14,789,552	17,590,727
	Tender	1,863,973	2,837,770
	Navana Real Estate Ltd.	20,364,347	8,029,017
	Corporate	13,931,022	44,476,232
	Navana Construction Ltd.	11,861,269	-
	Navana Battery Ltd.	6,211,200	-
	Others	15,905,186	-
		347,886,134	242,013,125
5.03	Advance, Deposit & Pre-payment	322,909,881	254,096,077
	This is made up as follows:		
	Advance for Rent	19,077,478	16,577,478
	Advance for Tender	1,045,410	1,045,410
	Advance Income Tax	159,070,584	129,998,309
	Advance Bank Guarantee	5,279,824	5,279,824
	Clearing and Forwarding Agent	1,351,023	1,351,023
	Advance against Local Procurement	91,175	91,175
	Jakshon International Ltd.	251,031	251,031
	VAT Current Account	13,127,650	17,958,499
	Rose Valley International	340,470	340,470
	Advance against Suppliers	48,618,431	28,618,431
	Advance against Others	36,844,455	52,584,427
	Advance against Civil Construction	37,812,350	-
		322,909,881	254,096,077

		Amount in Taka	
		June 30, 2019	June 30, 2018
5.03.1	Advance Income Tax	159,070,584	129,998,309
	This is made up as follows:		
	Opening Balance	129,998,309	83,034,844
	Add: Addition during the year	29,072,275	46,963,465
		159,070,584	129,998,309
	Less: Adjustment during the year	-	-
		159,070,584	129,998,309
5.04	Inter Company Receivables	320,000,000	320,000,000
	The above amount is receivable against Inter Company transactions.		
5.05	Cash and Cash Equivalent	16,635,251	34,709,537
	This is made up as follows:		
	Cash at Bank:		
	Al-Arafah Islami Bank Ltd.	75,584	76,734
	Islami Bank (BD) Ltd.	2,877,904	7,174,917
	Jamuna Bank Ltd.	20,627	21,777
	Shahjalal Islami Bank Ltd.	169,181	164,348
	Southeast Bank Ltd.	238,808	2,282,167
	Standard Bank Limited	10,282	796
	Dutch Bangla Bank Ltd.	3,027,302	751,633
	One Bank Ltd.	53,030	292,599
	Mutual Trust Bank Ltd.	1,100,270	479,138
	Trust Bank Ltd.	83,232	84,382
	Modhumoti Bank Ltd.	976,679	978,329
	United Commercial Bank Ltd.	336	911
	Mercantile Bank Ltd.	2,710	2,710
	IFIC Bank Ltd.	111,222	112,522
	Pubali Bank Ltd.	1,954,089	2,664,488
	Bank Asia Ltd.	5,000	1,279,382
	Bangladesh Commerce Bank Ltd.	20,000	-
	First Security Islami Bank Ltd.	10,000	-
	Agrani Bank Ltd.	10,000	-
		10,746,256	16,366,833
	Cash in Hand	5,888,995	18,342,704
		16,635,251	34,709,537

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, 2019.

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

6.00	Authorized Capital	500,000,000	500,000,000
	50,000,000 Ordinary Shares of Tk. 10/- each.		
7.00	Equity	512,796,174	510,889,604
	This is made up as follows:		
	7.01 Share Capital	100,000,000	100,000,000
	7.02 Tax Holiday Reserve	35,385,976	35,385,976
	7.03 AFS Reserve	-	3,420,653
	7.04 Retained Earnings	377,410,198	372,082,975
		512,796,174	510,889,604

		Amount in Taka	
		June 30, 2019	June 30, 2018
7.01	Share Capital	100,000,000	100,000,000
	This is made up as follows:		
	Navana CNG Limited	99,999,950	99,999,950
	Non-Controlling Interest (Sponsors)	50	50
		100,000,000	100,000,000
7.02	Tax Holiday Reserve	35,385,976	35,385,976
	The above balance is as per last account.		
7.03	AFS Reserve	-	3,420,653
7.04	Retained Earnings	377,410,198	372,082,975
	This is made up as follows:		
	Opening Balance	372,082,975	241,061,906
	Less: Transferred to Retained Earnings	-	(1,348,410)
		372,082,975	239,713,496
	Add: Net Profit for the year	5,327,223	132,369,479
		377,410,198	372,082,975
8.00	Non-Current Liabilities	1,277,130,350	1,040,802,226
	This is made up as follows:		
8.01	Deferred Tax Liability	66,526,829	62,769,569
8.02	Long Term Loan-Net of Current Portion	915,603,521	683,032,657
8.03	Loan from Others	50,000,000	50,000,000
8.04	Share Money Deposits	245,000,000	245,000,000
		1,277,130,350	1,040,802,226
8.01	Deferred Tax Liability	66,526,829	62,769,569
	This is made up as follows:		
8.01.1	Deferred Tax for Temporary Difference	66,526,829	62,389,450
8.01.2	Deferred Tax on Unrealized Gain	-	380,119
		66,526,829	62,769,569
8.01.1	Deferred Tax for Temporary Diference	66,526,829	62,389,450
	This is made up as follows:		
	Accounting base WDV	1,376,456,425	1,299,962,233
	Tax base WDV	1,114,977,837	1,121,706,662
	Temporary Diference	261,478,588	178,255,571
	Less: Unabsorbed Depreciation	(71,401,932)	-
	Taxable Temporary Difference	190,076,656	178,255,571
	Tax Rate	35%	35%
	Deferred Tax Liabilities	66,526,829	62,389,450
8.01.2	Deferred Tax on Unrealized Gain	-	380,119
	This is made up as follows:		
	Opening Balance	380,119	404,654
	Add: Addition during the year	-	-
		380,119	404,654
	Less: Adjustment during the year	(380,119)	24,535
	Current Deferred Tax	-	380,119
		-	380,119
8.02	Long Term Loan-Net of Current Portion	915,603,521	683,032,657
	This is made up as follows:		
	One Bank Ltd., Gulshan Branch	1,005,117,720	747,109,911
	Mutual Trust Bank Ltd.	19,558,285	-
	Standard Bank Ltd.	97,694,645	-
	Due to Director	86,933,137	86,933,137
		1,209,303,787	834,043,048
	Less: Long Term Loan-Current Portion	293,700,266	151,010,391
		915,603,521	683,032,657

		Amount in Taka	
		June 30, 2019	June 30, 2018
8.02.1	Due to Director	86,933,137	86,933,137
	This is made up as follows:		
	Opening Balance	86,933,137	86,933,137
	Add: During the year	-	-
		86,933,137	86,933,137
	It represents Un-secured and Interest Free Loan from Mr. Shafiqul Islam, Chairman of the Company.		
8.03	Loan from Others	50,000,000	50,000,000
	The above balance is as per last account.		
8.04	Share Money Deposits	245,000,000	245,000,000
	The above balance is as per last account.		
9.00	Current Liabilities	1,887,840,125	1,745,946,616
	This is made up as follows:		
9.01	Long Term Loan-Current Portion	293,700,266	151,010,391
9.02	Short Term Loan	842,820,203	1,134,207,036
9.03	Current Account with Aftab Automobiles Ltd.	60,000,230	60,000,230
9.04	Inter Company Payable	522,338,081	248,438,081
9.05	Provision for Income Tax	117,713,003	112,661,892
	This is made up as follows:		
	Opening Balance	112,661,892	73,544,556
	Add: Provision during the year	5,051,111	39,117,336
		117,713,003	112,661,892
	Less: Tax Paid/Adjusted during the year	-	-
		117,713,003	112,661,892
9.06	Payable & Accrual	51,268,342	39,628,986
	This is made up as follows:		
	Liabilities for Expenses	12,380,029	5,791,394
	Workers Profit Participation Fund	13,407,346	11,322,822
	Sundry Payables	25,480,967	22,514,770
		51,268,342	39,628,986

		Amount in Taka	
		2018-2019	2017-2018
10.00	Revenue (Net)	777,913,306	1,403,614,715
	This is made up as follows:		
	HDPE Pipe	137,613,937	21,302,441
	HDPE Fittings	29,409,354	257,093,645
	PPR Pipe Fittings	-	6,550,459
	PPR Pipe	14,347,017	73,921,255
	UpVC Pipe	442,521,148	615,358,619
	UpVC Pipe Fittings	43,323,179	72,679,998
	Cpvc Pipe	3,900,281	-
	Plastic Item	49,899,068	45,362,519
	Gas Stove	10,198,175	53,730,203
	Sink	1,036,019	306,927
	Battery Container	24,701,653	27,463,220
	Water Pump	-	3,746,902
	Plastic Item -Exempted Goods	119,230,581	406,431,956
	Exported Item-Exempted Goods	465,481	3,958,860
		876,645,893	1,587,907,004
	Less: VAT	(98,732,587)	(184,292,289)
		777,913,306	1,403,614,715
11.00	Cost of Goods Sold	527,949,775	964,814,579
	This is made up as follows:		
	Raw Material Consumed 11.01	547,246,045	983,317,675
	Add: Factory Overhead 11.02	152,272,810	160,712,463
		699,518,855	1,144,030,138
	Add: Opening Work in Progress	33,642,717	55,910,972
		733,161,572	1,199,941,110
	Less: Closing Work in Progress	55,522,587	33,642,717
		677,638,985	1,166,298,393
	Add: Opening Finished Goods	552,858,831	351,375,017
		1,230,497,816	1,517,673,410
	Less: Closing Finished Goods	702,548,041	552,858,831
	Cost of Goods Sold	527,949,775	964,814,579
11.01	Raw Material Consumed	547,246,045	983,317,675
	This is made up as follows:		
	Opening Stock of Raw Materials	51,700,688	141,289,110
	Add: Purchased during the year	588,965,185	893,729,253
		640,665,873	1,035,018,363
	Less: Closing Stock of Raw Material	93,419,828	51,700,688
		547,246,045	983,317,675
11.02	Factory Overhead	152,272,810	160,712,463
	This is made up as follows:		
	Salary & Allowances	4,536,398	6,683,398
	Labour & Wages	21,198,994	31,094,165
	Gas for Generation & Others	760,613	609,420
	Electricity Expenses	53,197,466	58,381,280
	Factory Repair & maintenance	1,234,896	1,084,559
	Loading & unloading expenses	1,135,645	1,243,033
	Canteen expenses	381,568	379,965
	Stationery	218,395	421,728
	Postage, Courier & mobile bill	530,375	189,612
	Security service	1,098,679	999,063

		Amount in Taka	
		2018-2019	2017-2018
	Others Expenses	161,760	356,127
	Depreciation (Annexure-A)	66,392,980	58,006,819
	Amortization (Annexure-B)	1,425,040	1,263,294
		152,272,810	160,712,463
12.00	Administrative and Selling Expenses	78,573,815	90,289,772
	This is made up as follows:		
	Salary & Allowances	33,791,595	46,932,924
	Audit Fee	57,500	57,500
	Bank Charge	2,199,010	1,380,521
	Board Meeting Attendance Fee	172,500	60,000
	Telephone & Mobile Bill	2,166,030	1,987,450
	Conveyance	1,187,344	1,762,045
	Electrical Expense	20,589	996,907
	Entertainment	1,126,804	2,295,877
	Internet Expenses	542,990	966,015
	Transport Expenses	271,141	1,781,339
	Newspaper & Periodicals	5,376	22,009
	Office Maintenance	907,716	1,470,807
	Distribution Expenses	6,670,918	4,877,260
	Photocopy Expense	41,174	13,615
	Postage & Stamp	23,190	37,975
	Printing Expense	342,613	2,661,400
	Stationary Expenses	181,125	614,397
	Registration & Renewals	2,790,152	787,442
	Gas & Diesel	1,697,643	1,165,678
	Vehicle Maintenance	1,903,998	2,415,684
	Travelling Expenses	1,483,939	1,291,199
	Security Guard	1,103,741	734,200
	Advertisement	543,018	1,160,000
	Electricity	259,715	-
	Office Rent	770,750	-
	Other Interest Expenses	1,358,739	-
	Depreciation (Annexure-A)	16,598,245	14,501,705
	Amortization (Annexure-B)	356,260	315,824
		78,573,815	90,289,772
13.00	Income Tax Expenses	9,188,490	71,275,873
	This is made up as follows:		
	Current Tax 13.01	5,051,111	39,117,336
	Deferred Tax 13.02	4,137,379	32,158,537
		9,188,490	71,275,873
13.01	Current Tax		
	Current Tax Expenses (Higher of A, B & C)		
A.	Income Tax on Regular Rate		
	Profit Before Tax	14,515,714	203,645,353
	Less: Capital Gain on Sale of Share	(2,694,630)	-
	Add: Accounting Depreciation	82,991,226	72,508,524
	Add: Accounting Amortization	1,781,300	1,579,118
		96,593,609	277,732,995

	Amount in Taka	
	2018-2019	2017-2018
Less: Tax base Depreciation	167,995,542	(165,969,178)
	(71,401,932)	111,763,817
Unabsorbed Depreciation	71,401,932	-
Taxable Business Income	-	111,763,817
Income tax @35% on Business Income	-	39,117,336
Tax on Capital Gain on sale of Share @ 10%	269,463	-
	269,463	39,117,336
B. Income Tax Paid at Source (U/S 82(c)(2))		
Tax Deducted from FDR Interest Income		
Tax Deducted by Customer	4,951,111	10,792,612
Tax Deducted from STD Interest Income	-	-
Tax Paid in Advance	-	-
Tax Deducted at Source (Vehicle)	100,000	76,500
	5,051,111	10,869,112
C. Minimum Tax on Gross Receipt (under Section 82(c)(4)(a))		
Gross Receipt on Business income and Other Income	780,607,936	1,403,917,625
Minimum Tax @ .60%	4,683,648	8,423,506
13.02 Deferred Tax	4,137,379	32,158,537
This is made up as follows:		
Deferred Tax Liabilities	66,526,829	62,389,450
Less: Opening Balance	62,389,450	30,230,913
Current Deferred Tax	4,137,379	32,158,537
14.00 Reconciliation of Cash Flows from Operating Activities under Indirect Method:		
Net Profit/(Loss) before Interest & Income Tax during the year	173,358,561	338,631,006
Adjustments to reconcile Net Income to Net Cash provided by Operating Activities:		
Depreciation	84,772,526	74,087,642
Income Tax Paid during the year	(29,072,275)	(46,963,465)
Changes in Current Assets and Liabilities:		
Advances, Deposits & Pre-payments	(42,392,200)	(21,041,621)
Accounts Receivables	(105,873,009)	(73,737,469)
Inventories	(155,263,204)	(249,713,198)
Creditors and Accrued	11,595,397	32,868,056
Net Cash Flow from Operating Activities	(62,874,204)	54,130,946

Navana Engineering Limited

Schedule of Property, Plant and Equipment
As on 30th June, 2019

Annexure-A

Particulars	Cost		Rate of Dep.	Depreciation		Written Down Value as on 30.06.2019
	Opening Balance 01.07.2018	Addition during the year		Charged during the year	Total as on 30.06.2019	
Land and Land Development	454,894,508	-	0%	-	-	454,894,508
Building & Shed	343,846,151	65,488,492	10%	30,393,586	71,122,479	338,212,164
Plant & Machinery	557,494,630	89,866,162	10%	45,937,157	145,183,543	502,177,249
Tools & Equipment	78,104,586	5,287,815	10%	5,606,897	28,303,487	55,088,914
Furniture & Fixtures	3,269,429	415,048	10%	254,393	1,016,206	2,668,271
Motor Vehicles	11,940,780	209,200	10%	799,191	4,766,363	7,383,617
Total	1,449,550,084	161,266,717		82,991,226	250,392,078	1,360,424,723

Depreciation Charged to :

	Amount (Tk.)
Cost of Goods Sold	66,392,980
Administrative & Selling Expenses	16,598,245
	<u>82,991,226</u>

Schedule of Intangible Assets as on 30th June, 2019

Annexure-B

Particulars	Cost		Rate of Dep.	Amortization		Written Down Value as on 30.06.2019
	Opening Balance 01.07.2018	Addition during the year		Charged during the year	Total as on 30.06.2019	
Software System	19,810,932	-	10%	1,781,300	3,779,231	16,031,701
Total	19,810,932	-		1,781,300	3,779,231	16,031,701

Amortization Charged to :

	Amount (Tk.)
Cost of Goods Sold	1,425,040
Administrative & Selling Expenses	356,260
	<u>1,781,300</u>

INDEPENDENT AUDITORS' REPORT to The shareholders of Navana Welding Electrode Limited

Opinion

We have audited the accompanying financial statements of Navana Welding Electrode Limited which comprise the Statement of Financial Position as at 30th June, 2019 and the related Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows for the year ended 30th June, 2019 and notes to the Financial Statements including a Summary of Significant Accounting Policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 30th June, 2019 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and other applicable laws and regulations.

Basis of 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.

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.

Other Information

Management is responsible for the other information. 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 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 financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS's) 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.

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.

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.

Dated : 16th October, 2019
Place: Dhaka, Bangladesh


A. Hoque & Co.
Chartered Accountants

NAVANA WELDING ELECTRODE LIMITED

Statement of Financial Position As at 30th June, 2019

	Notes	Amount in Taka	
		June 30, 2019	June 30, 2018
Assets:			
Non-Current Assets:	4.00	294,105,942	314,097,750
Property, Plant and Equipment	4.01	293,057,369	312,932,669
Intangible Assets	4.02	1,048,573	1,165,081
Current Assets:	5.00	403,837,277	309,447,986
Inventories	5.01	87,270,484	55,082,216
Trade Receivables	5.02	44,321,008	43,686,981
Inter Company Receivable	5.03	93,230,000	66,500,000
Advances, Deposits & Pre-payments	5.04	49,432,149	34,394,423
Cash & Cash Equivalent	5.05	129,583,636	109,784,366
Total Assets		697,943,219	623,545,736
Equity and Liabilities			
Authorized Capital:			
50,000,000 Ordinary Shares @ Tk. 10 each	6.00	500,000,000	500,000,000
Equity:	7.00	236,737,764	196,002,966
Share Capital	7.01	100,000,000	100,000,000
Retained Earnings	7.02	136,737,764	96,002,966
Non-Current Liabilities:	8.00	131,503,038	130,243,533
Term Loan	8.01	99,679,389	99,679,389
Deferred Tax Liabilities	8.02	31,823,649	30,564,144
Current Liabilities:	9.00	329,702,417	297,299,237
Short Term Loan	9.01	80,739,596	72,145,590
Inter Company Payable	9.02	177,012,238	177,012,238
Provision for Income Tax	9.03	58,392,153	37,717,536
Payables & Accruals	9.04	13,558,430	10,423,873
Total Liabilities		461,205,455	427,542,770
Total Equity & Liabilities		697,943,219	623,545,736
Net Assets Value per Share		23.67	19.60

The annexed notes 1 to 13 & Annexure-A & B form an integral part of these financial statements.


Chairman


Director


Company Secretary

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

Dated : 16th October, 2019
Place : Dhaka, Bangladesh


A. Hoque & Co.
Chartered Accountants

NAVANA WELDING ELECTRODE LIMITED
Statement of Profit or Loss and other Comprehensive Income
As at 30th June, 2019

	Notes	Amount in Taka	
		2018-2019	2017-2018
Revenue (Net)		518,744,052	402,381,221
Less: Cost of Goods Sold	10.00	390,438,853	307,888,158
Gross Profit		128,305,199	94,493,063
Less: Administrative and Selling Expenses	11.00	55,045,736	39,376,320
Less: Interest Expenses		11,603,155	6,585,468
Operating Profit		61,656,308	48,531,276
Add: Other Income	12.00	4,171,095	3,226,826
Less: Foreign Exchange Loss		25,038	13,926
Profit before Contribution to WPPF		65,802,365	51,744,176
Less: Contribution to WPPF		3,133,446	2,464,008
Profit before Tax		62,668,919	49,280,168
Less: Income Tax Expenses		21,934,122	19,966,931
Current Tax	8.03	20,674,617	13,872,639
Deferred Tax	8.2.1	1,259,505	6,094,292
Total Comprehensive Income for the year		40,734,797	29,313,237
Earnings per Share		4.07	2.93

The annexed notes 1 to 13 & Annexure-A & B form an integral part of these financial statements.


Chairman


Director


Company Secretary

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

Dated : 16th October, 2019
Place : Dhaka, Bangladesh


A. Hoque & Co.
Chartered Accountants

NAVANA WELDING ELECTRODE LIMITED

Statement of Changes In Equity For the year ended 30th June, 2019

Particulars	Share Capital	Retained Earnings	Total
Balance at July 01, 2017	100,000,000	66,689,731	166,689,731
Net profit for the year	-	29,313,236	29,313,236
Balance at June 30, 2018	100,000,000	96,002,967	196,002,967
Balance at July 01, 2018	100,000,000	96,002,967	196,002,967
Net profit for the year	-	40,734,797	40,734,797
Balance at June 30, 2019	100,000,000	136,737,764	236,737,764

The annexed notes 1 to 13 & Annexure-A & B form an integral part of these financial statements.


Chairman


Director


Company Secretary

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

Dated : 16th October, 2019
Place : Dhaka, Bangladesh


A. Hoque & Co.
Chartered Accountants

NAVANA WELDING ELECTRODE LIMITED

Statement of cash flows For the year ended 30th June, 2019

	Notes	Amount in Taka	
		2018-2019	2017-2018
A. Cash Flows from Operating Activities			
Receipts from customers		518,110,025	397,981,787
Receipts of other Income		4,171,095	3,226,826
Foreign Exchange Loss		(25,038)	-
Payments for Materials, Services and Expenses		(455,122,027)	(305,743,106)
Income Tax Paid		67,134,055	95,465,507
		(16,312,980)	(10,154,278)
Net Cash Inflow by Operating Activities	13	50,821,075	85,311,229
B. Cash Flows from Investing Activities			
Acquisition of Property, Plant and Equipment		(1,282,656)	(1,209,536)
Net Cash used by Investing Activities		(1,282,656)	(1,209,536)
C. Cash Flows from Financing Activities			
Inter Company Receivable		(26,730,000)	(66,500,000)
Interest Paid		(11,603,155)	(6,585,468)
Short Term Loan		8,594,006	29,144,416
Term Loan		-	(20,000,000)
Net Cash Inflows from Financing Activities		(29,739,149)	(63,941,052)
D. Net Changes in Cash and Cash Equivalents (A+B+C)		19,799,270	20,160,641
Cash and Cash Equivalents at the beginning of the year		109,784,366	89,623,725
E. Cash and Cash Equivalents at the end of the year		129,583,636	109,784,366

The annexed notes 1 to 13 & Annexure-A & B form an integral part of these financial statements.


Chairman


Director


Company Secretary

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

Dated : 16th October, 2019
Place : Dhaka, Bangladesh


A. Hoque & Co.
Chartered Accountants

NAVANA WELDING ELECTRODE LIMITED

Notes to the Financial statements for the year ended 30th June, 2019

Forming an integral part of the Financial Statements

1.00 Reporting Entity

Navana Welding Electrodes Limited is a private limited company which was incorporated in 2011 with Registrar of Joint Stock Companies & Firms, Dhaka, Bangladesh under the Companies Act, 1994 as a subsidiary with 99.99% shares owned by Navana CNG Limited. The company started its commercial operation from January 01, 2013.

1.02 Nature of Business

The principal activities of the company are manufacturing, importing, exporting, trading and marketing of all types of welding electrode rod, welding and cutting equipments, cutting rod, welding and cutting consumables etc. and all kind of welding flux chemical, associated chemicals, welding wire rod, industrial and all purpose commercial use.

1.03 Components of Financial Statements

- ▶ Statement of Financial Position as at 30th June, 2019;
- ▶ Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June, 2019;
- ▶ Statement of Changes in Equity for the year ended 30th June, 2019;
- ▶ Statement of Cash Flows for the year ended 30th June, 2019;
- ▶ Accounting Policies and Explanatory Notes.

1.04 Operating Segments

No operating segment is applicable for the Company as required by IFRS 8: Operating Segments as the Company has only one operating segments and the operation of Company is within the geographical territory in Bangladesh.

2.00 Basis of Presentation of Financial Statements

2.01 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.

2.02 The financial statements are prepared and presented for external users by the enterprise in accordance with identified reporting framework. Presentation has been made in compliance with the standards adopted by the ICAB for reporting, IAS-1 Presentation of Financial Statements.

2.03 Statement of Compliance

The financial statements have been prepared in accordance with the requirements of the Companies Act, 1994 and other relevant local laws as applicable and in accordance with the International Financial Reporting Standards (IFRS's) including International Accounting Standards (IAS's).

2.04 Going Concern

The Company has adequate resources to continue in operation for the foreseeable future. For the reason the Directors continue to adopt going concern basis in preparing the accounts.

2.05 Reporting Currency

The financial statements are prepared and presented in Bangladesh Currency (Taka) which is Company's functional currency.

2.06 Key Accounting Estimates and Judgments in Applying Accounting Policies

The preparation of financial statements in conformity with IFRS's including IAS's requires managements to make the judgments, estimates and assumption that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses and for contingent assets and liabilities that require disclosures during and at the date of the financial statements. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed as on going concern basis. Revisions of accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

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.

2.07 Responsibility for Preparation and Presentation of Financial Statements

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

2.08 Comparative Figures

Comparative figure and account titles in the financial statements have been re-arranged and classified, where necessary, to conform with changes in presentation in the current year.

2.09 Events after the Reporting Period

Where necessary all the material events after the reporting period have been considered and appropriate adjustment/disclosure have been made in the financial statements.

2.10 Reporting Period

The reporting period of the Company covers one year from 1st day of July, 2018 to 30th June, 2019.

2.11 Approval of Financial Statements

The financial statements have been approved by the Board of Directors on the 16th day of October, 2019.

3.00 Accounting Principles and Policies

The accounting principles and policies in respect of material items of financial statements set out below have been applied consistently to all periods presented in these 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.

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 of day servicing of property and equipment are recognized in the Statement of Comprehensive Income as incurred.

3.01.4 Depreciation on Tangible Fixed Assets

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

No depreciation has been charged on land and land development. Depreciation on all other fixed assets 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 comprehensive income statement for the year ended. The annual depreciation rates applicable to the principal categories are:

<u>Category of Fixed Assets</u>	<u>Rate of Depreciation</u>
Land and Land Development	--
Building & Shed	10%
Plant & Machinery	10%
Cylinder	10%
Tools & Equipment	10%
Furniture & Fixture	10%
Motor Vehicles	10%

Depreciation has been allocated to factory overhead and administrative overhead.

3.02 Revenue Recognition

Revenue represents invoiced value of sales. Revenue is recognized when sales are made. Invoices were made after satisfying the following conditions as prescribed by BAS 18 "Revenue Recognition":

- the significant risks and rewards of ownership of the sales have been transferred to the buyer;
- the amount of revenue was measured reliably;
- it was probable that the economic benefits relating to the transactions will flow to the Company.
- neither continuing managerial involvement nor effective control usually associated with ownership of the policy was retained by the Company; and
- cost relating to the transactions was measured reliably.

3.03 Inventories

Inventories comprise of Raw Materials, Work-in-process and Finished Goods. They are stated at the lower of cost or net realizable value in accordance with IAS-2 "Inventories" after making due allowance for any obsolete or slow moving items. The cost of inventories is assigned by using weighted average cost. Net realizable value represents the estimated selling price for the inventories less all estimated cost of completion and cost necessary to make the sale.

<u>Category of Inventories</u>	<u>Basis of Valuation</u>
Raw Materials	Weighted Average Cost Method
Work-in-progress	Weighted Average Cost Method
Finished Goods	Weighted Average Cost Method

3.04 Accounts Receivables

Accounts receivable are created at original invoice amount less any provision for doubtful debts. Provisions are made where there is evidence of a risk of non-payment, taking into account ageing, previous experience and general economic conditions. When an accounts receivable is determined to be uncollectible it is written off, firstly against any provision available and then to the statement of profit or loss and other comprehensive income. Subsequent recoveries of amounts previously provided for are credited to the statement of profit or loss and other comprehensive income.

3.05 Advance, Deposits and Prepayments

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads. Deposits are measured at payment value. Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to Profit or Loss Account and Other Comprehensive Income.

3.06 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 insignificant risks of changes in value and are not restricted as to use.

3.07 Liabilities and Basis of their Valuation

3.07.1 Liabilities for Expenses and Finance

Liabilities are recognized for amounts to be paid in future for goods and services received, whether or not billed by the supplier.

3.07.2 Financial Liability

All other financial liabilities are recognized initially on the transaction date at the Company becomes a party to the contractual provision of the liability.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial liabilities include loans and borrowing, accounts payables and other payables.

(a) Loans and Borrowings

Principal amounts of the loans and borrowings are stated at their amortized amount. Borrowings repayable after twelve months from the date of statement of financial position are classified as non-current liabilities whereas the portion of borrowings repayable within twelve months from the date of statement of financial position, unpaid interest and other charges are classified as current liabilities.

(b) Payables

The Company recognizes a financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.

3.07.3 Provisions

A provision is recognized on the statement of financial position date if, as a result of past events, the Company has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.08 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".

3.09 Income Tax Expenses

Income tax expenses comprise current and deferred tax. Income tax expense is recognized in the comprehensive income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

(a) Current Tax

Income tax is calculated and provision has been made in accordance with BAS -37 on taxable income.

(b) Deferred Tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that the taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor accounting profit.

Considering the practices generally followed in Bangladesh the company have been reserved deferred tax assets or deferred tax liabilities in accordance with IAS 12 "Income Tax".

3.10 Related Party Disclosure

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 has been set out in accordance with the provisions of IAS 24: Related Party Disclosure:

Name of related Party	Relationship	Nature of Transaction	Outstanding Receivable / (Payable)
Navana CNG Limited	Subsidiary	Working Capital	(107,012,238)
Navana CNG Limited	Subsidiary	Inter Company receivable	33,000,000
Navana Engineering Ltd.	Subsidiary	Interest Free Loan	(70,000,000)
Term Loan	Loan from Chairman	Interest Free Loan	(99,679,389)
Navana LPG Limited	Sister Concern	Inter Company receivable	46,500,000
Board meeting	Director	Interest Free Loan	125,000
Navana Limited	Sister Concern	Inter Company receivable	1,500,000
Navana Real Estate Ltd.	Sister Concern	Inter Company receivable	7,230,000
Navana Furniture Ltd.	Sister Concern	Inter Company receivable	5,000,000

3.11 Borrowing Costs

In compliance with the requirements of IAS 23 "Borrowing Costs" borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Borrowing costs are recognized as expenses in the period in which they incurred and capitalized the same that incurred before commencement of commercial operation.

3.12 Contingencies

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

3.13 General

Figures shown in the accounts have been rounded off to the nearest Taka.

Comparative figures and account titles in the financial statements have been re-arranged/re-classified where necessary, to conform to changes in presentation in the current period.

		Amount in Taka	
		June 30, 2019	June 30, 2018
4.00	Non-Current Assets	294,105,942	314,097,750
	This is made up as follows:		
	4.01 Property, Plant and Equipment	293,057,369	312,932,669
	4.02 Intangible Assets	1,048,573	1,165,081
		294,105,942	314,097,750
4.01	Property, Plant and Equipment	293,057,369	312,932,669
	This is made up as follows:		
	Land and Land Development	102,324,202	102,324,202
	Building & Civil Construction	71,350,269	79,278,076
	Plant & Machinery	79,901,621	88,779,579
	Office equipment	5,629,296	5,813,214
	Furniture & Fittings	3,347,608	3,474,456
	Electrical Equipment	20,349,972	22,195,233
	Vehicles	10,154,401	11,067,909
		293,057,369	312,932,669
	An elaborate schedule of PPE are shown in Annexure -A .		
4.02	Intangible Assets	1,048,573	1,165,081
	This is made up as follows:		
	Software Sytem	1,048,573	1,165,081
		1,048,573	1,165,081
	An elaborate schedule of intangible assets are shown in Annexure -B .		
5.00	Current Assets	403,837,277	309,447,986
	This is made up as follows:		
	5.01 Inventories	87,270,484	55,082,216
	5.02 Trade Receivables	44,321,008	43,686,981
	5.03 Inter Company Receivables	93,230,000	66,500,000
	5.04 Advances, Deposits & Pre-payments	49,432,149	34,394,423
	5.05 Cash & Cash Equivalents	129,583,636	109,784,366
		403,837,277	309,447,986
5.01	Inventories	87,270,484	55,082,216
	This is made up as follows:		
	Raw Materials	43,889,363	32,215,520
	Work-In-Process	12,664,217	11,185,358
	Finished Goods	6,122,428	9,348,067
	Stock In Transit	20,885,695	862,373
	Spare Parts	3,334,765	1,163,309
	Fuel	374,016	307,589
		87,270,484	55,082,216
5.02	Trade Receivables	44,321,008	43,686,981
	This is made up as follows:		
	Sylhet Zone	1,617,729	1,329,359
	Jessore Zone	4,863,140	5,716,243
	Dhaka South Zone	10,420,610	11,046,446
	Dhaka North Zone	5,780,548	5,202,281
	Rajshahi Zone	1,239,250	2,308,393
	Rangpur Zone	698,672	1,254,416
	Chittagong South Zone	4,666,488	6,092,922
	Chittagon North Zone	3,550,796	4,781,266
	Barishal Zone	1,174,499	1,901,556
	Corporate	10,309,276	4,054,099
		44,321,008	43,686,981

		Amount in Taka	
		June 30, 2019	June 30, 2018
5.03	Inter Company Receivables	93,230,000	66,500,000
	The above amount is receivable against Inter Company transactions.		
5.04	Advances, Deposits & Pre-payments	49,432,149	34,394,423
	This is made up as follows:		
	Advance Income Tax	45,358,738	29,045,758
	Advance to Suppliers	556,090	317,893
	Earnest Money & Security Deposit	1,580,300	1,380,300
	Security Deposit Bangladesh Railway	892,985	892,985
	Advance House Rent	180,000	315,000
	VAT Current Account	136,434	1,816,401
	Advance against employee	629,042	626,086
	Advances against Other	98,560	-
		49,432,149	34,394,423
5.04.1	Advance Income Tax	45,358,738	29,045,758
	This is made up as follows:		
	Opening Balance	29,045,758	18,891,480
	Add: Addition during the year	16,312,980	10,154,278
		45,358,738	29,045,758
	Less : Adjustment during the year	-	-
		45,358,738	29,045,758
5.05	Cash & Cash equivalent	129,583,636	109,784,366
	This is made up as follows:		
	Cash in hand	4,114,174	9,819,326
	Cash at Banks :		
	5.05.1 Fixed Deposit Receipt (FDR)	75,127,254	71,301,950
	5.05.2 Bank Balances	50,342,208	28,663,090
		129,583,636	109,784,366
5.05.1	Fixed Deposit Receipt (FDR)	75,127,254	71,301,950
	This is made up as follows:		
	Shahjalal Islami Bank Ltd.	12,362,922	11,713,027
	Mercantile Bank Ltd.	34,209,158	32,279,244
	Standard Bank Ltd.	7,163,208	6,945,133
	State Bank of India	21,391,966	20,364,546
		75,127,254	71,301,950
5.05.2	Bank Balances	50,342,208	28,663,090
	This is made up as follows:		
	Al-Arafah Bank Ltd.	30,602	27,752
	Dutch Bangla Bank Ltd.	23,308,017	11,005,233
	Mercantile Bank Ltd.	397,025	1,384,421
	Prime Bank Ltd.	37,626	39,422
	Mutual Trust Bank Ltd.	11,131,610	5,766,614
	Bank Asia Ltd.	5,944,238	2,186,163
	Shahjalal Islami Bank Ltd.	5,088,175	6,068,337
	Standard Bank Ltd.	13,467	15,117
	Islami Bank Ltd.	304,460	49,358
	Sonali Bank Ltd.	1,226,451	1,502,627
	United commercial Bank Ltd.	1,510,614	496
	Jamuna Bank Ltd.	26,550	23,700
	State Bank of India	1,168,746	437,923
	IFIC Bank Ltd.	154,627	155,927
		50,342,208	28,663,090

		Amount in Taka	
		June 30, 2019	June 30, 2018
6.00	Authorized Capital 50,000,000 Ordinary Shares @ Tk. 10 each	500,000,000	500,000,000
7.00	Equity This is made up as follows:	236,737,764	196,002,966
	7.01 Share Capital	100,000,000	100,000,000
	7.02 Retained Earnings	136,737,764	96,002,966
		236,737,764	196,002,966
7.01	Share Capital This is made up as follows:	100,000,000	100,000,000
	Navana CNG Limited	99,999,950	99,999,950
	Non-Controlling Interest (Sponsors)	50	50
		100,000,000	100,000,000
7.02	Retained Earnings This is made up as follows:	136,737,764	96,002,966
	Opening balance	96,002,966	66,689,731
	Add: Total Comprehensive Income for the year	40,734,797	29,313,236
		136,737,764	96,002,966
8.00	Non-Current Liabilities This is made up as follows:	131,503,038	130,243,533
	8.01 Term Loan	99,679,389	99,679,389
	8.02 Deferred Tax Liabilities	31,823,649	30,564,144
		131,503,038	130,243,533
8.01	Term Loan This is made up as follows:	99,679,389	99,679,389
	Due to Director (Mr.Shafiul Islam, chairman)		
	Opening Balance	99,679,389	119,679,389
	Add: during the year	-	-
		99,679,389	119,679,389
	Less: Paid during the year	-	20,000,000
		99,679,389	99,679,389
	This represents Un-Secured and Interest Free Loan from Mr.Shafiul Islam, Chairman of the Company.		
8.02	Deferred Tax Liabilities This is made up as follows:	31,823,649	30,564,144
	8.02.1 Deferred Tax	31,823,649	30,564,144
		31,823,649	30,564,144
8.02.1	Deferred Tax This is made up as follows:	31,823,649	30,564,144
	Taxable Temporary Difference	90,924,711	87,326,125
	Tax Rate	35.0%	35.0%
	Deferred Tax Liabilities	31,823,649	30,564,144
	Less: Opening Balance	30,564,144	24,469,852
	Provision for Deferred Tax	1,259,505	6,094,292
		31,823,649	30,564,144
8.03	Current Tax This is made up as follows:	20,674,617	13,872,639
	Profit Before Tax	62,668,919	49,280,167
	Add. Disallowable Depreciation	21,157,956	21,096,603
	Add. Disallowable Amortization	116,508	119,806
		83,943,384	70,496,575
	Less: Allowable Depreciation	24,730,267	30,574,895
	Less: Allowable Amortization	142,784	285,569
		59,070,333	39,636,111
	Current Tax 35%	20,674,617	13,872,639
	Current Tax	20,674,617	13,872,639

		Amount in Taka	
		June 30, 2019	June 30, 2018
9.00	Current Liabilities	329,702,417	297,299,238
	This is made up as follows:		
9.01	Short Term Loan	80,739,596	72,145,590
9.02	Inter Company Payable	177,012,238	177,012,238
9.03	Provision for Income Tax	58,392,153	37,717,536
9.04	Payables & Accruals	13,558,430	10,423,873
		329,702,417	297,299,238
9.01	Short Term Loan	80,739,596	72,145,590
	This is made up as follows:		
	Shahjalal Islami Bank Ltd.	74,185,980	72,145,590
	State Bank of India	6,553,616	-
		80,739,596	72,145,590
9.02	Inter Company Payable	177,012,238	177,012,238
	The above amount is payable against Inter Company transactions.		
9.03	Provision for Income Tax	58,392,153	37,717,536
	This is made up as follows:		
	Opening Balance	37,717,536	23,844,897
	Add: Provision during the year	20,674,617	13,872,639
		58,392,153	37,717,536
	Less: Tax Paid/Adjusted during the year	-	-
		58,392,153	37,717,536
9.04	Payables & Accruals	13,558,430	10,423,873
	This is made up as follows:		
	Liabilities for Expenses	3,768,579	2,981,785
	Workers Profit Participation Fund	6,234,519	2,768,815
	Sundry Payables	3,243,117	4,458,812
	Provision for Doubtful Debts	312,215	214,461
		13,558,430	10,423,873
10.00	Cost of Goods Sold	390,438,853	307,888,158
	This is made up as follows:		
10.01	Raw Materials	334,907,667	248,259,374
10.02	Factory Overhead	44,865,954	39,410,587
	Direct Labour	8,918,452	5,605,510
		388,692,073	293,275,471
	Add: Opening Work in Process	11,185,358	8,524,730
		399,877,431	301,800,201
	Less: Closing Work in Process	12,664,217	11,185,358
		387,213,214	290,614,843
	Add: Opening Stock of Finished Goods	9,348,067	26,621,382
		396,561,281	317,236,225
	Less: Closing Stock of Finished Goods	6,122,428	9,348,067
		390,438,853	307,888,158
10.01	Raw Materials	334,907,667	248,259,374
	This is made up as follows:		
	Opening Stock of Raw Materials	32,215,520	25,041,766
	Add: Purchase for the year	346,581,510	255,433,128
		378,797,030	280,474,894
	Less: Closing Stock of Raw Materials	43,889,363	32,215,520
		334,907,667	248,259,374

		Amount in Taka	
		2018-2019	2017-2018
10.02	Factory Overhead	44,865,954	39,410,587
	This is made up as follows:		
	Salary & Allowance	10,726,512	9,520,908
	Q.C Test	393,780	431,490
	Cleaning & Washing Exp	2,500	16,300
	Carrying charge	2,000	8,750
	Conveyance	214,760	70,626
	Dress & Uniform	21,580	22,690
	Electrical Expenses	306,672	154,089
	Entertainment Expenses	1,456,839	1,229,143
	Fuel Expenses	2,582,573	2,636,762
	Insurance expenses	65,250	-
	Labour Charge	144,020	161,840
	Medical Expenses	17,293	43,048
	Oil & Lubricant exp	200,569	134,712
	Paper & Periodical	3,850	4,010
	Stationery	86,791	80,462
	Spare Parts	2,974,679	1,449,305
	Repair & Maintenance	2,301,784	1,787,202
	Telephone & Mobile Bill	96,220	99,380
	Electricity bill	5,542,338	3,993,143
	Security guard	706,372	593,600
	Depreciation (Annexure-A)	16,926,365	16,877,282
	Amortization (Annexure-B)	93,206	95,845
		44,865,954	39,410,587
11.00	Administration and Selling Expense	55,045,736	39,376,320
	This is made up as follows:		
	Salary & Allowance	25,049,793	24,609,914
	Conveyance	2,329,639	1,397,729
	Daily Allowance	1,172,330	892,713
	Electricity bill	195,641	176,819
	Entertainment	951,460	554,864
	Gas Bill	28,800	29,700
	Internet bill	318,537	242,674
	Labor expenses	1,480,177	860,457
	Board meeting attendance fee	125,000	60,000
	Telephone & Mobile Bill	672,138	641,537
	Paper & periodicals	12,378	14,212
	Office Rent	1,476,648	935,520
	Repair and Maintenance	2,348,633	936,197
	Fuel Expenses	2,693,736	1,168,183
	Postage & Courier	29,534	20,452
	Printing	139,763	149,252
	Stationery	111,737	87,653
	Registration & Renewal Exp	1,526,078	804,495
	Service Charges	68,100	67,500
	TA/DA Allowances	2,081,487	877,669
	Audit Fee	57,500	57,500
	Bank Charges	385,037	333,537
	Bad debts	312,215	214,461
	Transport expenses	2,722,050	-
	Miscellaneous expenses	461,875	-
	Other interest expenses	332,258	-
	Business promotional expenses	3,708,299	-
	Depreciation (Annexure-A)	4,231,591	4,219,321
	Amortization (Annexure-B)	23,302	23,961
		55,045,736	39,376,320
12.00	Other Income	4,171,095	3,226,826
	This is made up as follows:		
	Interest income on FDR	4,151,180	3,226,826
	Interest income on STD Account	19,915	-
		4,171,095	3,226,826
13.00	Reconciliation of Cash Flows from operating activities under Indirect Method		
	Net Profit/(Loss) before Interest & Income Tax during the year	77,737,778	55,865,635
	Adjustment to reconcile Net Income to Net Cash provided by Operating Activities:		
	Depreciation	21,274,464	21,216,408
	Tax Paid	(16,312,980)	-
	Changes in Current Assets and Liabilities:		
	Decrease/Increase in Inventories	(32,188,268)	19,325,057
	Increase/Decrease in Trade Receivables	(634,027)	(4,399,434)
	Increase/Decrease in Advance and Pre-payments	1,275,254	(11,362,731)
	Increase/Decrease in Payable & Accruals	(331,147)	4,666,294
		50,821,075	85,311,229

NAVANA WELDING ELECTRODE LIMITED

Schedule of Property, Plant and Equipment

As at 30th June, 2019

Annexure-A

Particulars	Cost			Rate of Dep.	Depreciation		Written Down Value at 30.06.2019
	As at 01.07.2018	Addition dur. the year	As at 30.06.2019		As at 01.07.2018	Charged dur. the year	
Land and Land Development	102,324,202	-	102,324,202	0%	-	0	102,324,202
Building & Civil Construction	103,986,689	-	103,986,689	10%	7,927,808	32,636,420	71,350,269
Plant & Machinery	153,107,682	-	153,107,682	10%	8,877,958	73,206,061	79,901,621
Office Equipment	8,830,952	430,207	9,261,159	10%	614,125	3,631,863	5,629,296
Furniture & Fittings	5,381,021	234,263	5,615,284	10%	361,111	2,267,676	3,347,608
Electrical Equipment	38,671,383	408,286	39,079,669	10%	2,253,547	18,729,697	20,349,972
Vehicles	16,870,443	209,900	17,080,343	10%	1,123,408	6,925,942	10,154,401
Total	429,172,372	1,282,656	430,455,028		116,239,703	21,157,956	293,957,369

Depreciation Charged to:	Amount (Tk.)
Cost of Good Sold	16,926,365
Administrative & Selling Expenses	4,231,591
Total	21,157,956

Schedule of Intangible Asset as at 30th June, 2019

Annexure-B

Particulars	Cost		Rate of Amr.	Amortization		Written Down Value at 30.06.2019
	As at 01.07.2018	Addition dur. the year		As at 01.07.2018	Charged dur. the year	
Software system	1,547,700	-	10%	382,619	116,508	499,127
Total	1,547,700	-		382,619	116,508	499,127

Amortization Charged to:	Amount (Tk.)
Cost of Good Sold	93,206
Administrative & Selling Expenses	23,302
Total	116,508

Independent Auditors' Report To The Shareholders of Navana LPG Limited

Opinion

We have audited the accompanying financial statements of Navana LPG Limited which comprise the Statement of Financial Position as at 30th June, 2019 and the related Statement of Profit or Loss and Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year ended 30th June, 2019 and notes to the Financial Statements including a Summary of Significant Accounting Policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 30th June, 2019 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and other applicable laws and regulations.

Basis of 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.

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.

Other Information

Management is responsible for the other information. 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 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 financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRSs) 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.

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.

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.

Dated: 16th October, 2019
Place : Dhaka, Bangladesh


A. Hoque & Co.
Chartered Accountants

NAVANA LPG LIMITED
Statement of Financial Position
As at 30th June, 2019

	Notes	Amount in Taka	
		June 30, 2019	June 30, 2018
Assets :			
Non-Current Assets:	4.00	5,347,522,089	4,518,469,353
Property, Plant and Equipment	4.01	4,239,522,841	3,187,165,249
Intangible Assets	4.02	856,014	210,938
Capital Work-in-Progress	4.03	939,992,307	1,285,748,640
Long Term Security Deposit	4.04	10,828,092	10,828,092
Deferred Tax Assets	4.05	156,322,835	34,516,434
Current Assets:	5.00	1,563,907,873	1,312,007,173
Inventories	5.01	353,286,301	451,140,284
Accounts Receivable	5.02	187,445,703	-
Advance against Land	5.03	15,000,000	15,000,000
Other Receivables	5.04	194,883,822	196,948,205
Inter Company Receivable	5.05	395,977,810	379,086,100
Advances, Deposits & Pre-payments	5.06	366,105,020	257,097,044
Cash & Cash Equivalents	5.07	51,209,217	12,735,540
Total Assets		6,911,429,962	5,830,476,526
Equity & Liabilities :			
Authorized Capital	6.00	3,000,000,000	3,000,000,000
300,000,000 Ordinary Shares of Tk. 10/- each			
Equity:	7.00	(109,421,998)	(66,136,710)
Share Capital	7.01	1,000,000	1,000,000
Retained Earnings	7.02	(110,421,998)	(67,136,710)
Non-Current Liabilities:	8.00	4,359,636,511	3,820,335,028
Security Retention Money	8.01	1,049,160,084	708,350,882
Long Term Loan- Net of Current Portion	8.02	3,310,476,427	3,111,984,146
Current Liabilities:	9.00	2,661,215,449	2,076,278,208
Long Term Loan-Current Portion	9.01	535,425,534	454,800,263
Short Term Loan	9.02	1,088,236,419	640,897,879
Provision for Income Tax	9.03	21,478,927	3,399,813
Inter Company Payable	9.04	934,197,019	924,247,019
Payables & Accruals	9.05	81,877,550	52,933,234
Total Equity & Liabilities		6,911,429,962	5,830,476,526

The annexed notes 1 to 14 & Annexure A to B from an integral part of these financial statements


Chairman


Director


Company Secretary

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

Dated : 16th October, 2019
Place : Dhaka, Bangladesh


A. Hoque & Co.
Chartered Accountants

NAVANA LPG LIMITED
Statement of Profit or Loss and other Comprehensive Income
For the year ended 30th June, 2019

	Notes	Amount in Taka	
		2018-2019	2017-2018
Revenue (Net)	10.00	3,013,185,645	566,635,442
Less: Cost of Goods Sold	11.00	2,482,175,156	473,375,596
Gross Profit		531,010,489	93,259,846
Less: Administrative & Selling Expenses	12.00	233,493,279	71,444,896
Less: Interest Expenses	13.00	444,529,785	120,004,846
Operating Profit		(147,012,575)	(98,189,896)
Add: Other Income		-	-
Profit before Tax		(147,012,575)	(98,189,896)
Less: Income Tax Expenses		(103,727,287)	(31,116,621)
Current tax		18,079,114	3,399,813
Deferred Tax	4.05	(121,806,401)	(34,516,434)
Profit after Tax		(43,285,288)	(67,073,275)

The annexed notes 1 to 14 & Annexure A to B from an integral part of these financial statements


Chairman


Director


Company Secretary

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

Dated : 16th October, 2019
Place : Dhaka, Bangladesh


A. Hoque & Co.
Chartered Accountants

NAVANA LPG LIMITED
Statement of Changes In Equity
For the year ended 30th June, 2019

Particulars	Share capital	Retained Earnings	Total
Balance at July 01, 2017	1,000,000	(63,435)	936,565
Net profit/ Loss for the year	0	(67,073,275)	(67,073,275)
Balance at June 30, 2018	1,000,000	(67,136,710)	(66,136,710)
Balance at July 01, 2018	1,000,000	(67,136,710)	(66,136,710)
Net profit/ Loss for the year	0	(43,285,288)	(43,285,288)
Balance at June 30, 2019	1,000,000	(110,421,998)	(109,421,998)

The annexed notes 1 to 14 & Annexure A to B from an integral part of these financial statements



Chairman



Director



Company Secretary

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

Dated : 16th October, 2019
Place : Dhaka, Bangladesh



A. Hoque & Co.
Chartered Accountants

NAVANA LPG LIMITED
Statement of Cash Flows
For the year ended 30th June, 2019

	Notes	Amount in Taka	
		2018-2019	2017-2018
Cash Flows from Operating Activities:			
Receipts from Customers		2,825,739,942	566,635,442
Payments for Materials, Services and Expenses		(2,215,125,502)	(541,479,431)
		610,614,440	25,156,011
Income Tax Paid		(59,048,321)	(12,727,472)
Net Cash Provided by Operating Activities	14	551,566,119	12,428,539
Cash Flows from Investing Activities:			
Payments for Property, Plant and Equipment		(489,338,713)	(654,720,093)
Payments for Intangible Assets		(707,500)	-
Capital Work-in-Progress		(565,218,410)	(1,285,748,640)
Advance for L/C Margin		(76,886,001)	(109,850,636)
Security Deposit to LP Gas Ltd.		1,200,000	-
Other Receivables		2,064,383	533,894
Payment for Long Term Security Deposit		-	(748,028)
Net cash used in Investing Activities		(1,128,886,241)	(2,050,533,503)
Cash Flows from Financing Activities:			
Inter Company Receivable		(16,891,710)	(366,262,925)
Interest Paid		(444,529,785)	(120,004,846)
Inter Company Payable		9,950,000	208,979,943
Long Term Loan		279,117,552	1,382,513,346
Short Term Loan		447,338,540	269,118,676
Security Money Received		340,809,202	622,373,431
Net Cash Inflows from Financing Activities		615,793,799	1,996,717,625
Net Changes in Cash and Cash Equivalents		38,473,677	(41,387,339)
Cash and Cash Equivalents at the beginning of the year		12,735,540	54,122,879
Cash and Cash Equivalents at the end of the year		51,209,217	12,735,540

The annexed notes 1 to 14 & Annexure A to B from an integral part of these financial statements


Chairman


Director


Company Secretary

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

Dated : 16th October, 2019
Place : Dhaka, Bangladesh


A. Hoque & Co.
Chartered Accountants

NAVANA LPG LIMITED

Notes to the Financial Statements

For the year ended 30th June, 2019

1.00 Reporting Entity

Navana LPG Limited is a private limited company which was incorporated on the 13th September 2015, Vide Registration number C-125694 of Joint Stock Companies & Firms, Dhaka, Bangladesh under the Companies Act, 1994.

The company has started its commercial operation from 18th November, 2017.

1.02 Nature of Business

The main objectives of the Company are to carry on the business of import, export, indenting and marketing of all types of gases, LPG, LNG, CNG, propane, butane, oxygen, nitrogen, acetylene, nitrous, oxide, medical and commercial oxygen and conversion from petrol, diesel, octane to CNG, LPG light, heavy vehicles alongwith all types of gas cylinder re-fueling station and workshop for manufacturing of or repairing all kinds of equipments related with gas convert plant and also manufacturing of cylinder automotive, domestic, commercial and industrial use.

1.03 Components of Financial Statements

- Statement of Financial Position as at 30th June, 2019;
- Statement of Profit or Loss and Other Comprehensive Income for the year ended 30th June, 2019;
- Statement of Changes in Equity for the year ended 30th June, 2019;
- Statement of Cash Flows for the year ended 30th June, 2019;
- Accounting Policies and Explanatory Notes.

1.04 Operating Segments

No operating segment is applicable for the Company as required by IFRS 8: Operating Segments as the Company has only one operating segments and the operation of Company is within the geographical territory in Bangladesh.

2.00 Basis of Presentation of Financial Statements

2.01 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.

2.02 The financial statements are prepared and presented for external users by the enterprise in accordance with identified reporting framework. Presentation has been made in compliance with the standards adopted by the ICAB for reporting, IAS-1 Presentation of Financial Statements.

2.03 Statement of Compliance

The financial statements have been prepared in accordance with the requirements of the Companies Act, 1994 and other relevant local laws as applicable and in accordance with the International Financial Reporting Standards (IFRS's) including International Accounting Standards (IAS's).

2.04 Going Concern

The Company has adequate resources to continue in operation for the foreseeable future. For the reason the Directors continue to adopt going concern basis in preparing the accounts.

2.05 Reporting Currency

The financial statements are prepared and presented in Bangladesh Currency (Taka) which is Company's functional currency.

2.06 Key Accounting Estimates and Judgments in Applying Accounting Policies

The preparation of financial statements in conformity with IFRS's including IAS's requires managements to make the judgments, estimates and assumption that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses and for contingent assets and liabilities that require disclosures during and at the date of the financial statements. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed as on going concern basis. Revisions of accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

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.

2.07 Responsibility for Preparation and Presentation of Financial Statements

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

2.08 Comparative Figures

Comparative figure and account titles in the financial statements have been re-arranged and classified, where necessary, to conform with changes in presentation in the current year.

2.09 Events after the Reporting Period

Where necessary all the material events after the reporting period have been considered and appropriate adjustment/disclosure have been made in the financial statements.

2.10 Reporting Period

The reporting period of the Company covers one year from 1st day of July, 2018 to 30th June, 2019.

2.11 Approval of Financial Statements

The financial statements have been approved by the Board of Directors on the 16th day of October, 2019.

3.00 Accounting Principles and Policies

The accounting principles and policies in respect of material items of financial statements set out below have been applied consistently to all periods presented in these 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.

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 of day servicing of property and equipment are recognized in the Statement of Comprehensive Income as incurred.

3.01.4 Depreciation on Tangible Fixed Assets

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

No depreciation has been charged on land and land development. Depreciation on all other fixed assets 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 comprehensive income statement for the year ended. The annual depreciation rates applicable to the principal categories are:

<u>Category of Fixed Assets</u>	<u>Rate of Depreciation</u>
Land and Land Development	--
Building & Shed	10%
Plant & Machinery	10%
Cylinder	10%
Tools & Equipment	10%
Furniture & Fixture	10%
Motor Vehicles	10%
Software System	10%

Depreciation has been allocated to factory overhead and administrative overhead.

3.02 Revenue Recognition

Revenue represents invoiced value of sales. Revenue is recognized when sales are made. Invoices were made after satisfying the following conditions as prescribed by IAS 18 "Revenue Recognition":

- (i) the significant risks and rewards of ownership of the sales have been transferred to the buyer;
- (ii) the amount of revenue was measured reliably;
- (iii) it was probable that the economic benefits relating to the transactions will flow to the Company;
- (iv) neither continuing managerial involvement nor effective control usually associated with ownership of the policy was retained by the Company; and
- (v) cost relating to the transactions was measured reliably.

3.03 Inventories

Inventories comprise of Raw Materials, Work-in-process and Finished Goods. They are stated at the lower of cost or net realizable value in accordance with IAS-2 "Inventories" after making due allowance for any obsolete or slow moving items. The cost of inventories is assigned by using weighted average cost. Net realizable value represents the estimated selling price for the inventories less all estimated cost of completion and cost necessary to make the sale.

<u>Category of Inventories</u>	<u>Basis of Valuation</u>
Raw Materials	Weighted Average Cost Method
Work-in-progress	Weighted Average Cost Method
Finished Goods	Weighted Average Cost Method

3.04 Accounts Receivables

Accounts receivable are created at original invoice amount less any provision for doubtful debts. Provisions are made where there is evidence of a risk of non-payment, taking into account ageing, previous experience and general economic conditions. When an accounts receivable is determined to be uncollectible it is written off, firstly against any provision available and then to the statement of profit or loss and other comprehensive income. Subsequent recoveries of amounts previously provided for are credited to the statement of profit or loss and other comprehensive income.

3.05 Advance, Deposits and Prepayments

Advances are initially measured at cost. After initial recognition, advances are carried at cost less deductions, adjustments or charges to other account heads. Deposits are measured at payment value. Prepayments are initially measured at cost. After initial recognition, prepayments are carried at cost less charges to Profit or Loss Account and Other Comprehensive Income.

3.06 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 significant risks of changes in value and are not restricted as to use.

3.07 Liabilities and Basis of their Valuation

3.07.1 Liabilities for Expenses and Finance

Liabilities are recognized for amounts to be paid in future for goods and services received, whether or not billed by the supplier.

3.07.2 Financial Liability

All other financial liabilities are recognized initially on the transaction date at the Company becomes a party to the contractual provision of the liability.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. Financial liabilities include loans and borrowing, accounts payables and other payables.

(a) Loans and Borrowings

Principal amounts of the loans and borrowings are stated at their amortized amount. Borrowings repayable after twelve months from the date of statement of financial position are classified as non-current liabilities whereas the portion of borrowings repayable within twelve months from the date of statement of financial position, unpaid interest and other charges are classified as current liabilities.

(b) Payables

The Company recognizes a financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the entity of resources embodying economic benefits.

3.07.3 Provisions

A provision is recognized on the statement of financial position date if, as a result of past events, the Company has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.08 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".

3.09 Income Tax Expenses

Income tax expenses comprise current and deferred tax. Income tax expense is recognized in the comprehensive income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

(a) Current Tax

Income tax is calculated and provision has been made in accordance with IAS -37 on taxable income.

(b) Deferred Tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that the taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor accounting profit.

Considering the practices generally followed in Bangladesh the company have been reserved deferred tax assets or deferred tax liabilities in accordance with IAS 12 "Income Tax".

3.10 Related party Disclosure

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 has been set out in accordance with the provisions of IAS 24: Related Party Disclosure:

Name of Related Party	Relationship	Nature of Transaction	Outstanding Receivable / (Payable)
Navana Construction Ltd.	Alliance Companies	Interest Free Loan	7,500,000
Navana Engineering Ltd.	Sister Concern	Interest Free Loan	164,091,976
Aftab Automobiles Ltd.	Alliance Companies	Interest Free Loan	20,400,000
Navana Limited	Alliance Companies	Interest Free Loan	189,985,834
Navana Electronics Limited	Alliance Companies	Interest Free Loan	10,000,000
Navana Electronics Limited	Alliance Companies	Interest Free Loan	4,000,000
Navana CNG Ltd.	Subsidiary	Working Capital	(749,064,319)
Navana CNG Ltd.	Subsidiary	Interest Free Loan	(35,760,000)
Navana Welding Electrode Ltd.	Sister Concern	Interest Free Loan	(46,500,000)
Navana Limited	Alliance Companies	Interest Free Loan	(102,872,700)
Board Meeting Fee	Director	Interest Free Loan	241,500

3.11 Borrowing Costs

In compliance with the requirements of IAS 23 "Borrowing Costs" borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Borrowing costs are recognized as expenses in the period in which they incurred and capitalized the same that incurred before commencement of commercial operation.

3.12 Contingencies

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

3.13 General

Figures shown in the accounts have been rounded off to the nearest Taka.

		Amount in Taka	
		June 30, 2019	June 30, 2018
4.00	Non-Current Assets	5,347,522,089	4,518,469,353
	This is made up as follows:		
4.01	Property, Plant and Equipment	4,239,522,841	3,187,165,249
4.02	Intangible Assets	856,014	210,938
4.03	Capital Work-In-Progress	939,992,307	1,285,748,640
4.04	Long Term Security Deposit	10,828,092	10,828,092
4.05	Deferred Tax	156,322,835	34,516,434
		5,347,522,089	4,518,469,353
4.01	Property, Plant and Equipment	4,239,522,841	3,187,165,249
	This is made up as follows:		
	Land and Land Development	112,836,864	112,836,864
	Building & Dhed	597,583,442	663,041,528
	Plant & Machinery	1,337,236,674	1,069,563,933
	Cylinder	2,090,242,614	1,273,872,392
	Tools & Equipment	13,089,442	10,784,440
	Furniture & Fixtures	4,638,658	5,019,681
	Motor Vehicle	83,895,147	52,046,411
		4,239,522,841	3,187,165,249
	An elaborate schedule of PPE are shown in Annexure -A.		
4.02	Intangible Assets	856,014	210,938
	This is made up as follows:		
	Software System	856,014	210,938
		856,014	210,938
	An elaborate schedule of Intangible Assets are shown in Annexure -B.		
4.03	Capital Work-In-Progress	939,992,307	1,285,748,640
	This is made up as follows:		
	Opening Balance	1,285,748,640	2,607,082,557
	Add: Addition during the year	565,218,410	1,285,748,640
		1,850,967,050	3,892,831,197
	Less : Transfer to PPF	910,974,743	2,607,082,557
		939,992,307	1,285,748,640
	Capital Work in progress represents land and land development, civil construction, plant and mechineries etc.		
4.04	Long Term Security Deposit	10,828,092	10,828,092
	This is made up as follows:		
	Polli-Bidyut Somity-Bagerhat	5,028,094	5,028,094
	Mongla Port Authority	5,399,998	5,399,998
	Desco-Nikunja	400,000	400,000
		10,828,092	10,828,092

		Amount in Taka	
		June 30, 2019	June 30, 2018
4.05	Deferred Tax	(121,806,401)	(34,516,434)
	This is made up as follows:		
	Taxable Temporary Difference	(446,636,672)	(98,618,384)
	Tax Rate	35.00%	35.00%
	Deferred Tax (Asset) / Liabilities	(156,322,835)	(34,516,434)
	Add/Less: Deferred Tax Adjustment	-	-
		(156,322,835)	(34,516,434)
	Less: Opening Balance	(34,516,434)	-
	Current Deferred Tax Income	(121,806,401)	(34,516,434)
5.00	Current Assets	1,563,907,873	1,312,007,173
	This is made up as follows:		
5.01	Inventories	353,286,301	451,140,284
5.02	Accounts Receivables	187,445,703	-
5.03	Advance against Land	15,000,000	15,000,000
5.04	Other Receivable	194,883,822	196,948,205
5.05	Inter Company Receivables	395,977,810	379,086,100
5.06	Advances, Deposits & Pre-payments	366,105,020	257,097,044
	5.07 Cash & Cash Equivalents	51,209,217	12,735,540
		1,563,907,873	1,312,007,173
5.01	Inventories	353,286,301	451,140,284
	This is made up as follows:		
	Stock in raw materials	17,933,954	238,457,534
	Work in process	-	735,065
	Closing finished goods	335,352,347	211,947,685
		353,286,301	451,140,284
5.02	Accounts Receivables	187,445,703	-
	This is made up as follows:		
	Channel Partners & Distributors	122,069,053	-
	Corporate Customers	63,975,729	-
	Customers for Scrap & Painting Services	1,400,921	-
		187,445,703	-
5.03	Advance against Land	15,000,000	15,000,000
	This is as per last account.		
5.04	Other Receivables	194,883,822	196,948,205
	This is made up as follows:		
	Navana CNG Ltd.	194,475,891	194,475,891
	Petromax Refinery	407,931	2,472,314
		194,883,822	196,948,205
5.05	Inter Company Receivable	395,977,810	379,086,100
	The above amount is receivable against Inter Company transactions.		
5.06	Advances, Deposits & Pre-payments	366,105,020	257,097,044
	This is made up as follows:		
	L/C Margin	238,758,239	161,872,238
	LP Gas Ltd.	-	1,200,000
	Advance Income Tax 5.06.1	71,775,793	12,727,472
	Advance Office Rent	1,874,796	2,128,840
	Advance to Employee	2,742,634	7,126,428
	Advance to Suppliers	29,938,918	30,531,403
	Advance against Local Procurement	1,724,646	2,829,462
	Advance to Others	18,463,616	38,235,412
	VAT Current Account	826,378	445,789
		366,105,020	257,097,044

		Amount in Taka	
		June 30, 2019	June 30, 2018
5.06.1	Advance Income Tax	71,775,793	12,727,472
	This is made up as follows:		
	Opening Balance	12,727,472	-
	Add: Addition during the year	59,048,321	12,727,472
		71,775,793	12,727,472
	Less: Adjustment during the year	-	-
		71,775,793	12,727,472
5.07	Cash & Cash Equivalent	51,209,217	12,735,540
	This is made up as follows:		
	Cash at Bank:		
	Bank Asia Ltd. A/C # 00077	4,748,560	724,517
	City Bank Ltd. A/C # 97001	27,197,849	7,752,442
	Dutch Bangla Bank Ltd. A/C # 8713	7,691,687	587,211
	Shahjalal Islami Bank Ltd. A/C # 12865	6,563,721	747,642
	Mutual Trust Bank Ltd. A/C # 3943	1,361,540	467,041
	Agrani Bank Ltd. A/C# 51584	488,099	-
	Jamuna Bank Ltd. A/C # 6275	5,000	-
	NCC Bank Ltd. A/C #33246	98,870	-
	Rupali Bank Ltd. A/C # 10213	20,000	-
	Sonali bank Ltd. A/c # 2482 & 5300	478,542	-
	Southeast Bank Ltd.	60,000	-
		48,713,868	10,278,853
	Cash in Hand	2,495,349	2,456,687
		51,209,217	12,735,540
	The cash at bank balances represents the balance as per cash book. The above balances has been reconciled with the balances as per bank statement as on 30th June, 2019.		
	We obtained the cash custody certificate from the concerned authority in support of the cash in hand.		
6.00	Authorized Capital	3,000,000,000	3,000,000,000
	The Authorized Share Capital of the Company is Tk. 300,000,000 divided into 300,000,000 Ordinary Shares Tk. 10/- each.		
7.00	Equity	(109,421,998)	(66,136,710)
	This is made up as follows:		
	7.01 Share Capital	1,000,000	1,000,000
	7.02 Retained Earnings	(110,421,998)	(67,136,710)
		(109,421,998)	(66,136,710)
7.01	Share Capital	1,000,000	1,000,000
	This is made up as follows:		
	Navana CNG Limited 99,995 Shares of Tk. 10/- each	999,950	999,950
	Mr. Shafiul Islam 1 Share of Tk. 10/- each	10	10
	Mr. Khaleda Islam 1 Share of Tk. 10/- each	10	10
	Mr. Saiful Islam 1 Share of Tk. 10/- each	10	10
	Mr. Sajedul Islam 1 Share of Tk. 10/- each	10	10
	Mr. Farhana Islam 1 Share of Tk. 10/- each	10	10
		1,000,000	1,000,000
7.02	Retained Earnings	(110,421,998)	(67,136,710)
	This is made up as follows:		
	Opening Balance	(67,136,710)	(63,435)
	Add: Net Profit for the year	(43,285,288)	(67,073,275)
		(110,421,998)	(67,136,710)

		Amount in Taka	
		June 30, 2019	June 30, 2018
8.00	Non-Current Liabilities	4,359,636,511	3,820,335,028
	This is made up as follows:		
	8.01 Security Retention Money	1,049,160,084	708,350,882
	8.02 Long Term Loan-Net of Current Portion	3,310,476,427	3,111,984,146
		4,359,636,511	3,820,335,028
8.01	Security Retention Money	1,049,160,084	708,350,882
	It represents the Retention Money.		
8.02	Long Term Loan-Net of Current Portion	3,310,476,427	3,111,984,146
	This is made up as follows:		
	City Bank Limited, Gulshan Branch	2,977,697,541	2,853,692,623
	Shahjalal Islami Bank Limited	868,199,420	713,086,786
	Due to Director 8.2.1	5,000	5,000
		3,845,901,961	3,566,784,409
	Less: Long Term Loan- Current portion	535,425,534	454,800,263
	Long Term Loan-Net of current portion	3,310,476,427	3,111,984,146
8.02.1	Due to Director	5,000	5,000
	This is made up as follows:		
	Opening Balance	5,000	5,000
	Add: During the year	-	-
		5,000	5,000
	This represents un-secured and Interest Free Loan from Mr.Shafiul Islam, chairman.		
9.00	Current Liabilities	2,661,215,449	2,076,278,208
	This is made up as follows:		
	9.01 Long Term Loan-Current Portion	535,425,534	454,800,263
	9.02 Short Term Loan	1,088,236,419	640,897,879
	9.03 Provision for Income Tax	21,478,927	3,399,813
	9.04 Inter Company Payables	934,197,019	924,247,019
	9.05 Payable and Accruals	81,877,550	52,933,234
		2,661,215,449	2,076,278,208
9.01	Long Term Loan-Current Portion	535,425,534	454,800,263
	The above amount represents the Long Term Loan due for the curent year.		
9.02	Short Term Loan	1,088,236,419	640,897,879
	This is made up as follows:		
	City Bank Limited, Gulshan Branch	462,766,012	331,094,456
	Shahjalal Islami Bank Limited, Gulshan Branch	625,470,407	309,803,423
		1,088,236,419	640,897,879
9.03	Provision for Income Tax	21,478,927	3,399,813
	This is made up as follows:		
	Opening Balance	3,399,813	-
	Add: Provision during the year	18,079,114	3,399,813
		21,478,927	3,399,813
	Less: Tax Paid/Adjusted during the year	-	-
	Closing Balance	21,478,927	3,399,813
9.04	Inter Company Payable	934,197,019	924,247,019
	It represents the amount payable against Inter Company transactions.		

		Amount in Taka	
		2018-2019	2017-2018
9.05	Payables & Accrual	81,877,550	52,933,234
	This is made up as follows:		
	Liabilities for Expenses	44,544,427	19,757,203
	Sundry Payables	37,333,123	33,176,031
		81,877,550	52,933,234
10.00	Revenue (Net)	3,013,185,645	566,635,442
	This is made up as follows:		
	Hose Clamp	5,100	292,850
	Hose Pipe	104,304	918,400
	LPG 12 KG	396,723,879	373,135,851
	LPG 33 KG	59,725,905	26,196,935
	Refill 12 KG LPG	1,697,908,808	119,399,541
	Refill 33 KG LPG	265,965,323	28,674,316
	Regulator High Pressure	187,340	1,050,642
	Regulator Low Pressure	626,314	4,614,434
	Stove Double Burner	624,960	13,425,890
	Stove Single Burner	195,500	8,172,901
	LPG in Bulk	614,037,981	-
		3,036,105,414	575,881,760
	Less: VAT on Traffic value (General order no.05/VAT/2018)	22,919,769	9,246,318
		3,013,185,645	566,635,442
11.00	Cost of Goods Sold	2,482,175,156	473,375,596
	This is made up as follows:		
	Raw Materials Consumed 11.01	2,294,527,780	572,488,596
	Add: Factory Overhead 11.02	310,316,973	113,569,750
		2,604,844,753	686,058,346
	Add: Opening Work in Process	735,065	-
		2,605,579,818	686,058,346
	Less : Closing Work in Process	-	735,065
		2,605,579,818	685,323,281
	Add: Opening Finished Goods	211,947,685	-
		2,817,527,503	685,323,281
	Less: Closing Finished Goods	335,352,347	211,947,685
		2,482,175,156	473,375,596
11.01	Raw Material Consumed	2,294,527,780	572,488,596
	This is made up as follows:		
	Opening Stock of Raw Materials	238,457,534	57,836,423
	Add: Purchased during the year	2,074,004,200	753,109,707
		2,312,461,734	810,946,130
	Less: Closing stock of Raw Material	17,933,954	238,457,534
		2,294,527,780	572,488,596
11.02	Factory Overhead	310,316,973	113,569,750
	This is made up as follows:		
	Salary & Allowance	5,783,572	11,521,622
	Labour & Wages	4,668,461	4,748,093
	Fuel & Lubricant	737,079	3,346,929
	Electricity Bill	4,765,896	5,565,676
	Factory Repair & Maintenance	977,901	2,094,869
	Loading & Unloading Expenses	2,529,658	2,754,295
	Insurance Premium	6,009,744	3,138,626

	Amount in Taka	
	2018-2019	2017-2018
Security Service	2,253,928	1,504,933
Jetty Rent (Mongla Port)	2,190,343	-
Cantten Subsidy	1,043,958	-
Stationery	303,296	-
Postage, Courier & Mobile Bill	463,285	-
Water Bill	175,222	-
Depreciation (Annexure-A)	278,364,691	78,883,457
Amortization (Annexure-B)	49,939	11,250
	310,316,973	113,569,750
12.00 Administration and Selling Expense	233,493,279	71,444,896
This is made up as follows:		
Salary & Allowances	66,332,885	39,671,557
Audit Fee	57,500	57,500
Bank Charge	747,947	465,755
Board Meeting Attendance Fee	60,000	60,000
Telephone & Mobile Bill	1,080,998	852,784
Conveyance	218,822	216,821
Office Rent	3,410,452	668,100
Entertainment	1,100,618	565,212
Internet Expenses	610,961	370,391
Newspaper & Periodicals	43,266	31,498
Repair & Maintenance	898,735	506,033
Office Maintenance	500,907	415,983
Medical Expenses	155,357	36,115
Postage & Stamp	210,628	219,430
Stationary Expenses	703,274	983,951
Registration & Renewals	4,317,453	1,869,828
Fuel & Lubricant	629,838	420,938
Travelling Expense	1,469,953	385,809
Utility & Service Charge	1,636,550	522,631
Advertisement	16,828,875	350,000
Insurance	1,472,768	-
Loading & Unloading Expenses	1,624,914	-
Distribution Expenses	56,928,405	3,050,883
Business Promotional Expenses	2,848,515	-
Depreciation (Annexure-A)	69,591,173	19,720,864
Amortization (Annexure-B)	12,485	2,813
	233,493,279	71,444,896
13.00 Interest Expenses	444,529,785	120,004,846
The above amount represents the Interest Expenses.		
14.00 Reconciliation of Cash Flows from Operating Activities	551,566,119	12,428,539
Net profit/ (loss) before interest & income tax during the year	297,517,210	21,814,950
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	348,018,288	98,618,384
Changes in current assets and liabilities :		
Advance, deposit & prepayments	25,726,346	(24,958,091)
Tax paid	(59,048,321)	(12,727,472)
Accounts receivable	(187,445,703)	-
inventories	97,853,983	(393,303,861)
Creditors and accrued	28,944,316	322,984,629
	551,566,119	12,428,539

NAVANA LPG LIMITED

Schedule of Property, Plant and Equipment

As at 30th June, 2019

Particulars	Cost		Rate of Dep.	Depreciation		Written Down Value at 30.06.19
	Opening Balance 01.07.2018	Addition dur. the year		Opening Balance 01.07.2018	Charged dur. the year	
Land and Land Development Building & Shed	112,836,864	-	0%	-	112,836,864	
Plant & Machinery	692,773,038	854,253	10%	66,312,339	96,043,849	
Cylinder	1,090,001,460	381,787,653	10%	114,114,912	1,345,522,439	
Tools & Equipment	1,318,367,288	976,721,823	10%	160,351,601	204,846,497	
Furniture & Fixtures	11,501,951	3,445,172	10%	1,140,170	1,857,681	
Vehicles	5,276,403	124,099	10%	505,122	761,844	
	55,012,567	37,380,456	10%	5,531,720	8,497,876	
Total	3,285,769,571	1,400,313,456		347,955,864	446,560,186	

Depreciation Charged to :

Cost of Goods Sold	278,364,691
Administrative & Selling Expenses	69,591,173
	347,955,864

Schedule of Intangible Assets as at 30th June, 2019

Particulars	Cost		Rate of Amr.	Amortization		Written Down Value at 30.06.2019
	Opening Balance 01.07.2018	Addition dur. the year		Opening Balance 01.07.2018	Charged dur. the year	
Software System	225,000	707,500	10%	14,063	76,486	
Total	225,000	707,500		62,424	856,014	

Amortization Charged to :

Cost of Goods Sold	49,939
Administrative & Selling Expenses	12,485
	62,424



Navana CNG Limited

125/A, Motijheel C/A Dhaka-1000

Proxy Form

I/We.....of
being
 a member of Navana CNG Limited do hereby appoint Mr./Mrs.
 of
 as my/our proxy to attend and vote for me/us and on my/our behalf at the 15th Annual General Meeting of the Company to be held on 23 December 2019 at 11:00 a.m. at SENAMALANCHA, Dhaka Cantonment (Western side of Naval Headquarters), Airport Road, Dhaka and at any adjournment thereof.



Name of Shareholder

Name of Proxy.....

No. of Shares held.....

.....

B.O. A/C. No.

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Signature of Proxy

Date.....

Signature of Shareholder

Cell.....

Note :
 A member entitled to attend and vote at the Annual General Meeting may appoint a proxy to attend and vote in his/her behalf. The Proxy Form, duly stamped must be deposited at the Registered Office of the Company atleast 48 hours before the meeting.



Navana CNG Limited

Attendance Slip

I/We hereby record my/our presence at the 15th Annual General Meeting on 23 December 2019 at 11:00 a.m. at SENAMALANCHA, Dhaka Cantonment (Western side of Naval Headquarters), Airport Road, Dhaka.

Name of Shareholder

Name of Proxy

No. of Shares held.....

.....

B.O. A/C No.

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Signature of Proxy

Date

Signature of Shareholder.....

Cell.....

N.B. Please present this slip at the Registration Desk. Signature must match with your recorded signature.

Hon'ble Shareholders are hereby informed that due to restriction imposed by Bangladesh Securities and Exchange Commission there shall be no arrangement for any sort of gift / entertainment in the Annual General Meeting of the Company



Navana CNG Limited

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